



EDEN INC. BERHAD

Registration No. 197701005144 (36216-V)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2021**

EDEN INC. BERHAD (197701005144 (36216-V))
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2021**

	Note	Individual Quarter 3 months ended			Cumulative Quarter 3 months ended		
		30.09.2021 (RM'000)	30.09.2020 (RM'000)	Changes %	30.09.2021 (RM'000)	30.09.2020 (RM'000)	Changes %
Revenue	10	6,215	8,385	(26)	6,215	8,385	(26)
Cost of sales		(3,182)	(2,520)	26	(3,182)	(2,520)	26
Gross profit		3,033	5,865	(48)	3,033	5,865	(48)
Other income	8	3,306	471	602	3,306	471	602
Administrative expenses		(3,715)	(3,692)	1	(3,715)	(3,692)	1
Selling and marketing expenses		(70)	(99)	(29)	(70)	(99)	(29)
Other expenses	9	(677)	(694)	(2)	(677)	(694)	(2)
Operating profit		1,877	1,851	1	1,877	1,851	1
Finance costs		(586)	(693)	(15)	(586)	(693)	(15)
Profit before taxation		1,291	1,158	11	1,291	1,158	11
Taxation	19	(7)	(157)	(96)	(7)	(157)	(96)
Profit for the year representing total comprehensive income for the year		1,284	1,001	28	1,284	1,001	28
Total comprehensive income attributable to:							
Equity holders of the Company		1,313	1,115	18	1,313	1,115	18
Non-controlling interests		(29)	(114)	(75)	(29)	(114)	(75)
		1,284	1,001	28	1,284	1,001	28
Earnings per share attributable to equity holders of the Company (sen)							
- Basic	25	0.33	0.28		0.33	0.28	
- Diluted	25	0.33	0.28		0.33	0.28	

The above Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**

	Note	As At 30.09.2021 RM'000 (Unaudited)	As At 30.06.2021 RM'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	11	41,963	42,872
Right-of-use assets		20,592	20,543
Investment properties		208,536	205,888
Deferred tax assets		36,734	36,734
Amount due from immediate holding company		21,369	21,369
Other investments		54	54
		<u>329,248</u>	<u>327,460</u>
Current assets			
Inventories		3,308	3,733
Trade and other receivables		5,545	5,229
Amount due from immediate holding company		25,666	25,666
Tax recoverable		211	136
Cash and bank balances		8,285	5,762
		<u>43,015</u>	<u>40,526</u>
Total assets		<u>372,263</u>	<u>367,986</u>
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital		330,137	324,862
Fair value reserve		46	46
Accumulated losses		(100,212)	(101,525)
		<u>229,971</u>	<u>223,383</u>
Non-controlling interests		<u>(1,187)</u>	<u>(1,158)</u>
Total equity		<u>228,784</u>	<u>222,225</u>
Non-current liabilities			
Borrowings	22	28,000	30,000
Lease liabilities		3,365	3,046
Deferred income		409	654
Deferred tax liabilities		23,299	23,576
		<u>55,073</u>	<u>57,276</u>
Current liabilities			
Trade and other payables		58,416	57,230
Borrowings	22	19,238	19,113
Lease liabilities		375	721
Deferred income		981	1,514
Tax payable		9,396	9,907
		<u>88,406</u>	<u>88,485</u>
Total liabilities		<u>143,479</u>	<u>145,761</u>
Total equity and liabilities		<u>372,263</u>	<u>367,986</u>
Net assets per share (RM)		0.70	0.69

The above Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to these interim financial statements.



EDEN INC. BERHAD (197701005144 (36216-V))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2021

	Attributable to Owners of the Parent				Non-controlling Interest RM'000	Total Equity RM'000
	-Non-Distributable-			Total RM'000		
	Share Capital RM'000	Fair value Reserve RM'000	Accumulated Losses RM'000	Total RM'000		
As at 1 July 2021	324,862	46	(101,525)	223,383	(1,158)	222,225
Total comprehensive income/(expense)	-	-	1,313	1,313	(29)	1,284
Issuance of ordinary shares pursuant to private placement	5,275	-	-	5,275	-	5,275
As at 30 September 2021	330,137	46	(100,212)	229,971	(1,187)	228,784
As at 1 July 2020	324,862	46	(84,235)	240,673	(249)	240,424
Total comprehensive income/(expense)	-	-	1,115	1,115	(114)	1,001
As at 30 September 2020	324,862	46	(83,120)	241,788	(363)	241,425

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to these interim financial statements.

