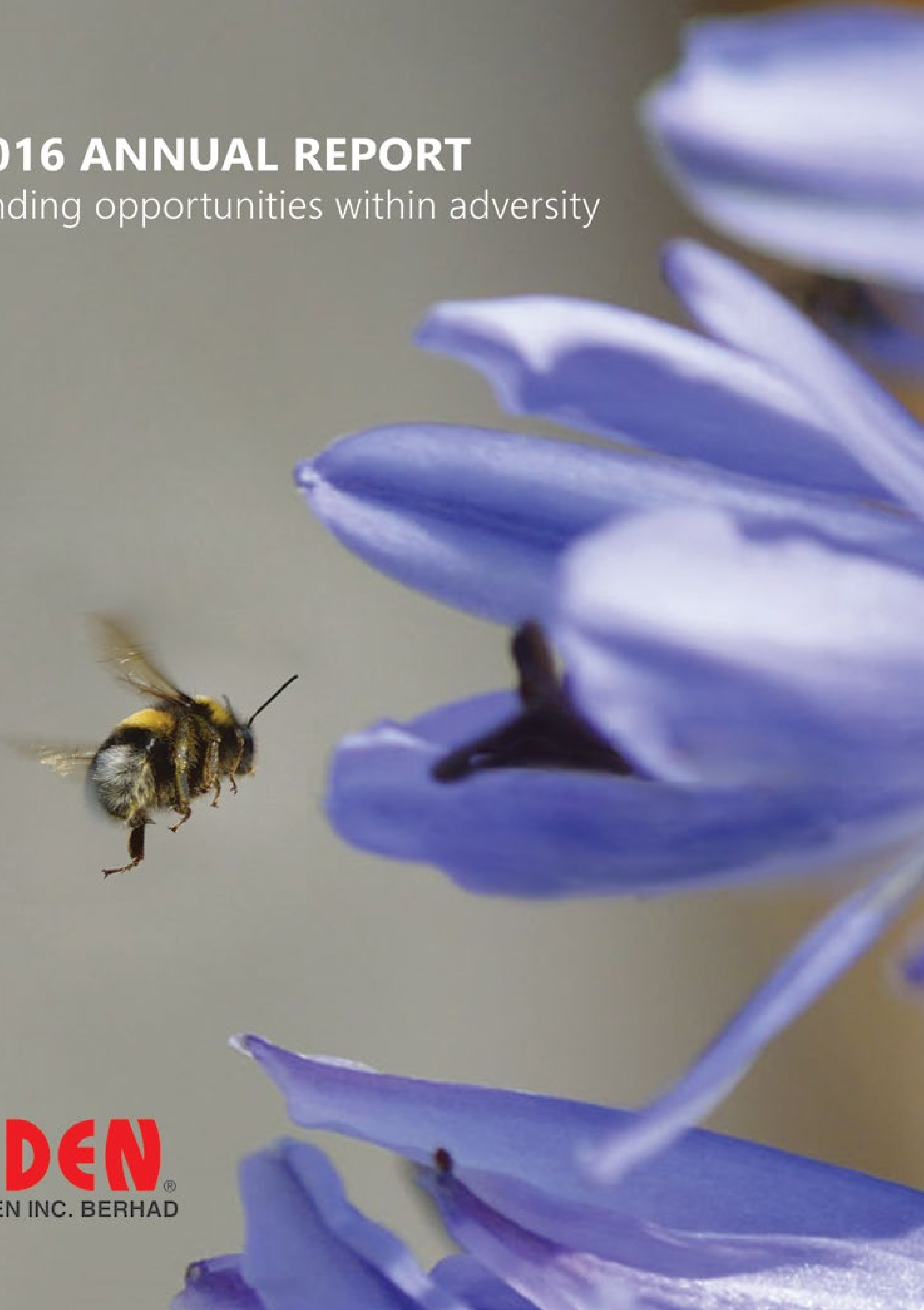
2016 ANNUAL REPORT
Finding opportunities within adversity



EDEN INC. BERHAD

Cover Rationale

The nature-inspired concept symbolizes the perseverance to succeed.

The bee is known to determinedly forage for miles away from its hive, in search of sustenance for its colony. This admirable act is portrayed on our annual report cover for this year, which carries the theme: 'Finding Opportunities within Adversity'.

Despite global economic uncertainties and challenges, Eden remains determined to seek new opportunities and achieve growth for the Group, like a bee tirelessly perseveres against hardship to reach success.

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NOTICE OF *ANNUAL GENERAL MEETING*

NOTICE IS HEREBY GIVEN that the THIRTY-NINTH ANNUAL GENERAL MEETING ("39th AGM") of the Company will be held at Banquet Hall, Persatuan Alumni Universiti Malaya (PAUM) Clubhouse, Lot 10476, Jalan Susur Damansara (Jalan Damansara Lama), 50480 Kuala Lumpur, Wilayah Persekutuan on Thursday, 8 June 2017 at 10:00 a.m. for the following purposes: -

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and the Auditors thereon..	(Please refer to Explanatory Note 1)
2. To approve the Directors' fees of RM280,000.00 for the financial year ended 31 December 2016.	(Resolution 1)
3. To approve the payment of the Directors' benefits to the Non-Executive Directors up to RM130,000.00 from 1 January 2017 until the next Annual General Meeting.	(Resolution 2)
4. To re-elect the following Directors who are to retire pursuant to Article 95 of the Company's Articles of Association and being eligible, have offered themselves for re-election:- (a) Dato' Abdullah A. Rasol; (b) Dato' Nik Mohd Fuad Bin Wan Abdullah; and (c) Dato' Anuarudin Bin Mohd Noor.	 (Resolution 3) (Resolution 4) (Resolution 5)
5. To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	(Resolution 6)
As Special Business To consider and if thought fit, with or without any modification, to pass the following ordinary resolutions:- **6. ORDINARY RESOLUTION NO. 1** **- AUTHORITY TO ALLOT SHARES OF UP TO TEN PERCENTUM (10%) OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** "THAT subject to Sections 75 and 76 of the Companies Act 2016 and the approval of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be allotted does not exceed ten percentum (10%) of the issued and paid-up share capital of the Company for the time being AND THAT the Directors are also empowered to obtain approval for the listing of and quotation for the additional shares to be allotted on Bursa Malaysia Securities Berhad, AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within the next Annual General Meeting of the Company is required to be held, whichever is earlier." **7. ORDINARY RESOLUTION NO. 2** **- APPROVAL TO CONTINUE IN OFFICE AS INDEPENDENT DIRECTOR** "THAT Dato' Mohamed Salleh Bin Bajuri who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 11 April 2002 be and is hereby retained as an Independent Director of the Company."	 (Resolution 7) (Resolution 8)
8. To transact any other business for which due notice has been given in accordance with the Companies Act 2016 and the Company's Articles of Association.	

NOTICE OF *ANNUAL GENERAL MEETING*

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
YEOW SZE MIN (MAICSA 7065735)
Joint Company Secretaries

Petaling Jaya
Dated: 29 April 2017

Explanatory Notes to Ordinary and Special Businesses:

1. Item 1 of the Agenda

   This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval from the shareholders for the Audited Financial Statements, and hence, this Agenda item is not put forward for voting.

2. Directors' benefits payable

   The total estimated amount of Directors' benefits payable is calculated based on the number of the Board of Directors' and Board Committees' meetings scheduled to be held in the financial year ending 31 December 2017 and until the next Annual General Meeting and other benefits. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

3. Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

   The proposed Ordinary Resolution is intended to renew the authority granted by the shareholders to the Directors of the Company at the Thirty-Eighth Annual General Meeting held on 2 June 2016 to issue and allot shares of not more than 10% of the total issued share capital of the Company at any such time to such person in their absolute discretion. This is to avoid any delay and cost involved in convening an Extraordinary General Meeting to approve such an issue of shares. This authority, unless revoked or varied by the Company in an Extraordinary General Meeting, will expire at the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within the next Annual General Meeting of the Company is required to be held, whichever is earlier.

   The authority granted by the shareholders will provide flexibility to the Company to raise funds for the purpose of funding current and/or future investment project(s), working capital and/or acquisition(s).

   The Board of Directors did not issue any shares pursuant to the authority granted by the shareholders at the Thirty-Eighth Annual General Meeting held on 2 June 2016. Therefore, no proceeds have been raised in relation thereto.

4. Approval to Continue in Office as an Independent Director – Dato' Mohamed Salleh Bin Bajuri

   The Board of Directors has vide the Nomination and Remuneration Committee conducted an annual performance evaluation and assessment of Dato' Mohamed Salleh Bin Bajuri ("Dato' Salleh"), who has served as an Independent Director for a cumulative term of more than nine (9) years, and recommended him to continue in office as an Independent Director based on the following justifications:-

   (a) Dato' Salleh has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**MMLR**") and is therefore able to bring independent and objective judgement to the Board;

   (b) Dato' Salleh has been with the Company for fifteen (15) years as at the date of the notice of the AGM and therefore understands the Company's business operations, which enables him to participate actively and contribute during deliberations/discussions at the Audit and Risk Committee, Nomination and Remuneration Committee and Board of Directors' Meetings;

   (c) Dato' Salleh has contributed sufficient time and efforts in his capacity as the Senior Independent Non-Executive Director, the Chairman of the Audit and Risk Committee and the member of Nomination and Remuneration Committee. He has attended all the meetings of the Audit and Risk Committee, Nomination and Remuneration Committee as well as the Board of Directors for informed and balanced decision making;

   (d) Dato' Salleh has exercised due care during his tenure as the Independent Director and carried out his professional duty in the interest of the Company and shareholders;

   (e) Dato' Salleh has not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the Bursa Securities MMLR;

   (f) Dato' Salleh has not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of himself to carry out his duties as an Independent Director; and

   (g) Dato' Salleh does not derive any remuneration and benefits apart from Directors' fees and meeting allowances.

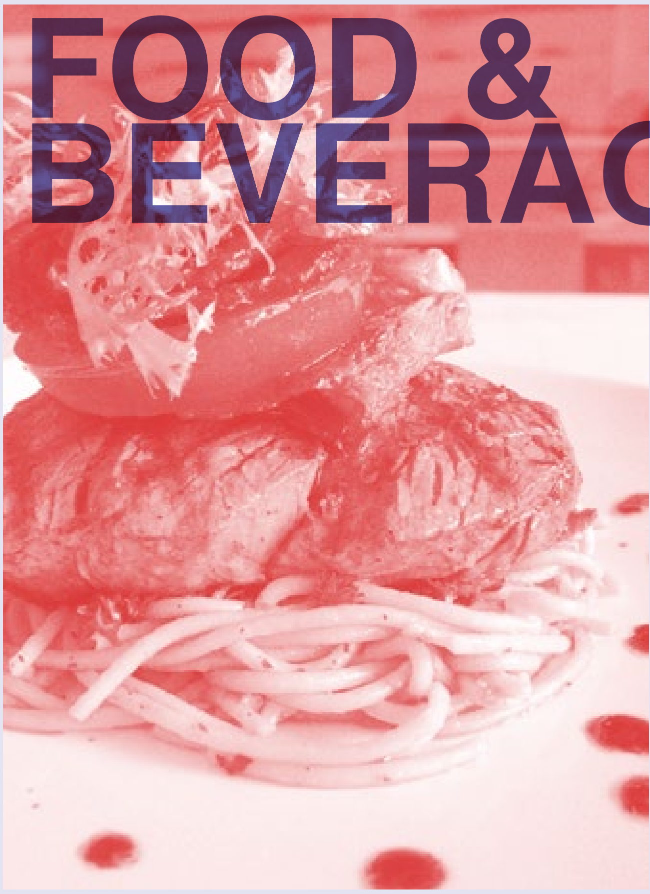
Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 31 May 2017 (General Meeting Record of Depositors) shall be eligible to attend, participate, speak and vote at the Meeting.
2. A member entitled to attend and vote at the Meeting is entitled to appoint up to two (2) proxies at the Meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy must be deposited at the office of Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.

ENERGY

MANUFACTURING

FOOD & BEVERAGE



TOURISM

vision

To be a successful organization that is attractive for people to be proudly working for, and to deal and associate with.

mission

We strive to provide added value to our stakeholders through steady growth and profitability of the businesses we are in, and through the principles of integrity and excellence that we embrace.

values

We are driven by:

Excellence | Striving with passion for higher quality and world class performance.

Integrity | Honest and upright to ourselves and others.

Teamwork | The team is bigger than individuals.

Social Responsibility | Good citizens who give back to the society.

Commitment | Prepared to go the extra mile.

CORPORATE INFORMATION

Board of Directors

Tan Sri Abd Rahim Mohamad
(Executive Chairman)

Puan Sri Fadzilah Md Ariff
(Executive Director)

Dato' Mohamed Salleh Bajuri
(Senior Independent Non-Executive Director)

Datuk Fakhri Yassin Mahiaddin
(Non-Independent Non-Executive Director)

Dato' Anuarudin Mohd Noor
(Independent Non-Executive Director)

Datuk Seri Ahmad Hj Kabit
(Independent Non-Executive Director)

Dato' Abdullah A. Rasol
(Executive Director, Corporate Affairs)

Dato' Nik Mohd Fuad Wan Abdullah
(Executive Director, Energy Sector)

Audit and Risk Committee

Dato' Mohamed Salleh Bajuri
(Chairman)

Datuk Fakhri Yassin Mahiaddin

Dato' Anuarudin Mohd Noor

Datuk Seri Ahmad Hj Kabit

Nomination & Remuneration Committee

Dato' Anuarudin Mohd Noor
(Chairman)

Dato' Mohamed Salleh Bajuri

Datuk Fakhri Yassin Mahiaddin

Registered Office and Corporate Office

15th Floor, AmcorpTower, Amcorp Trade Centre
18, Jalan Persiaran Barat, Off JalanTimur
46050 Petaling Jaya, Selangor

Tel No: (603) 7957 7781
Fax No: (603) 7957 4793

Website: www.edenzil.com

Share Registrar

Securities Services (Holdings) Sdn. Bhd. (36869-T)
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur

Tel No: (603) 2084 9000
Fax No: (603) 2094 9940

Auditors

Ernst & Young
Level 23A Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur

Tel No : (603) 7495 8000
Fax No: (603) 2095 9078

Company Secretary

Ms. Chua Siew Chuan (MAICSA 0777689)

Ms. Yeow Sze Min (MAICSA 7065735)

Principal Bankers

RHB Islamic Bank Berhad

Malayan Banking Berhad

CIMB Islamic Bank Berhad

Stock Exchange

Main Market of Bursa Malaysia
Securities Berhad
Stock Code – 7471

CORPORATE STRUCTURE

ENERGY

The Energy Sector is the major growth engine for EDEN and has a proven track record in developing, operating and maintaining the current plants: Libaran Power Station and Kenerong Hydro Power Station, both of which are ISO 9001:2000 accredited power plants.

Stratavest Sdn. Bhd. (360701-W)	100 %
Langkawi Batik Enterprises Sdn. Bhd. (274392-A) - **Musteq Hydro Sdn. Bhd.** (231476-A)	100 % 100 %

MANUFACTURING

Time Era is located in Kajang Technology Park and is a leading producer and manufacturer of low-voltage switchgears and electrical components.

Time Era Sdn. Bhd. (190545-H) - **NES Electric (M) Sdn. Bhd.** (83684-A) - **Time Era Industries Sdn. Bhd.** (368220-K) - **Cur (Far East) Sdn. Bhd.** (116267-T) - **Time Era Technologies Sdn.Bhd.** (416310-M)	70% 100% 100% 75.40% 72%

FOOD & BEVERAGE

The hallmarks of EDEN restaurants are their excellent food, courteous service and good value for money specializing in Western and Oriental Seafood Cuisines.

Eden Catering Sdn. Bhd. (76000-T)	100 %
Eden Airport Restaurant Sdn. Bhd. (207384-V)	100 %
Eden Seafood Village (Langkawi) Sdn. Bhd. (274396-T)	100 %
Eden Seafood Village Sdn. Bhd (58693-T)	95.35 %

TOURISM

Underwater World Langkawi, is a 'must see' tourist attraction in Langkawi and a venue for research and development of marine wildlife.

Underwater World Langkawi Sdn. Bhd. (273852-K)	100 %

DIRECTORS' PROFILE

Tan Sri Abd Rahim Mohamad
Executive Chairman

Tan Sri Abd Rahim Mohamad, Malaysian, aged 67, the Executive Chairman of EDEN since 18 October 2002, graduated from University Malaya with B.A.(Hons), then went on to do his Advanced Diploma in Economics at University of Manchester, and later earned an MBA in Finance from Morehead State University, Kentucky. He later attended Wharton's Advance Management Course for Overseas Bankers.

Tan Sri Abd Rahim Mohamad has extensive experience in various government ministries. As an Administrative and Diplomatic Service Officer, he served in various capacities in the Prime Minister's Department, Ministry of Finance, Ministry of Primary Industries and Ministry of Culture, Youth & Sports. He left the public sector in 1984 to join Amanah Merchant Bank Berhad. He also served in Shapadu Group and Maju Holdings. In 1992 he set up Zil Enterprise Sdn. Bhd. where he is also the Executive Chairman.

He is the spouse of Puan Sri Fadzilah Md Ariff who is the Executive Director of Eden Inc. Berhad and father-in-law of Datuk Fakhri Yassin Mahiaddin who is a Non-Independent and Non-Executive Director of Eden Inc. Berhad.

He does not at present hold any shares in EDEN but is a major shareholder of the Company by virtue of his direct interest of more than 15% equity interest in Zil Enterprise Sdn. Bhd. and his direct interest of more than 15% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd. and by virtue of his spouse, Puan Sri Fadzilah Md Ariff's shareholding in the Company, by virtue of his daughter, Fara Nadia Abd Rahim's shareholding in the Company and by virtue of his son-in-law, Datuk Fakhri Yassin Mahiaddin's shareholding in the Company.

He is not a Director of any other public company and has not been convicted of any offences within the past 10 years other than traffic offences.

Puan Sri Fadzilah Md Ariff
Executive Director

Puan Sri Fadzilah Md Ariff, Malaysian, aged 63, was appointed Executive Director of EDEN on 18 October 2002. She graduated with an Honours Degree in English from University of Malaya and went on to complete her Masters in Language and Linguistics at the University of York, England.

She was a lecturer at University of Technology Malaysia and later University Malaya before joining Zil Enterprise Sdn. Bhd. as its Managing Director in 1992.

Puan Sri Fadzilah Md Ariff is the spouse of Tan Sri Abd Rahim Mohamad who is the Executive Chairman of Eden Inc. Berhad and mother-in-law of Datuk Fakhri Yassin Mahiaddin who is a Non-Independent and Non-Executive Director of Eden Inc. Berhad.

She currently holds 4,831,900 ordinary shares in EDEN and is a major shareholder of the Company by virtue of her spouse, Tan Sri Abd Rahim Mohamad's direct interest of more than 15% equity interest in Zil Enterprise Sdn. Bhd. and her spouse's direct interest of more than 15% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd. and by virtue of her daughter, Fara Nadia Abd Rahim's shareholding in the Company and by virtue of her son-in-law, Datuk Fakhri Yassin Mahiaddin's shareholding in the Company.

She is not a Director of any other public company and has not been convicted of any offences within the past 10 years other than traffic offences.

Dato' Mohamed Salleh Bajuri
Senior Independent Non-Executive Director

Dato' Mohamed Salleh Bajuri, Malaysian, aged 65, is a Senior Independent Non-Executive Director of EDEN since 11 April 2002. He is a Chartered Accountant from Ireland and Member of Malaysian Institute of Accountants ("MIA"). He was a Senior Auditor with Messrs. Peat Marwick & Co before he joined Mayban Finance Berhad as a Manager in 1979 and was later promoted in 1984 as General Manager. From 1988 to 1992 he served Malayan Banking Berhad as a General Manager. He subsequently joined JB Securities Sdn. Bhd. as its Managing Director and in 1995 joined CRSC Holdings Berhad as the Executive Director.

Between 1982 and 1987, he was Alternate Chairman of the Association of Finance Companies in Malaysia ("AFCM") and was Chairman of AFCM Committees for Education and Public Relations. From 1997 to 1999, he was a Director of Saham Sabah Berhad and was one of the trustees for Yayasan Kebajikan SDARA and Tabung Anak-anak Melayu Pontian Sdn. Bhd. He was also the Chairman of Agro Bank Malaysia (formerly known as Bank Pertanian Malaysia Berhad) from 2008 to 2010.

Dato' Mohamed Salleh Bajuri is presently a Director of Asian Pac Holdings Berhad, Harbour Link Group Berhad, SAM Engineering & Equipment (M) Berhad (formerly known as LKT Industrial Berhad), and Milux Corporation Berhad. He currently holds 375,000 ordinary shares in EDEN.

He does not have any family relationship with any Director or substantial shareholder and does not have any conflict of interest with EDEN. He has not been convicted of any offences within the past 10 years other than traffic offences.

He is also the Chairman of the Audit and Risk Committee and member of Nomination and Remuneration Committee of EDEN.

Datuk Fakhri Yassin Mahiaddin
Non-Independent Non-Executive Director

Datuk Fakhri Yassin Mahiaddin, Malaysian, aged 41, a Non-Independent and a Non-Executive Director of EDEN since 8 August 2007 graduated from Queen Mary College, University of London, United Kingdom with a Bachelor of Science (Econs) Degree in Business Economics.

He is currently the Executive Chairman of Thriven Global Berhad a real estate and property development company listed on the Main Board of Bursa Malaysia.

He is the son-in-law of Tan Sri Abd Rahim Mohamad, the Executive Chairman of Eden Inc. Berhad and Puan Sri Fadzilah Md Ariff, the Executive Director of Eden Inc. Berhad.

He currently holds 40,000 ordinary shares in EDEN.

He has not been convicted of any offences within the past 10 years other than traffic offences.

Datuk Fakhri Yassin Mahiaddin was appointed as a member of the Audit and Risk Committee of EDEN on 29 April 2010 and the Nomination and Remuneration Committee on 25 April 2013

DIRECTORS' PROFILE

Dato' Anuarudin Mohd Noor
Independent Non-Executive Director

Dato' Anuarudin Mohd Noor, Malaysian, aged 68, an Independent Non-Executive Director since 1 March 2013, graduated from University Technology MARA with a Professional Certificate from the Association of Chartered Certified Accountants UK in 1970.

He is a Chartered Accountant and a member of the Malaysian Institute of Accountants.

He began his impressive career in the Energy/Utility sector when he joined Tenaga Nasional Berhad (TNB) as an Accountant in 1972. During his tenure with TNB, he had gathered vast knowledge and experience in Corporate Finance, Auditing, Corporate Reporting & Business Development.

At the same time, he has contributed significantly in TNB's business investment especially when he was the Head of Corporate Finance & New Business, where he was responsible for TNB's business ventures.

He has over 32 years working experience at senior management level with TNB. He was also among others, the Chairman of Fibrecomm Network (M) Sdn Bhd and Jana Landfill Sdn Bhd. which are subsidiaries of TNB. He was also appointed as a director in numerous subsidiaries of TNB such as TNB Coal Sdn Bhd, TNB Transmission Network Sdn Bhd and Tenaga Cable Industries Sdn Bhd.

His vast experience in the Energy/Utility & Financing including the direct tapping of the American capital market has led to his involvement in countless corporate ventures. He currently holds 20,000 ordinary shares in EDEN. He does not have any family relationship with any Director or substantial shareholder and does not have any conflict of interest with EDEN.

He is not a Director of any public company and has not been convicted of any offences within the past 10 years other than traffic offences.

Dato' Anuarudin Mohd Noor was appointed as a member of the Audit and Risk Committee on 1 March 2013 and Chairman of Nomination and Remuneration Committee of EDEN on 26 April 2016.

Datuk Seri Ahmad Hj Kabit
Independent Non-Executive Director

Datuk Seri Ahmad Bin Hj. Kabit, Malaysian, aged 63, was appointed as Independent Non-Executive Director of Eden Inc Berhad on 27 May 2013. He is a Bachelor of Arts graduate from the University of Malaya and also holds a Master of Public Administration from the University of Southern California, Los Angeles, USA. He also completed the Oxford Management Programme, Templeton College, University of Oxford (UK) (2005).

Datuk Seri Ahmad Bin Hj. Kabit has extensive experience in various government ministries. He was an Administrative and Diplomatic Officer with various governmental authorities from 1976 to 2012, namely the Ministry of International Trade & Industry, Public Service Department, the Ministry of Information, the Department of Road Transport Selangor, the Ampang Jaya Municipal Council, the Ministry of Health and the Ministry of Housing and Local Government.

He has not been convicted of any offences within the past 10 years other than traffic offences.

Datuk Seri Ahmad Bin Hj. Kabit, was appointed as a member of the Audit and Risk Committee on 26 April 2016.

Dato' Nik Mohd Fuad Wan Abdullah
Executive Director, Energy Sector

Dato' Nik Mohd Fuad Wan Abdullah, 50, is a Chartered Accountant of the Malaysian Institute of Accountants and a CPA of CPA Australia. He graduated with a Bachelor of Commerce from the Australian National University.

He started his career as an auditor with Ernst & Young prior to joining Zil Enterprise Sdn Bhd in 1992 as Finance Manager. In line with the corporate exercise in 2002 involving ZIL and EDEN, he was absorbed into EDEN as the Director of Finance before being appointed as Director of Energy Sector.

He does not have any family relationship with any Director or substantial shareholder. He is not a Director of any other public company and he has not been convicted of any offence within the past 10 years other than traffic offences.

Dato' Nik Mohd Fuad Wan Abdullah was appointed as Executive Director, Energy Sector on 1 March 2014.

Dato' Abdullah A. Rasol
Executive Director, Corporate Affairs

Dato' Abdullah A. Rasol, Malaysian, aged 66, was appointed to the Board on 1 March 2014. He is a Fellow of the Chartered Association of Certified Accountants, United Kingdom and a Chartered Accountant with the Malaysian Institute of Accountants.

Prior to joining Eden Inc. Berhad, he was the Executive Director and Chief Executive Officer of Amanah General Insurance Berhad. He served the Amanah Capital Group since 1984, initially serving as the Finance Manager of Amanah Merchant Bank Behad (AMBB) and moving on towards corporate banking and subsequently as the General Manager of AMBB. His tasks whilst at AMBB include marketing and evaluation of credit facilities, management of assets, financial advisory, equity restructuring and project financing. He gained audit and accounting experience in Coopers & Lybrand, Guthrie Malaysia Holdings Berhad and Pernas Construction Sdn. Bhd. prior to joining AMBB.

Dato' Abdullah A. Rasol is presently Chairman of the Audit Committee and a member of the Remuneration Committee of Pasdec Holdings Berhad.

He has not been convicted of any offence within the past 10 years other than traffic offences.

MANAGEMENT TEAM

Tan Sri Abd Rahim Mohamad **Executive Chairman**

Tan Sri Abd Rahim Mohamad, aged 67, the Executive Chairman of EDEN since 18th October 2002, graduated from University Malaya with B.A (Hons), then went on to do his Advanced Diploma in Economics at University of Manchester, and later earned an MBA in Finance from Morehead State University, Kentucky. He later attended Wharton's Advance Management Course for Overseas Bankers.

Tan Sri Abd Rahim Mohamad has extensive experience in various government ministries. As an Administrative and Diplomatic Service Officer, he served in various capacities in the Prime Minister's Department, Ministry of Finance, Ministry of Primary Industries and Ministry of Culture, Youth & Sports. He left the public sector in 1984 to join Amanah Merchant Bank Berhad. He also served in Shapadu Group and Maju Holdings. In 1992 he set up Zil Enterprise Sdn. Bhd. where he is also the Executive Chairman.

