

CORPORATE GOVERNANCE REPORT

STOCK CODE : 7471
COMPANY NAME : EDEN INC. BERHAD
FINANCIAL YEAR : June 30, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>In discharging its fiduciary and leadership functions, the Board has established clear roles and responsibilities in order to be more effective steward and guardian of the Company. The delegation of authority by the Board to the Management is expressly authorised by the Board. The Board provides specific guidance on the various business activities of the Group and the composition of the Board is regularly reviewed to reflect changes within the Group.</p> <p>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.</p> <p>The Board assumes the primary responsibilities which include (but are not limited) to the following: -</p> <ul style="list-style-type: none">a. reviewing, ensuring and adopting a strategic plan for the Group to support long term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;b. together with the Senior Management, to promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behavior;c. reviewing, challenging and deciding on Management's proposals for the Group, and monitor its implementation by Management;d. supervising and assessing Management performance to determine whether the business is being properly managed;e. ensuring there is a sound framework for internal controls and risk management;

	<p>f. understanding the principal risks of the Group's businesses and recognising that business decisions involve the taking of appropriate risks;</p> <p>g. setting the risk appetite within which the Board expects the Management to operate and ensuring that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;</p> <p>h. ensuring that the Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;</p> <p>i. ensuring that the Company has in place procedures to enable effective communication with stakeholders;</p> <p>j. ensuring the integrity of the Company's financial and non-financial reporting;</p> <p>k. reviewing the leadership needs of the Company, both executive and non-executive, with a view to ensure the Company's continued ability to compete effectively in the market place;</p> <p>l. ensuring the Company has appropriate policies and procedures to review performance of the Directors and Senior Management and setting an appropriate level of remuneration to attract and retain them; and</p> <p>m. ensuring that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on any particular matter.</p> <p>For the financial year ended 30 June 2023 ("FYE 2023"), the Board has discharged the following principal duties and responsibilities on the affairs of the Company and its subsidiary companies of the Group which include but not limited to: -</p> <ol style="list-style-type: none"> 1. reviewed and adopted the Group's strategic plan, future business opportunities and the principal risks together with its mitigations via Budget for the FYE 2023; 2. supervised the management performance via daily, weekly or monthly reports from all sectors; 3. quarterly reviewed the financial position of the Group; 4. delegated to the Audit and Risk Committee ("ARC") to review the adequacy and integrity of the Group's internal controls and risk management;
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	5. delegated to the Nomination and Remuneration Committee (“ NRC ”) to review the performance of the Executive and Non-Executive Directors; 6. reviewed and adopted the Fit and Proper Policy recommended by the NRC; 7. reviewed the appointment of Dato' Naharudin bin Ali and Mr. Cheong Kee Yoong as the new members of the Board and Board Committee; and 8. reviewed and confirmed the minutes of the Board in ensuring the deliberation and decisions of the Board being recorded accurately.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>Tan Sri Abd Rahim bin Mohamad, the Executive Chairman of the Company is responsible to ensure the effectiveness of the Board's function and conduct as well as assuming the formal role as the leader in chairing all of the Board of Directors' ("BOD") meetings and shareholders' meeting.</p> <p>The key roles and responsibilities of Tan Sri Abd Rahim bin Mohamad as the Executive Chairman of the Company as set out in the Board Charter of the Company, are as follows: -</p> <ul style="list-style-type: none">a. providing leadership for the Board so that the Board can perform its responsibilities effectively;b. setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;c. leading board meetings and discussions;d. encouraging active participation and allowing dissenting views to be freely expressed;e. managing the interface between Board and Management;f. ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;g. leading the Board in establishing and monitoring good corporate governance practices in the Company;h. other responsibilities as assigned by the Board from time to time;i. displaying ethical behaviour while overseeing the day-to-day business operations, implementing Board policies and strategies, and making operational decisions;j. serving as the conduit between the Board and management in ensuring the success of the Group's governance and management functions;