EDEN INC. BERHAD (197701005144 (36216-V))
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2021**

	3 months 30.09.2021 RM'000	3 months 30.09.2020 RM'000
Cash flow from operating activities		
Profit/(loss) before taxation	1,291	1,158
Adjustment for:		
Interest income	(7)	(7)
Interest expense	586	693
Depreciation of property, plant and equipment	1,060	1,024
Amortisation of right-of-use assets	527	527
Amortisation of deferred income	203	419
Net fair value adjustment of investment properties	(2,648)	-
Operating cash flows before changes in working capital	1,012	3,814
Changes in working capital		
Changes in inventories	425	303
Changes in trade and other receivables	(391)	(325)
Changes in trade and other payables	(1,110)	(3,541)
Cash generated from operating activities	(64)	251
Net income tax paid	(7)	(157)
Interest paid	(586)	(693)
Net cash generated from/(used in) operating activities	(657)	(599)
Cash flows from investing activities		
Purchase of property, plant and equipments	(227)	(251)
Interest received	7	7
Net cash generated from/(used in) investing activities	(220)	(244)
Cash flows from financing activities		
Increase/(decrease) in fixed deposits pledged	1,215	(1,768)
Proceeds from issuance shares	5,275	-
Net repayment of term loans and lease liabilities	(2,118)	(492)
Net cash generated from/(used in) financing activities	4,372	(2,260)
Net decrease in cash and cash equivalents	3,495	(3,103)
Cash and cash equivalent at beginning of year	(990)	5,817
Cash and cash equivalents at end of period	2,505	2,714
Cash and cash equivalents comprise the following:		
Cash and bank balances	8,285	8,359
Pledged fixed deposits	(45)	(2,145)
Bank overdraft	(5,735)	(3,500)
	2,505	2,714

The above Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the year ended 30 June 2021 and the accompanying explanatory notes attached to these interim financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2021**

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 30 June 2021.

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 30 June 2021.

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 30 June 2021.

The adoption of the Amendments to MFRSs and Issues Committee (IC) that came into effect on 1 January 2021 did not have any material impact on the condensed consolidated interim financial statements upon their initial application.

3. 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.

4. 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 2021 except as disclosed below.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE (CONT'D.)

On 18 March 2020, the government had imposed the Movement Control Order ("MCO") to curb the spread of the Covid-19 pandemic in the country. The Covid-19 pandemic had also resulted in travel restrictions, quarantines, social distancing and closures of non-essential services which have triggered significant disruptions to businesses, resulting in an economic slowdown. This has also brought economic uncertainties in Malaysia within which the Group operates.

The effect of the above pandemic containment measures has been reflected in the performance of the Group for the first quarter and financial period ended 30 September 2021.

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

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

6. 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.

7. DIVIDENDS PAID

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

8. OTHER INCOME

	Individual Quarter		Cumulative Quarter	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Interest income:				
Fixed deposits	7	7	7	7
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Other income:				
Rental income	245	245	245	245
Fair value adjustments of investment property	2,648	-	2,648	-
Miscellaneous income	406	219	406	219
	<u>3,299</u>	<u>464</u>	<u>3,299</u>	<u>464</u>
	<u>3,306</u>	<u>471</u>	<u>3,306</u>	<u>471</u>

9. OTHER EXPENSES

	Individual Quarter		Cumulative Quarter	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Depreciation of plant, property and equipment	150	167	150	167
Amortisation of right of use assets	527	527	527	527
	<u>677</u>	<u>694</u>	<u>677</u>	<u>694</u>

10. SEGMENTAL INFORMATION

Segmental results by business activities:

RESULTS FOR THE INDIVIDUAL QUARTER

	Energy			F&B and Tourism			Manufacturing			Investment			Eliminations		Total		
	30.09.2021	30.09.2020	Changes	30.09.2021	30.09.2020	Changes	30.09.2021	30.09.2020	Changes	30.09.2021	30.09.2020	Changes	30.09.2021	30.09.2020	30.09.2021	30.09.2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	RM'000	RM'000	%
Revenue																	
Sales to external customers	4,695	5,958	(21)	1,474	2,427	(39)	46	-	100	-	-	-	-	-	6,215	8,385	(26)
Inter-segment sales	-	-	-	-	-	-	-	-	-	233	63	270	(233)	(63)	-	-	-
Total segment revenue	4,695	5,958	(21)	1,474	2,427	(39)	46	-	100	233	63	270	(233)	(63)	6,215	8,385	(26)
Results																	
Other income	4	98	(96)	411	157	162	22	-	100	3,073	422	628	(204)	(206)	3,306	471	602
Segment profit/(loss)	650	2,195	(70)	(984)	203	(585)	(58)	(263)	(78)	1,709	(973)	(276)	(26)	(4)	1,291	1,158	11

RESULTS FOR THE CUMULATIVE QUARTER

	Energy			F&B and Tourism			Manufacturing			Investment			Eliminations		Total		
	30.09.2021	30.09.2020	Changes	30.09.2021	30.09.2020	Changes	30.09.2021	30.09.2020	Changes	30.09.2021	30.09.2020	Changes	30.09.2021	30.09.2020	30.09.2021	30.09.2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	RM'000	RM'000	%
Revenue																	
Sales to external customers	4,695	5,958	(21)	1,474	2,427	(39)	46	-	100	-	-	-	-	-	6,215	8,385	(26)
Inter-segment sales	-	-	-	-	-	-	-	-	-	233	63	270	(233)	(63)	-	-	-
Total segment revenue	4,695	5,958	(21)	1,474	2,427	(39)	46	-	100	233	63	270	(233)	(63)	6,215	8,385	(26)
Results																	
Other income	4	98	(96)	411	157	162	22	-	100	3,073	422	628	(204)	(206)	3,306	471	602
Segment profit/(loss)	650	2,195	(70)	(984)	203	(585)	(58)	(263)	(78)	1,709	(973)	(276)	(26)	(4)	1,291	1,158	11
Segment assets	198,082	227,216	(13)	110,628	116,820	(5)	1,165	2,996	(61)	331,402	335,849	(1)	(269,014)	(297,675)	372,263	385,206	(3)
Segment liabilities	186,582	219,280	(15)	85,420	79,889	7	1,738	1,525	14	96,139	95,963	0	(226,400)	(252,876)	143,479	143,781	(0)

11. 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 30 June 2021.

12. 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 2021 and 30 June 2021 are as follows:

	As at 30.09.2021 RM'000	As at 30.06.2021 RM'000
Capital expenditure		
Approved but not contracted for:		
Property, plant and equipment	9,863	1,027

13. CHANGES IN COMPOSITION OF THE GROUP

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

14. 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

15. PERFORMANCE REVIEW

(a) 1st Quarter FYE 2022 vs. 1st Quarter FYE 2021

For the current quarter ended 30 September 2021 ("1Q 2022"), the Group recorded revenue of RM6.21 million, contributed mainly by the Energy Sector of RM4.69 million. The Group recorded a Profit Before Tax ("PBT") of RM1.29 million for 1Q 2022 compared to PBT of RM1.16M in the corresponding quarter ended 30 September 2020 ("1Q 2021"), primarily due to the recognition of gain on fair value adjustments of investment properties which offset the operating loss recorded during the quarter.

Energy Sector: Despite the Sungai Kenerong Plant contributing positively to the performance of the Group with a revenue of RM4.69 million, the sector recorded lower PBT of RM0.65 million compared to RM2.19 million recorded in 1Q 2021. The lower PBT was mainly due to the repair and maintenance costs incurred for the recommissioning of the Libaran Plant as well as higher external outages for the Sungai Kenerong Plant.

Food & Beverage and Tourism Sector: The sector recorded revenue and Loss Before Tax ("LBT") of RM1.47 million and RM0.98 million respectively in 1Q 2022 compared to 1Q 2021 revenue and PBT of RM2.43 million and RM0.2 million. The LBT recorded was mainly due to lower revenue from the tourism segment which started its operation in mid-September under the travel bubble program announced by the Government. This was mitigated by higher revenue recorded by catering segment from the contract awarded to supply food for quarantine and vaccine centre.

