

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2012

	Individual Quarter		Cumulative Quarter		
	2012 Current quarter ended 30-Jun (RM'000)	2011 Corresponding quarter ended 30-Jun (RM'000)	2012 Current year to date ended 30-Jun (RM'000)	2011 Corresponding year to date ended 30-Jun (RM'000)	
Continuing operations					
Revenue	4	38,291	42,993	60,926	97,908
Cost of sales		(28,024)	(30,451)	(39,558)	(71,952)
Gross profit		10,267	12,542	21,368	25,956
Other income		6,050	620	10,701	2,109
Administrative expenses		(3,480)	(2,268)	(6,903)	(4,437)
Selling & marketing expenses		(562)	(527)	(1,327)	(1,096)
Other expenses		(7,952)	(7,712)	(15,841)	(15,500)
Finance costs		(3,581)	(3,855)	(6,832)	(7,997)
Share of profit of associates		-	-	-	-
Profit/(expense) before taxation	4, 5	742	(1,200)	1,166	(965)
Income tax expense	21	(124)	(550)	(311)	(1,021)
Profit/(expense) for the period		618	(1,750)	855	(1,986)
Other comprehensive income:					
Foreign currency translation		-	-	-	-
Total comprehensive income/(expense) for the year		618	(1,750)	855	(1,986)
(Loss)/profit attributable to:					
Equity holders of the parent		568	(1,773)	725	(2,024)
Non-controlling interests		50	23	130	38
		618	(1,750)	855	(1,986)
Total comprehensive income/(expense) attributable to:					
Equity holders of the parent		568	(1,773)	725	(2,024)
Non-controlling interests		50	23	130	38
		618	(1,750)	855	(1,986)
Earnings/(loss) per share (in sen) attributable to equity holders of the parent:					
- Basic, for profit from continuing operations		0.18	(0.57)	0.23	(0.65)
- Diluted, for profit for the period		N/A	N/A	N/A	N/A

These Unaudited Condensed Consolidated Statements of Comprehensive Income 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.

EDEN INC. BERHAD (36216-V)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	As At 30 June 2012 RM'000 (Unaudited)	As At 31 Dec 2011 RM'000 (Audited)
ASSETS			
Non-current Assets			
Property, plant and equipment	10	190,878	202,102
Investment Properties		184,800	179,800
Land use rights		542	542
Intangible assets		4,252	4,227
Finance Lease Receivables		14,631	14,879
Investment in associates		793	793
Other investments		8	8
Deferred tax assets		50,980	50,980
		<u>446,884</u>	<u>453,331</u>
Current Assets			
Inventories		17,864	23,249
Trade receivables		13,793	19,040
Other receivables		54,994	57,615
Finance lease receivables		487	478
Other current assets		11,131	3,872
Cash and bank balances		24,289	34,223
		<u>122,558</u>	<u>138,477</u>
Assets of disposal group classified as held for sale	13	2,685	2,685
		<u>125,243</u>	<u>141,162</u>
TOTAL ASSETS		<u>572,127</u>	<u>594,493</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		311,362	311,362
Other reserves		(26)	(26)
Accumulated losses		(30,043)	(30,768)
		<u>281,293</u>	<u>280,568</u>
Non-controlling interests		4,427	4,297
Total equity		<u>285,720</u>	<u>284,865</u>
Non-current liabilities			
Loans and borrowings		139,254	137,538
Deferred income		47,334	50,975
Deferred tax liabilities		3,628	3,628
		<u>190,216</u>	<u>192,141</u>
Current Liabilities			
Loans and borrowings		46,910	52,508
Deferred income		7,282	7,282
Trade payables		17,480	27,180
Other payables		24,519	30,517
		<u>96,191</u>	<u>117,487</u>
Total liabilities		<u>286,407</u>	<u>309,628</u>
TOTAL EQUITY AND LIABILITIES		<u>572,127</u>	<u>594,493</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 30 JUNE 2012

	Note	Equity, total		Equity, attributable to the parent total RM'000	Attributable to owner of the parent			Non-controlling interest RM'000
		Equity, total RM'000	Share capital RM'000		Other Reserves RM'000	Retained earnings/ (accumulated losses) RM'000	Distributable	
At 1 January 2011		325,519	311,362	320,859	311,362	1,775	7,722	4,661
As previously stated		(49,557)	-	(49,557)	-	-	-	-
Effects of changes in accounting policy - IC Interpretation 4		275,963	311,362	271,302	311,362	1,775	(41,835)	4,661
At 1 January 2011 (restated)		-	-	-	-	-	-	-
Effects of adopting FRS 139		275,963	311,362	271,302	311,362	1,775	(41,835)	4,661
Total comprehensive income/(expense) for the year		(1,986)	-	(2,024)	-	-	(2,024)	38
At 30 June 2011		273,977	311,362	269,278	311,362	1,775	(43,859)	4,699
At 1 January 2012		284,865	311,362	280,568	311,362	(26)	(30,768)	4,297
Total comprehensive income for the year		855	-	725	-	-	725	130
At 30 June 2012		285,720	311,362	281,293	311,362	(26)	(30,043)	4,427

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.

