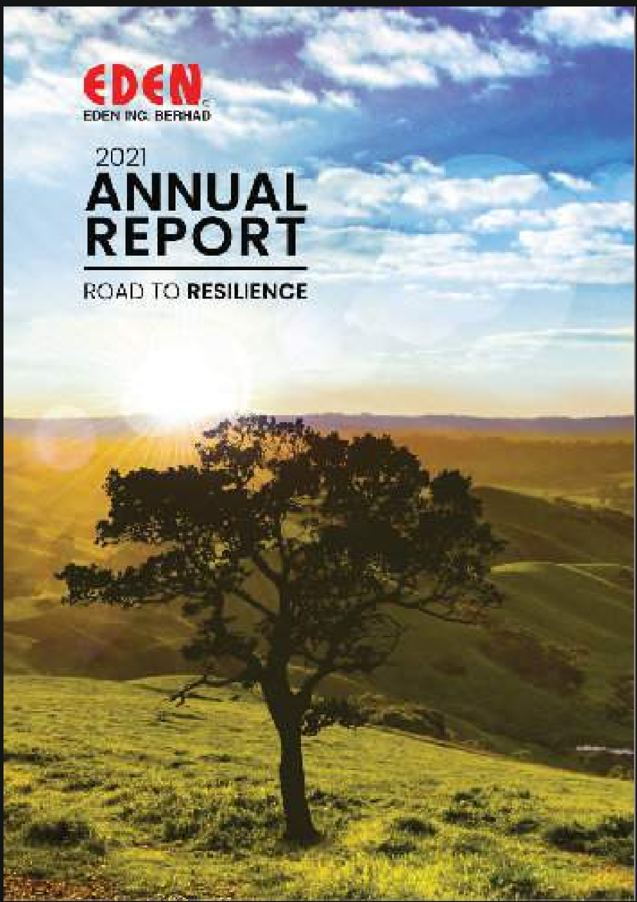
EDEN INC. BERHAD

2021

ANNUAL REPORT

ROAD TO **RESILIENCE**

Eden Inc. Berhad Annual Report



Cover Rationale:

The cover depicts the morning sun shining down on a beautiful hilltop, symbolising the dawn of a new day for Eden as an organisation, rising up from a difficult year due to the COVID-19 pandemic.

The yellow colour signifies enlightenment; a state of being calm, serene, and rational, which is what the organisation aspires to be after a tumultous and trying period.

The solitary tree in the middle illustrates how the organisation persists, even when other organisations might have collapsed during the most challenging time of the decade.

Eden will continue to persevere through challenges, as reflected in this year's theme , 'Road To Resilience'. The organisation will continue to bounce back from a difficult time, stronger than ever before.

Company Name:

Eden Inc. Berhad
[197701005144 (36216-V)]
(A member of Zil Group of Companies)

Company Address:

15th Floor, Amcorp Tower
Amcorp Trade Centre
18, Jalan Persiaran Barat, Off Jalan Timur
46050 Petaling Jaya, Selangor

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Notice of Annual General Meeting

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NOTICE IS HEREBY GIVEN THAT THE FORTY-THIRD ANNUAL GENERAL MEETING ("43rd AGM") of the Company will be held on a fully virtual basis at the broadcast venue at Meeting Room, Securities Services (Holdings)Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Thursday, 9 December 2021 at 10:00 a.m. for the following purposes:

AGENDA		
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of the Directors and the Auditors thereon.	(Please refer to Explanatory Note 1)
2.	To re-elect Datin Fara Nadia binti Abd Rahim, the Director who is to retire pursuant to Clause 115 of the Company's Constitution and being eligible, has offered herself for re-election.	(Resolution 1)
3.	To re-elect the following Directors who are to retire pursuant to Clause 116 of the Company's Constitution and being eligible, have offered themselves for re-election: - (a) Datuk Mohamed Salleh bin Bajuri (b) Dato' Anuarudin bin Mohd Noor	 (Resolution 2) (Resolution 3)
4.	To approve the payment of Directors' fees amounting to RM227,500.00 for the financial year ended 30 June 2021.	(Resolution 4)
5.	To approve the benefits payable to the Non-Executive Directors up to RM100,000.00 for the period from 9 December 2021 until the next Annual General pursuant to Section 230(1)(b) of the Companies Act 2016.	(Resolution 5)
6.	To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	(Resolution 6)
As Special Business To consider and if thought fit, with or without any modification, to pass the following resolutions: - **7.**	**ORDINARY RESOLUTION** **- RETENTION OF DATUK MOHAMED SALLEH BIN BAJURI AS SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR** "THAT subject to the passing of Resolution 2, Datuk Mohamed Salleh bin Bajuri who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 11 April 2002 be and is hereby retained as Senior Independent Non-Executive Director of the Company."	(Resolution 7)

Notice of Annual General Meeting

8.	**ORDINARY RESOLUTION** **- RETENTION OF DATO' ANUARUDIN BIN MOHD NOOR AS INDEPENDENT NON-EXECUTIVE DIRECTOR** "THAT subject to the passing of Resolution 3, Dato' Anuarudin bin Mohd Noor, who would on 1 March 2022 has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years, be and is hereby retained as Independent Non-Executive Director of the Company."	(Resolution 8)
9.	**ORDINARY RESOLUTION** **- RETENTION OF DATUK SERI AHMAD BIN HJ KABIT AS INDEPENDENT NON-EXECUTIVE DIRECTOR** "THAT Datuk Seri Ahmad bin Hj Kabit, who would on 27 May 2022 has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years, be and is hereby retained as Independent Non-Executive Director of the Company."	(Resolution 9)
10.	**ORDINARY RESOLUTION** **- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016** "THAT pursuant to the Companies Act 2016 and the Constitution of the Company and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company for the time being to be utilised until 31 December 2021 as empowered by Bursa Malaysia Securities Berhad pursuant to Bursa Malaysia Securities Berhad's letter dated 16 April 2020 to grant additional temporary relief measures to listed issuers thereafter ten per centum (10%) of the total number of issued shares of the Company for the time being as stipulated under Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."	(Resolution 10)
11.	To transact any other business for which due notice has been given in accordance with the Companies Act 2016 and the Company's Constitution.	

Notice of Annual General Meeting

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)
YEOW SZE MIN (SSM PC NO. 201908003120) (MAICSA 7065735)
Joint Company Secretaries

Petaling Jaya
Dated: 29 October 2021

Explanatory Notes to Ordinary and Special Businesses:-

1. Audited Financial Statements for the financial year ended 30 June 2021

   This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval from the shareholders for the Audited Financial Statements, and hence, this Agenda item is not put forward for voting.

2. Resolution 4 - Payment of Directors' fees

   This Agenda item is to approve the Proposed Directors' fees for the financial year ended 30 June 2021 of RM227,500.00 (12 months) [2020: RM375,000/-(18 months)].

   The Resolution 4, if approved, will authorise the payment of Directors' Fees pursuant to Clause 129 of the Company's Constitution.

3. Resolution 5 - Directors' benefits payable to Non-Executive Directors

   The benefits payable to the Non-Executive Directors pursuant to Section 230(1)(b) of the Companies Act 2016 has been reviewed by the Nomination and Remuneration Committee ("**NRC**") and the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company for the applicable period of between 9 December 2021 to the next Annual General Meeting of the Company in year 2022.

   The total estimated amount of Directors' benefits payable is calculated based on the number of the Board of Directors' and Board Committees' meetings scheduled to be held in the financial year ending 30 June 2022 and until the next Annual General Meeting and other benefits. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

4. Resolution 7 - Retention of Datuk Mohamed Salleh bin Bajuri ("**Datuk Salleh**") as Senior Independent Non-Executive Director

   The Board of Directors has vide the NRC conducted an annual performance evaluation and assessment of Datuk Salleh, who has served as an Independent Director for a cumulative term of more than nine (9) years, and recommended him to continue in office as an Independent Director based on the following justifications: -

   (a) Datuk Salleh has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") Main Market Listing Requirements("**Main LR**") and is therefore able to bring independent and objective judgement to the Board;

   (b) Datuk Salleh has been with the Company for nineteen (19) years as at the date of the notice of the 43rd AGM and therefore understands the Company's business operations, which enables him to participate actively and contribute during deliberations/discussions at the Audit and Risk Committee ("**ARC**"), NRC and Board of Directors' Meetings;

   (c) Datuk Salleh has contributed sufficient time and efforts in his capacity as the Senior Independent Non-Executive Director, the Chairman of the ARC and the member of NRC. He has attended all the meetings of the ARC, NRC as well as the Board of Directors for informed and balanced decision making;

(d) Datuk Salleh has exercised due care during his tenure as the Independent Director and carried out his professional duty in the interest of the Company and shareholders;

(e) Datuk Salleh has not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the Bursa Malaysia Securities Main LR;

(f) Datuk Salleh has not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of himself to carry out his duties as an Independent Director; and

(g) Datuk Salleh does not derive any remuneration and benefits apart from Directors' fees and meeting allowances.

The Board upon the recommendation from the NRC of the Company, therefore, considers Datuk Salleh to be independent and recommends him to remain as the Senior Independent Non-Executive Director subject to the approval from the shareholders of the Company through a two-tier voting process pursuant to Practice No. 5.3 of the Malaysian Code on Corporate Governance 2021 ("**MCCG**").

5. Resolution 8 - Retention of Dato' Anuarudin bin Mohd Noor ("**Dato' Anuarudin**") as Independent Non-Executive Director

The Board of Directors has vide the NRC conducted an annual performance evaluation and assessment of Dato' Anuarudin, who would on 1 March 2022 has served as an Independent Director for a cumulative term of nine (9) years, and recommended him to continue in office as an Independent Non-Executive Director based on the following justifications:-

(a) Dato' Anuarudin has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Main LR and is therefore able to bring independent and objective judgement to the Board;

(b) Dato' Anuarudin has contributed sufficient time and efforts in his capacity as the Independent Non-Executive Director, the Chairman of the NRC and the member of ARC. He has attended all the meetings of the ARC, NRC as well as the Board of Directors for informed and balanced decision making;

(c) Dato' Anuarudin has exercised due care during his tenure as the Independent Director and carried out his professional duty in the interest of the Company and shareholders;

(d) Dato' Anuarudin has not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the Bursa Malaysia Securities Main LR;

(e) Dato' Anuarudin has not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of himself to carry out his duties as an Independent Director; and

(f) Dato' Anuarudin does not derive any remuneration and benefits apart from Directors' fees and meeting allowances.

The Board upon the recommendation from the NRC of the Company, therefore, considers Dato' Anuarudin to be independent and recommends him to remain as an Independent Non-Executive Director subject to the approval from the shareholders of the Company.

Notice of Annual General Meeting

5 6. Resolution 9 - Retention of Datuk Seri Ahmad bin Hj Kabit ("**Datuk Seri Ahmad**") as Independent Non-Executive Director

The Board of Directors has vide the NRC conducted an annual performance evaluation and assessment of Datuk Seri Ahmad, who would on 27 May 2022 has served as an Independent Director for a cumulative term of nine (9) years, and recommended him to continue in office as an Independent Non-Executive Director based on the following justifications:-

(a) Datuk Seri Ahmad has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Main LR and is therefore able to bring independent and objective judgement to the Board;

(b) Datuk Seri Ahmad has contributed sufficient time and efforts in his capacity as the Independent Non-Executive Director, the member of ARC and NRC. He has attended all the meetings of the ARC, NRC as well as the Board of Directors for informed and balanced decision making;

(c) Datuk Seri Ahmad has exercised due care during his tenure as the Independent Director and carried out his professional duty in the interest of the Company and shareholders;

(d) Datuk Seri Ahmad has not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the Bursa Malaysia Securities Main LR;

(e) Datuk Seri Ahmad has not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of himself to carry out his duties as an Independent Director; and

(f) Datuk Seri Ahmad does not derive any remuneration and benefits apart from Directors' fees and meeting allowances.

The Board upon the recommendation from the NRC of the Company, therefore, considers Datuk Seri Ahmad to be independent and recommends him to remain as an Independent Non-Executive Director subject to the approval from the shareholders of the Company.

7. Resolution 10 - Authority to issue shares pursuant to the Companies Act 2016

The Company intended to renew the authority granted to the Directors of the Company at the Forty-Second Annual General Meeting of the Company held on 10 December 2020 ("**Previous Mandate**") to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company for the time being ("**20% General Mandate**").

Pursuant to the Previous Mandate, the Company had undertaken a private placement of the following:-

(1) 18,150,000 new ordinary shares (equivalent to 4.50% of total issued shares) which were issued at the issue price of RM0.1443 each and was listed on 13 July 2021. The proceeds raised from the said private placement exercise was RM2,619,045/-.

(2) 20,232,584 new ordinary shares (equivalent to 4.80% of total issued shares) which were issued at the issue price of RM0.1313 each and was listed on 28 September 2021. The proceeds raised from the said private placement exercise was RM2,656,538/-.

The details of utilisation of the proceeds from the abovementioned corporate exercise are disclosed under Additional Compliance Information of the Annual Report.

Notice of Annual General Meeting

As part of the initiative from Bursa Malaysia Securities to aid and facilitate listed issuers in sustaining their business or easing their compliance with Bursa Malaysia Securities requirements, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 outbreak and Movement Control Order imposed by the Government, Bursa Malaysia Securities had vide a letter dated 16 April 2020 allows a listed issuer to seek a higher general mandate under Paragraph 6.03 of the Main LR of Bursa Malaysia Securities of not more than 20% of the total number of issued shares for the general issue of new securities.

After having considered all aspects of the 20% General Mandate, the Board is of the opinion that the seeking of the 20% General Mandate would be in the best interest of the Company and its shareholders, on the following basis: -

- the 20% General Mandate would provide the Company and its subsidiaries with financial flexibility to raise capital expenditures for its operations, future expansion and business development;
- the 20% General Mandate would allow the Company to raise equity capital promptly rather than the more costly and time-consuming process by obtaining shareholders' approval in a general meeting should the need for capital arise;
- other financing alternatives such as debt financing may incur interest burden to the Company and its subsidiaries; and
- the 20% General Mandate provides the Company with the capability to capture any capital raising and/or prospective investment opportunities when they are identified.

The Company wishes to obtain the 20% General Mandate. The 20% General Mandate, unless revoked or varied by the Company in a general meeting, would expire at the end of the concession period, i.e. by 31 December 2021. Upon the expiration of the concession period, the 10% limit under Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad will be reinstated and until the conclusion of the Forty-Fourth Annual General Meeting in year 2022.

Notes:-

1. The 43rd AGM will be conducted on a fully virtual basis at the Broadcast Venue by way of live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at **https://sshsb.net.my**. Please read carefully and follow the procedures provided in the Administrative Guide in order to register,participate and vote remotely via the RPV facilities.

2. In respect of deposited securities, only members whose names appear in the Record of Depositors on 2 December 2021 (**"General Meeting Record of Depositors"**) shall be eligible to attend the Meeting.

3. A member entitled to attend and vote at the Meeting, shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote instead of the member at the Meeting. A proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the Member to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.

4. Where a member appoints more than one (1) proxy in relation to the Meeting, he shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.

Notice of Annual General Meeting

5. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.

7. The instrument appointing a proxy must be deposited at SS E Solutions Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof or submit electronically via Securities Services e-Portal at **https://sshsb.net.my/** before the proxy form submission cut-off time as mentioned above. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide.

8. Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the General Meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016: -

   (a) the constitution of the quorum at such meeting;
   (b) the validity of anything he did as chairman of such meeting;
   (c) the validity of a poll demanded by him at such meeting; or
   (d) the validity of the vote exercised by him at such meeting.

Administrative Guide

SECURITIES SERVICES e-PORTAL

WHAT IS Securities Services e-Portal?

Securities Services e-Portal is an online platform that will allow both individual shareholders and body corporate shareholders through their appointed representatives, to -

- Submit proxy form electronically – paperless submission
- Register for remote participation and voting at meetings
- Participate in meetings remotely via live streaming
- Vote online remotely on resolution(s) tabled at meetings

(referred to as "**e-Services**")

The usage of the e-Portal is dependent on the engagement of the relevant e-Services by Eden Inc. Berhad and is by no means a guarantee of availability of use, unless we are so engaged to provide. **All users are to read, agree and abide to all the Terms and Conditions of Use and Privacy Policy as required throughout the e-Portal.**

Please note that the e-Portal is best viewed on the latest versions of Chrome, Firefox, Edge and Safari.

REQUIRE ASSISTANCE?
Please contact Mr. Wong Piang Yoong (DID: +603 2084 9168) or Ms. Lee Pei Yeng (DID: +603 2084 9169) or Mr. Saravanan A/L Gupal (DID: +603 2084 9120) or our general line (DID: +603 2084 9000) to request for e-Services Assistance during our office hours, on Monday to Friday from 8:30 a.m. to 5:30 p.m. Alternatively, you may email us at **eservices@sshsb.com.my.**

BEFORE THE MEETING

(A) Register as a User of Securities Services e-Portal
Only if you are not an existing registered user

(B) Register for Remote Participation
Where you wish to participate remotely at the meeting

OR

(C) Submit e-Proxy Form
Where you wish to appoint proxy(ies) to participate remotely on your behalf (you may also submit the hard copy of Proxy Form)

ON THE DAY OF THE MEETING

(D) Join the Live Stream Meeting (eLive)

AND

(E) Vote Online Remotely during the Meeting (eVoting)

Administrative Guide

BEFORE THE MEETING

(A) Sign up for a user account at Securities Services e-Portal	
Step 1 Visit **https://sshsb.net.my/** Step 2 Sign up for a user account Step 3 Wait for our notification email that will be sent within one (1) working day. Step 4 Verify your user account within seven (7) days of the notification email and log in	• We require one (1) working day to process all user sign-ups. If you do not have a user account with the e-Portal, you will need to sign up for a user account by the deadlines stipulated below. • Your registered email address is your User ID.
ALL SHAREHOLDERS MUST REGISTER AS A USER BY 5 DECEMBER 2021	
(B) Register for Remote Participation	
Meeting Date and Time	**Registration for Remote Participation Closing Date and Time**
Thursday, 9 December 2021 at 10:00 a.m.	Tuesday, 7 December 2021 at 10:00 a.m.

- Log in to **https://sshsb.net.my/** with your registered email and password
- Look for **Eden Inc. Berhad** under Company Name and **43rd AGM on 9 December 2021 at 10:00 a.m. – Registration for Remote Participation** under Corporate Exercise / Event and click **"›"** to register for remote participation at the meeting.

Step 1 Check if you are attending as –

- Individual shareholder
- *Corporate or authorised representative of a body corporate.*
  For body corporates, the appointed corporate/authorised representative has to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the registration closing date and time above.

Step 2 Submit your registration.

- A copy of your e-Registration for remote participation can be accessed via **My Records** (refer to the left navigation panel).
- Your registration will apply to all the **CDS account(s)** of each individual shareholder / body corporate shareholder that you represent. If you are both an individual shareholder and representative of body corporate(s), you need to register as an individual and also as a representative for each body corporate.
- As the meeting will be conducted on a fully virtual basis, we highly encourage all shareholders to remotely participate and vote at the meeting, failing which, please appoint the Chairman of the meeting as proxy or your own proxy(ies) to represent you.

(C) Submit e-Proxy Form	
Meeting Date and Time	**Proxy Form Submission Closing Date and Time**
Thursday, 9 December 2021 at 10:00 a.m.	Tuesday, 7 December 2021 at 10:00 a.m.

- Log in to **https://sshsb.net.my/** with your registered email and password.
- Look for **Eden Inc. Berhad** under Company Name and **43rd AGM on 9 December 2021 at 10:00 a.m. – Submission of Proxy Form** under Corporate Exercise / Event and click **">"** to submit your proxy forms online for the meeting by the submission closing date and time above.

Step 1 Check if you are submitting the proxy form as –

- Individual shareholder
- Corporate or authorised representative of a body corporate
  For body corporates, the appointed corporate/authorised representative to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to SS E Solutions Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the proxy form submission closing date and time above.

Step 2 Enter your CDS account number or the body corporate's CDS account number and corresponding number of securities. Then enter the information of your proxy(ies) and the securities to be represented by your proxy(ies). **You are strongly encouraged to appoint the Chairman of the meeting as your proxy where you are not able to participate remotely.**

Step 3 Proceed to indicate how your votes are to be casted against each resolution.

Step 4 Review and confirm your proxy form details before submission.

- A copy of your submitted e-Proxy Form can be accessed via **My Records** (refer to the left navigation panel).
- You need to submit your e-Proxy Form for **every CDS account(s)** you have or represent.

PROXIES

All appointed proxies need not register for remote participation under (B) above but if they are not registered Users of the e-Portal, they will need to register as Users of the e-Portal under (A) above by 5 December 2021. PLEASE NOTIFY YOUR PROXY(IES) ACCORDINGLY. Upon processing the proxy forms, we will grant the proxy access to remote participation at the meeting to which he/she is appointed for instead of the shareholder, provided the proxy must be a registered user of the e-Portal, failing which, the proxy will not be able to participate at the meeting as the meeting will be conducted on a fully virtual basis.

Administrative Guide

ON THE DAY OF THE MEETING

Log in to https://sshsb.net.my/ with your registered email and password	
(D) Join the Live Stream Meeting (eLive)	
Meeting Date and Time	**eLive Access Date and Time**
Thursday, 9 December 2021 at 10:00 a.m.	Thursday, 9 December 2021 at 9:30 a.m.

- Look for **Eden Inc. Berhad** under Company Name and **43rd AGM on 9 December 2021 at 10:00 a.m. – Live Stream Meeting** under Corporate Exercise / Event and click **“>”** to join the meeting.

- The access to the live stream meeting will open on the abovementioned date and time.
- If you have any questions to raise, you may use the text box to transmit your question. The Chairman/Board/Management/relevant adviser(s) will endeavour to broadcast your question and their answer during the meeting. Do take note that the quality of the live streaming is dependent on the stability of the internet connection at the location of the user.

(E) Vote Online Remotely during the Meeting (eVoting)	
Meeting Date and Time	**eVoting Access Date and Time**
Thursday, 9 December 2021 at 10:00 a.m.	Thursday, 9 December 2021 at 10:00 a.m.

- If you are already accessing the Live Stream Meeting, click **Proceed to Vote** under the live stream player.

  OR

- If you are not accessing from the Live Stream Meeting and have just logged in to the e-Portal, look for **Eden Inc. Berhad** under Company Name and **43rd AGM on 9 December 2021 at 10:00 a.m. – Remote Voting** under Corporate Exercise / Event and click **“>”** to remotely cast and submit the votes online for the resolutions tabled at the meeting.

Step 1 Cast your votes by clicking on the radio buttons against each resolution.
Step 2 Review your casted votes and confirm and submit the votes.

- The access to eVoting will open on the abovementioned date and time.
- Your votes casted will apply throughout all the CDS accounts you represent as an individual shareholder, corporate / authorised representative and proxy. Where you are attending as a proxy, and the shareholder who appointed you has indicated how the votes are to be casted, we will take the shareholder's indicated votes in the proxy form.
- The access to eVoting will close as directed by the Chairman of the meeting.
- A copy of your submitted e-Voting can be accessed via **My Records** (refer to the left navigation panel).

OUR VISION

To be a successful organization that is attractive for people to be proudly working for, and to deal and associate with.

OUR MISSION

We strive to provide added value to our stakeholders through steady growth and profitability of the businesses we are in, and through the principles of integrity and excellence that we embrace.

OUR VALUES

INTEGRITY & PROFESSIONALISM
To be honest and accountable.

COMMITMENT
To work with passion, commitment and enthusiasm.

CORPORATE SOCIAL RESPONSIBILITY (“CSR”)
To be able to give back to society.

EXCELLENCE
To pursue higher goals.

CREATIVITY
To tap the latent creative power within individuals.

Corporate Information

BOARD OF DIRECTORS

Tan Sri Abd Rahim bin Mohamad
Executive Chairman

Datin Fara Nadia binti Abd Rahim
Group Managing Director
(Appointed on 8 March 2021)

Puan Sri Fadzilah binti Md Ariff
Executive Director

Datuk Mohamed Salleh bin Bajuri
Senior Independent Non-Executive Director

Dato' Anuarudin bin Mohd Noor
Independent Non-Executive Director

Datuk Seri Ahmad bin Hj Kabit
Independent Non-Executive Director

Dato' Nik Mohd Fuad bin Wan Abdullah
Executive Director, Corporate Affairs

Audit and Risk Committee

Datuk Mohamed Salleh bin Bajuri
(Chairman)

Dato' Anuarudin bin Mohd Noor

Datuk Seri Ahmad bin Hj Kabit

Nomination and Remuneration Committee

Dato' Anuarudin bin Mohd Noor
(Chairman)

Datuk Mohamed Salleh bin Bajuri

Datuk Seri Ahmad bin Hj Kabit
(Appointed on 8 March 2021)

Registered Office & Corporate Office

15th Floor, Amcorp Tower
Amcorp Trade Centre
18, Jalan Persiaran Barat
Off Jalan Timur
46050 Petaling Jaya
Selangor

Tel No: (603) 7957 7781
Fax No: (603) 7957 4793
Website: www.edenzil.com

Share Registrar

Securities Services (Holdings) Sdn. Bhd.
[197701005827 (36869-T)]
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Tel No: (603) 2084 9000
Fax No: (603) 2094 9940

Auditors

UHY (AF1411)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Tel No: (603) 2279 3088
Fax No: (603) 2279 3099

Company Secretary

Ms. Chua Siew Chuan
(SSM PC NO. 201908002648)
(MAICSA 0777689)

Ms. Yeow Sze Min
(SSM PC NO. 201908003120)
(MAICSA 7065735)

Principal Bankers

Malayan Banking Berhad

RHB Islamic Bank Berhad

CIMB Islamic Bank Berhad

Stock Exchange

Main Market of Bursa Malaysia Securities Berhad

Stock Code – **7471**

Corporate Structure

The Group is organised into business units based on their products and services and has operating sectors as follows:

ENERGY

The Energy Sector is the major growth engine for the Group and operates power plants as independent power producers. The Sungai Kenerong Plant is a 20 megawatts ("**MW**") hydroelectric power plant located in Kuala Krai, Kelantan and whereas the Libaran Plant will be operating a 30MW Nominal Capacity thermal power plant in Sandakan, Sabah. The sector has a proven track record in developing, operating and maintaining the current power plants which are operated under the following subsidiaries:

Stratavest Sdn. Bhd. [199501031495 (360701-W)]	**100%**
Musteq Hydro Sdn. Bhd. [199101021165 (231476-A)]	**100%**

FOOD & BEVERAGE (F&B) AND TOURISM

Underwater World Langkawi is the main driver of this sector and is a 'must see' tourist attraction in Langkawi. Underwater World Langkawi has become known for its research and development of marine wildlife and penguin husbandry.

The hallmarks of Eden's Food and Beverage have always been the excellent food, courteous service and good value for money specialising in Western, Oriental and Malay Cuisines.

Eden Catering Sdn. Bhd. [198101009877 (76000-T)]	**100%**
Eden Seafood Village (Langkawi) Sdn. Bhd. [199301019658 (274396-T)]	**100%**
Underwater World Langkawi Sdn. Bhd. [199301019114 (273852-K)]	**100%**

MANUFACTURING

Time Era Sdn. Bhd. and its group of companies are located in Kajang Technology Park and currently focuses on energy efficient products.

Time Era Sdn. Bhd. [198901013235 (190545-H)]	**70%**
• **NES Electric (M) Sdn. Bhd. [198201003938 (83684-A)]**	**70%**
• **Cur (Far East) Sdn. Bhd. [198401003748 (116267-T)]**	**53%**
• **Time Era Technologies Sdn.Bhd. [199701000814 (416310-M)]**	**50%**

Eden Inc. Berhad
Board of Directors and Company Secretary

(From left, standing):
1. Dato' Nik Mohd Fuad bin Wan Abdullah (Executive Director), **2. Dato' Anuarudin bin Mohd Noor** (Independent Non-Executive Director), **3. Ms. Chua Siew Chuan** (Company Secretary), **4. Datin Fara Nadia binti Abd Rahim** (Group Managing Director), **5. Datuk Seri Ahmad bin Hj Kabit** (Independent Non-Executive Director) , **6. Datuk Mohamed Salleh bin Bajuri** (Senior Independent Non-Executive Director)

(From left, seated):
7. Puan Sri Fadzilah binti Md Ariff (Executive Director), **8. Tan Sri Abd Rahim bin Mohamad** (Executive Chairman)

Directors' Profile

TAN SRI ABD RAHIM BIN MOHAMAD
Executive Chairman

Nationality/ Age/ Gender : Malaysian/ 72/ Male

Date of Appointment as Director of Eden : 18 October 2002

Length of service as director since appointment (as at 29 October 2021) : 19 years

Board Meeting Attendance in financial year ended 30 June 2021 : Six out of six (6/6)

Board Committee : Nil

Qualifications

Tan Sri Abd Rahim bin Mohamad graduated from University Malaya with Bachelor of Arts (Honours) and subsequently obtained Advanced Diploma in Economics at University of Manchester and later earned Master of Business Administration in Finance from Morehead State University, Kentucky. He later attended Wharton's Advance Management Course for Overseas Bankers.

Work Experience/Occupation

Tan Sri Abd Rahim bin Mohamad has extensive experience in various government ministries. As an Administrative and Diplomatic Service Officer, Tan Sri has served in various capacities in the Prime Minister's Department i.e. Ministry of Finance, Ministry of Primary Industries and Ministry of Culture, Youth and Sports. Tan Sri left the public sector in 1984 to join Amanah Merchant Bank Berhad. Tan Sri also served as Executive Director in Shapadu Group and Group Managing Director in Maju Holdings Sdn. Bhd. In 1992, Tan Sri set up Zil Enterprise Sdn. Bhd. where he is also the Executive Chairman. Tan Sri is currently a board member of University of Malaya and also the Chairman of UM Holdings Sdn. Bhd.

Directorship in Other Public or Listed Companies
Nil

Family Relationship with Director and/or Major Shareholder
Tan Sri is the spouse of Puan Sri Fadzilah binti Md Ariff who is the Executive Director of Eden and the father to Datin Fara Nadia binti Abd Rahim who is the Group Managing Director of Eden.Tan Sri does not at present hold any shares in Eden but is a major shareholder of the Company by virtue of his direct interest of more than 20% equity interest in Zil Enterprise Sdn. Bhd. and his direct interest of more than 20% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd. and by virtue of his daughter, Datin Fara Nadia binti Abd Rahim's shareholding in Eden.

Conflict of interests
Tan Sri does not have any conflict of interest with Eden.

Conviction of Offences (other than traffic offences)
Tan Sri has not been convicted of any offences within the past five (5) years.

DATIN FARA NADIA BINTI ABD RAHIM
Group Managing Director

Nationality/ Age/ Gender : Malaysian/ 44/ Female

Date of Appointment as Director of Eden : 08 March 2021

Length of service as director since appointment (as at 29 October 2021) : 8 months

Board Meeting Attendance in financial year ended 30 June 2021 : One out of one (1/1)

Board Committee : Nil

Qualifications

Datin Fara Nadia binti Abd Rahim graduated with First Class Honours Degree in Electronic Engineering from King's College of London in 2002 and subsequently completed her Master of Business Administration from Monash University in Melbourne.

Work Experience/Occupation

Prior to joining Eden, Datin Fara Nadia binti Abd Rahim was attached to Time Era Sdn. Bhd., involved in manufacturing of electrical and electronic components. Datin joined Eden as the Manager of Operations in 2002 and held several positions within Eden prior to assuming the post as the General Manager of Group Finance and Business Development until 2012, before pursuing Masters in Business Administration from Monash University in Melbourne, Australia in 2014.

Datin returned to Eden to assume the role of Group Chief Operating Officer on 5 January 2015 and subsequently was appointed as the Group Managing Director on 8 March 2021.

Directorship in Other Public or Listed Companies
Nil

Family Relationship with Director and/or Major Shareholder
Datin is the daughter of Tan Sri Abd Rahim bin Mohamad and Puan Sri Fadzilah binti Md Ariff, who are the Executive Chairman and Executive Director of Eden.

Conflict of interests
Datin does not have any conflict of interest with Eden.

Conviction of Offences (other than traffic offences)
Datin has not been convicted of any offences within the past five (5) years.

Directors' Profile

PUAN SRI FADZILAH BINTI MD ARIFF

Executive Director

Nationality/ Age/ Gender : Malaysian/ 68/ Female

Date of Appointment as Director of Eden : 18 October 2002

Length of service as director since appointment (as at 29 October 2021) : 19 years

Board Meeting Attendance in financial year ended 30 June 2021 : Six out of six (6/6)

Board Committee : Nil

Qualifications

Puan Sri Fadzilah binti Md Ariff graduated with an Honours Degree in English from University of Malaya and subsequently completed her Master in Language and Linguistics at the University of York, England.

Work Experience/Occupation

Puan Sri Fadzilah binti Md Ariff was a lecturer at University of Technology Malaysia and later at University of Malaya before joining Zil Enterprise Sdn. Bhd. as Managing Director in 1992. Puan Sri currently oversees the human capital development of Eden.

Directorship in Other Public or Listed Companies
Nil

Family Relationship with Director and/or Major Shareholder
Puan Sri is the spouse of Tan Sri Abd Rahim bin Mohamad who is the Executive Chairman of Eden and the mother to Datin Fara Nadia binti Abd Rahim who is the Group Managing Director of Eden.

Conflict of interests
Puan Sri does not have any conflict of interest with Eden.

Conviction of Offences (other than traffic offences)
Puan Sri has not been convicted of any offences within the past five (5) years.

DATUK MOHAMED SALLEH BIN BAJURI

Senior Independent Non-Executive Director

Nationality/ Age/ Gender : Malaysian/ 70/ Male

Date of Appointment as Director of Eden : 11 April 2002

Length of service as director since appointment (as at 29 October 2021) : 19 years & 6 months

Board Meeting Attendance in financial year ended 30 June 2021 : Six out of six (6/6)

Board Committee : Audit and Risk Committee (Chairman), Nomination and Remuneration Committee (Member)

Qualifications

Datuk Mohammed Salleh bin Bajuri is a Chartered Accountant from Ireland and a member of Malaysian Institute of Accountants (MIA).

Work Experience/Occupation

Datuk Mohamed Salleh bin Bajuri was a Senior Auditor at Messrs. Peat Marwick & Co before he joined Maybank Finance Berhad as a Manager in 1979 and was later promoted in 1984 as General Manager. Datuk served as a General Manager at Malayan Banking Berhad from 1988 to 1992. Datuk subsequently joined JB Securities Sdn. Bhd. as Managing Director and joined CRSC Holdings Berhad in 1995 as Executive Director. Presently Datuk holds the position of Deputy Chairman in CRSC Group.

Between 1982 and 1987, Datuk was the Alternate Chairman of the Association of Finance Companies in Malaysia ("**AFCM**") and was the Chairman of AFCM Committees for Education and Public Relations. Datuk holds directorship in Saham Sabah Berhad from 1997 to 1999 and Datuk was one of the trustees for Yayasan Kebajikan SDARA and Tabung Anak-anak Melayu Pontian Sdn. Bhd. Datuk was also the Chairman of Agro Bank Malaysia (formerly known as Bank Pertanian Malaysia Berhad) from 2008 to 2010. Datuk is currently the Deputy President of Tan Sri Muhyiddin Charity Golf and TSMCG Foundation Board of Trustees.

Directorship in Other Public or Listed Companies
1. Asian Pac Holdings Berhad
2. CRSC Holdings Berhad
3. Inch Kenneth Kajang Rubber Public Limited Company

Family Relationship with Director and/or Major Shareholder
Datuk does not have any family relationship with any Director or major shareholder in Eden.

Conflict of interests
Datuk does not have any conflict of interest with Eden.

Conviction of Offences (other than traffic offences)
Datuk has not been convicted of any offences within the past five (5) years.

DATO' ANUARUDIN BIN MOHD NOOR

Independent Non-Executive Director

Nationality/ Age/ Gender	: Malaysian/ 73/ Male
Date of Appointment as Director of Eden	: 1 March 2013
Length of service as director since appointment (as at 29 October 2021)	: 8 years & 7 months
Board Meeting Attendance In financial year ended 30 June 2021	: Six out of six (6/6)
Board Committee	: Nomination and Remuneration Commitee (Chairman), Audit and Risk Committee (Member)

Qualifications

Dato' Anuarudin bin Mohd Noor graduated from MARA University of Technology (UiTM) with a Professional Certificate from the Association of Chartered Certified Accountants (ACCA), United Kingdom in 1970. He is a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA).

Work Experience/Occupation

Dato' Anuarudin bin Mohd Noor began his impressive career in the Energy/Utility sector at Tenaga Nasional Berhad ("TNB") as an Accountant in 1972. During his tenure with TNB, Dato' had gathered vast knowledge and experience in Corporate Finance, Audit, Corporate Reporting and Business Development.

Dato' had also contributed significantly in TNB's business investment, particularly when Dato' was the Head of Corporate Finance and New Business, where Dato' was responsible for TNB's business ventures.

Dato' has over thirty-two (32) years of working experience at senior management level with TNB. Dato' was also among others, the Chairman of Fibrecomm Network (M) Sdn. Bhd. and Jana Landfill Sdn. Bhd., which are the subsidiaries of TNB. Dato' was also appointed as a director in numerous subsidiaries of TNB such as TNB Coal Sdn. Bhd., TNB Transmission Network Sdn. Bhd. and Tenaga Cable Industries Sdn. Bhd. Dato' is well-verse in the electricity utilities industry and was also involved in international power projects and investment during his tenure in TNB. As Head of Business Venture, he amassed experience in corporate mergers and acquisitions.

Directorship in Other Public or Listed Companies
Nil

Family Relationship with Director and/or Major Shareholder
Dato' does not have any family relationship with any Director or major shareholder in Eden.