	<p>k. ensuring that all Board decisions reflect its environment, safety and health intentions as articulated in the environment, safety and health policy statement;</p> <p>l. ensuring effective relationships and communication with Management, and between the Board, shareholders and relevant stakeholders;</p> <p>m. providing strong leadership by effectively communicating the vision, management philosophy, business strategy and environment, safety and health policy to employees; and</p> <p>n. keeping the Board informed of salient aspects and issues concerning the Group's operations, including those related to environment, safety and health.</p> <p>The leadership of Tan Sri Abd Rahim bin Mohamad as the Executive Chairman of the Company was acknowledged and verified by the good ratings received via the Self and Board Performance Evaluation for financial year ended 30 June 2023 ("FYE 2023") and his profile is set out in the Directors' Profile of the Annual Report for the FYE 2023.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied												
Explanation on application of the practice	:	<p>Tan Sri Abd Rahim bin Mohamad, the Executive Chairman of the Company, while the following persons are the Executive Directors: -</p> <table><tr><th>No.</th><th>Name</th><th>Position</th></tr><tr><td>1.</td><td>Datin Fara Nadia binti Abd Rahim</td><td>Group Managing Director</td></tr><tr><td>2.</td><td>Puan Sri Fadzilah binti Md Ariff</td><td>Executive Director, Group Special Projects</td></tr><tr><td>3.</td><td>Dato' Nik Mohd Fuad bin Wan Abdullah</td><td>Executive Director, Group Corporate Affairs</td></tr></table> <p>The roles of the Chairman and the respective Executive Directors are segregated and clearly defined in the Board Charter.</p> <p>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. Whilst the Executive Directors of the Company are to manage the day-to-day management of the Company and the Group. In this regard, no one individual can influence Board's discussions and decision-making.</p> <p>For the financial year ended 30 June 2023, the Group Managing Director and the Executive Directors have advised the Executive Chairman on the strategic plans of the Group in general as well as the Group's day-to-day operations, management, and the implementation of the Board's decisions. The Executive Chairman through the report and information from the Executive Directors, has given suggestions and comments to the Executive Directors, for operations of the Group's business.</p>	No.	Name	Position	1.	Datin Fara Nadia binti Abd Rahim	Group Managing Director	2.	Puan Sri Fadzilah binti Md Ariff	Executive Director, Group Special Projects	3.	Dato' Nik Mohd Fuad bin Wan Abdullah	Executive Director, Group Corporate Affairs
No.	Name	Position												
1.	Datin Fara Nadia binti Abd Rahim	Group Managing Director												
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3.	Dato' Nik Mohd Fuad bin Wan Abdullah	Executive Director, Group Corporate Affairs												
Explanation for departure	:													
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Measure	:													

Timeframe	:		
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>Tan Sri Abd Rahim bin Mohamad, the Executive Chairman is not a member of the Audit and Risk Committee and the Nomination and Remuneration Committee. Tan Sri Abd Rahim bin Mohamad also did not attend nor participate in any of these committee meetings as an invitee during the financial year ended 30 June 2023 to ensure there is check and balance as well as objective review by the Board.</p> <p>The Board recognises that having the same individual assuming the positions of Chairman of the Board as well as Chairman or member of Board Committees may give rise to excessive self-review risks. This may have the effect of compromising the impartiality of Board-level deliberations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>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”). They have attended many relevant continuous professional development programmes as required by MAICSA for practicing Chartered Secretaries. The primary responsibilities of the Company Secretaries include, but are not limited to the following: -</p> <ul style="list-style-type: none">a. managing all Board and committee meeting logistics, attending and recording minutes of all Board and committee meetings and facilitating Board communications;b. advising the Board on its roles and responsibilities;c. facilitating the orientation of new Directors and assisting in Directors’ training and development;d. advising the Board on corporate disclosures and compliance with company and securities regulations and listing requirements;e. managing processes pertaining to the annual shareholders’ meeting;f. monitoring corporate governance developments and assist the Board in applying governance practices to meet the Board’s needs and stakeholders’ expectations;g. serving as a focal point for stakeholders’ communication and engagement on corporate governance issues; andh. together with the Chairman, ensuring that Directors are provided with sufficient information and time to prepare for Board meeting. <p>For the financial year ended 30 June 2023, the Board is satisfied with the support rendered by the Company Secretaries to the Board in the discharge of its roles and responsibility.</p>

Explanation for departure :		
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Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>For the financial year ended 30 June 2023 (“FYE 2023”), the Companies Secretaries by the order of the Chairman of the Board and Board Committees, attended that the notice calling for each Board and Board Committees’ meeting was issued at least seven (7) days in advance and the agenda and relevant papers were issued at least seven (7) days prior to each meeting to allow sufficient time for Directors and Committees to review and consider the relevant information.</p> <p>During the FYE 2023, the Executive Chairman set the Board meeting agenda and ensured that sufficient time was allocated for discussion of issues tabled to the Board for deliberation. The Executive Chairman also ensured that the Board Committees’ meetings are conducted separately from the Board meetings to enable objective and independent discussion during the meeting. Subsequent to the Board Committees’ meetings, the respective chair of the Board Committees has then reported its proceedings to the Board for notation.</p> <p>Upon conclusion of the meeting, the Minutes were circulated to the Board and Board Committees for confirmation to ensure that deliberations and decisions are accurately recorded. The Company Secretaries have ensured that a statement of declaration of interest or abstention from voting and deliberation was recorded in the Minutes.</p> <p>The Board and Board Committees’ Chairman of the meeting signed the minutes as a correct record of the proceedings and thereafter, the said minutes of all proceedings are kept in the statutory book at the registered office of the Company to be made available for inspection under the Companies Act 2016.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter of the Company was established on 25 April 2017 and revised on 22 April 2019. In the course of establishing a Board Charter, the Board aims to guide the Board of the Company on its stewardship role of the Group based on Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Companies Act 2016 as well as adopt the related practices and guidance from the Malaysia Code on Corporate Governance.</p> <p>This is to ensure that all Board members are aware of their fiduciary duties and responsibilities to safeguard the interest of all stakeholders and upholding the highest standards of corporate governance.</p> <p>The Board Charter entails the following: -</p> <p>A. <u>Board of Directors</u></p> <ol style="list-style-type: none"> 1. Board Composition 2. Authorities of the Board 3. Matters Reserved 4. Board Review Process 5. Board Diversity <p>B. <u>Roles and Responsibilities</u></p> <ol style="list-style-type: none"> 1. General 2. Board 3. Chairman 4. Executive Directors 5. Non-Executive Directors / Independent Non-Executive Directors (“INED”) 6. Senior INED

