

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2011

Part A – Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for the investment properties which are stated at fair value, in accordance with Financial Reporting Standards (“FRS”) 140.

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

2. Accounting Policies

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2010 except for the adoption of new FRSs, amendments and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2011. The adoption of these FRSs, amendments and interpretations do not have a material impact on the interim financial information of the Group.

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2010 was not subjected to any qualification.

4. Segmental Information

3 months ended		9 months ended	
30.09.2011	30.09.2010	30.09.2011	30.09.2010
RM'000	RM'000	RM'000	RM'000

Segment Revenue

Energy Sector	24,837	41,626	99,792	117,312
F&B and Tourism Sector	7,641	6,892	19,302	20,054
Manufacturing Sector	4,599	5,686	15,907	16,499
Investment Sector	1,011	1,696	3,147	5,439
Total revenue including inter-segment sales	38,088	55,900	138,148	159,304
Elimination of inter-segment sales	(1,066)	(1,732)	(3,218)	(5,536)
Total	37,022	54,168	134,930	153,768

4. Segmental Information (cont'd.)

	3 months ended		9 months ended	
	30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
Segment Results				
Energy Sector	736	1,967	4,041	7,322
F&B and Tourism Sector	899	409	1,390	1,612
Manufacturing Sector	(82)	211	47	283
Investment Sector	(2,558)	(2,415)	(7,535)	(6,710)
Others	-	-	-	(6)
	(1,005)	172	(2,057)	2,501
Eliminations	32	10	116	(185)
	(973)	182	(1,941)	2,316

5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2011.

6. Changes in Estimates

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

7. Comments about Seasonal or Cyclical Factors

There is no seasonal or cyclical effect for the Energy and Manufacturing Sector. However, the performance of Food & Beverages and Tourism Sector is affected positively by major festivals and school holidays.

8. Dividends Paid

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

9. Carrying Amount of Revalued Assets

The carrying amount of property, plant and equipment is recorded at cost and has been brought forward without amendment from the financial statements for the year ended 31 December 2010.

10. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury in the current quarter.

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

11. Changes in Composition of the Group

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

12. Disposal Group and Assets Classified as Held for Sale

The disposal group and assets classified as held for sale as at balance sheet date are as follows:

	As at 30.09.2011 RM'000	As at 31.12.2010 RM'000
Assets		
Property, plant and equipment	1,804	2,440
Investment properties	1,000	1,000
Trade and other receivables	27	27
Cash and bank balances	0.03	0.03
Assets of disposal group classified as held for sale	2,831	3,467
Liabilities		
Borrowings	1	1
Trade and other payables	11,975	11,975
Liabilities directly associated with disposal group classified as held for sale	11,976	11,976

(a) Disposal group classified as held for sale

The Group is in the midst of disposing its subsidiary namely Green Electric (Private) Limited ("GEL").

(b) Assets classified as held for sale

The Group had entered into a Sale and Purchase Agreement with third party for the disposal of a freehold building at Seberang Perai for a total cash consideration of RM1,000,000. The land was previously classified as investment property with the same carrying value. The disposal is expected to be completed in 2011.

13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 September 2011 amounted to RM271,000.

14. Changes in Contingent Liabilities

The total contingent liabilities of the Group as at 30 September 2011 is RM36.64 million consisting of corporate guarantees to banks to secure general banking facilities granted to the subsidiaries.

15. Material Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the end of the interim period reported which have not been reflected in the financial statements.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

16. Performance Review

For the quarter under review, the Group registered revenue of RM37.02 million, compared to the RM54.17 million revenue recorded in the corresponding quarter ended 30 September 2010. This was primarily due to the lower capacity payment billed, in line with the Power Purchase Agreement.

The Group recorded a Loss Before Tax (“LBT”) of RM0.98 million compared to a Profit Before Tax (“PBT”) of RM0.18 million recorded in the corresponding quarter ended 30 September 2010. The negative variance was primarily due to the reason stated above.

17. Comment on Material Change in Profit Before Taxation (“PBT”)

The Group recorded a positive variance from LBT of RM0.98 million for the quarter under review, compared to the LBT of RM1.20 million for the preceding quarter ended 30 June 2011. The positive variance was primarily due to the improved performance of the Food and Beverage Sector.

18. Commentary on Prospects

The Food and Beverage and Tourism Sector had increased their contribution to the Group for the current quarter and will continue to do so for the remaining year. The Energy and Manufacturing Sector expect the remaining period to be more challenging.

19. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter under review.