Conflict of interests
Dato' does not have any conflict of interest with Eden.

Conviction of Offences (other than traffic offences)
Dato' has not been convicted of any offences within the past five (5) years.

DATUK SERI AHMAD BIN HJ. KABIT

Independent Non-Executive Director

Nationality/ Age/ Gender	: Malaysian/ 68/ Male
Date of Appointment as Director of Eden	: 27 May 2013
Length of service as director since appointment (as at 29 October 2021)	: 8 years & 5 months
Board Meeting Attendance In financial year ended 30 June 2021	: Six out of six (6/6)
Board Committee	: Nomination and Remuneration Commitee (Member), Audit and Risk Committee (Member)

Qualifications

Datuk Seri Ahmad bin Hj. Kabit graduated from University of Malaya in Bachelor of Arts and also holds a Master of Public Administration from the University of Southern California, Los Angeles, United States of America. Datuk Seri also completed the Oxford Management Programme, Templeton College, University of Oxford (United Kingdom) in 2005.

Work Experience/Occupation

Datuk Seri Ahmad bin Hj. Kabit has extensive experience in various government ministries. Datuk Seri was an Administrative and Diplomatic Officer with various governmental authorities from 1976 to 2012, namely the Ministry of International Trade and Industry, Public Service Department, the Ministry of Information, the Department of Road Transport Selangor, the Ampang Jaya Municipal Council, the Ministry of Health and the Ministry of Housing and Local Government.

Directorship in Other Public or Listed Companies
Nil

Family Relationship with Director and/or Major Shareholder
Datuk Seri does not have any family relationship with any Director or major shareholder in Eden.

Conflict of interests
Datuk Seri does not have any conflict of interest with Eden.

Conviction of Offences (other than traffic offences)
Datuk Seri has not been convicted of any offences within the past five (5) years.

Directors' Profile

DATO' NIK MOHD FUAD BIN WAN ABDULLAH

Executive Director, Corporate Affairs

Nationality/ Age/ Gender	:	Malaysian/ 55/ Male
Date of Appointment as Director of Eden	:	1 March 2014
Length of service as director since appointment (as at 29 October 2021)	:	7 years & 8 months
Board Meeting Attendance In financial year ended 30 June 2021	:	Four out of six (4/6)
Board Committee	:	Nil

Qualifications

Dato' Nik Mohd Fuad bin Wan Abdullah graduated with a Bachelor of Commerce from Australian National University and Dato' is a Chartered Accountant of the Malaysian Institute of Accountants (MIA) and a Certified Practising Accountant Australia(CPA Australia).

Work Experience/Occupation

Dato' Nik Mohd Fuad bin Wan Abdullah joined Zil Enterprise Sdn. Bhd. in 1992 after being with Messrs. Ernst & Young ("**EY**") for four (4) years. During his tenure in EY, Dato' gained valuable experience in risk assurance and assessment, accounting, finance and management, which Dato' has applied in his career of managing power plants businesses. In 2002, Dato' assumed the position of the Eden's Director of Finance. Dato' was the Executive Director of Energy Sector and currently holds the position as the Executive Director of Corporate Affairs.

Directorship in Other Public or Listed Companies
Nil

Family Relationship with Director and/or Major Shareholder
Dato' does not have any family relationship with any Director or major shareholder in Eden.

Conflict of interests
Dato' does not have any conflict of interest with Eden.

Conviction of Offences (other than traffic offences)
Dato' has not been convicted of any offences within the past five (5) years.

Management Profile

Tan Sri Abd Rahim bin Mohamad
Executive Chairman

Tan Sri Abd Rahim Bin Mohamad, (Malaysian, age 72, male) graduated from University of Malaya with Bachelor of Arts (Honours) and completed his Advanced Diploma in Economics at University of Manchester. Tan Sri earned a Master of Business Administration in Finance from Morehead State University, Kentucky. Tan Sri later attended Wharton's Advance Management Course for Overseas Bankers.

Tan Sri has extensive experience in various government ministries. As an Administrative and Diplomatic Service Officer, Tan Sri has served in various capacities in the Prime Minister's Department, i.e. Ministry of Finance, Ministry of Primary Industries and Ministry of Culture, Youth and Sports. Tan Sri left the public sector in 1984 to join Amanah Merchant Bank Berhad. Tan Sri also served as Executive Director in Shapadu Group and Group Managing Director in Maju Holdings Sdn. Bhd. In 1992, Tan Sri set up Zil Enterprise Sdn. Bhd. where he is also the Executive Chairman. Tan Sri is currently a board member of University of Malaya and also the Chairman of UM Holdings Sdn. Bhd. Tan Sri was appointed to the Board on 18 October 2002 and is currently the Executive Chairman of Eden.

Tan Sri is the spouse of Puan Sri Fadzilah Binti Md Ariff who is the Executive Director of Eden and the father to Datin Fara Nadia Binti Abd Rahim who is the Group Managing Director of Eden.

Datin Fara Nadia binti Abd Rahim
Group Managing Director

Datin Fara Nadia Binti Abd Rahim, (Malaysian, age 44, female) graduated with First Class Honours Degree in Electronic Engineering from King's College of London in 2002 and subsequently completed her Master of Business Administration from Monash University in Melbourne.

Prior to joining Eden, Datin was attached to Time Era Sdn. Bhd., involved in manufacturing of electrical and electronic components. Datin joined Eden as the Manager of Operations in 2002 and held several positions within Eden prior to assuming the post as the General Manager of Group Finance and Business Development until 2012, before pursuing Master in Business Administration from Monash University in Melbourne, Australia in 2014. Datin returned to Eden to assume the role of Group Chief Operating Officer on 5 January 2015 and subsequently was appointed as the Group Managing Director on 8 March 2021.

Datin is the daughter of Tan Sri Abd Rahim Bin Mohamad and Puan Sri Fadzilah Binti Md Ariff who are the Executive Chairman and Executive Director of Eden.

Puan Sri Fadzilah binti Md Ariff
Executive Director

Puan Sri Fadzilah Binti Md Ariff, (Malaysian, age 68, female) graduated with an Honours Degree in English from the University of Malaya and completed her Master in Language and Linguistics at the University of York, England. Puan Sri was a lecturer at University of Technology Malaysia and later at University of Malaya prior to joining Zil Enterprise Sdn. Bhd. as its Managing Director in 1992. Puan Sri was appointed to the board of Eden on 18 October 2002 and is currently the Executive Director oversees the human capital development of the Group.

Puan Sri is the spouse of Tan Sri Abd Rahim Bin Mohamad who is the Executive Chairman of Eden and the mother to Datin Fara Nadia Binti Abd Rahim who is the Group Managing Director of Eden.

Dato' Nik Mohd Fuad bin Wan Abdullah
Executive Director, Corporate Affairs

Dato' Nik Mohd Fuad Bin Wan Abdullah, (Malaysian, age 55, male) graduated with a Bachelor of Commerce from Australian National University and Dato' is a Chartered Accountant of the Malaysian Institute of Accountants (MIA) and a Certified Practising Accountant Australia (CPA Australia).

Dato' joined Zil Enterprise Sdn. Bhd. in 1992 after being with Messrs. Ernst & Young ("**EY**") for four (4) years. During his tenure in EY, Dato' gained valuable experience in risk assurance and assessment, accounting, finance and management, which Dato' has applied in his career of managing power plants businesses. In 2002, Dato' assumed the position of the Eden's Director of Finance. Dato' was appointed to the Board of Eden on 1 March 2014. Dato' was the Executive Director of Energy Sector and currently holds the position as the Executive Director of Corporate Affairs.

Management Profile

Nor Azaniza binti Azahash
Group Financial Controller

Nor Azaniza Binti Azahash, (Malaysian, age 44, female) is a Member of Malaysian Institute of Accountants (MIA). She graduated from Mara University of Technology (UiTM) with Bachelor (Hons.) in Accountancy. She has nineteen (19) years of experience in Accounting and Finance in various senior positions which spun across various industries including non-governmental organisation (Mercy Malaysia), healthcare (KPJ Group of Hospitals), oil and gas (Archer Well Company) and engineering (DRB-HICOM). She joined Eden on 19 April 2021 and currently holds the position of Group Financial Controller, replacing Encik Abdul Rafee Bin Othman who had completed his contract on 31 December 2020.

Aznisyam bin Taib
Senior Manager, Group Finance

Aznisyam Bin Taib, (Malaysian, age 43, male) is a member of the Malaysian Institute of Accountants (MIA). He graduated from Mara University of Technology (UiTM) with Bachelor (Hons.) in Accountancy. He began his career with Metas Management and later joined Eden in 2005 as an Accounts Executive in the Energy Sector, where he was subsequently transferred to the Group Finance Division. He has served the company in various capacities during the last sixteen (16) years. He currently holds the position as the Senior Manager, Group Finance Department and has held that position since 16 July 2012.

Amir bin Mahmood
Head, Internal Audit and Risk Assurance Department

Amir Bin Mahmood, (Malaysian, age 49, male) graduated from Manchester Business School, with Master in Business Administration in 2000. He has worked extensively in general management with the Group before he was posted to the Food and Beverage Sector heading a business unit. He was subsequently attached to the Manufacturing Sector before assuming the role as the Head of the Internal Audit and Risk Assurance Department in Eden since 1 January 2019.

Mohd Hazli bin Mohd Hazani
Head, Group Human Resource & Administration

Mohd Hazli Bin Mohd Hazani, (Malaysian, age 43, male) is an associate member of Chartered Institute of Professional Development UK. He has over twenty (20) years of experience in various industries including tourism & hospitality, telecommunication, financial institution and engineering & infrastructure holding various positions with the last position held as the Head of UEM Group Human Resource Operations & Expatriate Management cum UEM Builders's Head of Human Resource. He joined Eden on 22 March 2021 and currently holds the position of Head of Group Human Resource and Administration.

Masrul Faizal bin Mohamad
Senior Manager, Business Development

Masrul Faizal Bin Mohamad, (Malaysian, age 44, male) graduated from University of York, England with Bachelor in Electronics Engineering in 2000. He subsequently completed his Master (MBA) in Finance from University of Malaya in 2016. He has almost fifteen (15) years of experience in engineering, corporate finance and investments in various companies which include Sapura Secured Technology Sdn. Bhd., Koperasi Permodalan Felda Malaysia Berhad, Mimos Berhad, Webkey Systems Sdn. Bhd., Securities Commissions and Ho Hup Construction Company Berhad. He joined Eden on 1 April 2021 and is currently holding the position of Senior Manager, Business Development.

Management Profile

Norashikin binti Mohd Latiff
Legal and Secretarial Department

Norashikin Binti Mohd Latiff, (Malaysian, age 29, female) graduated from Mara University of Technology (UiTM) with Bachelor of Legal Studies and subsequently Bachelor of Law (Hons.) in 2016. She then commenced her pupillage and was called to the Bar and admitted as an Advocate & Solicitor of the High Court of Malaya on 12 May 2017. She began her career as an in-house Legal Officer with one of the reputable companies in Kuala Lumpur prior to joining Eden on 10 June 2020. She is responsible for the legal and secretarial matters within the Group.

Noraini binti Jumaat
General Manager, Underwater World Langkawi Sdn. Bhd.

Noraini Binti Jumaat, (Malaysian, age 49, female) graduated from Taylor's College with Diploma in Private Secretarial Studies. She holds a Certificate in Hospitality Management (MAHTEC) and Professional Butler Training from Taylor's College. She is a member of the Society of the Golden Keys. She began her career in the hospitality industry where she has developed her career within the industry with vast experience spun of over nineteen (19) years. She currently holds the position as the General Manager, Underwater World Langkawi Sdn. Bhd. since 9 December 2019.

Note:

1. Other than traffic offences, if any, none of the Management have any convictions for offences within the past five (5) years and any public sanction or penalty imposed by any relevant regulatory bodies for the financial year ended 30 June 2021.
2. None of the Management have any conflict of interest with the Company.
3. Other than above disclosure, none of the management have family relationship with any director and/or major shareholder of the Company.
4. None of the Management have any directorship in public companies and listed issuers.

Chairman's Statement

DEAR SHAREHOLDERS,

On behalf of the Board of Directors ("Board"), I am pleased to present to you the Annual Report and Audited Financial Statements of Eden Inc. Berhad ("Eden" or the "Company") and its group of companies ("Group") for the Financial Year Ended 30 June 2021 ("FYE 2021")

As announced in Bursa Malaysia Securities Berhad ("**Bursa**") on the 30 January 2020, the Company had changed its financial year end from 31 December to 30 June. Consequently, the current period's data for twelve (12) months is not comparable to the prior eighteen (18) months period previously reported.

OVERVIEW OF THE OPERATING ENVIRONMENT

Improvements were seen in the operating environment for the second half of 2020 ("**2H 2020**"), although recovery remained uneven across different business sectors. The COVID-19 pandemic and the imposition of control measures to curb the spread, continued to present significant challenges for affected businesses as the financial buffers of these businesses experienced further depletion of their reserves.

However, most business sectors' financial performance had improved in the first quarter 2021 ("**1Q 2021**") with the easing of movement restrictions before the stricter containment measures were imposed in the second quarter 2021 ("**2Q 2021**") due to the surging numbers of COVID-19 cases. Nevertheless, the comprehensive and complimentary measures imposed by the Government of Malaysia coupled with the effective rollout of the vaccination programme, played a significant role in cushioning the impact of the pandemic. This resulted in the 16.1% GDP growth for Malaysia in 2Q 2021 driven by domestic demand.

For the Group, its FYE 2021's performance was driven by the Sungai Kenerong Plant operating at optimum capacity and the savings realised through the Group's cost optimization measures. However, the performance of the Food and Beverage and Tourism Sector was significantly and adversely affected by the measures imposed to curb the pandemic. In addition, the Energy Sector's Libaran Plant was not operating during the period under review as the negotiation with regards to the recommencement of the Libaran Plant was at the tail end. As at the point of this report being written, I am pleased to announce that Stratavest Sdn. Bhd. has successfully signed the extension for the new term with Sabah Electricity Sdn. Bhd. to enable the plant to resume operations within this year.

Based on the above challenging landscape, the Group recorded a revenue of RM27.28 million and a Loss Before Tax ("**LBT**") of RM16.67 million. The losses were mainly due to the impairment loss on property, plant and equipment and investment property. For Energy Sector, the Libaran Plant was non-operational and for the Tourism segment, lower yield was realised on its commercial rental spaces. In addition, for the Manufacturing Sector, expected credit loss on the receivables was recognised during the period under review. However, on a positive note, Earnings before Interest Tax Depreciation and Amortisation ("**EBITDA**") and Impairment registered a Profit Before Tax ("**PBT**") of RM3.73 million indicating that the Group had significantly improved its operational performance driven by the operations of the Sungai Kenerong Plant as well as the cost rationalisation measures taken.

Through the FYE 2021, the Group held steadfast to the strategies underpinning the efforts being taken during an unprecedented time. The slower operational activities for the Group charted an opportunity for the Group to recalibrate the foundations including reviewing the corporate and organisation structure, deployment of new technologies in catalysing efficiency, streamlining the standard operating policies and procedures as well as developing business continuity plans for the sectors in ensuring the sectors can weather the pandemic situation and continue to remain relevant within the Group.

ENERGY

For FYE 2021 for the Energy Sector, the 20MW Sungai Kenerong Plant had entered its 21st year in operations and was the primary contributor to the Group's performance as all the four (4) generators were running at their optimum level. The scheduled repair and maintenance works were carried out during the year to ensure that its "Zero Outage" (internal) plan is achieved. Despite the challenges faced on the forced outages due to the transmission and distribution system, the plant registered a 74% capacity factor compared to the 57% registered in FPE 2020. The Sungai Kenerong Plant completed several major upgrading works with regards to the structural requirements along the access roads, pipeline as well as the upper and lower power houses. This will ensure greater efficiency and additional generation for the plant. Currently the Sungai Kenerong Plant is in the midst of upgrading the control system.

The Libaran Plant is expected to recommence its operations before the end of year 2021 after the extension of the operations of the plant had been procured from the Energy Commission. Throughout FYE 2021, Stratavest Sdn. Bhd. had continuously maintained the upkeep of the Libaran Plant. The low-speed diesel engines used by the Libaran Plant will ensure that the plant will be able to continuously and successfully support the Sabah state grid requirements throughout the new tenure of the Power Purchase Agreement.

For the Energy Sector, the profit recorded by the operations of the Sungai Kenerong Plant was offset by the impairment on the Libaran Plant which was not in operations. The sector recorded RM21.05 million revenue and a LBT of RM 1.92 million for FYE 2021.

FOOD & BEVERAGE ("F&B") AND TOURISM

The sector continued to face headwinds with the measures taken to curb the COVID-19 pandemic. Despite the contracts obtained to supply to the COVID-19 quarantine centres for the F&B segment, the sector's revenue had continued to decline year on year with revenue recorded at RM5.89 million. A marked decline in revenue was imminent in the Tourism segment due to the containment measures imposed and the closure of the international borders. This resulted in a LBT of RM 8.33 million recorded by the sector of which RM3.98 million was the impairment recognised on investment properties due to the lower yield realised by the commercial spaces being rented out in Underwater World Langkawi ("**UWL**").

UWL took advantage of the low period and carried out upgrading works at the facility with a facelift at the entrance as well as introduced new attractions in preparation to welcome visitors when the containment measures eases. UWL participated in many round-table discussions with the local authorities and industry leaders in mitigating the impact of the pandemic.

Penguin and animal husbandry became the forefront during the low period where several penguin chicks had hatched during the period. In addition, UWL stepped up the training of the penguins and seals and had introduced several entertaining acts by the penguins and seals for the visitors.

The F&B segment continued its role in providing quality food for the quarantine centres and vaccination centres in Klang Valley and Penang, which was a respite from an otherwise non-operational period.

MANUFACTURING

The Manufacturing Sector, under its subsidiary Time Era Technologies Sdn. Bhd. pursued several projects for its Light Emitting Diode ("**LED**") business segment which have yet to materialise.

Chairman's Statement

OUTLOOK FOR THE YEAR AHEAD

As the nationwide vaccination rollout gains momentum, coupled with the opening of almost all of the economic sectors, recovery growth will benefit from higher global demand, increased public and private sector expenditure as well as continued policy support. Pent up consumer interest following the recovery from the pandemic will augur well for the retail, hospitality and tourism sectors, although the pace of recovery may require some time and will be uneven across economic sectors. Based on the Malaysian Institute of Economic Research, the Malaysian economy is projected to register a 4 % growth in 2021 and will rebound in 2022 registering between 5.5% to 6.5%. Growth will be underpinned by the recovery in global demand and the gradual improvement in domestic economic activity.

The Group has always remained focus on its core businesses. This was reflected with a positive EBITDA (before impairment) that was registered in FYE 2021 despite the challenges faced. The Energy Sector is expected to continue to contribute positively to the Group performance. The 20MW hydroelectric Sungai Kenerong Plant under Musteq Hydro Sdn. Bhd. ("**MHSB**") will ensure that the implementation of its "Zero-Outage" plan for the year is concluded successfully which will include the upgrading of its control system. With the recommencement of the Libaran Plant with a contracted capacity of 30MW, the sector is staged to perform in the coming year. The Group has embarked on the business development in increasing the generating capacity in renewable energy as well as to increase its contracted capacity within its thermal power plant for the sector.

The expected recovery for the retail, tourism and hospitality sectors will poise well for the F&B and Tourism Sector of the Group. In addition, the expected opening of the international borders will create the volume of visitors that has been much anticipated for, for Underwater World Langkawi Sdn. Bhd. The F&B segment had consolidated its operations in the past two years and centralised its operations in Klang Valley. The Group is now embarking on a bigger central production facility.

Time Era Technologies Sdn. Bhd. will continue to expand on the LED street lighting business although it envisages that the award of the contract of the LED street lights will be prudently carried out by the government and local authorities.

The sizable land bank in Gebeng, Pahang, has been earmarked for the compulsory acquisition for the East Coast Rail Link ("**ECRL**") project undertaken by the government. This presents an opportunity for the Group to develop the surrounding areas of the ECRL project that will enable us to capitalise on the assets that we have to ensure continuous growth for the Group. The development of the land will boost earnings for the Group.

The Group is cognisance and recognises the importance of investing in technology and its people as key enablers to the Group's success. As such, we have invested in the relevant digital platforms to drive continuous business sustainability and promote operational efficiency. In addition, the Group is actively looking into technology to enhance the operations of the F&B and Tourism segment in promoting a meaningful and personalised customer experience.

The Group is committed in ensuring that we safeguard the health of our employees, customers and vendors, especially with COVID-19 expected to last for the longer term. We will continue to foster a conducive work environment and nurture a culture of commitment to excellence, creativity and alignment to the Group's strategic objectives.

On this landscape, the Group believes that it will be able to perform better in the coming year. We have faced many unprecedented challenges in the past two financial periods, that has tested the financial foundation as well as the tenacity of the employees. Coming out of these unprecedented times, almost unscathed, will ensure that the Group will be able to take advantage of the opportunities of the economic recovery this coming year.

ACKNOWLEDGEMENT

I have continuously been privileged to work together with the Eden team and wish to take this opportunity to acknowledge the innumerable contributions of our management team and staff, as well as their determination and resilience in overcoming unprecedented challenges during the year. My sincere gratitude to my Board members for their invaluable counsel and support. As always I am grateful to our stakeholders; our shareholders, customers, business associates, vendors, relevant authorities and bankers who have supported the Group through these years and these challenging times. Thank you for all the support that you have given to the Group and I believe that we will be looking forward to a better year ahead.

Tan Sri Abd Rahim Mohamad
Executive Chairman

Management Discussion and Analysis

INTRODUCTION

The principal activities of Eden Inc. Berhad (“**Eden**” or “**the Company**”) and it’s group of companies (“**Group**”) are those of an investment and management company. The Company is listed in the Main Market of Bursa Malaysia Securities Berhad (“**Bursa**”) under the Utility sector, with a sub-sector under Electricity. Eden and its group of companies (“**the Group**”) is a diversified entity with three (3) main operating segments, classified under the Energy, the Food and Beverage (“**F&B**”) and Tourism and the Manufacturing sectors. All its operations are located within Malaysia.

The Energy Sector operates power plants as an independent power producer (“**IPP**”) in Kelantan (Sungai Kenerong Plant) and in Sabah (Libaran Plant). The Sungai Kenerong plant is a 20 megawatts (“**MW**”) run of the river hydroelectric power plant and supplies exclusively to Tenaga Nasional Berhad (“**TNB**”). The Libaran Plant is a thermal power plant with a net capacity of 60MW and is connected to Sabah’s east coast power grid line. The Libaran Plant had ceased its operations after the Power Purchase Agreement (“**PPA**”) between Stratavest Sdn. Bhd. and Sabah Electricity Sdn. Bhd. (“**SESB**”) expired on 17 December 2019. Subsequently, a new PPA for the extension of a three-year term had been signed by the parties on 13 August 2021. At the time of reporting the plant is in the midst of fulfilling the conditions precedent to facilitate the recommencement of its operations.

Under the umbrella of the F&B and Tourism Sector are the catering and restaurant segment as well as the operations of an aquarium, retail commercial spaces and its related activities. Their business activities are concentrated within the northern and central regions of peninsular Malaysia. The aquarium, which is located in Langkawi is a must-see tourist attraction comprising an exhibition space for the sub-temperate and marine wildlife, complemented with the commercial retail spaces. The aquarium has strengthened its foothold in the research and development of breeding penguins and to date, more than 100 penguins have hatched since the research and development program commenced.

The Manufacturing Sector of the Group is now focusing on the energy-efficient products namely the Light Emitting Diode (“**LED**”) lighting. Its market segment is primarily focused on local sales fulfilling the local needs to embark on the energy efficiency and saving initiatives.

OBJECTIVES AND STRATEGIES

The Group segregates the business operations into businesses that will provide short to medium term earnings and those that will provide long term earnings. The strategies of the Group are aligned to the five (5) pillars that would enhance shareholders’ value:

- ***Strengthening the core businesses*** that it has been operating in to be able to capitalise on the value chain of that business segments;
- ***Strengthening the cash flow position*** of the Group to be able to ensure continuous operations of the business segments efficiently;
- ***Attaining operational excellence*** by enhancing operational efficiencies through business processes via the application of new technologies and techniques;
- ***Focusing on people and performance*** to ensure that the strength and capabilities of the employees are enhanced; and
- ***Growth and diversification*** within the core businesses to ensure business continuity.

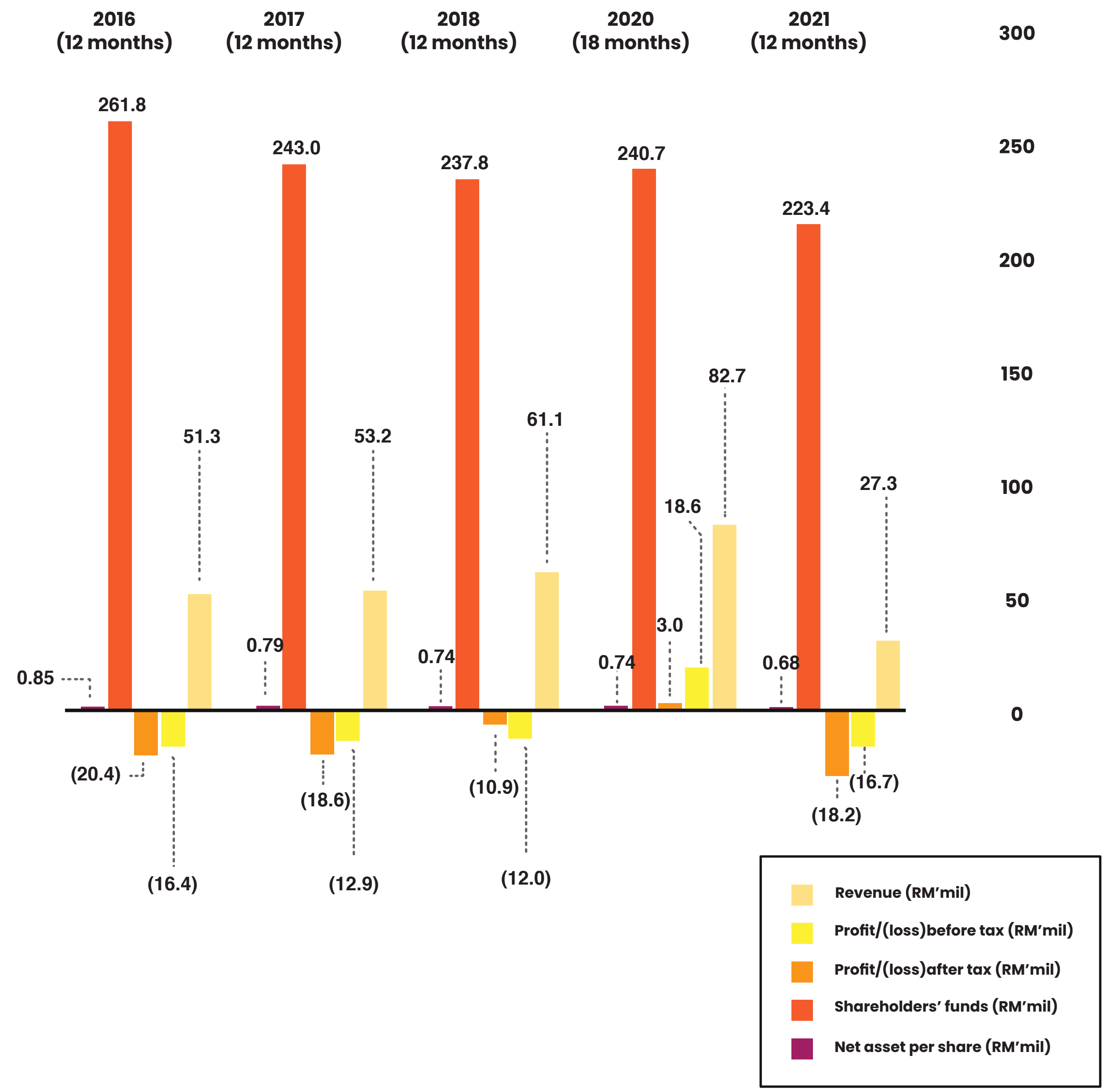
Management Discussion and Analysis

FINANCIAL PERFORMANCE IN FINANCIAL YEAR ENDED 30 JUNE 2021 ("FYE 2021")

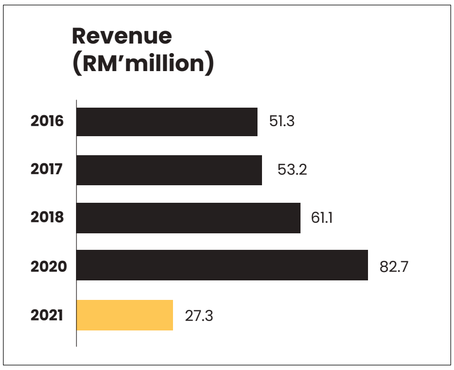
5-YEAR FINANCIAL SUMMARY

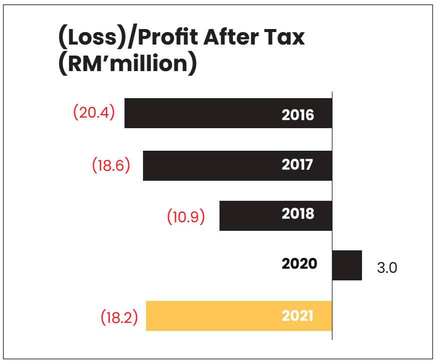
As announced in Bursa Malaysia on the 30 January 2020, the Company had changed its financial year end from 31 December to 30 June. Consequently, the current period's data for twelve (12) months (1 July 2020 to 30 June 2021) is not comparable to the prior eighteen (18) months' period (1 January 2019 until 30 June 2020) previously reported.

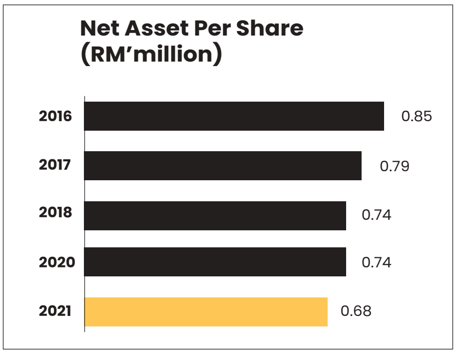
FINANCIAL YEAR ENDED 30 JUNE 2021

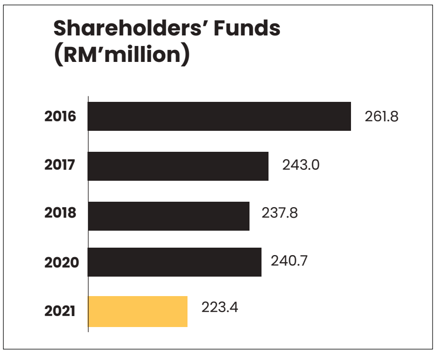


Management Discussion and Analysis









GROUP REVENUE

RM27.28 million

(FPE 2020: RM82.65 million)

GROUP (LOSS) /PROFIT BEFORE TAX

-RM16.67 million

(FPE 2020: RM18.61 million)

For financial year ended 30 June 2021 ("**FYE 2021**"), the Group recorded revenue of RM27.28 million compared to revenue of RM82.65 million in financial period ended 30 June 2020 ("**FPE 2020**"). The operational decline in revenue was mainly due to the cessation of operations of the Libaran Plant which had concluded its 21-year concession via a PPA signed between SESB and Stratavest Sdn. Bhd. In addition, the F&B and Tourism Sector was significantly and adversely impacted by the effects of the COVID-19 pandemic and the measures taken by the Government to contain the pandemic. The absence of the gain on disposal of land and gain on fair value of investment properties recognised in FPE 2020 widened the negative variance.

Despite the increase in revenue generated by the Sungai Kenerong Plant and the significant savings realised by the Group due to the effective cost saving measures, significant impairment was recognised in the FYE 2021. This was due to the Libaran Plant in the Energy Sector not being operational as well as the lower yield realised on commercial spaces under the Tourism segment. As a result, the Group recorded Loss Before Tax ("**LBT**") of RM16.67 million for FYE 2021.

Management Discussion and Analysis

SEGMENTAL FINANCIAL PERFORMANCE

	FYE	FPE		
FINANCIAL YEAR/PERIOD ENDED	**30 JUNE 2021** (12 MONTHS)	**30 JUNE 2020** (18 MONTHS)	**CHANGES**	
REVENUE	**RM'000**	**RM'000**	**RM'000**	**%**
Energy	21,054	48,165	(27,111)	(56.3)
F&B and Tourism	5,889	28,860	(22, 971)	(79.6)
Manufacturing	341	6,227	(5,886)	(94.5)
Investment	763	2,042	(1,279)	(62.6)
Elimination	(763)	(2,641)	1,878	71.1
Group	**27,284**	**82,653**	**(55,369)**	**(67.0)**
(LOSS)/PROFIT BEFORE TAX				
Energy	(1,915)	(18,753)	16,838	89.8
F&B and Tourism	(8,328)	5,438	(13,767)	(253.1)
Manufacturing	(1,850)	(5,451)	3,601	66.1
Investment	(5,738)	25,252	(30,990)	(122.7)
Elimination	1,157	12,128	(10,971)	(90.5)
Group	**(16,674)**	**18,614**	**(35,288)**	**(189.6)**
TAX	(1,525)	(15,602)	14,077	90.2
(LOSS)/PROFIT AFTER TAX	**(18,199)**	**3,012**	**(21,211)**	**(704.2)**

Management Discussion and Analysis

ENERGY

REVENUE	LOSS BEFORE TAX
RM21.05 million (FPE 2020: RM48.17 million)	**-RM1.92** million (FPE 2020: -RM18.75 million)

The revenue recorded for sector for FYE 2021 was RM21.05 million as compared to RM48.17 million achieved in FPE 2020. The revenue was primarily from the Sungai Kenerong Plant, which continuously operated at an optimum level on all four (4) generators. The absence of revenue from the Libaran Plant, due to the completion of its operations based on the PPA, resulted in the marked reduction in revenue. However, the significant reduction in LBT for FYE 2021 of RM1.92 million compared to the LBT of RM18.75 million incurred in FPE 2020 was attributed to the significantly lower administrative expenses and higher revenue generated by the Sungai Kenerong Plant.

FOOD AND BEVERAGE ("F&B") AND TOURISM

REVENUE	LOSS BEFORE TAX
RM5.89 million (FPE 2020: RM28.86 million)	**-RM8.33** million (FPE 2020: RM5.44 million

The impact of the measures taken by the Government to contain the COVID-19 pandemic with the closure of international borders, restrictions of interstate travelling as well as the implementation of the Movement Control Order ("**MCO**") and its variation thereof, had significantly and adversely impacted the F&B and Tourism Sector.

The sector recorded a revenue and LBT of RM5.89 million and RM8.33 million respectively for FYE 2021 as compared to RM28.86 million and a PBT of RM5.44 million respectively in FPE 2020.

MANUFACTURING

REVENUE	LOSS BEFORE TAX
RM0.34 million (FPE 2020: RM6.23 million)	**-RM1.85** million (FPE 2020: -RM5.45 million)

Despite the lower revenue recorded by the Manufacturing Sector of RM0.34 million, the sector recorded a significant reduction in its losses for FYE 2021 of RM1.85 million. This was contributed by the lower operating expenses and lower provisions on impairment of stocks.

Management Discussion and Analysis

SEGMENTAL REVIEW

ENERGY

The Energy Sector consists of two (2) power plants, one (1) of which is the 20MW hydroelectric power plant located in Kuala Krai, Kelantan ("**Sungai Kenerong Plant**"), and the other, a thermal power plant located in Sandakan, Sabah ("**Libaran Plant**") which, at the point of reporting, is undergoing the refurbishment activities to recommence operations to generate a contracted capacity of 30MW. The Sungai Kenerong Plant is operated by Musteq Hydro Sdn. Bhd. And the Libaran Plant is operated by Stratavest Sdn. Bhd. For the period under review, FYE 2021, only the Sungai Kenerong Plant was fully operational.

Sungai Kenerong Plant

The Sungai Kenerong Plant is a run of river hydroelectric power plant with two (2) main tributaries for its generation and commenced its operations in the year 2000 with a 30-year concession agreement with Tenaga Nasional Berhad ("**TNB**").

The plant operated at an optimum level which resulted in the Sungai Kenerong Plant registering 74% capacity factor in FYE 2021 compared to 57% in FPE 2020. The plant continued to implement its "Zero Outage" strategy and completed several improvements and replacements of its mechanical and electrical components in FYE 2021 to ensure the continued generation and reliability of the plant. Currently the Sungai Kenerong Plant is in the midst of upgrading the control system to equip the plant with an improved current technology that will be able to increase operational efficiency and monitoring.

Libaran Plant

The Libaran Plant's generation is powered by four (4) low speed diesel engines and commenced its operations in the year 1998 with a 21-year concession agreement with SESB. On 17 December 2019, the Libaran Plant successfully completed the 21-year concession. The maintenance of the Libaran Plant continued despite the completion of the concession. This was carried out in light of the imminent extension on the operations of the plant.

On 13 August 2021, the Stratavest Sdn. Bhd. signed the Power Purchase Agreement ("**PPA**") with Sabah Electricity Sdn. Bhd. ("**SESB**") with and installed capacity of 30MW for a new term of three (3) years. The Libaran Plant is expected to recommence operations in the fourth quarter of year 2021 ("**4Q 2021**").

FOOD AND BEVERAGE ("F&B") AND TOURISM

The operations of the F&B and Tourism Sector are located in Klang Valley, Penang and Langkawi. The F&B segment is operated by Eden Catering Sdn. Bhd. ("**ECSB**"). Underwater World Langkawi Sdn. Bhd. ("**UWL**") together with Eden Seafood Village (Langkawi) Sdn. Bhd. ("**ESVL**"), operates an aquarium and commercial retail outlets in Langkawi.

