

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

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

	Individual Quarter		Cumulative Quarter		
	2012 Current quarter ended 30-Sep (RM'000)	2011 Corresponding quarter ended 30-Sep (RM'000)	2012 Current year to date ended 30-Sep (RM'000)	2011 Corresponding year to date ended 30-Sep (RM'000)	
Continuing operations					
Revenue	4	46,339	37,022	107,265	134,930
Cost of sales		(35,754)	(23,819)	(75,313)	(95,773)
Gross profit		10,585	13,203	31,952	39,157
Other income		2,712	627	13,413	2,736
Administrative expenses		(3,336)	(2,247)	(10,238)	(6,683)
Selling & marketing expenses		(740)	(742)	(2,066)	(1,838)
Other expenses		(7,945)	(7,964)	(23,786)	(23,466)
Finance costs		(3,177)	(3,850)	(10,008)	(11,847)
Share of profit of associates		-	-	-	-
Profit/ (Loss) before taxation	4, 5	(1,901)	(973)	(733)	(1,941)
Income tax expense	21	(158)	(480)	(468)	(1,500)
Profit/ (Loss) for the period		(2,059)	(1,453)	(1,201)	(3,441)
Other comprehensive income:					
Foreign currency translation		-	-	-	-
Total comprehensive income for the year		(2,059)	(1,453)	(1,201)	(3,441)
Profit/ (Loss) attributable to:					
Equity holders of the parent		(2,025)	(1,427)	(1,298)	(3,452)
Non-controlling interests		(34)	(26)	97	11
		(2,059)	(1,453)	(1,201)	(3,441)
Total comprehensive income attributable to:					
Equity holders of the parent		(2,025)	(1,427)	(1,298)	(3,452)
Non-controlling interests		(34)	(26)	97	11
		(2,059)	(1,453)	(1,201)	(3,441)
Earnings/(loss) per share (in sen) attributable to equity holders of the parent:					
- Basic, for profit/(loss) from continuing operations		(0.65)	(0.46)	(0.42)	(1.11)
- 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 SEPTEMBER 2012

	Note	As At 30 Sept 2012 RM'000 (Unaudited)	As At 31 Dec 2011 RM'000 (Audited)
ASSETS			
Non-current Assets			
Property, plant and equipment	10	189,452	202,102
Investment Properties		184,480	179,800
Land use rights		542	542
Intangible assets		4,250	4,227
Finance Lease Receivables		14,511	14,879
Investment in associates		793	793
Other investments		8	8
Deferred tax assets		50,718	50,980
		<u>444,754</u>	<u>453,331</u>
Current Assets			
Inventories		18,737	23,249
Trade receivables		12,927	19,040
Other receivables		51,458	57,615
Finance lease receivables		487	478
Other current assets		6,081	3,872
Cash and bank balances		24,118	34,223
		<u>113,808</u>	<u>138,477</u>
Assets of disposal group classified as held for sale	13	3,005	2,685
		<u>116,813</u>	<u>141,162</u>
TOTAL ASSETS		<u>561,567</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		(32,066)	(30,768)
		<u>279,270</u>	<u>280,568</u>
Non-controlling interests		4,394	4,297
Total equity		<u>283,664</u>	<u>284,865</u>
Non-current liabilities			
Loans and borrowings		133,274	137,538
Deferred income		45,514	50,975
Deferred tax liabilities		3,366	3,628
		<u>182,154</u>	<u>192,141</u>
Current Liabilities			
Loans and borrowings		47,226	52,508
Deferred income		7,282	7,282
Trade payables		17,514	27,180
Other payables		23,727	30,517
		<u>95,749</u>	<u>117,487</u>
Total liabilities		<u>277,903</u>	<u>309,628</u>
TOTAL EQUITY AND LIABILITIES		<u>561,567</u>	<u>594,493</u>
Net assets per share (RM)		0.91	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 SEPTEMBER 2012

	Note	Equity, total RM'000	Equity, attributable to the parent total RM'000	Attributable to owner of the parent			Non- controlling Interest RM'000
				Share capital RM'000	Other Reserves RM'000	Retained earnings/ (accumulated losses) RM'000	
At 1 January 2011		325,519	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	271,302	311,362	1,775	(49,557)	4,661
At 1 January 2011 (restated)		-	-	-	-	(41,835)	-
Effects of adopting FRS 139		275,963	271,302	311,362	1,775	(41,835)	4,661
Total comprehensive income/(expense) for the year		(3,441)	(3,452)	-	-	(3,452)	11
At 30 September 2011		272,522	267,850	311,362	1,775	(45,287)	4,672
At 1 January 2012		284,865	280,568	311,362	(26)	(30,768)	4,297
Total comprehensive income for the year		(1,201)	(1,298)	-	-	(1,298)	97
At 30 September 2012		283,664	279,270	311,362	(26)	(32,066)	4,394

