

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012

		Individual Quarter		Cumulative Quarter	
		2012 Current quarter ended 31-Mar (RM'000)	2011 Corresponding quarter ended 31-Mar (RM'000)	2012 Current year to date ended 31-Mar (RM'000)	2011 Corresponding year to date ended 31-Mar (RM'000)
Continuing operations					
Revenue	4	22,635	54,915	22,635	54,915
Cost of sales		(11,534)	(41,501)	(11,534)	(41,501)
Gross profit		11,101	13,414	11,101	13,414
Other income		4,651	1,489	4,651	1,489
Administrative expenses		(3,423)	(2,169)	(3,423)	(2,169)
Selling & marketing expenses		(764)	(569)	(764)	(569)
Other expenses		(7,889)	(7,788)	(7,889)	(7,788)
Finance costs		(3,251)	(4,142)	(3,251)	(4,142)
Share of profit of associates		-	-	-	-
Profit before taxation	4	425	235	425	235
Income tax expense	20	(187)	(471)	(187)	(471)
Profit for the period		238	(236)	238	(236)
Other comprehensive income:					
Foreign currency translation		-	-	-	-
Total comprehensive income for the year		238	(236)	238	(236)
(Loss)/profit attributable to:					
Equity holders of the parent		158	(250)	158	(250)
Minority interest		80	14	80	14
		238	(236)	238	(236)
Total comprehensive income attributable to:					
Equity holders of the parent		158	(250)	158	(250)
Minority interest		80	14	80	14
		238	(236)	238	(236)
Earnings/(loss) per share (in sen) attributable to equity holders of the parent:					
	28				
- Basic, for profit from continuing operations		0.05	(0.08)	0.05	(0.08)
- Diluted, for profit 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 MARCH 2012

	Note	As At 31 Mar 2012 RM'000 (Unaudited)	As At 31 Dec 2011 RM'000 (Audited)
ASSETS			
Non-current Assets			
Property, plant and equipment	9	195,476	202,102
Investment Properties		181,800	179,800
Land use rights/Prepaid Land lease		542	542
Intangible assets		4,254	4,227
Finance Lease Receivables		14,879	14,879
Investment in associates		793	793
Other investments		7	8
Deferred tax assets		50,980	50,980
		<u>448,731</u>	<u>453,331</u>
Current Assets			
Inventories		20,011	23,249
Trade receivables		23,168	19,040
Other receivables		65,712	61,823
Other current assets		301	1,931
Cash and bank balances		20,699	34,223
		<u>129,891</u>	<u>140,266</u>
Assets of disposal group classified as held for sale	12	2,685	2,685
		<u>132,576</u>	<u>142,951</u>
TOTAL ASSETS		<u>581,307</u>	<u>596,282</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		311,362	311,362
Other reserves		(26)	(26)
Retained earnings		(30,611)	(30,768)
		<u>280,725</u>	<u>280,568</u>
Minority interests		4,436	4,297
Total equity		<u>285,161</u>	<u>284,865</u>
Non-current liabilities			
Loans and borrowings	24	148,948	137,538
Deferred income		50,975	50,975
Deferred tax liabilities		3,718	3,628
		<u>203,641</u>	<u>192,141</u>
Current Liabilities			
Loans and borrowings	24	40,208	52,508
Deferred income		5,461	7,282
Trade payables		19,870	27,180
Other payables		26,966	32,306
		<u>92,505</u>	<u>119,276</u>
Liabilities directly associated with disposal group classified as held for sale	12	-	-
		<u>92,505</u>	<u>119,276</u>
Total liabilities		<u>296,146</u>	<u>311,417</u>
TOTAL EQUITY AND LIABILITIES		<u>581,307</u>	<u>596,282</u>
Net assets per share (RM)		0.92	0.91

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 CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

	Note	Attributable to Equity Holders of the Parent			Minority Interest	Total
		Share Capital RM'000	Other Reserves RM'000	Retained Earnings RM'000		
		Non-distributable	Distributable	Total		
		RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011		311,362	1,775	7,722	320,859	325,519
As previously stated		-	-	-	-	-
Effects of changes in accounting policy - IC Interpretation 4		311,362	1,775	(49,557)	(49,557)	(49,557)
At 1 January 2010 (restated)				(41,835)	271,302	275,963
Total comprehensive income for the year		-	-	(250)	(250)	(236)
		-	-	(250)	(250)	(236)
At 31 March 2011	12	311,362	1,775	(42,085)	271,052	275,727
At 1 January 2012		311,362	(26)	(30,768)	280,569	284,865
Total comprehensive income for the year		-	-	158	158	238
		-	-	158	158	238
At 31 March 2012		311,362	(26)	(30,610)	280,727	285,103

