



EDEN INC. BERHAD

(Co. No. 36216-V)

(Incorporated in Malaysia)

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

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

	Note	Individual Quarter		Cumulative Quarter	
		2013 Current quarter ended 30-Sep (RM'000)	2012 Corresponding quarter ended 30-Sep (RM'000)	2013 Current year-to-date ended 30-Sep (RM'000)	2012 Corresponding year-to-date ended 30-Sep (RM'000)
Revenue	4	22,646	46,339	67,551	107,265
Cost of sales		(12,926)	(35,754)	(37,502)	(75,313)
Gross profit		9,720	10,585	30,049	31,952
Other income		3,740	2,712	11,594	13,413
Administrative expenses		(9,679)	(3,336)	(27,506)	(10,238)
Selling and marketing expenses		(648)	(740)	(2,129)	(2,066)
Other expenses		(1,214)	(7,945)	(3,327)	(23,786)
Operating profit		1,919	1,276	8,681	9,275
Finance costs		(2,787)	(3,177)	(8,389)	(10,008)
Share of profit of associates		-	-	-	-
(Loss)/profit before tax	4, 5	(868)	(1,901)	292	(733)
Income tax expense	20	(5,094)	(158)	(7,001)	(468)
Loss net of tax		(5,962)	(2,059)	(6,709)	(1,201)
Other comprehensive income:					
Foreign currency translation reserve		(27)	-	(37)	-
Total comprehensive expense for the year		(5,989)	(2,059)	(6,746)	(1,201)
Loss attributable to:					
Owners of the parent		(5,935)	(2,025)	(6,686)	(1,298)
Non-controlling interests		(27)	(34)	(23)	97
		(5,962)	(2,059)	(6,709)	(1,201)
Total comprehensive expense attributed to: attributable to:					
Owners of the parent		(5,962)	(2,025)	(6,723)	(1,298)
Non-controlling interests		(27)	(34)	(23)	97
		(5,989)	(2,059)	(6,746)	(1,201)
Loss per share attributable to owners of the parent (sen per share)					
- Basic	28	(1.91)	(0.65)	(2.15)	(0.42)
- 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)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013

	Note	As At 30 Sept 2013 RM'000 (Unaudited)	As At 31 Dec 2012 RM'000 (Audited)
Assets			
Non-current Assets			
Property, plant and equipment	10	172,732	185,934
Investment Properties		191,130	191,130
Land use rights		500	500
Finance Lease Receivables		13,996	14,374
Intangible assets		4,213	4,219
Investment in associates		610	860
Other investments		8	8
Deferred tax assets		52,398	50,600
		<u>435,587</u>	<u>447,625</u>
Current Assets			
Inventories		16,507	17,684
Trade and other receivables		66,876	62,666
Finance lease receivables		505	505
Other current assets		3,904	1,205
Cash and bank balances		24,074	28,079
		<u>111,866</u>	<u>110,139</u>
Non-current assets classified as held for sale		-	225
		<u>111,866</u>	<u>110,364</u>
Total assets		<u>547,453</u>	<u>557,989</u>
Equity and liabilities			
Current Liabilities			
Loans and borrowings	24	31,679	30,356
Deferred income		6,752	6,146
Trade and other payables		24,317	34,250
		<u>62,748</u>	<u>70,752</u>
Net current assets		<u>49,118</u>	<u>39,612</u>
Non-current liabilities			
Loans and borrowings	24	144,603	148,861
Deferred income		42,622	38,476
Deferred tax liabilities		8,609	4,283
		<u>195,834</u>	<u>191,620</u>
Total liabilities		<u>258,582</u>	<u>262,372</u>
Net assets		<u>288,871</u>	<u>295,617</u>
Equity attributable to the owners of the parent			
Share capital		311,362	311,362
Other reserves		(31)	6
Accumulated losses		(26,799)	(20,113)
		<u>284,532</u>	<u>291,255</u>
Non-controlling interests		<u>4,339</u>	<u>4,362</u>
Total equity		<u>288,871</u>	<u>295,617</u>
Total equity and liabilities		<u>547,453</u>	<u>557,989</u>
Net assets per share (RM)		0.93	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)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2013**

