



EDEN INC. BERHAD

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED
30 JUNE 2022**



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 JUNE 2022

Note	Individual Quarter 3 months ended			Cumulative Quarter 12 months ended		
	30.06.2022 (RM'000)	30.06.2021 (RM'000)	Changes %	30.06.2022 (RM'000)	30.06.2021 (RM'000)	Changes %
Revenue	26,735	6,477	313	59,630	27,284	119
Cost of sales	(17,868)	(2,742)	552	(35,252)	(9,618)	267
Gross profit	8,867	3,735	137	24,378	17,666	38
Other income	2,646	492	438	6,966	2,135	226
Administrative expenses	(4,717)	(7,486)	(37)	(17,857)	(19,346)	(8)
Selling and marketing expenses	(175)	(119)	47	(453)	(322)	41
Other expenses	(1,797)	(12,191)	(85)	(3,522)	(14,195)	(75)
Operating profit	4,824	(15,569)	(131)	9,512	(14,062)	(168)
Finance costs	(653)	(604)	8	(2,462)	(2,612)	(6)
Profit before taxation	4,171	(16,173)	(126)	7,050	(16,674)	(142)
Taxation	(5,990)	(1,402)	327	(5,993)	(1,525)	293
Profit for the year representing total comprehensive income for the year	(1,819)	(17,575)	(90)	1,057	(18,199)	(106)
Total comprehensive income attributable to:						
Equity holders of the Company	(1,414)	(16,852)	(92)	1,578	(17,290)	(109)
Non-controlling interests	(405)	(723)	(44)	(521)	(909)	(43)
	(1,819)	(17,575)	(90)	1,057	(18,199)	(106)
Earnings per share attributable to equity holders of the Company (sen)						
- Basic	25	(0.31)	(3.67)	0.34	(3.76)	
- Diluted	25	(0.31)	(3.67)	0.34	(3.76)	

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 JUNE 2022

	Note	As At 30.06.2022 RM'000 (Unaudited)	As At 30.06.2021 RM'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	11	39,827	42,872
Right-of-use assets		20,219	20,543
Investment properties		211,159	205,888
Deferred tax assets		20,545	36,734
Amount due from immediate holding company		21,369	21,369
Other investments		79	54
		<u>313,198</u>	<u>327,460</u>
Current assets			
Inventories		4,336	3,733
Trade and other receivables		11,300	5,229
Amount due from immediate holding company		25,633	25,666
Tax recoverable		136	136
Cash and bank balances		8,734	5,762
		<u>50,139</u>	<u>40,526</u>
Total assets		<u>363,337</u>	<u>367,986</u>
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital		332,259	324,862
Fair value reserve		71	46
Accumulated losses		(99,947)	(101,525)
		<u>232,383</u>	<u>223,383</u>
Non-controlling interests		<u>(1,679)</u>	<u>(1,158)</u>
Total equity		<u>230,704</u>	<u>222,225</u>
Non-current liabilities			
Borrowings	22	23,325	30,000
Lease liabilities		3,228	3,046
Deferred income		-	654
Deferred tax liabilities		12,712	23,576
		<u>39,265</u>	<u>57,276</u>
Current liabilities			
Trade and other payables		62,315	57,230
Borrowings	22	20,794	19,113
Lease liabilities		903	721
Deferred income		378	1,514
Tax payable		8,978	9,907
		<u>93,368</u>	<u>88,485</u>
Total liabilities		<u>132,633</u>	<u>145,761</u>
Total equity and liabilities		<u>363,337</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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2022

	Attributable to Owners of the Parent			Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
	-Non-Distributable-					
	Share Capital RM'000	Fair value Reserve RM'000	Accumulated Losses RM'000			
As at 1 July 2021	324,862	46	(101,525)	223,383	(1,158)	222,225
Total comprehensive income/(expense)	-	-	1,578	1,578	(521)	1,057
Issuance of ordinary shares pursuant to private placement	7,397	-	-	7,397	-	7,397
Net changes in fair value of equity investment	-	25	-	25	-	25
As at 30 June 2022	332,259	71	(99,947)	232,383	(1,679)	230,704
As at 1 July 2020	324,862	46	(84,235)	240,673	(249)	240,424
Total comprehensive income/(expense)	-	-	(17,290)	(17,290)	(909)	(18,199)
As at 30 June 2021	324,862	46	(101,525)	223,383	(1,158)	222,225

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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2022**