The F&B and Tourism segment showed positive recovery in the third quarter of year 2020 ("**3Q 2020**"). However, the re-imposition of stricter nationwide containment measures in 2021 particularly towards the end of the second quarter of the year 2021("**2Q 2021**"), had continued to affect the performance of the sector and had resulted in lower number of visitors as well as lower number of operational days for UWL. UWL had recorded a decline in the number of visitors by 24% compared to the corresponding period. In addition, ESVL also had recorded a decline in the income received from the tenants due to the facility being non-operational.

MANUFACTURING

Time Era Sdn. Bhd. ("**Time Era**") and its group of companies is in the operations of provision of electrical components including light emitting diode ("**LED**") products.

The Group continues to look into the possibility of securing LED street lighting projects initiated by the State and Federal agencies, despite the industry's increased competitiveness.

CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustment to it, in the light of changes to the economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital plus net debt. Net debt is calculated as total borrowings less cash and bank balances. The total capital is calculated as equity as shown in the statement of financial position. The gearing ratio is at a manageable level where the significant amount of the borrowings is at the operating subsidiaries.

	GROUP		COMPANY	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Net debt	43,351	42,381	4,521	5,696
Total equity	222,225	240,424	234,608	239,468
Gearing ratio	0.20	0.18	0.02	0.02

RISK MANAGEMENT

The management of risks for the Group is important to ensure a long term and sustainable growth for the Group that would create value for its shareholders. The risk management is carried out through risk review analysis, internal control systems and adherence to the Group's risk management policies as elaborated in the Annual Report's Statement on Risk Management and Internal Control. The key risk areas of the Group are highlighted below.

FINANCIAL RISK MANAGEMENT

The Group is sensitive to various financial risk arising from the operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

Credit Risk

The Group has adopted a policy of only trading with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subjected to credit verification procedures. In addition, the receivable balances are monitored on an ongoing basis resulting in the Group's exposure to bad debts being insignificant.

Liquidity Risk

The Group maintains sufficient liquid financial assets and flexibility through the use of stand-by credit facilities.

Interest Rate Risk

The Group is exposed to interest rate risk arising from variable interest rate loans and borrowings. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Management Discussion and Analysis

FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign Currency Risk

The Group is exposed to foreign currency risk mainly on purchase that are dominated in currencies other than the functional currency of the Group. The currency that gives rise to this risk are United States Dollar (USD) and Singapore Dollar (SGD). The Group's exposure to foreign currency changes is not significant.

OPERATING RISK MANAGEMENT

Concession or Major Contracts/ Single Buyer

The Group's core business (Energy Sector) is reliant on to a significant extent on concession agreements. Cancellation, termination, expiration or renegotiations of any of the key contracts can have an adverse financial effect on the Group. However, the Group's capabilities in securing these concession contracts and operating it despite economic downturns and challenging business environment should mitigate the vagaries of uncertainties.

Health, Safety and Security Risk

Coupled with the unprecedented times, the Group recognises the risk of being impacted by injuries, COVID-19, or death to employees related to working conditions and safety. This may lead to a significant loss of productivity and performance as a result of potential accidents, injuries, casualties and stop work orders imposed by authorities.

The Group has developed increased monitoring of workplace safety compliance particularly at the Sungai Kenerong Plant and the Libaran Plant. In mitigating the effects of the COVID-19 pandemic, the Group is actively updating the SOPs to ensure that these are in line with the latest government policies. In addition, investments in technology and equipment to support the 'work from home' alternative has been enhanced whilst placing measures to ensure the continuous delivery and productivity from all employees.

OUTLOOK

The Government's focus on economic recovery and achieving nationwide herd immunity in the shortest possible time signals a better outlook for the economy and will augur well for the F&B and Tourism Sector of the Group. The Group is cautiously optimistic that the worst of the pandemic is behind us and that the Malaysian economy is poised for a rebound.

The optimization of the operations of the Sungai Kenerong Plant and the expected recommencement of the Libaran Power Plant in 4Q 2021 will ensure that the Energy Sector continues to contribute positively to the Group's performance.

With the re-opening of country's tourism sector and the commencement of the operations of UWL, the Tourism segment is expected to receive higher number of visitors and the commercial areas are expected to register higher rental yield.

For the Manufacturing Sector, the Group will rationalise its operations to ensure the sector remains relevant within the Group.

The resilience of the Group in withstanding the unprecedented COVID-19 pandemic, places the Group in a stronger foothold to build value for the shareholders. On this backdrop, the Group is committed to deliver better performance in the next financial year.

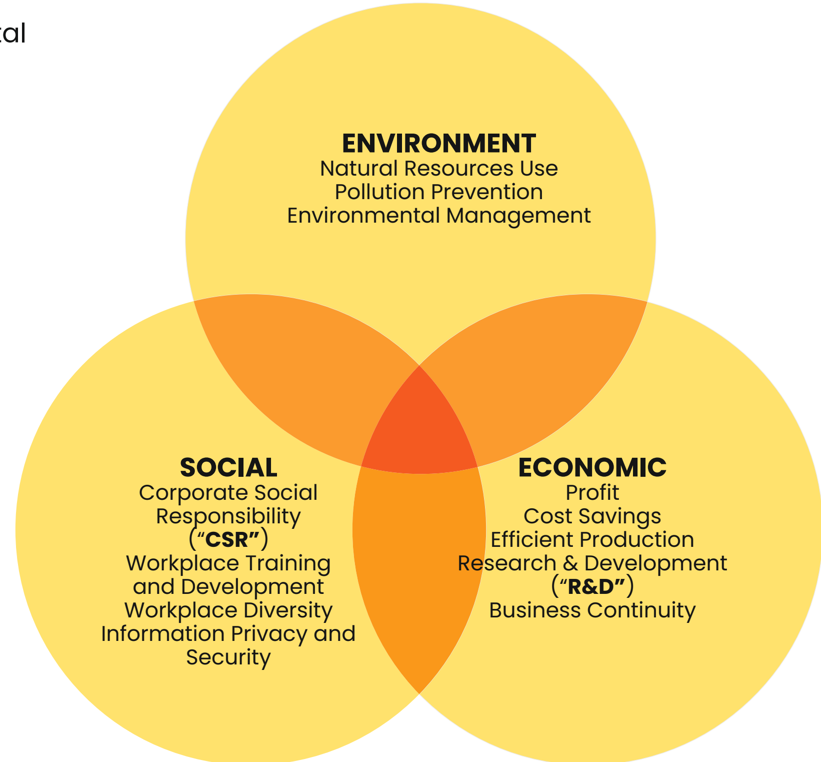
Sustainability Statement

COMMITMENT TO SUSTAINABILITY

At Eden Inc. Berhad ("**the Company**") and its Group of Companies ("**the Group**"), we uphold high standards of sustainability responsibility to secure our future in sustainable manner.

Sustainability is defined as the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainability has three (3) main elements; economic, environmental and social with the encouragement of good governance practices. Economic element consists of an organization's impact on the economic conditions of its stakeholders and economic systems at local, national and global levels. An organization's environmental impact consists of its impact on living and non-living elements of its environment. Social impact results from the organization's interaction with the social systems within which it operates. The Group strives to create long term commitment and value for stakeholders by ensuring responsible management and sustainable development within the Group and has embarked on the sustainability practices within these three (3) aspects:

- Economic
- Environmental
- Social



OUR APPROACH TO SUSTAINABILITY

The Group is driven by these five (5) core values:

Integrity & Professionalism	: To be honest and accountable.
Excellence	: To pursue higher goals.
Commitment	: To work with passion, commitment and enthusiasm.
Creativity	: To tap the latent creative power within individuals.
Corporate Social Responsibility	: To be able to give back to society.

These core values have always been embedded in our culture and business practices. They form the underlying principles for our employees to reflect our continuous pursuit to enhance the corporate value of the Group as well as ethics and code of business conduct, where relevant and appropriate.

Sustainability Statement

RESILIENCE: THE CORNERSTONE OF MANAGING THE UNEXPECTED

The Board emphasises the importance of corporate resilience leading to sustainability. The Group management anticipates risk events, honing risk processes and controls through a dynamic feedback loop. In addition, the Board recognises that the Group requires dynamic and flexible risk management to navigate an unpredictable future in which change comes quickly. The Group's risk management approach is described in the Statement on Risk Management and Internal control.

REPORTING PERIOD AND SCOPE

This sustainability report covers the Group's three (3) reporting sectors; the Energy Sector, the Food & Beverage ("**F&B**") and Tourism Sector and the Manufacturing Sector, for the financial year ended 30 June 2021 ("**FYE 2021**"). A two (2) to three (3) years of statistical data has been furnished and assured by the internal management team, where applicable.

This sustainability report is to be read in conjunction with the rest of the Group's Annual Report for the FYE 2021. This statement has been prepared in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and with reference made to the Sustainability Reporting Guide and Toolkits issued by Bursa Malaysia Securities Berhad.

SUSTAINABILITY GOVERNANCE

The Board of Directors of Eden supports the Sustainability Committee Working Group ("**SCWG**") to oversee the integration of sustainability reporting of the Company. The SCWG also reviews the Sustainability Statement of the Company on a yearly basis, as part of the Annual Report of the Company for the endorsement by the Board of Directors. The SCWG is driven by a set of guidelines, policies, procedures and our corporate values. By adopting this governance structure, the Group is able to achieve a robust framework that supports the achievement of accountability, internal controls and risk management.

SUSTAINABILITY GOVERNANCE STRUCTURE

STAKEHOLDERS

Within the limitations of the current COVID-19 pandemic, the Company has been actively engaging with its stakeholders as part of its overall sustainability program. Most engagement throughout FYE 2021 has been via video conferencing. The Management understands that the need to engage with the stakeholders is to ensure that the stakeholders are well informed and kept abreast with the Group's latest development. In addition, the Group will be able to seek for the much-needed feedback of the latest market development and insights of which the information can be used for the Group to improvise and adopt as part of the corporate strategy in placing extra effort in meeting stakeholders' needs.

This is especially the case where the shareholders are always encouraged to participate in the Question and Answer ("**Q&A**") session during the annual general meeting of the Company. Shareholders have the opportunity to ask any relevant questions pertaining to the Company's financial results, business directions, corporate exercises and other operational matters of the Group as a whole.

Within the limitations imposed during the COVID-19 situation, the Group has been periodically engaging with a wide range of stakeholders which are categorised as below.

STAKEHOLDER	FREQUENCY	ENGAGEMENT PLATFORM	GOALS
Government/Regulators	On-going	• Meetings, Discussions Seminars and Functions	• Compliance with applicable laws and regulations
Shareholders/ Investors	Yearly	• Annual general meeting • Corporate announcements • Press release	• Improve shareholders' values • Sustainability status • Strong corporate governance • Increased transparency
Industry Leaders and Professionals	On-going	• Meetings and discussions • Seminars and Discussions	• Identify potential opportunities within the businesses/sectors • Enhance and improve business operations
Customers	On-going	• Meetings and discussions • Promotion events	• Customer satisfaction • Reduce downtime • Create fair trade
Employees	On-going	• Townhall meetings/ discussion • Direct contact • Yearly performance appraisals • Monthly "Team Meet"	• Employees' development progresses • Career progression • Commensurate remuneration • Job satisfaction • Succession planning • Equal employment opportunities • Talent Management
Suppliers/Bankers/Rating Agency	On-going	• Meetings and discussions • Site visit	• Credit worthiness • Timely repayment of principal and interest
Communities	On-going	• Community events And engagements Whether formal or informal	• Understanding of local requirement • Creating employment • Improve CSR • Reduce carbon footprint

Sustainability Statement

MATERIALITY ASSESSMENT

The year 2020 to 2021 saw the emergence of unprecedented sustainability challenges to the Group. The resurgence of COVID-19 required several emergency measures to be taken to protect internal and external stakeholders. The challenge to keep the employees safe and continue the operations of the Group required considerable effort on the part of Management.

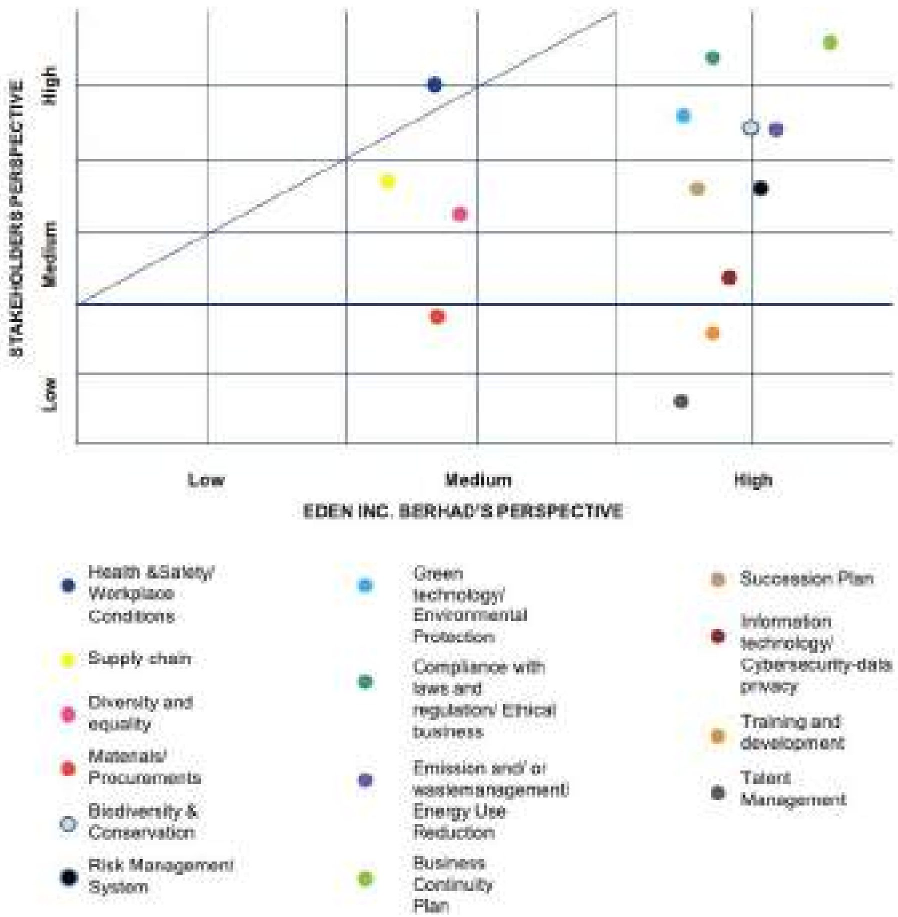
In our continuous effort in engaging with our stakeholders, we were able to obtain an insight to assist us in assessing and prioritising our materiality assessment. Materiality assessment became our strategic tool to identify, develop, prioritise and position our strengths and weaknesses, opportunities and threat analysis. The materiality assessment will allow the SCWG to focus their collective efforts on the scope of the highest interest to both the Group and the stakeholders.

The Management is of the opinion that it will have a long-term positive impact to the Group and will further strengthen the Group positioning in the market.

MATERIALITY MATRIX

By taking into account the stakeholder's views and perspectives and integrating these with our own internal knowledge, the stakeholders' feedback was deliberated with the respective functional and business units. Pertinent issues that are vital to the Group could then be subsequently embedded in our plan to develop the Group corporate strategies.

The matrix presents the Group's most significant materiality topics and aspects.



1. ENVIRONMENT

1.1 Reducing Carbon Footprint

The Government of Malaysia has been urging businesses and consumers to shift to the adoption of green technology. Green technology reduces the carbon footprint associated with human consumption.

1.1.1 The Sungai Kenerong Plant under Musteq Hydro Sdn. Bhd. ("**MHSB**") is a small scale 20MW hydroelectric power plant in Kelantan. The run of the river small hydro plant had been developed with an ecological footprint, size and location, creating sustainable energy minimising impacts to the surrounding environment and nearby communities. In turn it provides cleaner power and without a reservoir, a pre-existing pattern of flooding will continue unaltered.

Some of the steps taken to preserve the surrounding environment are:

(a) Proactively and consistently planting trees along the river bank to avoid land slide and soil erosion which will disrupt the hydro plant. This is being carried out periodically.

(b) Continues monitoring the carbon savings based on the electricity generated from the hydroelectric power plant, as the carbon savings are substantial. The Group plans to increase the capacity of this plant in near future. In addition MHSB and Kyoto Energy Pte. Ltd. had entered into a Sale and Purchase Agreement in 2019 for a period until 31 December 2023 for the International Renewable Energy Certificate ("**I-REC**") which is an Energy Attribute Certificate ("**EAC**") which is recognised globally and is the cornerstone of EAC worldwide. It is an accounting instrument that certifies the production of electricity along with factual characteristics of how, where and when the electricity was produced. These units can then be transparently traded and cancelled. EAC schemes can accelerate a country's energy transition by putting an additional, marketable value on the production of renewable energy. Producers of renewable energy can sell both the energy and the related EAC. The use of an EAC scheme is to support the generation of renewable energy.

(c) Utilises solar panel to charge the power batteries at the upper intake of the plant during the dry season.

1.1.2 Underwater World Langkawi Sdn. Bhd. ("**UWL**") operates the aquarium facility continuously. Therefore, reducing the electrical consumption and ensuring savings are generated become an important element that will also lead to a reduction of the carbon footprint. UWL has taken the measures below in its efforts.

(a) Utilises cetralised heating, ventilation and air conditioning system for efficient electricity usage.

(b) Water harvesting efforts are undertaken by UWL.

1.1.3 The Group's Manufacturing Sector is promoting the adoption of Light Emitting Diode ("**LED**") technology. The LED division works with customers to study their use of electrical energy for lighting and how the energy requirement for lighting can be reduced by switching to LED lights. In some cases, a 60-70% reduction in lighting energy consumption is possible. Light bulbs that use LED technology not only reduce energy bills but are also more environmentally friendly when compared to incandescent bulbs and compact fluorescent lights (CFLs). The adoption of LED is expected to accelerate in the coming years. Through its involvement in LED, the Group would be part of technology deployment which will benefit the environment.

1. ENVIRONMENT (CONT'D)

1.2 Natural Resources Use/ Reuse

We are committed with our effort to cut down natural resources use by reducing the consumption of electricity and recycling at our workplace. We have taken the initiatives to identify, evaluate, manage and monitor the main environmental risk affecting all activities at various levels of its business division. We are committed to the 3R concepts of Reduce, Reuse and Recycle. Henceforth, the Group has implemented measures aimed at reducing energy consumption, responsible waste management and recycling as highlighted below:

a. The Group utilises the LED lighting provided by the Time Era Group to be more energy efficient.

b. The relocation of several office spaces was carried out at UWL to save utility costs.

c. Procedures are in place to reduce energy consumption by deploying active power management on all computers where the computers are in sleep/ hibernate mode if there is no usage. In addition, all printers are networked with multifunction devices.

d. Lighting or air conditioning system (which are not centralised) are turned off when not in use.

e. The Group has procedures in place particularly in reducing electricity consumption particularly in its subsidiary UWL where consumption is high due to 24-hours operations.

f. The Group has embarked on digitalisation of certain administrative processes such as those in human resources and administration to reduce paper consumption.

We are committed to ensure that all wastes are disposed in an orderly manner by providing compartmental bins for disposing of plastics, bottles, papers and other recyclable items and all these wastes are collected and disposed off in a responsible manner.

1.3 Pollution Prevention

1.3.1 We are guided by the Department of Environment ("**DOE**") and the Ministry of Natural Resources and Environment with regards to the treatment of waste and waste management of the power plants. This is particularly relevant to the Libaran Plant whereby when we recommence operations again, the sludge will be handled by authorised personnel in accordance with the DOE guidelines.

UWL carries out monthly water testing on sea water pollution of which the report is sent to an authorized laboratory approved by the local council for water pollution monitoring purposes.

1.4 Biodiversity and Conservation

UWL actively participates in conservation projects as highlighted below:

a. Collaboration with Universiti Kebangsaan Malaysia on the preservation of the Geopark site by carrying out survey on the sites which are part of UWL's surrounding area;
b. Collaboration with the Jabatan Taman Laut to release the bred sharks in captivity (in UWL) to ensure the sustainability of the species;
c. Collaboration with Universiti Sains Malaysia ("**USM CEMACS**") for "gamat", oyster and coral propagation in line with the conservation of the marine diversification and sustainability.;
d. UWL had rescued and nursed wild turtles affected by the pollution of the sea and released it into the ocean;

2. ECONOMIC

2.1 Business Continuity Plan

The Group has in place Business Continuity Plan ("**BCP**") which mitigates in particular, unprecedented events. The BCP of the Group consists of risk assessment, business impact analysis, recovery strategies and maintenance strategies and is a valuable tool which forms part of the risk management of the Group. BCP helps management prepare for emergencies (floods, fire, pandemics, etc.), which can disrupt normal operations extensively, by building and preparing strategies to deal with disruption to restore operations as early as possible.

2.2 Risk Management System

Group's risk management system creates a framework for better decision making with regards to key risks faced by the Group. The system allows for identification of the issues at an early stage. The risk management system requires that the Group allocate sufficient resources and implement appropriate systems for risk management.

Additionally, Management ensures a reward and penalty system is in place to ensure compliance with risk management policies. There are regular reviews of the risks associated with business units and functional departments of the Group.

2.3 Efficient Production

In relation to the recommencement of the Libaran Plant, we are cognisant of the fact that the fuel running-diesel fired plant poses some environmental hazards by releasing carbon to the environment. As such, we strive to ensure that the plant is operated at its optimum and efficient level by constantly ensuring that the power plant is operating at the Minimum Continuous Rating ("**MCR**") of 75%. In doing so, we will ensure that the net heat rate of the engines is maintained at an optimum/required rate to ensure efficient utilisation of fuel.

The management has been actively working towards increasing the operational efficiency of the targeted MCR.

2.4 Research & Development ("R&D")

The Manufacturing Sector carries out R&D continuously to increase product quality and reduce the cost for the LED products. This is to ensure the sector has the competitive advantage over its competitors.

For UWL, continuous R&D is carried out to better improve the living conditions of the species and to enable continuity of the species in captivity such as the penguin breeding and husbandry programme. Due to the successful breeding of the African and Rockhoppers penguin species, the management has carried out exchange programmes with other aquariums to ensure continuous exchange of ideas and information between the facilities and to also ensure the penguins enclosures is at the right population and size.

In addition, UWL is also registered under "Jabatan Perlindungan Hidupan Liar dan Taman Negara Semenanjung Malaysia". The Group will apply to Convention on International Trade in Endangered Species of Wild Fauna and Flora ("**CITES**") importation & exportation of the livestock to be able to trade livestock under the CITES purview. These livestock will go through rigorous health checks by Department of Veterinary Services Malaysia before the import and export of the livestock to prevent any diseases from spreading to the other livestock. These livestock will be quarantined in Jabatan Perkhidmatan Kuarantin dan Pemeriksaan Malaysia ("**MAQIS**").

UWL has been successful in breeding African penguins and Rockhoppers penguins on yearly basis. Thereby, the population at the exhibits are sustainable on its own.

Sustainability Statement

3. SOCIAL

3.1 Workplace Conditions – Safety & Health

Our employee's safety and health are very important to us and we are committed to provide all employees with a safe work environment, free from health and safety hazards. We regularly provide information on building safety and adhere to safe work practices and ensure all employees comply with the Company's procedures by attending the Group organized training and briefing session as well as participate in fire drills conducted at least once a year. Furthermore, the Group has weekly activities to promote healthy living whilst trying to achieve the work-life balanced culture.

Both power plants comply with the regulations by the relevant authorities, which amongst others are the Department of Occupational Safety and Health ("**DOSH**") requirements to ensure that satisfactory work conditions and safety are provided for the employees at the Libaran and Sungai Kenerong power plants and the guidelines provided by the Energy Commission for statutory regulations on the electrical installations at power plants.

In addition, the management has been actively trying to improve the list of machines to be registered by the DOSH.

The management's key performance indicator for the workplace safety and health is to ensure no fatalities, major injuries and other pollutions and leakages at the power plant. This shows the board of directors is serious about providing its employees a safe working place. For the FYE 2021, there has been no fatalities, major injuries, oil pollution or leakage within the Group.

3.2 Training and Development

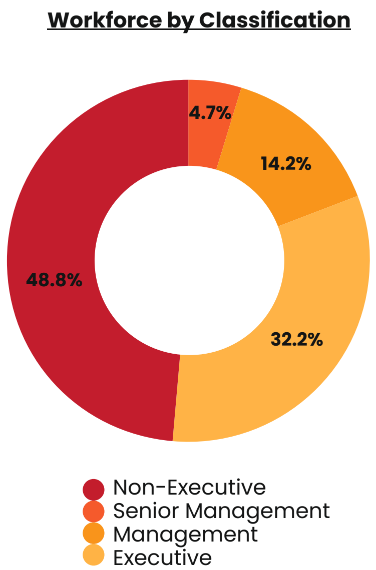
Human capital consists of the knowledge and skills employees accumulate throughout their lives, enabling them to realise their potential as productive members of society. The Group management undertakes the transformation of internal processes through process digitisation, worker enablement and performance management. Knowledgeable employees increase the efficiency of operations and enhance the competitive advantage of the business. We enroll the employees for external training to keep them abreast of the latest development and technology. We are committed to achieve a minimum number of hours training for the staff of at least sixteen (16) hours per annum.

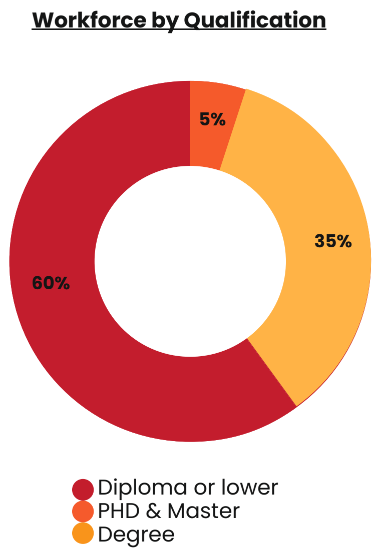
Internal, on-the-job training is provided to all new employees to bring them up-to speed to keep themselves abreast of the latest development and technology. The Group is continuously strives to improve the productivity of its employees. Employees are encouraged to apply creativity in overcoming business challenges. These lead to higher return on assets, increase in profitability and in return, will make the Group more competitive in the marketplace.

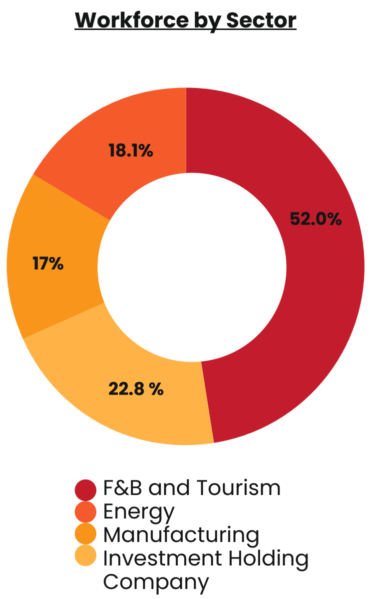
With the increased availability of online courses, employees are encouraged to take advantage of this avenue of learning.

3. **SOCIAL**

3.2 Training and Development (Cont'd)







3.3 Ethical Business

In order to ensure and promote ethical business practices within the Group, the Group and the employees are guided by the Anti-Bribery and Corruption policy which is adopted across the Board as part of our corporate culture. The Group also has a whistleblowing policy in place for employees. For the FYE 2021, there were no reportable cases.

3.4 Diversity

We respect, value and acknowledge the uniqueness of each individual's attributes and characteristics; therefore, we believe that our strength lies in our diversity among a broad range of people we employ by drawing on diverse cultures, gender, skills and experience of all our employees. The Group treats all employees equally and believe that all employees have equal opportunity to excel and able to progress on fair merits and abilities. We have zero tolerance policy on unfair treatment and discrimination. Any discrimination based on race, religion, political opinion, gender, marital status, origin and disability is against the Group's code of conduct.

The Group encourages women to be in the workforce and accommodates the flexible time if required without compromising the quality of work. We have a healthy wide gender ratio of 60% Male to 40% of female workforce. During the year, there was a marginal increase in employee turnover (full time employees). This was due to adverse economic conditions which impacted the tourism and F&B segment. However, the relative composition of male and female employee ratio remained largely unchanged. The Management has been actively engaging with the employees to ensure that the turnover rate remains low.

3. SOCIAL

3.4 Diversity (Cont'd)

	2018 (12 months)	2019 (12 months)	2020/2021 (12 months)
Male	55%	59%	60%
Female	45%	41%	40%
Staff Turnover	12%	21.29%	22%
TOTAL workforce	219	155	143

143 Total workforce

74% Permanent employees

40% Women employees

22% Turnover ratio

3.5 Succession Planning

The Company recognises that a systematic approach is important to ensure leadership continuity in the Group. In FYE 2020, the Group has implemented its succession planning at the Senior Management level and above. Succession planning is a continuous process and involves identifying, assessing and recruiting suitable candidates for certain head of divisions and critical positions. Currently, the target of the succession plan is at the ratio of 1:1. The Management has been consistently identifying talents to find the right candidates for the succession planning.

3.6 Information Privacy and IT Security

The Group acknowledges the importance of respecting and protecting the privacy of its customers and take stringent measures to safeguard customers' confidential information at all times. We are in compliance with Personal Data Protection Act 2010, a privacy policy was in place since its implementation date.

With the advancement of the technology, the Group takes imperative action to prioritise Information Technology ("**IT**") integrity and security measures to ensure business continuity. Various security measures are put in place to identify and monitor any cyber security issues. The Group has implemented preventive measures in its system to minimise the exposures to cyber security risk and to reduce the vulnerability of its IT environment. IT department has been keeping track to ensure the system are up-to-date and frequent review are conducted to prevent unauthorised access to its IT environment.

3. SOCIAL

3.7 Corporate Social Responsibility

The Group contributes in cash and in kind to various sectors of the community irrespective of race, creed or religion. Despite the current situation that the Group is facing, the Group continues its corporate social responsibility.

UWL had hosted several events such as "Beach Cleanup" month with the community and hosted patients with critical illness to the aquarium as part of their wish. In addition, the Ramadhan and Hari Raya period were no different than previous years' despite the pandemic situation where charitable works were carried out by the staff and management of UWL.

The F&B segment continues supporting the food requirements of the frontliners during the COVID-19 pandemic. The segment continues its efforts to provide services where it can alleviate the challenging situation faced by the frontliners. In addition, the F&B segment had donated food to several charitable homes in addition to carry out a 'drop off' for food to the communities.

We acknowledge that there are areas for improvement, therefore, we remain cognisant that our performance during the period is a work in progress and we remain undeterred to drive a sustainable culture supported by the Board of Directors and the respective division head of departments.

We will continue to improve our sustainability efforts every step we make moving forward.

Sustainability Statement

ASSURANCE

We have not sought external assurance for this report. As we continue to improve our data collection systems, we will consider external assurance as our reporting matures.

FEEDBACK

We welcome your comments and feedbacks, which should be directed to our registered office:

Eden Inc. Berhad.
15th Floor,Amcorp Tower
Amcorp Trade Centre
18, Jalan Persiaran Barat Off Jalan Timur
46050 Petaling Jaya, Selangor

Tel: (603) 7957 7781
Fax: (603) 7957 4793
Email: corporatecomm@edenzil.com

JULY 2020

<u>MUSTEQ HYDRO SDN. BHD. (“MHSB”)</u>

SERVICE OF GENERATOR UNIT 11

The major service of generator for unit 11 was executed as planned.

GENERATOR MAJOR SERVICE UNIT 21

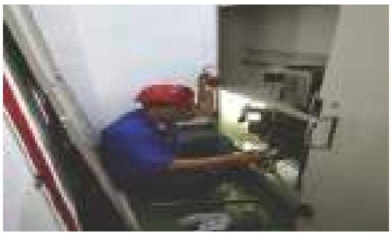
In line with the Prudent Utility Practice and the Plants Preventive Maintenance Program, the major service of the facilities including the Generator for Unit 21 has been successfully completed.

WEIR DESANDER REPAIR AT UPPER INTAKE & LOWER INTAKE

Rectification work was done at both intake stations as part of the continuous maintenance activities to ensure optimum electricity.

ANNUAL SWITCHGEAR SERVICES & 2 YEARLY RELAY CALIBRATION FOR LPH & UPH SWITCHGEAR

The periodical services of the switchgear and calibration of the relay for both power houses has been completed as scheduled.



CONSTRUCTION OF NEW SADDLE SUPPORT & JAMBATAN SUNGAI NAZRI KM10.5

The contruction of a new saddle support and Jambatan Sg. Nazri is part of the Slope Protection project at MHSB. The original saddle support and Jambatan Sg. Nazri were severely damaged due to landslide and major floods in 2014.

<u>EDEN CATERING SDN. BHD., PENANG (“ECPG”)</u>

PRAI TATT GIAP FACTORY LUNCH BUFFET

Month of July 2020 event at Prai Tatt Giap factory for 260 pax Buffet cum Hawker luncheon.

Corporate Calendar

AUGUST 2020

MUSTEQ HYDRO SDN. BHD. (“MHSB”)

MAJLIS KESYUKURAN & SAMBUTAN HARI RAYA AIDILADHA 2020

Sambutan Hari Raya Aidiladha in August 2020 was held as a part of a gathering session with MHSB Staff. This is to boost staff motivation and engagement.

UNDERWATER WORLD LANGKAWI SDN. BHD. (“UWL”)

UWL SCHOOL HOLIDAY AND MERDEKA CELEBRATION

In conjunction with the school holidays and Malaysia Independent Day, UWL education team has organized an event called UWL School Holidays and Merdeka celebration. The event lasted from 20 August till 2 September 2020. For this event we have the collaboration partners from Sabrina the Mermaid, Mr Syed Sultan the Snake Man and Langkawi Craft Complex.

EDEN CATERING SDN. BHD., PENANG (“ECPG”)

TAMAN NAGASARI FACTORY BUFFET LUNCH

Month of August 2020 event at Taman Nagasari factory for 200 pax buffet lunch.

Corporate Calendar

SEPTEMBER 2020

MUSTEQ HYDRO SDN. BHD.("MHSB")

OFFICIAL VISIT
A visit from officers of Pejabat Daerah Kuala Krai, Majlis Daerah Dabong & Pejabat Perhutanan Tanah Merah at MHSB.

EDEN CATERING SDN BHD, PENANG ("ECPG")

FOOD TASTING- SPICE CONVENTION CENTRE
Food tasting at Spice Convention Centre for 1000 pax Boston Scientific Annual Dinner.

OCTOBER 2020

MUSTEQ HYDRO SDN. BHD. ("MHSB")

STAFF ACTIVITIES "PERTANDINGAN MEMANCING"
As part of our quarterly activity with the staff.

UNDERWATER WORLD LANGKAWI SDN. BHD. ("UWL")

LAWATAN PERSATUAN ZIARAH SAHABAT KANSER

The visit from Persatuan Ziarah Sahabat Kanser (PZSK) is a part of UWL CSR program. This visit was initiated to honour Adik Aliyah Rumaiesyah Abdullah, 13 years old, who suffers from stage four of brain cancer. Aliyah wishes to visit Pulau Langkawi and later would like to meet Raja Permaisuri Agong Tunku Hajah Hajah Azizah Aminah Maimunah Iskandariah.

Corporate Calendar







OCTOBER 2020

UNDERWATER WORLD LANGKAWI SDN. BHD. ("UWL")

PROGRAM MENUNAIKAN IMPIAN

This project known as Program Menunaikan Impian was carried out by PZSK with another NGO. The visit of Adik Aliyah in Langkawi has been sponsored by a few Langkawi tourism industry players and hotels.

NOVEMBER 2020

MUSTEQ HYDRO SDN. BHD. ("MHSB")

DTL REVAMP FOR UNIT 21

The existing DTL is already obsolete and MHSB proceeded with the revamping work to ensure no operational disruption is caused by the DTL Obsolete issue

EDEN CATERING SDN. BHD., PENANG ("ECPG")

HOUSE WARMING-SANDYLAND

Month of November event for House warming for 80 pax at Sandyland Condo, Georgetown.

DECEMBER 2020

UNDERWATER WORLD LANGKAWI SDN. BHD. ("UWL")

SOMETHING FISHY IS HAPPENING

UWL has organized a one (1) month event named as Something Fishy Is Happening. This event started on 20 December 2020 until 19 January 2021. Five activities were carried out during this event. UWL has collaborated with LADA and Langkawi UNESCO to officiate at the exhibits. A guest speaker who is Geopark ranger was also invited to give a talk to the public.

EDEN INC. BERHAD. ("EDEN")

ANNUAL GENERAL MEETING ("AGM")

Eden's 42nd AGM was successfully concluded on the 10 December 2020 via virtual platform, with the proposed resolutions being carried.

Deploying a Virtual AGM, further showcases the company's preparedness in embracing technology especially during a period where social distancing will stay for a while.

EDEN CATERING SDN. BHD., PENANG ("ECPG")

LUNCHEON- EVERBEST FACTORY SCIENCE PARK

Month of December 2020 Event at Everbest Factory Science Park for 280 pax.