	<p>C. <u>Board Committees</u></p> <ol style="list-style-type: none"> 1. Audit and Risk Committee 2. Nomination and Remuneration Committee <p>D. <u>Rights of Directors</u></p> <ol style="list-style-type: none"> 1. Access to Information 2. Independent Professional Advice <p>E. <u>Directors' Remuneration</u></p> <ol style="list-style-type: none"> 1. Oversight of Remuneration 2. Disclosure of Remuneration <p>F. <u>Appointment and Re-election of Directors</u></p> <ol style="list-style-type: none"> 1. Appointment 2. Re-election <p>G. <u>Directors' Orientation and Continuous Education Training</u></p> <ol style="list-style-type: none"> 1. Induction of Newly Appointed Directors 2. Directors' Training and Development <p>H. <u>Directors' Code of Conduct and Ethics</u></p> <p>I. <u>Board Meetings</u></p> <ol style="list-style-type: none"> 1. Frequency 2. Notice 3. Agenda 4. Meeting paper 5. Quorum 6. Attendance at Board Meetings 7. Voting 8. Minutes <p>J. <u>Company Secretary</u></p> <p>K. <u>Stakeholders' Communication</u></p> <p>L. <u>General Meeting</u></p> <p><u>Roles of Senior INED</u></p> <p>Dato' Anuarudin bin Mohd Noor is the Senior INED of the Company. The roles of the Senior INED as entail in the Board Charter, include but not limited to the following: -</p> <ol style="list-style-type: none"> a) ensures all INEDs have an opportunity to provide input on the agenda, and advise the Chairman on the quality, quantity and timeless of the information submitted by Management that is necessary or appropriate for the INEDs to perform their duties effectively;
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	<p>b) consults the Chairman regarding Board meeting schedules to ensure the INEDs can perform their duties responsibly and with sufficient time for discussion of all agenda items;</p> <p>c) serves as the principal conduit between the INEDs and the Chairman on sensitive issues, for example issues that arise from ‘whistleblowing’;</p> <p>d) serves as a designated contact for consultation and direct communication with shareholders and other stakeholders on areas that cannot be resolved through the normal channels of contact with the Chairman, or for which such contract is inappropriate; and</p> <p>e) be available for confidential discussions with other Non-Executive Directors who may have concerns which they believe have not been properly considered by the Board as a whole.</p> <p>The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators and remain consistent with the policies and procedures of the Board. The Board Charter was reviewed and approved by the Board on 22 April 2019.</p> <p>A copy of the Board Charter is available for viewing at the Company’s corporate website at www.edenzil.com.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company adopted Director's Code of Ethics which described the standards of business conduct and ethical behaviour for 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.</p> <p>The Anti-Bribery and Corruption Policy was adopted 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.</p> <p>In addition to the above, a Fit and Proper Policy was adopted on 1 July 2022 to set out the criteria for selection of candidates that are proposed to be appointed as Directors of the Company and its subsidiaries based on the following criteria: -</p> <ul style="list-style-type: none">• Character and Integrity;• Experience and Competency; and• Time and Commitment <p>The Director's Code of Ethics, Anti-Bribery and Corruption Policy and Fit and Proper Policy will be reviewed as and when required.</p> <p>A copy of the Director's Code of Ethics, Anti-Bribery and Corruption Policy and Fit and Proper Policy are available for viewing at the Company's corporate website at www.edenzil.com.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>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 established a Whistleblowing Policy on 25 April 2017 and revised on 9 November 2020 with the following objectives: -</p> <ul style="list-style-type: none">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; andc. 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, member of the public etc.). <p>Matters of those concerns include: -</p> <ul style="list-style-type: none">1. malpractice, impropriety, fraud and embezzlements;2. misappropriation of assets and funds;3. criminal breach of trust;4. illicit and corrupt practices;5. questionable and improper accounting;6. misuse of confidential information;7. acts or omissions, which are deemed to be against the interest of the Group, laws, regulations or public policies;8. breaches of any Group Policies or code of ethics; and9. attempts to deliberately conceal any of the above or other acts of wrongdoing. <p>A copy of the Whistleblowing Policy is available for viewing at the Company's corporate website at www.edenzil.com.</p> <p>For the financial year ended 30 June 2023, the Company has not received any complaint under this procedure.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>As an organisation, the Company is committed to driving responsible and sustainable business practices throughout the organisation.</p> <p>The Board's emphasis on the strategic importance of sustainability to the Group and 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, namely Economic, Environmental and Social.</p> <p>The Management has identified the following pertinent issues that are vital to the Group and subsequently embedded in the Company's plan in developing the Group's corporate strategies: -</p> <p><u>Economic</u></p> <ul style="list-style-type: none">• Business continuity plan• Risk management system• Supply chain• Material procurement <p><u>Environment</u></p> <ul style="list-style-type: none">• Emission and waste management/energy use reduction• Green technology/environmental protection <p><u>Social</u></p> <ul style="list-style-type: none">• Health and safety/workplace conditions• Training and development• Talent management• Diversity and equality• Compliance with laws and regulations/ethical business• Succession plan• Information technology/cybersecurity-data privacy