	12 months 30.06.2022 RM'000	12 months 30.06.2021 RM'000
Cash flow from operating activities		
Profit/(loss) before taxation	7,050	(16,674)
Adjustment for:		
Interest income	(40)	(41)
Interest expense	2,462	2,612
Impairment loss on financial assets	-	6,740
Depreciation of property, plant and equipment	6,308	4,178
Amortisation of right-of-use assets	53	2,191
Amortisation of deferred income	(809)	-
Net gain on disposal of property, plant and equipment	-	(141)
Changes in fair value of investment properties	(5,271)	3,984
Property, plant and equipment written off	-	11
Inventories written off and written down	-	700
Waiver of debts and bad debts written off	-	(2)
Operating cash flows before changes in working capital	9,753	3,558
<u>Changes in working capital</u>		
Changes in inventories	(603)	119
Changes in trade and other receivables	10,156	(832)
Changes in trade and other payables	(8,586)	1,538
Cash generated from operating activities	10,715	4,383
Net income tax paid	(5,993)	(1,270)
Interest paid	(2,462)	(2,602)
Net cash generated from/(used in) operating activities	2,260	511
Cash flows from investing activities		
Purchase of property, plant and equipments	(1,706)	(491)
Proceeds from disposal of property, plant and equipments	-	209
Net changes in amount due from/(to) immediate holding company	-	100
Interest received	15	41
Net cash generated from/(used in) investing activities	(1,691)	(141)
Cash flows from financing activities		
Increase/(decrease) in fixed deposits pledged	(521)	(883)
Proceeds from issuance shares	7,397	-
Net repayment of term loans and lease liabilities	(4,996)	(6,294)
Net cash generated from/(used in) financing activities	1,880	(7,177)
Net decrease in cash and cash equivalents	2,449	(6,807)
Cash and cash equivalent at beginning of year	(990)	5,817
Cash and cash equivalents at end of period	1,459	(990)
Cash and cash equivalents comprise the following:		
Cash and bank balances	8,734	5,762
Pledged fixed deposits	(1,781)	(1,260)
Bank overdraft	(5,494)	(5,492)
	1,459	(990)

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 JUNE 2022

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 June 2022 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 third quarter and financial period ended 30 June 2022.

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	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Interest income:				
Fixed deposits	11	13	40	50
	<u>11</u>	<u>13</u>	<u>40</u>	<u>50</u>
Other income:				
Rental income	245	245	981	981
Fair value adjustments of investment property	2,430	-	2,840	-
Miscellaneous income	(40)	234	3,105	1,104
	<u>2,635</u>	<u>479</u>	<u>6,926</u>	<u>2,085</u>
	<u>2,646</u>	<u>492</u>	<u>6,966</u>	<u>2,135</u>

9. OTHER EXPENSES

	Individual Quarter		Cumulative Quarter	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Depreciation of plant, property and equipment	909	325	2,634	2,160
Amortisation of right of use assets	53	338	53	507
	<u>1,797</u>	<u>12,191</u>	<u>3,522</u>	<u>14,195</u>

10. SEGMENTAL INFORMATION

Segmental results by business activities:

RESULTS FOR THE INDIVIDUAL QUARTER

	Energy			F&B and Tourism			Manufacturing			Investment			Eliminations		Total		
	30.06.2022 RM'000	30.06.2021 RM'000	Changes %	30.06.2022 RM'000	30.06.2021 RM'000	Changes %	30.06.2022 RM'000	30.06.2021 RM'000	Changes %	30.06.2022 RM'000	30.06.2021 RM'000	Changes %	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000	Changes %
Revenue																	
Sales to external customers	22,030	5,392	309	4,705	744	532	-	341	100	-	-	-	-	-	26,735	6,477	313
Inter-segment sales	-	-	-	-	-	-	-	-	-	188	234	(20)	(188)	(234)	-	-	-
Total segment revenue	22,030	5,392	309	4,705	744	532	-	341	100	188	234	(20)	(188)	(234)	26,735	6,477	313
Results																	
Other income	30	144	(79)	2,166	317	583	47	14	100	7,270	611	1,090	(6,867)	(594)	2,646	492	438
Segment profit/(loss)	3,359	(5,666)	(159)	3,207	(7,111)	(145)	(847)	(1,340)	(37)	(1,669)	(3,141)	(47)	120	1,085	4,170	(16,173)	(126)