Puan Sri Fadzilah Md Ariff **Executive Director**

Puan Sri Fadzilah Md Ariff, aged 63, was appointed Executive Director of EDEN on 18th October 2002. She graduated with an Honours Degree in English from University of Malaya and went on to complete her Masters in Language and Linguistics at the University of York. She was a lecturer at University Teknologi Malaysia and later University Malaya prior to joining Zil Enterprise Sdn. Bhd as its Managing Director in 1992.

Dato' Abdullah A. Rasol **Executive Director, Corporate Affairs**

Dato' Abdullah A. Rasol, 66, is a Fellow of the Chartered Association of Certified Accountants FCCA (UK) and is a Chartered Accountant (Malaysia). He started his professional career in 1973 with Coopers & Lybrand. His progress up the corporate ladder over a period of 28 years began during his tenure with several companies under Amanah Capital Berhad. He left his post as Executive Director/Chief Executive Officer of Amanah General Insurance Berhad in November 2002 to join EDEN. He was appointed EDEN's Executive Director, Corporate Affairs on 1st March 2014.

Dato' Nik Mohd Fuad Wan Abdullah **Executive Director, Energy Sector**

Dato' Nik Mohd Fuad Wan Abdullah, 50, is a Chartered Accountant of the Malaysian Institute of Accountants and a CPA of CPA Australia. He graduated with a Bachelor of Commerce from the Australian National University. He started his career as an auditor with Ernst & Young for 4 years prior to joining Zil Enterprise Sdn. Bhd. In 1992 as Finance Manager. In line with the corporate exercise in 2002 involving Zil and EDEN, he was absorbed into EDEN as the Director of Finance before being appointed as Director of the Energy Sector. On 1st March 2015, he was appointed EDEN's Executive Director, Energy Sector.

Puan Fara Nadia Abd Rahim **Chief Operating Officer**

Puan Fara Nadia Abd Rahim, 39, is a graduate from King's College of London. She graduated with First Class Honours in Electronic Engineering in 2002. Prior to joining EDEN, she was attached to Time Era Sdn Bhd. She was appointed Manager of Operations upon the completion of the reverse takeover of EDEN by Zil Enterprise Sdn Bhd in October 2002 and subsequently held positions within the Eden Group where her last post was as the General Manager of Group Finance and Business Development until 2012. She completed her Master of Business Administration ("MBA") from Monash University in Melbourne before returning to EDEN in 2014 assuming the role of Chief Operating Officer.

Mr Ting Kam Cheong **Director, Manufacturing Sector**

Mr Ting Kam Cheong, 64, is a graduate from Bradford University, United Kingdom. He holds an Honours Degree in Electrical & Electronic Engineering and a Masters Degree in Business Administration. He has more than 5 years experience in Corporate Finance in public companies and more than 20 years experience in the electrical field. He is the founder member of Time Era Sdn. Bhd. And has served as its Chief Executive Officer since its inception. Time Era is now a member of EDEN Group of Companies.

Encik Abdul Rafee Othman **Group Financial Controller**

Encik Abdul Rafee Othman, 55, joined EDEN in October 2004 as the Group Financial Controller to oversee the treasury and financial requirements of the Group. He holds an Honours Degree in Accounting from University Kebangsaan Malaysia. He started his career as a Credit and Marketing Officer in MIDF group and has 15 years experience in the banking industry. He was later transferred to the insurance sector as the Senior Manager Task Force Unit. Prior to joining EDEN, he was the Assistant General Manager of Amanah General Asset Berhad. He currently reports to the Executive Director.

Encik Abdul Razak A. Aziz **Senior Manager, Property Division**

Encik Abdul Razak Aziz, 57, joined the company on 1st February 2013 and heads its property division. He has considerable experience in property development, having been involved in the property development of Bangsar Sri Damansara and Bandar Manjalara while working with Land & General Berhad and the SPK Group in the 1990s. He holds an LLB (Hons) in Business Law (City) Lon and had also previously served in the legal and secretarial division of the Pahang Government's group of companies and several public listed companies. Prior to joining EDEN, he was a partner of a corporate advisory services firm in Kuala Lumpur. He currently reports to the Executive Director.

Encik Izwan Zainal Abidin **Senior Manager, Energy Sector**

Encik Izwan Zainal Abidin, 39, graduated with Bachelor of Science in Electrical Engineering from Southern Illinois University-Carbondale, USA in 2000. He has considerable experience in electrical construction works and projects. He previously served in various capacities within various companies, where he started his professional career in 2000 as a design engineer for power transformer manufacturer, and worked up the corporate ladder until he became a Project Manager. Among the notable Clients he had the privilege to work with were Petronas, Petronas Sudan, Tenaga Nasional Berhad, MMC Corporation Bhd, Malakoff Corporation Bhd and Boustead Naval Shipyard. He joined the company on 6 January 2015 as a Senior Manager.

Mr Narinder Singh **Senior Manager, Internal Audit & Risk Assurance**

Mr Narinder Singh, 45, joined the EDEN Group in October 2007 as an Internal Audit Manager. He is a Fellow of the Institute of Public Accountants (IPA) Australia, Fellow of the Institute of Financial Accountants (IFA) United Kingdom and an Associate Member of the Institute of Internal Auditors (AIIA) Malaysia. He is also currently appointed as a branch council member of the Institute of Public Accountants (IPA) for Malaysia branch. He graduated with a Bachelor of Business majoring in Accounting from the University of Central Queensland Australia. He started his career in 1996 as a Cost Accountant in Australia. Upon returning to Malaysia in 2001 he furthered his career as an External Auditor and gradually moved towards Internal Auditing and Risk Management. He has served in various public listed companies and has more than 18 years experience in industries such as Investment Holding, Oil & Gas, Energy, Manufacturing, Hotels, Construction, FMCG and F&B. Currently, he is the Senior Manager of Internal Audit & Risk Assurance Department. He reports administratively to the Risk Management Committee and functionally to the Audit and Risk Committee.

Puan Noordini Mohd Ariff **Senior Manager, Human Resource and Administration**

Puan Noordini Mohd Ariff, 52, joined the Eden Group on 5 May 2003 as an Operations Executive. Prior to that, she had studied and worked in Lahore and Staffordshire in the health sector. She has served the company in various capacities during the last thirteen years holding posts within the Food and Beverage and Tourism Sector. She subsequently moved to the head office overseeing the procurement division and subsequently the Human Resource and Administration Department where she currently holds the position of Senior Manager, Human Resource and Administration.

Cik Nurazlyana Abd Aziz **Manager, Legal & Secretarial**

Cik Nurazlyana Abd Aziz, aged 33 assumed her position as Manager, Legal & Secretarial on 14th September, 2015. Upon obtaining her Bachelor's Degree in Law from MARA University of Technology, she started her career with Messrs Lee Swee Seng & Co. Prior to joining the company, she was with Pacific Inter-Link Sdn Bhd. She currently reports to the Executive Director.

CHAIRMAN'S STATEMENT

VALUED SHAREHOLDERS OF EDEN INC. BERHAD ("EDEN"),

It is with great pleasure that I present to you the Group's Annual Report for the financial year ended 31 December 2016 ("FY 2016").

THE YEAR IN REVIEW

The challenges that we faced in 2015 continued into 2016, compounded by the global economic volatility, weaker commodities market and the underperformance of the Ringgit. Business and consumer sentiments were affected by these factors and we continued to face headwinds from the higher cost of living and soft employment conditions.

Operationally, we had our fair share of situations which were less than ideal, but we are confident that when both plants are fully recommissioned, the Group would be well on the right path to profitability! In 2016, we were successful in recommissioning the power plants and with the partial recommissioning, the Energy Sector recorded an increase in revenue by 10% whilst the other two sectors, namely the Food and Beverage ("F&B") and Tourism Sector and Manufacturing Sector were profitable. We threaded the year on a cautious note and continue to be cautious on any business expansion that is not within the current business segments. Our cost rationalisation efforts were fruitful where we saw a reduction in our administrative expenses by 14% year on year. We will continue to rationalise our costs but without compromising efficiency and quality.

FINANCIAL REVIEW

For fiscal year 2016 ("FY 2016") the Group recorded a Loss Before Tax ("LBT") of RM16.41 million compared to that of fiscal year 2015 ("FY 2015") a LBT of RM16.08 million. The increase in losses was primarily due to the higher impairments made in 2016 reflected in the substantial increase in other expenses which comprised an impairment made on the property, plant and equipment of RM13.80 million.

The Energy Sector via its two power plants, Libaran Power Station ("LPS") and Sungai Kenerong Hydroelectric Power Station ("Sungai Kenerong Plant") continued to be recommissioned during the year which resulted in higher revenue recognised by the Energy Sector. There was a marginal decline in revenue recorded in the Food and Beverage ("F&B") and Tourism Sector by 2% which was mainly due to the shortfall in the Restaurant and Catering segment, nevertheless, the F&B and Tourism Sector continued to be profitable for the year recording PBT of RM7.7 million. The Manufacturing Sector's revenue was affected by the lower sales recorded for its energy efficiency products as most contracts were deferred to the following year. Its profit before tax ("PBT") increased by 180% due to the gain on the disposal of its assets.

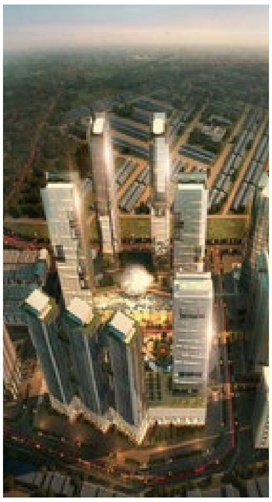
OPERATIONAL REVIEW

The repair, maintenance and overhaul works continued for the year in ensuring that the two power plants will be fully recommissioned. When both plants were partially recommissioned, both power plants recorded higher revenue for the year and hence reduced the operational deficit incurred by the Energy Sector.

The F&B and Tourism Sector continued to be profitable for the year mainly contributed by the Tourism segment. We continued our rationalisation on operations which have not been profitable, cutting our losses and hence, despite the marginal reduction in revenue, there were savings in operating cost for the F&B and Tourism Sector.

The Manufacturing Sector was affected by the lower sales registered locally for its low voltage switchgear items which was mitigated by the increase in sales of its energy efficiency products.






FUTURE PROSPECTS

The global economy is expected to remain soft and volatile in 2017 and domestic demand is still expected to fuel the growth in Malaysia despite the rising cost of living which is expected to dampen consumer spending. 2017 will continue to be another challenging year. Nevertheless, the Group expects that when both its power plants are fully recommissioned in 2017, the performance of the Group will improve significantly. We will continue to focus on the strategies that have been chartered for the Group which, amongst others is to strengthen the existing businesses whilst ensuring that the Group is in a healthy cash flow position to overcome the challenges this coming year. To achieve this, we will continue to rationalise the non-profitable subsidiaries whilst providing greater emphasis on the growth and development of the profitable ones. In addition, we will continue to look for opportunities to monetize our non-generating assets.

For the Energy Sector, the demand for the East Coast remains a priority to enable less dependency on the supply of electricity from the West Coast of Sabah. As such, the relevance of the Libaran Power Plant in the East Coast is unquestionable and we will continue to generate and provide for the needs of electricity generation for Sabah Electricity Sdn Bhd. As for our plant in Kenerong, we will continue to explore the potential of increasing the generating capacity of the plant as well as exploring to look at other opportunities within the Sungai Kenerong tributaries.

The Tourism Sector via Underwater World Langkawi ("UWL") is expected to benefit from the expected number of tourists into Langkawi which is expected to increase by 3.8% to register 3.8 million of tourist in 2017. In addition, UWL's other income is expected to increase with the trading programmes that it has with other existing and new aquaria within South East Asia. With the expected increase in capacity and due to the fact that UWL has almost reached its maximum capacity in terms of the retail and exhibition space, UWL is looking at expanding the areas for the exhibits as well as retail.

The F&B segment will continue to strengthen its Catering segment as the segment has high potential for growth in managing and catering for halls as well as convention centres.

The Manufacturing Sector will continue to make inroads on the development and expansion of its LED street light business whilst improving its local and export sales of the low voltage switchgear products. The sector has identified a big market potential in the supply and installation of LED lighting items. The sector has been actively seeking and securing new retrofitting and new installation projects for LED lights. The customers are increasingly becoming aware of the benefits of LED lights. The adoption of LED lights will see increasing rate of adoption in the lighting market as product quality improves and cost decreases. The sector expects to consolidate its early entry into the market over the coming years.

SUSTAINABILTY

We believe that an organisation should not only look at the bottom line but also how sustainability can be imputed into the profitability of the Group. Although currently sustainability strategies and procedures are not documented, we have however, implemented several sustainability measures within the Group.

The Group continues to contribute to the development of orphanage particularly young children through their annual Ramadhan events. In addition, the Group via UWL continues the sponsored programme that allows school children to participate in daily or overnight activities organised by UWL. These activities are mainly centred in the strengthening of the English language for the school children whilst being educated on the exhibits and animal husbandry processes.

Within the Energy Sector, the employees are primarily locals living in the area. The sector emphasises the importance of health and safety and carries out training for the staff with regards to occupational health and safety. Waste or effluent is treated according to the Department of Environmental procedures to mitigate any environmental risks.

For the F&B and Tourism Sector, our procurement policies support mainly procurement of local products and the requirement to reduce wastage or pilferage to a minimum. For the Tourism segment that operates throughout the day, an energy audit was carried out to enable identification of areas that would lead to potential savings in energy utilisation.

The Manufacturing Sector has been involved in the supply of energy efficient LED lighting to highway operators through retrofitting. LED lights consume a fraction of the power required by conventional lighting. Due to their reduced energy consumption, these lights are being adopted worldwide as readily adoptable method of reducing environmental impact of energy production. The Manufacturing Sector is also assisting the local authorities in their efforts to reduce energy consumption and hence reduce environmental footprint by trial installation of solar cell, battery operated LED lights. Further inroads are expected to be made in this market as the price of LED products continue to fall with increasing market penetration. This will make the switch over from conventional lighting to energy efficient lighting cheaper than is currently possible.

ACKNOWLEDGEMENT

My heartfelt gratitude is extended to the management and staff who have worked tirelessly in this challenging year and the Board for their counsel and support. To our stakeholders; our shareholders, customers, business associates, vendors, relevant authorities and bankers whom have supported us through these years, thank you for all the support that you have given to the Group.

Thank you.

Tan Sri Abd Rahim Mohamad
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis ("MDA") complements and supplements the information in the financial statements and should be read in conjunction with the accompanying financial statements for the period ended 31 December 2016.

OVERVIEW

Eden Inc. Berhad ("the Company") has three main operating sectors, which have been classified under the Energy Sector, Food and Beverage ("F&B") and Tourism Sector and the Manufacturing Sector. Prior to the year 2014, The Energy Sector had always been the main contributor to the Group and is expected to do so when the power plants are fully operational as the Sector provides the long term earnings for the Group. Under the umbrella of the F&B and Tourism Sector, the Restaurants, Catering and operations of the aquarium managed by Underwater World Langkawi ("UWL") are consolidated. The Manufacturing Sector has traditionally manufactured and traded low voltage switchgear items and have recently in the past two years expanded its product segment into energy efficiency products. The sector expects this new product segment to become its main revenue generator for the coming years. These two sectors provide the short to medium term earnings for the Group.

The Group recorded revenue of RM51.28 million in 2016 compared to RM53.80 million in 2015. The main revenue contribution for the year was from the F&B and Tourism Sector (55%, 2015: 53%), Manufacturing Sector (35%, 2015: 38%) and the Energy Sector (13%, 2015: 11%). The Group registered RM16.41 million Loss Before Tax ("LBT") compared to LBT of RM16.08 million recorded in 2015. The higher losses was mainly due to the impairment on the assets of the Libaran Power Plant due to the lower forecasted profitability for the remaining concession of the power plant.

The Group continues to pursue the five strategic pillars, mainly to strengthen its core operations, cash flow position, strive for operational efficiency, emphasis on its people and performance and growth.

ENERGY SECTOR

The two power plants under the Energy Sector are the Libaran Power Station in Sandakan, Sabah, which operates a 60MW diesel fired plant. The Sungai Kenerong Plant operates a 20MW hydroelectric run of the river power plant in Kelantan.

The revenue generated for both power plants of RM6.71 million, improved year on year as compared to year 2015 of RM6.07 million, due to the higher generation recorded. For the Libaran Power Station, higher Energy Payment as well as Capacity payment was recorded. For the Sungai Kenerong Plant, revenue was higher due to the recommencement of a turbine after the plant not being operational in 2015 due to the 2014 unprecedented floods. We expect both the plants to be fully operational in 2017 as we continue the repair, overhaul and maintenance works for both the power plants.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

FOOD AND BEVERAGE ("F&B") AND TOURISM SECTOR

The main driver for this segment is the aquarium and retail complex managed by Underwater World Langkawi Sdn. Bhd. as well as Eden Seafood Village (Langkawi) Sdn. Bhd. Both subsidiaries manage and operate a 148,107 sqft facility in Pantai Cenang, Langkawi, which is a famous tourist stretch. In 2016, there was a 2% increase in number of visitors to UWL. Based on the number of tourist arrivals to Langkawi, this represented approximately 14% of the total number of arrivals in Langkawi. The main composition of arrivals to UWL comprises the locals 77% (2015: 77%) and the international visitors 23% (2015: 23%). The number of visitors increased by 8,434 year on year. UWL continues to invest in the research and development projects of penguins in captivity which have resulted in the successful breeding of 77 penguins, both the Blackfoot as well as the Rockhopper penguins.

The F&B and Tourism Sector recorded RM28.19 million revenue in 2016 compared to RM28.63 million in 2015. The marginal decline was due to the lower number of customers patronising the restaurant outlets. The sector recorded PBT of RM7.70 million in 2016 compared to RM7.58 million in 2015 primarily due to the absence of a one off reversal made in 2015. Due to the cost rationalisation exercise, the sector had reduced its operating expenses by 2.2%.

MANUFACTURING SECTOR

The Manufacturing Sector primarily manufactures and trades low voltage switchgear products. In 2016, the sector recorded revenue RM18.18 million compared to RM20.90 million recorded in 2015. The decline in revenue was mainly due to the decline in supply for local construction projects due to the price competition. Nevertheless, the sales of LED products increased by 93% year on year where the sector expects the sales to increase yearly. The revenue contribution for the products are mainly from the local market (74%) and from the export market (26%) for year 2016. The sector recorded Profit Before Tax ("PBT") or RM1.09 million primarily due to the gain on the disposal of assets.

HUMAN RESOURCE REVIEW

Human Resource Strategic management plays an important role in developing and retaining future talents for the Group. As such, its strategies are guided by the corporate strategies and its programmes are developed to be aligned with the Company's strategic mission.

The Company places importance on the people and performance issues to develop and retain talent within the organisation. As such, key performance indicators and succession planning are the key areas that are currently being developed.

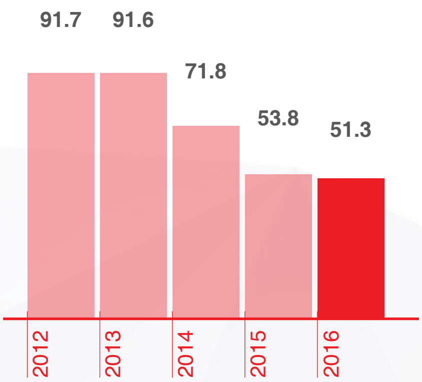
FUTURE PROSPECTS

The areas of focus for the coming year for the Group will be aimed towards the full recommissioning of the two power plants as the Energy Sector is expected to spearhead the contribution to the Group's performance in the coming year. The Group will continue its rationalisation efforts within the restaurant segment whilst strengthening its Catering and Tourism segment for future developments within the sector. The Manufacturing Sector will increase its contribution to the Group via the sales of the LED street lighting where the sector expects most of the projects that have been postponed will materialise in year 2017.

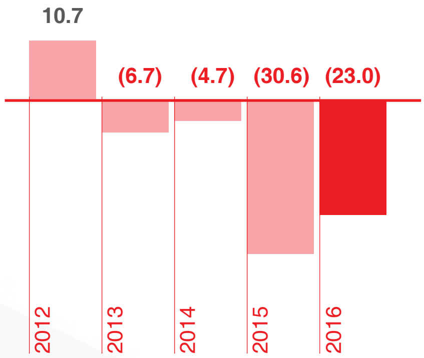
5-YEAR FINANCIAL SUMMARY

		2012	2013	2014	2015	2016
Revenue	(RM'mil)	91.7	91.6	71.8	53.8	51.3
Profit/(loss) before tax	(RM'mil)	13.0	4.1	(9.2)	(16.1)	(16.4)
Profit/(loss) after tax	(RM'mil)	10.7	(6.7)	(4.7)	(30.6)	(23.0)
Shareholders' fund	(RM'mil)	291.3	284.4	291.5	282.1	259.3
Net asset per share	(RM)	0.95	0.93	0.95	0.92	0.84

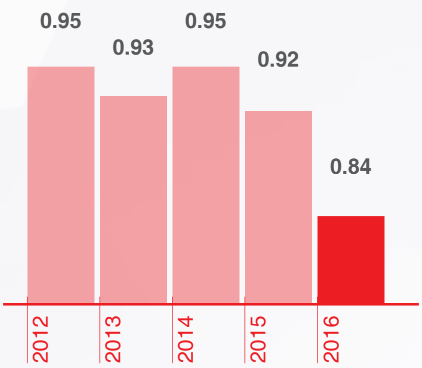
Revenue
(RM'miilion)



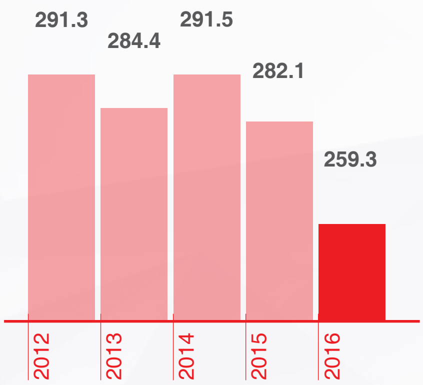
Profit After Tax
(RM'miilion)



Net Asset Per Share
(RM)



Shareholders' Funds
(RM'miilion))



CORPORATE CALENDAR

January 2016

Astro Romantika Programme Shoot

The production and filming of Astro's Romantika Program was carried out at Underwater World where it was highlighted that UWL is a preferred venue by local and international media for the filming of commercial programs and travelogues.



January & August 2016

Libaran Power Station 2016 Events

As part of the Libaran Power Station's maintenance plan, the Net Dependable Capacity Test ("NDC") was carried out for DE3 and DE4 where both engines exceeded the requirement of the 15MW dependable capacity requirement, despite the plant being in operations for 17 years.

February 2016

Chinese New Year Celebration

There was a Chinese New Year dragon dance held at Underwater World Langkawi and the Persatuan Alumni Universiti Malaya ("PAUM") Clubhouse in conjunction with the Chinese New Year Celebration. The Chinese New Year celebration embraces racial diversity with a Lion Dance throughout the complex to wish for a prosperous year ahead.



June 2016

Annual Buffet Ramadhan

The Company held its annual Buffet Ramadhan at The Banquet Hall, PAUM Clubhouse. It received positive response from customers of all walks of life due to the variety of food served. The Ramadhan Buffet will be held every year.

June 2016

Underwater World Ramadhan Berbuka Puasa Event

As part of UWL's annual event, UWL hosted iftar during the fasting month of Ramadhan at Aseania Resort & Spa, Langkawi. It was attended by UWL's employees and families, common industry players, press community as well as several dignitaries. It was held at Aseania Resort & Spa Langkawi.



EDEN's 38th AGM

EDEN's 38th AGM was successfully concluded on 2 June 2016 (Thursday) at the Banquet Hall, Persatuan Alumni Universiti Malaya ("PAUM") Clubhouse, Damansara.

As part of the management's continuous engagement with the staff, Eden HQ staff session was held with the Executive Chairman after concluding Eden's 38th Annual General Meeting.

August 2016

Convoy for Independence Day

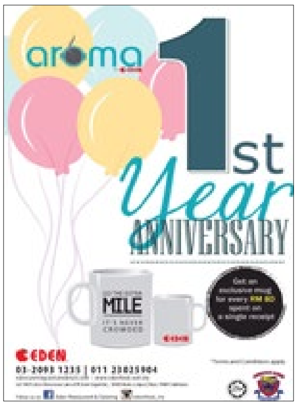
Underwater World Langkawi ("UWL") organized Malaysia's 59th Merdeka Celebrations on 31st August. In conjunction with the celebration, UWL had organized activities for the public including colouring contest and also a convoy. The convoy involved more than 50 superbikes.


Ambang Merdeka Langkawi 2016

UWL collaborated with Langkawi's District Office to host the "Ambang Merdeka Langkawi 2016" celebration. It was attended by some dignitaries from Langkawi. About 20,000 people attended the event from the local and international communities.


October 2016

Aroma Café Turns 1



Aroma Café at PAUM Clubhouse, which is the first café concept under Eden Catering Sdn Bhd celebrated its first year of operations on 5th October 2016. The café has been a favourite within the UM community as well as corporations in the surrounding areas.

December 2016

MyTQA Certification

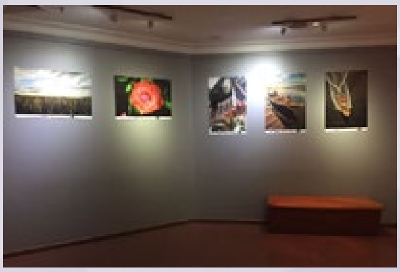
In our continuous effort to provide attractions of international standards, UWL was awarded the prestigious My Tourism Quality Assurance or MYTQA. It was awarded in December 2016 and is valid for three years from 2017 to 2020. The MyTQA accreditation comes with a commitment pledge to provide high quality products and services.

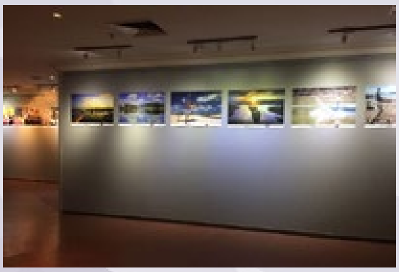
Miss Tourism Pageant Visiting Eden @ KLIA

Customers at Eden@KLIA 1 and KLIA2 were treated to a visit by a bevy of beauties when Miss Tourism Pageant contestants visited KLIA1 & KLIA2 as part of their contest tour and were impressed with the fresh handmade Dim Sum, local dishes and homemade desserts by our very own Dim Sum Chef.

World Photos Exhibition 2016

World Photos Exhibition was held from 1st December 2016 until 1st January 2017 in conjunction with the school holidays. The event was publicized over radio stations all over Malaysia. It was a collaborative effort between Underwater World Langkawi and Non-Government Organisations ("NGOs") under Ministry of Tourism, Arts and Culture Malaysia.





STATEMENT ON CORPORATE GOVERNANCE

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Eden Inc. Berhad ("the Board") recognises that good corporate governance is of paramount importance in ensuring that the Company is managed in the best interest of all shareholders and stakeholders ranging from but not limited to regulators, lenders, creditors, customers, suppliers, employees and communities.

The Board also ensures that there are appropriate systems, processes and procedures in place for the Management to manage the Group's businesses and significant risks which arise there from. Thus, the enhancement of shareholders' value, the determination of strategic direction and the formulation of Company policies are premised along the corporate governance principles of accountability, transparency and integrity.

The Board is pleased to outline below the manner in which the Group has applied the principles of corporate governance in all the Company's procedures and business processes and the extent to which the Company complies with corporate governance best practices advocated by the Malaysian Code on Corporate Governance ("the Code").

THE BOARD OF DIRECTORS

1. Composition of the Board and Board Balance

In discharging its fiduciary and leadership functions the Board has established clear roles and responsibilities to be effective stewards and guardians of the Company. The delegation of authority by the Board to the Management is expressly authorised by the Board. The Board provides specific guidance on the various business activities of the Group and the composition of the Board is regularly reviewed to reflect changes within the Group.