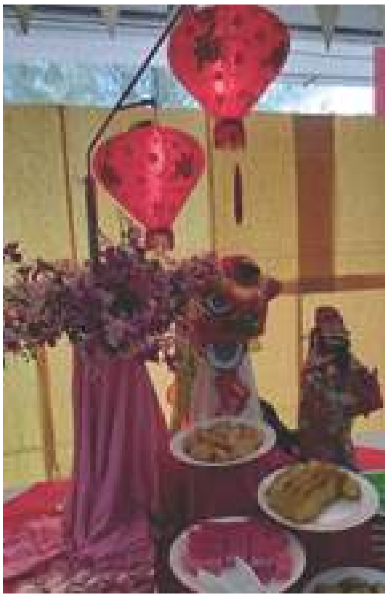
EDEN INC BERHAD ("EDEN")

CHRISTMAS GET TOGETHER

Eden HQ has been holding this fun event for a few years now and it is basically a day to let our hair down and have fun.

The Board of Directors are also invited to this event. After a year filled with ups and downs, this is a fun way to end the year with hopes of better years to come.

Corporate Calendar



JANUARY 2021

<u>EDEN CATERING SDN. BHD., PENANG ("ECPG")</u>

AWS SDN BHD PRAI- BUFFET LUNCH

Month of January 2021.Event at AWS Sdn Bhd Prai for their annual buffet lunch.

PACKED MEAL- FLEX PENANG

Month of February 2021 packed meal for LBSB Sdn. Bhd. 300 pax & FLEX PENANG 1200 pax.

FEBRUARY 2021

<u>MUSTEQ HYDRO SDN. BHD. ("MHSB")</u>

INTRODUCING OUR NEW CORPORATE LOOK!

A ceremony was held to officially recognize our new corporate uniform.

POWER SYSTEM IMPROVEMENT AND SOLAR SYSTEM SERVICE AT UPPER INTAKE

Upgrading and servicing of our solar system for maximum efficiency.

<u>EDEN CATERING SDN BHD, PJ("ECPJ")</u>

REGULAR SANITIZATION, COVID-19 COMPLIANCE

Regular sanitization is carried out to ensure the safety of our employees and customers.

MARCH 2021

UNDERWATER WORLD LANGKAWI SDN. BHD. ("UWL")

PENGUIN VIRTUAL FUN RUN

In early March, UWL had organized a virtual event of Penguin Virtual Fun Run to the public in conjunction with its 25th jubilee anniversary. This event was launched on 1 March 2021 and ended on 30 June 2021. Contestants that decided to participate can purchase tickets according to the distance of the run they choose via Ticket2u or JomRun. Prizes such as medals, certificates and t-shirt are provided for all finalists.



FIN-TASTIC SCHOOL HOLIDAY

On 24 March until 3 April UWL held the Fin-tastic School Holiday event. Activities planned for families that visit UWL such as batik painting, learning about other attractions in Langkawi such as History of Mahsuri and watching the reptile show by our one and only Mr Sultan. Kids can participate in a mini game held by UWL educators to educate the kids interactively about our aquatic animals. UWL also invited others such as Langkawi Handcraft to join in the fun and to prepare some activities for UWL guests.


EDEN CATERING SDN. BHD., PJ("ECPJ")

PAUM- CORPORATE EVENTS

Several "SOP Compliant" corporate events was held at PAUM which supported the business operations in the challenging period.

Corporate Calendar

APRIL 2021

EDEN CATERING SDN BHD, PENANG ("ECPG")

SUNGAI PETANI-WEDDING

Month of April 2021 Malay Wedding Dinner for 450 pax at Sungai Petani for buffet and hidangan dome.

EDEN CATERING SDN BHD, PJ("ECPJ")

RAMADHAN BUFFET

Every year, ECPJ would come up with their popular yearly Ramadhan Buffet at PAUM Clubhouse which featuring mouth-watering delicacies.

UNDERWATER WORLD LANGKAWI SDN. BHD. ("UWL")

BUBUR LAMBUK GIVEAWAY

During the month of Ramadhan on the 15 April, UWL have taken the initiative to conduct "Bubur Lambuk Giveaway" event. This initiative is a part of good CSR effort in conjunction with the holy month of Ramadhan. UWL staff packed about 500 packs of Bubur Lambuk to be distributed among the staff of UWL and the surrounding area.

MAY 2021

EDEN CATERING SDN BHD, PENANG ("ECPG")

KUALA KETIL-BUFFET DINNER

Month of May 2021 event at Kuala Ketil for 300 pax Buffet Dinner.

JUNE 2021

MUSTEQ HYDRO SDN BHD ("MHSB")

GENERATOR MAJOR SERVICE U22 & U12

The Generator Major Service is a part of scheduled outage that shall be done every two (2) years as per manufacturing recommendation. This is to ensure the generator maintains its performance

EDEN CATERING SDN. BHD., PJ ("ECPJ")

CORPORATE SOCIAL RESPONSIBILITY

Eden Catering Sdn Bhd in collaboration with Rumah Bakti Nur Syaheera, Cheras. distributed 100 pax of food to the orphans and the orphanage staff.

Corporate Calendar

JUNE 2021

STRATAVEST SDN. BHD.

GENERATOR MAJOR SERVICE U22 & U12

The internal startup for Diesel Engine 3 & 4 was done on 15 & 24 September 2021. The last shutdown was on 17 December 2019 after 21 years of operations (based on Power Purchase Agreement "PPA").

METERING DEVICE INSTALLATION AT SIBUGA SUB-STATION.

Representatives from Sabah Electricity Sdn. Bhd. and O&M Contractor of Stratavest (Horizon Energy Sdn Bhd) were present to witness and assist on the metering installation and calibration.

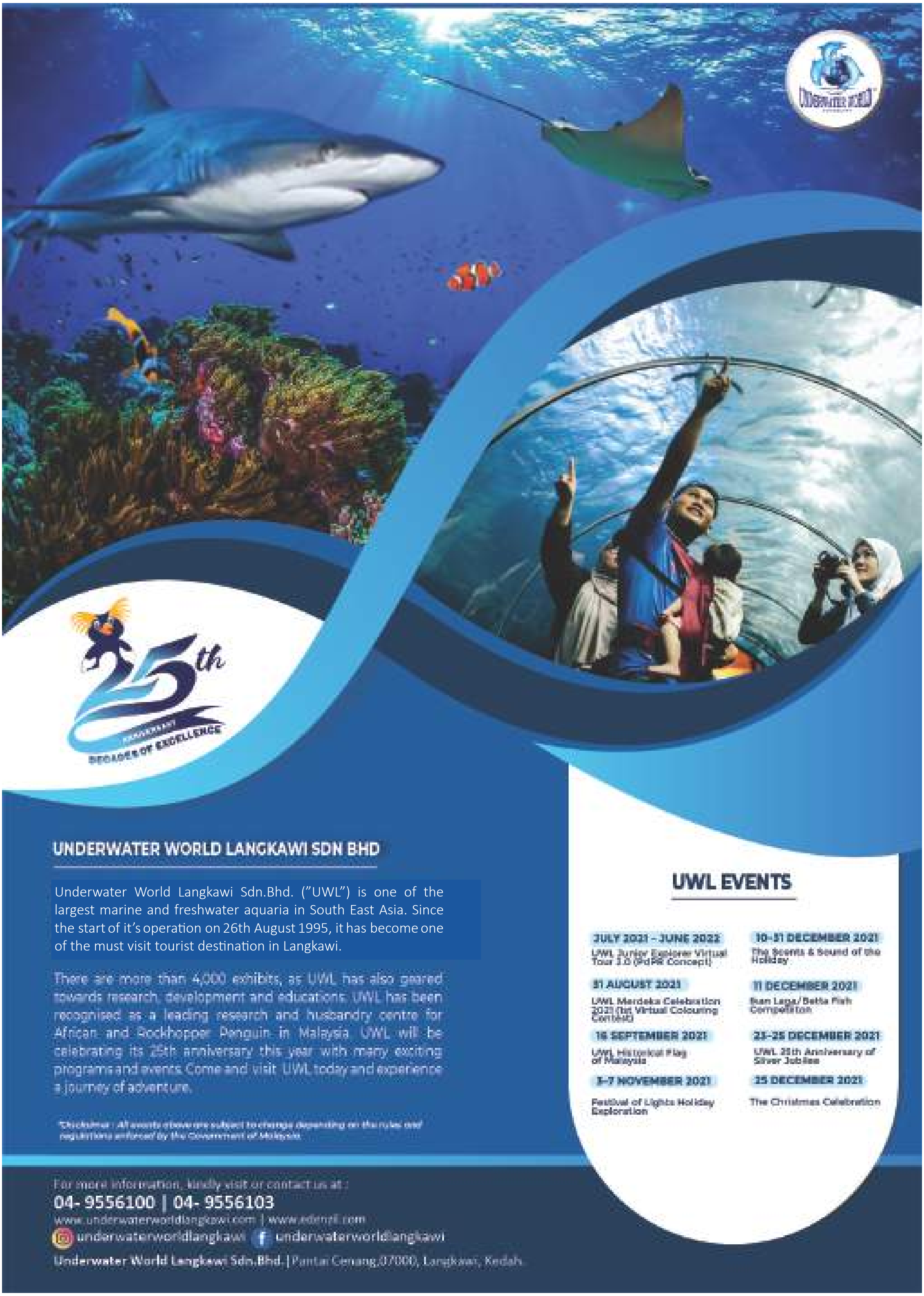
4 units of meter were replaced consisting of 2 main meters and 2 check meters.

This meter is used to calculate energy export and import from the Power Plant to Sabah

EDEN CATERING SDN BHD, ("ECPJ")

MAEPS-PKRC 2.0 (PACKED FOOD)

Eden Catering Sdn Bhd was selected as one of the Maeps project caterers to provide food for patients and front liners for three (3)months during the recent COVID-19 pandemic.


25th
DECADES OF EXCELLENCE
UNDERWATER WORLD LANGKAWI SDN BHD
Underwater World Langkawi Sdn.Bhd. ("UWL") is one of the largest marine and freshwater aquaria in South East Asia. Since the start of it's operation on 26th August 1995, it has become one of the must visit tourist destination in Langkawi.
There are more than 4,000 exhibits, as UWL has also geared towards research, development and educations. UWL has been recognised as a leading research and husbandry centre for African and Rockhopper Penguin in Malaysia. UWL will be celebrating its 25th anniversary this year with many exciting programs and events. Come and visit UWL today and experience a journey of adventure.
*Disclaimer : All events above are subject to change depending on the rules and regulations enforced by the Government of Malaysia.
UWL EVENTS
JULY 2021 - JUNE 2022
UWL Junior Explorer Virtual Tour 2.0 (PdPR Concept)
31 AUGUST 2021
UWL Merdeka Celebration 2021 (1st Virtual Colouring Contest)
16 SEPTEMBER 2021
UWL Historical Flag of Malaysia
3-7 NOVEMBER 2021
Festival of Lights Holiday Exploration
10-31 DECEMBER 2021
The Scents & Sound of the Holiday
11 DECEMBER 2021
Ikan Laga/Betta Fish Competition
23-25 DECEMBER 2021
UWL 25th Anniversary of Silver Jubilee
25 DECEMBER 2021
The Christmas Celebration
For more information, kindly visit or contact us at :
04- 9556100 | 04- 9556103
www.underwaterworldlangkawi.com
underwaterworldlangkawi
underwaterworldlangkawi
Underwater World Langkawi Sdn.Bhd. | Pantai Cenang,07000, Langkawi, Kedah

Corporate Governance Overview Statement

The Board of Directors of Eden Inc. Berhad ("**Board**") recognises that good corporate governance is of paramount importance in ensuring that the Company is managed in the best interest of all shareholders and stakeholders ranging from but not limited to regulators, lenders, creditors, customers, suppliers, employees and communities.

The Board also ensures that there are appropriate systems, processes and procedures in place for the Management to manage the Group's businesses and significant risks which arise therefrom. Thus, the enhancement of shareholders' value, the determination of strategic direction and the formulation of Company policies are premised along the corporate governance principles.

The Board is pleased to outline below the manner in which the Group has applied the principles of corporate governance in all the Company's procedures and business processes and the extent of which the Company complies with corporate governance principles advocated by the Malaysian Code on Corporate Governance ("**MCCG**").

This Corporate Governance Overview Statement ("**this Statement**") is prepared in compliance with the paragraph 15.25 of the Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") and guided by the key principles set out in the MCCG.

Details application for each practice of the MCCG during the Financial Year Ended 30 June 2021 ("**FYE 2021**") is disclosed in the Company's Corporate Governance Report which is available and can be downloaded through the Company's website at **www.edenzil.com.**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) BOARD RESPONSIBILITIES

The Board is responsible for overseeing the Management and business affairs and makes all major policy decisions of the Company within the powers accorded to it by the Company's Constitution.

The Board assumes the primary responsibilities which include (but are not limited) to the following: -

a. To establish the overall strategic direction;
b. To approve the annual and interim results, acquisitions and disposals, major capital expenditures and budgets;
c. To identify principal risks and to ensure the implementation of appropriate systems to manage the risks;
d. To maintain an effective communication with investors and shareholders;
e. To carry out periodic review and adoption of the Company's business policies and strategies;
f. To ensure the succession planning for the Board, Board Committees and Senior Management; and
g. To review the adequacy and integrity of the Company's internal controls and management information systems.

For the effective function of the Board, the Board has established the following Board Committees to assist in the discharge of its responsibilities: -

a. Audit and Risk Committee ("**ARC**"); and
b. Nomination and Remuneration Committee ("**NRC**").

The Board Committees operate within clearly defined Terms of Reference ("**TOR**") which were duly approved by the Board and are available for viewing at the Company's corporate website at **www.edenzil.com.**

Corporate Governance Overview Statement

EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTORS

Tan Sri Abd Rahim bin Mohamad, the Executive Chairman of the Company, while the following persons are the Executive Directors:

No.	Name	Position
1.	Datin Fara Nadia binti Abd Rahim	Group Managing Director
2.	Puan Sri Fadzilah binti Md Ariff	Executive Director
3.	Dato' Nik Mohd Fuad bin Wan Abdullah	Executive Director, Corporate Affairs

The roles of the Executive Chairman and the respective Executive Directors are segregated and clearly defined in the Board Charter.

The Executive Chairman's role is to instil good corporate governance practices, being the leader of the Board and mentoring the Executive Directors and Senior Management. The Executive Directors of the Company manage the day-to-day management of the Company and the Group.

The Company also has an established policy and procedure on Limits of Authority which provides a clearly defined level of authority in relation to governance over transactions carried out and expenditure incurred by the Company.

COMPANY SECRETARIES

The Board is supported by two (2) qualified and competent Company Secretaries, Ms. Chua Siew Chuan and Ms. Yeow Sze Min. Both Company Secretaries are qualified Chartered Secretaries under the Companies Act 2016 and are members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators ("**MAICSA**").

ACCESS TO INFORMATION AND ADVICE

The Board has unrestricted access to all information within the Company, whether as a full board or in their individual capacity, which is necessary for the discharge of its responsibilities. The Company Secretaries ensure that the Board receives appropriate and timely information for its decision-making, that the Board meeting procedures are followed, and compliance with all the applicable statutory and regulatory requirements. The Board is regularly updated and apprised by the Company Secretaries who are experienced, competent and knowledgeable on the laws and regulations (or any amendments thereto), as well as directives issued by the regulatory authorities. The Company Secretaries attend and ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory books kept at the registered office of the Company. The Company Secretaries also facilitate timely communication of decisions made by the Board at the Board meetings to the Management for action. The Company Secretaries work closely with the Management to ensure that there are timely and appropriate information flows within and to the Board. The Directors also have the option of seeking independent professional advice in discharging their fiduciary duties.

ACCESS TO INFORMATION AND ADVICE (CONT'D)

The Directors are provided with the relevant agenda detailing the matters to be transacted at the meeting at least seven (7) days prior to each meeting and the Board papers detailing the key issues and recommendations, sufficient time prior to the meeting to enable the Directors to analyse the issues which call for their constructive decision-making and if required, to obtain further information and clarification before the meeting. The Board papers include reports on the Group's financial, operational and corporate development.

The Board of Directors delegate specific responsibilities to the respective Committees of the Board, namely the ARC and the NRC, in order to enhance business, corporate efficiency and effectiveness. The Chairman of the respective committees will brief the Board on the matters discussed at the committee meetings and minutes of these meetings are circulated to the full Board.

During the FYE 2021, the Minutes of meetings were circulated to the Directors in a timely manner after the conclusion of the meetings.

BOARD'S COMMITMENT

The number of meetings attended by each Director is as follows: -

Directors	Designation	No. of Board Meetings Attended	%
Tan Sri Abd Rahim bin Mohamad	Executive Chairman	6/6	100
Datin Fara Nadia binti Abd Rahim *(appointed on 8 March 2021)*	Group Managing Director	1/1	100
Puan Sri Fadzilah binti Md Ariff	Executive Director	6/6	100
Datuk Mohamed Salleh bin Bajuri	Senior Independent Non-Executive Director	6/6	100
Dato' Anuarudin bin Mohd Noor	Independent Non-Executive Director	6/6	100
Datuk Seri Ahmad bin Hj. Kabit	Independent Non-Executive Director	6/6	100
Dato' Nik Mohd Fuad bin Wan Abdullah	Executive Director Corporate Affairs	4/6	67

BOARD'S COMMITMENT (CONT'D)

The Board met six (6) times during the FYE 2021, each Director has attended more than 50% of the Board meetings held, thus fulfilling the requirement of the Main LR of Bursa Malaysia Securities.

In compliance with the Main LR of Bursa Malaysia Securities, all members of the Board had attended the Mandatory Accreditation Programme.

In relation to the requirement for Continuous Education Programme, the Board assumes the onus of determining or overseeing the training needs of the Directors of the Company. During the FYE 2021, the Directors have attended at least one (1) training programme/seminar/course to enable the Directors to discharge their duties effectively.

The followings are some of the training programme/seminar/course attended by the Directors: -

Names of Directors	Training programme/seminar/course	Organisers
Tan Sri Abd Rahim bin Mohamad	MCCG New Compliance Principles & Standards (25 June 2021)	MAICSA
Datin Fara Nadia binti Abd Rahim	Mandatory Accreditation Program for Directors of Public Listed Companies (31 May 2021 – 2 June 2021)	Asia School of Business
	Cloud (Game Changer) (5 May 2021)	Ernst & Young
	State of Service 2021 Webinar (11 March 2021)	SFDC Australia Pty Ltd
Puan Sri Fadzilah binti Md Ariff	Anti-Bribery and Corruption of Section 17A of Malaysian Anti-Corruption Commission ("**MACC**") (Amendment Act 2018) (15 September 2020)	CAS International
Datuk Mohamed Salleh bin Bajuri	Anti-Bribery and Corruption of Section 17A of MACC (Amendment Act 2018) (15 September 2020)	CAS International
Dato' Anuarudin bin Mohd Noor	Anti-Bribery and Corruption of Section 17A of MACC (Amendment Act 2018) (15 September 2020)	CAS International
Datuk Seri Ahmad bin Hj. Kabit	Anti-Bribery and Corruption of Section 17A of MACC (Amendment Act 2018) (15 September 2020)	CAS International
Dato' Nik Mohd Fuad bin Wan Abdullah	Malaysian Institute of Accountants ("**MIA**") International Accountants Conference 2021 (8 June 2021 – 10 June 2021)	MIA
	Anti-Bribery and Corruption of Section 17A of MACC (Amendment Act 2018) (15 September 2020)	CAS International

BOARD CHARTER

The Board Charter of the Company was established on 25 April 2017 and revised on 22 April 2019. The Board is guided by its Board Charter which outlines the Board's roles and responsibilities, formal schedule of matters reserved for the Board, authority, Board Committees and other guidance on the Board conduct.

DIRECTORS' CODE OF ETHICS

The Company adopted the Director's Code of Ethics which described the standards of business conduct and ethical behaviour for the Directors in performing and exercising their responsibilities as the Director of the Company or when representing the Company including declaration of interests, conduct in meetings and guidelines in accepting gifts.

ANTI-BRIBERY AND CORRUPTION POLICY

The Anti-Bribery and Corruption Policy was approved and adopted during the Company's Eighty-Sixth Board of Directors Meeting held on 27 February 2020, aim to provide information and guidance to the Directors and employees of the Group on standards of behaviour to which they must adhere to and how to recognise as well as deal with bribery and corruption. This ensures the Group's continuous compliance with enforceable anti-bribery and anti-corruption laws and regulations.

WHISTLEBLOWING POLICY

The Company expects the highest standards of integrity, probity, transparency and accountability from all employees to preserve and protect the Group's interest and reputation. Hence, the Board had on 25 April 2017 established a Whistleblowing Policy and revised on 9 November 2020 with the following objectives: -

a. To provide avenues for employees to disclose any acts of wrongdoing;
b. To assure the employees that they will be protected from reprisals, discrimination or victimisation for whistleblowing in good faith; and
c. To provide a formal mechanism for action on all whistleblowing reports made and any matters of wrongdoing reported by other sources (e.g. from the Management, Group Internal Audit, etc.)

As at the date of this Statement, the Company has not received any complaint under this procedure.

A copy each of the Board Charter, Directors' Code of Ethics, Anti-Bribery and Corruption Policy and Whistleblowing Policy are available for viewing at the Company's corporate website at **www.edenzil.com**.

(II) BOARD COMPOSITION

The Board is currently composed of seven (7) Board members. The four (4) Executive Directors comprise of an Executive Chairman, a Group Managing Director, and two (2) Executive Directors, who provide full and effective control of the Group's business affairs, whilst the check and balance are provided by the three (3) Independent Non-Executive Directors.

The three (3) Independent Non-Executive Directors represent the compliance with the requirement of one-third (1/3) of the Board are Independent Directors pursuant to Paragraph 15.02(1) of the Main LR of Bursa Malaysia Securities.

TENURE OF INDEPENDENT DIRECTOR

Datuk Mohamed Salleh bin Bajuri ("**Datuk Salleh**"), who was appointed as an Independent Director ("**ID**") of the Company since 11 April 2002 and has since served in the capacity for cumulative term exceeding nine (9) years. Pursuant to the MCCG, Datuk Salleh's tenure as an ID should not exceed a cumulative of nine (9) years and the Board must justify and seek shareholders' approval in the event it retains him as an ID.

Pursuant to the commentary in respect of the MCCG, notwithstanding Datuk Salleh's tenure in office as an ID of more than nine (9) years, the Board has recommended the retention of Datuk Salleh as an ID of the Company for shareholders' approval at the Forty-Second Annual General Meeting held on 10 December 2020, through two-tier voting process based on the assessment of the NRC that Datuk Salleh's independence has not been compromised or impaired in any way after assessing the following considerations or criteria: -

(a) Datuk Salleh continues to fulfil the definition of ID as set out under Paragraph 1.01 of the Main LR of Bursa Malaysia Securities;

(b) During Datuk Salleh's tenure in office, Datuk Salleh has not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Chairman and Executive Directors, major shareholders or Management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an ID, the Chairman of the ARC and member of NRC;

(c) During Datuk Salleh's tenure in office, he has never transacted or entered into any transactions with, or provided any services to, the Company and its subsidiaries of the Executive Chairman, Executive Directors, or major shareholders or Management of the Company (including their family members) within the scope and meaning as set forth under Paragraph 5 of Practice Note of Main LR of Bursa Malaysia Securities;

(d) During Datuk Salleh's tenure in office, he has not been offered or granted any options by the Company. Apart from the Director's fees and allowances paid which had been the norm and had been duly disclosed in the annual reports, no other incentives or benefits or whatsoever nature had been paid to him by the Company; and

(e) During Datuk Salleh's tenure in office, he has not been engaged as an adviser by the Company under such circumstances as prescribed by the Bursa Malaysia Securities or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Company under such circumstances as prescribed by Bursa Malaysia Securities; or has not engaged in any transaction with the Company under such circumstances as prescribed by Bursa Malaysia Securities or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the Company under such circumstances as prescribed by Bursa Malaysia Securities.

TENURE OF INDEPENDENT DIRECTOR (CONT'D)

The Board will, from time to time, review its composition and size while at the same time having due regard for diversity in skills, experience, age, cultural background and gender.

In considering candidates for directorship, the NRC does not solely rely on recommendations from the existing board members, management or major shareholders. The Nomination Committee would take into account the following: -

(a) skill, knowledge, expertise, experience;
(b) character;
(c) professionalism;
(d) integrity; and
(e) ability to discharge such responsibilities and functions as expected from a director.

Currently, the Board is supportive towards the boardroom gender diversity with two (2) female Directors being on the Board. During the FYE 2021, Datin Fara Nadia binti Abd Rahim was appointed as the Group Managing Director of the Company on 8 March 2021.

In reviewing the profile and nomination of Datin Fara Nadia binti Abd Rahim, the new Board member, the NRC takes into consideration the following criteria:-

- Professional expertise, level of experience, competency and background;
- Time commitment and potential to add value to the Board and the Company as a whole; and
- Promotion of diversity in views and opinions in the Board.

The Management had recommended to the Board for Datin Fara Nadia binti Abd Rahim's appointment to the Board in FYE 2021 due to Datin's experience, tenure and potential contribution for the Group. Although the Board did not utilise independent sources with regards to the appointment, Board decisions were still made objectively in the best interests of the Company.

ANNUAL EVALUATION

For the FYE 2021, the NRC has conducted the following assessments and its results were compiled by the Company Secretaries and tabled at the NRC meeting for review. The NRC has then reported the same to the Board for notation: -

Evaluation	Assessment criteria
Individual Directors	• Fit and proper; • Contribution and performance; and • Calibre and personality.
Board and Board Committee	• Board mix and composition; • Quality of information and decision making; • Boardroom activities; and • Board Committees' Performance
ARC	• Quality and composition • Skills and Competencies • Meeting Administration and Conduct • Duties and Responsibilities
Independence of the ID	• Independence criteria in accordance with Paragraph 1.01 and Practice Note 13 of Main LR of the Bursa Malaysia Securities

Based on the assessments conducted for the FYE 2021, the NRC was satisfied with the performance of the Board as a whole, the Board Committees and each individual Director.

NRC

The members of the NRC comprise three (3) Independent Non-Executive Directors as follows and the meetings held during the FYE 2021 are set out below: -

NRC	Membership	Designation	No. of NRC Meetings Attended	%
Dato' Anuarudin bin Mohd Noor	Chairman	Independent Non-Executive Director	2/2	100
Datuk Mohamed Salleh bin Bajuri	Member	Senior Independent Non-Executive Director	2/2	100
Datuk Seri Ahmad bin Hj. Kabit (*appointed on 8 March 2021*)	Member	Independent Non-Executive Director	NA	NA

The summary of works of the NRC for the FYE 2021, were as follows:

(a) Reviewed the effectiveness of the Board of Directors as a whole and the Board Committee and the contribution and performance of each individual director;
(b) Recommend the re-election of Directors;
(c) Reviewed the independency of the ID;
(d) Recommend the retention of Datuk Salleh as an ID of the Company;
(e) Reviewed and recommend the appointment of Director and member of NRC of the Company;
(f) Reviewed the organisation chart of the Group;
(g) Reviewed and recommend training programmes for the Board;
(h) Reviewed and recommend the Directors' fees and Directors' benefits; and
(i) Reviewed and recommend the remuneration packages of the Executive Directors.

(III) REMUNERATION

The Board has in placed Remuneration Policy for the Directors and senior management personnel which takes into account the demands, complexities and performance of the Group as well as skills and experience required.

The objective of the Remuneration Policy are as follows:

(a) To provide a level of remuneration that motivates, encourages, attracts and retains employee of highest calibre;
(b) To ensure that the total remuneration shall be set at levels which are competitive with the relevant market and industry and align with shareholders' interest and best market practice;
(c) To provide remuneration that is performance-based;
(d) To provide an appropriate level of transparency to ensure the policy underlying remuneration is understood by investors; and
(e) To ensure a level of equity and consistency.

A copy of the Remuneration Policy is available for viewing at the Company's corporate website at **www.edenzil.com**.

Corporate Governance Overview Statement

(III) REMUNERATION (CONT'D)

The details of the remuneration of the Directors who served during the FYE 2021 are as follows:

GROUP **Executive Directors**	**Directors' Fees**	**Salaries and Other Emoluments**	**Allowances**	**EPF Contribution**	**Benefits-In-Kind**	**Total**
	(RM'000)	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**
Tan Sri Abd Rahim bin Mohamad	60	803	355	169	227	1,614
Datin Fara Nadia binti Abd Rahim *(appointed on 8 March 2021)*	8	81	-	9	21	119
Puan Sri Fadzilah binti Md Ariff	30	267	-	51	124	472
Dato' Nik Mohd Fuad bin Wan Abdullah	30	193	-	27	37	287
Subtotal	**128**	**1,344**	**355**	**256**	**409**	**2,492**
Non-Executive Directors						
Datuk Mohamed Salleh bin Bajuri	40	-	-	-	18	58
Dato' Anuarudin bin Mohd Noor	30	-	-	-	16	46
Datuk Seri Ahmad bin Hj. Kabit	30	-	-	-	13	43
Subtotal	100	-	-	-	47	147
TOTAL	**228**	**1,344**	**355**	**256**	**456**	**2,639**

COMPANY **Executive Directors**						
Tan Sri Abd Rahim bin Mohamad	60	803	-	169	203	1,235
Datin Fara Nadia binti Abd Rahim *(appointed on 8 March 2021)*	8	81	-	9	22	120
Puan Sri Fadzilah binti Md Ariff	30	267	-	51	111	459
Dato' Nik Mohd Fuad bin Wan Abdullah	30	-	-	-	-	30
Subtotal	**128**	**1,151**	-	**229**	**336**	**1,844**
Non-Executive Directors						
Datuk Mohamed Salleh bin Bajuri	40	-	-	-	18	58
Dato' Anuarudin bin Mohd Noor	30	-	-	-	16	46
Datuk Seri Ahmad bin Hj. Kabit	30	-	-	-	13	43
Subtotal	100	-	-	-	47	147
TOTAL	**228**	**1,151**	-	**229**	**383**	**1,991**

**The payment of the Directors' fees of the Company is subject to the approval by shareholders at the Annual General Meeting.*

The Company departs from the MCCG and did not disclose the remuneration breakdown by named basis for its top five (5) senior management. The Board is of the view that, given that the disclosure of the remuneration of the top five (5) senior management will give rise to recruitment and talent retention issues and may lead to the performing senior management staff being lured away by the competitors and hence, the Group may lose high calibre personnel who have been contributing to the Group's performance.

The Board will ensure that the remuneration for the senior management personnel is commensurate with their performance in order to attract, retain and motivate them to contribute positively to the Group's performance.

The Company has disclosed the aggregate total remuneration of all key senior management personnel for the FYE 2021, under **Note 37(c)** of the Financial Statements at **page 206** of the Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

The Company's financial statements are prepared in accordance with the requirements of the provisions of the Companies Act 2016 and applicable approved accounting standards to ensure that the financial statements of the Company present a balanced and fair assessment of the state of affairs of the Company. In presenting the financial statements, the Company used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates, and prepared on an ongoing basis.

The ARC assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness.

The Statement of Directors' Responsibility in respect of the Audited Financial Statements pursuant to Paragraph 15.26(a) of the Main LR of Bursa Malaysia Securities is set out at **page 85** of the Annual Report.

(I) ARC

The ARC is chaired by Datuk Salleh, whom is a separate person from the Chairman of the Board, Tan Sri Abd Rahim bin Mohamad.

The composition of the ARC is set out in the ARC Report of this Annual Report.

TOR of ARC indicates that the appointment of a former key audit partner as a member of the ARC shall observe a cooling-off period of at least two (2) years before he/she can be appointed as a member of the ARC.

The members of the ARC collectively have the appropriate and necessary skills and a wide range of experience and expertise in areas such as accounting and auditing, taxation, finance and economic.

In addition, the members of the ARC have attended various continuous trainings and development programmes as detailed in the Annual Report.

ASSESSMENT ON EXTERNAL AUDITORS

The ARC has established the External Auditors' ("**EA**") Policy and Procedures on 25 April 2017 which outlines the authority, scope, policies and procedures in appointing, reappointing and assessing the EA.

For the FYE 2021, the ARC had conducted assessment of the suitability, objectivity and independence of the EA, namely Messrs. UHY ("**UHY**") prior to UHY's appointment. The ARC has assessed UHY based on several factors, including independence of the EA, quality of audit review procedures, adequacy of the firm's expertise and its resources to carry out the audit work that they were tasked with and the extent of the non-audit services rendered.

Corporate Governance Overview Statement

(II) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has the overall responsibility and affirms the importance of maintaining a sound system of internal control and risk management including reviewing its adequacy and integrity.

The Statement on Risk Management and Internal Control as set out in the Annual Report provides an overview of the state of Risk Management and internal controls within the Group.

INTERNAL AUDIT FUNCTION

The Group's internal audit and risk assurance function is independent from the Management. The audit by Internal Audit and Risk Assurance Department is performed with impartiality, proficiency and due professional care. The internal audit and risk assurance review of the operating units is an independent and objective assessment of a unit's compliance with internal control.

An internal audit and risk assurance review and highlight major weaknesses in control procedures and make recommendations for improvements.

The Internal Audit and Risk Assurance Department reports directly to the ARC providing the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function. The purpose of the internal audit function is to provide the Board, through the ARC, assurance of the effectiveness of the system of internal control in the Group.

For the FYE 2021, the Internal Audit and Risk Assurance Department is staffed by one (1) personnel as follows and the Company is in the midst of finding the replacement for the vacant position: -

Name	:	Mr. Amir Mahmood
Qualification	:	• Master in Business Administration, University of Manchester • Bachelor of Law (Hons.) LLB, University of Manchester

The Internal Audit and Risk Assurance Department have affirmed to the ARC that in relation to the Company/Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independency. The internal audit function is carried out in accordance with a recognised framework.

A summary of the activities of the ARC during FYE 2021 is set out in the Audit and Risk Committee Report in the Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Board recognises the importance of effective communication with the investors of the Company that enables the Board and the Management to convey information about the Group's performance, corporate strategy and other matters affecting the shareholders' interest.

The Board has adopted the following measures with regards to communication with the Company's shareholders: -

(a) Regular announcements to Bursa Malaysia Securities;
(b) Annual reports;
(c) General meetings; and
(d) Corporate website.

For the FYE 2021, the Company had leveraged on technology to facilitate remotely on the shareholders' participation and electronic voting for the conduct of poll on all resolutions via remote participation and voting facilities for its first virtual Forty-Second Annual General Meeting held on 10 December 2020. An Independent Scrutineer was appointed by the Company to verify the results of the poll voting.

Notice of the Forty-Second Annual General Meeting held on 10 December 2020 was sent out at least twenty-eight (28) days before the date of the meeting so as to enable the shareholders to have full information about the Forty-Second Annual General Meeting and to facilitate informed decision-making. Full explanation of the effects of a proposed resolution of any special business was accompanied the notice of Forty-Second Annual General Meeting.

All the members of the Board and Chairman of the Board Committees participated in the Forty-Second Annual General Meeting physically and/or virtually (due to the travel restrictions amidst the COVID-19 pandemic) to address the shareholders' enquiries and concerns.

The Company did not adopt the integrated reporting based on a globally recognised framework as the Company is not classified as "Large Company".

Corporate Governance Overview Statement

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

(I) Redeemable Convertible Notes

During the FYE 2021, the proceeds from the issuance of Redeemable Convertible Notes ("**RCN**") are to be utilized for the following purposes:

		Group and Company Issuance in Year		
Purpose	**Proposed Utilisation (RM'000)**	**2018-2020 (RM'000)**	**2021 (RM'000)**	**Balance (RM'000)**
Repayment of the Group's borrowings	24,000	-	-	24,000
Finance the working capital requirement and/or capital expenditure of the Group	30,100	(11,597)	-	18,503
Defray fees and expenses in connection to the issuance of the RCN	5,900	(1,903)	-	3,997
Total	60,000	(13,500)	-	46,500

The information of the RCN is explained further in the **Note 19** of this Annual Report.

(II) Private Placement

During the FYE 2021, the proceeds from the private placement are to be utilised for the following purposes:

	Group and Company Issuance in Year		
Purpose	**Proposed Utilisation (RM'000)**	**Actual Utilization (RM'000)**	**Unutilized Balance (RM'000)**
A. Repayment of the bank borrowings	3,000	-	3,000
B. Borrowing capital	9,838	-	9,838
C.Estimated expenses	70	-	70
Total	12,908	-	12,908

The information of the private placement is explained further in the **Note 43** of this Annual Report.

2. Audit and Non-Audit Fees

The fees paid/payable to the external Auditors, Messrs. UHY in relation to the audit and non-audit fees for FYE 2021 are as follows:

	Group (RM)	**Company (RM)**
Audit Fees	255,000	146,500
Non-Audit Fees	7,000	7,000

3. **Material Contract**

There were no material contracts executed by the Company and its subsidiaries involving Directors and major shareholders' interests, which were still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial period.

4. **Revaluation Policy and Landed Properties**

The revaluation policy of the Company is disclosed in **Note 3(e)** to the financial statements.

5. **Recurrent Related Party Transaction of Revenue Nature**

The details of the transactions with related parties undertaken by the Group during the financial year disclosed in **Note 37** of this Annual Report.

CONCLUSION

The Board is satisfied that for the FYE 2021, it complies substantially with the principles and practices of the MCCG.

This Statement and the Corporate Governance Report have been approved by the Board in accordance with a resolution of the Board of Directors dated 21 October 2021.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors of Eden Inc. Berhad (“**the Board**”) is pleased to provide the following Statement on Risk Management and Internal Control pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) Main Market Listing Requirements (“**Main LR**”). This Statement takes into account the Guidelines for Directors of Listed Issuers (“Guidelines”) issued by Bursa Malaysia Listing Requirements. The Board acknowledges its overall responsibility of maintaining a sound system of risk management and internal control in the Group in accordance with the Malaysian Code on Corporate Governance 2021.

Set out below is the Board’s Risk Management and Internal Control Statement (“**the Statement**”) which outlines the nature and scope of risk management and internal control of the Group during the financial year ended 30 June 2021 (“**FYE 2021**”).