RESULTS FOR THE CUMULATIVE QUARTER

	Energy			F&B and Tourism			Manufacturing			Investment			Eliminations		Total		
	30.06.2022 RM'000	30.06.2021 RM'000	Changes %	30.06.2022 RM'000	30.06.2021 RM'000	Changes %	30.06.2022 RM'000	30.06.2021 RM'000	Changes %	30.06.2022 RM'000	30.06.2021 RM'000	Changes %	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000	Changes %
Revenue																	
Sales to external customers	45,121	21,054	114	14,463	5,890	146	46	341	100	-	-	-	-	-	59,630	27,285	119
Inter-segment sales	-	-	-	-	-	-	-	-	-	934	763	22	(933)	(764)	1	(1)	-
Total segment revenue	45,121	21,054	114	14,463	5,890	146	46	341	100	934	763	22	(933)	(764)	59,631	27,284	119
Results																	
Other income	44	269	(84)	9,973	1,056	844	74	108	100	4,542	1,912	138	(7,666)	(1,210)	6,967	2,135	226
Segment profit/(loss)	4,798	(1,915)	(351)	12,111	(8,328)	(245)	(1,064)	(1,850)	(42)	(2,062)	(5,738)	(64)	(6,733)	1,157	7,050	(16,674)	(142)
Segment assets	191,996	198,082	(3)	113,865	110,628	3	187	1,165	(84)	331,443	331,402	0	(274,154)	(273,291)	363,337	367,986	(1)
Segment liabilities	188,028	186,582	1	78,360	85,420	(8)	1,846	1,738	6	92,290	96,139	(4)	(227,891)	(224,118)	132,633	145,761	(9)

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 June 2022 and 30 June 2021 are as follows:

	As at 30.06.2022 RM'000	As at 30.06.2021 RM'000
Capital expenditure		
Approved but not contracted for:		
Property, plant and equipment	7,930	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) 4th Quarter FY21/22 vs. 4th Quarter FY20/21

For the current quarter ended 30 June 2022 ("4Q FY21/22"), the Group recorded revenue of RM26.73 million, contributed mainly by the Energy Sector of RM22.03 million. The Group recorded a Profit Before Tax ("PBT") of RM4.17 million for 4Q FY21/22 compared to Loss Before Tax ("LBT") of RM16.17M in the corresponding quarter ended 30 June 2021 ("4Q FY20/21"), primarily due to higher revenue recorded by Energy Sector, F&B as well as the Tourism Segment, fair value adjustment on investment properties coupled with lower impairment of assets.

Energy Sector: The sector recorded revenue and PBT of RM22.03 million and RM3.35 million respectively in 4Q FY21/22 compared to 4Q FY20/21 revenue and LBT of RM5.39 million and RM5.67 million. The higher PBT was mainly contributed by the recommissioning of the Libaran Plant and the absence of any impairment of power plant assets and receivables.

Food and Beverage ("F&B") and Tourism Sector: The sector recorded revenue and PBT of RM4.71 million and RM3.21 million respectively in 4Q FY21/22 compared to 4Q FY20/21 revenue and LBT of RM0.74 million and RM7.11 million. The PBT recorded was mainly due to higher revenue generated by the tourism segment as a result of increased number of visitors to UWL following the ease of travel restrictions and fair value adjustment on investment properties.

Manufacturing and Trading Sector: In line with the restructuring of the business, lower LBT of RM0.49 million from RM1.34 million was recorded in 4Q FY20/21, derived from lower impairment on assets and operating expenses.

(b) Current Year-to-Date vs. Previous Year-to-Date

For the year-to-date ended 30 June 2022 ("YTD FY21/22"), the Group recorded PBT of RM7.04 million against the LBT of RM16.67 million recorded in the corresponding period ("YTD FY20/21"). The significantly improved overall results were driven by better performances in all sectors, fair value adjustment as well as lower impairment loss on assets.

Energy Sector: The sector remains the main contributor of the Group by registering revenue and PBT of RM45.12 million and RM4.79 million in YTD FY21/22 compared to revenue and LBT of RM21.05 million and RM1.91 million recorded in YTD FY20/21. The improvement was mainly contributed by the recommissioning of Libaran Plant and the absence of impairment on power plant assets.

F&B and Tourism Sector: The sector recorded revenue and PBT of RM14.46 million and RM12.11 million respectively in YTD FY21/22 compared to YTD FY20/21 revenue and LBT of RM5.89 million and RM8.33 million. The PBT recorded was mainly due to higher revenue generated by tourism segment following the ease of travel restrictions and fair value adjustment on investment properties.