The Board is responsible for overseeing the Management and business affairs and makes all major policy decisions of the Company within the powers accorded to it by the Company's Articles of Association.

The Board currently comprises eight (8) Board members. The four (4) Executive Directors comprise of the Executive Chairman, the Executive Director, the Executive Director, Corporate Affairs and the Executive Director, Energy Sector who provide full and effective control of the Group's business affairs, whilst the check and balance are provided by the four (4) Non-Executive Directors, of whom, three (3) are Independent Directors.

The three (3) Independent Directors represent compliance with the requirement for one-third (1/3) Independent Directors in the Board, pursuant to Paragraph 15.02 (1) of the Main Market Listing Requirements of Bursa Malaysia.

The members of the Board are professionals with calibre and entrepreneurs equipped with a mix of industry specific knowledge with broad business and commercial experience. This wide spectrum of skills and experience provide the strength that is needed to lead the Company to meet its objectives and to provide effective leadership to the Company in aspects of strategy and performance as well as to maintain high standards of governance and integrity in deciding matters relating to strategy, performance, internal controls, investor relations and human resource.

To ensure balance of authority, increased accountability and a greater capacity for independent decision-making, the roles of Executive Chairman and Chief Executive Officer (CEO) are distinct and separate with a clear division of responsibilities between the Chairman and the CEO, so that no individual dominates the decision-making process.

Given the knowledge and extensive involvement of the Executive Chairman in the business deriving from his wealth of experience and industry goodwill benefiting directly the Group; the above roles remain vested in the Chairman.

The roles of the Executive Chairman on one hand and the Executive Director, Executive Director, Corporate Affairs and Executive Director, Energy Sector on the other have been distinguished, with a clear division of their responsibilities to ensure that there is a balance of power and authority.

The Executive Chairman ensures the smooth and effective functioning of the Board, ensuring Board effectiveness and conduct as well as assuming the formal role as the leader in chairing all Board meetings and shareholders' meetings.

THE BOARD OF DIRECTORS (cont'd.)

1. Composition of the Board and Board Balance (cont'd.)

The Executive Directors' role is to assist the Executive Chairman in carrying out his responsibilities. The Executive Directors are responsible for providing strategic leadership and managing relationships with all stakeholders. Meanwhile, the Executive Director, Corporate Affairs advises the Executive Chairman on the strategic vision of the Group in general as well as having overall responsibility in respect of the Group's day to day operations, management and the implementation of Board decisions. As for the Executive Director, Energy Sector, his role is primarily to ensure the coordinated management and operations of the Group's Energy Sector.

The presence of Independent Non-Executive Directors is essential as they are independent from the Management and are free from any business or other relationships that could materially interfere with the exercise of the independent judgment or the ability to act in the best interest of the Group. Accordingly, Dato' Mohamed Salleh Bajuri was appointed as the Senior Independent Non-Executive Director, to whom concerns may be conveyed to. Further, all decisions on matters reserved for the Board are made after due deliberation by the Board and the Board Committees, where required.

The Board is of the view that the current composition of the Board facilitates effective decision making and independent judgment where no individual shall dominate the Board's decision making.

The Board shall continue to strive to ensure its continued independence and balance.

The profiles of the members of the Board are set out on pages 8 - 11 of this Annual Report.

2. Tenure of Independent Director

Dato' Mohamed Salleh Bin Bajuri ("Dato' Mohamed Salleh") was appointed as an Independent Non-Executive Director of the Company on 11 April 2002 and has since served in this capacity for a cumulative term exceeding nine (9) years. Pursuant to Recommendation 3.2 of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"), Dato' Mohammed Salleh's tenure as an independent director should not exceed a cumulative term of nine (9) years and pursuant to Recommendation 3.3 of the MCCG 2012, the Board must justify and seek shareholders' approval in the event it retains him as an independent director.

Pursuant to the commentary in respect of Recommendation 3.3 of the MCCG 2012, notwithstanding Dato' Mohamed Salleh's tenure in office as independent director of more than nine (9) years, the Board is recommending the retention of Dato' Mohamed Salleh as an independent director of the Company for shareholders' approval based on the assessment of the Nomination and Remuneration Committee that Dato' Mohamed Salleh's independence has not been compromised or impaired in any way after assessing the following considerations or criteria:-

- Dato' Mohamed Salleh continues to fulfill the definition of an independent director as set out under Paragraph 1.01 of Bursa Malaysia Securities Berhad's ("**Bursa Securities**") Main Market Listing Requirements;
- During Dato' Mohamed Salleh's tenure in office, Dato' Mohamed Salleh has not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Chairman and Executive Director, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an Independent Non-Executive Director and Chairman of the Audit and Risk Committee and Nomination and Remuneration Committee;
- During Dato' Mohamed Salleh's tenure in office, he has never transacted or entered into any transactions with, or provided any services to, the Company and its subsidiaries or the Executive Chairman, the Executive Director, major shareholders or management of the Company (including their family members) within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of Bursa Securities' Main Market Listing Requirements; and
- During Dato' Mohamed Salleh's tenure in office, he has not been offered or granted any options by the Company. Apart from Directors' fees and allowances paid which had been the norm and had been duly disclosed in the annual reports, no other incentives or benefits of whatsoever nature had been paid to him by the Company.

THE BOARD OF DIRECTORS (cont'd.)

2. Tenure of Independent Director (cont'd.)

- During Dato' Mohamed Salleh's tenure in office, he has not been engaged as an adviser by the Company under such circumstances as prescribed by the Bursa Securities or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Company under such circumstances as prescribed by Bursa Securities; or has not engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities.

Accordingly, based on the abovementioned strong justifications, the Board strongly recommends to retain Dato' Mohamed Salleh as an independent director of the Company and will be tabling an Ordinary Resolution to shareholders to seek their approval on the said retention at the forthcoming Annual General Meeting of the Company

3. Board Responsibilities

The Board assumes the primary responsibilities which include (but are not limited) to the following:-

- Establishment of the overall strategic direction;
- Approval of annual and interim results, acquisitions and disposals, major capital expenditures and budgets;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Maintaining an effective investor and shareholders communication policy;
- Periodic review and adoption of the Company's business policies and strategies;
- Management and staff succession planning; and
- Review of the adequacy and integrity of the Company's internal controls and management information systems.

The roles and responsibilities of the Executive Chairman and Executive Directors are distinct, separate and clearly defined. The Executive Chairman is responsible for ensuring the Board's effectiveness, orderly conduct of the Board, the organisational effectiveness, the Group's operating Business Sectors and the implementation of the Board's policies and resolutions.

Meanwhile, the Executive Directors are responsible for the management of human resources, corporate communications, food and beverage and tourism, corporate affairs as well as the energy sector.

The Company also has an established policy and procedure on Limits of Authority which provides a clearly defined level of authority in relation to governance over transactions carried out and expenditure incurred by the Company.

The roles and responsibilities of the Board is further elucidated in the Board Charter which has been uploaded on the Company's website at www.edenzil.com.

4. Cyber Risk

Cyber risks are clearly a critical component of the Board's responsibilities with regard to Eden's Risk Management Framework. Through Group's Cyber and IT policy, part of the Board roles are to provide oversight and accord sufficient priority and resources to manage cyber risk as well as ensure that the Management continues to promote awareness on cyber resilience at all levels within the Group.

5. Whistleblowing Policy and Procedure

The Board encourages employees within the Group to report suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. The whistleblowing policy and procedure adopted by the Company provides and facilitates a mechanism for any individual to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

THE BOARD OF DIRECTORS (cont'd.)

6. Promoting Sustainability

The Board is responsible to ensure the Group's strategies promote sustainability with attention given to the interest of all stakeholders. Whilst corporate governance forms an integral part of the Group's commitment to corporate responsibility, the long term goal of the Group is to achieve a balance between meeting its business goals and preserving the environment and resources. The Group recognises that sustainability is part of good business practice for long-term shareholder value.

7. Board Meetings

There were five (5) Board Meetings and one (1) special Board Meeting held during the financial year ended 31 December 2016 as follows:-

a. 28 January 2016
b. 24 February 2016
c. 26 April 2016
d. 25 May 2016
e. 29 August 2016; and
f. 25 November 2016

Each Director has attended more than 50% of Board meetings held thus fulfilling the requirement of the Main Market Listing Requirements of Bursa Malaysia.

In advance of and during each Board Meeting, members are each provided with relevant documents and information in a sufficient form and quality appropriate to enable them to make an informed decision.

The number of meetings attended by each Director is as follows:

Directors	Date of Appointment	No. of Board Meetings Attended
Tan Sri Abd Rahim Mohamad (Executive Chairman)	18 October 2002	6/6
Puan Sri Fadzilah Md Ariff (Executive Director)	18 October 2002	6/6
Dato' Mohamed Salleh Bajuri	11 April 2002	6/6
Datuk Fakhri Yassin Mahiaddin	8 August 2007	5/6
Dato' Anuarudin Mohd Noor	1 March 2014	6/6
Datuk Seri Ahmad Hj. Kabit	27 May 2014	5/6
Dato' Abdullah A. Rasol	1 March 2014	6/6
Dato' Nik Mohd Fuad Wan Abdullah	1 March 2014	6/6

8. Supply of Information

The Directors are provided with the relevant agenda detailing the matters to be transacted at the meeting and the Board papers detailing the key issues and recommendations, insufficient time prior to the meeting to enable the Directors to analyse the issues which call for their constructive decision-making and if required, to obtain further information and clarification before the meeting. The Board papers include reports on the Group's financial, operational and corporate development.

The Board has unrestricted access to all information within the Company, whether as a full board or in their individual capacity, which is necessary for the discharge of its responsibilities. The Company Secretary ensures that the Board receives appropriate and timely information for its decision-making, that the Board meeting procedures are followed, and compliance with all the applicable statutory and regulatory requirements. The Directors also have the option of seeking independent professional advice in discharging their fiduciary duties.

THE BOARD OF DIRECTORS (cont'd.)

9. Board Professional Development

In compliance with the Main Market Listing Requirements of Bursa Malaysia, all members of the Board had attended the Mandatory Accreditation Programme (MAP).

In relation to the requirement for Continuous Education Programme (CEP), the Board assumes the onus of determining or overseeing the training needs of the Directors of the Company. During the year, the Directors had attended various seminars, courses, and training to keep abreast with the development on variety of areas relevant to the Group's business.

The followings are some of the conferences, seminars, workshops and training programmes attended by the Directors:-

Names of Directors	Title	Organised By
a. Tan Sri Abd Rahim Mohamad	• Governance and Integrity- A Rhetoric or Reality	• Legal & Secretarial Department, Eden Inc. Berhad
b. Puan Sri Fadzilah Md Ariff	• Governance and Integrity- A Rhetoric or Reality	• Legal & Secretarial Department, Eden Inc. Berhad
c. Dato' Mohamed Salleh Bajuri	• Nomination Committee Programme Part 2: Effective Board Evaluations • Training on sustainability Reporting for Listed Issuers • CG Breakfast Series : Anti- Corruption & Integrity - Foundation of Corporate Sustainability • Governance and Integrity- A Rhetoric or Reality • Sustainability Engagement Series for Directors/Chief Executive Officer	• Bursa Malaysia Berhad (30632-P) • Asian Pac Holdings Berhad • Bursa Malaysia Berhad (360632-P) • Legal & Secretarial Department, Eden Inc. Berhad • Bursa Malaysia Berhad (360632-P)
d. Datuk Fakhri Yassin Mahiaddin	• Governance and Integrity- A Rhetoric or Reality • Role of The Board in Effective Risk Oversight • Crucial IR Knowledge For HODs and Managers • How To Leverage on AGMs For Better Engagement with Shareholder	• Legal & Secretarial Department, Eden Inc. Berhad • Internal Audit & Risk Assurance Department, Eden Inc Berhad • MECA Centre For Industrial Relations Sdn Bhd • The Malaysian Institute of Chartered Secretaries and Administrators.
e. Dato' Anuarudin Mohd Noor	• Governance and Integrity- A Rhetoric or Reality	• Legal & Secretarial Department, Eden Inc. Berhad
f. Datuk Seri Ahmad Hj Kabit	• Governance and Integrity- A Rhetoric or Reality	• Legal & Secretarial Department, Eden Inc. Berhad

THE BOARD OF DIRECTORS (cont'd.)

9. Board Professional Development (cont'd)

Names of Directors	Title	Organised By
g. Dato' Abdullah A. Rasol	• Regulatory Updates on Audit Committees Seminar • Governance and Integrity- A Rhetoric or Reality	• Federation of PLC • Legal & Secretarial Department, Eden Inc. Berhad
h. Dato' Nik Mohd Fuad Wan Abdullah	• CG Disclosure workshop : The Interplay between CG, Non - Financial Information and Investment • CG Breakfast Series : Anti- Corruption & Integrity - Foundation of Corporate Sustainability. • Governance and Integrity- A Rhetoric or Reality	• Bursa Malaysia Berhad (30632-P) • Bursa Malaysia Berhad (360632-P) • Legal & Secretarial Department, Eden Inc. Berhad

BOARD COMMITTEES

The Board of Directors delegates specific responsibilities to the respective Committees of the Board namely the Audit and Risk Committee and the Nomination and Remuneration Committee in order to enhance business, corporate efficiency and effectiveness. The Chairman of the respective committees will brief the Board on the matters discussed at the committee meetings and minutes of these meetings are circulated to the full Board.

NOMINATION AND REMUNERATION COMMITTEE ("NRC")

The members of the NRC comprise two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director as follows:-

Chairman	:	Dato' Anuarudin Mohd Noor Independent Non-Executive Director
Members	:	Dato' Mohamed Salleh Bajuri Senior Independent Non-Executive Director
		Datuk Fakhri Yassin Mahiaddin Non-Independent Non-Executive Director

The NRC of the Company is made up entirely of Non-Executive Directors, the majority of whom are independent which is in line with the requirements set out in the Code.

This Committee is responsible for:-

- making recommendations to the Board on the optimum size of the Board, proposing new nominees to the Board and reviewing the profile of the required skills and attributes to ensure that the Board has an appropriate balance of expertise and abilities;
- assessing the performance and contribution of the Directors of the Company;
- assessing its own effectiveness and the Board effectiveness as a whole; and
- setting up the policy framework and to recommend to the Board on remuneration packages and other terms of employment of the Executive and Non-Executive Directors.

The Board through the NRC had carried out reviews on the composition of the Board and is satisfied that the size and composition of the Board is adequate with the appropriate mix of knowledge, skills, attributes and core competencies.

BOARD COMMITTEES (cont'd.)

The NRC had carried out its duties in recommending the appointment of new Directors who in its view had satisfied the requirements to ensure the balanced composition of the board. The NRC had also recommended the appropriate remuneration for the Board which shall entail shareholder approval at the AGM.

Furthermore, under the purview of the NRC, the Company maintains transparent procedures in determining the remuneration policy for Directors. The Executive Directors plays no part in the deliberations and decisions on their own remuneration. Likewise, the remuneration of the Non-Executive Directors is a matter for the Board as a whole, with individual Directors concerned abstaining from the deliberation and decision in respect of their own remuneration package.

1. **Appointments to the Board and Re-election at the Annual General Meeting ("AGM")**

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to the election by the shareholders at the next opportunity after their appointment. The Articles of Association also stipulate that all Directors of the Board shall retire from the office and submit themselves for re-election at regular intervals and at least once in every three (3) years at the AGM.

2. **Disclosure on the Level and Make-up of Remuneration**

Directors' Remuneration for an Executive Director is made up of monthly salaries, yearly bonus, benefit in kind as well as Directors' fee whilst Directors' Remuneration for Non-Executive Directors is made up of Directors' Fee and Meeting Allowance.

The aggregate Directors' remuneration paid or payable or otherwise made to all Directors of the Company who served during the financial year are shown as follows: -

	Company	
	2016 RM	**2015 RM**
Executive:	150,000	132,000
Fees	1,844,940	1,844,940
Salaries	1,052,828	1,597,075
Other emoluments	3,047,768	3,574,015
Non-executive:		
Fees	130,000	118,000
Total	**3,177,768**	**3,692,015**

The number of Directors whose total remuneration falls within the following bands are as follows:-

RANGE OF REMUNERATION	**Number of Directors**	
	2016	**2015**
Non-Executive Directors		
Below RM70,000	4	5
Executive Directors		
RM100,000 - RM500,000	2	2
RM500,001 - RM1,000,000	1	1
RM1,000,001 - RM2,500,000	1	1

The area of divergence from the best corporate governance practice is in relation to the disclosure of details of the remuneration of each Director, whereby the Board opted for disclosure by way of each successive band allowed by Bursa Malaysia as the Board believes that disclosure by way of each successive band is sufficient for all intent and purposes in promoting transparency and accountability.

SHAREHOLDERS' COMMUNICATION AND INVESTOR RELATIONS

The Board recognises the importance of effective communication with the investors of the Company that enables the Board and the Management to convey information about the Group's performance, corporate strategy and other matters affecting the shareholders' interest.

Forums such as the Annual General Meeting and Extraordinary General Meeting ("General Meetings") provide an opportunity for dialogue with the shareholders, whereby the shareholders have direct access to the Board and are given the opportunity to raise questions pertaining to the resolutions being proposed or about the Group's performance in
general.

Notice of the General Meeting is sent out at least twenty-one (21) days before the date of the meeting so as to enable the shareholders to have full information about the General Meetings and to facilitate informed decision-making. Full explanation of the effects of a proposed resolution of any special business will accompany the notice of General Meetings.

Apart from circulars, press releases and the annual reports, announcements on material information (where required) are disseminated on a timely basis through Bursa Malaysia Link and such material information includes performance of the Company via quarterly financial reports, change in the boardroom and all the material information on corporate exercises undertaken by the Company or any development thereof.

Shareholders, investors and the general public can obtain information on the Company or forward any enquiries by accessing the Company's website at www.edenzil.com. The shareholders also may retrieve the latest corporate, financial and market information of the Company via Bursa Malaysia's website at www.bursamalaysia.com.

ACCOUNTABILITY AND AUDIT

1. **Financial Reporting**
   The Company's financial statements are prepared in accordance with the requirements of the provisions of the Companies Act, 1965 and applicable approved accounting standards to ensure that the financial statements of the Company present a balanced and fair assessment of the state of affairs of the Company. In presenting the financial statements, the Company used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates, and prepared on an ongoing basis.

   The Audit and Risk Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness. The composition, summary of activities and terms of reference of the Audit and Risk Committee can be found in the Audit and Risk Committee Report on pages 37 - 42 of this Annual Report.

   The Statement of Directors' Responsibility in respect of the Audited Financial Statements pursuant to Paragraph 15.26 (a) of the Main Market Listing Requirements is set out on page 43 of this Annual Report.

2. **Internal Audit and Risk Assurance**
   The Group's internal audit and risk assurance function is independent of the Management. The audit is performed with impartiality, proficiency and due professional care. The internal audit and risk assurance review of the operating units by the Group's Internal Audit and Risk Assurance Department is an independent and objective assessment of a unit's compliance with internal controls.

   An internal audit and risk assurance review highlights major weaknesses in control procedures and makes recommendations for improvements. A Statement on Risk Management and Internal Control is set out on pages 33 - 36 of this Annual Report.

3. **External Audit**
   Through the Audit and Risk Committee, the Company has established a transparent and appropriate relationship with the external auditors. The external auditors play an essential role by enhancing the reliability of the Group's financial statements and giving assurance to the stakeholders of the reliability of these financial statements.

   The external auditors have an obligation to bring any significant defects in the Group's system of control and compliance to the attention of the Management and if necessary to the Audit and Risk Committee and the Board. The functions of the Audit and Risk Committee and its relations with the auditors are set out in the Audit and Risk Committee Report set out on pages 37 - 42 of this Annual Report.

ACCOUNTABILITY AND AUDIT (cont'd.)

3. **External Audit (cont'd.)**
   This Statement on Corporate Governance is made pursuant to the resolution of the Board of Eden Inc. Berhad passed on the 28th April 2017.

ADDITIONAL COMPLIANCE INFORMATION

1. **Utilization of Proceeds**
   The Company did not undertake any corporate exercise during the financial year hence there were no proceeds raised to be utilized by the company.

2. **Share Buy-Backs**
   The Company did not enter into any share buy-back transactions during the financial year.

3. **Options or Convertible Securities**
   The Company did not issue any options or convertible securities..

4. **Depository Receipt Programme**
   The Company did not sponsor any depository receipt programme during the financial year.

5. **Imposition of Sanctions and/or Penalties**
   There were no sanctions and/or penalties imposed on the Company and/or its subsidiaries, Directors or Management by relevant bodies arising from any significant breach of rules/guidelines/legislation during the financial year ended 31 December 2016.

6. **Non-Audit Fees**
   Throughout the financial year 2016, payment on non-audit fees made to the external auditors, Messrs Ernst & Young by the Company and/or its subsidiaries are as follows:-

	RM 2016	RM 2015
1. Corporate tax computation	45,000	42,400
2. Review of consolidation worksheet and group financial statements	40,000	40,000
3. Statement of internal control	10,000	10,000
4. Review of foreign subsidiaries	4,000	4,000
5. Deferred tax	10,000	10,000
Total	**109,000**	**106,400**

7. **Variation In Results**
   There was no variance of 10% or more between the results for the financial year and the unaudited results previously announced. The Company did not make any profit estimate, forecast or projection for the financial year.

8. **Profit Guarantee**
   The Company did not receive any profit guarantee during the financial year.

9. **Material Contracts**
   There were no material contracts executed by the Company and its subsidiaries involving Directors' and major shareholders' interests, which were still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

10. **Revaluation Policy on Landed Properties**
    The revaluation policy of the Company is disclosed in Note 2.9 to the financial statements..

11. **Recurrent Related Party Transactions of Revenue Nature ("RRPT")**
    The Company did not enter into nor seek mandate from its shareholders on any RRPT during the financial year ended 31 December 2016.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

The Board of Directors of Eden Inc. Berhad ("the Board") is pleased to provide the following Statement on Risk Management and Internal Control pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Malaysia Listing Requirements"). This Statement takes into account the Guidelines for Directors of Listed Issuers ("Guidelines") issued by Bursa Malaysia Listing Requirements. The Board acknowledges its overall responsibility of maintaining a sound system of risk management and internal control in the Group in accordance with the Malaysian Code on Corporate Governance.

Set out below is the Board's Risk Management and Internal Control Statement (the "Statement") which outlines the nature and scope of risk management and internal control of the Group during the financial year ended 31 December 2016.

RESPONSIBILITY

The Board acknowledges its responsibility to maintain a sound system of risk management and internal control including reviewing its adequacy and integrity, which aims to:

a. safeguard shareholders' investments and Group's assets;
b. ensure that proper accounting records are maintained;
c. ensure that financial information used within the business and for publication to the public is reliable; and
d. ensure compliance with applicable laws and regulations.

The risk management and internal control system is an ongoing process designed to meet the Group's particular needs and to manage the risks associated with operations, financials and compliance. The Board believes that the business and operation environment in the Group is conducive and is adequate for the Group to accomplish its mission and business objectives.

The Board is aware that risk management and internal controls are designed to manage rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against the risk of material error, misstatement, fraud or occurrence of unforeseeable circumstances. The Board periodically reviews the adequacy and integrity of the Group's system of risk management and internal control with the assistance of both the Audit and Risk Committee and the Risk Management Committee.

ENTERPRISE RISK MANAGEMENT

The Board regards risk management as an integral part of the Group's business operations and confirms that there is a formal and ongoing process to identify, evaluate, monitor and manage significant risks faced by the Group. This process has been put in place for the financial year under review and is reviewed periodically by the Board up to the date of approval of this Statement through the Audit and Risk Committee which is supported by the Internal Audit and Risk Assurance Department.

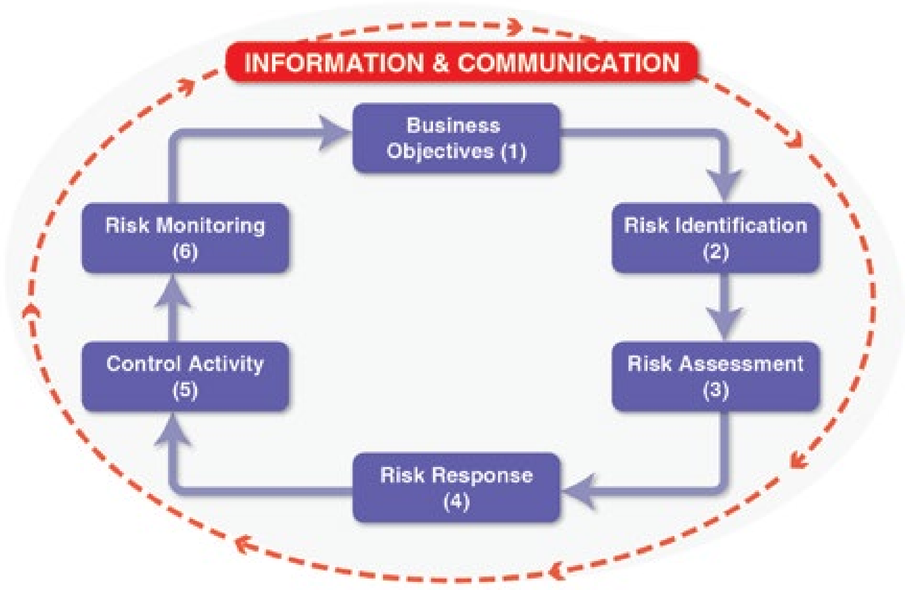
The Group's risk management process is managed by the Risk Management Committee chaired by the Director of Energy Sector and comprises Senior Management and the respective heads of business sectors. The Risk Management Committee meets periodically to review operational risk as well as identify new risks that could cause significant impact on the growth of the business.

RISK MANAGEMENT PROCESS

The Board realises that the key success lies in how the risk is managed, by putting in place clear risk management processes that describe the steps taken to mitigate risk as it occurs, to meet the Group's objective.

The management of risk within the Group is undertaken by the respective operational functions within the Group and monitored by the Group's Risk Management Committee.

This risk management process is as follows:-



RISK MANAGEMENT STRUCTURE

In order to have an effective risk management process, it is essential to establish a risk management structure to ensure the role, responsibilities and accountabilities for managing risk are clearly defined and communicated. The Group has identified four (4) levels of authority in order to promote responsibility and accountability of managing risks.

1. **Board of Directors**

   The Board sets the risk parameters of the Group. Roles of the Board include reviewing risks that will have a significant impact on the business and ensuring the implementation of appropriate policies to manage these risks. Through the Risk Management Committee, the Board sets the risk appetite for the Group's businesses.

RISK MANAGEMENT STRUCTURE (cont'd.)

2. **Audit and Risk Committee**

   The Audit and Risk Committee facilitates the Risk Management Committee and the Board in managing risks highlighted by the Risk Management Committee. The committee provides useful insights to the risk owners on efficient and adequate risk management. The Audit and Risk Committee is under the purview of the Board.

3. **Risk Management Committee**

   The main responsibility of the Risk Management Committee is to provide regular reports and updates to the Board and Audit and Risk Committee on risk management issues as well as ad-hoc reporting and reporting on matters such as financials, operational and compliance. The Risk Management Committee is also responsible for ensuring Enterprise Risk Management parameters are set and thoroughly reviewed throughout the businesses of the Group.

4. **Risk Working Committee**

   The Risk Working Committee consists of representatives from the business unit heads. The members of Risk Working Committee discuss the business unit risks at the Risk Management Committee meeting where their respective reports would be deliberated.

   Business unit heads work towards effective identification and mitigation of the day-to-day risks at the operation level. The unit heads work closely with operational staff and ensure that risk management techniques are applied and practised in all aspects of the management and operation within the respective units. The business unit heads are also responsible for indicating foreseeable risks that could hinder the business units from achieving their business objectives.