The Condensed Consolidated Statement of Changes in Equity 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 MARCH 2012**

	3 months ended	
	31 Mar 2012 RM'000	31 Mar 2011 RM'000
Net cash generated from/ (used in) operating activities	4,334	(1,580)
Net cash (used in)/generated from investing activities	(334)	938
Net cash used in financing activities	(7,369)	(35,766)
Net decrease in cash and cash equivalents	(3,369)	(36,408)
Effects of exchange rate changes	58	-
Cash and cash equivalents at beginning of financial period	19,204	55,612
Cash and cash equivalents at end of financial period	15,893	19,204

As at	
31 Mar 2012 RM'000	31 Mar 2011 RM'000

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

Cash and bank balances	20,699	23,582
Bank overdrafts (included within short term borrowings in Note 23)	(4,806)	(4,378)
	15,893	19,204

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 FIRST QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012**

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 2011. 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 2011.

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 2011 except for the adoption of new FRSs, amendments and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2012. 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 2011 was not subjected to any qualification.

4. Segmental Information

	3 months ended	
	31.03.2012 RM'000	31.03.2011 RM'000
Segment Revenue		
Energy Sector	10,187	43,687
F&B and Tourism Sector	6,313	5,889
Manufacturing Sector	6,158	5,342
Investment Sector	851	1,116
Total revenue including inter-segment sales	23,509	56,034
Elimination of inter-segment sales	(875)	(1,118)
Total	22,634	54,916

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4. Segmental Information (cont'd.)

	3 months ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
Segment Results		
Energy Sector	(31)	2,338
F&B and Tourism Sector	386	295
Manufacturing Sector	252	48
Investment Sector	(225)	(2,513)
Others	-	-
	<hr/>	<hr/>
	382	168
Eliminations	41	68
Total	<hr/>	<hr/>
	423	236

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 31 March 2012.

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 2011.

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.

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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 is as follows:

	As at 31.03.2012 RM'000	As at 31.03.2011 RM'000
Assets		
Property, plant and equipment	2,685	1,804
Investment properties		1,000
Trade and other receivables		27
Cash and bank balances		0.03
Assets of disposal group classified as held for sale	2,685	2,831
Liabilities		
Borrowings		1
Trade and other payables		11,975
Liabilities directly associated with disposal group classified as held for sale	-	11,976

(a) Assets classified as held for sale

The Group had entered into a Sale and Purchase Agreement dated 12 October 2011 with a third party for the disposal of one piece of land located in Negeri Sembilan for a total cash consideration of RM2,685,285. The disposal is expected to be completed by June 2012.

13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 March 2012 is as follows:

	RM'000
Approved and contracted for	7
Approved and not contracted for	147
	155

14. Changes in Contingent Liabilities

The total contingent liabilities of the Group as at 31 March 2012 is RM35.82 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.

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

16. Performance Review

For the current quarter ended 31 March 2012, the Group recorded revenue of RM22.64 million. This represents a decrease of RM32.28 million or 59% as compared to the corresponding quarter ended 31 March 2011. The reduction in revenue was mainly due to the operating conditions that the Energy Sector was managing in to mitigate the increase in cost and loss on Energy Payment. This resulted in a lower revenue but an improvement of Gross profit Margin (GP%) by 25%. The reduction in revenue was mitigated by the increase in revenue by the Food and Beverage, Tourism and Manufacturing Sector.

Despite the reduction in revenue, the Group recorded a Profit Before Tax (“PBT”) of RM0.42 million as compared to a PBT of RM0.24 million recorded in the corresponding quarter. This was mainly due to the gain on fair value, effects of new accounting standards and reduction in financial expenses.

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

The Group recorded a PBT of RM0.42 million compared to the PBT of RM 21.30 million registered in the preceding quarter ended 31 December 2011. The negative variance was mainly due to the absence of deferred income recognised due to IC Interpretation 4 and the absence on gain of disposal of a subsidiary.

18. Commentary on Prospects

The Group is in the midst of negotiating with the relevant authorities to ensure favourable operational conditions are met to ensure profitability of the Group. Despite the efforts that are being undertaken, the Group expects the remaining period to be a challenging one amidst the uncertainties of the global economic climate.