Manufacturing and Trading Sector: In line with the restructuring of the business, lower LBT of RM1.06 million from RM1.85 million was recorded in YTD FY20/21, mainly due to the to lower impairment on assets and lower operating expenses.

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

	Quarter Ended		
	30.06.2022 RM'000	31.03.2022 RM'000	Changes %
Revenue	26,735	15,627	71
Cost of sales	(17,868)	(8,411)	112
Gross profit	8,867	7,216	23
Other income	2,646	325	714
Administrative expenses	(4,717)	(5,053)	(7)
Selling and marketing expenses	(175)	(109)	61
Other expenses	(1,797)	(547)	229
Operating profit/(loss)	4,824	1,832	163
Finance costs	(653)	(653)	-
Profit/(loss) before taxation	4,171	1,179	254

The Group recorded a PBT of RM4.17 million compared to RM1.18M in the preceding quarter ended 31 March 2022 mainly due to the fair value adjustment on investment properties.

17. COMMENTARY ON PROSPECTS

The Group is optimistic that the Malaysian economy will continue to register positive growth as we have entered the endemic phase of Covid-19.

The reopening of the international borders will ensure that the Tourism segment will continue to contribute positively to the Group. In addition, the weakening of the ringgit has had a positive impact in spurring domestic spending and travel. The Food and Beverage segment will continue to improve its performance.

The Group is confident that the positive trend on the Group's profitability will continue primarily due to the optimum operations of the Sungai Kenerong Hydro Power Plant and the Libaran Plant being operational. The Energy sector will continue to drive the positive growth of the Group despite the rising fuel and spare parts costs that has affected the global market.

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		
30.06.2022	30.06.2021	30.06.2022	30.06.2021	
RM'000	RM'000	RM'000	RM'000	
Current tax:				
	(665)	(340)	(668)	(463)
Malaysian income tax	(665)	(340)	(668)	(463)
Deferred tax	(5,325)	(1,062)	(5,325)	(1,062)
Total income tax expense	<u>(5,990)</u>	<u>(1,402)</u>	<u>(5,993)</u>	<u>(1,525)</u>

The effective tax rate for the current financial quarter was higher than the statutory tax rate of 24% mainly due to the recognition of deferred tax expense.

20. CORPORATE PROPOSALS

There were no corporate proposals in the current quarter under review.

21. TRADE RECEIVABLES

	As at 30.06.2022 RM'000	As at 30.06.2021 RM'000
Trade receivables	21,187	14,459
Less: Allowance for impairment	<u>(12,363)</u>	<u>(12,363)</u>
	<u>8,824</u>	<u>2,096</u>

The ageing analysis of the Group's trade receivables as at 30 June 2022 is as follows:

Current	8,000	1,646
<i>Past due not impaired</i>		
Less than 30 days	658	65
31 to 60 days	9	113
61 to 90 days	32	31
More than 90 days	125	241
	824	450
Impaired	<u>12,363</u>	<u>12,363</u>
	<u>21,187</u>	<u>14,459</u>

22. BORROWINGS

Group loans and borrowings as at 30 June 2022 and 30 June 2021 denominated in Ringgit Malaysia were:

	As at 30.06.2022 RM'000	As at 30.06.2021 RM'000
Current		
Secured:		
Bank overdraft	5,494	5,492
Bank loans	15,300	13,621
	20,794	19,113
Non-current		
Secured:		
Bank loans	23,325	30,000
Total borrowings	44,119	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	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Profit attributable to owners of the Company	(1,414)	(16,852)	1,578	(17,290)
	Number of shares ('000)			
Weighted average number of ordinary shares in issue	459,415	459,415	459,415	459,415
Basic earnings per share (sen)	(0.31)	(3.67)	0.34	(3.76)

(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	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Profit attributable to owners of the Company	(1,414)	(16,852)	1,578	(17,290)
	Number of shares ('000)			
Weighted average number of ordinary shares as at 31 December (basic)	459,415	459,415	459,415	459,415
Effect of conversion of convertible notes	-	-	-	-
Weighted average number of ordinary shares as at 31 December (basic)	459,415	459,415	459,415	459,415
Diluted earnings per ordinary shares (sen)	(0.31)	(3.67)	0.34	(3.76)

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.



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

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 30 August 2022.

By order of the Board.

Date: 30 August 2022