

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

		Individual Quarter		Cumulative Quarter	
		2011 Current quarter ended 31-Dec (RM'000)	2010 Corresponding quarter ended 31-Dec (RM'000)	2011 Current year to date ended 31-Dec (RM'000)	2010 Corresponding year to date ended 31-Dec (RM'000)
Revenue	4	36,815	52,002	171,745	211,381
Cost of sales		(26,527)	(48,947)	(122,301)	(154,276)
Gross profit		10,288	3,055	49,444	57,105
Other income		32,087	19,399	34,823	25,352
Administrative expenses		(7,932)	(14,807)	(14,621)	(31,054)
Selling & marketing expenses		(617)	(1,225)	(2,455)	(388)
Other expenses		(8,236)	(14,148)	(31,703)	(40,289)
Finance costs		(8,578)	(3,367)	(20,425)	(19,503)
Share of profit of associates		(33)	102	(33)	102
Profit/(Loss) before taxation	4	16,979	(10,991)	15,030	(8,675)
Income tax expense	20	(3,295)	7,163	(4,794)	4,627
Profit/(Loss) for the period		13,684	(3,828)	10,236	(4,048)
Other comprehensive income/(expense):					
Foreign currency translation		-	-	-	1,110
Total comprehensive income/(expense) for the year		13,684	(3,828)	10,236	(2,938)
Profit/(Loss) attributable to:					
Equity holders of the parent		13,732	(3,928)	10,273	(4,260)
Minority interest		(48)	100	(37)	212
		13,684	(3,828)	10,236	(4,048)
Total comprehensive income/(expense) attributable to:					
Equity holders of the parent		13,732	(3,928)	10,273	(3,150)
Minority interest		(48)	100	(37)	212
		13,684	(3,828)	10,236	(2,938)
Profit/(Loss) per share (in sen) attributable to equity holders of the parent:	28				
- Basic, for profit/(loss) for the year		4.410	(1.262)	3.299	(1.368)
- Diluted, for profit/(loss) for the period		N/A	N/A	N/A	N/A

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the audited financial statement for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	As At 31 Dec 2011 RM'000 <i>(Unaudited)</i>	As At 31 Dec 2010 RM'000 Restated <i>(Audited)</i>
ASSETS			
Non-current Assets			
Property, plant and equipment	9	198,369	223,339
Investment Properties		179,857	182,542
Land use rights		583	583
Intangible assets		16,405	17,000
Investment in associates		742	1,025
Other investments		8	8
Deferred tax assets		36,591	39,864
		<u>432,555</u>	<u>464,361</u>
Current Assets			
Inventories		19,818	20,733
Trade and other receivables		80,093	88,700
Other current assets		5,202	2,752
Cash and bank balances		34,265	60,779
		<u>139,378</u>	<u>172,964</u>
Assets of disposal group classified as held for sale	12	2,685	3,467
		<u>142,063</u>	<u>176,431</u>
TOTAL ASSETS		<u>574,618</u>	<u>640,792</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		311,362	311,362
Other reserves		-	1,775
Retained earnings		(53,050)	(63,323)
		<u>258,312</u>	<u>249,814</u>
Minority interests		<u>4,624</u>	<u>4,661</u>
Total equity		<u>262,936</u>	<u>254,475</u>
Non-current liabilities			
Loans and borrowings	24	134,824	184,737
Deferred Income		57,650	71,045
Deferred tax liabilities		3,028	3,210
		<u>195,502</u>	<u>258,992</u>
Current Liabilities			
Loans and borrowings	24	55,108	72,559
Trade and other payables		61,072	42,790
		<u>116,180</u>	<u>115,349</u>
Liabilities directly associated with disposal group classified as held for sale	12	-	11,976
		<u>116,180</u>	<u>127,325</u>
Total liabilities		<u>311,682</u>	<u>386,317</u>
TOTAL EQUITY AND LIABILITIES		<u>574,618</u>	<u>640,792</u>
Net assets per share (RM)		0.84	0.82

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statement for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011**