	<p>There is a Risk Management Committee to provide regular reports and updates to the Board and Audit and Risk Committee on risk management issues from environmental, social and governance perspectives, to minimise the risk and to enhance the long-term development impact of the Group's activities.</p> <p>The Company also has a Risk Working Committee comprised of representatives from each business unit, which serves as a channel for respective business units to provide regular reports and updates on risk management. Business unit heads work towards effective identification and mitigation of the day-to-day risks at the operation level.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied																
Explanation on application of the practice	:	<p>The Company has high standards for sustainability responsibility to secure its future in a sustainable manner. Sustainability has three (3) main elements; economic, environmental, and social, with the encouragement of good governance practices.</p> <p>Economic elements consist of an organisation’s impact on the economic conditions of its stakeholders and economic systems at local, national and global levels. An organisation’s environmental impact consists of its impact on living and non-living elements of its environment. Social impact results from the organisation’s interaction with the social systems within which it operates.</p> <p>The Group has been periodically engaging with a wide range of stakeholders to communicate of the Group’s sustainability strategies in respect of economic, environmental, and social: -</p> <table><tr><th>Stakeholders</th><th>Engagement Methods</th></tr><tr><td>Government/Regulators</td><td><ul style="list-style-type: none">• Meetings, discussions• Seminars and functions</td></tr><tr><td>Shareholders/Investors</td><td><ul style="list-style-type: none">• Annual General Meeting• Corporate announcements• Press release</td></tr><tr><td>Industry leaders and professionals</td><td><ul style="list-style-type: none">• Meetings and discussions• Seminars and conference</td></tr><tr><td>Customers</td><td><ul style="list-style-type: none">• Meetings and discussions• Promotional events</td></tr><tr><td>Employees</td><td><ul style="list-style-type: none">• Townhall meetings/discussions• Yearly performance appraisals• Monthly “Team Meet”</td></tr><tr><td>Suppliers/Bankers</td><td><ul style="list-style-type: none">• Meetings and discussions• Site visits</td></tr><tr><td>Communities</td><td><ul style="list-style-type: none">• Community events and engagement whether formal or informal</td></tr></table> <p>A full disclosure of our sustainability initiatives and practices is set out in the Sustainability Statement in the 2023 Annual Report.</p>	Stakeholders	Engagement Methods	Government/Regulators	<ul style="list-style-type: none">• Meetings, discussions• Seminars and functions	Shareholders/Investors	<ul style="list-style-type: none">• Annual General Meeting• Corporate announcements• Press release	Industry leaders and professionals	<ul style="list-style-type: none">• Meetings and discussions• Seminars and conference	Customers	<ul style="list-style-type: none">• Meetings and discussions• Promotional events	Employees	<ul style="list-style-type: none">• Townhall meetings/discussions• Yearly performance appraisals• Monthly “Team Meet”	Suppliers/Bankers	<ul style="list-style-type: none">• Meetings and discussions• Site visits	Communities	<ul style="list-style-type: none">• Community events and engagement whether formal or informal
Stakeholders	Engagement Methods																	
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Explanation for departure :		
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Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board members are expected to have a strong understanding and be able to engage in discussion with Management in addressing sustainability issues.	
		The Board members keep themselves apprised with contemporaneous and relevant sustainability developments by way of presentation and discussion.	
		The Board through the Nomination and Remuneration Committee assessed the trainings attended by all Directors to ensure that the Directors are continuously stay abreast with sustainability issues including climate-related risks and opportunities.	
		The trainings attended by each Director are disclosed in the Annual Report for the financial year ended 30 June 2023.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>During the Board and Board committee performance evaluation for the financial year ended 30 June 2023, the Board, through the Nomination and Remuneration Committee, reviewed its performance in areas including the evaluation of Environmental, Social and Governance issues or sustainability.</p> <p>However, the key performance indicators for the sustainability material matters have yet to be incorporated into the Key Senior Management's performance evaluation. The Company will consider to include company's material sustainability risks and opportunities.</p>
		<p><u>Alternative Practice: -</u></p> <p>The Board takes cognisance of the importance of the review of the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities in the Company's performance evaluation process and will include such review in the coming year's evaluation process.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	To establish the revised Performance Evaluation Form to include the Company's material sustainability risks and opportunities for the Key Senior Management.
Timeframe	:	Within 1 year