RESPONSIBILITY

The Board acknowledges its responsibility to maintain a sound system of risk management and internal control including reviewing its adequacy and integrity, which aims to:

- safeguard shareholders’ investments and Group’s assets;
- ensure that proper accounting records are maintained;
- ensure that financial information used within the business and for publication to the public is reliable; and
- ensure compliance with applicable laws and regulations.

The Board exercises control over processes which ensure compliance with required regulations and undertakes periodic reviews of the adequacy and integrity of the Group’s system of risk management and internal control. The Audit and Risk Committee assists the Board in undertaking the required monitoring. The risk management and internal control system is an ongoing process designed to meet the Group’s particular needs and to manage the risks associated with operations, financials and compliance. The Board believes that the business and operation environment in the Group is conducive and is adequate for the Group to accomplish its mission and business objectives.

The Board has ensured that appropriate control structure and processes for identifying, evaluating, monitoring, managing and responding to significant risks faced by the Group are in place. The Board ensures that regular evaluation of the processes for managing the risks takes place and has been practiced for the period under review. In order for the risk management philosophy to be implemented, management is expected to formulate effective policies and procedures to manage these risks and implement policies approved by the Board. Management is expected to report significant changes in the Group’s risk exposure to the Board and take effective action to manage the new risks.

The Board is aware that risk management and internal controls are designed to manage rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against the risk of material error, misstatement, fraud or occurrence of unforeseeable circumstances. The Board periodically reviews the adequacy and integrity of the Group’s system of risk management and internal control with the assistance of both the Audit and Risk Committee and the Risk Management Committee.

Statement on Risk Management and Internal Control

GUIDING PHILOSOPHY OF THE ENTERPRISE RISK MANAGEMENT OF THE GROUP IN VIEW OF RECENT DEVELOPMENTS

The world is changing in fundamental ways, leading to dramatic shifts in the landscape of risks faced by businesses. The increasingly volatile, uncertain, and dynamic risk environment will demand more agile risk management. The Group practices Enterprise Risk Management as an integrated approach to managing risk across the organisation and its extended network. The Board regards risk management as an integral part of the Group's business operations and confirms that there is a formal and ongoing process to identify, evaluate, monitor and manage significant risks faced by the Group. This process has been put in place for the financial period under review and is reviewed periodically by the Board up to the date of approval of this Statement through the Audit and Risk Committee which is supported by the Internal Audit and Risk Assurance Department.

The Group's risk management process is managed by the Risk Management Committee chaired by the Executive Director, Corporate Affairs and comprises Senior Management and the respective heads of business sectors. The Risk Management Committee taps into people with the right skills and knowledge in real time, convening cross-functional teams and authorising them to make rapid decisions in running the business, innovating, and managing risk. The Risk Management Committee meets periodically to review operational risk as well as identify new risks that could cause significant impact on the growth of the business.

The Group asses and observes threats based on disparate internal and external data points. Dynamic risk management requires that consideration be paid to the following factors:

a. **The evolution of risks over time.** Some risks are slow moving, while others can change and escalate rapidly. The global economic shock caused by the COVID-19 pandemic has demonstrated that the Group needs to be prepared for similar events in the future. The increased threat of new and severe non-financial risks challenges status quo assumptions about control effectiveness.

b. **Responding to systemic risks.** Risk impact can have longer-term reputational or regulatory consequence. The Group considers whether the event triggering the risk has broad implications for its industry, the economy, and society at large. Mitigation strategies and response plans put in place to account for worst-case-scenario, systemic risks.

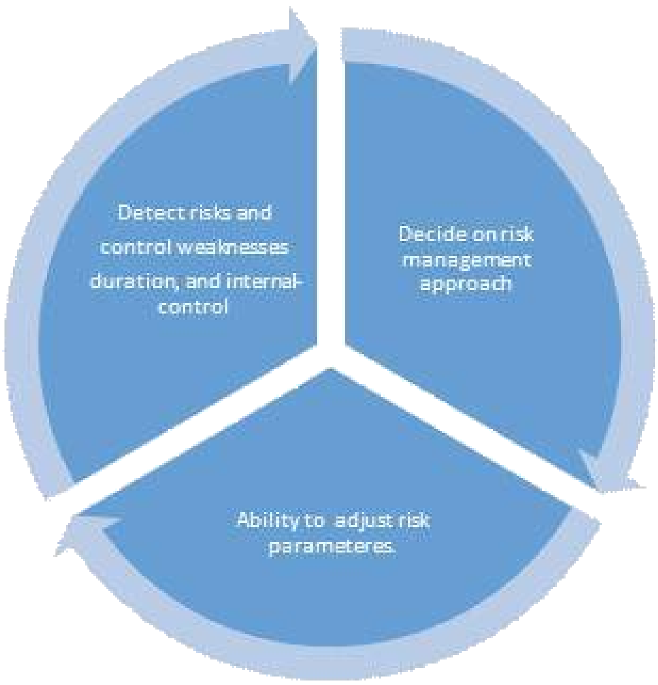
c. **Emergence of risks in the future.** The Group identifies possible new and emerging risks before they happen. Scenario-based approaches and pre mortems also play a critical role by simulating events before it occurs and how it can be mitigated.

d. **Determining risk appetite.** The Group identifies a systematic way to decide which risks to take which to avoid. Effective enterprise risk management helps the Group dynamically delimit risk taking, directly translating financial and non-financial principles and metrics into a concrete view of what the firm will and will not do at any given time. Rapid changes can quickly uproot the Group' risk profiles.

e. **Deciding on a risk-management approach.** The Group decides on how to respond as it detects new risks or control weaknesses.

f. **Response to control breakdown.** In the event of a major control breakdown, the Group needs to be able to switch quickly to crisis-response mode, guided by an established playbook of actions. In the evolving world, firms will need to build crisis preparedness capabilities systematically. As the COVID-19 crisis has demonstrated, businesses with well-rehearsed approaches to managing through a crisis will be more resilient to shocks. Preparation involves identifying the possible negative scenarios unique to the Group and the mitigating strategies to adopt before a crisis hits. That includes periodic simulations involving both Senior Management and the Board. The Group maintains and periodically updates detailed crisis playbooks. The strategies should include details on when and how to escalate issues, preselected crisis-leadership teams, resource plans, and road maps for communications and broader stakeholder stabilisation.

GUIDING PHILOSOPHY OF THE ENTERPRISE RISK MANAGEMENT OF THE GROUP IN VIEW OF RECENT DEVELOPMENTS (CONT'D)



OPERATIONALIZING GROUP'S RISK MANAGEMENT APPROACH

Three key areas of risk management were enhanced during the year. These are Business Continuity Plans, Risk Registers and the Standard Operating Policies & Procedures. In addition, internal audit exercises were carried out on respective business units as well as functional units of the Group.

a. **Business Continuity Plan** deals with preparation for emergencies by building and preparing strategies to deal with major disrupting events internal and external to business units to restore operations as early as possible. It is a set of procedures that define how a business will continue or recover its critical functions in the event of an unplanned disruption to normal activities. Each business unit has its customised Business Continuity Plan.

b. **Risk profiles** in the form of Risk Registers were developed for business units which provides the identified risk, assessment, mitigation, monitoring and reporting.

c. **Standard operating policies & procedures** were reviewed for respective subsidiaries and functional units of the Group. These aim to manage business unit activities within well-defined risk parameters. Amendments or additions to the standard operating procedures were made where control deficiency were discovered.

Statement on Risk Management and Internal Control

RISK MANAGEMENT STRUCTURE

In order to have an effective risk management process, it is essential to establish a risk management structure to ensure the role, responsibilities and accountabilities for managing risk are clearly defined and communicated. The Group has identified four (4) levels of authority in order to promote responsibility and accountability for managing risks as follows:

RISK MANAGEMENT STRUCTURE

(i) Board of Directors

The Board sets the risk parameters of the Group. Roles of the Board include reviewing risks that will have a significant impact on the business and ensuring the implementation of appropriate policies to manage these risks. As part of this risk management philosophy, risks which do not add sufficiently to economic value are to be eliminated. Risks, where these cannot be entirely eliminated, are to be mitigated with effective risk mitigation strategies.

The Board has endeavoured to ensure that Group's exposure to risks is maintained at an acceptable level.

(ii) Audit and Risk Committee (ARC)

The Audit and Risk Committee facilitates the Risk Management Committee and the Board in managing risks highlighted by the Risk Management Committee. The committee provides useful insights to the risk owners on efficient and adequate risk management. The Audit and Risk Committee is under the purview of the Board.

(iii) Risk Management Committee (RMC)

The main responsibility of the Risk Management Committee is to provide regular reports and updates to the Board and Audit and Risk Committee on risk management issues as well as ad-hoc reporting and reporting on matters such as financials, operational and compliance. The Risk Management Committee is also responsible for ensuring Enterprise Risk Management parameters are set and thoroughly reviewed throughout the businesses of the Group.

(iv) Risk Working Committee (RWC)

The Risk Working Committee consists of representatives from the business unit heads. The members of Risk Working Committee discuss the business unit risks at the Risk Management Committee's meeting where their respective reports would be deliberated.

Business unit heads work towards effective identification and mitigation of the day-to-day risks at the operation level. The business unit heads work closely with operational staff and ensure that risk management techniques are applied and practised in all aspects of the management and operation within the respective units. The business unit heads are also responsible for indicating foreseeable risks that could hinder the business units from achieving their business objectives.

In addition, the Risk Working Committee is responsible for deliberating on risks presented by business units heads and also contribute towards identifying risks that have yet to be brought to the attention of Risk Working Committee by the respective business units heads. Significant risk issues are highlighted for further deliberation by the Risk Management Committee.

KEY ELEMENTS OF INTERNAL CONTROL

The operational elements of the Group's internal control system are as follows:-

1. Line of Reporting

An organisational structure with clearly defined lines of responsibilities and accountability and delegation of authority for management at various levels of administration and operation.

2. Limit of Authority

A well-defined financial limit of authority on all financial commitments for each level of Management is available within the Group. The financial authority limits are subject to periodic review throughout the year to ensure their suitability for continuous implementation. Policies and procedures on such limits are documented to guide staff at all levels in the performance of their duties.

3. Policies and Procedures

Clearly documented internal policies and procedures set out in a series of Standard Operating Policies and Procedures. These documents are subject to regular review and improvement to meet changing business, operational and statutory reporting needs.

KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)

4. Internal Audit Function

Internal Audit and Risk Assurance Department is responsible to assist the Audit and Risk Committee in providing independent assessment on the adequacy, efficiency and effectiveness of internal control system and ensuring operational compliance with standard operating procedures within the Group, and reports are made to the Audit and Risk Committee on a quarterly basis. The Audit and Risk Committee also has full access to both internal and external auditors and receives reports on all audits performed.

The Internal Audit and Risk Assurance Department undertakes regular and systematic review of the internal controls, providing the Audit and Risk Committee and the Board with sufficient independent assurance that the system of risk management and internal control is effective in identifying and addressing risk.

Through various reviews and assessments of the risks faced by the Group, Internal Audit and Risk Assurance Department provides assurance to the Board that:

a. Risks taken are related to business strategies and objectives. The risks taken must provide a source of competitive advantage. Correspondingly, risks which do not add value to the businesses are to be eliminated.

b. The right amount of risks are taken. The return should be consistent with the overall level of risk. Furthermore, that there is a well-defined organisational risk appetite and that the actual risk level is consistent with this risk appetite.

c. The risks are adequately managed. Internal Audit and Risk Assurance Department reviews whether current risk management process is aligned with strategic decision making process and existing performance measures. The risks assumed are at the lowest possible level given the cost of mitigation and required returns

d. Opportunities for improvement have been identified in process and /or control where further reduction in risk is possible.

5. Risk Management

The monitoring of control procedures is achieved through the Risk Management Committee, whose members consist of the respective heads of business sectors. This is complemented by review undertaken by the internal audit function on each operating unit. Regular reports are produced and presented to the Risk Management Committee and the Audit and Risk Committee which will assess the impact of control issues and review remedial action implemented by the management.

KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)

6. Human Resource Development

There are proper guidelines within the Group for recruitment, training and personal development of staffs at all levels. Training is provided on various areas of work to ensure staffs at all levels are proficient and competent in handling their job functions.

7. Financial and Operational Review

The quarterly management accounts and the quarterly financial statements containing key financial results, operational performance results and comparisons of performance against the budget are presented to the Board for their review, consideration and approval.

8. Management Visits

Regular visits are conducted by Group's Directors and Senior Management to operating sites and principal offices to review the Group's operations and gain better understanding to facilitate informed decision-making.

CONCLUSION

The Board was satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. The Board had received assurance from the Executive Chairman, Group Managing Director and the Executive Director of Corporate Affairs that the Group's risk management and internal control systems, in all material aspects, were operating adequately and effectively in meeting the Group's strategic objectives. For the FYE 2021, there were no material failures or adverse compliance events that have directly resulted in any material loss to the Group as a whole.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 21 October 2021.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Bursa Malaysia Securities Main LR, the External Auditors, Messrs. UHY has reviewed this Statement and reported to the Board that nothing has come to their attention that has caused them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the systems of internal control and risk management of the Group.

Audit and Risk Commitee Report

The Audit and Risk Committee ("**ARC**") of Eden Inc. Berhad is pleased to present the ARC Report for the financial year ended 30 June 2021 ("**FYE 2021**").

1. MEMBERSHIP AND COMPOSITION

The members of the ARC comprise of three (3) Independent Non-Executive Directors and the ARC meetings held during the FYE 2021 are set out below:

Name of ARC Member	Membership	Designation	No of Meetings Attended/Held	%
Datuk Mohamed Salleh bin Bajuri	Chairman	Senior Independent Non-Executive Director	6/6	100
Dato' Anuarudin bin Mohd Noor	Member	Independent Non-Executive Director	6/6	100
Datuk Seri Ahmad bin Hj. Kabit	Member	Independent Non-Executive Director	6/6	100

Datuk Mohamed Salleh bin Bajuri and Dato' Anuarudin bin Mohd Noor are the member of the Malaysian Institute of Accountants (MIA). Accordingly, the Company complied with paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**"), which requires at least one (1) member of the ARC to be a member of the MIA.

The Chairman of the ARC, Datuk Mohamed Salleh bin Bajuri is a Senior Independent Non-Executive Director. In this respect, the Company complies with Paragraph 15.10 of the Main LR of Bursa Malaysia Securities. Furthermore, in compliance with the Practice 9.1 of the Malaysian Code on Corporate Governance 2021, the Chairman of the ARC is not the Chairman of the Board.

The Independent Non-Executive Directors satisfied the test of independence under Paragraph 1.01 of the Main LR of Bursa Malaysia Securities.

2. TERMS OF REFERENCE

2.1 COMPOSITION OF ARC

The Board shall appoint the ARC members from amongst themselves, comprising no fewer than three (3) directors, all of whom shall be non-executives directors, where the majority shall be independent directors.

In this respect, the Board adopts the definition of "independent director" as defined under the Bursa Malaysia Securities Main LR.

All members of the ARC should be financially literate and at least one (1) member of the ARC must be:

2. TERMS OF REFERENCE (CONT'D)

2.1 COMPOSITION OF ARC

a. A member of the Malaysian Institute of Accountants ("**MIA**"); or

b. If he is not a member of MIA, he must have at least three (3) years of working experience

   i. He must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
   ii. He must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

c. Fulfils such other requirements as prescribed by the Exchange.

The ARC requires a former key audit partner1 to observe a cooling-off period of at least two (2) years before being appointed as a member of the ARC.

Note 1
[The engagement partner, the individual responsible for the engagement of quality control review, and other audit partners, if any, on the engagement team who make key decisions or judgments on significant matters with respect to the audit of the financial statements on which the auditor will express an opinion.]

The Board must ensure that no Alternate Director is appointed as a member of the ARC. The members of the ARC shall elect a chairman from amongst their number who shall be an Independent Director.

The term of office and performance of the ARC and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether such ARC members have carried out their duties in accordance with the terms of reference.

Retirement and Resignation
If a member of the ARC resigns, dies, or for any reason ceases to be a member resulting in non-compliance to the composition criteria as stated in paragraph 2 above, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

2.2 CHAIRMAN

The members of the ARC shall elect a Chairman from amongst their number who shall be an independent director.

A vacancy resulting in non-compliance with the requirement on the election of an independent Chairman of the ARC must be filled within three (3) months.

In the absence of the Chairman of the ARC, the other members of the ARC shall amongst themselves elect a Chairman who must be independent director to chair the meeting.

2.3 SECRETARY

The Company Secretary shall be the Secretary of the ARC and as a reporting procedure, the Minutes shall be circulated to all members of the Board.

2.4 MEETINGS

The ARC shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

2.4 MEETINGS (CONT'D)

Minutes of each meeting shall be kept and distributed to each member of the ARC and to the other members of the Board of Directors. The ARC Chairman shall report on each meeting to the Board of Directors. Upon the request of the external auditors, the Chairman of the ARC shall convene a meeting of the ARC to consider any matter the external auditors believe should be brought to the attention of the directors or shareholders.

Notice of the ARC meetings shall be given to all the ARC members unless the ARC waives such requirement.

The Chairman of the ARC shall engage on a continuous basis with the Chairman of the Board, whom is the Executive Chairman, the Group Managing Director, the Executive Director of Corporate Affairs, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company.

The Executive Director of Corporate Affairs, a representative of the internal and external auditors respectively should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the ARC. The ARC shall be able to convene meetings with the external auditors, the internal auditors or both, without the executive Board members or employees present whenever deemed necessary and at least twice a year with the external auditors.

Questions arising at any meeting of the ARC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the ARC shall have a second or casting vote.

2.5 MINUTES

Minutes of each meeting shall be kept at the registered office and distributed to each member of the ARC and to the other members of the Board. The ARC Chairman shall report on the proceeding of each meeting to the Board.

The minutes of the ARC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

2.6 QUORUM

The quorum for the ARC meeting shall be the majority of members present whom must be independent directors.

2.7 CIRCULAR RESOLUTIONS

A resolution in writing signed by a majority of the ARC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the ARC duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more ARC members. Any such document may be accepted as sufficiently signed by an ARC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of an ARC member.

2. TERMS OF REFERENCE (CONT'D)

2.8 REPORTING

The ARC shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes. The ARC shall report to the Board of Directors on any specific matters referred to it by the Board for investigation and report.

2.9 OBJECTIVES OF THE ARC

The principal objectives of the ARC is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the ARC shall:

a. Evaluate the quality of the audits performed by the internal and external auditors;
b. Provide assurance that the financial information presented by management is relevant, reliable and timely;
c. Oversee compliance with laws and regulations and observance of a proper code of conduct; and
d. Determine the quality, adequacy and effectiveness of the group's control environment.

2.10 AUTHORITY

The ARC shall, in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company:

a. Have explicit authority to investigate any activity within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the ARC;

b. Have full and unlimited/unrestricted access to all information and documents/ resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group;

c. Obtain, at the expense of the Company, other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary;

d. Have direct communication channels with the internal and external auditors and person(s) carrying out the internal audit function or activity (if any); and

e. Where the ARC is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Main LR, the ARC shall promptly report such matter to Bursa Malaysia Securities.

2. TERMS OF REFERENCE (CONT'D)

2.11 DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the ARC are as follows:-

a. To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;

b. To establish policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the external auditors;

c. To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one (1) audit firm is involved;

d. To review with the external auditors the evaluation of the system of internal controls and the audit report;

e. To review the quarterly and year-end financial statements of the Company before submission to the Board, focusing particularly on:

- any change in accounting policies and practices;
- significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
- the going concern assumption; and
- compliance with applicable financial reporting standards and other legal requirements.

f. To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);

g. To review the external auditors' management letter and management's response;

h. To do the following, in relation to the internal audit function:-

- review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
- review the internal audit plan, consider the internal audit reports and findings of the internal auditors, fraud investigations and actions and steps taken by Management in response to audit findings;
- review any appraisal or assessment of the performance of members of the internal audit function; and
- approve any appointment or termination of senior staff members of the internal audit function.

2. TERMS OF REFERENCE (CONT'D)

2.11 DUTIES AND RESPONSIBILITIES (CONT'D)

i. To consider any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

j. To report its findings on the financial and management performance, and other material matters to the Board;

k. To consider the major findings of internal investigations and management's response;

l. To verify the allocation of employees' share option scheme ("**ESOS**") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;

m. To monitor the integrity of the Company's financial statements;

n. To monitor the independence and qualification of the Company's external auditors;

o. To monitor the performance of the Company's internal audit function;

p. To monitor the Company's compliance with relevant laws, regulations and code of conduct;

q. To review the adequacy and effectiveness of risk management, internal control and governance systems; and

r. To consider and examine such other matters as the ARC considers appropriate; and

s. To consider other matters as defined by the Board.

Audit and Risk Commitee Report

3. SUMMARY OF WORK OF THE ARC DURING THE FYE 2021

The summary of work of the ARC in the discharge of its duties and responsibilities for the FYE 2021 included the following:

a. Review of Financial Statements

i. Reviewed the unaudited quarterly report and annual report of the Company and Group prior to submission to the Board of Directors for consideration and approval.

ii. Reviewed the draft audited financial statements of the Company and Group and ensured that the financial reporting and disclosure requirements of the relevant authorities are duly complied with prior to submission to the Board for consideration and approval.

b. Matters relating to External Audit

i. Meeting with external auditors twice a year without the presence of the executive Board members and Management.

ii. Reviewed the external auditors' appointment, scope of work and planning memorandum for the Company and the Group covering the audit objectives and approach, key audit areas and relevant accounting standards and other relevant pronouncements.

iii. Reviewed the results of the audit, audit report and findings on financial and management performance of the Company and Group, and reported the same to the Board of Directors.

iv. Reviewed the proposed audit fees for the External Auditors in respect of their audit of the Group and of the Company for the financial year ended 30 June 2020 and FYE 2021.

c. Matters relating to Internal Audit

i. Reviewed the Risk Gap Analysis together with its mitigation status.

ii. Reviewed the Annual Audit and Risk Assurance Plan to ensure adequate scope and coverage on the activities of the Group based on the identified and assessed key risk areas.

iii. Reviewed the Risk Based Internal Audit Reports in respect of the audit recommendations, Management responses as well as actions taken to improve the system of internal control and procedure.

iv. Reviewed the adequacy and performance of the Internal Audit and its comprehensive coverage of the Company and Group's activities.

d. Other matters

i. Deliberated on the Group's financial performance, business development, management and corporate issues and recommendation for approvals of any key business strategies and actions that may affect the Group.

ii. Discussed the implications of any changes and pronouncements on the Company and the Group, which were issued by the accountancy, statutory and regulatory bodies.

iii. Reviewed and confirmed the minutes of the ARC meetings for the FYE 2021.

4. INTERNAL AUDIT FUNCTION

The Board of Directors and the ARC are assisted by the in-house Internal Audit and Risk Assurance Department in maintaining a sound system of internal control. Internal audit plays an important functional role in helping to establish and maintain the best possible internal control environment in the Group. The Internal Audit and Risk Assurance Department reports directly to the ARC in the performance of its duties and is guided by its Charter.

The Internal Audit and Risk Assurance Department is responsible for developing and executing an effective audit plan to provide the Board with assurance that:

a. The business was planned and conducted in an orderly, prudent, efficient and cost-effective manner.

b. Management was able to safeguard the assets and control the liabilities of the Group, i.e. there are measures to minimise and to detect the loss from irregularities, fraud and errors.

c. Transactions and commitments were entered into in accordance with Management authority.

d. The accounting and other records of the business provide complete, accurate and timely information.

e. Provided independent assurance to the Board that the Group's policies and guidelines pertaining to internal control have been incorporated in the practices of the Group's business.

During the FYE 2021 the Internal Audit and Risk Assurance Department undertook the following:

a. Prepare risk based internal audit reports incorporating key issues, audit implication and actions taken by the management. These reports raised key issues relating to management of risks through effective internal controls.

b. Follow-up audits were conducted and the status of implementation on the agreed upon actions were tabled to the ARC.

c. Risk registers were updated incorporating emerging risks in light of recent developments in the external environment of the business.

d. Additionally, business continuity plans were initiated for implementation by subsidiaries and functional units of the Group.

The total cost incurred for the internal audit function of the Group in respect of the FYE 2021 was approximately RM125,000.

Moving forward, the internal audit function will enhance its risk-based auditing techniques, the level of staff expertise, internal controls and corporate governance processes to assist the Group in achieving its corporate goals.

Statement of Directors Responsibility

In accordance with the provisions of the Companies Act 2016 ("**CA 2016**") and the applicable approved accounting policies, the Directors are required to prepare financial statements that give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and the results and cash flows for that year then ended.

The Directors consider that, in preparing the audited annual financial statements:

a) The Group and the Company had used appropriate accounting policies which are consistently applied;
b) Reasonable and prudent judgments and estimates were made; and
c) Complete disclosures of all information required under the CA 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad have been made and complied with.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the CA 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

Financial Statements

Directors' Report

The Directors of Eden Inc. Berhad hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

Principal Activities

The principal activities of the Company are those of investment holding and provision of management services.

The details of the Company's subsidiaries are as disclosed in Note 8 to the financial statements.

Results

The results of the Group and of the Company for the financial year are as follows:

	Group RM '000	Company RM '000
Loss for the year, net of tax	18,199	4,860
Loss attributable to:		
Equity holders of the Company	17,290	4,860
Non-controlling interests	909	-
	18,199	4,860

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the changes in accounting policies as disclosed in Note 2(a) to the financial statements and significant events during the year as disclosed in Note 43 to the financial statements.

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial period. The directors do not recommend any dividend payment in respect of the current financial year.

Issue of Shares and Debentures

There were no new issue of shares and debentures during the financial year.

Share Options

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

Warrants 2018/2021

On 14 August 2018, the Company allotted 155,681,114 warrants on the basis of 1 warrant for 2 existing ordinary shares of the Company.

The warrants were constituted under deed poll dated as disclosed in the Note 18 to the financial statements.

Redeemable Convertible Notes ("RCN")

The salient terms of the issuance and conversion of the RCN are disclosed in Note 19 to the financial statements.

There were no issuance of RCN during the financial year.

Directors' Report

Directors

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Abd Rahim Bin Mohamad	
Datin Fara Nadia Binti Abd Rahim	(Appointed on 8 March 2021)
Puan Sri Fadzilah Binti Md Ariff	
Datuk Mohamed Salleh Bin Bajuri	
Dato' Anuarudin Bin Mohd Noor	
Datuk Seri Ahmad Bin Hj. Kabit	
Dato' Nik Mohd Fuad Bin Wan Abdullah	

The Directors who held office in the subsidiaries of the Company during the financial year and up to the date of this report are:

Dato' Mohd Ramli Bin Mohamad	
Datin Fara Ikma Binti Abd Rahim	
Fara Suria Binti Abd Rahim	
Ting Kam Cheong	
Kamarul Baharin Bin Che Mohamed	
Dato' Ahmad Tasnim Bin Jaafar	
Datuk Tengku Zuhri Bin Tengku Abdul Aziz	
Dato' Ghazali Bin Mat Ariff	(Resigned on 25 March 2021)
Datuk Fakhri Yassin Bin Mahiaddin	(Resigned on 25 and 29 March 2021)

Directors' Interests

The interests in shares in the Company and in a related corporation of those who were directors of the Company at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	Number of ordinary shares			
	At 1.7.2020	**Bought**	**Sold**	**At 30.6.2021**
Interests in the Company:				
Direct interests				
Datin Fara Nadia Binti Abd Rahim ^	8,893,300	-	-	8,893,300
Puan Sri Fadzilah Binti Md Ariff	4,861,900	-	-	4,861,900
Datuk Mohamed Salleh Bin Bajuri	375,000	-	-	375,000
Dato' Anuarudin Bin Mohd Noor	20,000	-	-	20,000
Indirect interests				
Tan Sri Abd Rahim Bin Mohamad *	86,687,591	-	-	86,687,591
Puan Sri Fadzilah Binti Md Ariff #	8,893,300	-	-	8,893,300
Interests in the holding company, ZESB:				
Direct interests				
Tan Sri Abd Rahim Bin Mohamad	5,000,000	-	-	5,000,000

^ *Shareholdings prior to the appointment as a director of the Company on 8 March 2021.*

* *By virtue of his direct interest of more than 20% equity interest in Zil Enterprise Sdn. Bhd. and his direct interest of more than 20% equity interest in Serve Vest (M) Sdn. Bhd. which in turn whose shares in Serata Padu Sdn. Bhd., and his daughter, Datin Fara Nadia Binti Abd Rahim's shareholdings in the Company.*

\# By virtue of her daughter, Datin Fara Nadia Binti Abd Rahim's shareholdings in the Company.

By virtue of the above directors' interest in the shares of the Company and of the holding company, the abovementioned directors are also deemed to have an interest in the shares of the subsidiaries to the extent that the Company and the holding company have an interest.

None of the directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

Directors' Report

Directors' Benefits

Since the end of the previous financial period, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by directors or the fixed salary of a full-time employee of the Company as disclosed in Note 37(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the Director is a member, or with a Company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

Other Statutory Information

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of the current assets as shown in the accounting records of the Group and of the Company has written down to an amount which the current assets might be expected so to realise.

Other Statutory Information (Cont'd)

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

(d) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

Directors' Report

Ultimate and Immediate Holding Company

The Directors regard Zil Enterprise Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia, as the ultimate and immediate holding company.

Subsidiary Interests

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

Significant Event and Subsequent Event

The details of the significant and subsequent events are disclosed in Note 43 to the financial statements.

Auditors

The auditors, UHY have indicated their willingness to continue in office.

Auditors' Remuneration

The amount paid as remuneration of the auditors for the financial year ended 30 June 2021 is as disclosed in Note 31 to the financial statements.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors.

TAN SRI ABD RAHIM BIN MOHAMAD

DATO' ANUARUDIN BIN MOHD NOOR

KUALA LUMPUR

21 OCTOBER 2020

Statements by Directors

STATEMENTS BY DIRECTORS

The directors of Eden Inc. Berhad state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2021 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with
a resolution of the Directors,

TAN SRI ABD RAHIM BIN MOHAMAD

DATO' ANUARUDIN BIN MOHD NOOR

KUALA LUMPUR

21 OCTOBER 2021

Statutory Declaration

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, Dato' Nik Mohd Fuad Bin Wan Abdullah, the Director primarily responsible for the financial management of Eden Inc. Berhad, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

DATO' NIK MOHD FUAD BIN WAN ABDULLAH

Subscribed and solemnly declared by the abovenamed Dato' Nik Mohd Fuad Bin Wan Abdullah at Kuala Lumpur in Federal Territory, this 21st day of October 2021.

Before me,

COMMISSIONER OF OATHS

Independent Auditors' Report to the Members

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EDEN INC. BERHAD
[Registration No.: 197701005144 (36216-V)]
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Eden Inc. Berhad, which comprise the statements of financial position as at 30 June 2021 of the Group and of the Company, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 106 to 228.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis of Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainties related to going concern

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.

As stated in Note 2(a), these events or conditions, along with other matters as set forth in Note 2, indicate that significant material uncertainties exist that may cast significant doubt on the Group's and the Company's abilities to continue as going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDEN INC. BERHAD (CONT'D)
[Registration No.: 197701005144 (36216-V)]
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Independence and Other Ethical Requirements

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for *Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	**How we addressed the key audit matters**
1. Fair value of investment properties	
As at 30 June 2021, the Group's investment properties carried at fair value amounted to RM205.88 million. The investment properties comprise various categories of properties such as leasehold lands, buildings, shoplot and retail units and commercial space. The valuations of the investment properties through investment and direct comparison methods were performed by independent external valuers.	Our audit procedures performed in this area included, among others: – We reviewed the external valuation reports of the investment properties from independent valuers and discussed the valuation methodologies and assumptions used in the valuation with the independent professional valuers; – We challenged the significant assumptions and critical judgement areas, including appropriateness of the rental rates, discount rates, estimated market yield and occupancy rates used; and – We assessed the reasonableness of the inputs underpinning the valuation and challenged the valuers on judgements and estimates used;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDEN INC. BERHAD (CONT'D)
[Registration No.: 197701005144 (36216-V)]
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
1. Fair value of investment properties (Cont'd)	
We have identified the fair value of investment properties as a key audit matter due to complexities in determining the fair value of the investment properties, which involved significant estimates and judgements in determining the appropriate valuation methods and developing the underlying assumptions to be applied.	Our audit procedures performed in this area included, among others: (Cont'd) – We discussed with valuers to understand the basis of adjustments made to transacted price per square foot of comparable properties by considering factors related to the characteristics of the property, such as location, accessibility to the location, terrain, lot size and shape, tenure and comparable transacted dates; – We have assessed the capabilities, competency and objectivity of the independent external valuers through verification of their qualifications and registration; – We reviewed and assessed the appropriateness and adequacy of the disclosures in the financial statements; – We assessed whether the valuation methodologies were consistent with those used in the prior year and commonly used for the types of investment properties being valued.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDEN INC. BERHAD (CONT'D)
[Registration No.: 197701005144 (36216-V)]
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
2. Deferred tax assets related to energy segment The Group has recognised deferred tax assets arising from deductible temporary differences, carryforward of unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances can be utilized. We focused on this area because there are judgement and estimations involved in assessing the recoverability of recognised deferred tax assets that sufficient future taxable profits will be generated before the unused tax losses or unused tax credits expire.	Our audit procedures performed in this area included, amongst others: – We verified the consistency of profit forecast and projections used in the recoverability test for deferred tax assets with those used in assessment; – We evaluated revenue production rate assumptions by assessing the reasonableness of the estimated revenue production volume and rates by comparing them to the historical performance of the power plants and power plant agreements signed including the natural disaster; – We tested the mathematical accuracy of the profit forecast and projections calculation; and – We performed sensitivity analysis to stress test the key assumptions and inputs used in the profit forecast and projections.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDEN INC. BERHAD (CONT'D)
[Registration No.: 197701005144 (36216-V)]
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
3. Recoverability of amount due from holding company, Zil Enterprise Sdn. Bhd. ("ZESB")	
As at 30 June 2021, the carrying amount of the Group's amount due from holding company amounted to RM47.04 million representing approximately 13% of the Group's total assets as at reporting date. The assessment of recoverability of amount due from ZESB involved judgements and estimation uncertainty in the computation of present value of estimated future cash flows receivable from ZESB derived from the net sales proceeds from the planned disposal of certain identified lands of ZESB. Due to the significance of the amount and the subjective nature of the impairment review, we consider this to be an area of audit focus.	Our audit procedures performed in this area included, among others: – We obtained an understanding of the justification in making accounting estimates on the recoverable amount for impairment assessment and evaluated the assumptions applied in determining the expectation of amount and timing of receipts; – We enquired the management on the progress of the planned disposal of land; – We obtained confirmation from ZESB regarding the amount owing from the Group; and – We have checked the private caveat of the land that ZESB has agreed and consented to the lodgement made by the Group to secure the payment of the debt in future and measure the recoverability by comparing the market value of the land with the balance of the debt.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDEN INC. BERHAD (CONT'D)
[Registration No.: 197701005144 (36216-V)]
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDEN INC. BERHAD (CONT'D)
[Registration No.: 197701005144 (36216-V)]
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDEN INC. BERHAD (CONT'D)
[Registration No.: 197701005144 (36216-V)]
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report to the Members

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDEN INC. BERHAD (CONT'D)
[Registration No.: 197701005144 (36216-V)]
(Incorporated in Malaysia)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM WAN YINN
Approved Number: 03262/04/2023 J
Chartered Accountant

KUALA LUMPUR

21 OCTOBER 2021

Statements of Financial Position

EDEN INC. BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021

		Group		Company	
	Note	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	42,872	50,575	21	9
Right-of-use assets	5	20,543	22,614	108	538
Investment properties	6	205,888	209,872	190,489	190,489
Deferred tax assets	7	36,734	35,922	866	699
Investment in subsidiary companies	8	-	-	21,819	21,819
Investment in associate company	9	-	-	-	-
Amount due from holding company	10	21,369	32,292	-	-
Amount due from subsidiary companies	11	-	-	117,664	123,262
Trade receivables	12	-	452	-	-
Other investments	13	54	54	40	40
		327,460	351,781	331,007	336,856
Current Assets					
Inventories	14	3,733	4,552	-	-
Trade receivables	12	2,096	1,813	-	-
Other receivables	15	3,133	2,729	121	153
Amount due from holding company	10	25,666	17,094	-	-
Amount due from subsidiary companies	11	-	-	-	853
Tax recoverable		136	157	-	-
Fixed deposits	16	1,286	377	285	281
Cash and bank balances		4,476	8,817	815	98
		40,526	35,539	1,221	1,385
Total Assets		367,986	387,320	332,228	338,241

Statements of Financial Position

EDEN INC. BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021 (CONT'D)

		Group		Company	
	Note	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
EQUITY					
Share capital	17	324,862	324,862	324,862	324,862
Redeemable convertible notes ("RCN")	19	-	-	-	-
Fair value reserve	20	46	46	34	34
Accumulated losses		(101,525)	(84,235)	(90,288)	(85,428)
Equity attributable to owners of the parent		223,383	240,673	234,608	239,468
Non-controlling interests		(1,158)	(249)	-	-
Total Equity		222,225	240,424	234,608	239,468
LIABILITIES					
Non-Current Liabilities					
Borrowings	21	30,000	38,000	-	-
Lease liabilities	22	3,046	3,585	-	119
Deferred income	23	654	1,634	654	1,634
Deferred tax liabilites	7	23,576	21,702	12,266	12,262
		57,276	64,921	12,920	14,015
Current Liabilities					
Trade payables	24	7,674	3,418	-	-
Other payables	25	49,556	51,443	22,062	20,018
Borrowings	21	19,113	13,575	5,621	6,075
Lease liabilities	22	721	1,327	119	460
Amount due to subsidiary companies	11	-	-	54,446	54,841
Redeemable convertible notes ("RCN")	19	-	-	-	-
Deferred income	23	1,514	1,477	981	981
Tax payable		9,907	10,735	1,471	2,383
		88,485	81,975	84,700	84,758
Total Liabilities		145,761	146,896	97,620	98,773
Total Equity and Liabilities		367,986	387,320	332,228	338,241

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

EDEN INC. BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group		Company	
	Note	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
Revenue	26	27,284	82,653	763	2,042
Cost of sales	27	(9,618)	(43,416)	-	-
Gross profit		17,666	39,237	763	2,042
Finance income	28	41	203	194	8,066
Other income	29	2,095	46,888	1,718	38,468
Net losses on impairment of financial assets	31	(2,740)	(3,512)	(1,188)	(1,956)
Administrative expenses		(31,124)	(57,743)	(7,062)	(20,008)
Finance costs	30	(2,612)	(6,459)	(163)	(1,361)
(Loss)/Profit before taxation	31	(16,674)	18,614	(5,738)	25,251
Taxation	32	(1,525)	(15,602)	878	(9,856)
(Loss)/Profit for the financial year/period		(18,199)	3,012	(4,860)	15,395
Other comprehensive income:					
Item that are or may be reclassified subsequently to profit or loss					
Net changes in fair value of equity investment		-	46	-	34
Total comprehensive (loss)/income for the financial year/period		(18,199)	3,058	(4,860)	15,429

EDEN INC. BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONT'D)

		Group		Company	
	Note	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
(Loss)/Profit for the financial year/period attributable to :					
Equity holders of the Company		(17,290)	4,968	(4,860)	15,395
Non-controlling interests		(909)	(1,956)	-	-
		(18,199)	3,012	(4,860)	15,395
Total comprhensive (loss)/ income attributable to:					
Equity holders of the Company		(17,290)	5,014	(4,860)	15,429
Non-controlling interests		(909)	(1,956)	-	-
		(18,199)	3,058	(4,860)	15,429
(Loss)/Earnings per share:					
Basic (sen)	35 (a)	(4.29)	1.26		
Diluted (sen)	35 (b)	(4.29)	1.26		

The accompanying notes form an integral part of the financial statements.