EDEN INC. BERHAD (36216-V)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2012

	6 months ended	
	30 June 2012 RM'000	30 June 2011 RM'000
Cash flow from operating activities	1,166	(965)
Profit before taxation		
Adjustment for:		
Interest income	(720)	(305)
Interest expense	6,832	7,997
Net gain from fair value adjustment of investment properties	(5,000)	-
Depreciation and amortisation	9,206	9,959
Operating cash flows before changes in working capital	11,484	16,686
Changes in working capital		
Decrease/(Increase) in inventories	5,385	(2,259)
Decrease/(Increase) in trade and other receivables	2,641	(9,672)
Increase/(Decrease) in trade and other payables	(18,714)	16,390
Total changes in working capital	(10,688)	4,459
Cash generated from operating activities	796	21,145
Taxation paid	(311)	(836)
Interest paid	(6,832)	(7,997)
Net cash flows generated from/(used in) operating activities	(6,347)	12,312
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipments	-	580
Purchase of property, plant and equipment	(424)	-
Interest received	720	305
Net cash flows used in investing activities	296	885
Cash flows from financing activities		
Drawdown of Sukuk	80,000	-
Drawdown of Islamic Term Financing	7,000	-
Net settlement/repayment of loans and borrowings	(90,993)	(42,949)
Net changes in bankers acceptances	421	(1,502)
Net cash flows used in financing activities	(3,572)	(44,451)
Net increase in cash and cash equivalents	(9,623)	(31,254)
Cash and cash equivalent at start of period	29,394	55,612
Effects on foreign exchange rate changes	-	1
Cash and cash equivalents at end of period	19,771	24,359
Cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	24,289	29,300
Bank overdraft	(4,518)	(4,941)
	19,771	24,359

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 SECOND QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2012**

Part A – Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied. The transition from FRS to MFRS has not had material impact on the financial position, financial performance and cash flows of the Group and the Company.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

2. Significant Accounting Policies

The audited financial statements of the Group for the year ended 31 January 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 January 2012.

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. Segment Information

	3 months ended		6 months ended	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
Segment Revenue				
Energy Sector	25,573	31,269	35,760	74,955
F&B and Tourism Sector	5,904	5,772	12,217	11,661
Manufacturing Sector	6,205	5,966	12,364	11,309
Investment Sector	666	1,021	1,517	2,136
Total revenue including inter-segment sales	38,348	44,028	61,858	100,061
Elimination of inter-segment sales	(57)	(1,035)	(932)	(2,153)
Total	38,291	42,993	60,926	97,908

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4. Segment Information (cont'd.)

	3 months ended		6 months ended	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
Segment Results				
Energy Sector	(329)	969	(360)	3,306
F&B and Tourism Sector	189	196	575	490
Manufacturing Sector	149	81	400	129
Investment Sector	845	(2,465)	621	(4,977)
Others	(145)	-	(145)	-
	709	(1,219)	1,091	(1,052)
Eliminations	33	19	75	87
Total	742	(1,200)	1,166	(965)

5. Profit/(Loss) Before Tax

Included in the profit/(loss) before tax are the following items:

	3 months ended		6 months ended	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
Interest income	(554)	(139)	(720)	(305)
Interest expense	1,985	3,150	6,832	7,997
Depreciation of property, plant and equipment	4,738	4,976	9,232	9,959
Net gain from fair value adjustment of investment properties	(3,000)	-	(5,000)	-

6. 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 June 2012.

7. Changes in Estimates

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

8. 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.

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9. Dividends Paid

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

10. 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.

11. 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.

12. Changes in Composition of the Group

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

13. 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 30.06.2012 RM'000	As at 30.06.2011 RM'000
Assets		
Property, plant and equipment	-	1,804
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>2,831</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) 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 30th September 2012.

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14. 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 June 2012 is as follows:

	RM'000
Approved and contracted for	50
Approved and not contracted for	<u>12</u>
	<u>62</u>

15. Changes in Contingent Liabilities

The total contingent liabilities of the Group as at 30 June 2012 is RM34.62 million consisting of corporate guarantees to banks to secure general banking facilities granted to the subsidiaries.

16. 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

17. Performance Review

For the current quarter ended 30 June 2012 ("2Q 2012"), the Group recorded revenue of RM38.29 million. Despite the reduction of revenue of RM4.70 million or 11% as compared to quarter ended 30 June 2011 ("2Q 2011"), the Group recorded a Profit Before Tax ("PBT") of RM0.74 million in 2Q 2012 as compared to an Loss Before Tax ("LBT") of RM1.20 million in 2Q 2011. The positive variance was mainly due to the gain on fair value of investment property and the adoption of new accounting standards (Malaysian Financial Reporting Standards).