Manufacturing Sector: The sector recorded lower LBT of RM0.2 million from RM0.26 million recorded in 1Q 2021, mainly due to lower operating expenses incurred during the quarter.

16. COMMENT ON MATERIAL CHANGES IN CURRENT QUARTER RESULTS AS COMPARED TO IMMEDIATE PRECEDING QUARTER

	Quarter Ended		
	30.09.2021 RM'000	30.06.2021 RM'000	Changes %
Revenue	6,215	6,406	(3)
Cost of sales	(3,182)	(2,724)	17
Gross profit	3,033	3,682	(18)
Other income	3,306	454	628
Administrative expenses	(3,715)	(7,463)	(50)
Selling and marketing expenses	(70)	(63)	11
Other expenses	(677)	(12,191)	(94)
Operating profit/(loss)	1,877	(15,581)	(112)
Finance costs	(586)	(599)	(2)
Profit/(loss) before taxation	1,291	(16,180)	(108)

The Group recorded PBT of RM1.29 million as compared to LBT of RM16.18 million in the preceding quarter ended 30 June 2021. The PBT recorded was mainly due to the lower operating expenses arising from the absence of impairment loss on financial assets and property, plant and equipment.

17. COMMENTARY ON PROSPECTS

The positive impact resulting from the Government's recovery plan will augur well for the Food and Beverage and Tourism Sector of the Group. Previously the sector had been adversely impacted by the measures taken to curb the Covid-19 pandemic.

The expected reopening of the international borders and the recovery of the Food and Beverage and Tourism Sector will ensure that the sector will contribute positively to the Group. This is in line with the expected increase in visitors for the tourism segment.

The optimum operations of the Sungai Kenerong Hydro Power Plant and the recommissioning of the Libaran Plant will ensure a better performance for the Group in the Financial Year Ended 30 June 2022 ("FYE 2022").

18. PROFIT FORECAST OR PROFIT GUARANTEE

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

19. TAXATION

	Individual Quarter		Cumulative Quarter	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	(7)	(157)	(7)	(157)
Deferred tax	-	-	-	-
Total income tax expense	<u>(7)</u>	<u>(157)</u>	<u>(7)</u>	<u>(157)</u>

The effective tax rate for the current financial quarter was lower than the statutory tax rate of 24% mainly due to lower taxable income.

20. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

(a) Utilisation of Proceeds Raised from Private Placement ("PP")

On 10 May 2021, UOB Kay Hian Securities (M) Sdn Bhd (UOBKH) announced that the Company proposed to undertake the issuance of up to 20% of the total number of issued shares of the Company to third party investor(s) to be identified later at an issue price to be determined later in accordance with general mandate pursuant to the Companies Act 2016.

The application for the listing and quotation for up to 122,641,831 Placement Shares was approved by Bursa Malaysia Securities Berhad via its letter dated 11 June 2021.

On 12 July 2021, the Company announced that the first tranche of placement shares of 18,150,000 is price fixed at RM0.1443 per share. On 27 September 2021, the Company announced that the second tranche of placement shares of 20,232,584 is price fixed at RM0.1313 per share. Total two tranches raised a total of RM5.28 million.

As at the date of this report, the status of the utilisation of the proceeds which summarised as follows:

Purpose	Proposed utilisation (based on actual amount raised) RM'000	Actual utilisation as of the date of this report RM'000	Unutilised amount RM'000	Timeframe for utilisation from receipt of funds
Repayment of the bank borrowings	-	-	-	Within 12 months
Working capital	5,243	4,599	644	Within 12 months
Defray estimated expenses relating to the placement	33	33	-	Upon completion
TOTAL	5,276	4,632	644	

21. TRADE RECEIVABLES

	As at 30.09.2021 RM'000	As at 30.06.2021 RM'000
Trade receivables	15,495	14,459
Less: Allowance for impairment	(12,363)	(12,363)
	3,132	2,096

The ageing analysis of the Group's trade receivables as at 30 September 2021 is as follows:

Current	2,317	1,646
<i>Past due not impaired</i>		
Less than 30 days	318	65
31 to 60 days	75	113
61 to 90 days	38	31
More than 90 days	384	241
	815	450
Impaired	12,363	12,363
	15,495	14,459

22. BORROWINGS

Group loans and borrowings as at 30 September 2021 and 30 June 2021 denominated in Ringgit Malaysia were:

	As at 30.09.2021 RM'000	As at 30.06.2021 RM'000
Current		
Secured:		
Bank overdraft	5,735	5,492
Bank loans	13,503	13,621
	19,238	19,113
Non-current		
Secured:		
Bank loans	28,000	30,000
Total borrowings	47,238	49,113

23. CHANGES IN MATERIAL LITIGATION

There was no material litigation against the Group as at the reporting date.