   In addition, the Risk Working Committee is responsible for deliberating on risks presented by business units and also contribute towards identifying risks that have yet to be brought to the attention of Risk Working Committee by the respective business units. Significant risk issues are highlighted for further deliberation by the Risk Management Committee.

KEY ELEMENTS OF INTERNAL CONTROL

The key elements of the Group's internal control system are as follows:-

1. **Line of Reporting**

   An organisational structure with clearly defined lines of responsibilities and accountability and delegation of authority for management at various levels of administration and operation.

2. **Limit of Authority**

   A well-defined financial limit of authority on all financial commitments for each level of Management is available within the Group. The financial authority limits are subject to periodic review throughout the year so as to ensure their suitability for continuous implementation. Policies and procedures on such limits are documented to guide staff at all levels in the performance of their duties.

3. **Policies and Procedures**

   Clearly documented internal policies and procedures set out in a series of Standard Operating Policies and Procedures. These documents are subject to regular review and improvement to meet changing business, operational and statutory reporting needs.

KEY ELEMENTS OF INTERNAL CONTROL (cont'd.)

4. Internal Audit Function

Internal Audit and Risk Assurance Department is responsible to assist the Audit and Risk Committee in providing independent assessment on the adequacy, efficiency and effectiveness of internal control system and ensuring operational compliance with standard operating procedures within the Group, and reports are made to the Audit and Risk Committee on a quarterly basis. The Audit and Risk Committee also has full access to both internal and external auditors and receives reports on all audits performed.

The Internal Audit and Risk Assurance Department undertakes regular and systematic review of the internal controls, providing the Audit and Risk Committee and the Board with sufficient independent assurance that the system of risk management and internal control is effective in identifying and addressing risk.

5. Risk Management

The monitoring of control procedures is achieved through the Risk Management Committee review whose members consist of the respective heads of business sectors. This is complemented by review undertaken by the internal audit function on each operating unit. Regular reports are produced and presented to the Risk Management Committee and the Audit and Risk Committee which will assess the impact of control issues and review remedial action implemented by the management.

6. Human Resource Development

There are proper guidelines within the Group for recruitment, training and personal development of staffs at all levels. Training is provided on various areas of work to ensure staffs at all levels are proficient and competent in handling their job functions.

7. Financial and Operational Review

The quarterly management accounts and the quarterly financial statements containing key financial results, operational performance results and comparisons of performance against the budget are presented to the Board for their review, consideration and approval.

8. Management Visits

Regular visits are conducted by Group's Directors and Senior Management members to operating sites and principal offices to review the Group's operations and gain better understanding to facilitate informed decision-making.

ASSURANCE PROVIDED BY THE CHIEF EXECUTIVE OFFICER (EXECUTIVE CHAIRMAN) AND CHIEF FINANCIAL OFFICER (DIRECTOR OF CORPORATE AFFAIRS)

In line with the Guidelines, the Executive Chairman and Director of Corporate Affairs have provided assurance to the Board stating that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects based on the risk management and internal control of the Company, to meet the Group's objective during the financial year under review.

CONCLUSION

The Board is of the view that the internal control and risk management systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report, to improve the Group's internal control and risk management systems in meeting the Group's strategic objectives.

REVIEW BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Bursa Malaysia Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the year ended 31 December 2016 and reported to the Board that nothing has come to their attention that caused them to believe that the statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the systems of internal control and risk management.

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee of Eden Inc. Berhad is pleased to present the Audit and Risk Committee Report for the financial year ended 31 December 2016.

1. MEMBERSHIP

The members of the Audit and Risk Committee comprise of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director as follows:-

Chairman	:	Dato' Mohamed Salleh Bajuri Senior Independent Non-Executive Director
Members	:	Datuk Fakhri Yassin Bin Mahiaddin Non-Independent Non-Executive Director
		Dato' Anuarudin Bin Mohd Noor Independent Non-Executive Director
		Datuk Seri Ahmad Bin Hj. Kabit Independent Non-Executive Director (Appointed on 26 April 2016)

2. TERMS OF REFERENCE

2.1 COMPOSITION OF AUDIT AND RISK COMMITTEE

The Board shall appoint the Audit and Risk Committee members from amongst themselves, comprising no fewer than three (3) directors, all of whom shall be non-executive directors, where the majority shall be independent directors.

In this respect, the Board adopts the definition of "independent director" as defined under the Bursa Malaysia Securities Berhad ("Bursa Securities" or "the Exchange") Main Market Listing Requirements.

All members of the Audit and Risk Committee should be financially literate and at least one member of the Audit and Risk Committee must be:-

a. a member of the Malaysian Institute of Accountants ("MIA"); or

b. if he is not a member of MIA, he must have at least 3 years of working experience and:
   i. he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
   ii. he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

c. fulfils such other requirements as prescribed by the Exchange.

The Board must ensure that no Alternate Director is appointed as a member of the Audit and Risk Committee. The members of the Audit and Risk Committee shall elect a chairman from amongst their number who shall be an Independent Director.

The term of office and performance of the Audit and Risk Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether such Audit and Risk Committee members have carried out their duties in accordance with their terms of reference.

Retirement and Resignation

If a member of the Audit and Risk Committee resigns, dies, or for any reason ceases to be a member resulting in non-compliance to the composition criteria as stated in paragraph 2 above, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

2. **TERMS OF REFERENCE (cont'd.)**

2.2 CHAIRMAN

The members of the Audit and Risk Committee shall elect a Chairman from amongst their number who shall be an independent director.

In the absence of the Chairman of the Audit and Risk Committee, the other members of the Audit and Risk Committee shall amongst themselves elect a Chairman who must be independent director to chair the meeting.

2.3 SECRETARY

The Company Secretary shall be the Secretary of the Audit and Risk Committee and as a reporting procedure, the Minutes shall be circulated to all members of the Board.

2.4 MEETINGS

The Audit and Risk Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

Minutes of each meeting shall be kept and distributed to each member of the Audit and Risk Committee and also to the other members of the Board of Directors. The Audit and Risk Committee Chairman shall report on each meeting to the Board of Directors. Upon the request of the external auditors, the Chairman of the Audit and Risk Committee shall convene a meeting of the Audit and Risk Committee to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders.

Notice of the Audit and Risk Committee meetings shall be given to all the Audit and Risk Committee members unless the Audit and Risk Committee waives such requirement.

The Chairman of the Audit and Risk Committee shall engage on a continuous basis with the Chairman, such as the Chairman, the Chief Executive Officer and Chief Financial Officer, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company.

The Chief Financial Officer, a representative of the internal and external auditors respectively should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit and Risk Committee. The Audit and Risk Committee shall be able to convene meeting with the external auditors, the internal auditors of both without executive Board members or employees present whenever deemed necessary and at least twice a year with the external auditors.

Questions arising at any meeting of the Audit and Risk Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit and Risk Committee shall have a second or casting vote.

2.5 MINUTES

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit and Risk Committee and also to the other members of the Board. The Audit and Risk Committee Chairman shall report on the proceeding of each meeting to the Board.

The minutes of the Audit and Risk Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

2.6 QUORUM

The quorum for the Audit and Risk Committee meeting shall be the majority of members present whom must be independent directors.

A resolution in writing signed by a majority of the Audit and Risk Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Audit and Risk Committee duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more Audit and Risk Committee members. Any such document may be accepted as sufficiently signed by an Audit and Risk Committee member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of an Audit and Risk Committee member.

2. **TERMS OF REFERENCE (cont'd.)**

2.7 REPORTING

The Audit and Risk Committee shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The Audit and Risk Committee shall report to the Board of Directors on any specific matters referred to it by the Board for investigation and report.

2.8 OBJECTIVES

The principal objectives of the Audit and Risk Committee is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Audit and Risk Committee shall:

- evaluate the quality of the audits performed by the internal and external auditors;
- provide assurance that the financial information presented by management is relevant, reliable and timely;
- oversee compliance with laws and regulations and observance of a proper code of conduct; and
- determine the quality, adequacy and effectiveness of the Group's control environment;

2.9 AUTHORITY

The Audit and Risk Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company,

a. have explicit authority to investigate any activity within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit and Risk Committee;

b. have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group;

c. obtain, at the expense of the Company, other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary;

d. have direct communication channels with the internal and external auditors and person(s) carrying out the internal audit function or activity (if any); and

e. where the Audit and Risk Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements, the Audit and Risk Committee shall promptly report such matter to Bursa Securities.

2.10 DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Audit and Risk Committee are as follows:-

a. To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;

b. To establish policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the external auditors;

c. To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

d. To review with the external auditors the evaluation of the system of internal controls and the audit report;

e. To review the quarterly and year-end financial statements of the Company before submission to the Board, focusing particularly on:–

2. TERMS OF REFERENCE (cont'd.)

2.10 DUTIES AND RESPONSIBILITIES (cont'd.)

- any change in accounting policies and practices;
- significant adjustments arising from the audit;
- the going concern assumption; and
- compliance with applicable financial reporting standards and other legal requirements.

f. To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);

g. To review the external auditors' management letter and management's response;

h. To do the following, in relation to the internal audit function:-

- review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
- review the internal audit plan, consider the internal audit reports and findings of the internal auditors, fraud investigations and actions and steps taken by Management in response to audit findings;
- review any appraisal or assessment of the performance of members of the internal audit function;
- approve any appointment or termination of senior staff members of the internal audit function; and

i. To consider any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

j. To report its findings on the financial and management performance, and other material matters to the Board;

k. To consider the major findings of internal investigations and management's response;

l. To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;

m. To monitor the integrity of the Company's financial statements;

n. To monitor the independence and qualification of the Company's external auditors;

o. To monitor the performance of the Company's internal audit function;

p. To monitor the Company's compliance with relevant laws, regulations and code of conduct;

q. To review the adequacy and effectiveness of risk management, internal control and governance systems; and

r. To consider and examine such other matters as the Audit and Risk Committee considers appropriate; and

s. To consider other matters as defined by the Board.

3. ATTENDANCE

During the financial year ended 31 December 2016, the Audit and Risk Committee held a total of five (5) meetings. The details of attendance of the Audit and Risk Committee members are as follows:

Name of Committee Member	Number of Meetings Attended/Held
Dato' Mohamed Salleh Bin Bajuri	5/5
Datuk Fakhri Yassin Bin Mahiaddin	4/5
Dato' Anuarudin Bin Mohd Noor	5/5
Datuk Seri Ahmad Bin Hj. Kabit (Appointed on 26 April 2016)	3/3

Representatives of Management, internal auditors and the external auditors also attended the above meetings at the invitation of the Chairman.

4. ACTIVITIES OF THE AUDIT AND RISK COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The summary of activities of the Audit and Risk Committee in the discharge of its duties and responsibilities for the financial year ended 31 December 2016 includes the following:

a. Review of Financial Statements

   i. Reviewed the unaudited quarterly report and annual report of the Company and Group prior to submission to the Board of Directors for consideration and approval.

   ii. Reviewed the draft audited financial statements of the Company and Group and ensured that the financial reporting and disclosure requirements of the relevant authorities are duly complied with prior to submission to the Board for consideration and approval.

b. Matters relating to External Audit

   i. Meeting with external auditors twice a year without the presence of the executive Board members and Management.

   ii. Reviewed the external auditor's appointment, scope of work and planning memorandum for the Company and the Group covering the audit objectives and approach, key audit areas and relevant accounting standards and other relevant pronouncements.

   iii. Reviewed the results of the audit, audit report and findings on the financial and management performance of the Company and Group and reported to the Board of Directors.

   iv. Reviewed the proposed audit fees for the external auditors in respect of their audit of the Group and of the Company for the financial year ended 31 December 2016.

c. Matters relating to Internal Audit

   i. Reviewed the Annual Audit and Risk Assurance Plan to ensure adequate scope and coverage on the activities of the Group based on the identified and assessed key risk areas.

   ii. Reviewed the Risk Based Internal Audit Reports in respect of the audit recommendations, Management responses as well as actions taken to improve the system of internal control and procedure.

d. Other matters

   i. Deliberated on the Group's financial performance, business development, management and corporate issues and recommendation for approvals of any key business strategies and actions that may affect the Group.

   ii. Discussed the implications of any changes and pronouncements on the Company and the Group, which were issued by the accountancy, statutory and regulatory bodies.

5. INTERNAL AUDIT FUNCTION

The Board of Directors and the Audit and Risk Committee are assisted by the in-house Internal Audit and Risk Assurance Department in maintaining a sound system of internal control. The Internal Audit and Risk Assurance Department reports to the Audit and Risk Committee on the performance of its duties and is guided by its Audit Charter in its independent appraisals.

The primary role of internal audit is to provide independent assurance to the Board that:

a. The Group's policies and guidelines have been communicated, implemented and are working as intended; and

b. Risk areas have been identified and there are effective internal control systems over all aspects of the Group's business and operations.

The Internal Audit and Risk Assurance Department is responsible for developing and executing an effective audit plan to provide the Board with assurance that the systems of internal control and of the Group achieved the following.

a. The business is planned and conducted in an orderly, prudent, efficient and cost effective manner;

b. Transactions and commitments are entered into in accordance with management authority;

c. Management is able to safeguard the assets and control the liabilities of the Group, i.e. there are measures to minimize and to detect the loss from irregularities, fraud and errors; and

d. The accounting and other records of the business provide complete, accurate and timely information.

During the financial year 2016, Risk Based Internal Audit Reports prepared by the Internal Audit and Risk Assurance Department incorporating key issues, audit implication and actions being taken by management were tabled to the Audit and Risk Committee. Follow-up audits were also conducted and the status of implementation on the agreed upon actions were tabled to the Audit and Risk Committee.

Going forward, the internal audit function will enhance its risk based auditing techniques, the level of staff expertise, internal controls and corporate governance processes to assist the Group in achieving its corporate goals.

The total cost incurred for the internal audit function of the Group in respect of the financial year ended 31 December 2016 is approximately RM107,302.

STATEMENT OF DIRECTORS' RESPONSIBILITY

STATEMENT OF DIRECTORS' RESPONSIBILITY

In accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting policies, the Directors are required to prepare financial statements that give a true and fair view of the state of affairs of the Group and the Company as at the financial year and of the results and cash flows for that year then ended.

The Directors consider that, in preparing the audited annual financial statements:

- the Group and the Company had used appropriate accounting policies which are consistently applied;
- reasonable and prudent judgments and estimates were made; and
- complete disclosures of all information required under the Companies Act, 1965 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad have been made and complied with.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

Financial Statements

DIRECTORS' REPORT

Directors' report

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2016.

Principal activities

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are described in Note 19 to the financial statements.

There has been no significant change in the nature of the principal activities during the financial year

Results

	Group RM	Company RM
Loss for the year	(22,960,433)	(18,464,204)
Attributable to:		
Equity holders of the Company	(23,061,336)	(18,464,204)
Non-controlling interests	100,903	-
	(22,960,433)	(18,464,204)

There was no material transfer to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not propose the payment of any dividend in respect of the current financial year.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Abd Rahim bin Mohamad
Puan Sri Fadzilah binti Md Ariff
Dato' Mohamed Salleh bin Bajuri
Datuk Fakhri Yassin bin Mahiaddin
Dato' Anuarudin bin Mohd Noor
Datuk Seri Ahmad bin Hj Kabit
Dato' Abdullah bin A. Rasol
Dato' Nik Mohd Fuad bin Wan Abdullah

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of full time employee of the Company as shown in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM1 each			
	1.1.2016	**Acquired**	**Sold**	**31.12.2016**
The Company				
Direct interest				
Puan Sri Fadzilah binti Md Ariff	4,831,900	-	-	4,831,900
Dato' Mohamed Salleh bin Bajuri	375,000	-	-	375,000
Datuk Fakhri Yassin bin Mahiaddin	40,000	-	-	40,000
Dato' Anuarudin bin Mohd Noor	20,000	-	-	20,000

	Number of ordinary shares of RM1 each			
	1.1.2016	**Acquired**	**Sold**	**31.12.2016**
Indirect interest				
Tan Sri Abd Rahim bin Mohamad *	88,696,071	-	(5,000,000)	88,696,071
Puan Sri Fadzilah binti Md Ariff #	83,864,171	-	(5,000,000)	78,864,171
The holding company Zil Enterprise Sdn. Bhd.				
Direct interest				
Tan Sri Abd Rahim bin Mohamad	3,890,861	-	-	3,890,861
Indirect interest				
Tan Sri Abd Rahim bin Mohamad @	1,109,139	-	-	1,109,139
Puan Sri Fadzilah binti Md Ariff ##	5,000,000	-	-	5,000,000

* By virtue of his interest in Zil Enterprise Sdn. Bhd. ("ZESB") and shares held by his spouse.

By virtue of her spouse direct/indirect interest in the Company.

@ By virtue of his beneficial interest in the shares held under the name of PAB Nominee (Tempatan) Sdn. Bhd. ("PAB"), he is deemed to have interest in the shares of the ultimate holding company to the extent PAB has an interest.

Indirect interest held by her family members.

Directors' interests (cont'd.)

By virtue of their interests in the Company, Tan Sri Abd Rahim bin Mohamad and Puan Sri Fadzilah binti Md Ariff are also deemed to have interest in shares in all the subsidiaries of the Company to the extent the Company has an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares or in debentures in the Company or its related corporations during the financial year.

Other statutory information

a. Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

   i. to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

   ii. to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise

b. At the date of this report, the directors are not aware of any circumstances which would render:

   i. it necessary to write off bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

   ii. the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

c. At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

d. At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

e. As at the date of this report, there does not exist:

   i. any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   ii. any contingent liability of the Group or of the Company which has arisen since the end of the financial year

f. In the opinion of the directors, save as disclosed in Note 2.1 to the financial statements:

   i. no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

   ii. no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2017.

Tan Sri Abd. Rahim bin Mohamad

Dato' Anuarudin bin Mohd Noor

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Sri Abd. Rahim bin Mohamad and Dato' Anuarudin bin Mohd Noor, being two of the directors of Eden Inc. Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 56 to 134 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and of their financial performance and cash flows for the year then ended.

The information set out in Note 42 to the financial statements on page 135 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 April 2017.

Tan Sri Abd. Rahim bin Mohamad

Dato' Anuarudin bin Mohd Noor

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Dato' Nik Mohd Fuad bin Wan Abdullah, being the director primarily responsible for the financial management of Eden Inc. Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 56 to134 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Dato' Nik Mohd Fuad bin Wan Abdullah
at Petaling Jaya in the State of Selangor
Darul Ehsan on 28 April 2017

Dato' Nik Mohd Fuad bin Wan Abdullah

Before me

INDEPENDENT AUDITORS' REPORT

to the members of Eden Inc. Berhad

Report on the financial statements

Opinion

We have audited the financial statements of Eden Inc. Berhad and its subsidiaries, which comprise the statements of financial position as at 31 December 2016 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 56 to 134 .

In our opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Material uncertainty related to going concern

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 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.

Our opinion is not modified in respect of this matter.

The financial statements of the Group and of the Company were prepared on going concern basis and do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Group and the Company be unable to continue as going concerns.

INDEPENDENT AUDITORS' REPORT

to the members of Eden Inc. Berhad (cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

In addition to the matters described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters.Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

<table>
<tr><th colspan="2">Valuation of investment properties
(Refer to Notes 2.10, 2.29, 3(b)(viii) and 15to the financial statements)</th></tr>
<tr><th>Key audit matters</th><th>How we addressed the key audit matters</th></tr>
<tr><td>The valuation of the investment properties in operation is significant to our audit due to their magnitude and complexity of the valuations which are highly dependent on a range of estimates.

The Group carries its investment properties at fair value as disclosed in Note 2.10 to the financial statements.

As at 31 December 2016, the carrying amount of investment properties of the Group is RM193.3 million, representing approximately 42% of the total assets of the Group.

The management uses independent valuers to support its determination of the individual fair value of the investment properties annually.

The key judgement and estimates involved in the valuation of investment properties are:

i. Rental rates;

ii. Estimated market yield rate;

iii. Occupancy rates; and

iv. Discount rates

The Group recognised a net gain from changes in fair value of RM179,217 for the financial year ended 31 December 2016 as disclosed in Note 15 to the financial statements.</td><td>Our audit procedures included the following:

• We assessed the valuation methodologies used by the valuers in determining the fair values of the investment properties.

• We assessed the valuers' competence, capabilities and objectivity. In addition, we obtained declaration of independence from the valuers to determine that there were no matters that affected their independence and objectivity.

• We challenged the significant assumptions and critical judgement areas, includingappropriateness of the valuation model, rental rates, discount rates and estimatedmarket yield and occupancy rates used.

• We compared the data inputs and assumptions used in the valuation models to underlyinglease agreements.

• We assessed whether the valuation methodology was consistent with those used in the prioryear and commonly used for the type of investment property being valued.

• In addition, we also evaluated the adequacy of the disclosures of each key judgement and estimates to which the fair value is most sensitive, as disclosed in Note 3(b)(viii) to the financial statements.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

to the members of Eden Inc. Berhad (cont'd)

<table>
<tr><th>Key audit matters</th><th>How we addressed the key audit matters</th></tr>
<tr><td colspan="2">Impairment assessment on Property, Plant and Equipment (PPE)
(Refer to Notes2.9, 2.12 and 14 to the financial statements)</td></tr>
<tr><td>The Group is required to perform impairment test of cash generating units("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount.

Two subsidiaries of the Group are operators of power plants, producing and supplying electricity. A history of recent losses by these subsidiaries has resulted in an indication that the carrying amounts of the PPE may be impaired. Accordingly, the Group estimated the recoverable amount of the PPE of the subsidiaries using VIU. Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the CGU, and discounting them at an appropriate rate. The aforementioned impairment review gave rise to an impairment loss of PPE of the subsidiaries of RM13.8 million for the year ended 31 December 2016.

The impairment review was significant to our audit because the assessment process is complex, involves significant management judgement and is based on assumptions that are highly judgmental.

The management has performed impairment assessment with respect to the power plant assets with net carrying amounts of RM77.8 million as at 31 December 2016 by comparing thecarrying amount of these PPE against their recoverable amount based on the value in use ("VIU") method.

The key assumptions involved in the assessment of the VIU are:

i. Revenue production rate;

ii. Fixed and variable costs; and

iii. Discount rate.</td><td>Our audit procedures included, among others evaluating the assumptions and methodologies used by the Group, in particular those relating to the discount rate and projected cash flows for theCGU.

We have assessed the key assumptions used by management to estimate the projected cash flows for the CGUs as follows:

• We challenged the revenue production rate assumptions by assessing the reasonableness of the estimated revenue production volume and rates by comparing them to the historical performance of the CGU and power plant agreements signed.

• We also assessed the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset is the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the Group expects to derive from the asset.

In addition, we also evaluated the adequacy of the disclosures of each key assumption on which the Group has based its cash flow projections and to which the recoverable amount is most sensitive, as disclosed in Note 14 to the financial statements.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

to the members of Eden Inc. Berhad (cont'd)

<table>
<tr><th>Key audit matters</th><th>How we addressed the key audit matters</th></tr>
<tr><td colspan="2">Recoverability of amount due from ultimate holding company, Zil Enterprise Sdn Bhd ("ZESB")
(Refer to Notes 3(b)(iv) and 23to the financial statements)</td></tr>
<tr><td>Included in the other receivables of the Group as at 31 December 2016 is an amount due from holding company, ZESB of RM78.0 million, representing approximately 17% of the total assets of the Group. The delays in the repayment of the amount due from ZESB is viewed as an objective evidence that the amount due from ZESBmay be impaired. Accordingly, the Group performed an impairment review in respect of the amount due from ZESB by comparing the asset's carrying amount and the present value of estimated future cash flows receivable from ZESB.

As disclosed in Note 23 to the financial statements, the Group entered into a Deed of Assignment with ZESB, whereby ZESB assigns its rights in and to the net sale proceeds from (i) the planned disposal of certain identified lands of ZESB; and (ii) the planned disposal of a subsidiary of ZESB, as settlement of the amount owing to the Group. The estimated future cash flows to be derived from the aforementioned planned disposals of lands and subsidiary by ZESB are included in the impairment review and are discounted at an appropriate discount rate.

The aforementioned estimation of future cash flows involves significant judgment and estimates (i.e expectations of the amount and timing of receipt of cash flows) which are highly subjective. Due to the significance of the amount and the subjective nature of the impairment review, we consider this to be an area of audit focus.</td><td>In addressing this area of concern:

a. We obtained an understanding of the relevant internal controls of the Group over the estimation of recoverable amount due from ZESB;

b. We read the Deed of Assignment signed with ZESB to obtain an understanding of the specific terms and conditions;

c. We evaluated the assumptions applied in the determination of the amount and timing of receipts from ZESB in light of the progress of the planned disposals of lands and subsidiary.

In addition, we also evaluated the adequacy of the disclosures of key judgments and estimates made in respect of the recoverability of the amount due from ZESB, as disclosed in Note 3(b)(iv) to the financial statements.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

to the members of Eden Inc. Berhad (cont'd)

Information other than the Financial Statements and Auditor's Report Thereon

The directors of the Company are responsible for the other information. The other information obtained at the date of this auditors' report comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards ("MFRS"), InternationalFinancial Reporting Standards ("IFRS") and the requirements of Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financing reporting process.

Auditor's Reponsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

INDEPENDENT AUDITORS' REPORT

to the members of Eden Inc. Berhad (cont'd)

Auditor's Reponsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

- We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 19 to the financial statements, being financial statements that have been included in the consolidated financial statements.