EDEN INC. BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Attributable to Owners of the Parent						
		Non-distributable						
Group	**Note**	**Share Capital RM '000**	**Redeemable Convertible Notes RM '000**	**Fair Value Reserve RM '000**	**Accumulated Losses RM '000**	**Total RM '000**	**Non-Controlling Interets RM'000**	**Total Equity RM'000**
As at 1 July 2020,		324,862	-	46	(84,235)	240,673	(249)	240,424
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(17,290)	(17,290)	(909)	(18,199)
Net changes in fair value of equity investment		-	-	-	-	-	-	-
Total comprehensive loss for the financial year		-	-	-	(17,290)	(17,290)	(909)	(18,199)
Transactions with owners:								
Issuance of shares pursuant to conversion of Redeemable Convertible Notes	19	-	-	-	-	-	-	-
Asat 30 June 2021		324,862	-	46	(101,525)	223,383	(1,158)	222,225

EDEN INC. BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONT'D)

Group	Note	Share Capital RM '000	Redeemable Convertible Notes RM '000	Fair Value Reserve RM '000	Accumulated Losses RM '000	Total RM '000	Non-Controlling Interets RM'000	Total Equity RM'000
		Attributable to Owners of the Parent						
		Non-distributable						
As at 1 January 2019,		321,762	86	-	(84,043)	237,805	1,707	239,512
Effect of adopting MFRS 16		-	-	-	(5,160)	(5,160)	-	(5,160)
As at 1 January 2019, as restated		321,762	86	-	(89,203)	232,645	1,707	234,352
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	4,968	4,968	(1,956)	3,012
Net changes in fair value of equity investment		-	-	46	-	46	-	46
Total comprehensive income for the financial period		-	-	46	4,968	5,014	(1,956)	3,058
Transactions with owners:								
Issuance of shares pursuant to conversion of Redeemable Convertible Notes	19	3,100	(86)	-	-	3,014	-	3,014
As at 30 June 2020		324,862	-	46	(84,235)	240,673	(249)	240,424

EDEN INC. BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONT'D)

		Non-distributable				
Company	**Note**	**Share Capital RM '000**	**Redeemable Convertible Notes RM '000**	**Fair Value Reserve RM '000**	**Accumulated Losses RM '000**	**Total RM '000**
As at 1 July 2020,		324,862	-	34	(85,428)	239,468
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(4,860)	(4,860)
Net changes in fair value of equity investment		-	-	-	-	-
Total comprehensive income for the financial year		-	-	-	(4,860)	(4,860)
Transactions with owners:						
Issuance of shares pursuant to conversion of Reedemable Convertible Notes	19	-	-	-	-	-
As at 30 June 2021		324,862	-	34	(90,288)	234,608

Statements of Changes in Equity

EDEN INC. BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONT'D)

Company	Note	Non-distributable: Share Capital RM '000	Non-distributable: Redeemable Convertible Notes RM '000	Non-distributable: Fair Value Reserve RM '000	Accumulated Losses RM '000	Total RM '000
As at 1 January 2019,		321,762	86	-	(100,783)	221,065
Effect of adopting MFRS 16		-	-	-	(40)	(40)
As at 1 January 2019, as restated		321,762	86	-	(100,823)	221,025
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	15,395	15,395
Net changes in fair value of equity investment		-	-	34	-	34
Total comprehensive income for the financial period		-	-	34	15,395	15,429
Transactions with owners:						
Issuance of shares pursuant to conversion of Redeemable Convertible Notes	19	3,100	(86)	-	-	3,014
As at 30 June 2020		324,862	-	34	(85,428)	239,468

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM '000	RM '000	RM '000	RM '000
Cash Flows From Operating Activities					
(Loss)/Profit before taxation		(16,674)	18,614	(5,738)	25,251
Adjustments for:					
Amortisations of:					
– deferred income	23	-	(2,277)	-	-
Bad debts written off		52	549	2	-
Deposit written off		56	-	-	-
Depreciations of:					
– property, plant and equipment	4	4,178	6,093	3	1
– right-of-use assets	5	2,191	3,898	430	645
Dividend income		(3)	(4)	(1)	(2)
Changes in fair value of investment properties	6	3,984	(23,457)	-	(24,657)
Gain on disposals of:					
– property plant and equipment		(104)	(429)	-	-
– right-of-use assets		(34)	(3)	-	-
– investments properties		-	(10,954)	-	(10,954)
– subsidiary company		(2)	-	-	-
Gain on termination of lease contract		(1)	-	-	-
Impairment losses on:					
– investment in subsidiary companies		-	-	-	7,571
– investment in associate		-	40	-	40
– trade receivables		487	2,907	-	-
– other receivables		-	81	-	-
– property, plant and equipment		4,000	-	-	-
– amount due from subsidiary companies		-	-	1,186	1,956
– amount due from holding company		2,251	1,896	-	-
– amount due from associated company		2	-	2	-
Reversal of impairment loss on:					
– trade receivables		-	(1,372)	-	-
Interest expenses	30	2,612	6,459	163	1,361
Interest income	28	(41)	(203)	(194)	(8,066)
Inventories written off		-	1,636	-	-
Inventories written down		700	1,439	-	-
Property, plant and equipment written off	4	11	81	6	-
Unrealised loss on foreign exchange		-	15	-	15
Waiver of debts		(110)	(5,630)	-	(157)
Operating profit /(loss) before working capital changes		3,555	(621)	(4,141)	(6,996)

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONT'D)

		Group		Company	
		2021	2020	2021	2020
	Note	RM '000	RM '000	RM '000	RM '000
Cash Flows From Operating Activites (Cont'd)					
Changes in working capital:					
Inventories		119	4,846	-	-
Trade receivables		(345)	1,645	-	-
Other receivables		(485)	(25)	30	(4)
Deferred income		(943)	(1,306)	(980)	(1,471)
Trade payables		4,256	(11,516)	-	-
Other payables		(1,775)	14,000	2,044	129
Amount due from associated company		(2)	5	(2)	(2)
		825	7,649	1,092	(1,348)
Cash generated from/(used in)					
Operations		4,380	7,028	(3,049)	(8,344)
Interest paid		(2,602)	(6,459)	(163)	(1,361)
Interest received		41	203	194	45
Tax refunded		6	65	-	-
Tax paid		(1,276)	(2,998)	(197)	(689)
		(3,831)	(9,189)	(166)	(2,005)
Net cash from/(used in) operating activities		549	(2,161)	(3,215)	(10,349)
Cash Flows From Investing Activites					
Dividend received		3	4	1	2
Purchase of:					
– property, plant and equipment	4	(476)	(1,429)	(21)	(7)
– right-of-use assets	5 (c)	(15)	(272)	-	-
Proceeds from disposals of:					
– property, plant and equipment		104	444	-	-
– right-of-use assets		105	34	-	-
– investment properties		-	17,011	-	17,011
– subsidiary company		-	-	-	-
Net changes in amount due from/to holding company		100	12,523	-	-
Net changes in amount due from subsidiary companies		-	-	5,265	18,344
Net cash (used in)/from investing activities		(179)	28,315	5,245	35,350

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONT'D)

		Group		Company	
		2021	2020	2021	2020
	Note	RM '000	RM '000	RM '000	RM '000
Cash Flows From Financing Activities					
Net changes in amount due from/to subsidiary companies		-	-	(395)	(6,192)
Decrease/(Increase) in fixed deposits pledged		(883)	8,043	21	(12)
Proceeds from issue of share capital	17	-	3,100	-	3,100
Proceeds from term loan		-	45,000	-	-
Repayment of Sukuk Musharakah		-	(40,000)	-	-
Repayment of lease liabilities	22	(1,340)	(2,259)	(460)	(644)
Repayment of term loans		(4,954)	(23,988)	(454)	(21,241)
Net cash used in financing activities		(7,177)	(10,104)	(1,288)	(24,989)
Net (decrease)/increase in cash and cash equivalents		(6,807)	16,050	742	12
Cash and cash equivalents at the beginning of the financial year/period		5,817	(10,233)	98	86
Cash and cash equivelants at the end of the financial year/period		(990)	5,817	840	98
Cash and cash equivalents at the end of the financial year/period comprises:					
Cash and bank balances		4,476	8,817	815	98
Fixed deposits	16	1,286	377	285	281
Bank overdraft	21	(5,492)	(3,000)	-	-
		270	6,194	1,100	379
Less: Pledged fixed deposits	16	(1,260)	(377)	(260)	(281)
		(990)	5,817	840	98

The accompanying notes form an integral part of the financial statements.

EDEN INC. BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2021

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at 15th Floor, Amcorp Tower, Amcorp Trade Centre, 18, Jalan Persiaran Barat, Off Jalan Timur, 46050 Petaling Jaya, Selangor Darul Ehsan.

The registered office of the Company is located at 15th Floor, Amcorp Tower, Amcorp Trade Centre, 18, Jalan Persiaran Barat, Off Jalan Timur, 46050 Petaling Jaya, Selangor Darul Ehsan.

The Directors regard Zil Enterprise Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia, as the ultimate and immediate holding company.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

2. Basis of Preparation

(a) Statements of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

2. **Basis of Preparation (Cont'd)**

(a) **Statements of compliance (Cont'd)**

Going concern basis

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 (2020: RM46.44 million) and RM83.48 million (2020: RM83.37 million) respectively. In addition, the Company reported negative operating cash flows of RM3.22 million (2020: RM10.35 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.

The financial statements of the Group and of the Company do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Group and the Company be unable to continue as going concerns.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new MFRSs, new interpretation and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 16	Covid 19-Related Rent Concessions

Annual Improvements to MFRSs 2015 - 2017 Cycle:
- Amendments to References to the Conceptual Framework in MFRS Standards

2. Basis of Preparation (Cont'd)

(a) Statements of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

The adoption of the new MFRSs, new interpretations and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 4	Insurance Contacts (Extension of the Temporary Exemption from Applying MFRS 9)	17 August 2020
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current	17 August 2020
Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 16	Covid-19 Related Rent Concessions Beyond 30 June 2021	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRSs	Annual Improvement to MFRS Standards 2018-2020	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023

2. Basis of Preparation (Cont'd)

(a) Statements of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets Between an Inventor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments from the annual period beginning on 1 July 2021 for those accounting standards and amendments that are effective for annual periods beginning on or after 1 July 2021.

The initial application of the accounting standards or amendments are not expected to have any material financial impacts to the current year's and prior period's financial statements of the Group and of the Company.

2. Basis of Preparation (Cont'd)

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

<u>Classification between investment properties and property, plant and equipment</u>

The Group and the Company have developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
(b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
(c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determining the lease term of contracts with renewal and termination options - Group and Company as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

2. **Basis of Preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Judgements (Cont'd)

Determining the lease term of contracts with renewal and termination options - Group and Company as lessee (Cont'd)

The Group and the Company include the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Impairment of property, plant and equipment - power plants

The Group assesses whether there is any indication that an asset is impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical, sector and industry trends, general market, economic conditions, changes in technology and other available information after due consideration of the revenue production volume and rates. Changes to any of these assumptions would affect the amount of impairment. Power generating assets at Libaran Power Station has been fully depreciated to the residual value since previous financial period due to a history of recent business losses.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Useful lives/depreciation of property, plant and equipment and right-of-use ("ROU") assets and residual value of plant and machinery

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Management estimates the useful lives of the power plants to be within 30 years based on the number of years of the licenses granted to operate. Management estimates the life span of these livestocks classified under property, plant and equipment to be within 10 years. The life span may be affected by diseases, nutrition and management of livestocks in captivity. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively to the financial statements.

Residual values of the plant and machinery are based on the market valuation at the reporting date. The valuations were performed by accredited independent valuers with recent experience in the industry.

Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 8 to the financial statements.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 14 to the financial statements.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Determination of transaction prices

The Group and the Company required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group and the Company assess the impact of any variable consideration in the contract, due to discounts, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods are based on invoiced values. Discounts are not considered as they are only given in rare circumstances and are never material.

Fair value of investment properties

The Group and the Company carry their investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group and the Company engaged independent valuation specialists to assess fair value as at 30 June 2021 for investment properties. For investment properties, valuation methodologies based on sales comparison approach and investment approach were used. The key assumptions used to determine the fair value of the properties are provided in Notes 6 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances, unabsorbed investment tax allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances, unabsorbed investment tax allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 7 to the financial statements.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group and the Company use the incremental borrowing rates to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group and the Company would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimate the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of their receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and on the Company's past history, existing market conditions at the end of each reporting period.

The Group and the Company use a provision matrix to calculate expected credit loss for their receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed, if any.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. Information about the expected credit loss is disclosed in Note 10, 11, 12, and 15 respectively to the financial statements.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 30 June 2021, the Group and the Company have tax payable of RM9.91 million (2020: RM10.74 million) and RM1.47 million (2020: RM2.38 million) respectively and tax recoverable of RM0.14 million (2020: RM0.16 million) and RM Nil (2020: RM Nil) respectively.

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combinations occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one period from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

3. **Significant Accounting Policies (Cont'd)**

(a) **Basis of consolidation (Cont'd)**

(i) **Subsidiary companies (Cont'd)**

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l)(i) to the financial statements on impairment of non-financial assets.

(ii) **Changes in ownership interests in subsidiary companies without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3. **Significant Accounting Policies (Cont'd)**

(a) **Basis of consolidation (Cont'd)**

(iii) **Disposal of subsidiary companies**

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) **Goodwill on consolidation**

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(l)(i) to the financial statements on impairment of non-financial assets.

(b) **Investment in associate**

An associate is an entity over which the Group and the Company have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

3. Significant Accounting Policies (Cont'd)

(b) Investment in associate (Cont'd)

An associate is accounted for either at cost or equity method as described in MFRS 128 from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in associate is stated at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l)(i) on impairment of non-financial assets.

3. **Significant Accounting Policies (Cont'd)**

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l)(i) to the financial statements.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

3. **Significant Accounting Policies (Cont'd)**

(c) **Property, plant and equipment (Cont'd)**

(iii) **Depreciation**

Depreciation of property, plant and equipment is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Leasehold land with lease term of ninety-nine years expiring on 31 December 2070 are depreciated over the remaining lease period respectively. Buildings erected on the leasehold land are depreciated over the shorter of lease term and estimated useful lives of 50 years. Power plants and power generating assets are depreciated over the shorter of the remaining period of 30-years concession period, expiring on 18 December 2030 or power supply period and their estimated useful lives.

Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	50 years
Livestock	10 years
Furniture and fittings	10 years
Motor vehicles	5 to 10 years
Renovation	5 to 10 years
Mould and dies	5 years
Plant, machinery equipment and electrical installation	5 to 10 years

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in property, plant and equipment.

Leasehold land and building

The above accounting policies for property, plant and equipment applies to leasehold land and building until 31 December 2018. The leasehold land and buildings were depreciated over the remaining lease period.

Following the adoption of MFRS 16 *Leases* on 1 January 2019, the Group and the Company have reclassified the carrying amount of the leasehold land to ROU assets. The policy of recognition and measurement of the right-of-use assets is in accordance with Note 3(d) to the financial statements.

3. Significant Accounting Policies (Cont'd)

(d) Leases

(i) As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l)(i) to the financial statements.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. Sub-lease of leasehold land with lease tenure of forty-eight years six months expiring on 18 July 2054 and leasehold land with lease period of ninety-nine years expiring on 31 December 2070 are depreciated over the remaining lease terms. Buildings erected on the leasehold land are depreciated over the shorter of lease term and estimated useful lives of 50 years. The estimated useful lives of the other ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Office buildings	Over the lease term
Office equipment	Over the lease term
Motor vehicles	5 years
Switching station and transmission line	Over the 30-years concession period

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

3. Significant Accounting Policies (Cont'd)

(d) Leases (Cont'd)

(i) As lessee (Cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company change its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

(ii) As lessor

When the Group and the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in their statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group and the Company recognise lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3. **Significant Accounting Policies (Cont'd)**

(e) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group and the Company account for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3. Significant Accounting Policies (Cont'd)

(f) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit and loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition and the categories as follows:

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost as described above, are measured at fair value through profit and loss. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss are subject to impairment.

3. Significant Accounting Policies (Cont'd)

(f) Financial assets (Cont'd)

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

(g) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(h) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*

3. Significant Accounting Policies (Cont'd)

(i) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials, electrical, engineering parts, consumables, trading goods, food and beverage comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(l) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for biological asset and inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

3. **Significant Accounting Policies (Cont'd)**

(I) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss ("FVTPL"). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

3. Significant Accounting Policies (Cont'd)

(l) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(m) Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group and of the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

Provisions for the expected cost of warranty obligations for general repairs of defects are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's and the Company's obligation. These assurance-type warranties are accounted for under MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

3. Significant Accounting Policies (Cont'd)

(n) Share capital

Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceed received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(o) Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component. Compound financial instruments issued by the Company comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

3. **Significant Accounting Policies (Cont'd)**

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies, if any also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

3. Significant Accounting Policies (Cont'd)

(r) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(s) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group and the Company recognise revenue from the following major sources:

(a) Revenue from operation of power plants

Revenue from capacity charges and energy billings are recognised upon rendering of services and when the outcome of the transactions can be estimated reliably.

A receivable is recognised by the Group when the services are rendered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of 30 days which is consistent with market practice.

(b) Sales of food and beverage

Revenue from sale of food and beverage is recognised when control of the products has transferred, recognised upon delivery of goods and customers' acceptance.

Revenue is recognised based on the price specified in the contract net of discounts and taxes.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with either cash or credit term of 30 days which is consistent with market practice.

3. **Significant Accounting Policies (Cont'd)**

(s) **Revenue recognition (Cont'd)**

(i) **Revenue from contracts with customers (Cont'd)**

The Group and the Company recognise revenue from the following major sources: (Cont'd)

(c) Revenue from recreational activities

Revenue from recreational activities is recognised net of discounts as and when the services are rendered.

No element of financing is deemed present as the transactions are on cash basis.

(d) Sales of manufactured goods

Revenue from sale of manufactured goods is recognised when control of the products has transferred, being the products are delivered to the customer.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with 60 to 120 days which is consistent with market practice.

The Group provides warranties for general repairs of defects existed at the time of sale. These assurance-type warranties are accounted for under MFRS 137 *Provision, Contingent Liabilities and Contingent Assets*, please refer to accounting policy on warranty provisions in Note 3(m).

3. **Significant Accounting Policies (Cont'd)**

(s) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group and the Company recognise revenue from the following major sources: (Cont'd)

(e) Management fee

Revenue from management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group and by the Company, and the Group and the Company have a present right to payment for the services.

(f) Car park income

Car park income is recognised on an accrual basis unless collection is in doubt, in which case, it might recognise on a receipt basis.

(ii) Revenue from other sources

(a) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(b) Rental income

Rental income is accounted for on a straight-line basis over the lease terms, unless collection is in doubt, in which case, rental income might be recognised on a receipt basis. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) Dividend income

Dividend income is recognised when the Group's or the Company's right to receive payment is established.

3. **Significant Accounting Policies (Cont'd)**

(t) **Income taxes**

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. **Significant Accounting Policies (Cont'd)**

(u) **Contingencies**

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(v) **Foreign currency translation**

Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation are recognised in profit or loss in the Group's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

4. Property, Plant and Equipment

Group	Buildings RM '000	Power plants RM '000	Livestocks RM '000	Others * RM '000	Total RM '000
2021					
Cost					
As at 1 July 2020	146	335,908	1,033	30,788	367,875
Additions	-	-	13	463	476
Transfer from right-of-use assets	-	-	-	739	739
Disposals	-	-	-	(640)	(640)
Written off	-	-	(5)	(10)	(15)
As at 30 June 2021	146	335,908	1,041	31,340	368,435
Accumulated depreciation					
As at 1 July 2020	49	287,603	926	28,078	316,656
Charge for the financial year	9	3,618	14	537	4,178
Disposals	-	-	-	(640)	(640)
Transfer from right-of-use assets	-	-	-	729	729
Written off	-	-	(1)	(3)	(4)
As at 30 June 2021	58	291,221	939	28,701	320,919
Accumulated Impairment losses					
As at 1 July 2020	-	-	24	620	644
Charge for the financial year	-	4,000	-	-	4,000
As at 30 June 2021	-	4,000	24	620	4,644
Carrying amount					
As at 30 June 2021	88	40,687	78	2,019	42,872

4. Property, Plant and Equipment (Cont'd)

***Others**

Group	Furniture and fittings RM '000	Motor vehicle RM '000	Renovation RM '000	Mould and dies RM '000	Plant, machinery equipment and electrical installation RM '000	Total RM '000
2021						
Cost						
As at 1 July 2020	2,190	3,129	4,032	3,926	17,511	30,788
Additions	13	-	281	-	169	463
Transfer from right-of-use assets	-	739	-	-	-	739
Disposals	-	(640)	-	-	-	(640)
Written off	(2)	-	-	-	(8)	(10)
As at 30 June 2021	2,201	3,228	4,313	3,926	17,672	31,340
Accumulated depreciation						
As at 1 July 2020	2,079	3,110	2,872	3,879	16,138	28,078
Charge for the financial year	26	10	137	21	343	537
Disposals	-	(640)	-	-	-	(640)
Transfer from right-of-use assets	-	729	-	-	-	729
Written off	(1)	-	-	-	(2)	(3)
As at 30 June 2021	2,104	3,209	3,009	3,900	16,479	28,701
Accumulated Impairment losses						
As at 1 July 2020 / 30 June 2021	4	-	511	-	105	620
Carrying amount						
As at 30 June 2021	93	19	793	26	1,088	2,019

4. Property, Plant and Equipment (Cont'd)

Group 2020	Leasehold land RM '000	Buildings RM '000	Power plants RM '000	Livestocks RM '000	Others* RM '000	Total RM '000
Cost						
As at 1 January 2019	2,981	24,529	335,784	1,015	37,166	401,475
Effect of adoption of MFRS 16	(2,981)	(23,874)	-	-	(1,685)	(28,540)
As at 1 January 2019, as restated	-	655	335,784	1,015	35,481	372,935
Additions	-	-	124	102	1,203	1,429
Disposals	-	-	-	-	(2,074)	(2,074)
Transfer to investment properties	-	(509)	-	-	-	(509)
Written off	-	-	-	(84)	(3,822)	(3,906)
As at 30 June 2020	-	146	335,908	1,033	30,788	367,875
Accumulated depreciation						
As at 1 January 2019	849	15,342	282,488	904	34,243	333,826
Effect of adoption of MFRS 16	(849)	(14,977)	-	-	(1,227)	(17,053)
As at 1 January 2019, as restated	-	365	282,488	904	33,016	316,773
Charge for the financial period	-	14	5,119	22	938	6,093
Disposals	-	-	-	-	(2,059)	(2,059)
Transfer to investment properties	-	(330)	-	-	-	(330)
Written off	-	-	(4)	-	(3,817)	(3,821)
As at 30 June 2020	-	49	287,603	926	28,078	316,656
Accumulated Impairment losses						
As at 1 January 2019	-	-	-	24	624	648
Written off	-	-	-	-	(4)	(4)
As at 30 June 2020	-	-	-	24	620	644
Carrying amount						
As at 30 June 2020	-	97	48,305	83	2,090	50,575

4. **Property, Plant and Equipment (Cont'd)**

***Others**

Group	**Furniture and fittings** RM '000	**Motor vehicle** RM '000	**Renovation** RM '000	**Mould and dies** RM '000	**Plant, machinery equipment and electrical installation** RM '000	**Total** RM '000
2020						
Cost						
As at 1 January 2019	2,636	5,897	3,837	6,736	18,060	37,166
Effect of adoption of MFRS 16	-	(1,685)	-	-	-	(1,685)
As at 1 January 2019, as restated	2,636	4,212	3,837	6,736	18,060	35,481
Additions	33	-	195	43	932	1,203
Disposals	(127)	(1,083)	-	(576)	(288)	(2,074)
Written off	(352)	-	-	(2,277)	(1,193)	(3,822)
As at 30 June 2020	2,190	3,129	4,032	3,926	17,511	30,788
Accumulated depreciation						
As at 1 January 2019	2,493	5,301	2,707	6,671	17,071	34,243
Effect of adoption of MFRS 16	-	(1,227)	-	-	-	(1,227)
As at 1 January 2019, as restated	2,493	4,074	2,707	6,671	17,071	33,016
Charge for the financial period	58	119	165	61	535	938
Disposals	(120)	(1,083)	-	(576)	(280)	(2,059)
Written off	(352)	-	-	(2,277)	(1,188)	(3,817)
As at 30 June 2020	2,079	3,110	2,872	3,879	16,138	28,078
Accumulated Impairment losses						
As at 1 January 2019	4	-	511	-	109	624
Written off	-	-	-	-	(4)	(4)
As at 30 June 2020	4	-	511	-	105	620
Carrying amount						
As at 30 June 2020	107	19	649	47	1,268	2,090

4. Property, Plant and Equipment (Cont'd)

	Furniture and fittings RM '000	Plant, machinery equipment and electrical installation RM '000	Total RM '000
Company			
2021			
Cost			
As at 1 July 2020	93	219	312
Additions	5	16	21
Written off	-	(7)	(7)
As at 30 June 2021	98	228	326
Accumulated depreciation			
As at 1 July 2020	89	190	279
Charge for the financial year	-	3	3
Written off	-	(1)	(1)
As at 30 June 2021	89	192	281
Accumulated Impairment losses			
As at 1 July/30 June	4	20	24
Carrying amount			
As at 30 June 2021	5	16	21
2020			
Cost			
As at 1 January 2019	93	212	305
Additions	-	7	7
As at 30 June 2020	93	219	312
Accumulated depreciation			
As at 1 January 2019	89	189	278
Charge for the financial period	-	1	1
As at 30 June 2020	89	190	279
Accumulated Impairment losses			
As at 1 January 2019/30 June 2020	4	20	24
Carrying amount			
As at 30 June 2020	-	9	9

4. Property, Plant and Equipment (Cont'd)

(a) Assets pledged as securities to licensed banks

The net carrying amount of property, plant and equipment pledged as securities for loans and borrowings, as disclosed in Note 21 to the financial statements, granted to the Group are as follows:

	Group	
	2021	**2020**
	RM '000	**RM '000**
Buildings	89	98
Power plants	40,682	48,301
Furniture and fittings	45	46
Plant, machinery equipment and electrical installation	445	427
Motor vehicles	-	1
	41,261	48,873

(b) Plant and machinery in a subsidiary company, Stratavest Sdn. Bhd. ("STSB")

Diesel engines of STSB, a subsidiary company of the Company, were revalued in the current financial year by an independent firm of professional valuers, MacReal International Sdn. Bhd.. STSB has signed an extension of Power Purchase Agreement ("PPA") with Sabah Electricity Sdn. Bhd. to another 3 years to supply power with 2 out of 4 of the diesel engines. The residual value of the remaining 2 diesel engines that were not contracted to supply power were revalued based on scrap value estimated at RM1 million and an impairment loss amounting to RM4 million is recognised in administrative expenses in the statements of profit or loss and other comprehensive income during the financial year.

(c) Change in accounting estimates

In previous financial period, the Group reviewed estimated useful life of the assets and revised the depreciation policy of the buildings erected on the leasehold land as follows:

(i) shorter of remaining of lease term of forty-eight years six months expiring on 18 July 2054 for leasehold land and the estimated useful life of 50 years. Consequentially, the expected useful life of the building increased resulting in a decrease in depreciation expense, recognised in profit or loss by RM645,626; and

(ii) shorter of remaining of concession period of 30 years, expiring on 18 December 2030 and the estimated useful life of 50 years. Consequentially, the expected useful life of the building decreased, and resulting in an increase in depreciation expense, recognised in profit or loss by RM9,638.

5. Right-of-Use Assets

Group	Leasehold land	Leasehold buildings	Office builidings	Office equipment	Motor vehicles	Switching station and transmission line	Land use right	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
2021								
Cost								
As at 1 July 2020	2,981	23,874	7,977	45	2,283	19,228	2,005	58,393
Additions	-	-	23	26	171	-	-	220
Expiration of lease contract	-	-	(1,988)	(28)	-	-	-	(2,016)
Termination of lease contract	-	-	(437)	-	-	-	-	(437)
Transfer to property, plant and equipment	-	-	-	-	(739)	-	-	(739)
Disposals	-	-	-	-	(327)	-	-	(327)
As at 30 June 2021	2,981	23,874	5,575	43	1,388	19,228	2,005	55,094
Accumulated depreciation								
As at 1 July 2020	910	15,352	4,557	32	1,493	12,498	937	35,779
Change for the financial year	40	250	1,001	12	215	641	32	2,191
Expiration of lease contract	-	-	(1,988)	(28)	-	-	-	(2,016)
Termination of lease contract	-	-	(418)	-	-	-	-	(418)
Transfer to property, plant and equipment	-	-	-	-	(729)	-	-	(729)
Disposals	-	-	-	-	(256)	-	-	(256)
As at 30 June 2021	950	15,602	3,152	16	723	13,139	969	34,551
Carrying amount								
As at 30 June 2021	2,031	8,272	2,423	27	665	6,089	1,036	20,543

5. Right-of-Use Assets (Cont'd)

Group	Leasehold land	Leasehold buildings	Office builidings	Office equipment	Motor vehicles	Switching station and transmission line	Land use right	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
2020								
Cost								
As at 1 January 2019	–	–	–	–	–	–	–	–
Effect of adopting MFRS 16	2,981	23,874	6,108	45	1,685	19,228	2,005	55,926
As at 1 January 2019, as restated	2,981	23,874	6,108	45	1,685	19,228	2,005	55,926
Additions	–	–	1,869	–	763	–	–	2,632
Disposals	–	–	–	–	(165)	–	–	(165)
As at 30 June 2020	2,981	23,874	7,977	45	2,283	19,228	2,005	58,393
Accumulated depreciation								
As at 1 January 2019	–	–	–	–	–	–	–	–
Effect of adopting MFRS 16	849	14,977	2,522	14	1,227	11,537	889	32,015
As at 1 January 2019, as restated	849	14,977	2,522	14	1,227	11,537	889	32,015
Charge for the financial period	61	375	2,035	18	400	961	48	3,898
Disposals	–	–	–	–	(134)	–	–	(134)
As at 30 June 2020	910	15,352	4,557	32	1,493	12,498	937	35,779
Carrying amount								
As at 30 June 2020	2,071	8,522	3,420	13	790	6,730	1,068	22,614

5. Right-of-Use Assets (Cont'd)

	Office building RM '000
Company	
2021	
Cost	
As at 1 July 2020 / 30 June 2021	1,721
Accumulated depreciation	
As at 1 July 2020	1,183
Charge for the financial year	430
As at 30 June 2021	1,613
Carrying amount	
As at 30 June 2021	108
2020	
Cost	
As at 1 January 2019, upon adopting MFRS 16	1,721
As at 1 January 2019, as restated / 30 June 2020	1,721
Accumulated depreciation	
As at 1 January 2019, upon adopting MFRS 16/restated	538
Charge for the financial period	645
As at 30 June 2020	1,183
Carrying amount	
As at 30 June 2020	538

(a) Assets pledged as securities to licensed banks

The net carrying amount of right-of-use assets pledged as securities for loans and borrowings, as disclosed in Note 21 to the financial statements, granted to the Group are as follows:

	Group	
	2021 RM '000	2020 RM '000
Leasehold land	2,031	2,071
Switching station and transmission line	6,089	6,730
	8,120	8,801

5. Right-of-Use Assets (Cont'd)

(b) Included in the above, motor vehicle with carrying amount of RM664,660 (2020: RM789,606) of the Group are pledged as securities for the related lease liabilities as disclosed in Note 22.

(c) Purchases of right-of-use assets

The aggregate additional cost for the right-of-use assets of the Group during the financial year/period acquired under lease liabilities and cash payments are as follows:

	Group	
	2021 RM '000	**2020 RM '000**
Aggregate costs	220	2,632
Less: Operating lease commitment	(105)	(1,869)
Less: Lease arrangement	(100)	(491)
Cash payments	15	272

(d) The Group and the Company lease certain pieces of leasehold land, leasehold buildings, office buildings, motor vehicles, switching station and transmission line and office equipment of which the leasing activities are summarised below:-

(i) Switching station and transmission line

Under the terms and conditions of the Power Purchase Agreement ("PPA") executed between a wholly owned subsidiary, Musteq Hydro Sdn. Bhd. ("MHSB") and Tenaga Nasional Berhad ("TNB") dated 19 April 1997, MHSB is granted the concession right to supply electricity to TNB for 30 years. Certain leased assets which previously recognised at concession assets were reclassified from finance lease receivables to ROU upon adoption of MFRS 16 in previous financial period.

5. Right-of-Use Assets (Cont'd)

(d) The Group and the Company lease certain pieces of leasehold lands, leasehold buildings, office buildings, motor vehicles, switching station and transmission line and office equipment of which the leasing activities are summarised below:- (Cont'd)

(ii) Leasehold lands and buildings

Leasehold land with lease tenure of ninety-nine years expiring on 31 December 2070 has remaining lease tenure of 49 years without renewal option.

The Group has subleased a plot of land at Mukim Kedawang in Langkawi, Kedah under non-transferable lease term expiring on 18 July 2054 of forty-eight years and six months with remaining tenure of 33 years.

(iii) Office buildings

The Group and the Company have leased various buildings for office that run for the remaining periods ranging from 1 to 15 years with an option to renew the lease after that date.

(iv) Office equipment

The Group has leased office equipment that run for a period of 3 to 7 years with an option to renew the lease after that date.

The Group also has certain leases of premises with lease term of 12 months or less and leases of equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for the leases.

The lease does not allow the Group or the Company to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any parts of the land and building. Tenancy is, however, allowed with the consent.

6. Investment Properties

	Leasehold lands RM '000	Shoplot RM '000	Buildings RM '000	Total RM '000
Group				
As at 1 July 2020	183,780	-	26,092	209,872
Change in fair value recognised in profit or loss	-	-	(3,984)	(3,984)
As at 30 June 2021	183,780	-	22,108	205,888
As at 1 January 2019	164,900	280	27,113	192,293
Disposals	(5,777)	(280)	-	(6,057)
Change in fair value recognised in profit or loss	24,657	-	(1,200)	23,457
Transfer from property, plant and equipment	-	-	179	179
As at 30 June 2020	183,780	-	26,092	209,872
Company				
As at 1 July 2020/30 June 2021	190,489	-	-	190,489
As at 1 January 2019	171,609	280	-	171,889
Disposals	(5,777)	(280)	-	(6,057)
Change in fair value recognised in profit or loss	24,657	-	-	24,657
As at 30 June 2020	190,489	-	-	190,489

Investment properties comprise a number of commercial properties leased to third parties and industrial lands held for capital appreciation.

6. Investment Properties (Cont'd)

Leasehold lands consist of 3 parcels of industrial lands with lease tenure of ninety-nine years expiring on 28 October 2096 with unexpired lease tenure of 75 (2020: 76) years without renewal option and a sub-lease for 48 years 6 months expiring on 18 July 2054 with unexpired lease term of 33 (2020: 34) years with renewal option of a plot of leasehold land with lease period of ninety-nine years expiring on 6 August 2095. Building erected on the above sub-leased land comprises retails units and commercial space within a four-storey purpose-built building known as The Underwater World Langkawi.

The following are recognised in profit or loss in respect of investment properties:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Direct operating expenses:				
- Revenue generating	48	73	48	73
- Non-revenue generating	967	1,997	-	-
	1,015	2,070	48	73

The investment properties are stated at fair value, which have been determined based on valuations performed by independent professional valuers. There are no material events that affect the valuation between the valuation date and financial year end.

