



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 2014**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2014**

	Note	Individual Quarter		Cumulative Quarter	
		2014 Current quarter ended 30-Sep (RM'000)	2013 Corresponding quarter ended 30-Sep (RM'000)	2014 Current year to date ended 30-Sep (RM'000)	2013 Corresponding year to date ended 30-Sep (RM'000)
Revenue	4	17,245	22,686	54,360	67,697
Cost of sales		(13,920)	(12,594)	(37,596)	(36,354)
Gross profit		3,325	10,092	16,764	31,343
Other income		6,327	3,699	15,650	11,448
Administrative expenses		(9,612)	(10,011)	(27,349)	(28,655)
Selling and marketing expenses		(503)	(648)	(1,567)	(2,129)
Other expenses		(1,064)	(1,214)	(3,097)	(3,326)
Operating profit/(loss)		(1,527)	1,918	401	8,681
Finance costs		(2,616)	(2,786)	(7,676)	(8,389)
Share of profit of associates		-	-	-	-
Profit/(loss) before taxation	4, 5	(4,143)	(868)	(7,275)	292
Income tax expense	20	(101)	(5,094)	(783)	(7,001)
Profit/(loss) net of tax		(4,244)	(5,962)	(8,058)	(6,709)
Profit/(loss) attributable to: attributable to:					
Owners of the parent		(4,306)	(5,935)	(8,113)	(6,686)
Non-controlling interests		62	(27)	55	(23)
		(4,244)	(5,962)	(8,058)	(6,709)
Earnings/(loss) per share attributable to equity holders of the Company (sen per share)					
- Basic	28	(1.38)	(1.91)	(2.61)	(2.15)
- 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 2013 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	2014 Current quarter ended 30-Sep (RM'000)	2013 Corresponding quarter ended 30-Sep (RM'000)	2014 Current year to date ended 30-Sep (RM'000)	2013 Corresponding year to date ended 30-Sep (RM'000)
Profit/(loss) net of tax	(4,244)	(5,962)	(8,058)	(6,709)
Other comprehensive income/(expense):				
Foreign currency translation reserve	-	(27)	-	(37)
Total comprehensive income/(expense) for the year	<u>(4,244)</u>	<u>(5,989)</u>	<u>(8,058)</u>	<u>(6,746)</u>
Total comprehensive income/(expense) attributable to:				
Owners of the parent	(4,306)	(5,962)	(8,113)	(6,723)
Non-controlling interests	62	(27)	55	(23)
	<u>(4,244)</u>	<u>(5,989)</u>	<u>(8,058)</u>	<u>(6,746)</u>

These Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 SEPTEMBER 2014

	Note	As At 30 Sept 2014 RM'000 (Unaudited)	As At 31 Dec 2013 RM'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	10	157,376	167,999
Investment properties		198,126	194,730
Land use rights		458	458
Finance lease receivables		13,420	13,842
Intangible assets		4,206	4,211
Investment in associates		641	641
Other investments		8	8
Deferred tax assets		49,990	48,877
		<u>424,225</u>	<u>430,766</u>
Current assets			
Inventories		17,006	16,944
Trade and other receivables		64,386	70,405
Finance lease receivables		554	532
Other current assets		2,437	1,511
Cash and bank balances		13,447	24,910
		<u>97,830</u>	<u>114,302</u>
Total assets		<u>522,055</u>	<u>545,068</u>
Equity and liabilities			
Current liabilities			
Loans and borrowings	24	32,114	32,724
Deferred income		2,912	4,844
Trade and other payables		36,385	29,912
		<u>71,411</u>	<u>67,480</u>
Net current assets		<u>26,419</u>	<u>46,822</u>
Non-current liabilities			
Loans and borrowings	24	123,358	140,571
Deferred income		38,421	41,207
Deferred tax liabilities		8,254	7,141
		<u>170,033</u>	<u>188,919</u>
Total liabilities		<u>241,444</u>	<u>256,399</u>
Net assets		<u>280,611</u>	<u>288,669</u>
Equity attributable to equity holders of the Company			
Share capital		311,362	311,362
Other reserves		(64)	(64)
Accumulated losses		(35,035)	(26,922)
		<u>276,263</u>	<u>284,376</u>
Non-controlling interests		4,348	4,293
Total equity		<u>280,611</u>	<u>288,669</u>
Total equity and liabilities		<u>522,055</u>	<u>545,068</u>
Net assets per share (RM)		0.90	0.93