- We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

- The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT

to the members of Eden Inc. Berhad (cont'd)

Other Reporting Responsibilities

The supplementary information set out in Note 42 to the financial statements on page 135 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Teoh Soo Hock
No. 2477/10/17(J)
Chartered Accountant

Kuala Lumpur, Malaysia
28 April 2017

INCOME STATEMENT

For the financial year ended 31 December 2016

	Note	Group		Company	
		2016 RM	2015 RM (Restated)	2016 RM	2015 RM
Revenue	4	51,277,830	53,804,058	2,206,000	1,852,000
Cost of sales	5	(45,051,336)	(47,484,190)	-	-
Gross profit		6,226,494	6,319,868	2,206,000	1,852,000
Interest income	6	6,447,376	5,985,198	5,657,400	5,303,399
Other income	7	27,114,411	24,103,689	15,371,640	9,022,330
Administrative expenses		(29,602,573)	(34,357,211)	(9,503,061)	(10,607,930)
Selling and marketing expenses		(1,679,759)	(2,328,839)	(143,208)	(562,452)
Other expenses		(17,125,015)	(6,791,602)	(26,300,328)	(35,498,032)
Operating loss		(8,619,066)	(7,068,897)	(12,711,557)	(30,490,685)
Finance costs	8	(7,793,268)	(9,125,847)	(2,120,924)	(2,936,384)
Share of profit of associates	20	2,426	117,141	-	-
Loss before tax	9	(16,409,908)	(16,077,603)	(14,832,481)	(33,427,069)
Income tax	12	(6,550,525)	(14,552,994)	(3,631,723)	385,456
Loss for the year		(22,960,433)	(30,630,597)	(18,464,204)	(33,041,613)
Loss attributable to:					
Owners of the parent		(23,061,336)	(30,049,566)	(18,464,204)	(33,041,613)
Non-controlling interests		100,903	(581,031)	-	-
		(22,960,433)	(30,630,597)	(18,464,204)	(33,041,613)
Loss per share attributable to equity holders of the Company (sen)					
Basic/diluted	13	(7.41)	(9.65)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2016

		Group		Company	
	Note	**2016 RM**	**2015 RM (Restated)**	**2016 RM**	**2015 RM**
Loss for the year		(22,960,433)	(30,630,597)	(18,464,204)	(33,041,613)
Other comprehensive expense:					
Other comprehensive expense to be reclassified to profit or loss in subsequent period:					
Foreign currency translation	32	-	(59,806)	-	-
Total comprehensive expense for the year		(20,960,433)	(30,690,403)	(18,464,204)	(33,041,613)
Total comprehensive expense attributable to:					
Owners of the parent		(23,061,336)	(30,100,864)	(18,464,204)	(33,041,613)
Non-controlling interests		100,903	(589,539)	-	-
		(22,960,433)	(30,690,403)	(18,464,204)	(33,041,613)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

Statements of financial position as at 31 December 2016

	Note	31.12.2016 RM	31.12.2015 RM (Restated)	1.1.2015 RM (Restated)
Group				
Assets				
Non-current assets				
Property, plant and equipment	14	95,327,826	129,928,470	144,944,875
Investment properties	15	193,296,327	193,117,110	222,437,467
Land use rights	16	333,316	374,980	416,644
Finance lease receivables	17	13,263,770	14,010,318	13,279,922
Intangible assets	18	-	-	4,206,199
Investments in associates	20	51,829	499,311	632,173
Other investments	21	8,000	8,000	8,000
Other receivables	23	-	75,480,607	-
Deferred tax assets	30	35,919,801	38,300,196	52,667,802
		338,200,869	451,718,992	438,593,082
Current assets				
Inventories	22	18,059,129	21,693,575	21,278,335
Trade and other receivables	23	94,410,656	15,798,662	84,463,851
Finance lease receivables	17	687,507	592,624	561,729
Other current assets	24	1,481,998	3,738,764	1,400,308
Cash and bank balances	25	8,242,578	15,653,147	11,863,116
		122,881,868	57,476,772	119,567,339
Total assets		461,082,737	509,195,764	558,160,421
Equity and liabilities				
Current liabilities				
Trade and other payables	29	54,474,771	49,969,260	36,009,850
Loans and borrowings	26	36,193,956	35,489,804	33,024,842
Deferred income	27	4,400,425	5,535,794	5,992,141
Tax payables		7,695,091	7,417,768	7,595,082
		102,764,243	98,412,626	82,621,915
Net current (liabilities)/assets		20,117,625	(40,935,854)	36,945,424
Non-current liabilities				
Deferred income	27	11,905,868	19,712,399	29,995,775
Loans and borrowings	26	71,613,593	96,191,013	118,085,505
Deferred tax liabilities	30	11,732,388	9,086,680	10,973,777
		95,251,849	124,990,092	159,055,057
Total liabilities		198,016,092	223,402,718	241,676,972
Net assets		263,066,645	285,793,046	316,483,449
Equity attributable to equity holders of the Company				
Share capital	31	311,362,271	311,362,271	311,362,271
Other reserves	32	46,430	(187,602)	(136,304)
Accumulated (losses)/ profit		(52,120,559)	(29,059,223)	990,343
		259,288,142	282,115,446	312,216,310
Non-controlling interests		3,778,503	3,677,600	4,267,139
Total equity		263,066,645	285,793,046	316,483,449
Total equity and liabilities		461,082,737	509,195,764	558,160,421

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2016 (cont'd.)

	Note	31.12.2016 RM	31.12.2015 RM (Restated)	1.1.2015 RM (Restated)
Company				
Assets				
Non-current assets				
Property, plant and equipment	14	38,971	56,983	67,152
Investment properties	15	173,989,870	173,240,473	203,206,330
Investments in subsidiaries	19	52,340,115	78,005,578	110,814,912
Investments in associates	20	39,960	39,960	39,960
Other investments	21	6,000	6,000	6,000
Other receivables	23	84,352,896	82,720,119	20,291,396
		310,767,812	334,069,113	334,425,750
Current assets				
Trade and other receivables	23	40,613,542	31,214,414	64,746,473
Other current assets	24	1,146,935	917,126	773,890
Cash and bank balances	25	346,950	516,296	929,121
		42,107,427	32,647,836	66,449,484
Total assets		352,875,239	366,716,949	400,875,234
Equity and liabilities				
Current liabilities				
Trade and other payables	29	59,697,024	46,272,263	32,373,283
Loans and borrowings	26	14,519,119	13,864,827	13,357,217
Deferred income	27	980,532	980,532	980,532
Tax payable		5,818,010	3,751,760	3,400,748
		81,014,685	64,869,382	50,111,780
Net current (liabilities)/assets		(38,907,258)	(32,221,546)	16,337,704
Non-current liabilities				
Deferred income	27	5,066,082	6,046,614	7,027,146
Loans and borrowings	26	18,661,609	30,315,728	44,173,001
Deferred tax liabilities	30	4,930,287	3,818,445	4,854,914
		28,657,978	40,180,787	56,055,061
Total liabilities		109,672,663	105,050,169	106,166,841
Net assets		243,202,576	261,666,780	294,708,393
Equity attributable to equity holders of the Company				
Share capital	31	311,362,271	311,362,271	311,362,271
Accumulated losses		(68,159,695)	(49,695,491)	(16,653,878)
Total equity		243,202,576	261,666,780	294,708,393
Total equity and liabilities		352,875,239	366,716,949	400,875,234

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2016

		|-------------Attributable to owners of the parent-----------|				
			|------Non-distributable------|			
	Equity, total RM	**Equity, attributable to the parent, total RM**	**Share capital RM (Note 31)**	**Other reserves RM (Note 32)**	**Accumulated losses RM**	**Non-controlling interest RM**
Group						
At 1 January 2016 (as previously stated)	236,107,567	232,429,967	311,362,271	(187,602)	(78,744,702)	3,677,600
Prior year adjustment (Note 41)	49,685,479	49,685,479	-	-	49,685,479	-
At 1 January 2016 (as restated)	285,793,046	282,115,446	311,362,271	(187,602)	(29,059,223)	3,677,600
Total comprehensive expense	(22,726,401)	(22,827,304)	-	234,032	(23,061,336)	100,903
At 31 December 2016	263,066,645	259,288,142	311,362,271	46,430	(52,120,559)	3,778,503
At 1 January 2015 (as previously stated)	279,742,597	275,475,458	311,362,271	(136,304)	(35,750,509)	4,267,139
Prior year adjustment (Note 41)	36,740,852	36,740,852	-	-	36,740,852	-
At 1 January 2015 (as restated)	316,483,449	312,216,310	311,362,271	(136,304)	990,343	4,267,139
Total comprehensive expense	(30,690,403)	(30,100,864)	-	(51,298)	(30,049,566)	(589,539)
At 31 December 2015	285,793,046	282,115,446	311,362,271	(187,602)	(29,059,223)	3,677,600

	Total equity RM	**Share capital RM (Note 31)**	**Accumulated losses RM**
Company			
At 1 January 2016	229,162,785	311,362,271	(82,199,486)
Prior year adjustment (Note 41)	32,503,995	-	32,503,995
At 1 January 2016 (as restated)	261,666,780	311,362,271	(49,695,491)
Total comprehensive income	(18,464,204)	-	(18,464,204)
At 31 December 2016	243,202,576	311,362,271	(68,159,695)
At 1 January 2015	274,029,505	311,362,271	(37,332,766)
Prior year adjustment (Note 41)	20,678,888	-	20,678,888
At 1 January 2015 (as restated)	294,708,393	311,362,271	(16,653,878)
Total comprehensive expense	(33,041,613)	-	(33,041,613)
At 31 December 2015	261,666,780	311,362,271	(49,695,491)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2016

		Group		Company	
	Note	**2016 RM**	**2015 RM**	**2016 RM**	**2015 RM**
Cash flows from operating activities					
Loss before tax		(16,409,908)	(16,077,603)	(14,832,481)	(33,427,069)
Adjustments for:					
Interest income	6	(6,447,376)	(5,985,198)	(5,657,400)	(5,303,399)
Dividend income from:					
- other investment	7	-	(107)	-	-
Finance costs on:					
- Sukuk Musharakah	8	4,064,599	4,384,051	-	-
- Bank borrowings	8	3,651,150	4,653,327	2,120,924	2,936,384
- Hire purchase payables	8	77,519	88,469	-	-
Impairment loss on financial assets:					
- Subsidiaries	9	-	-	615,008	2,552,129
- Associates	9	-	3,480	-	3,480
Impairment loss on investment in subsidiaries	9	-	-	25,665,461	32,917,679
Net gain from fair value adjustments of investment properties	7	(179,217)	(2,717,323)	(749,397)	(2,071,823)
Amortisation of land use rights	9,16	41,664	41,664	-	-
Impairment of goodwill	9,18(a)	-	4,206,199	-	-
Reversal of allowance for impairment loss on financial assets:					
- Subsidiaries	7,23(e)	-	-	(8,000)	(599,670)
Property, plant and equipment written off	9	60,020	1	1,062	-
Depreciation of property, plant and equipment	9,14	16,635,628	16,907,805	19,850	24,743
Impairment loss on property, plant and property, plant and equipment	9	13,795,342	-	-	-
Net (gain)/loss on disposal of property, plant and equipment	7,9	(4,615,292)	(32,339)	-	-
Amortisation of deferred income	7,27	(7,961,368)	(9,759,191)	-	-
Gain on disposal of investment properties	7	-	(3,647,648)	-	(3,647,648)
Recovery of the receivables previously written off		(4,076,378)	-	(4,076,378)	-
Loss on disposal of a subsidiary	9	449,889	-	-	-
Unrealised foreign exchange loss/(gain)	9	-	18,934	-	-
Share of (profit)/loss of associates	20	(2,426)	(117,141)	-	-
Operating cash flows before changes in working capital		(916,154)	(8,032,620)	3,098,649	(6,615,194)
Changes in working capital					
Increase in inventories		3,634,446	(415,240)	-	-
Decrease in trade and other receivables		(4,044,909)	2,452,092	(1,372,332)	33,372
(Increase)/decrease in other current assets		2,256,767	(2,338,456)	(229,809)	(143,236)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2016 (cont'd.)

	Note	Group		Company	
		2016 RM	2015 RM	2016 RM	2015 RM
Cash flows from operating activities (cont'd)					
Increase in trade and other payables		7,728,919	14,255,221	6,551,544	6,650,414
Net movement in related parties		2,730,344	(4,261,354)	(2,996,996)	(24,011,217)
Cash generated from/(used in) operations		11,389,412	1,659,643	5,051,056	(24,085,861)
Interest paid		(11,012,639)	(10,005,341)	(3,651,453)	(3,651,454)
Net taxes paid		(1,247,099)	(2,603,030)	(300,000)	(300,000)
Net cash (used in)/generated from operating activities		(870,326)	(10,948,728)	1,099,603	(28,037,315)
Cash flows from investing activities					
Purchase of property, plant and equipment		(336,720)	(1,135,765)	(2,900)	(14,574)
Proceeds from disposal of property, plant and equipment		9,058,652	94,340	-	-
Recovery of other receivables previously written off		4,076,378	-	4,076,378	-
Proceeds from disposal of investment properties		-	35,685,328	-	35,685,328
Interest received		1,684,715	135,277	5,657,400	5,303,399
Net dividend received					
- associate		-	250,003	-	-
- other investment		-	107	-	-
Repayment of amount due from Holding Company		2,850,000			
Net cash generated from/ (used in) investing activities		17,333,025	35,029,290	9,730,878	40,974,153
Cash flows from financing activities					
(Decrease)/increase of deposits with licensed banks and financial institution		6,372,792	(3,090,335)	9,903	300,583
Repayment of					
- Sukuk Musharakah		(5,000,000)	(5,000,000)	-	-
Net repayment of term loans		(14,431,625)	(16,413,241)	(10,999,827)	(13,349,663)
Net repayment of obligation under finance lease		(440,442)	(842,662)	-	-
Net changes in bankers acceptances		128,000	6,000	-	-
Net changes in trust receipts		810,969	(945,568)	-	-
Net cash used in financing activities		(12,560,306)	(26,285,806)	(10,989,924)	(13,049,080)
Net increase/ (decrease) in cash and cash equivalents		3,902,393	(2,205,244)	(159,443)	(112,242)
Cash and cash equivalents at beginning of year		(5,825,818)	(3,620,574)	252,647	364,889
Cash and cash equivalents at end of year (Note 25)		(1,923,425)	(5,825,818)	93,204	252,647

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENT

31 December 2016

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business and registered office of the Company is located at 15th Floor, Amcorp Tower, Amcorp Trade Centre, 18 Jalan Persiaran Barat, Off Jalan Timur, 46050 Petaling Jaya, Selangor Darul Ehsan.

The holding Company of the Company is Zil Enterprise Sdn. Bhd. respectively, which is incorporate in Malaysia.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are described in Note 19.

The financial statements for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on 28 April 2017.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

At the beginning of the current financial year, the Group and the Company had adopted new and revised MFRSs which are mandatory for the financial periods beginning on or after 1 January 2016 as described fully in Note 2.2.

The financial statements of the Group and the Company have been prepared on the historical cost basis and are presented in Ringgit Malaysia (RM) except when otherwise indicated.

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 RM0.87 million.

These factors indicate the existence of material uncertainties which may cast significant 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.

The financial statements of the Group and the Company do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Group and the Company be unable to continue as going concern.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2016, the Group and the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2016.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

Description	**Effective for annual periods beginning on or after**
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and of the Company except for those discussed below:

a. Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset forms part of the business) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments do not have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

b. Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of MFRS 141. Instead, MFRS 116 will apply. After initial recognition, bearer plants will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of MFRS 141 and are measured at fair value less costs to sell.

The amendments are applied retrospectively and do not have any impact on the Group's and the Company's financial statements

c. Amendments to MFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operation

The amendments to MFRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant MFRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to MFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments do not have any impact on the Group's consolidated financial statements as there has been no interest acquired in a joint operation during the year.

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

d. Amendments to MFRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. These amendments do not have any impact on the Group's and the Company's financial statements.

e. Amendments to MFRS 101: Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:
- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The amendments do not have any impact on the Group's and the Company's financial statements.

f. Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments do not have any impact on the Group's financial statements as the Group does not apply the consolidation exception.

g. MFRS 14 Regulatory Deferral Accounts

MFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulations, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of MFRS. Entities that adopt MFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in the account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rateregulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing MFRS preparer, this standard does not apply.

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

h. Annual Improvements to MFRSs 2012–2014 Cycle

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below. These amendments do not have a significant impact on the Group's and the Company's financial statements.

MFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The amendment to MFRS 5 clarifies that changing from one disposal method to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in MFRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is applied prospectively.

MFRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report. This amendment is applied retrospectively.

MFRS 119 Employee Benefits

The amendment to MFRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied prospectively.

MFRS 134 Interim Financial Reporting

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is applied retrospectively.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	**Effective for annual periods beginning on or after**
MFRS 107 Disclosures Initiatives (Amendments to MFRS 107)	1 January 2017
MFRS 112 Recognition of Deferred Tax for Unrealised Losses (Amendments to MFRS 112)	1 January 2017
MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

2. **Summary of significant accounting policies (cont'd.)**

2.3 Standards issued but not yet effective (cont'd.)

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application except as discussed below:

a. MFRS 107 Disclosures Initiatives (Amendments to MFRS 107)

The amendments to MFRS 107 Statement of Cash Flows requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of this amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosures to be provided by the Group and the Company.

b. MFRS 112 Recognition of Deferred Tax for Unrealised Losses (Amendments to MFRS 112)

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies this amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the Group and on the Company.

c. MFRS 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)

The amendments to MFRS 2 address three main areas:

a. The effects of vesting conditions on the measurement of a cash-settled sharebased payment transaction;

b. The classification of a share-based payment transaction with net settlement features for withholding tax obligations; and

c. Accounting where a modification to the terms and conditions of a sharebased payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Group is assessing the potential effect of the amendments on the financial statements.

d. MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

2. Summary of significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

d. MFRS 15 Revenue from Contracts with Customers (cont'd.)

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

e. MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

f. MFRS 16 Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.

g. Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution of assets to an associate of a joint venture that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by Malaysian Accounting Standards Board. Earlier application is permitted. These amendments are not expected to have any impact on the Group.

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2016.

The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions are eliminated in full.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2. Summary of significant accounting policies (cont'd.)

2.5 Business combinations

Acquisition of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.8(i).

2.6 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.7 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

2. **Summary of significant accounting policies (cont'd.)**

2.7 Associates (cont'd.)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group applies MFRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.8 Intangible assets

i. Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cashgenerating unit may be impaired, by comparing the carrying amount of the cashgenerating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.24.

Goodwill and fair value adjustments which arose on the acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition

2. Summary of significant accounting policies (cont'd.)

2.8 Intangible assets (cont'd.)

ii. Research and development costs

All research costs are recognised in the profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditures which do not meet these criteria are expensed off when incurred.

Development costs, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding ten years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each reporting date.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is depreciated over the period of 73 years. Depreciation is computed on a straightline basis over the estimated useful lives of the assets as follows:

Buildings	over 30 - 50 years
Renovation	10% - 20%
Plant, machinery, equipment and electrical installation	10% - 30%
Power plant	over 21 - 30 years
Mould and dies	20%
Furniture and fittings	10%
Motor vehicles	20%
Livestocks	10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.10 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

2. **Summary of significant accounting policies (cont'd.)**

2.10 Investment properties (cont'd.)

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.9 up to the date of change in use.

2.11 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cashgenerating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method and weighted average method. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

2. Summary of significant accounting policies (cont'd.)

2.13 Inventories (cont'd.)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to the known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit and loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets

i. Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

ii. Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

2. Summary of significant accounting policies (cont'd.)

2.16 Financial assets (cont'd.)

ii. Loans and receivables (cont'd.)

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current

iii. Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

iv. Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, the date that the Group and the Company commit to purchase or sell the asset..

2.17 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

2. Summary of significant accounting policies (cont'd.)

2.17 Impairment of financial assets (cont'd.)

i. Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

ii. Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.18 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd.)

2.19 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.20 Leases

Power purchase agreement

The Group has adopted IC Int. 4, "Determining whether an Arrangement contains a Lease", which prescribes that the determination of whether an arrangement is or contains a lease shall be based on the substance of the arrangement. It requires an assessment of whether the fulfillment of the arrangement is dependent on the use of specific asset and the arrangement conveys a right to use such assets, such a contractual arrangement is accounted for as a finance or operating lease. Payment for services and the cost of inputs of the arrangement are excluded from the calculation of the minimum lease payments.

The adoption of IC Int. 4 has resulted in finance and operating lease accounting being applied to the Group as lessors for the Power Purchase Agreements with Tenaga Nasional Berhad and Sabah Electricity Sdn. Bhd.

i. Finance lease

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

ii. Operating lease

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.25(vii).

2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2. Summary of significant accounting policies (cont'd.)

2.22 Income tax

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

2. Summary of significant accounting policies (cont'd.)

2.23 Employee benefits

i. Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term nonaccumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Group makes contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed. Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

2.24 Foreign currency

i. Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

ii. Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

iii. Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2. Summary of significant accounting policies (cont'd.)

2.25 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

i. Revenue from operation of power plant

Revenue from capacity charges and energy billings are recognised on an accrual basis.

ii. Sale of food and beverage

Revenue relating to sale of food and beverage is recognised net of goods and services tax ("GST") and discounts upon the transfer of risks and rewards.

iii. Revenue from recreational activities

Revenue from recreation activities is recognised net of discounts as and when the services are rendered.

iv. Sale of goods

Revenue relating to sale of goods is recognised net of GST and discounts upon transfer of risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

v. Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

vi. Management fees

Management fees represent fees charged to subsidiaries for assisting in the management of the subsidiaries and these are recognised upon performance of services.

vii. Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

viii. Interest income

Interest income is recognised on an accrual basis using the effective interest method.

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosure on each these segments are shown in Note 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. Summary of significant accounting policies (cont'd.)

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group.

2.28 Fair value measurement

The Group and the Company measure non-financial assets such as investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the assets or liability, or
- In the absence of a principle market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participants that would use the use the assets in its highest and best use

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

External valuers are involved for valuation of significant assets, such as properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Group and the Company, in conjunction with the external valuers, also compare the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

Before the reporting date, the Group and the Company will present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group and the Company has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained in Note 38.

2.29 Current versus non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

2. Summary of significant accounting policies (cont'd.)

2.29 Current versus non-current classification (cont'd.)

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.30 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. Significant accounting estimates and judgements

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

a. Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

i. Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. Significant accounting estimates and judgements (cont'd.)

b. Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i. Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill as at 31 December 2016 were RM nil (2015: RM nil). Further details are disclosed in Note 18.

ii. Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances, unabsorbed investment tax allowances and unabsorbed reinvestment allowances to the extent that it is probable that taxable profit will be available against which the losses, capital allowances, investment tax allowances and reinvestment allowances can be utilised. Significant management estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised and unrecognised deferred tax assets of the Group and of the Company is disclosed in Note 30

iii. Depreciation of livestocks

The cost of livestocks classified under property, plant and equipment is depreciated on a straight-line basis over the useful lives of the livestocks. Management estimates the life span of these livestocks to be within 10 years. The life span may be affected by diseases, nutrition and management of livestocks in captivity. Therefore, future depreciation charges could be revised.

iv. Impairment of loans and receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

When there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. As at 31 December 2016, the Group's and the Company's impairment of loans and receivables of amounts due from the ultimate holding company are estimated based on the sales proceed recoverable through the disposal of property held by the ultimate holding company. The carrying amount of the Group's and of the Company's loans and receivables at the reporting date is disclosed in Note 23.

v. Income tax

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 12.

3. Significant accounting estimates and judgements (cont'd.)

d. Key sources of estimation uncertainty (cont'd.)

vi. Useful lives and residual value of plants and machinery

The cost of the power plants are depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these power plants to be within 21 to 30 years. The estimation of the useful lives of power plants have been based on the number of years of the licenses granted to operate. Residual values of the plant and machinery are based on the market valuation at the reporting date. The valuation is performed by accredited independent valuers with recent experience in the industry.

vii. Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

viii. Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialist to assess fair value for investment properties. Fair value is arrived at using comparison method or investment method and the key assumptions used to determine the fair value of the properties and sensitivity are disclosed in Note 15.

4. Revenue

	Group		Company	
	2016 RM	**2015 RM**	**2016 RM**	**2015 RM**
Capacity charges and energy billings	4,908,977	4,273,589	-	-
Sale of electrical and engineering parts	18,180,472	20,898,991	-	-
Sale of food and beverage	15,190,857	13,395,291	-	-
Income from recreational activities	12,997,524	15,236,187	-	-
Management fees from subsidiaries	-	-	2,206,000	1,852,000
	51,277,830	53,804,058	2,206,000	1,852,000

5. Cost of sales

	Group	
	2016 RM	**2015 RM**
Power generation costs	25,194,119	24,889,983
Cost of inventories sold	18,019,189	20,156,841
Cost of recreational activities	1,838,028	2,437,366
	45,051,336	47,484,190

Included in cost of sales are the following:

Depreciation of power plant	14,316,495	14,316,428
Depreciation of plant and equipment	109,471	109,747
Depreciation of leasehold land	40,795	40,795
Direct labour	1,315,283	1,347,473

6. Interest income

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Interest income:				
- Subsidiaries	-	-	5,653,259	5,280,513
- Holding Company	5,414,326	5,088,630	-	-
- Fixed deposits	229,888	135,277	4,141	22,886
- Finance lease interest	803,162	761,291	-	-
	6,447,376	5,985,198	5,657,400	5,303,399

7. Other income

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Net gain from fair value adjustments of investment properties (Note 15)	179,217	2,717,323	749,397	2,071,823
Rental income from:				
- Investment properties	1,067,030	1,239,944	967,030	980,906
- Subsidiaries	-	-	770,857	780,102
Gain on disposal of property, plant and equipment	4,615,292	43,363	-	-
Gain on disposal of investment properties	-	3,647,648	-	3,647,648
Proceeds from insurance claim on loss of profit	-	2,049,336	-	-
Recovery of other receivables previously written off	4,076,378	-	4,076,378	-
Amortisation of deferred income (Note 27)	7,961,368	9,759,191	-	-
Reversal of allowance for impairment on financial assets: (Note 23)				
- Subsidiaries	-	-	8,000	599,670
Dividend income from other investments	-	107	-	-
Additional compensation for land previously disposed (compulsory acquisition)	8,422,456	-	8,422,456	-
Miscellaneous	792,670	4,646,777	377,522	942,181
	27,114,411	24,103,689	15,371,640	9,022,330

8. Finance costs

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Interest expense on:				
Bank borrowings	3,651,150	4,653,327	2,120,924	2,936,384
Hire purchase payables	77,519	88,469	-	-
Bank-Guaranteed Sukuk Musharakah	4,064,599	4,384,051	-	-
	7,793,268	9,125,847	2,120,924	2,936,384

9. Loss before tax

The following amounts have been included in arriving at loss before tax:

	Group		Company	
	2016 RM	**2015 RM**	**2016 RM**	**2015 RM**
Employee benefits expense (Note 10)	16,117,755	17,889,835	4,906,417	6,081,005
Non-executive directors' remuneration excluding benefits-in-kind (Note 11)	140,000	128,000	130,000	118,000
Auditors' remuneration:				
- Statutory audit	465,000	440,000	215,000	190,000
- Other services	15,000	15,000	15,000	15,000
Direct operating expenses of investment properties:				
- Revenue generating during the year	61,421	60,094	61,421	60,094
- Non-revenue generating during the year	471,625	822,110	-	82,255
Rental of premises	2,410,058	2,416,684	571,200	587,070
Rental of equipment and motor vehicles	525,193	535,093	-	-
Amortisation of land use rights (Note 16)	41,664	41,664	-	-
Depreciation of property, plant and equipment (Note 14)	16,635,628	16,907,805	19,850	24,743
Loss/(gain) on foreign exchange:				
- Unrealised	-	18,934	-	-
- Realised	(56,288)	(11,044)	-	-
Loss on disposal of an associate company	449,889	-	-	-
Loss on disposal of property, plant and equipment	-	11,024	-	-
Impairment loss on property, plant and equipment	13,795,342	-	-	-
Property, plant and equipment written off	60,020	1	1,062	-
Impairment of goodwill (Note 18(a))	-	4,206,199	-	-
Impairment loss on investment in subsidiaries	-	-	25,665,461	32,917,679
Impairment loss on financial assets (Note 23(e)):				
- Subsidiaries	-	-	615,008	2,552,129
- Associates	-	3,480	-	3,480

10. Employee benefits expense

	Group		Company	
	2016 RM	**2015 RM**	**2016 RM**	**2015 RM**
Wages and salaries	12,312,272	14,390,140	3,380,127	4,645,906
Social security contributions	126,191	113,536	17,143	15,346
Contributions to defined contribution plan	1,632,494	1,623,209	593,047	598,576
Other benefits	2,046,798	1,762,950	916,100	821,177
	16,117,755	17,889,835	4,906,417	6,081,005

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration (excluding benefits-in-kind) amounting to RM3,005,197 (2015: RM2,990,588) and RM2,690,532 (2015: RM2,672,532) respectively as further disclosed in Note 11.