20. Income Tax Expense

	3 months ended		9 months ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	(213)	(770)	(424)	(964)
Deferred tax	(267)	(51)	(1,076)	(1,573)
Total income tax expense	<u>(480)</u>	<u>(821)</u>	<u>(1,500)</u>	<u>(2,537)</u>

The effective tax rates for the year was higher than the statutory tax rate of 25% principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

21. Sale of Unquoted Investments and Properties

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

EDEN INC. BERHAD (36216-V)
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22. Quoted Securities

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

23. Corporate Proposals

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

24. Borrowings

Group borrowings and debt securities as at 30 September 2011 denominated in Ringgit Malaysia were:

	As at 30.09.2011 RM'000	As at 31.12.2010 RM'000
Short term borrowings		
Secured	55,392	72,559
	<u>55,392</u>	<u>72,559</u>
Long term borrowings		
Secured	145,210	184,737
	<u>145,210</u>	<u>184,737</u>
Total borrowings	<u>200,602</u>	<u>257,296</u>

Included in the short term borrowings are bank overdrafts amounting to RM4.66 million (2010: RM5.17 million).

25. Off Balance Sheet Financial Instruments

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

26. Changes in Material Litigations

As at the reporting date, there were no changes in material litigations, except for the following pending material litigations since the last annual balance sheet date of 31 December 2010:

- i) A suit by Eden Inc. Berhad ("EDEN") against Sriwani Duty Free Centre (Langkawi) Sdn. Bhd. ("SDFC") as the First Defendant, Dato' Chuan Hooi Huat (who is the former director of EDEN and Sriwani Holdings Berhad ("SHB") as the Second Defendant and Mr. Terry Wong Soo Teng, (who is the former Director of EDEN and the present director of SHB) as the Third Defendant, for Tort of Conspiracy in respect of a lease agreement entered into between EDEN and SDFC on 20 August 2002 ("Lease Agreement") for RM52,657,920.00. A consent judgement has been endorsed by the Court on the 17 March 2011.

In relation to the term of the consent judgement endorsed by the court on the 17th March 2011, SDFC now known as DFZ Duty Free (Langkawi) Sdn Bhd ("DFZ") has vide Alor Setar High Court Suit No. 22-158-2011 filed a statement of claim in Court stating that the basis of valuation used by the Company's valuer is not justified.

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

In light of the above statement of claim, DFZ has filed an application for an interim injunction against the Company from obtaining vacant possession/evicting DFZ and that DFZ shall enjoy possession, occupation and quiet enjoyment in respect of the lease until the conclusion of the proceedings. The Company has filed an application for the striking out of the suit. The Court has fixed 4 December 2011 for hearing of both the Defendant's injunction as well as the Company's application to strike out the suit.

- ii) Two (2) former employees of the Company have initiated a claim for constructive dismissal against the Company.
 - (a) Goh Hoe Kong ("Plaintiff") has referred the award of the Industrial Court case dated 22 April 2008 to the High Court. During the decision on 25 February 2010, the High Court had dismissed the Plaintiff's application for judicial review. The Plaintiff has filed an appeal on this matter at the Court of Appeal against the decision of the High Court. No date has been fixed yet.
 - (b) Meanwhile, Thum Soon Yin's ("TSY") claim was for compensation amounting to RM1,284,118.82 was dismissed by the Industrial Court. TSY has referred the case to the High Court. High Court dismissed TSY application on 17 December 2010. TSY filed Notice of Appeal on 14 January 2011 on the High Court's decision. No date has been fixed yet.

27. Dividend Payable

No dividend has been declared for the quarter under review.

28. Earnings/ (Loss) Per Share

(a) Basic

The basic earnings/(loss) per share ("EPS") of the Group was calculated by dividing the profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue to the public as follows:

	3 months ended		9 months ended	
	30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
Loss attributable to ordinary equity holders of the parent	(1,427)	(702)	(3,452)	(334)
Weighted average number of ordinary shares in issue	311,362	311,362	311,362	311,362
Basic EPS (sen):	(0.458)	(0.225)	(1.109)	(0.107)

(b) Diluted

There is no dilution in (loss)/earnings per share.

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29. Realised and Unrealised Profits/(Losses)

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

	Group 30.09.2011 RM'000	Group 31.12.2010 RM'000
Total retained earnings/(accumulated losses) of the Group		
Realised	(104,315)	(99,723)
Unrealised	141,808	141,808
	<u>37,493</u>	<u>42,085</u>
Total shares of retained earnings of associates		
Realised	509	509
Unrealised	(7)	(7)
	<u>37,995</u>	<u>42,587</u>
Consolidation adjustments	(33,725)	(34,865)
	<u>4,270</u>	<u>7,722</u>

30. Authorisation for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with resolution of the Directors on 29 November 2011.

By order of the Board.

Date: 29 November 2011