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 30 SEPTEMBER 2012**

	9 months ended	
	30 Sept 2012 RM'000	30 Sept 2011 RM'000
Cash flow from operating activities		
Loss before taxation	(733)	(1,941)
Adjustment for:		
Interest income	(1,081)	(341)
Interest expense	10,008	11,847
Net gain from fair value adjustment of investment properties	(5,000)	-
Depreciation and amortisation	13,865	14,942
Amortisation of development costs	(24)	-
Operating cash flows before changes in working capital	17,035	24,507
<u>Changes in working capital</u>		
Decrease/(Increase) in inventories	4,512	(647)
Decrease/(Increase) in trade and other receivables	10,347	3,176
Increase/(Decrease) in trade and other payables	(21,842)	10,748
Total changes in working capital	(6,983)	13,277
Cash generated from operating activities	10,052	37,784
Taxation paid	(468)	(1,166)
Interest paid	(10,008)	(11,847)
Net cash flows (used in)/generated from operating activities	(424)	24,771
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipments	-	432
Purchase of property, plant and equipment	(1,215)	-
Interest received	1,081	341
Net cash flows (used in)/generated from investing activities	(134)	773
Cash flows from financing activities		
Drawdown of Sukuk	80,000	-
Drawdown of term loans	7,000	-
Net repayment of loans and borrowings	(96,624)	(55,189)
Net changes in bankers acceptances	(117)	(997)
Net cash used in financing activities	(9,741)	(56,186)
Net decrease in cash and cash equivalents	(10,299)	(30,642)
Cash and cash equivalent at start of period	29,394	55,612
Cash and cash equivalents at end of period	19,095	24,970
Cash and cash equivalents comprise the following:		
Deposits, cash and bank balances	24,118	29,629
Bank overdraft	(5,023)	(4,659)
	19,095	24,970

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.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 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 the 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		9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Segment Revenue				
Energy Sector	34,140	24,837	69,900	99,792
F&B and Tourism Sector	7,187	7,641	19,404	19,302
Manufacturing Sector	5,018	4,599	17,381	15,907
Investment Sector	667	1,011	2,185	3,147
Total revenue including inter-segment sales	47,012	38,088	108,870	138,148
Elimination of inter-segment sales	(673)	(1,066)	(1,605)	(3,218)
Total	46,339	37,022	107,265	134,930

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4. Segment Information (cont'd.)

	3 months ended		9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Segment Results				
Energy Sector	(69)	736	(430)	4,041
F&B and Tourism Sector	352	899	928	1,390
Manufacturing Sector	(126)	(82)	274	47
Investment Sector	(2,071)	(2,558)	(1,449)	(7,535)
Others	-	-	(145)	-
	(1,914)	(1,005)	(822)	(2,057)
Eliminations	13	32	89	116
Total	(1,901)	(973)	(733)	(1,941)

5. Profit/(Loss) Before Tax

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

	3 months ended		9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Interest income	(361)	(36)	(1,081)	(341)
Interest expense	3,177	3,850	10,008	11,847
Depreciation of property, plant and equipment	4,633	4,983	13,995	14,941
Net gain from fair value adjustment of investment properties	-	-	(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 September 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 30.09.2012 RM'000	As at 30.09.2011 RM'000
Assets		
Property, plant and equipment	-	1,804
Investment properties	3,005	1,000
Trade and other receivables	-	27
Cash and bank balances	-	0.03
	<hr/>	<hr/>
Assets of disposal group classified as held for sale	3,005	2,831
	<hr/>	<hr/>
Liabilities		
Borrowings	-	1
Trade and other payables	-	11,975
	<hr/>	<hr/>
Liabilities directly associated with disposal group classified as held for sale	-	11,976
	<hr/>	<hr/>

(a) Assets classified as held for sale

- i. 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 was completed on 2 October 2012.
- ii. The Group had entered into a Sale and Purchase Agreement dated 24 April 2012 with a third party for the disposal of two apartment at Taman Mayang and Kuala Lumpur for a total cash consideration of RM320,000. The disposal is subject to State Authority approval and expected to be completed before year ended 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 September 2012 is as follows:

	RM'000
Approved and contracted for	5
Approved and not contracted for	7
	12

15. Changes in Contingent Liabilities

The total contingent liabilities of the Group as at 30 September 2012 is RM33.77 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

The Group's revenue for the current quarter ended 30 September 2012 ("3Q 2012") was RM46.34M, an increase of RM9.32 million or 25% compared to the corresponding quarter in 2011 ("3Q 2011"). All sector with the exception of the Food & Beverage and Tourism Sector, registered an improved revenue in 3Q 2012.