11. Directors' remuneration

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Executive (Note 10):				
- Fees	163,333	152,000	150,000	132,000
- Other emoluments	2,841,864	2,838,588	2,540,532	2,540,532
	3,005,197	2,990,588	2,690,532	2,672,532
Non-executive (Note 9):				
- Fees	140,000	128,000	130,000	118,000
Total directors' remuneration (Note 35(b))	3,145,197	3,118,588	2,820,532	2,790,532
Estimated money value of benefits-in-kind (Note 35(b))	455,452	1,021,430	357,236	901,483
Total directors' remuneration including benefits-in-kind	3,600,649	4,140,018	3,177,768	3,692,015

The details of remuneration of the directors of the Group and of the Company during the year are as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Executive:				
- Salaries and other emoluments	2,106,960	2,106,960	1,844,940	1,844,940
Allowances	300,000	300,000	300,000	300,000
Fees	163,333	152,000	150,000	132,000
Contribution to defined contribution plan	434,904	431,628	395,592	395,592
Estimated money value of benefits-in-kind	455,452	1,021,430	357,236	901,483
	3,460,649	4,012,018	3,047,768	3,574,015
Non-Executive:				
- Fees	140,000	128,000	130,000	118,000
	3,600,649	4,140,018	3,177,768	3,692,015

The number of directors of the Company whose total remuneration during the year fell within the following bands are analysed below:

	Number of directors	
	2016	2015
Executive directors:		
RM100,000 - RM500,000	2	2
RM500,001 - RM1,000,000	1	1
RM1,000,001 - RM2,500,000	1	1
Non-executive directors:		
RM70,000 and below	4	5

12. Income tax

The major components of income tax for the years ended 31 December 2016 and 2015 are as follows:

	2016 RM	2015 RM
Group		
Statement of comprehensive income: Current income tax:		
- Malaysian income tax	1,728,651	1,956,192
- Over provision in respect of previous years	(204,229)	(611,538)
	1,524,422	1,344,654
Real property gain tax	-	727,830
	1,524,422	2,072,484
Deferred tax (Note 30):		
- Origination/ of temporary differences	5,914,230	10,160,714
- (Over) / underprovision in respect of previous years	(888,127)	2,319,796
	5,026,103	12,480,510
Income tax expense in profit or loss	6,550,525	14,552,994

The reconciliation between tax and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 31 December 2016 and 2015 is as follows:

	2016 RM	2015 RM
Group		
Loss before tax	(16,409,908)	(16,077,603)
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	(3,938,378)	(4,019,401)
Adjustments:		
Income not subject to taxation	(745,778)	(3,338,548)
Non-deductible expenses	6,527,615	6,167,099
Deferred tax assets not recognised	5,828,210	16,959,684
Deferred tax assets recognised during the year	(25,065)	(12,778)
Over provision of income tax in respect of previous years	(204,299)	(611,538)
Over provision of deferred tax in respect of previous years	(891,780)	2,319,796
Adjustment for income tax under Real Property Gain Tax	-	(2,911,320)
Income tax expense in profit or loss	6,550,525	14,552,994

	2016 RM	2015 RM
Company		
Statement of comprehensive income:		
Current income tax:		
- Malaysian income tax	2,596,699	-
- Over provision in respect of previous years	(76,818)	(76,817)
	2,519,881	(76,817)
Real property gain tax		727,830
	2,519,881	651,013

12. Income tax (cont'd.)

	2016 RM	2015 RM
Company		
Deferred tax (Note 30):		
- (Reversal)/origination of temporary differences	1,111,842	(1,076,590)
- Under/(over) provision in respect of previous years	-	40,121
	1,111,842	(1,036,469)
Income tax (credit)/expense in profit or loss	3,631,723	(385,456)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2016 and 2015 is as follows:

	2016 RM	2015 RM
Company		
Loss before tax	(20,010,840)	(33,427,069)
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	(4,802,602)	(8,356,767)
Adjustments:		
Income not subject to taxation	-	(1,641,708)
Non-deductible expenses	8,511,143	12,561,035
Over provision of deferred tax and income tax in respect of previous years	(76,818)	(36,696)
Adjustment for income tax under Real Property Gain Tax		(2,911,320)
Income tax (credit)/expense in profit or loss	3,631,723	(385,456)

The Malaysian statutory tax rate will be reduced to 24% from the current year's tax of 25% (2015: 25%) effective year of assessment 2016.

13. Loss per share

a. Basic

Basic loss per share is calculated by dividing loss for the year (attributable to ordinary equity holders of the Company) by the weighted average number of ordinary shares in issue during the financial year held by the Company.

	Group	
	2016 RM	2015 RM
Loss attributable to ordinary equity holders of the Company	(23,061,336)	(30,049,566)
Weighted average number of ordinary shares in issue	311,362,271	311,362,271
Basic loss per share (sen)	(7.41)	(9.65)

b. Diluted

The Company does not have any potential dilutive ordinary shares as at reporting date.

There has been no other transaction involving ordinary shares between the reporting date and the date of this report.

14. Property, plant and equipment

	Freehold RM	Leasehold land RM	Buildings RM	Power plants RM	Livestocks RM	Others ** RM	Total RM
Group							
At 31 December 2016							
Cost							
At 1 January 2016 (as previously stated)	881,116	2,981,300	46,538,875	335,784,439	987,216	40,750,439	427,923,385
Prior year adjustments (Note 42)	-	-	(16,486,020)	-	-	-	(16,486,020)
At 1 January 2016 (as restated)	881,116	2,981,300	30,052,855	335,784,439	987,216	40,750,439	411,437,365
Additions	-	-	-	-	16,926	319,794	336,720)
Disposals	(881,116)	-	(5,523,719)	-	-	(1,241,151)	(7,645,986)
Write offs	-	-	-	-	(82,307)	(30,636)	(112,943)
Adjustment	-	-	-	-	-	(3,000)	(3,000)
At 31 December 2016	-	2,981,300	24,529,136	335,784,439	921,835	39,795,446	404,012,156
Accumulated depreciation and impairment loss							
At 1 January 2016 (as previously stated)	-	726,154	24,015,859	229,880,380	886,398	34,927,659	290,436,450
Prior year adjustments (Note 42)	-	-	(8,927,555)	-	-	-	(8,927,555)
At 1 January 2016 (as restated)	-	726,154	15,088,304	229,880,380	886,398	34,927,659	281,508,895
Depreciation charge for the year	-	40,795	794,444	14,316,495	13,392	1,470,502	16,635,628
Disposals	-	-	(1,970,127)	-	-	(1,232,498)	(3,202,625)
Write offs	-	-	-	-	(28,518)	(24,404)	(52,922)
Adjusment	-	-	613	-	-	(600)	13
Impairment	-	-	-	13,795,342	-	-	13,795,342
At 31 December 2016	-	766,949	13,913,234	257,992,217	871,272	35,140,658	308,684,330
Net carrying amount							
At 31 December 2016	-	2,214,351	10,615,902	77,792,222	50,563	4,654,788	95,327,826

14. Property, plant and equipment (cont'd)

	Freehold RM	Leasehold land RM	Buildings RM	Power plants RM	Livestocks RM	Others ** RM	Total RM
Group							
At 31 December 2015							
Cost							
At 1 January 2015 (as previously stated)	881,116	2,981,300	46,538,875	335,784,439	961,342	39,439,327	426,586,399
Prior year adjustments (Note 42)	-	-	(16,486,020)	-	-	-	(16,486,020)
At 1 January 2015 (as restated)	881,116	2,981,300	30,052,855	335,784,439	961,342	39,439,327	410,100,379
Additions	-	-	-	-	25,874	1,970,892	1,996,766
Disposals	-	-	-	-	-	(659,530)	(659,530)
Write offs	-	-	-	-	-	(250)	(250)
At 31 December 2015	881,116	2,981,300	30,052,855	335,784,439	987,216	40,750,439	411,437,365
Accumulated depreciation							
At 1 January 2015 (as previously stated)	-	685,359	22,728,237	215,563,884	854,993	33,776,566	273,609,039
Prior year adjustments (Note 42)	-	-	(8,453,535)	-	-	-	(8,453,535)
At 1 January 2015 (as restated)	-	685,359	14,274,702	215,563,884	854,993	33,776,566	265,155,504
Depreciation charge for the year	-	40,795	813,602	14,316,496	31,405	1,705,508	16,907,806
Disposals	-	-	-	-	-	(554,166)	(554,166)
Write offs	-	-	-	-	-	(249)	(249)
At 31 December 2015	-	726,154	15,088,304	229,880,380	886,398	34,927,659	281,508,895
Net carrying amount							
At 1 January 2015 (as restated)	881,116	2,295,941	15,778,153	120,220,555	106,349	5,662,761	144,944,875
At 31 December 2015	881,116	2,255,146	14,964,551	105,904,059	100,818	5,822,780	129,928,470

14. Property, plant and equipment (cont'd.)

**** Others**

	Furniture and fittings RM	Motor vehicle RM	Renovation RM	Mould and dies RM	Plant, machinery, equipment and electrical installation RM	Total RM
Group						
At 31 December 2016						
Cost						
At 1 January 2016	2,933,082	7,447,941	4,387,702	6,578,404	19,403,310	40,750,439
Additions	13,354	-	100,980	158,294	47,166	319,794
Disposals	(315)	(1,194,551)	-	-	(46,285)	(1,241,151)
Write offs	(9,500)	-	-	-	(21,136)	(30,636)
Adjustment	-	(3,000)	-	-	-	(3,000)
At 31 December 2016	2,936,621	6,250,390	4,488,682	6,736,698	19,383,055	39,795,446
Accumulated depreciation						
At 1 January 2016	2,591,071	5,641,897	2,985,003	6,351,435	17,358,253	34,927,659
Depreciation charge for the year	68,616	513,297	293,509	114,266	480,814	1,470,502
Disposals	(313)	(1,194,551)	-	-	(37,634)	(1,232,498)
Write offs	(9,183)	-	-	-	(15,221)	(24,404)
Adjustment	-	(600)	-	-	-	(600)
At 31 December 2016	2,650,191	4,960,043	3,278,512	6,465,701	17,786,212	35,140,658
Net carrying amount						
At 31 December 2015	286,430	1,290,347	1,210,170	270,997	1,596,844	4,654,788

14. Property, plant and equipment (cont'd.)

**** Others**

	Furniture and fittings RM	Motor vehicle RM	Renovation RM	Mould and dies RM	Plant, machinery, equipment and electrical installation RM	Total RM
Group						
At 31 December 2015						
Cost						
At 1 January 2015	2,877,639	7,244,820	3,831,249	6,409,013	19,076,606	39,439,327
Additions	24,759	861,001	556,453	169,391	359,288	1,970,892
Disposals	-	(657,880)	-	-	(1,650)	(659,530)
Write offs	-	-	-	-	(250)	(250)
Reclassification	30,684	-	-	-	(30,684)	-
At 31 December 2015	2,933,082	7,447,941	4,387,702	6,578,404	19,403,310	40,750,439
Accumulated depreciation						
At 1 January 2015	2,445,300	5,623,495	2,733,356	6,272,871	16,701,544	33,776,566
Depreciation charge for the year	115,915	570,918	251,647	78,564	688,464	1,705,508
Disposals	-	(552,516)	-	-	(1,650)	(554,166)
Write offs	-	-	-	-	(249)	(249)
Reclassification	29,856	-	-	-	(29,856)	-
At 31 December 2015	2,591,071	5,641,897	2,985,003	6,351,435	17,358,253	34,927,659
Net carrying amount						
At 31 December 2015	342,011	1,806,044	1,402,699	226,969	2,045,057	5,822,780

14. Property, plant and equipment (cont'd.)

** Others (cont'd.)

	Furniture and fittings RM	Plant, machinery, equipment and electrical installation RM	Total RM
Company			
At 31 December 2016			
Cost			
At 1 January 2016	92,807	216,914	309,721
Additions	-	2,900	2,900
Write offs	-	(10,969)	(10,969)
At 31 December 2016	92,807	208,845	301,652
Accumulated depreciation			
At 1 January 2016	84,443	168,295	252,738
Depreciation charge for the year	2,686	17,164	19,850
Write offs	-	(9,907)	(9,907)
Reclassification	-	-	-
At 31 December 2016	87,129	175,552	262,681
Net carrying amount			
At 31 December 2016	5,678	33,293	38,971
At 31 December 2015			
Cost			
At 1 January 2015	92,807	203,990	296,797
Additions	-	14,574	14,574
Disposals	-	(1,650)	(1,650)
At 31 December 2015	92,807	216,914	309,721

14. Property, plant and equipment (cont'd.)

	Furniture and fittings RM	Plant, machinery, equipment and electrical installation RM	Total RM
Company (cont'd.)			
At 31 December 2015			
Accumulated depreciation			
At 1 January 2015	80,268	149,377	229,645
Depreciation charge for the year	4,102	20,641	24,743
Disposals	-	(1,650)	(1,650)
Reclassification	73	(73)	-
At 31 December 2015	84,443	168,295	252,738
Net carrying amount			
At 31 December 2015	8,364	48,619	56,983

a. During the financial year, the Group acquired property, plant and equipment at aggregate costs of RM336,720 (2015: RM1,996,766) of which RM nil (2015: RM861,001) were acquired by means of finance leases.

Net carrying amounts of property, plant and equipment held under finance leases are as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Motor vehicles	1,052,843	1,568,540	-	-

Details of the terms and conditions of the obligation under finance lease are disclosed in Note 26 and 34.

b. The net carrying amounts of property, plant and equipment pledged as securities for loans and borrowings (Note 26) granted to the Group and to the company are as follows:

	Group	
	2016 RM	2015 RM
Freehold land	-	881,116
Leasehold land	2,214,351	2,255,146
Buildings	10,375,421	22,272,340
Power plant	77,792,222	105,904,059
Renovation	19,528	24,568
Furniture and fittings	69,749	93,795
Plant, machinery, equipment and electrical installation	1,070,503	1,402,822
Mould and dies	270,997	226,969
Motor vehicles	769,342	1,026,751
	92,582,113	134,087,566

15. Investment properties

	Group			
	Leasehold lands RM	Shoplot RM	Building RM	Total RM
At 1 January 2016 (as previously stated)	166,037,311	495,000	1,844,850	168,377,161
Prior year adjustments (Note 42)(as restated)	-	-	24,739,949	24,739,949
	166,037,311	495,000	26,584,799	193,117,110
Net (loss)/gain from fair value adjustments recognised in profit or loss (Note 7)	(1,168,183)	(95,000)	1,442,400	179,217
At 31 December 2016	164,869,128	400,000	28,027,199	193,296,327

	Group			
	Leasehold lands RM	Shoplot RM	Building RM	Total RM
At 1 January 2015 (as previously stated)	196,003,168	495,000	1,844,850	198,343,018
Prior year adjustments (Note 42) (as restated)	-	-	24,094,449	24,094,449
	196,003,168	495,000	25,939,299	222,437,467
Net gain from fair value adjustments recognised in profit or loss (Note 7)	2,071,823	-	645,500	2,717,323
Disposal	(32,037,680)	-	-	(32,037,680)
At 31 December 2015	166,037,311	495,000	26,584,799	193,117,110

	Company		
	Leasehold lands RM	Shoplot RM	Total RM
At 1 January 2016	172,745,473	495,000	173,240,473
Net (loss)/gain from fair value adjustments recognised in profit or loss (Note 7)	844,397	(95,000)	749,397
Disposal	-	-	-
At 31 December 2016	173,589,870	400,000	173,989,870

	Company		
	Leasehold lands RM	Shoplot RM	Total RM
At 1 January 2015	202,711,330	495,000	203,206,330
Net gain from fair value adjustments recognised in profit or loss (Note 7)	2,071,823	-	2,071,823
Disposal	(32,037,680)	-	(32,037,680)
At 31 December 2015	172,745,473	495,000	173,240,473

15. Investment properties (cont'd)

The description of valuation techniques used and key inputs to valuation on investment properties are as follows:

Type of investment properties	Valuation technique	Significant unobservable inputs
Leasehold lands and shoplot	Direct Comparison Method ("DCM")	Selling price per square foot ("psf") of comparable properties sold adjusted for location, accessibility, terrain, size, present market trends and other differences.
Buildings and shoplot	Investment Method	The capital value of the subject property is derived from an estimate of the Market Rental which the subject property can reasonably be let for adjusted for outgoings and future yields

The following investment properties are held under lease terms:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Leasehold land	164,869,128	166,037,311	173,589,870	172,745,473
Buildings	28,027,199	26,584,799	-	-
	192,896,327	192,622,110	173,589,870	172,745,473

Properties pledged as security

Investment properties of the Group and of the Company with aggregate carrying values of RM166,713,540 (2015: RM167,882,161) and RM173,589,870 (2015: RM172,745,473) respectively are pledged as securities for loans and borrowings (Note 26) granted to the Group and the Company.

Investment properties comprise a number of commercial properties leased to third parties and industrial land held for capital appreciation.

16. Land use rights

	Group 2016 RM	Group 2015 RM
Cost		
At 1 January/31 December	791,620	791,620
Accumulated amortisation		
At 1 January	416,640	374,976
Amortisation during the year (Note 9)	41,664	41,664
At 31 December	458,304	416,640
Net carrying amount	333,316	374,980
Amount to be amortised:		
- Not later than one year	41,664	41,664
- Later than one year but not later than five years	166,656	166,656
- Later than five years	124,996	166,660

The Group has land use rights over one plot of land at Mukim Kedawang (previously known as Tanjung Mali) in Langkawi, Kedah. The land use rights are not transferable and have a remaining tenure of 37 years (2015: 38 years). The existing rights expires on 18 July 2024. The Group had subsequently entered into a new lease agreement with the lessor to renew the lease term for another period of 30 years, expiring on 18 July 2054.

17. Finance lease receivables

	Group	
	2016 RM	2015 RM
At 1 January	14,602,942	13,841,651
Accrued interest	803,162	761,291
Repayments	(1,454,827)	-
At 31 December	13,951,277	14,602,942

Finance lease receivables are analysed as follows:

	2016 RM	2015 RM
Current	687,507	592,624
Non-current	13,263,770	14,010,318
	13,951,277	14,602,942

a. Concession right accounted for as finance lease receivables

Under the terms and conditions of the Power Purchase Agreement ("PPA") executed between a wholly-owned subsidiary, Musteq Hydro Sdn. Bhd. ("MHSB") and Tenaga Nasional Berhad ("TNB") dated 19 April 1997, MHSB is granted the right to supply electricity to TNB for 30 years. Previously, certain assets had been capitalised as concession assets and amortised over the assets' useful lives.

The Group has adopted IC Interpretation 4: Determining whether an Arrangement contains a Lease ("IC Int. 4") in the previous year and the application of the requirements of MFRS 117 Leases ("MFRS 117"). Accordingly, the Group had performed assessments on the arrangements entered. Based on the assessments made, the Group identified PPA of MHSB contained elements of lease which fulfilled the criteria of finance lease under MFRS 117. The Group had derecognised the concession assets and recognised the assets as finance lease receivables. The financial lease receivables represent the fair value of the minimum lease payments for the right to use the assets and are repayable over the lease term of 30 years.

18. Intangible assets

	Goodwill (Note 18(a)) RM	Development Costs (Note 18(b)) RM	Total RM
Group			
Cost			
2016:			
At 1 January/ 31 December	4,206,199	78,225	4,284,424
2015:			
At 1 January/ 31 December	4,206,199	78,225	4,284,424
Accumulated amortisation			
2016:			
At 1 January/ 31 December	4,206,199	78,225	4,284,424
2015:			
At 1 January	-	78,225	78,225
Impairment loss (Note 9)	4,206,199	-	4,206,199
At 1 January/ 31 December	4,206,199	78,225	4,284,424
Net carrying amount			
At 31 December 2016	-	-	-
At 31 December 2015	-	-	-

a. Goodwill

The goodwill on consolidation arose from the investment in Stratavest Sdn. Bhd. ("SSB"), a wholly owned subsidiary of the Company which is involved in the operation of a power plant as an independent power producer.

The recoverable amounts of the CGUs have been determined based on the higher of its fair value less cost of disposal and its value in use.

The Group have obtained a valuation of the power plant as at 31 December 2016 from an independent external valuer. The method used by the valuer was depreciation replacement cost ("DRC"). The key assumption used in the valuation was the depreciation of current replacement cost due to age, condition and technological obsolescence in real terms of 87% (2015: 86%).

In the previous financial year, an impairment loss of RM4.2 million was recognised as its carrying amount exceeded its recoverable amount.

19. Investments in subsidiaries

	Company 31.12.2016 RM	31.12.2015 RM (Restated)	01.01.2015 RM (Restated)
Unquoted shares at cost	150,051,055	150,051,055	149,942,710
Less: Accumulated impairment losses	(97,710,940)	(72,045,477)	(39,127,798)
	52,340,115	78,005,578	110,814,912

Details of subsidiaries are as follows:

Name of subsidiaries	Effective equity interest 2016 %	2015 %	Principal activities
Held by the Company:			
Incorporated in Malaysia:			
Eden Airport Restaurant Sdn. Bhd.*	100	100	Restaurant operator.
Eden Catering Sdn. Bhd.*	100	100	Food caterers.
Eden Seafood Village Sdn. Bhd.*	95	95	Restaurant operator.
Eden Seafood Village (Langkawi) Sdn. Bhd*	100	100	Restaurant operator and retailer of souvenir and dried seafood.
Stratavest Sdn. Bhd.*	100	100	Developer and operator of power plant as an independent power producer.
Langkawi Batik Enterprises Sdn. Bhd.*	100	100	Investment holding and providing operation and maintenance services of power plant.
Time Era Sdn. Bhd.*	70	70	Manufacturer of electrical and engineering parts
Underwater World Langkawi Sdn. Bhd.	100	100	Aquarium and related activities.
Eden Seafood Village (Selangor) Sdn. Bhd.*	100	100	Dormant.
Eden Cake House Sdn. Bhd.*	98	98	Dormant.
Underwater World Melaka Sdn. Bhd.*	100	100	Dormant.
Eden Garden Hotel (JB) Sdn. Bhd.*	100	100	Dormant.
Eden Minerals Sdn. Bhd.	100	100	Dormant.

19. Investments in subsidiaries (cont'd.)

Name of subsidiaries	Effective equity interest 2016 %	Effective equity interest 2015 %	Principal activities
Held by the Company (cont'd.):			
Incorporated in Malaysia (cont'd.):			
Eden Mining Minerals Sdn. Bhd.*	100	100	Dormant.
Star Vor Sdn. Bhd.*	100	100	Dormant.
Eden Industries Sdn. Bhd.*	100	100	Dormant.
Underwater World Labuan Ltd.	100	100	Development, installation, operation, maintenance and management of aquariums.
Held through Langkawi Batik Enterprises Sdn. Bhd.			
Incorporated in Malaysia:			
Musteq Hydro Sdn. Bhd.*	100	100	Developer and operator of power plant as an independent power producer.
Held through Time Era Sdn. Bhd.			
Incorporated in Malaysia:			
NES Electric (M) Sdn. Bhd.*	70	70	Dealer in electrical and electronic equipment and components.
Time Era Industries Sdn. Bhd.*	70	70	Manufacturer of plastic components.
Cur (Far East) Sdn. Bhd.*	53	53	Manufacturer of circuit breakers and electrical equipment.
Time Era Technologies Sdn. Bhd.**	50	50	Trader of LED lighting

19. Investments in subsidiaries (cont'd.)

Name of subsidiaries	Effective equity interest 2016 %	Effective equity interest 2015 %	Principal activities
Held through Underwater World Langkawi Sdn. Bhd.			
Incorporated in Malaysia:			
Edisi Unggul Facility Management Sdn. Bhd.*	100	100	Provision of maintenance services.

* Audited by Ernst & Young, Malaysia

** Audited by firms other than Ernst & Young.

Financial information of a subsidiary that has material non-controlling interests are provided below:

i. Summarised statement of financial position:

	Time Era Sdn Bhd 2016 RM	Time Era Sdn Bhd 2015 RM
Non current assets	1,228,711	6,230,285
Current asset	26,223,886	27,063,333
Total assets	27,452,597	33,293,618
Non current liabilities	270,010	335,692
Current liabilities	13,769,627	20,216,390
Total liabilities	14,039,637	20,552,082
Net assets	13,412,960	12,741,536
Equity attributable to owners of the Company	9,389,072	8,919,075
Non controlling interest	4,023,888	3,822,461

19. Investments in subsidiaries (cont'd.)

Financial information of a subsidiary that has material non-controlling interests are provided below (cont'd):

ii. Summarised statement of profit or loss:

	Time Era Sdn Bhd	
	2016 RM	**2015 RM**
Revenue	18,180,472	20,898,991
Profit / (Loss) for the year	1,361,366	(1,011,572)
Profit / (Loss) attributable to owners of the Company	952,956	(708,100)
Profit / (Loss) attributable to non-controlling interests	408,410	(303,472)
Total comprehensive profit/(loss)	1,361,366	(1,011,572)

iii. Summarised statement of cash flows:

	Time Era Sdn Bhd	
	2016 RM	**2015 RM**
Net cash (used in)/ generated from operating activities	(3,795,141)	6,532,031
Net cash generated from/ (used in) in investing activities	9,000,996	(210,015)
Net cash (used in)/ generated from financing activities	(260,946)	(6,733,721)
Net (decrease)/ increase in cash and cash equivalent	4,944,909	(411,705)
Cash and cash equivalents at the beginning of the year	(4,823,147)	(4,411,442)
Cash and cash equivalents at the end of the year	121,762	(4,823,147)

20. Investments in associates

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
In Malaysia:				
Unquoted shares at cost				
At 1 January	264,137	264,137	39,960	39,960
Share of post-acquisition reserves	-	223,304	-	-
Disposal of associates companies	(224,177)	-	-	-
	39,960	487,441	39,960	39,960
Outside Malaysia:				
Unquoted shares at cost	260,833	260,833	1,826	1,826
Share of post-acquisition reserves	(247,138)	(247,137)	-	-
	13,695	13,696	1,826	1,826
	53,655	501,137	41,786	41,786
Less:				
Accumulated impairment losses	(1,826)	(1,826)	(1,826)	(1,826)
	51,829	499,311	39,960	39,960

Details of the associates are as follows:

Name of associates	Country of incorporation	Proportion of ownership interest 2016 %	Proportion of ownership interest 2015 %	Principal activities
Conlap Precision Industries Sdn. Bhd.**	Malaysia	-	25	Manufacturing of precision cutting mould and metal stamping.
Arus Middle East FZC **	United Arab Emirate	25	25	Trading of electrical and electronic components and equipment.
SK Hydro (Private) Limited **	Pakistan	-	20	Developer of power plant as an independent power producer.
Eden Pesaka Sdn. Bhd. *	Malaysia	40	40	Dormant
Arus Electrical Industries Sdn. Bhd. **	Malaysia	-	25	Trading of electrical and electronic components and equipment.

* Audited by Ernst & Young, Malaysia.
** Audited by firms other than Ernst & Young.

The financial statements of the above associates are coterminous with those of the Group except SK Hydro (Private) Limited.

In the previous financial year, the Group has discontinued the recognition of its share of losses of SK Hydro (Private) Limited as the share of losses of this associate has exceeded the Group's interest. The Group's share of unrecognised losses of this associate in the previous financial year and cumulatively were RM75,055 and RM378,186 respectively. The Group has no obligation in respect of these losses.

20. Investments in associates (cont'd.)

The summarised financial information of the associates, they are not individually material and not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2016 RM	2015 RM
Assets and liabilities		
Current assets	1,758,166	13,849,755
Non-current assets	158,772	92,162,770
Total assets	1,916,938	106,012,525
Current liabilities	1,948,152	37,397,538
Non-current liabilities	100	664,670
Total liabilities	1,948,252	38,062,208
Net assets	(31,314)	67,950,317
Results		
Revenue	3,496,906	5,767,533
Profit/(loss) for the year	117,646	581,973

Reconciliation of the summarised financial information presented above to the carrying amount of Group's interest in associates, is as follows:

	2016 RM	2015 RM
Net assets at 1 January	499,311	632,173
Profit/(loss) for the year	2,426	117,141
Dividend paid during the year	-	(250,003)
Disposal of asscociate companies	(449,908)	-
Net assets at 31 December	51,829	499,311
Share of cumulative unrecognised losses in an associate	499,713	499,714
Dividend received from associates during the year	-	-

Movement in share of post-acquisition reserves account:

	2016 RM	2015 RM
At 1 January	(23,833)	109,029
Share of result of associates	2,426	117,141
Dividend received from associates	-	(250,003)
At 31 December	(21,407)	(23,833)

21. Other investments

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Available for sale financial assets				
Unquoted shares at cost	8,000	8,000	6,000	6,000
Unquoted subordinated bonds	4,500,000	4,500,000	4,500,000	4,500,000
Less:				
Accumulated impairment losses	(4,500,000)	(4,500,000)	(4,500,000)	(4,500,000)
	8,000	8,000	6,000	6,000

Unquoted subordinated bonds subscribed from CapOne Berhad and Prima Uno Berhad are classified as other investments. The returns from the bonds rank subsequent to the Super Senior Bonds, the Senior Bonds and the Mezzanine Bonds in terms of priority, and will be recognised when the right to receive the income is established.

