



**EDEN INC. BERHAD**

(Co. No. 36216-V)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2013

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2013**

	Note	Individual Quarter		Cumulative Quarter	
		2013 Current quarter ended 30-Jun (RM'000)	2012 Corresponding quarter ended 30-Jun (RM'000)	2013 Current year-to-date ended 30-Jun (RM'000)	2012 Corresponding year-to-date ended 30-Jun (RM'000)
<b>Revenue</b>	4	22,045	38,291	44,905	60,926
Cost of sales		(11,946)	(28,024)	(24,576)	(39,558)
<b>Gross profit</b>		<b>10,099</b>	<b>10,267</b>	<b>20,329</b>	<b>21,368</b>
Other income		4,555	6,050	7,854	10,701
Administrative expenses		(8,851)	(3,480)	(17,827)	(6,903)
Selling and marketing expenses		(978)	(562)	(1,481)	(1,327)
Other expenses		(1,031)	(7,952)	(2,114)	(15,841)
<b>Operating profit</b>		<b>3,794</b>	<b>4,323</b>	<b>6,761</b>	<b>7,998</b>
Finance costs		(2,824)	(3,581)	(5,602)	(6,832)
Share of profit of associates		-	-	-	-
<b>Profit before tax</b>	4, 5	<b>970</b>	<b>742</b>	<b>1,159</b>	<b>1,166</b>
Income tax expense	21	(499)	(124)	(1,907)	(311)
<b>Profit/(loss) net of tax</b>		<b>471</b>	<b>618</b>	<b>(748)</b>	<b>855</b>
<b>Other comprehensive income:</b>					
Foreign currency translation reserve		-	-	(10)	-
<b>Total comprehensive income/(expense) for the year</b>		<b>471</b>	<b>618</b>	<b>(758)</b>	<b>855</b>
<b>Profit/(loss) attributable to:</b>					
Owners of the parent		389	568	(752)	725
Non-controlling interests		82	50	4	130
		<b>471</b>	<b>618</b>	<b>(748)</b>	<b>855</b>
<b>Total comprehensive income/(expense) attributable to:</b>					
Owners of the parent		389	568	(762)	725
Non-controlling interests		82	50	4	130
		<b>471</b>	<b>618</b>	<b>(758)</b>	<b>855</b>
<b>Earnings/(loss) per share attributable to owners of the parent (sen per share)</b>					
- Basic	29	0.12	0.18	(0.24)	0.23
- Diluted		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 statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2013**

	Note	As At 30 June 2013 RM'000 (Unaudited)	As At 31 Dec 2012 RM'000 (Audited)
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	10	177,155	185,934
Investment Properties		191,130	191,130
Land use rights		500	500
Finance Lease Receivables		14,122	14,374
Intangible assets		4,215	4,219
Investment in associates		610	860
Other investments		8	8
Deferred tax assets		52,160	50,600
		<u>439,900</u>	<u>447,625</u>
<b>Current Assets</b>			
Inventories		16,034	17,684
Trade and other receivables		65,474	62,666
Finance lease receivables		505	505
Other current assets		5,268	1,205
Cash and bank balances		25,245	28,079
		<u>112,526</u>	<u>110,139</u>
Non-current assets classified as held for sale	13	225	225
		<u>112,751</u>	<u>110,364</u>
<b>Total assets</b>		<b><u>552,651</u></b>	<b><u>557,989</u></b>
<b>Equity and liabilities</b>			
<b>Current Liabilities</b>			
Loans and borrowings	25	31,432	30,356
Deferred income		8,298	6,146
Trade and other payables		22,976	34,250
		<u>62,706</u>	<u>70,752</u>
<b>Net current assets</b>		<u>50,045</u>	<u>39,612</u>
<b>Non-current liabilities</b>			
Loans and borrowings	25	148,376	148,861
Deferred income		43,252	38,476
Deferred tax liabilities		3,458	4,283
		<u>195,086</u>	<u>191,620</u>
<b>Total liabilities</b>		<u>257,792</u>	<u>262,372</u>
<b>Net assets</b>		<u>294,859</u>	<u>295,617</u>
<b>Equity attributable to the owners of the parent</b>			
Share capital		311,362	311,362
Other reserves		(4)	6
Accumulated losses		(20,865)	(20,113)
		<u>290,493</u>	<u>291,255</u>
<b>Non-controlling interests</b>		<u>4,366</u>	<u>4,362</u>
<b>Total equity</b>		<u>294,859</u>	<u>295,617</u>
<b>Total equity and liabilities</b>		<b><u>552,651</u></b>	<b><u>557,989</u></b>
Net assets per share (RM)		0.95	0.95