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	Encik Amir Mahmood, the Assistant General Manager of Internal Audit and Risk Assurance Department of the Company has been designated to take care of the interest of all the stakeholders and ensure that it supports long-term value creation and promotes sustainability. Encik Amir Mahmood will manage sustainability strategically, including the integration of sustainability considerations in the operations of the Company.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee ("NRC") has been delegated by the Board to conduct annual review of the size and composition of the Board, including diversity and tenure of directors. The NRC will continue to perform annual assessments and evaluation of Directors.</p> <p>An election of Directors shall take place every year. At every annual general meeting, one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the conclusion of the general meeting at which he retires.</p> <p>The Board via the NRC's annual assessment for the financial year ended 30 June 2023 is satisfied with the performance of the Directors. The Board has subsequently recommended Dato' Naharudin bin Ali, Mr. Cheong Kee Yoong, Puan Sri Fadzilah binti Md Ariff and Dato' Nik Mohd Fuad bin Wan Abdullah who are standing for re-election pursuant to Clauses 115 and 116 to the shareholders their proposed re-election at the forthcoming Forty-Fifth Annual General Meeting in accordance with the Constitution.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>During financial year ended 30 June 2023 (“FYE 2023”), the Board is currently composed of seven (7) board members. The four (4) Executive Directors comprise 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.</p> <p>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 Market Listing Requirements of Bursa Malaysia Securities Berhad.</p> <p>The presence of Independent Non-Executive Directors is essential as they are independent from the Management and free from any business or other relationships that could materially interfere with the exercise of the independent judgment or the ability to act in the best interest of the Company. Accordingly, Dato’ Anuarudin bin Mohd Noor was appointed as the Senior Independent Non-Executive Director, to whom concerns may be conveyed to.</p> <p>To ensure the effectiveness of the Independent Non-Executive Directors on the Board, the assessments were conducted during the FYE 2023 via the following:</p> <ol style="list-style-type: none">1. Self/Board performance evaluations; and2. Forms of declaration of independence to facilitate the process of determining the Directors’ independency. <p>Through the recommendation of the Nomination and Remuneration Committee, the Board is satisfied with the level of independency demonstrated by all of the Independent Non-Executive Directors and their ability to act in the best interest of the Company for the FYE 2023.</p> <p>The Board is of the view that with the current Board composition is optimal to facilitate effective decision making and independent</p>

	judgement where no individual shall dominate the Board's decision making.			
	<u>Alternate Practice: -</u> The Board undertakes the decision of the Board shall always be agreed upon by at least majority of the Independent Directors present at the Meeting, therefore, no individual Director can dominate the decision making of the Board. The Board would take into consideration on the appointment of an additional potential Independent Non-Executive Director in future.			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.		
Timeframe	:	<table border="1"> <tr> <td>Choose an item.</td> <td></td> </tr> </table>	Choose an item.	
Choose an item.				

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>According to the Malaysian Code on Corporate Governance's recommendation, the service tenure of an independent director ("ID") should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an ID may continue to serve on the board, subject to the director's re-designation as a non-ID, or the board shall justify and seek annual shareholders' approval through a two-tier voting process.</p> <p>However, according to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the tenure of an ID in a listed issuer or any of its related corporations must not exceed a cumulative tenure of twelve (12) years from the date of his first appointment ("maximum tenure"). The period will only be refreshed after such a person has left the board and observed a cooling-off period of at least three (3) years. In view thereof, all IDs serving more than the maximum tenure must resign or be re-designated as non-IDs.</p> <p>Dato' Anuarudin bin Mohd Noor ("Dato' Anuarudin") has served the Board as an ID with a tenure of more than nine (9) years but less than twelve (12) years. The Board has decided not to adopt a two-tier voting process in seeking the shareholders' approval for the continuation of Dato' Anuarudin as an ID as the Board, through the Nomination and Remuneration Committee ("NRC") has reviewed and assessed the independence of Dato' Anuarudin and is satisfied with the following justification:</p> <ol style="list-style-type: none">1. Dato' Anuarudin has actively participated in board deliberation;2. Dato' Anuarudin has exercised due care during his tenure as ID of the Company and carried out his professional duties in the best interest of the Company and shareholders;3. Dato' Anuarudin had not developed, established or maintained any significant personal and 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.; and	
	4. Dato’ Anuarudin had contributed sufficient time and efforts to attending Board meetings and sharing his valuable expertise and skills with the board.	
	<u>Alternative Practice: -</u> The Company has decided to maintain the present voting practice and will implement the 9-year tenure limit for the new IDs.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The current Board is composed of seven (7) Directors with diverse backgrounds and qualifications who collectively bring with them a wide range of experience and expertise in areas such as economics, accounting and auditing, taxation and finance.</p> <p>The Board is supportive towards the boardroom gender diversity with two (2) female Directors sit in the Board.</p> <p>In addition, recruitment and appointment of senior management and staff are based on a candidate's background, qualifications, experience and competency per the requirements of the job function.</p> <p>The Company is committed to provide fair and equal opportunity in employment and nurturing with the Group regardless of race, nationality, ethnic origin, age, religion or belief, gender, marital status, disability, or any other characteristic unrelated to the performance of the job.</p> <p>For the financial year ended 30 June 2023, the Board assessed and reviewed the profiles of Dato' Naharudin bin Ali and Mr. Cheong Kee Yoong based on the following criteria, and subsequently approved their appointment as the new Board members:</p> <ul style="list-style-type: none">• fit and proper criteria as set out in the Directors' Fit and Proper Policy;• character, skills, knowledge, competencies, expertise and experience;• professionalism, integrity and industry standing; and• time commitment and ability to discharge their responsibilities/functions as Board member of the Company. <p>As at 30 June 2023, there are ten (10) employees holding management positions in the Group, of which five (5) of them are female.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Dato' Naharudin bin Ali ("Dato' Naharudin") and Mr. Cheong Kee Yoong ("Mr. Cheong") were appointed as Independent Non-Executive Directors ("INED") of the company via the recommendation of the existing board members. The Board was of the view that both Dato' Naharudin and Mr. Cheong are suitable candidates due to their backgrounds, experiences, and extensive knowledge.</p>
		<p><u>Alternative Practice: -</u></p> <p>The proposal for a new appointment, regardless of whether it is suggested by major shareholders, management, or another third party, would undergo the same procedure and process. The proposal will be presented to the Nomination and Remuneration Committee ("NRC") for assessment and evaluation before being recommended to the Board for approval. The Board decisions were still made objectively in the best interests of the Company taking into account the backgrounds, experiences, extensive knowledge and perspectives of the current Board members.</p> <p>However, the Board will consider utilising independent sources to identify suitably qualified candidates, should the needs arise.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.