The description of valuation techniques used and key inputs to valuation on investment properties are as follows:

Type of investment properties	Valuation technique	Significant unobservable inputs
Leasehold lands	Direct Comparison Method ("DCM")	Selling price per square foot ("psf") of comparable properties sold adjusted for location, accessibility, terrain, size, present market trends and other differences.
Buildings and retail units and commercial space	Investment Method	The capital value of the subject property is derived from an estimate of the market rental which the subject property can reasonably be let for adjusted for outgoings and future yields.
Building	Depreciation Replacement Cost ("DRC")	The capital value of the subject property is derived by estimating the current gross replacement cost of the buildings allowing the physical deterioration and all other relevant forms of obsolescence and optimisation.

6. Investment Properties (Cont'd)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There is no transfer between Level 1, Level 2 and Level 3 fair values during the financial year.

The following table provides the quantitative disclosures fair value measurement hierarchy of the Group's and of the Company's investment properties. There was no material transfer between Level 1, Level 2 and Level 3 during the current financial year.

	Group Fair value measurement using		Company Fair value measurement using	
	Total RM '000	Significant unobservable inputs (Level 3) RM '000	Total RM '000	Significant unobservable inputs (Level 3) RM '000
2021				
Investment properties:				
- Leasehold lands	183,780	183,780	190,489	190,489
- Buildings	22,108	22,108	-	-
	205,888	205,888	190,489	190,489
2020				
Investment properties:				
- Leasehold lands	183,780	183,780	190,489	190,489
- Buildings	26,092	26,092	-	-
	209,872	209,872	190,489	190,489

Fair value disclosed in the financial statements is categorised within the Level 3 fair value hierarchy which is described as inputs for the asset or liability that are based on unobservable market data.

6. Investment Properties (Cont'd)

Investment properties	Valuation techniques	Range	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
			Retail	
The Underwater World Langkawi Lot 63, Section 4, Bandar Padang Mat Sirat, Langkawi, Kedah Darul Aman	Investment Method	2.8 - 45.0	Actual rental rate (RM/psf/month)	expected market rental growth were higher/(lower)
		7.2 - 36.0	Reversionary rental rate (RM/psf/month)	expected reversionary rental growth were higher/(lower)
		30	Outgoings (%)	expected outgoings rate were lower/(higher)
		35	Reversionary outgoings (%)	expected reversionary outgoings rate were lower/(higher)
		8.5	Term yield (%)	term yield rate were lower/(higher)
		9.0	Reversionary yield (%)	reversionary yield were lower/ (higher)
		25	Void rate (%)	void rate were lower/(higher)
			Leasehold Land	
The Underwater World Langkawi Lot 63, Section 4, Bandar Padang Mat Sirat, Langkawi, Kedah Darul Aman	Direct Comparison Method	25.0 - 50.0	Transaction land price (RM psf)	transacted price were higher/ (lower)
			Leasehold Land	
Lot No. 8906, Lot No. 8907 and Lot No. 8911 Mukim of Sungai Karang, Kuantan, Pahang Darul Makmur	Direct Comparison Method	12.0 - 31.8	Transaction land price (RM psf)	transacted price were higher/ (lower)

6. Investment Properties (Cont'd)

The following investment properties are held under lease terms:

	Group		Company	
	2021	2020	2021	2020
	RM '000	RM '000	RM '000	RM '000
Leasehold land	183,780	183,780	190,489	190,489
Buildings	22,108	26,092	-	-
	205,888	209,872	190,489	190,489

Investment properties pledged as security

Investment properties of the Group and of the Company with net carrying amounts of RM205,888,200 (2020: RM209,872,000) and RM190,488,600 (2020: RM190,488,600) respectively are pledged as securities for loans and borrowings, as disclosed in Note 21 to the financial statements, granted to the Group and to the Company.

7. Deferred Tax Assets/(Liabilities)

	Group		Company	
	2021	2020	2021	2020
	RM '000	RM '000	RM '000	RM '000
As at 1 July/1 January	14,220	25,760	(11,563)	(3,718)
Recognised in profit or loss	(2,022)	(10,339)	167	(7,575)
Charged to equity	-	27	-	27
Over/(Under) provision in prior period	960	(1,228)	(4)	(297)
As at 30 June	13,158	14,220	(11,400)	(11,563)

7. Deferred Tax Assets/(Liabilities) (Cont'd)

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
Deferred tax liabilities	(23,576)	(21,702)	(12,266)	(12,262)
Deferred tax assets	36,734	35,922	866	699
	13,158	14,220	(11,400)	(11,563)

The components and movement of deferred tax assets and liabilities at the end of the reporting period prior to offsetting are as follows:

Deferred tax liabilities of the Group and of the Company

	Accelerated capital allowances RM '000	Investment properties RM '000	RCN RM '000	Total RM '000
Group				
As at 1 July 2020	12,263	9,439	-	21,702
Recognised in profit or loss	-	(780)	-	(780)
Over provision in prior period	2	2,652	-	2,654
As at 30 June 2021	12,265	11,311	-	23,576
As at 1 January 2019	5,112	9,410	27	14,549
Recognised in profit or loss	7,189	(1,128)	-	6,061
Conversion of RCN	-	-	(27)	(27)
(Under)/Over provision in prior years	(38)	1,157	-	1,119
As at 30 June 2020	12,263	9,439	-	21,702
Company				
As at 1 July 2020	-	12,262	-	12,262
Recognised in profit or loss	2	-	-	2
Over provision in prior period	-	2	-	2
As at 30 June 2021	2	12,264	-	12,266
As at 1 January 2019	-	4,907	27	4,934
Recognised in profit or loss	-	7,189	-	7,189
Conversion of RCN	-	-	(27)	(27)
Over provision in prior years	-	166	-	166
As at 30 June 2020	-	12,262	-	12,262

7. Deferred Tax Assets/(Liabilities) (Cont'd)

Deferred tax assets of the Group and of the Company

	Unutilised tax losses RM '000	Unabsorbed capital allowances RM '000	Unabsorbed investment tax allowances RM '000	Deferred income RM '000	Provision RM '000	Others RM '000	Total RM '000
Group							
As at 1 July 2020	8,349	7,503	18,949	1,016	78	27	35,922
Recognised in profit or loss	655	(3,195)	-	(227)	(35)	-	(2,802)
Under/(Over) provision in prior period	3,427	(1,918)	2,383	(269)	(9)	-	3,614
As at 30 June 2021	12,431	2,390	21,332	520	34	27	36,734
As at 1 January 2019	9,231	7,501	21,329	2,106	60	82	40,309
Recognised in profit or loss	(1,020)	2	(2,382)	(725)	(180)	27	(4,278)
Under/(Over) provision in prior years	138	-	2	(365)	198	(82)	(109)
As at 30 June 2020	8,349	7,503	18,949	1,016	78	27	35,922
Company							
As at 1 July 2020	2	-	-	628	69	-	699
Recognised in profit or loss	3	436	-	(236)	(34)	-	169
Under/(Over) provision in prior period	(2)	-	-	-	-	-	(2)
As at 30 June 2021	3	436	-	392	35	-	866
As at 1 January 2019	-	-	-	1,216	-	-	1,216
Recognised in profit or loss	2	-	-	(353)	(35)	-	(386)
Under/(Over) provision in prior years	-	-	-	(235)	104	-	(131)
As at 30 June 2020	2	-	-	628	69	-	699

7. **Deferred Tax Assets/(Liabilities) (Cont'd)**

Deferred tax assets have not been recognised in respect of the following items:

	Group 2021 RM '000	Group 2020 RM '000
Unutilised tax losses	46,837	34,342
Unabsorbed capital allowances	925	1,174
Unabsorbed investment tax allowances	139,239	139,239
Other temporary difference	15	15
	187,016	174,770

With effect from year of assessment 2019, unutilised tax losses is allowed to be carried forward up to a maximum of seven consecutive years of assessment under the current tax legislation. The other temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

8. **Investment in Subsidiary Companies**

	Company 2021 RM '000	Company 2020 RM '000
Unquoted shares at cost	158,664	158,884
Less: Accumulated impairment losses	(136,845)	(137,065)
	21,819	21,819

8. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of Incorporation	Effective 2021 %	Interest 2020 %	Principal activities
Underwater World Langkawi Sdn. Bhd	Malaysia	100	100	Aquarium and related activities
Eden Seafood Village (Langkawi) Sdn. Bhd.	Malaysia	100	100	Operation management of retail commercial space and car park
Eden Catering Sdn. Bhd.	Malaysia	100	100	Food catering and operation of a restaurant
Stratavest Sdn. Bhd.	Malaysia	100	100	Operation of diesel-fired thermal power plant and sale of electricity
Langkawi Batik Enterprises Sdn. Bhd.	Malaysia	100	100	Investment holding
Time Era Sdn. Bhd.	Malaysia	70	70	Manufacturer of electrical and engineering parts
Eden Airport Restaurant Sdn. Bhd.	Malaysia	100	100	Dormant
Eden Seafood Village Sdn. Bhd.	Malaysia	95	95	Dormant
Eden Cake House Sdn. Bhd.	Malaysia	98	98	Dormant
Underwater World Kuantan Sdn. Bhd.	Malaysia	100	100	Dormant
Star Vor Sdn. Bhd.	Malaysia	100	100	Dormant
Eden Minerals Sdn. Bhd.	Malaysia	-	100	Dormant
Eden Mining Minerals Sdn. Bhd.	Malaysia	100	100	Dormant

8. **Investment in Subsidiary Companies (Cont'd)**

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of Incorporation	Effective Interest 2021 %	2020 %	Principal activities
Held through Langkawi Batik Enterprises Sdn. Bhd.:				
Musteq Hydro Sdn. Bhd.	Malaysia	100	100	Operator of hydro power plant and sale of electricity
Held through Time Era Sdn. Bhd.:				
NES Electric (M) Sdn. Bhd.	Malaysia	70	70	Ceased operation
Cur (Far East) Sdn. Bhd.	Malaysia	53	53	Ceased operation
Time Era Technologies Sdn. Bhd.	Malaysia	50	50	Supply and installation of LED lighting

8. Investment in Subsidiary Companies (Cont'd)

(a) Changes in group structure

On 15 April 2021, the Company disposed of its 220,002 ordinary shares, representing its entire interest in Eden Minerals Sdn. Bhd. ("EMSB") for consideration of RM100. The disposal of the subsidiary does not have any significant financial impact to the financial results, performance and position of the Group and hence, the financial impact is not separately disclosed.

The effect of the disposal of EMSB on the financial position of the Group as at the date of the disposal are as follow:

	Group 2021 RM '000
Cash and bank balances	-
Trade payable	-
Other payable	2
Total net (liabilities)/assets disposed	2
Proceeds from disposal	-
Less: Cash and bank balances disposed	-
Net cash inflows from disposal	2

8. **Investment in Subsidiary Companies (Cont'd)**

(b) Material partly-owned subsidiary companies

Summarised financial information of the subsidiary that has material non-controlling interests are provided below. This represents the amounts in Time Era Group's financial statements and not the Group's share of those amounts.

(i) Summarised consolidated statements of financial position

	Time Era Group Sdn. Bhd. 2021 RM '000	Time Era Group Sdn. Bhd. 2020 RM '000
Non-current assets	127	757
Current assets	992	2,265
Total assets	1,119	3,022
Non-current liabilities	-	130
Current liabilities	1,717	1,623
Total liabilities	1,717	1,753
Net (liabilities)/assets	(598)	1,269
Equity attributable to equity holders of the Company	1,041	2,721
Non-controlling interests	(1,639)	(1,452)

8. Investment in Subsidiary Companies (Cont'd)

(b) Material partly-owned subsidiary companies (Cont'd)

(ii) Summarised consolidated statements of comprehensive income

	Time Era Group Sdn. Bhd. 2021 RM '000	Time Era Group Sdn. Bhd. 2020 RM '000
Revenue	341	6,227
Loss for the financial year/period, representing total comprehensive loss for the financial year/period	(1,866)	(5,483)
Total comprehensive loss attributable to:		
Equity holders of the Company	(1,679)	(5,069)
Non-controlling interest	187	414
Total comprehensive loss for for the financial year/period	(1,492)	(4,655)

(iii) Summarised consolidated statements of cash flows

	Time Era Group Sdn. Bhd. 2021 RM '000	Time Era Group Sdn. Bhd. 2020 RM '000
Net cash from operating activities	(153)	603
Net cash generatted from investing activities	105	210
Net cash used in financing activities	60	(779)
Net increase in cash and cash equivalents	12	34

9. Investment in Associate Company

	Group 2021 RM '000	Group 2020 RM '000	Company 2021 RM '000	Company 2020 RM '000
At cost				
Unquoted shares in Malaysia	40	40	40	40
Less: Accumulated impairment losses	(40)	(40)	(40)	(40)
	-	-	-	-

9. Investment in Associate Company (Cont'd)

Details of the associate company is as follows:

Name of company	Place of business/ Country of Incorporation	Effective	Interest	Principal activities
		2021	2020	
		%	%	
Eden Pesaka Sdn. Bhd.	Malaysia	40	40	Dormant

The following table summarises the information of the Group's associate company and reconciles the information to the carrying amount of the Group's interest in the associate company.

Summarised financial information:

	2021 RM '000	2020 RM '000
Current assets, representing total assets		-
Current liabilities, representing total liabilities	(4)	(1)
Net (liabilities)/assets	(4)	(1)
Revenue	-	-
(Loss)/Profit the year/period, representing total comprehensive loss for the year/period	(2)	82

The results of associate company are not material and not adjusted for the proportion of ownership interest held by the Group.

The Group and the Company do not have any capital commitment or contingent liabilities in relation to its interest in the associate company as at year ended.

10. Amount due from Holding Company

	Group	
	2021 RM '000	2020 RM '000
Non-trade		
Non-current		
Amount due from holding company	24,489	34,188
Less: Accumulated impairment losses	(3,120)	(1,896)
	21,369	32,292
Current		
Amount due from holding company	26,693	17,094
Less: Accumulated impairment losses	(1,027)	-
	25,666	17,094
	47,035	49,386

10. Amount due from Holding Company (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for amount due to holding company as at reporting period of the Group.

	Gross Amount RM '000	Allowance for impairment RM '000	Net balance RM '000
Group			
2021			
Current	26,693	(1,027)	25,666
Past due not impaired:			
More than 90 days	24,489	(3,120)	21,369
	51,182	(4,147)	47,035
2020			
Current	17,094	-	17,094
Past due not impaired:			
More than 90 days	34,188	(1,896)	32,292
	51,282	(1,896)	49,386

The movement in the allowance for impairment losses in respect of amount due from holding company during the financial year/period are as follows:

	Group 2021 RM '000	Group 2020 RM '000
As at 1 July/1 January	1,896	-
Impairment loss recognised	2,251	1,896
As at 30 June	4,147	1,896

The Group 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 owing to the wholly owned subsidiary company, Stratavest Sdn. Bhd. ("STV"). As an assurance and commitment to STV, ZESB has agreed and consented to the lodgement of a private caveat on four identified lands by STV which was duly lodged on 28 July 2012.

11. Amount Due from/(to) Subsidiary Companies

	Company	
	2021	2020
	RM '000	RM '000
Non-trade		
Non-current		
Amount due from subsidiary companies	112,273	117,871
Loan to a subsidiary	6,270	6,270
	118,543	124,141
Less: Accumulated impairment losses	(879)	(879)
	117,664	123,262
Current		
Amount due from subsidiary companies	33,165	32,856
Less: Accumulated impairment losses	(33,165)	(32,003)
	-	853
	117,664	124,115
Non-trade		
Current		
Amount due from subsidiary companies	(54,446)	(54,841)

The movement in the allowance for impairment losses in respect of inter-company loans and advances of the Company during the financial year/period are as follows:

	Company	
	2021	2020
	RM '000	RM '000
As at 1 July/1 January	32,882	30,926
Impairment loss recognised	1,186	1,956
Reversal of impairment loss	(24)	-
As at 30 June	34,044	32,882

(a) Amount due from subsidiary companies

Amounts due from subsidiaries are unsecured and non-interest bearing except for a total amount of RM76,350,602 which bear interest at rate of 7% per annum on last financial period. Due to the non-operational, the Company waive the interest of 7% on the amount due from Stratavest Sdn. Bhd. starting from January 2020 until the Commercial Operation Date (COD) of the Libaran Power Station.

(b) Loan to a subsidiary

Loan to a subsidiary is unsecured and bears interest at rate of 5.40% (2020: 5.65%) per annum and is due in 2022.

(c) Amount due to subsidiary companies

These represent unsecured, non-interest bearing advances and are repayable on demand.

12. Trade Receivables

	Group	
	2021 RM '000	**2020 RM '000**
Non-Current Assets		
Trade receivables	452	534
Less: Accumulated impairment losses	(452)	(82)
	-	452
Current Assets		
Trade receivables	14,007	16,173
Less: Accumulated impairment losses	(11,911)	(14,360)
	2,096	1,813
	2,096	2,265

Trade receivables with expected repayment period of more than a year which classified under non-current asset do not have any financing component.

Trade receivables are non-interest bearing and are generally on 30 to 120 days (2020: 7 to 180 days) term. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at reporting period of the Group.

	Gross trade receivables RM '000	**Allowance for impairment RM '000**	**Net balance RM '000**
Group			
2021			
Current	1,646	-	1,646
Past due not impaired:			
Less than 30 days	65	-	65
31 to 60 days	113	-	113
61 to 90 days	31	-	31
More than 90 days	277	(36)	241
	486	(36)	450
Credit impaired:			
More than 90 days			
- Individual impaired	12,327	(12,327)	-
	14,459	(12,363)	2,096

12. Trade Receivables (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at reporting period of the Group. (Cont'd)

	Gross trade receivables RM '000	Allowance for impairment RM '000	Net balance RM '000
Group			
2020			
Current	1,424	-	1,424
Past due not impaired:			
Less than 30 days	18	-	18
31 to 60 days	2	-	2
61 to 90 days	53	(9)	44
More than 90 days	804	(27)	777
	877	(36)	841
Credit impaired:			
More than 90 days			
- Individual impaired	14,407	(14,407)	-
	16,708	(14,443)	2,265

The movement in the allowance for impairment losses in respect of trade receivables of the Group during the financial year/period are as follows:

	Lifetime ECL RM '000	Credit impaired RM '000	Total RM '000
Group			
2021			
As at 1 July 2020	36	14,407	14,443
Impairment loss recognised	-	487	487
Impairment loss written off	-	(2,567)	(2,567)
As at 30 June 2021	36	12,327	12,363
2020			
As at 1 January 2019	871	12,037	12,908
Impairment loss recognised	-	2,907	2,907
Impairment loss reversed	(835)	(537)	(1,372)
As at 30 June 2020	36	14,407	14,443

12. Trade Receivables (Cont'd)

As at 30 June 2021, trade receivables of RM450,154 (2020: RM840,507) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM12,326,072 (2020: RM14,406,678), related to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debt recovery process.

13. Other investments

	Group		Company	
	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
Fair value through other comprehensive income				
Unquoted shares	54	54	40	40
At amortised cost				
Unquoted subordinated bonds	4,500	4,500	4,500	4,500
Less: Accumulated impairment losses	(4,500)	(4,500)	(4,500)	(4,500)
	-	-	-	-
	54	54	40	40

Investment in unquoted shares is categorised under Level 3 in the fair value hierarchy. Fair value of investment in unquoted shares is estimated based on the price to book valuation model.

Unquoted subordinated bonds subscribed from Cap One Berhad and Prima Uno Berhad are classified as other investments. The returns from the bonds rank subsequent to the Super Senior Bonds, the Senior Bonds and the Mezzanine Bonds in terms of priority and will be recognised when the right to receive the income is established.

14. Inventories

	Group 2021 RM '000	Group 2020 RM '000
At cost	27	1,616
Food and beverage	1,550	1,543
Electrical, engineering parts, oil and consumables	1,577	3,159
At net realisable value		
Finished goods	559	-
Electrical, engineering parts, oil and consumables	1,597	1,393
	2,156	1,393
Total	3,733	4,552
Recognised in profit or loss:		
Inventories recognised as cost of sales	2,192	20,653
Inventories written down	700	1,439
Inventories written off	-	1,636

Inventories amounting to RM3,146,364 (2020:RM2,936,030) are pledged as securities for loans and borrowings as disclosed in Note 21 to the financial statements.

15. Other Receivables

	Group		Company	
	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
Other receivables	467	483	-	39
Deposits	1,467	671	107	101
Prepayments	1,282	1,658	14	13
	3,216	2,812	121	153
Less: Accumulated impairment losses on:				
Other receivables	(23)	(23)	-	-
Deposits	(60)	(60)	-	-
	(83)	(83)	-	-
	3,133	2,729	121	153

The movement in the allowance for impairment losses in respect of other receivables of the Group during the financial year/period are as follows:

	Group	
	2021 RM '000	2020 RM '000
As at 1 July/1 January	83	2
Impairment losses recognised	-	81
As at 30 June	83	83

16. Fixed Deposits

	Group		Company	
	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
Deposits with: Licensed banks	1,286	377	285	281

Deposit with licensed banks of the Group and of the Company amounting to RM1,260,490 (2020: RM376,950) and RM260,100 (RM280,739) respectively are pledged to licensed banks for credit facilities granted to the Group and to the Company respectively as disclosed in Note 21 to the financial statements.

17. Share Capital

	Group and Company			
	<-- Numbers of Shares -->		<------- Amount ------->	
	2021 Units '000	2020 Units '000	2021 RM '000	2020 RM '000
Issued and fully paid shares				
Ordinary shares				
As at 1 July/1 January	403,361	377,528	324,862	321,762
Issue of ordinary shares pursuant to conversion of RCN	-	25,833	-	3,100
As at 30 June	403,361	403,361	324,862	324,862

18. Warrants 2018/2020

On 14 August 2018, the Company issued 155,681,114 free warrants on the basis of 1 free warrant for every 2 existing ordinary shares of the Company.

Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 14 August 2018 up to the date of expiry on 13 August 2021, at an exercise price of RM0.30 each or such adjusted price in accordance with the provisions in the Deed Poll.

As at 30 June 2021, the total numbers of warrants that remain unexercised were 155,681,114 (2020: 155,681,114).

19. Redeemable Convertible Notes ("RCN")

	Group and Company Redeemable Convertible Notes		
	Equity component RM '000	Current liabilities RM '000	Total RM '000
As at 1 January 2019	86	487	573
Arising from issuance of redeemable convertible notes during the financial period	471	2,029	2,500
Deferred tax liabilities (Note 9)	27	-	27
Converted during the financial period	(584)	(2,516)	(3,100)
As at 30 June 2020	-	-	-
As at 1 July 2020/30 June 2021	-	-	-

On 26 July 2018, the shareholders of the Company at the Extraordinary General Meeting approved the issuance of Redeemable Convertible Notes ("RCN") with an aggregate principal amount of up to RM60 million of up to 500 million ordinary shares at minimum conversion price of RM0.12 each ("Conversion Shares"), representing 61.62% of the enlarge issued share capital. The RCN which is tradable and transferable has a tenure of 3 years up to 13 August 2021 ("Maturity Date"). The Notes Issue was constituted by a trust deed dated 26 July 2018 and supplemental Trust Deed dated 2 August 2019 and they are neither guaranteed nor secured.

19. Redeemable Convertible Notes ("RCN") (Cont'd)

The proceeds from the issuance are to be utilised for the following purposes:

	Proposed Utilisation RM '000	Group and Company Issuance in year 2018/20 RM '000	2021 RM '000	Balance RM '000
Purpose				
Repayment of the Group's borrowings	24,000	-	-	24,000
Finance the working capital requirements and/or capital expenditure of the Group	30,100	(11,596)	-	18,504
Defray fees and expenses in connection to the issuance of the Notes	5,900	(1,904)	-	3,996
	60,000	(13,500)	-	46,500

There were no issuance of RCN by the Company during the financial year (2020: RM2.50 million).

As of 30 June 2021, the Company has issued in aggregate 13,500,000 RCN amounting to RM13,500,000 and converted in aggregate 13,500,000 RCN into 91,999,108 convertible shares of RM13,500,000.

Salient terms of the RCN

The salient terms of the RCN are as follows:-

(i) Interest Rate

The RCN bear interest from the respective dates on which they are issued and registered at the rate of 1.0% per annum, payable semi-annually in arrears on 30 June and 31 December in each year with the last payment being made on the Maturity Date.

(ii) Conversion Price

The price at which each Conversion Share shall be issued upon conversion of the RCN be:

(a) In respect of Tranche 1 Notes of RM20.0 million, 80% of average closing price per share on any three (3) consecutive market days as selected by the Noteholder(s) during the forty-five (45) market days immediately preceding the relevant conversion date on which shares were traded on the Main Market of Bursa Malaysia Securities Berhad;

19. Redeemable Convertible Notes (Cont'd)

Salient terms of the RCN (Cont'd)

The salient terms of the RCN are as follows: (Cont'd)

(ii) Conversion Price (Cont'd)

The price at which each Conversion Share shall be issued upon conversion of the RCN be: (Cont'd)

(b) In respect of Tranche 2 Notes of RM15.0 million, 82% of average closing price per share on any three (3) consecutive market days as selected by the Noteholder(s) during the forty-five (45) market days immediately preceding the relevant conversion date on which shares were traded on the Main Market of Bursa Malaysia Securities Berhad;

(c) In respect of Tranche 3 Notes of RM15.0 million, 85% of average closing price per share on any three (3) consecutive market days as selected by the Noteholder(s) during the forty-five (45) market days immediately preceding the relevant conversion date on which shares were traded on the Main Market of Bursa Malaysia Securities Berhad; and

(d) In respect of Tranche 4 Notes of RM10.0 million, 90% of average closing price per share on any three (3) consecutive market days as selected by the Noteholder(s) during the forty-five (45) market days immediately preceding the relevant conversion date on which shares were traded on the Main Market of Bursa Malaysia Securities Berhad.

(iii) All RCN are convertible at the option of the Company (except Tranche 1), subject to the terms of the redemption option at any time after the issue date of the RCN and up to the day falling seven (7) days prior to the Maturity Date.

(iv) Redemption Option

(a) Any RCN which are not redeemed or purchased, converted or cancelled by the Company will be redeemed by the Company at 100% of their principal amount on the Maturity Date.

(b) If the conversion price is less than or equal to 65% of the daily average volume weighted average price (VWAP) per share for the forty-five (45) consecutive market days period prior to the respective Closing Dates, at an amount calculated in accordance with the formula as set out in the Circular to Shareholder dated 29 June 2018.

20. Fair Value Reserve

Fair value reserve represents the cumulative net change in the fair value of investment in unquoted shares measured at fair value through other comprehensive income ("FVOCI") until they are derecognised or impaired.

21. Borrowings

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Current				
Secured				
Bank overdraft	5,492	3,000	-	-
Ijarah Term Financing ("IJTF")				
- COF + 2%	5,621	6,075	5,621	6,075
Commodity Murabahah Term Financing-I ("CMTF-i")				
- COF + 2.5%	8,000	4,500	-	-
	19,113	13,575	5,621	6,075
Non-current				
Secured				
Commodity Murabahah Term Financing-I ("CMTF-i")				
- COF + 2.5%	30,000	38,000	-	-
	49,113	51,575	5,621	6,075

(a) Bank Overdraft

Bank overdraft is denominated at RM, bear interest at rate of BLR+1.75% per annum and is secured by the following:

(i) Corporate guarantee from the Company;
(ii) Fixed charge over one parcel of Group's leasehold land as disclosed in Note 6; and
(iii) Negative pledge over all assets of Eden Catering Sdn. Bhd.

21. Borrowings (Cont'd)

(b) RM IJTF at rate of COF + 2% per annum

The IJTF is secured by the following:

(i) Fixed charge over one parcel of Group's leasehold land as disclose in Note 6;
(ii) Fixed and floating debenture charge over the present and future assets in Stratavest Sdn. Bhd. ("STV");
(iii) Assignment of all rights, benefits, income and insurance proceeds from Libaran power station;
(iv) Charge over fixed deposits with licensed banks as disclosed in Note 16; and
(v) Jointly and severally guaranteed by a Director of the Company.

(c) RM CMTF-i at rate of COF + 2.5 % per annum

The CMTF-i is secured by the following:

(i) Legal charge over right-of-use assets as disclosed in Note 5;
(ii) Fixed charge over one parcel of Group's leasehold land as disclosed in Note 6;
(iii) Assignment of project agreement including the right to revenues under Power Purchase Agreement ("PPA");
(iv) Assignment and charge over the Shariah compliant accounts;
(v) Debenture over MHSB's fixed and floating assets;
(vi) Assignment of all takaful/insurance policies; and
(vii) Corporate guarantee from the Company.

(d) RM loan at rate of fixed rate of 3.75% per annum

The loan is secured by the following:

(i) Fixed charge over one parcel of Group's leasehold land as disclosed in Note 6;
(ii) Fixed and floating debenture charge over the present and future assets and plant and machineries;
(iii) Corporate guarantee from the Company;

22. Lease Liabilities

	Group		Company	
	2021	2020	2021	2020
	RM '000	RM '000	RM '000	RM '000
As at 1 July/1 January	4,912	-	579	-
Effect of adoption MFRS 16	-	4,811	-	1,223
As at 1 July/1 January, as restated	4,912	4,811	579	1,223
Additions	205	2,360	-	-
Accretion of interest	10	-	-	-
Repayments	(1,340)	(2,259)	(460)	(644)
Termination of lease contracts	(20)	-	-	-
As at 30 June	3,767	4,912	119	579
Presented as:				
Non-current	3,046	3,585	-	119
Current	721	1,327	119	460
	3,767	4,912	119	579

The maturity analysis of the Group and of the Company at the end of the reporting period:

	Group		Company	
	2021	2020	2021	2020
	RM '000	RM '000	RM '000	RM '000
Within one year	905	1,500	120	480
Later than one year and not later than two years	690	1,655	-	120
Later than two years and not later than five years	1,743	2,501	-	-
Later than five years	852	115	-	-
	4,190	5,771	120	600
Less: Future finance charges	(423)	(859)	(1)	(21)
Present value of lease liabilities	3,767	4,912	119	579

23. Deferred Income

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM '000	**RM '000**	**RM '000**	**RM '000**
As at 1 July/1 January	3,111	6,694	2,615	4,086
Recognised as revenue during the financial year/period	(1,249)	(2,882)	(980)	(1,471)
Increase during the financial year/period	306	1,576	-	-
Amortisation of the unearned revenue	-	(2,277)	-	-
As at 30 June	2,168	3,111	1,635	2,615

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM '000	**RM '000**	**RM '000**	**RM '000**
Represented by:				
Advances received from third parties				
- Rental	1,635	2,615	1,635	2,615
- Ticket sales	533	496	-	-
	2,168	3,111	1,635	2,615
Analysed as:				
Current	1,514	1,477	981	981
Non-current	654	1,634	654	1,634
	2,168	3,111	1,635	2,615

The rental fee received in advance from third party, DFZ Duty Free Sdn. Bhd. for a property owned by its wholly-owned subsidiary, Underwater World Langkawi Sdn. Bhd.

The unearned revenue from capacity payments was in relation to its wholly-owned subsidiary company, Stratavest Sdn. Bhd. upon adoption of IC Interpretation 4.

24. Trade Payables

The normal trade credit term granted to the Group ranged from 30 to 90 days (2020: 30 to 90 days) depending on the terms of the contracts.

25. Other Payables

	Group		Company	
	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
Other payables	32,420	33,554	9,891	8,424
Accruals	16,488	16,217	12,156	11,553
Deposits	520	507	15	15
Provision for warranties	15	17	-	-
Booking fee received	113	1,122	-	-
GST payables	-	26	-	26
	49,556	51,443	22,062	20,018

26. Revenue

	Group		Company	
	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
Revenue from contract customer:				
Capacity charges and energy billings	21,054	47,566	-	-
Sale of electrical and engineering parts	341	6,227	-	-
Parking operator	91	21	-	-
Sale of food and beverage	1,048	9,447	-	-
Income from recreational activities	3,092	14,841	-	-
Management fee	-	-	763	2,042
	25,626	78,102	763	2,042
Revenue from other sources:				
Rental income from investment properties	1,658	4,551	-	-
	27,284	82,653	763	2,042

The timing of revenue recognition is at a point in time.

The information on the disaggregation of revenue is disclosed in Note 38 to the financial statements.

27. Cost of Sales

	Group	
	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
Power generation costs	7,557	31,621
Cost of inventories sold	689	9,534
Cost of recreational activities	1,372	2,261
	9,618	43,416

28. Finance Income

	Group		Company	
	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
Finance income on:				
Amount due from:				
- Subsidiaries	-	-	190	8,020
Fixed deposits	41	203	4	46
	41	203	194	8,066

29. Other Income

	Group		Company	
	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
Rental income from investment properties:				
- third parties	981	1,802	981	1,491
- subsidiary companies	-	-	701	1,087
Gain on disposal of:				
- property, plant and equipment	104	429	-	-
- rights-of-use assets	34	3	-	-
- investment properties	-	10,954	-	10,954
- subsidiary company	2	-	-	-
Gain on termination of lease contract	1	-	-	-
Fair value gain on investment property	-	24,657	-	24,657
Amortisation of deferred income (Note 23)	-	2,277	-	-
Waiver of debt	110	5,630	-	157
Miscellaneous	860	1,132	35	120
Dividend income	3	4	1	2
	2,095	46,888	1,718	38,468

30. Finance Costs

	Group		Company	
	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
Interest expenses on:				
- Bank borrowings	2,374	5,150	142	1,285
- Lease liabilities	238	378	21	76
- Bank-Guaranteed Sukuk Musharakah	-	924	-	-
- Others	-	7	-	-
	2,612	6,459	163	1,361

31. (Loss)/Profit before Taxation

(Loss)/Profit before taxation is derived after charging/(crediting):

	Group		Company	
	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
Auditors' remuneration:				
- current year/period	255	362	147	176
- (over)/under provision in prior period	-	(41)	-	18
- others	7	7	7	7
Bad debt written off	52	549	2	-
Deposit written off	56	-	-	-
Amortisation of:				
- deferred income	-	(2,277)	-	-
Depreciation of:				
- property, plant and equipment	4,178	6,093	3	1
- rights-of-use assets	2,191	3,898	430	645
Fair value loss/(gain) of investment properties	3,984	(23,457)	-	(24,657)
Loss on foreign exchange:				
- unrealised	-	15	-	15
Impairment losses on cost of investment in:				
- subsidiaries	-	-	-	7,571
- associate	-	40	-	40
Property, plant and equipment written off	11	81	6	-
Gain on disposal of:				
- property, plant and equipment	(104)	(429)	-	-
- rights-of-use assets	(34)	(3)	-	-
- investment properties	-	(10,954)	-	-
- subsidiary company	(2)	-	-	-
Gain on termination of lease contract	(1)	-	-	-

31. (Loss)/Profit before Taxation (Cont'd)

(Loss)/Profit before taxation is derived after charging/(crediting): (Cont'd)

	Group		Company	
	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
Impairment losses on financial assets:				
- trade receivables	487	2,907	-	-
- other receivables	-	81	-	-
- amount due from holding company	2,251	1,896	-	-
- amount due from subsidiary companies	-	-	1,186	1,956
- amount due from associate company	2	-	2	-
Reversals of impairment losses on financial assets:				
- trade receivables	-	(1,372)	-	-
Net losses on impairment of financial assets	2,740	3,512	1,188	1,956
Impairment loss on property, plant and equipment	4,000	-	-	-
Inventories written down	700	1,439	-	-
Inventories written off	-	1,636	-	-
Government incentives	(418)	-	-	-
Short term lease expenses related to:				
- equipment	26	130	-	-
- premises	39	225	-	-

32. Taxation

	Group		Company	
	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
Tax expenses recognised in profit or loss				
Malaysian statury tax:				
- Current tax provision	291	2,361	-	837
- (Over)/Under provision in prior period	172	1,674	(715)	1,147
	463	4,035	(715)	1,984
Deferred tax:				
- Origination and reversal of temporary differences	2,022	10,339	(167)	7,575
- (Over)/Under provision in prior period	(960)	1,228	4	297
	1,062	11,567	(163)	7,872
	1,525	15,602	(878)	9,856

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year/period. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

32. Taxation (Cont'd)

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
(Loss)/Profit before tax	(16,674)	18,614	(5,738)	25,251
At Malaysian statury tax rate of 24% (2020: 24%)	(4,001)	4,467	(1,377)	6,060
Expenses not deductible for tax purposes	4,140	6,678	1,210	3,712
Income not subject to tax	(765)	(9,882)	-	(8,547)
Deferred tax assets not recognised	2,939	4,433	-	-
Utilisation of previously unrecognised deferred tax assets	-	(183)	-	-
Tax effect on fair value changes on investment properties	-	7,187	-	7,187
Under/(Over) provision of income tax in prior period	172	1,674	(715)	1,147
(Over)/Under provision of deferred tax in prior period	(960)	1,228	4	297
	1,525	15,602	(878)	9,856

32. Taxation (Cont'd)

Unutilised tax losses, unabsorbed capital allowances, unabsorbed investment tax allowances and other temporary difference of the Group and of the Company which are available to set-off against future chargeable income for which the tax effects have not been recognised in the financial statements are shown below:

	Group		Company	
	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
Unabsorbed capital allowances	10,885	24,163	14	-
Unabsorbed investment tax allowances	228,115	228,115	-	-
Unutilised tax losses	98,635	83,643	1,817	-
	337,635	335,921	1,831	-

With effect from year of assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of seven (7) years of assessments under the current tax legislation in Malaysia. The other temporary difference does not expire under tax legislation.