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2013**

	----- Attributable to owner of the parent -----					
	----- Non-distributable -----			Distributable		
Note	Equity, total RM'000	Equity, attributable to the owners of the parent total RM'000	Share capital RM'000	Other Reserves RM'000	Accumulated losses RM'000	Non- controlling Interest RM'000
<b>At 1 January 2012</b>	284,865	280,568	311,362	(26)	(30,768)	4,297
Total comprehensive income	855	725	-	-	725	130
<b>At 30 June 2012</b>	<b>285,720</b>	<b>281,293</b>	<b>311,362</b>	<b>(26)</b>	<b>(30,043)</b>	<b>4,427</b>
<b>At 1 January 2013</b>	295,617	291,255	311,362	6	(20,113)	4,362
Total comprehensive (expense)/income	(758)	(762)	-	(10)	(752)	4
<b>At 30 June 2013</b>	<b>294,859</b>	<b>290,493</b>	<b>311,362</b>	<b>(4)</b>	<b>(20,865)</b>	<b>4,366</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013**

	<b>6 months ended</b>	
	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	1,159	1,166
Adjustment for:		
Interest income	(1,731)	(720)
Interest expense	5,602	6,832
Net fair value adjustment on investment properties	-	(5,000)
Depreciation and amortisation	9,406	9,206
Amortisation of deferred income	(2,552)	-
Operating cash flows before changes in working capital	<u>11,884</u>	<u>11,484</u>
<u>Changes in working capital</u>		
Decrease in inventories	1,650	5,385
(Increase)/decrease in trade and other receivables	(2,657)	2,641
Decrease in trade and other payables	(2,522)	(18,714)
Net movement in related companies	(5,629)	-
Total changes in working capital	<u>(9,158)</u>	<u>(10,688)</u>
Cash generated from operating activities	2,726	796
Taxation paid	(1,907)	(311)
Interest paid	(5,602)	(6,832)
<b>Net cash used in operating activities</b>	<u>(4,783)</u>	<u>(6,347)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipments	(623)	(424)
Dividend received from associate	250	-
Interest received	1,731	720
<b>Net cash generated from investing activities</b>	<u>1,358</u>	<u>296</u>
<b>Cash flows from financing activities</b>		
Increase of deposit with licensed banks and financial institution	(106)	-
Drawdown of Ijarah term loan/Sukuk Musharakah	15,000	80,000
Drawdown of Islamic Term Financing	-	7,000
Net repayment of loans and borrowings	(13,767)	(90,993)
Net changes in bankers acceptances	(753)	421
<b>Net cash generated from/(used in) financing activities</b>	<u>374</u>	<u>(3,572)</u>
Net decrease in cash and cash equivalents	(3,051)	(9,623)
Cash and cash equivalents at start of period	20,537	29,394
<b>Cash and cash equivalents at end of period</b>	<u><b>17,486</b></u>	<u><b>19,771</b></u>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	25,245	24,289
Deposits with licensed banks and financial institution	(2,940)	-
Bank overdraft	(4,819)	(4,518)
	<u><b>17,486</b></u>	<u><b>19,771</b></u>

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2013**

**Part A – Explanatory Notes Pursuant to MFRS 134**

**1. Basis of Preparation**

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (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.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012.

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 2012.