	----- Attributable to owner of the parent -----					Non-controlling Interest RM'000
	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	
At 1 January 2012	284,865	280,568	311,362	(26)	(30,768)	4,297
Total comprehensive (expense)/income	(1,201)	(1,298)	-	-	(1,298)	97
At 30 September 2012	283,664	279,270	311,362	(26)	(32,066)	4,394
At 1 January 2013	295,617	291,255	311,362	6	(20,113)	4,362
Total comprehensive expense	(6,746)	(6,723)	-	(37)	(6,686)	(23)
At 30 September 2013	288,871	284,532	311,362	(31)	(26,799)	4,339

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 SEPTEMBER 2013**

	9 months ended	
	30 Sept 2013 RM'000	30 Sept 2012 RM'000
Cash flows from operating activities		
Profit/(loss) before taxation	292	(733)
Adjustment for:		
Interest income	(2,619)	(1,081)
Interest expense	8,389	10,008
Net fair value adjustment on investment properties	-	(5,000)
Depreciation and amortisation	13,856	13,841
Amortisation of deferred income	(4,481)	-
Gain on disposal of property, plant and equipment	(155)	-
Provision for doubtful debts	62	-
Provision for obsolete stocks	65	-
Operating cash flows before changes in working capital	15,409	17,035
<u>Changes in working capital</u>		
Decrease in inventories	1,112	4,512
(Increase)/decrease in trade and other receivables	(3,060)	10,347
Decrease in trade and other payables	(570)	(21,842)
Net movement in related companies	(6,738)	-
Total changes in working capital	(9,256)	(6,983)
Cash generated from operating activities	6,153	10,052
Taxation paid	(1,436)	(468)
Interest paid	(8,389)	(10,008)
Net cash used in operating activities	(3,672)	(424)
Cash flows from investing activities		
Purchase of property, plant and equipments	(747)	(1,215)
Proceeds from disposal of property, plant and equipments	319	-
Proceeds from disposal of investment property	160	-
Dividend received from associate	250	-
Interest received	2,619	1,081
Net cash generated from/(used in) investing activities	2,601	(134)
Cash flows from financing activities		
Increase of deposit with licensed banks and financial institution	(113)	-
Drawdown of Ijarah term loan/Sukuk Musharakah	15,000	80,000
Drawdown of Islamic Term Financing	-	7,000
Net repayment of loans and borrowings	(18,297)	(96,624)
Net changes in bankers acceptances	424	(117)
Net cash used in financing activities	(2,986)	(9,741)
Net decrease in cash and cash equivalents	(4,057)	(10,299)
Cash and cash equivalents at start of period	20,537	29,394
Cash and cash equivalents at end of period	16,480	19,095
Cash and cash equivalents comprise the following:		
Cash and bank balances	24,074	24,118
Deposits with licensed banks and financial institution	(2,947)	-
Bank overdraft	(4,647)	(5,023)
	16,480	19,095

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 SEPTEMBER 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		9 months ended	
30.09.2013	30.09.2012	30.09.2013	30.09.2012
RM'000	RM'000	RM'000	RM'000

Segment Revenue

Revenue from continuing operations:

Energy Sector	9,231	34,140	31,122	69,900
F&B and Tourism Sector	7,597	7,187	20,746	19,404
Manufacturing Sector	5,825	5,018	15,699	17,381
Investment Sector	1,257	667	3,646	2,185
Total revenue including inter-segment sales	23,910	47,012	71,213	108,870
Elimination of inter-segment sales	(1,264)	(673)	(3,662)	(1,605)
Total	22,646	46,339	67,551	107,265

4. Segment Information (cont'd)

	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Segment Results				
Results from continuing operations:				
Energy Sector	20	(69)	2,537	(430)
F&B and Tourism Sector	495	352	2,112	928
Manufacturing Sector	(57)	(126)	(513)	274
Investment Sector	(1,423)	(2,071)	(4,455)	(1,449)
Others	(3)	-	(6)	(145)
	(968)	(1,914)	(325)	(822)
Elimination	100	13	617	89
Total	(868)	(1,901)	292	(733)

5. (Loss)/Profit Before Tax

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

	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Interest income	(888)	(361)	(2,619)	(1,081)
Interest expense	2,787	3,177	8,389	10,008
Depreciation and amortisation	4,450	4,663	13,856	13,841
Amortisation of deferred income	(1,930)	-	(4,481)	-
Gain on disposal of property, plant and equipment	(95)	-	(155)	-
Net gain from fair value adjustment of investment properties	-	-	-	(5,000)
Provision for doubtful debts	20	-	62	-
Provision for obsolete stocks	25	-	65	-

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 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. 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 2013 and 31 December 2012 are as follows:

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
Capital expenditure		
Approved but not contracted for:		
Property, plant and equipment	5,067	2,181

14. Related Party Transactions

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

	3 months ended		9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Affiliated company:				
Operating fees	1,886	1,792	5,658	4,970
Associates:				
Sale of products	1,130	730	1,844	3,491
Purchase of products	63	79	211	245

15. 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

16. Performance review

For the current quarter ended 30 September 2013 ("3Q 2013"), the Group recorded revenue of RM22.65 million against the corresponding quarter ended 30 September 2012 ("3Q 2012") of RM46.34 million, a decrease of RM23.69 million. The loss before tax ("LBT") of the Group decreased by RM1.03 million compared to RM1.90 million registered in the 3Q 2012. The changes in revenue and LBT were mainly attributed by the Energy Sector as explained below:-

Energy Sector: In the current quarter, the sector recorded revenue of RM9.23 million and profit before tax ("PBT") of RM0.02 million as compared to the corresponding quarter of RM34.14 million and LBT of RM0.07 million respectively. With the fuel supply arrangement with the relevant authority, the sector managed to entirely eliminate the fuel cost risk element from the operations. As a result of this arrangement, fuel cost is fully passed through, allowing for a reduction of cost of sales which corresponds with the reduction in revenue in terms of energy payment thereby improving the gross profit margin.

Food & Beverage and Tourism Sector: The sector recorded revenue of RM7.6 million and PBT of RM0.50 million as compared to the corresponding quarter ended 30 September 2012 of RM7.19 million and PBT of RM0.35 million respectively. This was mainly due to improvement from each of its divisions, namely restaurant, catering and tourism.

Manufacturing Sector: The sector recorded revenue of RM5.83 million and LBT of RM0.06 million as compared to the corresponding quarter of RM5.02 million and LBT of RM0.13 million respectively. The increase in revenue and the lower loss is attributed to the improvement in export sales to the Middle East.

17. Comment on Material Change in Loss Before Taxation

The Group recorded an LBT of RM0.87 million for the current quarter under review, compared to the PBT of RM0.97 million for the preceding quarter ended 30 June 2013 ("2Q 2013"). The variance was mainly due to the introduction of quit rent relating to plant and machinery imposed by the local authority.

18. Commentary on Prospects

The Energy Sector anticipates a challenging quarter to maintain its profitability in view of higher expenditure expected for its maintenance activities.

The F&B and Tourism Sector expects to contribute positively to the Group via strong demand for its catering services and higher tourist arrivals to Langkawi in view of the year-end holidays and festive season.

The Manufacturing Sector expects to improve its export and local sales in the coming quarters and from the revenue generated from its new product line particularly Light Emitting Diode (LED).

19. Profit Forecast of 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		9 months ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Current tax:				
Malaysian income tax	(2,381)	(70)	(3,889)	(154)
Deferred tax	(2,713)	(88)	(3,112)	(314)
Total income tax expense	<u>(5,094)</u>	<u>(158)</u>	<u>(7,001)</u>	<u>(468)</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.

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 were 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. Loans and Borrowings

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

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
Short term borrowings		
Secured	31,679	30,356
Long term borrowings		
Secured	144,603	148,861
	<u>176,282</u>	<u>179,217</u>

Included in the short term borrowings are bank overdrafts amounting to RM4.65 million (31 December 2012: RM4.71 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

There are no pending material litigation during the current quarter under review.

27. Dividend Payable

No dividend has been declared for the quarter under review.

28. Loss Per Share ("LPS")

(a) Basic

The basic loss per share of the Group was calculated by dividing the net 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		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Loss attributable to owners of the parent	(5,935)	(2,025)	(6,686)	(1,298)
Weighted average number of ordinary shares in issues	311,362	311,362	311,362	311,362
Basic LPS (sen per share)	(1.91)	(0.65)	(2.15)	(0.42)

(b) Diluted

There is no dilution in loss per share.

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/(losses) is tabulated below:

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
Total accumulated losses of the Company and subsidiaries		
Realised	(122,272)	(111,556)
Unrealised	154,891	157,395
	32,619	45,839
Total shares of retained earnings of associates		
Realised	104	370
Unrealised	(7)	(7)
	97	363
Consolidation adjustments	(59,515)	(66,315)
Total Group accumulated losses	(26,799)	(20,113)

The determination of realised and unrealised profits is based on the 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. 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.

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 28 November 2013.

By order of the Board.

Date: 28 November 2013