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014**

	Note	----- Attributable to owners of the parent -----					Non-controlling Interest RM'000
		Equity, total RM'000	Equity, attributable to the parent total RM'000	Share capital RM'000	Other Reserves RM'000	Accumulated losses RM'000	
At 1 January 2014		288,669	284,376	311,362	(64)	(26,922)	4,293
Total comprehensive income/(expense)		(8,058)	(8,113)	-	-	(8,113)	55
At 30 September 2014		280,611	276,263	311,362	(64)	(35,035)	4,348
At 1 January 2013		295,617	291,255	311,362	6	(20,113)	4,362
Total comprehensive income/(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 2013 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2014**

	9 months ended	
	30 Sept 2014 RM'000	30 Sept 2013 RM'000
Cash flow from operating activities		
Profit/(loss) before taxation	(7,275)	292
Adjustment for:		
Interest income	(2,596)	(2,619)
Interest expense	7,675	8,389
Net fair value adjustment on investment properties	(3,396)	-
Depreciation and amortisation	10,140	13,856
Amortisation of deferred income	(4,719)	(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	<u>(171)</u>	<u>15,409</u>
Changes in working capital		
Decrease/(increase) in inventories	(62)	1,112
Decrease/(increase) in trade and other receivables	1,915	(3,060)
Increase/(decrease) in trade and other payables	7,055	(570)
Net movement in related companies	2,225	(6,738)
Total changes in working capital	<u>11,133</u>	<u>(9,256)</u>
Cash generated from operating activities	10,962	6,153
Taxation paid	(783)	(1,436)
Interest paid	<u>(7,675)</u>	<u>(8,389)</u>
Net cash generated from/(used in) operating activities	<u>2,504</u>	<u>(3,672)</u>
Cash flows from investing activities		
Purchase of property, plant and equipments	1,260	(747)
Proceeds from disposal of property, plant and equipments	-	319
Proceeds from disposal of investment property	-	160
Dividend received from associate	-	250
Interest received	<u>2,596</u>	<u>2,619</u>
Net cash generated from investing activities	<u>3,856</u>	<u>2,601</u>
Cash flows from financing activities		
Increase of deposit with licensed banks and financial institution	1,097	(113)
Drawdown of Ijarah term loan	-	15,000
Net repayment of loans and borrowings	(18,214)	(18,297)
Net changes in bankers acceptances	665	424
Net cash (used in)/generated from financing activities	<u>(16,452)</u>	<u>(2,986)</u>
Net decrease in cash and cash equivalents	(10,092)	(4,057)
Cash and cash equivalent at start of period	16,940	20,537
Cash and cash equivalents at end of period	<u>6,848</u>	<u>16,480</u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	13,447	24,074
Deposits with licensed banks and financial institution	(1,850)	(2,947)
Bank overdraft	<u>(4,749)</u>	<u>(4,647)</u>
	<u>6,848</u>	<u>16,480</u>

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014**

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 2013.

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 2013.

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 2013.

The adoption of the Amendments to MFRSs and Issues Committee (IC) that came into effect on 1 January 2014 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 2013 was not subject to any qualification.

4. Segment Information

3 months ended		9 months ended	
30.09.2014	30.09.2013	30.09.2014	30.09.2013
RM'000	RM'000	RM'000	RM'000

Segment Revenue

Revenue from continuing operations:

Energy Sector	3,721	9,231	15,926	31,122
F&B and Tourism Sector	6,669	7,637	20,143	20,891
Manufacturing Sector	6,855	5,825	18,291	15,699
Investment Sector	547	547	1,641	1,641
Total revenue including inter-segment sales	17,792	23,240	56,001	69,353
Elimination of inter-segment sales	(547)	(554)	(1,641)	(1,656)
Total	17,245	22,686	54,360	67,697

4. Segment Information (cont'd)

	3 months ended		9 months ended	
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Segment Results				
Results from continuing operations:				
Energy Sector	(2,412)	20	(6,678)	2,537
F&B and Tourism Sector	(559)	495	(527)	2,112
Manufacturing Sector	139	(57)	77	(513)
Investment Sector	(1,310)	(1,423)	(146)	(4,455)
Others	-	-	-	(6)
	(4,142)	(965)	(7,274)	(325)
Elimination	(1)	97	(1)	617
Total	(4,143)	(868)	(7,275)	292

5. Profit/(Loss) Before Tax

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

	3 months ended		9 months ended	
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Interest income	(1,713)	(851)	(2,596)	(2,615)
Interest expense	5,136	2,824	7,675	8,389
Depreciation and amortisation	5,564	4,450	10,140	13,856
Amortisation of deferred income	(5,521)	(1,930)	(6,732)	(4,481)
Net gain from fair value adjustment of investment properties	-	-	(3,396)	-

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 2014.

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 2013.