**2. Significant Accounting Policies**

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2012.

The adoption of the MFRSs and Amendments to MFRSs that came into effect on 1 January 2013 did not have any material impact on the condensed consolidated interim financial statements upon their initial application.

**3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 December 2012 was not subjected to any qualification.

**4. Segment Information**

	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
Energy Sector	10,835	25,573	21,891	35,760
F&B and Tourism Sector	6,377	5,904	13,149	12,217
Manufacturing Sector	4,838	6,205	9,874	12,364
Investment Sector	1,318	666	2,389	1,517
Total revenue including inter-segment sales	23,368	38,348	47,303	61,858
Elimination of inter-segment sales	(1,323)	(57)	(2,398)	(932)
Total	22,045	38,291	44,905	60,926

**4. Segment Information (cont'd.)**

3 months ended		6 months ended	
30.06.2013	30.06.2012	30.06.2013	30.06.2012
RM'000	RM'000	RM'000	RM'000

**Segment Results**

Results from continuing operations:

Energy Sector	1,088	(329)	2,518	(360)
F&B and Tourism Sector	823	189	1,617	575
Manufacturing Sector	(195)	149	(456)	400
Investment Sector	(1,259)	845	(3,031)	621
Others	(3)	(145)	(6)	(145)
	454	709	642	1,091
Eliminations	516	33	517	75
Total	970	742	1,159	1,166

**5. Profit Before Tax**

Included in the profit before tax are the following items:

3 months ended		6 months ended	
30.06.2013	30.06.2012	30.06.2013	30.06.2012
RM'000	RM'000	RM'000	RM'000

Interest income	(851)	(554)	(1,731)	(720)
Interest expense	2,824	1,985	5,602	6,832
Depreciation and amortisation	4,616	4,738	9,406	9,232
Amortisation of deferred income	(853)	-	(2,552)	-
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 2013.

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

**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 2012.

**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. Non-Current Assets Classified as Held for Sale**

The non-current assets classified as held for sale as at the reporting date are as follows:

	<b>As at 30.06.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
<b>Assets</b>		
Property, plant and equipment	65	65
Investment properties	160	160
Assets of disposal group classified as held for sale	225	225

The Group had entered into a Sale and Purchase Agreement on 24 April 2012 with a third party for the disposal of two apartments; namely the Lily and Ixora apartment for a total cash consideration of RM320,000. The above transactions were completed on 23 July 2013 and the purchasers stakeholder has released the balance transaction sum to the Company.



**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 2013 and 31 December 2012 are as follows:

	<b>As at 30.06.2013 RM'000</b>	<b>As at 31.12.2012 RM'000</b>
<b>Capital expenditure</b>		
Approved but not contracted for:		
Property, plant and equipment	5,078	2,181

**15. Related party transactions**

The following table provides information on the transactions which have been entered into with related parties during the period ended 30 June 2013 and 30 June 2012:

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2013 RM'000</b>	<b>30.06.2012 RM'000</b>	<b>30.06.2013 RM'000</b>	<b>30.06.2012 RM'000</b>
Affiliated company:				
Operating fees	1,871	1,720	3,772	3,178
Associates:				
Sale of products	237	990	714	2,760
Purchase of products	83	72	147	166

**16. Material Events Subsequent to the Reporting Period**

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**

**17. Performance Review**

For the current quarter ended 30 June 2013 (%2Q 2013+), the Group recorded revenue of RM22.05 million against the corresponding quarter ended 30 June 2012 (%2Q 2012+) of RM38.29 million, a decrease of RM16.24 million. The Group Profit Before Tax (%PBT+) increased by RM0.23 million compared to RM0.74 million registered in the 2Q 2012. The changes in revenue and PBT were attributable to the following:-

**Energy Sector:** In the current quarter, the sector recorded revenue of RM10.84 million and PBT of RM1.09 million as compared to the corresponding quarter of RM25.57 million and Loss Before Tax (%LBT+) of RM0.33 million. This was mainly due to the absence of fuel revenue element arising from fuel supply arrangement with the relevant authority. However with this arrangement the cost of sales had reduced and subsequently improved the gross profit margin.