Timeframe	:	Choose an item.	
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Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	Shareholders are provided with detailed information on Directors who are standing for re-election at the Company’s forthcoming Forty-Fifth Annual General Meeting ("AGM") via explanatory notes accompanying the notice of the Forty-Fifth AGM and the profile of the Directors set out in the Annual Report for the financial year ended 30 June 2023.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Nomination and Remuneration Committee ("NRC"), Dato' Anuarudin bin Mohd Noor ("Dato' Anuarudin") is an Independent Non-Executive Director of the Company.</p> <p>For the financial year ended 30 June 2023, as the Chairman of the NRC, Dato' Anuarudin has led to review of Board's effectiveness and composition via the Board and Board Committee Performance and Self Performance Evaluations, to ensure that the performance of each individual director is independently assessed.</p> <p>Dato' Anuarudin's responsibilities and duties as Chairman of the NRC are disclosed in the Terms of Reference ("TOR") of the NRC.</p> <p>A copy of the TOR of the NRC is available for viewing at the Company's corporate website at www.edenzil.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board acknowledges the importance of boardroom diversity in terms of gender. The Board currently has two (2) women Directors out of seven (7) Directors, representing 29% of women Directors.</p> <p><u>Alternative Practice:</u> -</p> <p>The Board undertakes the decision of the Board shall always be agreed upon by at least majority of the Independent Directors present at the Meeting. The Independent Directors are of diverse background, who are able to provide diverse insights and perspectives during Board deliberation and decision-making process.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Board acknowledges the importance of having more women representation on the Board and through the Nomination and Remuneration Committee will strive to meet the objective of this Practice 5.9.
Timeframe	:	Within 2 years

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company currently does not have any policy on gender diversity for the Board and Senior Management. Nevertheless, the Board also acknowledges the merit of gender diversity at management level for better decision making and competitive advantages.	
		<u>Alternate Practice: -</u> The Board is supportive of gender diversity in the Board and management composition despite not adopting any gender diversity policy. As at 30 June 2023, there are ten (10) employees holding management positions in the Group, of which five (5) of them are female. In addition, two (2) out of seven (7) Directors are women.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:	The Company will draft and adopt a policy on gender diversity for the board and senior management.	
Timeframe	:	Within 2 years	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.

Application	:	Applied										
Explanation on application of the practice	:	For the financial year ended 30 June 2023 (“FYE 2023”), the Nomination and Remuneration Committee (“NRC”) has conducted the following assessments:										
		<table><tr><th>Evaluation</th><th>Assessment criteria</th></tr><tr><td>Individual Directors</td><td><ul style="list-style-type: none">• Fit and proper;• Contribution and performance; and• Calibre and personality.</td></tr><tr><td>Board and Board Committee</td><td><ul style="list-style-type: none">• Board mix and composition;• Quality of information and decision making;• Boardroom activities;• Board’s relationship with the Management;• Environmental, social and governance (“ESG”) issues of Sustainability; and• Board Committees’ Performance</td></tr><tr><td>Audit and Risk Committee</td><td><ul style="list-style-type: none">• Quality and composition• Skills and Competencies• Meeting Administration and Conduct• Duties and Responsibilities</td></tr><tr><td>Independence of the Independent Directors</td><td><ul style="list-style-type: none">• Independence criteria in accordance with Paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad</td></tr></table>	Evaluation	Assessment criteria	Individual Directors	<ul style="list-style-type: none">• Fit and proper;• Contribution and performance; and• Calibre and personality.	Board and Board Committee	<ul style="list-style-type: none">• Board mix and composition;• Quality of information and decision making;• Boardroom activities;• Board’s relationship with the Management;• Environmental, social and governance (“ESG”) issues of Sustainability; and• Board Committees’ Performance	Audit and Risk Committee	<ul style="list-style-type: none">• Quality and composition• Skills and Competencies• Meeting Administration and Conduct• Duties and Responsibilities	Independence of the Independent Directors	<ul style="list-style-type: none">• Independence criteria in accordance with Paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad
	Evaluation	Assessment criteria										
	Individual Directors	<ul style="list-style-type: none">• Fit and proper;• Contribution and performance; and• Calibre and personality.										
	Board and Board Committee	<ul style="list-style-type: none">• Board mix and composition;• Quality of information and decision making;• Boardroom activities;• Board’s relationship with the Management;• Environmental, social and governance (“ESG”) issues of Sustainability; and• Board Committees’ Performance										
	Audit and Risk Committee	<ul style="list-style-type: none">• Quality and composition• Skills and Competencies• Meeting Administration and Conduct• Duties and Responsibilities										
	Independence of the Independent Directors	<ul style="list-style-type: none">• Independence criteria in accordance with Paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad										
		During the FYE 2023, the results of the aforesaid evaluations were then collated by the Company Secretaries and tabled to the NRC for deliberation. Each Director was provided feedback on their contribution to the Board and its Committees. The review supported the Board’s										