	12 months ended	
	31 Dec 2011 RM'000	31 Dec 2010 RM'000
Net cash generated from operating activities	33,878	36,958
Net cash generated from investing activities	6,944	10,012
Net cash used in financing activities	(67,026)	(33,577)
Net decrease in cash and cash equivalents	(26,204)	13,393
Effects of exchange rate changes	(970)	(3)
Cash and cash equivalents at beginning of financial period	55,612	42,222
Cash and cash equivalents at end of financial period	28,438	55,612

As at	
31 Dec 2011 RM'000	31 Dec 2010 RM'000

Cash and cash equivalents at the end of financial period comprised the following:

Cash and bank balances	34,265	60,779
Bank overdrafts (included within short term borrowings in Note 23)	(5,827)	(5,167)
	28,438	55,612

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statement for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 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		12 months ended	
31.12.2011	31.12.2010	31.12.2011	31.12.2010
RM'000	RM'000	RM'000	RM'000

Segment Revenue

Energy Sector	24,650	35,048	124,442	161,370
F&B and Tourism Sector	6,991	7,525	26,293	29,134
Manufacturing Sector	5,501	6,266	21,409	22,765
Investment Sector	16,748	20,973	19,895	22,852
Total revenue including inter-segment sales	53,890	69,812	192,039	236,121
Elimination of inter-segment sales	(17,075)	(17,810)	(20,294)	(24,740)
Total	36,815	52,002	171,745	211,381

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4. Segmental Information (cont'd.)

	3 months ended		12 months ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Segment Results				
Energy Sector	6,077	(16,770)	10,119	(9,448)
F&B and Tourism Sector	623	1,151	2,013	2,762
Manufacturing Sector	7	508	55	791
Investment Sector	18,043	7,985	10,508	1,276
Others	(21)	4,033	(27)	4,028
	<u>24,729</u>	<u>(3,093)</u>	<u>22,668</u>	<u>(591)</u>
Eliminations	(7,750)	(7,898)	(7,638)	(8,084)
Profit/(Loss) Before Tax	<u>16,979</u>	<u>(10,991)</u>	<u>15,030</u>	<u>(8,675)</u>

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 December 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.

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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.

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

There are no more disposal group and assets classified as held for sale as at balance sheet date.

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Assets		
Property, plant and equipment	-	2,440
Investment properties	2,685	1,000
Trade and other receivables	-	27
Cash and bank balances	-	0.03
Assets of disposal group classified as held for sale	<u>2,685</u>	<u>3,467</u>
Liabilities		
Borrowings	-	1
Trade and other payables	-	11,975
Liabilities directly associated with disposal group classified as held for sale	<u>-</u>	<u>11,976</u>

(a) Disposal group classified as held for sale

The Group had completed the disposal of its subsidiary namely Green Electric (Private) Limited ("GEL") in accordance with the announcement made on 4th April 2011 and 29th February 2012.

(b) Assets classified as held for sale

- 1). The Company had entered into a Sale and Purchase Agreement with a third party on 25th February 2010 for the disposal of a freehold building at Seberang Perai for a total cash consideration of RM1.0M. The land was previously classified as investment property with the same carrying value. The disposal was completed in early October 2011.
- 2). On 12 October 2011, the Company entered into a Sale and Purchase Agreement with the third party for the disposal of a vacant freehold industrial land for a total cash consideration of RM2.69million. The land previously was classified as investment properties with the same carrying value. The disposal is expected to be completed in the next financial year ending 2012.

Both properties were not pledged for any borrowings whether at Group or Company level.

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13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 December 2011 amounted to RM0.45 million.

14. Changes in Contingent Liabilities

The total contingent liabilities of the Group as at 31 December 2011 is RM30.83 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 RM36.82 million, compared to the RM52.0million revenue recorded in the corresponding quarter ended 31 December 2010. This was primarily due to the lower revenue generated by the Energy Sector resulting from 2nd tier rate which is in line with Power Purchase Agreement.

The Group recorded a Profit Before Tax ("PBT") of RM16.98million compared to a Loss Before Tax ("LBT") of RM11.0 million recorded in the corresponding quarter ended 31 December 2010. The positive variance was mainly due to the absence of non recurring expenses and impairment losses incurred in the quarter ended 31 December 2010 and adoption of the new accounting standard (IC interpretation 4) in the 4th quarter 2011.