24. DIVIDEND PAYABLE

No dividend has been declared for the quarter under review.

25. EARNINGS PER SHARE

(a) Basic

The basic earnings per share are calculated based on the consolidated profit for the financial period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period as follows:

	Individual Quarter		Cumulative Quarter	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Profit attributable to owners of the Company	1,313	1,115	1,313	1,115
	Number of shares ('000)			
Weighted average number of ordinary shares in issue	403,361	403,361	403,361	403,361
Basic earnings per share (sen)	0.33	0.28	0.33	0.28

(b) Diluted

The diluted earnings per share has been calculated based on the adjusted consolidated profit for the period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Individual Quarter		Cumulative Quarter	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Profit attributable to owners of the Company	1,313	1,115	1,313	1,115
	Number of shares ('000)			
Weighted average number of ordinary shares as at 31 December (basic)	403,361	403,361	403,361	403,361
Effect of conversion of convertible notes	-	-	-	-
Weighted average number of ordinary shares as at 31 December (basic)	403,361	403,361	403,361	403,361
Diluted earnings per ordinary shares (sen)	0.33	0.28	0.33	0.28

26. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors has expressed **unqualified opinion** of the financial statements for the year ended 30 June 2021 and that their opinion is not modified in respect of the material uncertainty related to going concern.

- a) The material uncertainty disclosed in the preceding Annual Financial Statements are as follows:

We draw attention to Note 2(a) to the financial statements, which indicates that the Group and Company incurred a net loss of RM18.20 million and RM4.86 million during the financial year ended 30 June 2021 and as of that date, the current liabilities of the Group and of the Company exceeded the current assets by RM47.96 million and RM83.48 million respectively. In addition, the Company reported negative operating cash flows of RM3.22 million.

These factors indicate the existence of significant material uncertainties that may cast significant doubt on the Group's and on the Company's abilities to continue as going concerns. Nevertheless, the financial statements of the Group and of the Company have been prepared on a going concern basis. The abilities of the Group and of the Company to continue as going concerns are dependent on the continued support of their lenders, the timely and successful recommission of Libaran Power Plant as well as the sustainability and profitability of the entire power plant in the future, the timely collection of the amount due from its holding company, ZESB and the timely completion of the planned disposal of investment properties.

During the year, the Group obtained banking facilities of 8.50 million, which 6.0 million had not yet withdrawn at the reporting date. The Group and the Company would have funds available to improve the commercial transactions, profitability and cash flows of the Group and the Company to continue operating.

- b) The following are the Key Audit Matters ("KAM") as reported in the Independent Auditors' Report of the Financial Statements for FYE 2021:

- (i) Fair value of investment properties;
- (ii) Deferred tax assets related to energy segment; and
- (ii) Recovery of amount due from holding company, Zil Enterprise Sdn Bhd ("ZESB")

- c) The Group has taken the necessary steps to address the Key Audit Matters that related to the material uncertainty related to going concern which depends on the following:

- (i) Recovery of amount due from ZESB
ZESB has paid approximately the amount of RM100,000.00 which had reduced the amount owing from ZESB to the Group. ZESB is expecting to reduce the amount due by monetizing its assets in its investment properties in next year.

The Group had entered into Deed of Assignment, whereby ZESB assigned its right in and to the net sale proceeds from the planned disposal of certain identified lands of ZESB as settlement of the amount to Stratavest Sdn Bhd ("STV"). As an assurance and commitment to the Group, ZESB has agreed and consented to the lodgement of a private caveat of four (4) identified lands by STV which was duly lodged on 28 July 2012.

27. 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 24 November 2021.

By order of the Board.

Date: 24 November 2021