	<p>decision to endorse all retiring Directors standing for re-election. The assessment report together with the report on the Board balance (the required mix of skills, experience and other qualities) were discussed and circulated to the Board on 4 October 2023.</p> <p>Based on the results and discussion, the NRC concluded that the Board as a whole, the Board Committees and each individual Director had performed well and effectively and the overall composition of the Board in terms of size, mix of skills, experience, core competencies and the balance between the Executive Directors, Non-Executive Directors and Independent Directors, is appropriate. The Independent Directors had also fulfilled their independent role in corporate accountability through their objective participation in Board deliberations during Board meetings. In addition, the NRC obtained the annual declaration of independence from the Independent Directors confirming their independent status.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>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.</p> <p>The objective of the Remuneration Policy are as follows: -</p> <ul style="list-style-type: none">a. to provide a level of remuneration that motivates, encourages, attracts and retain employee of highest calibre;b. to ensure that the total remuneration shall be set at levels that 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; ande. to ensure a level of equity and consistency. <p>The remuneration levels of Executive Directors are structured to enable the Company to attract and retain the most qualified Executive Board members, whilst, Independent Non-Executive Directors are not entitled to receive bonuses nor participate in short-term and/or long-term incentive plans but only receive remuneration in the form of Directors' fees and meeting allowances together with the reimbursement of expenses incurred, if any, in the course of performing their services, for the purpose to ensure no impairment to the objectivity and independent judgment of the Independent Non-Executive Directors on matters discussed at Board meetings.</p>

	<p>The remuneration of the senior management personnel is determined at Board level and does not require for shareholders' approval.</p> <p>A copy of the Remuneration Policy is available for viewing at the Company's corporate website at www.edenzil.com.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee ("NRC") is made up of three (3) Directors whom all are independent and is presently chaired by Dato' Anuarudin bin Mohd Noor.</p> <p>For the financial year ended 30 June 2023 ("FYE 2023"), the NRC has in accordance with Remuneration Policy, reviewed, assesses and recommended to the Board of Directors the remuneration of the Directors takes into account the demands, complexities and performance of the Group as well as skills and experience required as stipulated in its Terms of Reference ("TOR").</p> <p>The Board, as a whole, had then subsequently determined the remuneration of the Directors, with each Director concerned abstaining from any decision with regards to his/her remuneration. The Company pays its Directors the fees that had been approved by the shareholders during the Forty-Fourth Annual General Meeting held on 8 December 2022.</p> <p>A copy of the TOR of the NRC is available for viewing at the Company's corporate website at www.edenzil.com.</p> <p>The summary of works of the NRC for the FYE 2023, were as follows:</p> <ul style="list-style-type: none">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 Independent Directors;

	d. recommend the retention of Independent Directors as an independent director of the Company; e. reviewed and recommend training programmes for the Board; f. reviewed and recommend the Directors' fees and Directors' benefit; g. reviewed and recommend the remuneration packages of the Executives Directors; and h. reviewed and recommend the Fit and Proper Policy.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The details of remuneration of Directors who served during the financial year ended 30 June 2023 were as follows: -