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

The Group recorded a positive variance of RM17.96 million for the quarter under review, compared to the LBT of RM0.98 million for the preceding quarter ended 30 September 2011. The positive variance was primarily due to the completion of disposal on assets held for sale as well as the adoption of the new accounting standard (IC interpretation 4) in this quarter.

18. Commentary on Prospects

Despite the heightened risk in the global economy, Energy Sector will continue to rationalise its operating costs and operate at optimum levels, the Food and Beverage and Tourism Sector driven by the Tourism and Catering segment is expected to boost its revenue further for the year 2012 driven by stronger domestic demand, whilst the Manufacturing will increase its revenue via increase in its local sales.

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

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	3 months ended		12 months ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	(953)	1,129	(1,377)	164
Deferred tax	(2,342)	6,034	(3,417)	4,462
Total income tax expense	(3,295)	7,163	(4,794)	4,627

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 purpose.

Higher deferred tax expense was resulted from utilization of Investment Tax Credit in computing its yearly corporate tax by one of its subsidiaries.

21. Sale of Unquoted Investments and Properties

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

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 31 December 2011 denominated in Ringgit Malaysia were:

	As at	As at
	31.12.2011	31.12.2010
	RM'000	RM'000
Short term borrowings		
Secured	55,108	72,559
	<u>55,108</u>	<u>72,559</u>
Long term borrowings		
Secured	134,824	184,737
	<u>134,824</u>	<u>184,737</u>
Total borrowings	<u>189,932</u>	<u>257,296</u>

Included in the short term borrowings are bank overdrafts amounting to RM5.83million (2010: RM5.17 million).

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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.

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. During the mention fixed on 12th February 2012 for mention ("Mention"), both parties had agreed to the following:

- (a) DFZ ("DFZ") has agreed to withdraw their 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;
- (b) Eden Inc Berhad ("the Company") has agreed to withdraw its application to strike out the action;
- (c) the Court has fixed the matter for trial on 8th April 2012 and 24th April 2012 ("Trial") in relation to the validity of the Consent Judgment recorded on 23 November 2010 at the Shah Alam High Court (Suit No. 22-15-2004);
- (d) pending the Trial, DFZ shall pay on a without prejudice basis, rental at the rate of RM1.60 per square foot on the area now occupied by them and shall be back dated to 1st January 2011 to current date and shall continue to be paid until the disposal of the suit. The rental shall be paid to the Company within **fourteen (14)** working days herefrom 12th February 2012; and
- (e) that DFZ shall deposit a sum of RM2,000,000.00 with the Company's Solicitors; as stakeholders (Messrs Rajindar Singh Veriah & Co.), within **fourteen (14)** working days from 12th February 2012; i.e. 1st March 2012, which shall be placed in an interest bearing account. This amount shall be paid out to the Company upon the determination of the rental payable at Trial.

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- 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 on 17 December 2010 dismissed TSY application. TSY filed Notice of Appeal on 14 January 2011 on the High Court's decision and Court of Appeal has fixed the hearing date on 1st March 2012.

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		12 months ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Profit (Loss) attributable to ordinary equity holders of the parent	13,732	(3,928)	10,273	(4,260)
Weighted average number of ordinary shares in issue	311,362	311,362	311,362	311,362
Basic EPS (sen):	4.410	(1.262)	3.299	(1.368)

(b) Diluted

There is no dilution in earnings/(loss) 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 31.12.2011 RM'000	Group 31.12.2010 RM'000
Total retained earnings/(accumulated losses) of the Group		
Realised	(181,431)	(170,768)
Unrealised	<u>155,808</u>	<u>141,808</u>
	(25,623)	(28,960)
Total shares of retained earnings of associates		
Realised	509	509
Unrealised	<u>(7)</u>	<u>(7)</u>
	(25,121)	(28,458)
Consolidation adjustments	<u>(27,932)</u>	<u>(34,865)</u>
	<u>(53,053)</u>	<u>(63,323)</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 28th February 2011

By order of the Board.

Date: 29 February 2011