Despite the higher revenue, the Group recorded higher Loss Before Tax ("LBT") of RM1.90 million for the quarter compared to RM0.97 million in 3Q 2011, registering a decline of RM0.93 million. This was mainly attributed to the higher administration expenses incurred in respect of the refinancing exercise.

The Energy Sector recorded a revenue of RM34.14 million in the 3Q 2012 as compared to RM24.84 million in the 3Q 2011. The increase in revenue was mainly due to the higher revenue generated by Libaran Plant in Sandakan.

The Food & Beverage and Tourism Sector recorded a decrease in revenue mainly due to the lower number of major functions catered due to the upgrading of the Eden Catering Penang premises.

The Manufacturing Sector recorded an increase in revenue due to the higher local and export sales.

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

The Group recorded a LBT of RM1.90 million for the current quarter under review, compared to the Profit Before Tax ("PBT") of RM0.74 million for the preceding quarter ended 30 June 2012 ("2Q 2012"). The negative variance was mainly due to the absence of the gain on fair value of investment property recognised in the quarter ended 30 June 2012.

19. Commentary on Prospects

The Energy Sector expects to improve its revenue and its performance arising from the new fuel arrangement with the relevant authorities. However, the Sector's performance is expected to be negatively impacted due to the lengthy, unexpected and unfavourable weather conditions at Kenerong plant.

The Manufacturing Sector expects to improve its performance in the last quarter of the year as a result of higher export to the Middle East. In addition, the Sector also expects the increase in revenue towards the end of the year due to the introduction of improved and innovative products into the market.

The F&B and Tourism Sector expect to contribute positively towards the Group primarily in the last quarter of 2012 due to the major festivities and long school holidays.

The Investment Sector does not expect any material changes in its performance for the rest of the period.

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		9 months ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	(70)	(213)	(154)	(424)
Deferred tax	(88)	(267)	(314)	(1,076)
Total income tax expense	<u>(158)</u>	<u>(480)</u>	<u>(468)</u>	<u>(1,500)</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.

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 September 2012 denominated in Ringgit Malaysia were:

	As at	As at
	30.09.2012	31.12.2011
	RM'000	RM'000
Short term borrowings		
Secured	47,226	52,508
	<u>47,226</u>	<u>52,508</u>
Long term borrowings		
Secured	133,274	137,538
	<u>133,274</u>	<u>137,538</u>
	<u>180,500</u>	<u>190,046</u>

Included in the short term borrowings are bank overdrafts amounting to RM5.02 million (2011: RM4.38 million).

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26. Off Balance Sheet Financial Instruments

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

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) In the Court of Appeal of Malaysia
Civil Appeal No. K-02-2216-9/2012
DFZ Duty Free (Langkawi) Sdn Bhd v Eden Inc Berhad
*[originally filed as 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.

[The above proceedings of the High Court shall hereinafter be referred to as the "High Court Proceedings"]

DFZ had then filed an appeal with the Court of Appeal on 4 September 2012. To date, all necessary documents have been filed by both parties save in so far as the Grounds of Judgement of the High Court Proceedings, which has yet to be furnished by the High Court.

- 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.

The Federal Court had initially fixed for hearing on 29 November 2012, but the matter has been adjourned to a later date which has yet to be fixed.

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		9 months ended	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Profit/(Loss) attributable to ordinary equity holders of the parent	(2,025)	(1,427)	(1,298)	(3,452)
Weighted average number of ordinary shares in issue	311,362	311,362	311,362	311,362
Basic EPS (sen):	(0.65)	(0.46)	(0.42)	(1.11)

(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 30.09.2012 RM'000	Group 31.12.2011 RM'000
Total retained earnings/(accumulated losses) of the Company and subsidiaries		
Realised	(149,725)	(148,427)
Unrealised	147,114	147,114
	(2,611)	(1,313)
Total shares of retained earnings of associates		
Realised	278	278
Unrealised	(9)	(9)
	(2,342)	(1,044)
Consolidation adjustments	(29,724)	(29,724)
Total Group accumulated losses	(32,066)	(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 30 November 2012.

By order of the Board.

Date: 30 November 2012