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	
	31.03.2012	31.03.2011
	RM'000	RM'000
Current tax:		
Malaysian income tax	(82)	(89)
Deferred tax	(104)	(383)
Total income tax expense	<u>(186)</u>	<u>(472)</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.

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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 March 2012 denominated in Ringgit Malaysia were:

	As at 31.03.2012 RM'000	As at 31.03.2011 RM'000
Short term borrowings		
Secured	40,208	71,203
	<u>40,208</u>	<u>71,203</u>
Long term borrowings		
Secured	148,948	149,537
	<u>148,948</u>	<u>149,537</u>
	<u>189,156</u>	<u>220,740</u>

Included in the short term borrowings are bank overdrafts amounting to RM4.81 million (2011: RM4.38 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 2011:

- 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

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Resulting from a dispute in relation to the rental value of a premise measuring 27,465 square feet at Underwater World Langkawi ("Premises"), EDEN had filed a suit against SDFC now known as DFZ Duty Free (Langkawi) Sdn Bhd ("DFZ") has vide Alor Setar High Court Suit No 22-15-2004 to; amongst others, obtain vacant possession of the said Premises, A Consent Judgment was recorded by the parties on 23 November 2010 ("Consent Judgment"), whereby both Parties had agreed that the average rental value of the Premises be determined by Messrs CH Williams Talhar & Wong (for the Company) and Messrs Jones Lang & Wooton (for DFZ) ("Valuation").

Subsequent to the above, DFZ had on 24 May 2012 filed an application to declare the above Valuation and more specifically the valuation by CH Williams Talhar & Wong be declared null and void.

Pending a full hearing of the matter, it was agreed by the parties that 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 1 January 2011 and shall continue to be paid until the disposal of the suit. The parties further agreed that DFZ shall deposit a sum of RM2,000,000.00 with the Company's solicitors (Messrs Rajindar Singh Veriah & Co.); as stakeholders, 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 upon the disposal of the suit.

The High Court had on 22 April 2012, 13 May 2012 and 20 May 2012 heard witnesses from both DFZ and the Company. However, the matter was further adjourned to 1 July 2012 to enable the Company's solicitors to further cross examine the Company's witnesses.

- ii) Two (2) former employees of the Company have initiated a claim for constructive dismissal against the Company.
 - (a) Subsequent to the dismissal of his claim by the Industrial Court, Goh Hoe Kong's ("Appellant") application for judicial review was further dismissed by the High Court on 25 February 2010. The Appellant subsequently filed an appeal on this matter in the Court of Appeal. The Court of Appeal had on 27th March 2012 **dismissed the Plaintiff's appeal with costs of RM10,000.00 awarded to the Company**. The Plaintiff's deposit of RM500.00 is also to be paid towards the Company's account of cost.
 - (b) Having had his earlier claim for compensation amounting to RM1,284,118.82 dismissed by the Industrial Court, Thum Soon Yin's ("TSY") application for judicial review was dismissed by the High Court on 17 December 2010. TSY Subsequently filed a Notice of Appeal on 14 January 2011 against the High Court's decision and the Court of Appeal has fixed the matter for hearing on 25th May 2012.

27. Dividend Payable

No dividend has been declared for the quarter under review.

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28. Earnings Per Share

(a) Basic

The basic earning per share of the Group was calculated by dividing the net profit 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	
	31.03.2012	31.03.2011
	RM'000	RM'000
Profit/(Loss) attributable to ordinary equity holders of the parent	158	(250)
Weighted average number of ordinary shares in issue	311,362	311,362
Basic EPS (sen):	0.05	(0.08)

(b) Diluted

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

29. Realised and Unrealised Profits/(Losses)

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 unappropriate profit or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

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

	Group	Group
	31.03.2012	31.12.2011
	RM'000	RM'000
Total retained earnings/(accumulated losses) of the Group		
Realised	(149,817)	(148,427)
Unrealised	147,114	147,114
	<u>(2,703)</u>	<u>(1,313)</u>
Total shares of retained earnings of associates		
Realised	278	278
Unrealised	(9)	(9)
	<u>(2,434)</u>	<u>(1,044)</u>
Consolidation adjustments	<u>(49,535)</u>	<u>(29,724)</u>
	<u>(51,969)</u>	<u>(30,768)</u>

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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 Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirement stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

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 30 May 2012.

By order of the Board.

Date: 31 May 2012