22. Inventories

	Group	
	2016 RM	2015 RM
Cost		
Raw materials	9,835,776	12,567,847
Work-in-progress	862,445	1,190,662
Food and beverage	102,500	148,448
Electrical and engineering parts	7,258,408	7,786,618
	18,059,129	21,693,575

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM18,019,894 (2015: RM20,156,841).

Inventories amounting to RM17,956,129 (2015: RM21,545,127) are pledged as securities for loans and borrowings as disclosed in Note 26 and Note 28.

23. Trade and other receivables

	Note	Group		
		31.12.2016 RM	31.12.2015 RM (Restated)	1.1.2015 RM (Restated)
Current Trade receivables				
Third parties		19,099,763	18,353,031	21,097,460
Associates		10,590	494,791	395,466
		19,110,353	18,847,822	21,492,926
Less:				
Allowance for impairment				
- Third parties		(11,432,238)	(11,432,238)	(11,680,520)
Trade receivables, net	(a)	7,678,115	7,415,584	9,812,406

23. Trade and other receivables (cont'd.)

	Note	Group		
		31.12.2016 RM	31.12.2015 RM (Restated)	1.1.2015 RM (Restated)
Current				
Other receivables				
Amount due from related parties:				
- Holding company	(d)	78,048,020	1,710	70,497,987
- Associates	(d)	-	3,704,297	3,700,817
		78,048,020	3,706,007	74,198,804
GST claimable		47,812	73,701	-
Tax recoverable		484,934	124,299	246,044
Refundable deposits		949,198	927,438	923,609
Sundry receivables	(e)	8,185,805	8,239,158	3,967,033
		87,715,769	13,070,603	79,335,490
Less: Allowance fo impairment				
- Associates		-	(3,704,297)	(3,700,817)
- Sundry receivables		(983,228)	(983,228)	(983,228)
		(983,228)	(4,687,525)	(4,684,045)
Other receivables, net		86,732,541	8,383,078	74,651,445
		94,410,656	15,798,662	84,463,851
Non-current				
Other receivables				
Amount due from related parties:				
- Holding company	(d)	-	75,480,607	-
		-	75,480,607	-
Less: Allowance for impairment				
- Holding company		-	-	-
Other receivables, net		-	75,480,607	-
Total trade and other receivables (current and non-current)		94,410,656	91,279,269	84,463,851
Add: Cash and bank balances (Note 25)		8,242,578	15,653,147	11,863,116
Less: Tax recoverable		(484,934)	(124,299)	(246,044)
Total loans and receivables		102,168,300	106,808,117	96,080,923

23. Trade and other receivables (cont'd.)

	Note	Company 2016 RM	Company 2015 RM
Current			
Other receivables			
Amount due from related parties:			
- Subsidiaries	(b)	70,954,634	63,363,620
- Associates	(d)	-	3,704,297
		70,954,634	67,067,917
GST claimable		11,409	-
Refundable deposits		96,900	97,708
Sundry receivables	(e)	1,855,352	482,200
		72,918,295	67,647,825
Less: Allowance fo impairment			
- Subsidiaries		(31,831,169)	(32,255,530)
- Associates		-	(3,704,297)
- Sundry receivables		(473,584)	(473,584)
		(32,304,753)	(36,433,411)
Other receivables, net		40,613,542	31,214,414
		40,613,542	31,214,414
Non-current			
Other receivables			
Amount due from related parties:			
- Subsidiaries	(b)	81,201,180	79,713,708
Loan to a subsidiary	(c)	6,270,000	6,270,000
		87,471,180	85,983,708
Less: Allowance for impairment			
- Loan to a subsidiary		(3,118,284)	(3,263,589)
Other receivables, net		84,352,896	82,720,119
Total trade and other receivables (current and non-current)		124,966,438	113,934,533
Add: Cash and bank balances (Note 25)		346,950	516,296
Total loans and receivables		125,313,388	114,450,829

23. Trade and other receivables (cont'd.)

a. Trade receivables (cont'd.)

The trade receivables are non-interest bearing and are generally on 30 to 120 days (2015: 30 to 120 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the trade receivables is an amount due from associates which is trade related, unsecured and with credit period of 180 days (2015: 180 days).Included in the trade receivables is an amount due from associates which is trade related, unsecured and with credit period of 180 days (2015: 180 days).

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	2016 RM	2015 RM
Neither past due nor impaired	5,775,917	4,708,282
1 to 30 days past due not impaired	732,917	1,320,099
31 to 60 days past due not impaired	196,347	438,007
61 to 90 days past due not impaired	192,254	224,653
More than 91 days past due not impaired	780,680	724,543
	1,902,198	2,707,302
Impaired	11,432,238	11,432,238
	19,110,353	18,847,822

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. Most of the Group's trade receivables arise from customers with more than 10 years of experience with the Group and losses have occurred infrequently.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM1,902,198 (2015: RM2,707,302) that are past due at the reporting date but not impaired.

At the reporting date, trade receivables arising from export sales amounting to RM135,935 (2015: RM135,935) have been arranged to be settled via letters of credit issued by reputable banks in countries where the customers are based. The remaining balance of receivables that are past due but not impaired are unsecured in nature.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired	
	2016 RM	2015 RM
Trade receivables - nominal amounts	11,432,238	11,432,238
Less: Allowance for impairment	(11,432,238)	(11,432,238)
	-	-

23. Trade and other receivables (cont'd.)

a. Trade receivables (cont'd.)

Movement in allowance accounts:

	2016 RM	2015 RM
At 1 January	11,432,238	11,680,520
Written off	-	(248,282)
At 31 December	11,432,238	11,432,238

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

b. Amount due from subsidiaries

Amounts due from subsidiaries are non-interest bearing except for a total amount of RM78,447,293 (2015: RM76,366,258) which bear interests of 7% (2015: 7%) per annum. All amounts due from subsidiaries are unsecured and are to be settled in cash.

c. Loan to a subsidiary

Loan to a subsidiary is secured, bears interest at base lending rate 7.65% (2015: 7.85%) and is due on 2022.

d. Amount due from associates and holding company

Amounts due from associates are non-interest bearing and are repayable on demand.

The amounts due from holding company bears an interest of 7% (2015: 7%) and is repayable in the next twelve months. The Group entered into a Deed of Assignment with ZESB, whereby ZESB assigns its righrts in and to the net sale proceeds from (i) the planned disposal of certain identified lands of ZESB; and (ii) the planned disposal of a subsidiary of ZESB, as settlement of the amount owing to Stratavest Sdn Bhd ("STV"). As an assurance and commitment to STV, ZESB has agreed and consented to the lodgement of a private caveat on four identified lands by STV which was duly lodge on 28 June 2012.

e. Other receivables

Other receivables that are impaired

The Group's and the Company's other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	|-------------------------Individually impaired----------------------|			
	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Current				
Other receivables				
- nominal amounts	983,228	4,687,525	32,304,753	36,433,411
Less:				
Allowance for impairment	(983,228)	(4,687,525)	(32,304,753)	(36,433,411)
	-	-	-	-
Non-current				
Other receivables				
- nominal amounts	-	-	3,118,284	3,263,589
Less:				
Allowance for impairment	-	-	(3,118,284)	(3,263,589)
	-	-	-	-

23. Trade and other receivables (cont'd.)

e. Other receivables (cont'd.)

Other receivables that are impaired (cont'd.)

Movement in allowance accounts:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Current				
At 1 January	4,687,525	4,684,045	36,433,411	35,213,496
Reclassification				
Charge for the year				
- Subsidiaries	-	-	615,008	1,816,105
- Associates	-	3,480	-	3,480
Reversal of impairment losses				
- Associates	(3,704,297)	-	(3,704,297)	-
- Subsidiaries	-	-	(8,000)	(599,670)
Bad debt written off	-	-	(1,031,369)	-
At 31 December	983,228	4,687,525	32,304,753	36,433,411
Non-current				
At 1 January	-	-	3,263,589	2,527,565
Charge for the year				
- Subsidiaries	-	-	(145,305)	736,024
At 31 December	-	-	3,118,284	3,263,589

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

24. Other current assets

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Prepaid operating expenses	1,481,998	3,738,764	1,146,935	917,126

25. Cash and bank balances

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Cash on hand and at banks	1,066,707	2,104,484	93,204	252,647
Deposits with:				
Licensed banks	7,143,951	10,699,058	253,746	263,649
Licensed financial institution	31,920	2,849,605	-	-
Cash and bank balances	8,242,578	15,653,147	346,950	516,296

25. Cash and bank balances (cont'd.)

Deposits with licensed banks and licensed financial institution of the Group and of the Company amounting to RM7,058,883 (2015: RM6,884,474) and RM253,746 (2015: RM263,649) respectively are pledged to licensed banks for credit facilities granted to the Group and the Company respectively as disclosed in Note 26.

Deposits with licensed banks and licensed financial institution of the Group amounting to RM116,988 (2015: RM6,664,189) has to be remained as minimum balance of sinking fund for the Ijarah Term Financing Facility and Bank-Guaranteed Sukuk Musharakah granted to two subsidiaries, Stratavest Sdn. Bhd. and Musteq Hydro Sdn. Bhd. respectively as disclosed in Note 26 and Note 28.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Cash and bank balances	8,242,578	15,653,147	346,950	516,296
Deposits pledged with maturity of more than 3 months	(7,058,883)	(6,884,474)	(253,746)	(263,649)
Deposits for sinking fund	(116,988)	(6,664,189)	-	-
Bank overdrafts (Note 26)	(2,990,132)	(7,930,302)	-	-
Total cash and cash equivalents	(1,923,425)	(5,825,818)	93,204	252,647

The weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's deposits with licensed banks and licensed financial institution are as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
WAEIR (%)	2.58	2.84	3.22	3.22
Average maturities (days)	361	220	351	361

26. Loans and borrowings

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Current				
Secured:				
Bank overdrafts [(a)] (Note 25)	2,990,132	7,930,302	-	-
Bankers acceptances [(a)]	744,000	616,000	-	-
Trust receipts [(a)]	4,666,089	3,855,120	-	-
Bank-Guaranteed Sukuk Musharakah (Note 28)	10,000,000	5,000,000	-	-
Bank loans:				
- Cost of funds ("COF") + 2%	14,519,119	13,864,827	14,519,119	13,864,827
- Fixed rate of 3.75%	2,597,942	2,215,786	-	-
- Base financing rate ("BFR") + 1.5%	350,000	1,400,000	-	-
Obligation under finance lease (Note 34(c))	326,674	607,769	-	-
	36,193,956	35,489,804	14,519,119	13,864,827

26. Loans and borrowings (cont'd.)

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Non-current				
Secured:				
Bank-Guaranteed Sukuk Musharakah (Note 28)	50,000,000	60,000,000	-	-
Bank loans:				
- COF + 2%	18,661,609	30,315,728	18,661,609	30,315,728
- Fixed rate of 3.75%	1,901,298	4,315,252	-	-
- BFR + 1.5%	-	350,000	-	-
Obligation under finance lease (Note 34(c))	1,050,686	1,210,033	-	-
	71,613,593	96,191,013	18,661,609	30,315,728
Total loans and borrowings				
Bank overdrafts	2,990,132	7,930,302	-	-
Bankers acceptance	744,000	616,000	-	-
Trust receipts	4,666,089	3,855,120	-	-
Bank-Guaranteed Sukuk Musharakah (Note 28)	60,000,000	65,000,000	-	-
Bank loans:				
- COF + 2%	33,180,728	44,180,555	33,180,728	44,180,555
- Fixed rate of 3.75%	4,499,240	6,531,038	-	-
- BFR + 1.5%	350,000	1,750,000	-	-
Obligation under finance lease (Note 34(c))	1,377,360	1,817,802	-	-
	107,807,549	131,680,817	33,180,728	44,180,555

The remaining maturities of the loans and borrowings as at 31 December 2016 and 31 December 2015 are as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
On demand or within one year	36,193,956	35,489,804	14,519,119	13,864,827
More than 1 year and less than 2 years	30,875,220	27,720,240	18,661,609	14,738,000
More than 2 years and less than 5 years	30,597,161	48,273,374	-	15,577,728
5 years or more	10,141,212	20,197,399	-	-
	107,807,549	131,680,817	33,180,728	44,180,555

Obligations under finance leases

These obligations are mostly secured by charge over the Group's motor vehicles and furniture and fittings and corporate guarantee by Eden Inc. Berhad, bearing flat interest of between 2.37% - 3.50% per annum ("p.a.") (2015: 2.43% - 4.50% p.a.).

a. Banking facilities

	2016 RM	2015 RM
Current		
Bank overdraft (BLR + 1.75%) (i)	2,990,132	2,978,091
Bank overdraft (BLR + 2.63%) (ii)	-	4,952,211
Bankers acceptance (1.88%) (ii)	744,000	616,000
Trust receipts (BLR + 2.13%) (ii)	4,666,089	3,855,120
	8,400,221	12,401,422

26. Loans and borrowings (cont'd.)

a. Banking facilities (cont'd.)

i. Bank overdraft

Bank overdraft of RM3.0 million (2015: RM3.0 million) is secured by the following

Corporate guarantee by Eden Inc. Berhad;

Fixed charge over one parcel of Group's leasehold land; and

Negative pledge over all assets of Eden Catering Sdn. Bhd.

ii. Bank overdraft, bankers acceptance and trust receipts

Bank overdraft, bankers acceptance and trust receipts of Time Era Group of RM nil (2015: RM5 million), RM0.7 million (2015: RM0.6 million) and RM4.7 million (2015: RM3.9 million) respectively are secured by the following:

a. Charge over the freehold building of the Time Era Group.;

b. Corporate guarantee from the Company (Eden Inc. Berhad);

c. Joint and several guarantees from Directors of Time Era Group;

d. Debenture by way of fixed and floating charges on all other assets of Time Era Group;

e. Lien on fixed deposits of Time Era Group; and

f. Negative pledge over all assets of Time Era Group.

b. Bank loans

i. COF + 2%

- RM bank loan at COF + 2%
The Ijarah facility is secured through debenture by way of fixed and floating charges over all present and future assets of Stratavest Sdn. Bhd. ("SSB"), assignment of all rights and benefits of SSB under Libaran power station's project agreement and, that all the revenue/ sales proceeds and any other income from the Libaran power stations, insurance proceeds and any other amounts (save and except for monies received for the prior year's entitlement), of any kind received by SSB shall be credited into the designated accounts and shall be applied in the manner as stipulated under the "transaction documents".

On 29 January 2013, the Company has restructured its existing Ijarah Term Financing facility ("Ijarah 1") which is additionally secured through a fixed charge on the Group's leasehold land.

ii. Fixed rate of 3.75%

- 3.75% per annum ("p.a.") fixed rate RM bank loan
This loan is secured through a fixed charge on the Group's leasehold land, corporate guarantee by the Company and fixed floating charge by debenture over the plant and machinery, existing and future assets of a wholly-owned subsidiary.

26. Loans and borrowings (cont'd.)

b. Bank loans (cont'd.)

iii. BFR+ 1.5%

The Islamic Term Financing ("ITF") is secured by the following:

a. A fixed charge on the Group's leasehold land;

b. Debenture by way of first fixed and floating charges over all present and future assets of MHSB;

c. Assignment of all rights and benefits of MHSB under the Sungai Kenerong small hydro power station's project agreements;

d. All the revenues/sales proceeds, any other income from the Sungai Kenerong small hydro power station, equity contributions from the shareholders, insurance proceeds and all other amounts of any kind received by MHSB shall be credited into the designated accounts and shall be applied in the manner as stipulated under the ITF terms; and

e. Corporate guarantee by a wholly-owned subsidiary.

The principal terms of Bank-Guaranteed Sukuk Musharakah are disclosed in Note 28.

27. Deferred income

	Group		Company	
	2016 RM	**2015 RM**	**2016 RM**	**2015 RM**
At 1 January	25,248,193	35,987,916	7,027,146	8,007,678
Recognised as income during the financial year:				
Amortisation of deferred income (Note 7)	(7,961,368)	(9,759,191)	-	-
Rental income	(980,532)	(980,532)	(980,532)	(980,532)
At 31 December	16,306,293	25,248,193	6,046,614	7,027,146

	Group		Company	
	2016 RM	**2015 RM**	**2016 RM**	**2015 RM**
Represented by:				
Advanced rental income received from:				
- Third parties	6,046,614	7,027,146	6,046,614	7,027,146
Unearned revenue from capacity payments	10,259,679	18,221,047	-	-
	16,306,293	25,248,193	6,046,614	7,027,146
The deferred income is analysed as follows:				
Current	4,400,425	5,535,794	980,532	980,532
Non-current	11,905,868	19,712,399	5,066,082	6,046,614
	16,306,293	25,248,193	6,046,614	7,027,146

The Company's deferred income is in respect of the advanced rental income received from third party, DFZ Duty Free Sdn. Bhd. for building owned by its wholly-owned subsidiary, Underwater World Langkawi Sdn. Bhd.. The Group's deferred income includes unearned revenue from capacity payments in relation to its wholly-owned subsidiary, Stratavest Sdn Bhd upon adoption of IC Interpretation 4.

28. Bank-Guaranteed Sukuk Musharakah ("Sukuk")

	Group	
	2016 RM'000	2015 RM'000
Bank-Guaranteed Sukuk Musharakah	80,200,000	86,020,000
Less: Profit	(20,200,000)	(21,020,000)
Principal	60,000,000	65,000,000

On 26 January 2012, Musteq Hydro Sdn. Bhd. ("MHSB") had issued 10 years new BankGuaranteed Sukuk Musharakah of up to RM80 million to refinance its existing ABBA Serial Bonds with the maturity date of 26 January 2022 for the power plant project.

The proceeds received from the issue of Sukuk with attached profit is approximately RM22 million. The Sukuk comprise RM80 million principal with attached profit of RM22 million and profit rate as follows:

Serial (years)	Financial year	Implied profit rates % per annum	Principal Sukuk RM'000 2016	Principal Sukuk RM'000 2015	Profit Sukuk RM'000 2016	Profit Sukuk RM'000 2015
1	2012	3.80	-	-	-	-
2	2013	3.90	-	-	-	-
3	2014	4.00	-	-	-	-
4	2015	4.10	-	5,000	-	820
5	2016	4.20	10,000	10,000	2,100	2,100
6	2017	4.30	10,000	10,000	2,580	2,580
7	2018	4.40	10,000	10,000	3,080	3,080
8	2019	4.50	10,000	10,000	3,600	3,600
9	2020	4.60	10,000	10,000	4,140	4,140
10	2021	4.70	10,000	10,000	4,700	4,700
			60,000	65,000	20,200	21,020

Repayment of RM5 million was made during the year. The effective profit rate on the Sukuk for MHSB is 4.45% (2015: 4.40%) per annum.

The Sukuk are repayable as follows:

	Group	
	2016 RM	2015 RM
Not later than 1 year	10,000,000	5,000,000
Later than 1 year and not later than 2 years	10,000,000	10,000,000
Later than 2 years and not later than 5 years	30,000,000	30,000,000
Later than 5 years	10,000,000	20,000,000
	50,000,000	60,000,000
	60,000,000	65,000,000

The Bank-Guaranteed Sukuk Musharakah is secured by the following:

a. Bank guarantee issued by Maybank Islamic Bank Berhad with credit rating of AAA(bg) assigned by Rating Agency Malaysia;

b. A fixed charge on the Group's leasehold land;

c. Debenture by way of first fixed and floating charges over all present and future assets of MHSB;

d. Assignment of all rights and benefits of MHSB under the Sungai Kenerong small hydro power station's project agreements;

28. Bank-Guaranteed Sukuk Musharakah ("Sukuk") (cont'd)

The Bank-Guaranteed Sukuk Musharakah is secured by the following (cont'd.):

e. All the revenues/sales proceeds, any other income from the Sungai Kenerong small hydro power station, equity contributions from the shareholders, insurance proceeds and all other amounts of any kind received by MHSB shall be credited into the designated accounts and shall be applied in the manner as stipulated under the Sukuk terms; and

f. Corporate guarantee by a wholly-owned subsidiary.

29. Trade and other payables

	Note	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Current					
Trade payables					
Third parties	(a)	4,738,219	6,141,519	-	-
Other payables					
Amounts due to related parties:					
- Subsidiaries	(b)	-	-	36,453,633	29,194,090
- Associates	(b)	26,122	147,507	26,122	27,499
		26,122	147,507	36,479,755	29,221,589
Accruals		23,045,385	25,665,500	12,337,529	11,217,320
Deposits received in advance		4,515,200	6,486,193	4,515,200	4,883,863
Interest payables - financial institution		1,147,622	1,265,182	-	-
Other payables		20,935,540	10,203,521	6,364,540	943,143
Tax payables		66,683	59,838	-	6,348
		49,736,552	43,827,741	59,697,024	46,272,263
Total trade and other payables		54,474,771	49,969,260	59,697,024	46,272,263
Add:Loans and borrowings (Note 26)		107,807,549	131,680,817	33,180,728	44,180,555
Less: GST payables		(66,683)	(59,838)	-	(6,348)
Total financial liabilities carried at amortised cost		162,215,637	181,590,239	92,877,752	90,446,470

a. Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 days to 90 days (2015: 30 days to 90 days).

b. Amounts due to related parties/affiliate

Amounts due to all related parties are non-interest bearing and are repayable on demand. The amounts are unsecured and are to be settled in cash.

30. Deferred tax

Deferred income tax as at 31 December relates to the following:

	As at 1 January 2015 RM	Recognised in profit or loss RM	As at 31 December 2015 RM	Recognised in profit or loss RM	As at 31 December 2016 RM
Group					
Deferred tax liabilities					
Accelerated capital allowances	30,513,269	(6,155,575)	24,357,694	(3,104,520)	21,253,174
Revaluation surplus	5,874,036	(851,521)	5,022,515	401,810	5,424,325
Other receivables	6,530,175	-	6,530,175	-	6,530,175
	42,917,480	(7,007,096)	35,910,384	(2,702,710)	33,207,674
Deferred tax assets					
Unutilised tax losses and unabsorbed capital allowances	(16,392,774)	(2,013,263)	(18,406,037)	(1,692,695)	(20,098,732)
Unabsorbed investment tax allowances and unabsorbed reinvestment allowances	(57,341,444)	18,301,433	(39,040,011)	5,866,393	(33,173,618)
Provisions	(8,861,884)	2,910,826	(5,951,058)	4,429,161	(1,521,897)
Others	(2,015,403)	288,609	(1,726,794)	(874,046)	(2,600,840)
	(84,611,505)	19,487,605	(65,123,900)	7,728,813	(57,395,087)
	(41,694,025)	12,480,509	(29,213,516)	5,026,103	(24,187,413)
Company					
Deferred tax liabilities					
Accelerated capital allowances	9,789	(1,773)	8,016	(3,903)	4,113
Revaluation surplus	7,249,121	(851,519)	6,397,602	311,364	6,708,966
	7,258,910	(853,292)	6,405,618	307,461	6,713,079
Deferred tax assets					
Unutilised tax losses and unabsorbed capital allowances	-	(372,622)	(372,622)	372,622	-
Provisions	(402,077)	(125,959)	(528,036)	196,431	(331,605)
Others	(2,001,919)	315,404	(1,686,515)	235,328	(1,451,187)
	(2,403,996)	(183,177)	(2,587,173)	804,381	(1,782,792)
	4,854,914	(1,036,469)	3,818,445	1,111,842	4,930,287

30. Deferred tax (cont'd.)

	Group		
	31.12.2016 RM	**31.12.2015 RM (Restated)**	**1.1.2015 RM (Restated)**
Presented after appropriate offsetting as follows:			
Deferred tax assets	35,919,801	38,300,196	52,667,802
Deferred tax liabilities	(11,732,388)	(9,086,680)	(10,973,777)
	24,187,413	29,213,516	41,694,025

	Company		
	31.12.2016 RM	**31.12.2015 RM (Restated)**	**1.1.2015 RM (Restated)**
Presented after appropriate offsetting as follows:			
Deferred tax assets	(1,896,037)	(2,587,173)	(2,403,998)
Deferred tax liabilities	6,826,324	6,405,618	7,258,912
	4,930,287	3,818,445	4,854,914

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2016 RM	**2015 RM**
Unutilised tax losses	12,860,332	13,439,077
Unabsorbed capital allowances	2,200,497	2,175,793
Unutilised investment allowances	96,392,021	71,736,789
Other deductible temporary differences	328,266	145,248
	111,781,116	87,496,907

31. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2016	**2015**	**2016 RM**	**2015 RM**
Authorised				
At 1 January/31 December	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid-up				
At 1 January/31 December	311,362,271	311,362,271	311,362,271	311,362,271

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

32. Other reserves

	Group	
	2016 RM	2015 RM
Foreign currency translation		
At 1 January	(187,602)	(136,304)
Foreign currency translation	234,032	(59,806)
Less: Non-controlling interests	-	8,508
At 31 December	46,430	(187,602)

The foreign currency translation reserve represents exchange difference arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from that of the Group's presentation currency.

33. Dividends distribution

The Company may distribute dividends out of its retained earnings, if any, under the single tier system.

34. Commitments

a. Capital commitments

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Capital expenditure				
Approved but not contracted for:				
Property, plant and equipment	2,548,900	3,583,050	-	-

b. Operating lease commitments - as lessee

In addition to the land use rights disclosed in Note 16, the Group has entered into noncancellable operating lease agreements for the use of buildings. These leases have a 2 to 3 years (2015: 2 to 3 years) term with no purchase option included in the contracts. There is no restriction placed upon the Group by entering into these leases.

The future aggregate minimum lease payments under non-cancellable operating lease contracted for as at reporting date but not recognised as liabilities are as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Future minimum rental payments:				
Not later than 1 year	1,200,600	1,845,419	571,200	571,200
Later than 1 year and not later than 2 years	273,000	273,000	-	-
Later than 2 years and not later than 5 years	552,750	552,750	-	-
Later than 5 years	1,748,250	1,748,250	-	-
	3,774,600	4,419,419	571,200	571,200

34. Commitments (cont'd.)

c. Finance lease commitment

The Group has finance leases for certain items of motor vehicles. These leases do not have terms of renewal, but have purchase options at nominal value at the end of the lease term. There are no restrictions placed upon the Group by entering into these leases and no arrangements have been entered into for contingent rental payments.

	Group	
	2016 RM	**2015 RM**
Future minimum finance lease payments:		
Not later than 1 year	608,817	685,212
Later than 1 year and not later than 2 years	266,068	384,824
Later than 2 years and not later than 5 years	620,090	768,635
Later than 5 years	80,822	207,869
Total minimum future finance lease payments	1,575,797	2,046,540
Less: Future finance charge	(198,437)	(228,738)
Present value of finance lease payment	1,377,360	1,817,802

	Group	
	2016 RM	**2015 RM**
Analysis of present value of finance lease payments:		
Not later than 1 year	326,674	607,770
Later than 1 year and not later than 2 years	303,118	333,323
Later than 2 years and not later than 5 years	597,161	679,310
Later than 5 years	150,407	197,399
	1,377,360	1,817,802
Less: Amount due within 12 months (Note 26)	(326,674)	(607,769)
Amount due after 12 months (Note 26)	1,050,686	1,210,033

35. Related party disclosures

a. In addition to the transactions detailed elsewhere in the financial statements, the following significant transactions took place at terms agreed between the Group and its related parties during the financial year:

	2016 RM	2015 RM
Group		
Associates:		
Sale of products	-	3,116,558
Purchase of products	-	(232,047)
Interest income from holding company	5,414,326	5,088,630
Company		
Management fees charged to subsidiaries	1,846,000	1,852,000
Subsidiaries:		
Rental income	770,858	780,102
Interest income	5,653,259	5,280,513

Information regarding outstanding balances arising from related party transactions as at 31 December 2016 and 31 December 2015 are disclosed in Note 23 and Note 29.

b. Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Salaries and other emoluments	2,754,410	2,689,178	2,372,390	2,307,158
Allowances	360,000	352,616	338,400	331,016
Fees	433,333	398,000	150,000	132,000
Defined contribution plan	520,334	507,047	466,622	456,611
Estimated monetary value of benefits-in-kind	492,201	1,040,251	371,918	920,305
	4,560,278	4,987,092	3,699,330	4,147,090

Included in the total key management personnel are:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Directors' remuneration	3,145,197	3,118,588	2,820,532	2,790,532
Estimated monetary value of benefits-in-kind	455,452	1,021,430	357,236	901,483

36. Fair value of financial instruments

Determination of fair value

i. Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Finance lease receivables	17
Trade and other receivables	23
Cash and bank balances	25
Loans and borrowings	26
Trade and other payables	29

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

The carrying amount of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair value of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date.

ii. Amounts due from/to related parties, loan to a subsidiary and fixed rate bank borrowings

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date.

iii. Financial guarantees

The Company provides unsecured financial guarantees to bank and other institutions in respect of facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

A nominal amount of RM10,259,239 (2015: RM19,892,871) relates to corporate guarantees provided by the Company to the banks and other institutions in respect of facilities of its subsidiaries.