The Energy Sector recorded a revenue of RM25.57 million in the 2Q 2012 as compared to RM31.27 in the 2Q 2011. The reduction of revenue was mainly due to the lower generation due to the disruption in the transmission lines.

The Food & Beverage and Tourism Sector recorded an increase in revenue due to the higher revenue contributed by its Tourism segment due to 17% higher number of visitors to UWL.

The Manufacturing Sector recorded a 4% increase in revenue which resulted from the higher export sales to the Middle East market and due to better profit margin and lower financial expenses.

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

The Group recorded a PBT of RM0.74 million for the current quarter under review, compared to the PBT of RM0.43 million for the preceding quarter ended 31 March 2012. This positive variance was mainly due to the higher gain on fair value of investment property.

19. Commentary on Prospects

The Energy Sector expects an improvement in its performance as it was able to conclude an arrangement with the relevant authorities to ensure the mitigation of the escalating fuel prices. The Sector will continuously engage with the relevant authorities to ensure efficiency and productivity of its plants. The Manufacturing Sector's revenue will continue to be driven by its local sales and further strengthened by its export market through its competitive and innovative products to ensure profitability for the year end. The F&B and Tourism Sector expect to contribute positively towards the Group primarily in the second half of the year due to the major festivities and long school holidays. With these prospects, the Group expects to register satisfactory results for the current financial year.

20. Profit Forecast or Profit Guarantee

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

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21. Income Tax Expense

	3 months ended		6 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	(3)	(122)	(85)	(211)
Deferred tax	(121)	(428)	(226)	(810)
Total income tax expense	(124)	(550)	(311)	(1,021)

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.

22. Sale of Unquoted Investments and Properties

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

23. Quoted Securities

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

24. Corporate Proposals

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

25. Borrowings

Group borrowings and debt securities as at 30 June 2012 denominated in Ringgit Malaysia were:

	As at	As at
	30.06.2012	31.12.2011
	RM'000	RM'000
Short term borrowings		
Secured	46,910	52,508
	<u>46,910</u>	<u>52,508</u>
Long term borrowings		
Secured	139,254	137,538
	<u>139,254</u>	<u>137,538</u>
	<u>186,164</u>	<u>190,046</u>

Included in the short term borrowings are bank overdrafts amounting to RM4.52 million (2011: RM4.38 million).

26. Off Balance Sheet Financial Instruments

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

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27. 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) Alor Setar High Court Suit No. 22-158-2011
DFZ Duty Free (Langkawi) Sdn Bhd v Eden Inc Berhad

A suit was filed 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 Judgment was recorded by the parties on 23 November 2010, whereby both parties had agreed that the average rental value of the Premises be determined by the parties' respective valuers ("Valuation").

Subsequent to the above, DFZ had on 24 May 2012 filed an application to declare the above Valuation and more specifically the Defendant's valuation be declared null and void vide Alor Setar High Court Suit No. 22-158-2011. The Court on 30 August 2012 had dismissed the Plaintiff's (DFZ) claim with costs.

- ii) A former employee of the Company had initiated a claim for constructive dismissal against the Company.
- (a) Thum Soon Yin's ("TSY") claim for compensation amounting to RM1,284,118.82 has been summarily dismissed not only by the Industrial Court but by the High Court as well as the Court of Appeal.

TSY had on 31 July 2012 filed a Notice of Motion to seek leave from the Federal Court to file an appeal against the Court of Appeal's decision.

To date, The Federal Court has yet to fix a date to hear the said Notice of Motion.

28. Dividend Payable

No dividend has been declared for the quarter under review.

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29. 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		6 months ended	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
Profit/(Loss) attributable to ordinary equity holders of the parent	568	(1,773)	725	(2,024)
Weighted average number of ordinary shares in issue	311,362	311,362	311,362	311,362
Basic EPS (sen):	0.18	(0.57)	0.23	(0.65)

(b) Diluted

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

30. 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 30.06.2012 RM'000	Group 31.12.2011 RM'000
Total retained earnings/(accumulated losses) of the Company and subsidiaries		
Realised	(147,702)	(148,427)
Unrealised	147,114	147,114
	(588)	(1,313)
Total shares of retained earnings of associates		
Realised	278	278
Unrealised	(9)	(9)
	(319)	(1,044)
Consolidation adjustments	(29,724)	(29,724)
Total Group accumulated losses	(30,043)	(30,768)

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.

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30. Realised and Unrealised Profits/(Losses) (cont'd.)

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.

31. 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 August 2012.

By order of the Board.

Date: 30 August 2012