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 2014 and 31 December 2013 are as follows:

	As at 30.09.2014 RM'000	As at 31.12.2013 RM'000
Capital expenditure		
Approved but not contracted for:		
Property, plant and equipment	6,207	6,680

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 2014 and 30 September 2013:

	3 months ended		9 months ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
Affiliated company:				
Operating fees	-	1,886	-	5,658
Associates:				
Sale of products	-	1,130	-	1,844
Purchase of products	-	63	-	211

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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad

16. Performance review

For the current quarter ended 30 September 2014 ("3Q 2014"), the Group recorded a revenue of RM17.25 million against the corresponding quarter ended 30 September 2013 ("3Q 2013") of RM22.69 million, a decrease of RM5.44 million. The Group recorded Loss Before Tax ("LBT") of RM4.14 million, as compared to the LBT of RM0.87 million in 3Q 2013. The drop in performance was mainly attributed to the decrease in revenue from Energy Sector and F&B and Tourism Sector. The performance for the various sectors are as follows:

Energy Sector: In the current quarter, the sector recorded a revenue of RM3.72 million and LBT of RM2.41 million as compared to the corresponding quarter of RM9.23 million and PBT of RM0.02 million respectively. The decline in PBT was due to continuous unscheduled repair and maintenance works undertaken by the sector.

Food & Beverage and Tourism Sector: The sector recorded a revenue of RM6.67 million and LBT of RM0.56 million as compared to the corresponding quarter of RM7.64 million and PBT of RM0.49 million respectively. The lower PBT was primarily attributed to the sector's full provision on entertainment duty imposed by the State Government with effect from January 2014.

Manufacturing Sector: The sector recorded a revenue of RM6.86 million and PBT of RM0.14 million as compared to the corresponding quarter of RM5.83 million and LBT of RM0.06 million respectively. The increase in PBT was mainly due to sales generated from its new product lines.

17. Comment on Material Change in Loss Before Taxation

The Group recorded an LBT of RM4.14 million for the current quarter under review, compared to the LBT of RM3.63 million for the preceding quarter ended 30 June 2014 (2Q 2014). The variance was mainly due to lower revenue registered coupled with higher cost incurred in relation to the continuous unscheduled repair and maintenance works undertaken by Energy Sector.

18. Commentary on Prospects

The Manufacturing Sector is expected to continue its positive performance in view of the prospect offered by the new product lines.

For the F&B and Tourism Sector, the revenue is expected to boost particularly by tourism segment during the long school holidays in December.

The Energy Sector has been affected by the lengthy period required for the continuous unscheduled repair and maintenance works, given that the plants are currently in its fourteenth and sixteenth years of operation. In view of this scenario, the performance is expected to be unfavourable for the coming quarter.

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	
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Current tax:				
Malaysian income tax	(87)	(2,381)	(355)	(3,889)
Deferred tax	(14)	(2,713)	(428)	(3,112)
Total income tax expense	<u>(101)</u>	<u>(5,094)</u>	<u>(783)</u>	<u>(7,001)</u>

The effective tax rate 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 loans and borrowings as at 30 September 2014 and 31 December 2013 denominated in Ringgit Malaysia were:

	As at 30.09.2014 RM'000	As at 31.12.2013 RM'000
Current		
Secured	32,114	32,724
Non-current		
Secured	<u>123,358</u>	<u>140,571</u>
Total loans and borrowings	<u>155,472</u>	<u>173,295</u>

Included in the short term borrowings are bank overdrafts amounting to RM4.98 million (31 December 2013: RM5.02 million).

25. Off Balance Sheet Financial Instruments

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

26. Changes in Material Litigation

There are no material litigation as at the reporting date.

27. Dividend Payable

No dividend has been declared for the quarter under review.

28. Earnings/(Loss) Per Share

(a) Basic

The basic earnings/(loss) per share of the Group was calculated by dividing the net profit 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	
	30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Profit/(loss) attributable to owners of the parent	(4,306)	(5,935)	(8,113)	(6,686)
Weighted average number of ordinary shares in issues	311,362	311,362	311,362	311,362
Basic earnings/(loss) per share (sen)	(1.38)	(1.91)	(2.61)	(2.15)

(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 30.09.2014 RM'000	As at 31.12.2013 RM'000
Total accumulated losses of the Company and subsidiaries		
Realised	(135,890)	(124,211)
Unrealised	159,834	156,367
	<u>23,944</u>	<u>32,156</u>
Total shares of retained earnings of associates		
Realised	117	122
Unrealised	(4)	(4)
	<u>113</u>	<u>118</u>
Consolidation adjustments	(59,092)	(59,196)
Total Group accumulated losses	<u>(35,035)</u>	<u>(26,922)</u>

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. 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 26 November 2014.

By order of the Board.

Date: 26 November 2014