As at the reporting date, there was no indication that any subsidiary would default on repayment. The financial guarantees provided to financiers for subsidiaries are considered not likely to crystallise.

37. Fair value measurement

All assets and liabilities for which fair value is disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in an active market for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

37. Fair value measurement (cont'd.)

The following table provides the quantitative disclosures fair value measurement hierarchy of the Group's and of the Company's investment properties. There were no material transfer between Level 1, Level 2 and Level 3 during the current financial year.

	Fair value measurement using	
	Total RM	Significant un-observable inputs (Level 3) RM
Group		
2016		
Investment properties (Note 15):		
Leasehold lands	164,869,128	164,869,128
Shoplot	400,000	400,000
Building	28,027,199	28,027,199
	193,296,327	193,296,327
2015		
Investment properties (Note 15):		
Leasehold lands	166,037,311	166,037,311
Shoplot	495,000	495,000
Building	26,584,799	26,584,799
	193,117,110	193,117,110

	Fair value measurement using	
	Total RM	Significant un-observable inputs (Level 3) RM
Company		
2016		
Investment properties (Note 15):		
Leasehold lands	173,589,870	173,589,870
Shoplot	400,000	400,000
	173,989,870	173,989,870
2015		
Investment properties (Note 15):		
Leasehold lands	172,745,473	172,745,473
Shoplot	495,000	495,000
	173,240,473	173,240,473

38. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for managing each of these risks, which are executed by executive chairman, executive director and senior management of the Group. The audit committee provides independent oversight to the effectiveness of the risk management process.

38. Financial risk management objectives and policies (cont'd.)

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

a. Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 23(a) and Note 23(e).

Credit risk concentration profile

The Group determines concentration of credit risks by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

	2016		2015	
	RM	**% of total**	**RM**	**% of total**
By industry sector:				
- Food, beverage ("F&B") and tourism	674,605	9%	872,001	12%
- Manufacturing	6,616,798	86%	6,558,402	88%
- Energy	386,712	5%	-	-
	7,678,115	100%	7,430,403	100%

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments except for an amount due from holding company, Zil Enterprise Sdn Bhd ("ZESB"), with an outstanding balance of RM78.0 million (2015:RM75.5 million). The amount due from ZESB bears an interest of 7% per annum and is repayable in the next twelve months. Other salient terms are as disclosed in Note 23(d).

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 23. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

38. Financial risk management objectives and policies (cont'd.)

a. Credit risk (cont'd.)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 23

b. Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk is to maintain sufficient liquid financial assets and stand-by credit facilities with three different banks.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
Financial liabilities				
At 31 December 2016				
Trade and other payables	54,474,771	-	-	54,474,771
Loans and borrowings	39,940,418	66,664,087	10,174,600	116,779,105
Total undiscounted financial liabilities	94,415,189	66,664,087	10,174,600	171,253,876
At 31 December 2015				
Trade and other payables	49,969,260	-	-	49,969,260
Loans and borrowings	38,002,599	95,082,672	10,241,257	143,326,529
Total undiscounted financial liabilities	87,971,859	95,082,672	10,241,257	193,295,789

38. Financial risk management objectives and policies (cont'd.)

b. Liquidity risk (cont'd.)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Company				
Financial liabilities				
At 31 December 2016				
Trade and other payables	59,697,024	-	-	59,697,024
Loans and borrowings	15,823,638	19,054,193	-	34,877,831
Total undiscounted financial liabilities	75,520,662	19,054,193	-	94,574,855
At 31 December 2015				
Trade and other payables	46,272,263	-	-	46,272,263
Loans and borrowings	16,267,920	32,012,103	-	48,280,023
Total undiscounted financial liabilities	62,540,183	32,012,103	-	94,552,286

c. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from variable interest rate loans and borrowings, and loans at floating rate given to a subsidiary. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

<u>Sensitivity analysis for interest rate risk</u>

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM54,228 (2015: RM45,858) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

38. Financial risk management objectives and policies (cont'd.)

d. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to transactional currency risk primarily through cash advances that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are United States Dollar ("USD") and Singapore Dollar ("SGD"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Approximately 4% (2015: 3%) of the Group's sales are denominated in foreign currencies whilst almost 24% (2015: 21%) of costs are denominated in the respective functional currencies of the Group entities. The Group's trade receivable and trade payable balances at the reporting date have similar exposures.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

At 31 December 2016

		RM **Profit net of tax**
USD/RM	- strengthened 3%	(28,301)
	- weakened 3%	28,301
SGD/RM	- strengthened 3%	-
	- weakened 3%	-

At 31 December 2015

		RM **Profit net of tax**
USD/RM	- strengthened 3%	16,584
	- weakened 3%	(16,584)
SGD/RM	- strengthened 3%	(13,681)
	- weakened 3%	13,681

39. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximises shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust for the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2016 and 31 December 2015.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital plus net debt. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statements of financial position) less cash and bank balances. Total capital is calculated as 'equity' as shown in the statements of financial position.

		Group		Company	
	Note	2016 RM	2015 RM	2016 RM	2015 RM
Loans and borrowings	26	107,807,549	131,680,817	33,180,728	44,180,555
Trade and other payables	29	54,474,771	49,969,260	59,697,024	46,272,263
Less:					
Cash and bank balances	25	(8,242,578)	(15,653,147)	(346,950)	(516,296)
Net debt		154,039,742	165,996,930	92,530,802	89,936,522
Equity attributable to the owner of the parent		259,288,142	282,115,446	243,202,576	261,666,780
Capital and net debt		413,327,884	448,112,376	335,733,378	351,603,302
Gearing ratio		37%	37%	28%	26%

With respect to banking facilities that a wholly-owned subsidiary, namely Musteq Hydro Sdn. Bhd. has with the financial institution, the subsidiary is committed to ensure it maintains an annual Finance Service Cover Ratio of not less than 1.25:1 and Debt/Equity Ratio of not more than 80:20.

40. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

i. Energy components segment operates power plants as independent power producers;

ii. Food, beverage ("F&B") and tourism segment operates restaurant, catering, and operating aquarium and related activities; and

iii. Manufacturing segment produces and manufacture electrical and engineering parts.

Other business segments include provision of corporate and management services and rental of property, neither of which constitutes a separately reportable segment.

Except as indicated above, no other operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

40. Segment information (cont'd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	F&B and tourism RM	Manufacturing RM	Energy RM	Others RM	Eliminations RM	Total RM
At 31 December 2016						
Revenue						
Sales to external customers	28,188,381	18,180,472	4,908,977	-	-	51,277,830
Inter-segment sales	-	-	1,800,000	2,206,000	(4,006,000)	-
Total segment revenue	28,188,381	18,180,472	6,708,977	2,206,000	(4,006,000)	51,277,830
Results						
Interest income	-	163,881	8,667,509	5,657,400	(8,041,414)	6,447,376
Fair value gain on investment properties	1,442,400	-	-	749,397	(2,012,580)	179,217
Depreciation and amortisation	1,786,543	374,957	14,454,278	61,514	-	16,677,292
Share of results of associates	-	2,426	-	-	-	2,426
Segment (loss)/profit	7,700,623	1,097,464	(32,216,718)	(14,836,087)	21,844,810	(16,409,908)
Assets						
Investment in associates	-	11,869	-	39,960	-	51,829
Segment assets	83,812,398	27,452,597	263,744,977	352,875,246	(266,802481)	461,082,737
Segment liabilities	64,362,374	14,039,637	234,000,511	107,753,446	(222,139,876)	198,016,092

40. Segment information (cont'd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	F&B and tourism RM	Manufacturing RM	Energy RM	Others RM	Eliminations RM	Total RM
At 31 December 2015						
Revenue						
Sales to external customers	28,631,478	20,898,991	4,273,589	-	-	53,804,058
Inter-segment sales	-	-	1,800,000	1,852,000	(3,652,000)	-
Total segment revenue	28,631,478	20,898,991	6,073,589	1,852,000	(3,652,000)	53,804,058
Results						
Interest income	-	28,994	6,669,342	5,303,399	(6,016,537)	5,985,198
Fair value gain on investment properties	645,500	-	-	2,071,823	-	2,717,323
Depreciation and amortisation	2,006,045	386,344	14,490,674	66,407	-	16,949,470
Share of results of associates	-	117,141	-	-	-	117,141
Impairment of goodwill	-	-	4,206,199	-	-	4,206,199
Segment (loss)/profit	7,576,851	(1,366,759)	(19,636,281)	(33,430,719)	30,779,305	(16,077,603)
Assets						
Investment in associates	-	459,351	-	39,960	-	499,311
Segment assets	74,044,447	33,293,618	300,129,072	334,212,958	(232,484,331)	509,195,764
Segment liabilities	60,161,387	20,552,082	238,671,424	105,084,853	(201,067,028)	223,402,718

41. Comparative figures

The following comparative figures have been restated as follows:

		As previously stated RM	Adjustments RM	As restated RM
Group				
Effect on statement of comprehensive income for the year ended 31 December 2015				
Interest income	(i)	896,568	5,088,630	5,985,198
Other expenses	(i),(ii)	(14,002,099)	7,210,497	(6,791,602)
Other income	(ii)	23,458,189	645,500	24,103,689
Effect on statement of comprehensive income for the year ended 31 December 2015				
Property, plant and equipment	(ii)	137,486,935	(7,558,465)	129,928,470
Investment properties	(ii)	168,377,161	24,739,949	193,117,110
Other receivables (non-current)	(i)	36,446,437	39,034,170	75,480,607
Deferred tax liabilities	(iii)	(2,556,505)	(6,530,175)	(9,086,680)
Accumulated (losses)/ retained earnings	(i), (ii)	(78,744,702)	49,685,479	(29,059,223)
Effect on statement of financial position as at 1 January 2015				
Property, plant and equipment	(ii)	152,977,360	(8,032,485)	144,944,875
Investment properties	(ii)	198,343,018	24,094,449	222,437,467
Trade and other receivables	(i)	57,254,788	27,209,063	84,463,851
Deferred tax liabilities	(iii)	(4,443,602)	(6,530,175)	(10,973,777)
Accumulated (losses)/ retained earnings	(i), (ii)	(35,750,509)	36,740,852	990,343

i. The Group has made an adjustment the understatement of interest income in respect of amount due from holding company.

ii. The Group retrospectively adjusted the fair value of investment properties previously classified as property, plant and equipment.

iii. The Group retrospectively adjusted the tax effect of the adjustment in respect of understatement of interest income in respect of amount due from holding company.

		As previously stated RM	Adjustments RM	As restated RM
Company				
Effect on statement of comprehensive income for the year ended 31 December 2015				
Other expenses	(iv)	(47,323,139)	11,825,107	(35,498,032)
Effect on statement of financial position as at 31 December 2015				
Investment in subsidiaries	(iv)	45,501,583	32,503,995	78,005,578
Accumulated losses	(iv)	(82,199,486)	32,503,995	(49,695,491)
Effect on statement of financial position as at 1 January 2015				
Investment in subsidiaries	(iv)	90,136,024	20,678,888	110,814,912
Accumulated losses	(iv)	(37,332,766)	20,678,888	(16,653,878)

iv. The Company has retrospectively adjusted for overstatement of impairment loss in invesment in a subsidiary.

DISCLOSURE OF REALISED AND UNREALISED PROFITS

42 Disclosure of realised and unrealised profits

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profit or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

The breakdown of the accumulated losses and retained earnings of the Group and of the Company respectively as at 31 December 2016 and 31 December 2015, into realised and unrealised profits is tabulated below:

	2016 RM	2015 RM
Group		
Total accumulated losses of the Company and subsidiaries		
Realised loss	(234,616,896)	(212,409,872)
Unrealised gain	122,355,175	141,086,160
	(112,261,721)	(71,323,712)
Total share of (accumulated losses)/ retained earnings of associates		
Realised (loss)/gain	(245,973)	(22,668)
Unrealised loss	(1,165)	(1,165)
	(112,508,859)	(71,347,545)
Consolidation adjustments	60,388,300	42,288,322
Total Group accumulated losses	(52,120,559)	(29,059,223)

	2016 RM	2015 RM
Company		
Total accumulated losses of the Company		
Realised loss	(191,534,707)	(171,990,547)
Unrealised gain	123,375,012	122,295,056
Total Company accumulated losses	(68,159,695)	(49,695,491)

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

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

LIST OF PROPERTIES
as at 31 December 2016

No	Company, Title and Particulars	Description	Tenure	Age of Building (year)	Usage	Approximate Land Area	Net Carrying Value as at 31.12.16 (RM)
1	**EDEN INC. BERHAD**						
a.	Unit LG43A, Plaza Bukit Mertajam, 566, Jalan Arrumugam Pillai, 14000 Bukit Mertajam Pulau Pinang.	Shop Lot	Freehold with Restriction	19	Rented Out	1,173 sq. ft.	400,000
b.	PM 39, Lot 63 Seksyen 4, Tanjung Mali, Bandar Padang Matsirat, Pulau Langkawi, Kedah.	Shopping Complex & Aquarium	Leasehold (Expiring in 2054)	20	Rented Out	6.1 acres	8,721,180
c.	PN 21989, Lot No. 8906, PN 21368, Lot No. 8907, PN 21372, Lot No. 8911, Gebeng, Mukim Sungai Karang, Kuantan, Pahang.	Industrial Land	Leasehold (Expiring on 28 October 2096)	-	For Investment	450.7451 acres	164,869,128
2.	**EDEN SEAFOOD VILLAGE (LANGKAWI) SDN. BHD.**						
	Part of, PM39 Lot 63, Seksyen 4, Tanjung Mali, Bandar Padang Matsirat, Pulau Langkawi, Kedah.	Shop Lots	Leasehold (Expiring in 2054)	20	Retail & Restaurant	60,498 sq. ft.	28,027,199
3.	**UNDERWATER WORLD LANGKAWI SDN. BHD.**						
	Part of, PM39 Lot 63, Seksyen 4, Tanjung Mali, Bandar Padang Matsirat, Pulau Langkawi, Kedah.	Double Storey Building with Aquarium	Leasehold (Expiring in 2054)	20	Aquarium & Office	87,609 sq.ft.	10,257,559
4.	**STRATAVEST SDN. BHD.**						
	Libaran Power Station CL 075323447, P. No. 14158, Sungai Jipon, Seguntor Industrial Estate District of Sandakan, Sabah	Low Speed Diesel Fired 60 MW Power Plant and Building	Leasehold - 99 years (Expiring on 31 December 2070)	18	Power Plant & Office Premises	16.01 acres	27,780,757
5.	**MUSTEQ HYDRO SDN. BHD.**						
	Sungai Kenerong Hydro Power 2.6km off Jalan Meranto, Kampong Stong, Kelantan	20 MW Hydro Power Plant and Building	Forest Reserve (30 years con-cession)	16	Power Plant & Office Premises	59,867 sq. ft.	50,011,465

ANALYSIS OF SHAREHOLDINGS
as at 31 March 2017

SHARE CAPITAL

Issued and paid-up share capital	:	RM 311,362,271 ordinary shares
Class of share	:	Ordinary shares
Number of shareholders	:	8,116
Voting right	:	One (1) vote per one (1) ordinary share

DISTRIBUTION SCHEDULE OF ORDINARY SHAREHOLDERS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES HELD	%
1 - 99	98	1.21	2,514	0.00
100 – 1,000	1,894	23.34	1,555,396	0.50
1,001 - 10,000	3,988	49.14	19,167,047	6.16
10,001 – 100,000	1,837	22.63	61,698,983	19.82
100,001 – 15,568,112 (*)	298	3.67	208,938,331	67.10
15,568,113 and above (**)	1	0.01	20,000,000	6.42
Total	8,116	100.00	311,362,271	100.00

REMARKS:
* Less than 5% of issued shares
** 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS

The Directors' direct and indirect (deemed) interests in the Company based on the Register of Directors' Shareholdings of the Company maintained pursuant to Section 59 of the Companies Act, 2016 are as follows:-

	Direct Interest		Indirect Interest	
Name of Directors	No. of Shares	%	No. of Shares	%
Tan Sri Abd Rahim Bin Mohamad	-	-	91,589,371*	29.42
Puan Sri Fadzilah Binti Md Ariff	4,831,900	1.55	86,757,471**	27.86
Dato' Mohamed Salleh Bin Bajuri	375,000	0.12	-	-
Dato' Anuarudin Bin Mohd Noor	20,000	0.01	-	-
Datuk Seri Ahmad Bin Hj. Kabit	-	-	-	-
Dato' Abdullah A. Rasol	-	-	-	-
Datuk Fakhri Yassin Bin Mahiaddin	40,000	0.01	91,549,371***	29.40
Dato' Nik Mohd Fuad Bin Wan Abdullah	-	-	-	-

* Deemed interested by virtue of:-
- His direct interest of more than 20% equity interest in Zil Enterprise Sdn. Bhd.
- His direct interest of more than 20% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd.
- His spouse, Puan Sri Fadzilah Binti Md Ariff's shareholding in EDEN
- His daughter, Fara Nadia Binti Abd Rahim's shareholding in EDEN
- His son-in-law, Datuk Fakhri Yassin Bin Mahiaddin's shareholding in EDEN

** Deemed interested by virtue of:-
- Her spouse, Tan Sri Abd Rahim Bin Mohamad's direct interest of more than 20% equity interest in Zil Enterprise Sdn. Bhd. and his direct interest of more than 20% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd.
- Her daughter, Fara Nadia Binti Abd Rahim's shareholding in EDEN
- Her son-in-law, Datuk Fakhri Yassin Bin Mahiaddin's shareholding in EDEN

*** Deemed interested by virtue of:-
- His father-in-law, Tan Sri Abd Rahim Bin Mohamad's direct interest of more than 20% equity interest in Zil Enterprise Sdn. Bhd. and his direct interest of more than 20% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd.
- His mother-in-law, Puan Sri Fadzilah Binti Md Ariff's shareholding in EDEN
- His sister-in-law, Fara Nadia Binti Abd Rahim's shareholding in EDEN

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The Substantial Shareholders' direct, and indirect (deemed) interests in the Company based on the Register of Substantial Shareholders of the Company are as follows:-

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Serata Padu Sdn. Bhd	43,794,171	14.07	-	-
Zil Enterprise Sdn. Bhd.	35,030,000	11.25	43,794,171 (1)	14.07
Serve Vest (M) Sdn. Bhd.	-	-	43,794,171 (2)	14.07
Tan Sri Abd Rahim Bin Mohamad	-	-	91,589,371 (3)	29.42
Puan Sri Fadzilah Binti Md Ariff	4,831,900	1.55	86,757,471 (4)	27.86
Fara Nadia Binti Abd Rahim	7,893,300	2.54	83,696,071 (5)	26.88
Datuk Fakhri Yassin Bin Mahiaddin	40,000	0.01	91,549,371 (6)	29.40

1. Deemed interested by virtue of its direct interest of more than 20% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd.
2. Deemed interested by virtue of its direct interest of more than 20% equity interest in Serata Padu Sdn. Bhd.
3. Deemed interested by virtue of:-
   - His direct interest of more than 20% equity interest in Zil Enterprise Sdn. Bhd. and his direct interest of more than 20% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd.;
   - His spouse, Puan Sri Fadzilah Binti Md Ariff's shareholding in EDEN;
   - His daughter, Fara Nadia Binti Abd Rahim's shareholding in EDEN; and
   - His son-in-law, Datuk Fakhri Yassin Bin Mahiaddin's shareholding in EDEN.
4. Deemed interested by virtue of:-
   - Her spouse, Tan Sri Abd Rahim Bin Mohamad's direct interest of more than 20% equity interest in Zil Enterprise Sdn. Bhd. and his direct interest of more than 20% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd.;
   - Her daughter, Fara Nadia Binti Abd Rahim's shareholding in EDEN; and
   - Her son-in-law, Datuk Fakhri Yassin Bin Mahiaddin's shareholding in EDEN.
5. Deemed interested by virtue of:-
   - Her father, Tan Sri Abd Rahim Bin Mohamad's direct interest of more than 20% equity interest in Zil Enterprise Sdn. Bhd. and his direct interest of more than 20% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd.;
   - Her mother, Puan Sri Fadzilah Binti Md Ariff's shareholding in EDEN; and
   - Her brother-in-law, Datuk Fakhri Yassin Bin Mahiaddin's shareholding in EDEN.
6. Deemed interested by virtue of:-
   - His father-in-law, Tan Sri Abd Rahim Bin Mohamad's direct interest of more than 20% equity interest in Zil Enterprise Sdn. Bhd. and his direct interest of more than 20% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd.;
   - His mother-in-law, Puan Sri Fadzilah Binti Md Ariff's shareholding in EDEN; and
   - His sister-in-law, Fara Nadia Binti Abd Rahim's shareholding in EDEN.

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNTS HOLDERS AS AT 31 MARCH 2017

NO.	NAME	NO. OF SHARES	%
1	BI NOMINEES (TEMPATAN) SDN. BHD. ZIL ENTERPRISE SDN. BHD.	20,000,000	6.42
2	BI NOMINEES (TEMPATAN) SDN. BHD. SERATA PADU SDN. BHD.	15,000,000	4.82
3	ABB NOMINEE (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ZIL ENTERPRISE SDN. BHD. (SEAPARK)	14,000,000	4.50
4	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SERATA PADU SDN. BHD. (3RD PARTY-PSF)	10,107,471	3.25
5	ABB NOMINEE (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SERATA PADU SDN. BHD.	10,000,000	3.21
6	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SERATA PADU SDN. BHD. (3RD PARTY-FN)	8,686,700	2.79
7	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR FARA NADIA BINTI ABD RAHIM (SMART)	7,893,300	2.54
8	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TUNG YAN YOK (MARGIN)	7,265,900	2.33
9	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR FADZILAH BINTI MD ARIFF	4,831,900	1.55
10	TEE WOEI LIM	4,795,200	1.54
11	CHEN LEE CHING	4,787,000	1.54
12	TING KAM CHEONG	4,310,460	1.38
13	CHOONG YEAN YAW	4,151,400	1.33
14	TAN CHIN CHING	3,715,700	1.19
15	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DYNAC SDN. BHD.	3,700,000	1.19
16	CHOO SEOW THEANG	3,037,000	0.98
17	TUNG YAN YOK	2,803,900	0.90
18	NG YOOT KUEN	2,591,800	0.83

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNTS HOLDERS AS AT 31 MARCH 2017 (cont'd.)

NO.	NAME	NO. OF SHARES	%
19	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR NG CHAI HOCK (MY0972)	2,475,000	0.79
20	KOK SOW KHIM	2,181,600	0.70
21	ANG YEW SUAN	1,900,000	0.61
22	TAN WEE CHONG	1,731,300	0.56
23	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIEW LEE CHIN (CEB)	1,670,000	0.54
24	YEOH CHAI KAUN	1,663,000	0.53
25	MARIA JU SIEW YEN	1,642,400	0.53
26	FUN SWEE YOK	1,639,200	0.53
27	NORAZLINDA BINTI MUZELI	1,332,200	0.43
28	FUN SWEE YOK	1,300,000	0.42
29	LIM KENG CHUAN	1,160,000	0.37
30	SEE HONG CHEEN @ SEE HONG CHEN	1,130,000	0.36
	TOTAL:	**151,502,431**	**48.66**

Form of Proxy
EDEN INC. BERHAD (36216-V)

Number of ordinary shares held	CDS Account No

*I/We, (full name in capital letters) ……………………………………………………………………………………………………

bearing *NRIC No./Passport No./Company No.……………………………………………………………………………………

of (full address) ………

being a *member/members of EDEN INC. BERHAD **("the Company")**, hereby appoint:-

First Proxy "A"

Full Name	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

and/or failing *him/her,

Second Proxy "B"

Full Name	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			
			100%

or failing *him/her, the *CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us and on *my/our behalf at the Thirty-Ninth Annual General Meeting of the Company to be held at Banquet Hall, Persatuan Alumni Universiti Malaya (PAUM) Clubhouse, Lot 10476, Jalan Susur Damansara (Jalan Damansara Lama), 50480 Kuala Lumpur, Wilayah Persekutuan on Thursday, 8 June 2017 at 10:00a.m. and at any adjournment thereof.

In the case of a vote by a show of hands, my proxy _______________ (one only) shall vote on *my/our behalf.

Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

Item No.	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and the Auditors thereon			
		Resolution	**For**	**Against**
2.	To approve the Directors' fees of RM280,000.00 for the financial year ended 31 December 2016.	1		
3.	To approve the payment of the Directors' benefits to the Non-Executive Directors up to RM130,000.00 from 1 January 2017 until the next Annual General Meeting	2		
4.	(a) To re-elect Dato' Abdullah A. Rasol who is to retire pursuant to Article 95 of the Company's Articles of Association.	3		
	(b) To re-elect Dato' Nik Mohd Fuad Bin Wan Abdullah who is to retire pursuant to Article 95 of the Company's Articles of Association.	4		
	(c) To re-elect Dato' Anuarudin Bin Mohd Noor who is to retire pursuant to Article 95 of the Company's Articles of Association.	5		
5.	To re-appoint Messrs. Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	6		
Special Business				
6.	**Ordinary Resolution No. 1:** Authority to allot shares of up to ten percentum (10%) of the issued and paid-up share capital of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.	7		
7.	**Ordinary Resolution No. 2:** Approval to continue in office as Independent Director - Dato' Mohamed Salleh Bin Bajuri	8		

* Strike out whichever not applicable

Signed this .... day of ...., 2017

……………………………………………………
Signature of Member/Common Seal

Notes:

1. **In respect of deposited securities, only members whose names appear in the Record of Depositors on 31 May 2017 (General Meeting Record of Depositors) shall be eligible to attend, participate, speak and vote at the Meeting.**

2. **A member entitled to attend and vote at the Meeting is entitled to appoint up to two (2) proxies at the Meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.**

3. **A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.**

4. **The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.**

5. **Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.**

6. **The instrument appointing a proxy must be deposited at the office of Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.**

Please fold along this line (1)

Form of Proxy

AFFIX STAMP

To:
EDEN INC. BERHAD (Co. No. 36216-V)
c/o Securities Services (Holdings) Sdn.Bhd.
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur.

EDEN INC. BERHAD
(Co No. 36216-V)
(A member of Zil Group of Companies)

Please fold along this line (2)

EDEN INC. BERHAD
(Co No. 36216-V)
(A member of Zil Group of Companies)

15th Floor Amcorp Tower, 18 Jalan Barat, 46050 Petaling Jaya,
Selangor, Malaysia.

Tel : 603-7957 7781 Fax : 603-7957 4793

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