**Food & Beverage and Tourism Sector:** The sector recorded revenue of RM6.38 million and PBT RM0.82 million as compared to the corresponding quarter of RM5.9 million and RM0.19 million respectively. This was mainly due to an improvement in revenue resulting from higher number of catering functions.

**Manufacturing Sector:** The sector recorded revenue of RM4.84 million and LBT of RM0.20 million as compared to the corresponding quarter of RM6.21 million and PBT of RM0.15 million respectively. This was mainly due to lower export sales to the Middle East.

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

The Group recorded a PBT of RM0.97 million for the current quarter under review, compared to the RM0.19 million for the preceding quarter ended 31 March 2013 (%1Q 2013+). The positive variance was mainly due to additional rental received during quarter under review.

**19. Commentary on Prospects**

The Energy Sector expects to maintain its profitability arising from the new fuel supply arrangement although a higher expenditure is expected in view of several maintenance activities to be undertaken.

The F&B and Tourism Sector expects to contribute positively to the Group via strong demand for its catering services and steady tourist arrivals to Langkawi.

The Manufacturing Sector expects to improve its export and local sales in the coming quarters and from its new product line.

**20. Profit Forecast or Profit Guarantee**

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

**21. Income Tax Expense**

3 months ended		6 months ended	
30.06.2013	30.06.2012	30.06.2013	30.06.2012
RM'000	RM'000	RM'000	RM'000
Current tax:			
	(732)	(3)	(1,509)
Malaysian income tax	(3)	(85)	
Deferred tax	233	(121)	(398)
Total income tax expense	(499)	(124)	(1,907)
	(311)		

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 were 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. Loans and Borrowings**

Group borrowings and debt securities as at 30 June 2013 and 31 December 2012 denominated in Ringgit Malaysia were:

	As at 30.06.2013 RM'000	As at 31.12.2012 RM'000
<b>Short term borrowings</b>		
Secured	31,432	30,356
<b>Long term borrowings</b>		
Secured	148,376	148,861
	<u>179,808</u>	<u>179,217</u>

Included in the short term borrowings are bank overdrafts amounting to RM4.82 million (31 December 2012: RM4.71 million).

## **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 reporting date of 31 December 2012:

- 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, Datoq 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.

DFZ had then filed an appeal with the Court of Appeal on 4 September 2012 (~~Appeal~~).

Pursuant to DFZ's Appeal, a Settlement Agreement was filed in Court on 20 June 2013, whereupon DFZ had withdrawn their Appeal without liberty to file afresh.

## **28. Dividend Payable**

No dividend has been declared for the quarter under review.

## 29. Earnings Per Share

### (a) Basic

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

	3 months ended		6 months ended	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Profit/(loss) attributable to ordinary equity equity holders of the parent	389	568	(752)	725
Weighted average number of ordinary shares in issue	311,362	311,362	311,362	311,362
Basic EPS (sen per share):	0.12	0.18	(0.24)	0.23

### (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/(losses) is tabulated below:

	Group 30.06.2013 RM'000	Group 31.12.2012 RM'000
Total accumulated losses of the Company and subsidiaries		
Realised	(137,290)	(111,556)
Unrealised	159,804	157,395
	<u>22,514</u>	<u>45,839</u>
Total shares of retained earnings of associates		
Realised	104	370
Unrealised	(7)	(7)
	<u>22,611</u>	<u>46,202</u>
Consolidation adjustments	(43,476)	(66,315)
Total Group accumulated losses	<u>(20,865)</u>	<u>(20,113)</u>

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

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.

**31. Review by External Auditors**

The condensed consolidated interim financial statements have been reviewed by the Company's external auditors in accordance with the Internal Standards on Review Engagements 2410 (ISRE 2410) . Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

**32. 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 28 August 2013.

By order of the Board.

Date: 28 August 2013