Pursuant to Section 44(5F) of the Income Tax Act 1967 in Malaysia, the unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
Unutilised tax losses to be carried forward until:				
- YA 2025	89,481	79,643	-	-
- YA 2026	1,181	2,203	-	-
- YA 2027	1,797	1,797	-	-
- YA 2028	6,176	-	1,817	-
	98,635	83,643	1,817	-

33. Employee Benefits Expense

	Group		Company	
	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
Salaries, wages and other emoluments	6,639	10,773	2,542	5,688
Social security contributions	70	90	14	22
Defined contribution plan	808	1,368	370	836
Other benefits	1,253	873	763	370
	8,770	13,104	3,689	6,916

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration as following:

	Group		Company	
	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
Executive Directors				
Salaries and other emoluments	1,827	4,328	1,279	3,325
Defined contribution plan	256	624	229	566
	2,083	4,952	1,508	3,891

34. Directors' Remuneration

	Salaries and other emoluments RM '000	Allowances RM '000	Fees RM '000	Defined contribution plan RM '000	Estimated money value of benefits-in-kind RM '000	Total RM '000
Group						
2021						
Executive directors						
Tan Sri Abd Rahim Bin Mohamad	803	355	60	169	227	1,614
Datin Fara Nadia Binti Abd Rahim	81	-	8	9	21	119
Puan Sri Fadzilah Binti Md Ariff	267	-	30	51	124	472
Dato' Nik Mohd Fuad Bin Wan Abdullah	193	-	30	27	37	287
	1,344	355	128	256	409	2,492
Non-executive directors						
Datuk Mohamed Salleh Bin Bajuri	-	-	40	-	18	58
Dato' Anuarudin Bin Mohd Noor	-	-	30	-	16	46
Datuk Seri Ahmad Bin Hj. Kabit	-	-	30	-	13	43
	-	-	100	-	47	147
Total directors' remuneration	1,344	355	228	256	456	2,639

34. **Directors' Remuneration (Cont'd)**

	Salaries and other emoluments RM '000	Allowances RM '000	Fees RM '000	Defined contribution plan RM '000	Estimated money value of benefits-in-kind RM '000	Total RM '000
Group						
2020						
Executive directors						
Tan Sri Abd Rahim Bin Mohamad	1,673	865	90	403	184	3,215
Puan Sri Fadzilah Binti Md Ariff	580	160	45	137	188	1,110
Dato' Abdullah Bin A. Rasol	447	-	45	26	67	585
Dato' Nik Mohd Fuad Bin Wan Abdullah	378	-	45	58	62	543
	3,078	1,025	225	624	501	5,453
Non-executive directors						
Datuk Mohamed Salleh Bin Bajuri	-	-	60	-	23	83
Dato' Anuarudin Bin Mohd Noor	-	-	45	-	17	62
Datuk Seri Ahmad Bin Hj. Kabit	-	-	45	-	20	65
	-	-	150	-	60	210
Total directors' remuneration	3,078	1,025	375	624	561	5,663

34. Directors' Remuneration (Cont'd)

	Salaries and other emoluments RM '000	Allowances RM '000	Fees RM '000	Defined contribution plan RM '000	Estimated money value of benefits-in-kind RM '000	Total RM '000
Company						
2021						
Executive directors						
Tan Sri Abd Rahim Bin Mohamad	803	-	60	169	203	1,235
Datin Fara Nadia Binti Abd Rahim	81	-	8	9	22	120
Puan Sri Fadzilah Binti Md Ariff	267	-	30	51	111	459
Dato' Nik Mohd Fuad Bin Wan Abdullah	-	-	30	-	-	30
	1,151	-	128	229	336	1,844
Non-executive directors						
Datuk Mohamed Salleh Bin Bajuri	-	-	40	-	18	58
Dato' Anuarudin Bin Mohd Noor	-	-	30	-	16	46
Datuk Seri Ahmad Bin Hj. Kabit	-	-	30	-	13	43
	-	-	100	-	47	147
Total directors' remuneration	1,151	-	228	229	383	1,991

34. Directors' Remuneration (Cont'd)

	Salaries and other emoluments RM '000	Allowances RM '000	Fees RM '000	Defined contribution plan RM '000	Estimated money value of benefits-in-kind RM '000	Total RM '000
Company						
2020						
Executive directors						
Tan Sri Abd Rahim Bin Mohamad	1,673	240	90	403	156	2,562
Puan Sri Fadzilah Binti Md Ariff	580	160	45	137	169	1,091
Dato' Abdullah Bin A. Rasol	447	-	45	26	56	574
Dato' Nik Mohd Fuad Bin Wan Abdullah	-	-	45	-	-	45
	2,700	400	225	566	381	4,272
Non-executive directors						
Datuk Mohamed Salleh Bin Bajuri	-	-	60	-	23	83
Dato' Anuarudin Bin Mohd Noor	-	-	45	-	17	62
Datuk Seri Ahmad Bin Hj. Kabit	-	-	45	-	20	65
	-	-	150	-	60	210
Total directors' remuneration	2,700	400	375	566	441	4,482

35. (Loss)/Earnings per Share

(a) Basic (loss)/earnings per share

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

	Group	
	01.07.2020 to 30.06.2021 RM '000	**01.01.2019 to 30.06.2020 RM '000**
(Loss)/Profit attributable to owners of the parent	(17,290)	5,014
	Numbers of shares (units '000)	
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at 1 July/1 January	403,361	377,528
Effect on issuance of Convertion Shares pursuant to conversion of RCN during the financial year/period	-	21,179
Weighted average number of ordinary shares At 30 June	403,361	398,707
Basic (loss)/earnings per ordinary shares (in sen)	(4.29)	1.26

35. (Loss)/Earnings per Share (Cont'd)

(b) Diluted (loss)/earnings per share

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

	Group	
	01.07.2020 to 30.06.2021 RM '000	**01.01.2019 to 30.06.2020 RM '000**
(Loss)/Profit attributable to owners of the parent	(17,290)	5,014
	Numbers of shares (units '000)	
Weighted average number of ordinary shares used in the calculation of basic (loss)/earnings per share	403,361	398,707
Weighted average number of ordinary shares at 30 June (diluted)	403,361	398,707
Diluted (loss)/earnings per ordinary shares (in sen)	(4.29)	1.26

The number of shares under warrants was not taken into account in the computation of diluted earnings per share as the warrants do not have any dilutive effect on weighted average number of ordinary shares.

There have been no other transaction involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

36. Reconciliation of Liabilities Arising from Financing Activities

	At 1 July RM '000	Effect of adopting MFRS 16 RM '000	Addition RM '000	Note (i) RM '000	(Repayment)/ Drawdown RM '000	At 30 June RM '000
2021						
Group						
Lease liabilities (Note 22)	4,912	-	205	(10)	(1,340)	3,767
Term loan (Note 21)	48,575	-	-	-	(4,954)	43,621
	53,487	-	205	(10)	(6,294)	47,388
Company						
Amount due to subsidiary companies (Note 11)	54,841	-	-	(395)	-	54,446
Lease liabilities (Note 22)	579	-	-	-	(460)	119
Term loan (Note 21)	6,075	-	-	-	(454)	5,621
	61,495	-	-	(395)	(914)	60,186

(i) The cash flows from amount due from/to subsidiary companies make up the net amount of advances from and repayment to amount due from/to subsidiary companies in the statements of cash flow.

36. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

	At 1 January RM '000	Effect of adopting MFRS 16 RM '000	Addition RM '000	Note (i) RM '000	(Repayment)/ Drawdown RM '000	At 30 June RM '000
2020						
Group						
Finance lease liabilities	880	(880)	-	-	-	-
Lease liabilities (Note 22)	-	4,811	2,360	-	(2,259)	4,912
Bank-Guaranteed Sukuk Musharakah (Note 21)	40,000	-	-	-	(40,000)	-
Term loan (Note 21)	26,948	-	-	615	21,012	48,575
	67,828	3,931	2,360	615	(21,247)	53,487
Company						
Amount due to subsidiary companies (Note 11)	61,033	-	-	(6,192)	-	54,841
Lease liabilities (Note 22)	-	1,223	-	-	(644)	579
Term loan (Note 21)	26,701	-	-	615	(21,241)	6,075
	87,734	1,223	-	(5,577)	(21,885)	61,495

(i) The cash flows from amount due to subsidiary companies make up the net amount of advances from and repayment to amount due to subsidiary companies in the statements of cash flow.

The cash flows from term loan include financing from RCN and changes in foreign exchange.

37. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere to the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		**Company**	
	01.07.2020 to 30.06.2021 RM '000	**01.01.2019 to 30.06.2020 RM '000**	**01.07.2020 to 30.06.2021 RM '000**	**01.01.2019 to 30.06.2020 RM '000**
Transactions with subsidiary companies				
- Management fee billed to	-	-	763	2,042
- Rental income billed to	-	-	701	1,087
- Interest charged to	-	-	190	8,021
	-	-	1,654	11,150

37. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	Group		Company	
	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
Fee	228	375	228	375
Allowance	355	1,120	-	495
Salaries and other emoluments	2,043	4,399	1,850	4,021
Defined contribution plan	562	804	505	746
Estimated monetary value of benefits-in-kind	459	661	387	541
	3,647	7,359	2,970	6,178

Included in total key management personnel are:

	Group		Company	
	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000	01.07.2020 to 30.06.2021 RM '000	01.01.2019 to 30.06.2020 RM '000
Directors' remuneration	2,183	5,102	1,608	4,041
Estimated monetary value of benefits-in-kind	456	561	383	441
	2,639	5,663	1,991	4,482

38. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable segments as follows:

Food, beverage ("F&B"), rental and tourism	Restaurants, catering and operating aquarium
Manufacturing	Manufacture electrical and engineering parts
Energy	Power plants
Others	Provision of management services

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial period.

Information about segment assets and liabilities are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

38. Segment Information (Cont'd)

	F&B, rental and tourism RM '000	Manufacturing RM '000	Energy RM '000	Others RM '000	Total Segments RM '000	Adjustments and eliminations RM '000	Consolidated RM '000
2021							
External customers	5,889	341	21,054	-	27,284	-	27,284
Inter-segment	-	-	-	763	763	(763)	-
Total revenue	5,889	341	21,054	763	28,047	(763)	27,284
Results							
Interest income	164	-	1,308	194	1,666	(1,625)	41
Finance costs	(664)	(8)	(3,556)	(163)	(4,391)	1,779	(2,612)
Depreciation and amortisation	(1,890)	(107)	(4,584)	(432)	(7,013)	644	(6,369)
Fair value loss of investment properties	(3,984)	-	-	-	(3,984)	-	(3,984)
Impairment loss on:							
- trade receivable	-	(487)	-	-	(487)	-	(487)
- amount due from holding company	-	-	(2,251)	-	(2,251)	-	(2,251)
- amount due from associate company	-	-	-	(2)	(2)	-	(2)
- property, plant and equipment	-	-	(4,000)	-	(4,000)	-	(4,000)
Inventories written down	-	(700)	-	-	(700)	-	(700)
Loss before taxation	(8,328)	(1,850)	(1,915)	(5,738)	(17,831)	1,157	(16,674)
Income tax expense	(1,240)	(16)	(1,146)	877	(1,525)	-	(1,525)
Non-controlling interest	-	187	-	-	187	722	909
Loss for the year	(9,568)	(1,679)	(3,061)	(4,861)	(19,169)	1,879	(17,290)
Segment assets	110,384	1,132	200,486	332,229	644,231	(276,245)	367,986
Segment liabilities	89,895	1,729	222,816	97,619	412,059	(266,298)	145,761

38. **Segment Information (Cont'd)**

	F&B, rental and tourism RM '000	Manufacturing RM '000	Energy RM '000	Others RM '000	Total Segments RM '000	Adjustments and eliminations RM '000	Consolidated RM '000
2020							
External customers	28,860	6,227	47,566	-	82,653	-	82,653
Inter-segment	-	-	599	2,042	2,641	(2,641)	-
Total revenue	28,860	6,227	48,165	2,042	85,294	(2,641)	82,653
Results							
Interest income	293	-	1,931	8,066	10,290	(10,087)	203
Finance costs	(981)	(32)	(14,466)	(1,361)	(16,840)	10,381	(6,459)
Depreciation and amortisation	(2,940)	(892)	(4,201)	(647)	(8,680)	966	(7,714)
Fair value loss/(gain) of investment properties	(1,200)	-	-	24,657	23,457	-	23,457
Impairment loss on:							
- trade receivable	(120)	(2,787)	-	-	(2,907)	-	(2,907)
- other receivable	(81)	-	-	-	(81)	-	(81)
- amount due from holding company	-	-	(1,896)	-	(1,896)	-	(1,896)
Reversal of impairment loss on:							
- trade receivable	261	1,235	-	-	1,496	(124)	1,372
Inventories written down	-	(1,439)	-	-	(1,439)	-	(1,439)
Inventories written off	-	-	(1,636)	-	(1,636)	-	(1,636)
Profit/(Loss) before taxation	5,438	(5,451)	(18,753)	25,252	6,486	12,128	18,614
Income tax expense	(2,137)	(32)	(3,578)	(9,855)	(15,602)	-	(15,602)
Non-controlling interest	-	414	-	-	414	1,542	1,956
Profit/(Loss) for the period	3,301	(5,069)	(22,331)	15,397	(8,702)	13,670	4,968
Segment assets	119,292	3,022	211,821	338,253	672,388	(285,068)	387,320
Segment liabilities	86,672	1,754	231,089	98,771	418,286	(271,390)	146,896

39. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At Amortised Cost RM '000	At FVOCI RM '000	Total RM '000
2021			
Group			
Financial Assets			
Other investments	-	54	54
Trade receivables	2,096	-	2,096
Other receivables	1,851	-	1,851
Amount due from holding company	47,035	-	47,035
Fixed deposits	1,286	-	1,286
Cash and bank balances	4,476	-	4,476
	56,744	54	56,798
Financial Liabilities			
Trade payables	7,674	-	7,674
Other payables	49,428	-	49,428
Lease liabilities	3,767	-	3,767
Borrowings	49,113	-	49,113
	109,982	-	109,982

39. **Financial Instruments (Cont'd)**

(a) **Classification of financial instruments (Cont'd)**

	At Amortised Cost RM '000	At FVOCI RM '000	Total RM '000
2020			
Group			
Financial Assets			
Other investments	-	54	54
Trade receivables	2,265	-	2,265
Other receivables	1,071	-	1,071
Amount due from holding company	49,386	-	49,386
Fixed deposits	377	-	377
Cash and bank balances	8,817	-	8,817
	61,916	54	61,970
Financial Liabilities			
Trade payables	3,418	-	3,418
Other payables	50,278	-	50,278
Lease liabilities	4,912	-	4,912
Borrowings	51,575	-	51,575
	110,183	-	110,183

39. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

	At Amortised Cost RM '000	At FVOCI RM '000	Total RM '000
2021			
Company			
Financial Assets			
Other investments	-	40	40
Other receivables	107	-	107
Amount due from subsidiaries companies	117,664	-	117,664
Fixed deposits	285	-	285
Cash and bank balances	815	-	815
	118,871	40	118,911
Financial Liabilities			
Other payables	22,047	-	22,047
Amount due to subsidiary companies	54,446	-	54,446
Lease liabilities	119	-	119
Borrowings	5,621	-	5,621
	82,233	-	82,233
2020			
Company			
Financial Assets			
Other investments	-	40	40
Other receivables	140	-	140
Amount due from subsidiaries companies	124,115	-	124,115
Fixed deposits	281	-	281
Cash and bank balances	98	-	98
	124,634	40	124,674
Financial Liabilities			
Other payables	19,992	-	19,992
Amount due to subsidiary companies	54,841	-	54,841
Lease liabilities	579	-	579
Borrowings	6,075	-	6,075
	81,487	-	81,487

39. Financial Instruments (Cont'd)

(b) Financial risk management

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policies are not to engage in speculative transactions.

The following sections provide details regarding the Group and the Company's exposure to the abovementioned financial risk and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables, amount owing by holding company, cash and bank balances and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies, deposits with banks and financial institutions and financial guarantees given to banks for credit facilities granted to subsidiary companies. There are no significant changes as compared to prior periods.

Trade and other receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis via the Group's and the Company's management reporting procedures and action will be taken for long overdue debts. Majority of the trade receivables are from sales of goods or services rendered. Credit risks on other receivables are mainly arising from receivables from third parties and deposits.

At each reporting date, the Group and the Company assess whether any of the trade and other receivables are credit impaired.

There are no significant changes as compared to previous financial period.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade and other receivables are represented by the carrying amounts in the statements of financial position.

39. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade and other receivables (Cont'd)

Concentration of credit risk

	2021		2020	
	RM '000	% of total	RM '000	% of total
By industry sector:				
Food, beverage ("F&B") and tourism	274	13%	135	6%
Manufacturing	263	13%	899	40%
Energy	1,559	74%	1.231	54%
	2,096	100%	2,265	100%

Recognition and measurement of impairment loss

In managing credit risk of trade and other receivables, the Group and the Company manage its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within credit terms. The Group's debt recovery process is that when invoices exceeded the credit terms, the Group will start to initiate a structured debt recovery process which is monitored by the management.

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year. Certain trade receivables that are past due but not impaired as the management is of the view that these past due amounts will be collected in due course.

Consistent with the debt recovery process, inactive debtors whose invoices which are more than credit terms may be considered as credit impaired. The gross carrying amounts of credit impaired trade and other receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade and other receivables that are written off could still be subject to enforcement activities.

39. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade and other receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The Group uses an allowance matrix to measure ECLs for trade receivables. Loss rates are based on actual credit loss experience over the past three years.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The cash and cash equivalents are held with banks and financial institutions. The Group and the Company have a credit policy in place to control credit risk by deposit with banks and financial institutions with good credit rating.

Exposure to credit risk, credit quality and collateral

At the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amount in the statements of financial position.

Recognition and measurement of impairment loss

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

39. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured financial guarantees to banks in respect of banking facilities granted to subsidiary companies. The Group and the Company monitor the ability of the subsidiary companies to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk for the financial guarantees of the Group and of the Company as disclosed in Note 41 to the financial statements.

Recognition and measurement of impairment loss

There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period. The Group and the Company are of the view that loss allowance is not material and hence, it is not provided for.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured loans and advances to holding company. The Company provides unsecured loans and advances to subsidiary companies. The Group and the Company monitors the ability of the subsidiary companies and of the holding company to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

Generally, the Group and the Company consider loans and advances to holding company and subsidiary companies have low credit risk because there is no indication of any going concern from holding company and subsidiary companies.

39. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Inter-company loans and advances (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The amount owing by holding company is secured by Deed of Assignment on the net sale proceeds from the planned disposal of certain identified lands of holding company and private caveat on four identified lands of holding company. The Company assume that there is a significant increase in credit risk when subsidiary companies' financial position deteriorates significantly. The Company considers a subsidiary's advance to be credit impaired when:

- The subsidiary is unlikely to repay its advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit in shareholders' fund.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

39. **Financial Instruments (Cont'd)**

(b) **Financial risk management (Cont'd)**

(ii) **Liquidity risk (Cont'd)**

	On demand Or within 1 year RM '000	1 to 2 years RM '000	2 to 5 years RM '000	After 5 years RM '000	Total contractual cash flows RM '000	Total carrying amount RM '000
Group						
2021						
Non-derivative financial liabilities						
Trade payables	7,674	-	-	-	7,674	7,674
Other payables	49,428	-	-	-	49,428	49,428
Lease liabilities	905	690	1,743	852	4,190	3,767
Borrowings	21,215	9,711	26,220	-	57,146	49,113
	79,222	10,401	27,963	852	118,438	109,982
2020						
Non-derivative financial liabilities						
Trade payables	3,418	-	-	-	3,418	3,418
Other payables	50,278	-	-	-	50,278	50,278
Lease liabilities	1,500	1,655	2,501	115	5,771	4,912
Borrowings	14,253	12,805	27,361	6,128	60,547	51,575
	69,449	14,460	29,862	6,243	120,014	110,183

39. **Financial Instruments (Cont'd)**

(b) **Financial risk management (Cont'd)**

(ii) **Liquidity risk (Cont'd)**

	On demand Or within 1 year RM '000	1 to 2 years RM '000	Total contractual cash flows RM '000	Total carrying amount RM '000
Company				
2021				
Non-derivative financial liabilities				
Other payables	22,047	-	22,047	22,047
Amount due to subsidiary companies	54,446	-	54,446	54,446
Lease liabilities	120	-	120	119
Borrowings	5,621	-	5,621	5,621
Financial guarantee	43,492	-	43,492	-
	125,726	-	125,726	82,233
2020				
Non-derivative financial liabilities				
Other payables	19,992	-	19,992	19,992
Amount due to subsidiary companies	54,841	-	54,841	54,841
Lease liabilities	480	120	600	579
Borrowings	4,181	2,673	6,854	6,075
Financial guarantee	45,740	-	45,740	-
	125,234	2,793	128,027	81,487

39. Financial Instruments (Cont'd)

b. Financial risk management (Cont'd)

(iii) Market risks

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to transactional currency risk primarily through cash advances that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies that gives rise to this risk are United States Dollar ("USD") and Singapore Dollars ("SGD"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Groups' exposure to foreign currency changes are not material.

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor the interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

39. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
Fixed rate instruments				
Financial asset:				
Fixed deposits	1,286	377	285	281
Financial liabilities:				
Lease liabilities	3,767	4,912	119	579
	(2,481)	(4,535)	166	(298)
Floating rate instruments				
Financial asset:				
Amount due from subsidiaries companies	-	-	-	76,351
Loan to a subsidiary	-	-	6,270	6,270
	-	-	6,270	82,621
Financial liabilities:				
Borrowing	43,621	48,575	5,621	6,075
	(43,621)	(48,575)	649	76,546

39. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The following demonstrates the sensitivity of the Group's and of the Company's (loss)/profit after tax to a reasonably possible change in the interest rate by 1% arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings:

	RM '000	RM '000
Group		
Interest rate increased by 1%	436	486
Interest rate decreased by 1%	(436)	(486)
Company		
Interest rate increased by 1%	6	765
Interest rate decreased by 1%	(6)	(765)

39. Financial Instruments (Cont'd)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short term loans borrowings approximate their fair value due to the relatively short term nature of these financial instruments and/or insignificant impact of discounting.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value			Carrying
	Level 1	Level 2	Level 3	amount
	RM '000	RM '000	RM '000	RM '000
Group				
2021				
Financial asset				
Other investments	-	-	54	54
2020				
Financial asset				
Other investments	-	-	54	54
Company				
2021				
Financial asset				
Other investments	-	-	40	40
2020				
Financial asset				
Other investments	-	-	40	40

	Fair value of financial instruments not carried at fair value			Carrying
	Level 1	Level 2	Level 3	amount
	RM '000	RM '000	RM '000	RM '000
Group				
2021				
Financial liabilities				
Lease liabilities	-	3,285	-	3,046
Borrowings	-	35,931	-	30,000
2020				
Financial liabilities				
Lease liabilities	-	4,271	-	3,585
Borrowings	-	46,294	-	38,000

39. **Financial Instruments (Cont'd)**

(c) **Fair value of financial instruments (Cont'd)**

	Fair value of financial instruments not carried at fair value			Carrying amount
	Level 1 RM '000	Level 2 RM '000	Level 3 RM '000	RM '000
Company				
2020				
Financial liabilities				
Lease liabilities	-	120	-	119

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current financial year and previous financial period.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

40. Capital Commitment

	Group 2021 RM '000	Group 2020 RM '000
Authorised and contracted for		
Purchase of property, plant and equipment	1,027	790

41. Financial Guarantees

	Company 2021 RM '000	Company 2020 RM '000
Unsecured		
Corporate guarantees given to the licensed financial institution for credit facility granted to subsidiary companies	43,492	45,740

The Company provides unsecured financial guarantee to bank and other financial institution in respect of facilities granted to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

As at the reporting date, there was no indication that any subsidiary would default on repayment. The financial guarantees provided to financiers for subsidiaries are considered not likely to crystallise.

42. Capital Management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements.

The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
Total loans and borrowings	49,113	51,575	5,621	6,075
Less: Deposit, cash and bank balances	(5,762)	(9,194)	(1,100)	(379)
Net debt	43,351	42,381	4,521	5,696
Total equity	222,225	240,424	234,608	239,468
Gearing ratio	0.20	0.18	0.02	0.02

There were no changes in the Group's and in the Company's approach to capital management during the financial year.

43. Significant Event During and After Reporting Period

(a) Outbreak of Coronavirus Pandemic ("Covid-19")

On 11 March 2020, the World Health Organisation declared the novel Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. The Government of Malaysia imposed the Movement Control Order ("MCO") on 18 March 2020 and has subsequently entered into various phases of the MCO, which has been further extended until the conditions set by the Government of Malaysia for the various phases of the National Recovery Plan are achieved. The emergence of Covid-19 since early 2020 has brought significant economic uncertainties to the Group's and to the Company's operating environment and caused financial impact to the Group's and to the Company's revenue, earnings and cash flow.

The Group and the Company are cognizant of the challenges posed by these developing events and the potential impact to the Group and to the Company. As at the date of this report, the management of the Group has assessed the overall impact of the situation on the business operations, including the recoverability of the carrying amount of assets and measurement of assets and liabilities. Based on the assessment, there is no doubt a financial impact for current financial year and subsequent financial year, particularly on the food and beverage, rental of retail units and commercial space, leisure and tourism business segments. Nevertheless, the Group has seen positive developments on its business operations with the progressive uplifting of restriction on interstate travel and domestic tourism activities. The Group and the Company will continuously assess the situation, work closely with the local authorities to support their efforts in containing the spread of Covid-19, and effectuate appropriate and timely measures to minimise the impact of the outbreak on the Group's and on the Company's operations.

The Group and the Company have taken into account the impact of the pandemic and its consequential effects on its results in the financial statements for the current financial year ended 30 June 2021.

43. Significant Event During and After Reporting Period (Cont'd)

(b) <u>Corporate Exercise Undertaken by the Company</u>

(i) Proposed Private Placement

On 10 May 2021, the Company proposed to undertake a private placement 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 the general mandate pursuant to the Companies Act 2016.

On 11 June 2021, Bursa Malaysia Securities Berhad ("Bursa Securities") had approved the listing and quotation for up to 122,641,831 Placement Shares to be issued pursuant to the Proposed Private Placement.

On 12 July 2021, the Company announced that the first (1st) 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 (2nd) tranche of placement shares of 20,232,584 is price fixed at RM0.1313 per share. The above two (2) tranches raised a total of RM5.28 million.

44. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 October 2021.

List of Properties

As at 30 June 2021

No	Company, Title and Particulars	Description	Tenure	Age of Building (year)	Usage	Approximate Land Area	Net Carrying Value as at 30.06.2021 (RM)
1	**EDEN INC. BERHAD**						
a.	PM39 Lot 63, Seksyen 4, Tanjung Mali, Bandar Padang Matsirat, Pulau Langkawi, Kedah.	Shopping Complex & Aquarium	Leasehold (Expiring in 2054)	24.5	Rented Out	6.1 acres	6,708,600
b.	PN 21989, Lot No. 8906, PN 21368, Lot No. 8907, PN 21372, Lot No. 8911, Gebeng, Mukim Sungai Karang, Kuantan, Pahang.	Industrial Land	Leasehold (Expiring on 28 October 2096)	-	For Investment	450.7451 acres	183,780,000
2	**EDEN SEAFOOD VILLAGE (LANGKAWI) SDN. BHD.**						
	Part of, PM39 Lot 63, Seksyen 4, Tanjung Mali, Bandar Padang Matsirat, Pulau Langkawi, Kedah.	Shop Lots	Leasehold (Expiring in 2054)	24.5	Retail & Restaurant	59,691 sq. ft.	22,108,200
3	**UNDERWATER WORLD LANGKAWI SDN. BHD.**						
	Part of, PM39 Lot 63, Seksyen 4, Tanjung Mali, Bandar Padang Matsirat, Pulau Langkawi, Kedah.	Double Storey with Aquarium	Leasehold (Expiring in 2054)	24.5	Aquarium & Office	94,412 sq. ft.	9,515,029
4	**STRATAVEST SDN. BHD.**						
	Libaran Power Station, CL 075323447, P. No. 14158, Sungai Jipon, Seguntor Industrial Estate, District of Sandakan, Sabah.	Low Speed Diesel Fired 60 MW Power Plant & Building	Leasehold (Expiring on 31 December 2070	22.5	Power Plant & Office Premises	16.01 acres	5,750,000
5	**MUSTEQ HYDRO SDN. BHD.**						
	Sungai Kenerong Hydro Power, 2.6km off Jalan Meranto, Kampong Stong, Kelantan.	20 MW Hydro Power Plant & Building	Forest Reserve (30 years concession)	20.5	Power Plant & Office Premises	59,867 sq. ft.	34,958,385

Analysis of Shareholdings

ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2021

Total Issued Share Capital	:	441,744,763 shares
Class of Shares	:	Ordinary Shares
Voting rights	:	One (1) vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	152	1.75	3,696	0.00
100 – 1,000	1,871	21.55	1,446,183	0.33
1,001 – 10,000	3,868	44.54	19,890,967	4.50
10,001 – 100,000	2,373	27.33	88,538,323	20.04
100,001 – 22,087,237 (*)	420	4.84	331,865,594	75.13
22,087,238 and above (**)	0	0.00	0	0.00
TOTAL	**8,684**	**100.00**	**441,744,763**	**100.00**

Remark: * Less than 5% of issued holdings
** 5% and above of issued holdings

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The Substantial Shareholders' direct, and indirect (deemed) interests in the Company based on the Register of Substantial Shareholders of the Company are as follows: -

Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Serata Padu Sdn. Bhd.	43,794,171	9.91	-	-
Zil Enterprise Sdn. Bhd.	34,000,000	7.70	43,794,171(1)	9.91
Serve Vest (M) Sdn. Bhd.	-	-	43,794,171(2)	9.91
Tan Sri Abd Rahim bin Mohamad	-	-	86,687,471(3)	19.62

Notes:

(1) Deemed interested by virtue of its direct interest of more than 20% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd.

(2) Deemed interested by virtue of its direct interest of more than 20% equity interest in Serata Padu Sdn. Bhd.

(3) Deemed interested by virtue of:-
- his direct interest of more than 20% equity interest in Zil Enterprise Sdn. Bhd. and his direct interest of more than 20% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd.; and
- his daughter, Datin Fara Nadia binti Abd Rahim's shareholdings in EDEN.

Analysis of Shareholdings

DIRECTORS' SHAREHOLDINGS

The Directors' direct and indirect (deemed) interests in the Company based on the Register of Directors' Shareholdings of the Company maintained pursuant to Section 59 of the Companies Act 2016 are as follows: -

Directors	Direct Interest No. of Shares	Direct Interest %	Indirect Interest No. of Shares	Indirect Interest %
Tan Sri Abd Rahim bin Mohamad	-	-	86,687,471[1]	19.62
Puan Sri Fadzilah binti Md Ariff	4,861,900	1.10	8,893,300[2]	2.01
Datuk Mohamed Salleh bin Bajuri	375,000	0.08	-	-
Dato' Anuarudin bin Mohd Noor	20,000	negligible	-	-
Datuk Seri Ahmad bin Hj. Kabit	-	-	-	-
Dato' Nik Mohd Fuad bin Wan Abdullah	-	-	-	-
Datin Fara Nadia binti Abd Rahim	8,893,300	2.01	-	-

Notes:

(1) Deemed interested by virtue of:-
- his direct interest of more than 20% equity interest in Zil Enterprise Sdn. Bhd. and his direct interest of more than 20% equity interest in Serve Vest (M) Sdn. Bhd. which in turn holds shares in Serata Padu Sdn. Bhd.; and
- his daughter, Datin Fara Nadia binti Abd Rahim's shareholdings in EDEN.

(2) Deemed interested by virtue of her daughter, Datin Fara Nadia binti Abd Rahim's shareholdings in EDEN.

Analysis of Shareholdings

THIRTY (30) LARGEST SHAREHOLDERS

No.	Shareholders	Number of Shares	%
1.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wee Cheng Kwan	20,232,584	4.58
2.	Ambank (M) Berhad Pledged Securities Account for Zil Enterprise Sdn. Bhd.	20,000,120	4.53
3.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Leong Kim Fong	18,150,000	4.11
4.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Serata Padu Sdn. Bhd.	18,107,471	4.10
5.	Tung Yan Yok	17,432,000	3.95
6.	Tee Woei Lim	16,619,500	3.76
7.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Serata Padu Sdn. Bhd.	15,686,700	3.55
8.	ABB Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Zil Enterprise Sdn. Bhd.	14,000,000	3.17
9.	ABB Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Serata Padu Sdn. Bhd.	10,000,000	2.26
10.	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - Ambank (M) Berhad for Fara Nadia binti Abd Rahim	7,893,300	1.79
11.	Lim Kia Chet	7,299,700	1.65
12.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Rajinder Singh A/L Kuldip Singh	5,555,900	1.26
13.	Ting Kam Cheong	5,315,160	1.20
14.	Chua Kwang Khim	4,720,000	1.07
15.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Chin Ching	4,301,400	0.97
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Fadzilah binti Md Ariff	3,831,900	0.87
17.	Tee Woei Lim	3,706,500	0.84
18.	Tee Chee Huy	3,000,000	0.68
19.	Gan Cheng Swee	2,727,500	0.62
20	RHB Capital Nominees (Tempatan) Sdn. Bhd. Lee Yuet Ngor	2,440,000	0.55
21.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mohammed Amin bin Mahmud	2,424,300	0.55
22.	Ho Woon Wei	2,230,000	0.50
23.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Karamjit Kaur A/P Pall Singh	2,000,000	0.45
24.	Chan Swee Siang	1,906,000	0.43
25.	Liew Yoke Ling	1,879,600	0.43
26.	Lai Yin Foong	1,700,000	0.38
27.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teh Swee Heng	1,500,000	0.34
28.	Chan Ha	1,500,000	0.34
29.	Chin Khee Kong & Sons Sendirian Berhad	1,300,000	0.29
30.	Teh Bee Gaik	1,200,000	0.27
		218,659,635	49.50

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FORM OF PROXY

AFFIX
STAMP

To:

EDEN INC. BERHAD [197701005144 (36216-V)]
c/o Securities Services (Holdings) Sdn. Bhd. [197701005827 (36869-T)]
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara,Damansara Heights,
50490 Kuala Lumpur.

EDEN INC. BERHAD
[197701005144 (36216-V)]
(A member of Zil Group of Companies)

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Proxy Form

EDEN INC. BERHAD
[Registration No. 197701005144 (36216-V)]
(Incorporated in Malaysia)

FORM OF PROXY

Number of ordinary shares held	CDS Account No.

*I/We, (full name in capital letters) ....
bearing *NRIC No./Passport No./Registration No...
of (full address)..
being a *member/members of EDEN INC. BERHAD ("**the Company**"), hereby appoint:-

First Proxy "A"

Full Name	NRIC/Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

and/or failing *him/her,

Second Proxy "B"

Full Name	NRIC/Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address			

100%

or failing *him/her, the *CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us and on *my/our behalf at the Forty-Third Annual General Meeting of the Company (**"43rd AGM"**) to be held on a fully virtual basis at the broadcast venue at Meeting Room, Securities Services (Holdings) Sdn.Bhd, Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Thursday, 9 December 2021 at 10:00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below as to how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

Item No.	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of the Directors and the Auditors thereon.			
		Resolution	**For**	**Against**
2.	To re-elect Datin Fara Nadia binti Abd Rahim who is to retire pursuant to Clause 115 of the Company's Constitution.	1		
3.	(a) To re-elect Datuk Mohamed Salleh bin Bajuri who is to retire pursuant to Clause 116 of the Company's Constitution.	2		
	(b) To re-elect Dato' Anuarudin bin Mohd Noor who is to retire pursuant to Clause 116 of the Company's Constitution.	3		
4.	To approve the payment of Directors' fees for the financial year ended 30 June 2021.	4		
5.	To approve the benefits payable to the Non-Executive Directors pursuant to Section 230(1)(b) of the Companies Act 2016.	5		
6.	To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	6		
Special Business				
7.	**Ordinary Resolution** Retention of Datuk Mohamed Salleh bin Bajuri as Senior Independent Non-Executive Director.	7		
8.	**Ordinary Resolution** Retention of Dato' Anuarudin bin Mohd Noor as Independent Non-Executive Director.	8		
9.	**Ordinary Resolution** Retention of Datuk Seri Ahmad bin Hj Kabit as Independent Non-Executive Director.	9		
10.	**Ordinary Resolution** Authority to issue shares pursuant to the Companies Act 2016.	10		

* Strike out whichever not applicable

Signed this .... day of ...., 2021

....
Signature of Member/Common Seal

Notes:-

1. The 43rd AGM will be conducted on a fully virtual basis at the Broadcast Venue by way of live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at **https://sshsb.net.my**. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.

2. In respect of deposited securities, only members whose names appear in the Record of Depositors on 2 December 2021 ("**General Meeting Record of Depositors**") shall be eligible to attend the Meeting.

3. A member entitled to attend and vote at the Meeting, shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote instead of the member at the Meeting. A proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the Member to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.

4. Where a member appoints more than one (1) proxy in relation to the Meeting, he shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.

5. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.

7. The instrument appointing a proxy must be deposited at SS E Solutions Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof or submit electronically via Securities Services e-Portal at **https://sshsb.net.my/** before the proxy form submission cut-off time as mentioned above. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide.

8. Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the General Meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016: -

    (a) the constitution of the quorum at such meeting;
    (b) the validity of anything he did as chairman of such meeting;
    (c) the validity of a poll demanded by him at such meeting; or
    (d) the validity of the vote exercised by him at such meeting 43rd

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