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Abd Rahim bin Mohamad	Executive Director	110	345	1,160	-	580	316	2,511	110	845	1,160	-	619	316	3,050
2	Datin Fara Nadia binti Abd Rahim	Executive Director	50	-	540	-	229	66	885	50	-	540	-	229	66	885
3	Puan Sri Fadzilah binti Md Ariff	Executive Director	50	230	386	-	357	118	1,141	50	230	386	-	369	118	1,153
4	Dato' Nik Mohd Fuad bin Wan Abdullah	Executive Director	50	-	-	-	-	-	50	50	-	336	-	52	41	479
5	Datuk Mohamed Salleh bin Bajuri (Retired on 8 December 2022)	Independent Director	31	-	-	-	11	-	42	31	-	-	-	11	-	42
6	Dato' Anuarudin bin Mohd Noor	Independent Director	57	-	-	-	15	-	72	57	-	-	-	15	-	72
7	Datuk Seri Ahmad bin Hj. Kabit (Retired on 8 December 2022)	Independent Director	22	-	-	-	9	-	31	22	-	-	-	9	-	31
8	Dato' Naharudin bin Ali (Appointed on 9 February 2023)	Independent Director	20	-	-	-	4	-	24	20	-	-	-	4	-	24
9	Mr. Cheong Kee Yoong (Appointed on 9 February 2023)	Independent Director	20	-	-	-	4	-	24	20	-	-	-	4	-	24
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>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.</p> <p>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.</p>	
		<p><u>Alternate Practice: -</u></p> <p>The Company has disclosed the aggregate total remuneration of all key senior management personnel for the financial year ended 30 June 2023 ("FYE 2023"), under Note 37(c) to the Financial Statements of the Annual Report for the FYE 2023.</p> <p>The Board of the view that this disclosure provides an alternative means for stakeholders to assess whether the key senior management personnel of the Group is remunerated appropriately in line with this Practice.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Committee ("ARC") is chaired by Dato' Anuarudin bin Mohd Noor ("Dato' Anuarudin"), the Senior Independent Non-Executive Director of the Company, which is a separate person from the chair of the Board, Tan Sri Abd Rahim bin Mohamad, the Executive Chairman of the Company. Dato' Anuarudin is also the member of the Malaysian Institute of Accountants.</p> <p>Dato' Anuarudin's responsibilities and duties as a member of the ARC are disclosed in the Terms of Reference ("TOR") of the ARC.</p> <p>A copy of the TOR of the ARC is available for viewing at the Company's corporate website at www.edenzil.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>Terms of Reference of Audit and Risk Committee ("ARC") indicates that the appointment of a former partner of the external audit firm of the Company as a member of the ARC shall observe a cooling-off period of at least three (3) years before appointed as a member of ARC.</p> <p>None of the ARC members was a former partner of the external audit firm of the Company and notwithstanding the above provision, the Board has no intention to appoint any former partners as a member of Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit and Risk Committee ("ARC") has established External Auditors ("EA") Policy and Procedures on 25 April 2017.</p> <p>The EA Policy and Procedures entails the following:</p> <ul style="list-style-type: none">a. Objective;b. Applicability;c. Authority;d. Scope;e. Key Definitions;f. Policies:<ul style="list-style-type: none">1. Appointment and reappointment of EA;2. Assessing performance and independence of EA;3. Audit partner rotation;4. Audit delivery and reporting;5. Engagement of EA for non-audit services;6. Removal of the EA.g. Procedures :<ul style="list-style-type: none">1. Appointment of the EA;2. Assessing performance and independence of EA for reappointment;3. Assessing independence of auditor for reappointment;4. Audit delivery and reporting;5. Assessing the provision of non-audit related services by EA; and6. Removal of the EA. <p>For the financial year ended 30 June 2023 ("FYE 2023"), 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</p>

	<p>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.</p> <p>Upon completion of its assessment, the ARC is satisfied with UHY's technical competency and audit independence and recommended to the Board the appointment of UHY as EA for the FYE 2023. The Board has in turn recommended the same for shareholders' approval at the Forty-Fourth Annual General Meeting held on 8 December 2022.</p> <p>The ARC noted for the FYE 2023, UHY, the EA of the Company confirmed in writing that the engagement quality control reviewer and members of the engagement team in the course of their audits were and had been independent for the purpose of the audit in accordance with the terms of relevant professional and regulatory requirements.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted			
Explanation on adoption of the practice	:	The current Audit and Risk Committee comprise solely of Independent Non-Executive Directors which consist of the following members: -			
		No.	Name	Designation	Directorship
		1.	Dato’ Anuarudin bin Mohd Noor	Chairman	Senior Independent, Non-Executive Director
		2.	Dato’ Naharudin bin Ali	Member	Independent, Non-Executive Director
		3.	Mr. Cheong Kee Yoong	Member	Independent, Non-Executive Director

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The members of the Audit and Risk Committee ("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 economics.</p> <p>For the financial year ended 30 June 2023 ("FYE 2023"), the Board has through the Nomination and Remuneration Committee, assessed the ARC via ARC Evaluation and ARC members' Peer Performance Evaluation. Based on the results compiled by the Company Secretaries, the ARC members are financially literate and understand the Group's business. The ARC as a whole, has necessary skills and knowledge to discharge their duties. The ARC members had also given feedback to their peers on areas of focus for enhancement.</p> <p>The members of the ARC have attended various continuous trainings and development programmes as detailed in the Annual Report for the FYE 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied	
Explanation on application of the practice	:	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 for the financial year ended 30 June 2023 provides an overview of the state of risk management and internal controls within the Group.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board via the Audit and Risk Committee ("ARC") oversees the risk management of the Group.</p> <p>The ARC with the assistance of the Management had reviewed and assessed the risk tolerance of the Group in order to safeguard the interest of the stakeholders.</p> <p>The Statement on Risk Management and Internal Control as set out in the Annual Report for the financial year ended 30 June 2023 provides an overview of the internal control within the Group during the financial year under review.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group's internal audit and risk assurance function is independent from the Management. The audit 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.</p> <p>An internal audit and risk assurance review highlights major weaknesses in control procedures and make recommendations for improvements.</p> <p>For the financial year ended 30 June 2023 ("FYE 2023"), the Internal Audit and Risk Assurance Department report 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.</p> <p>A summary of the activities of the ARC together with the Internal Audit and Risk Assurance Department during the FYE 2023 is set out in the Audit and Risk Committee Report in the Annual Report for the FYE 2023.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied																								
Explanation on application of the practice	:	<p>The Internal Audit and Risk Assurance Department reports directly to the Audit and Risk Committee (“ARC”). The ARC had reviewed and assessed the adequacy of the scope, functions, competency, resources and independence of the Group’s Internal Audit and Risk Assurance Department (“IARAD”) and that they have the necessary authority to carry out their work during the financial year ended 30 June 2023 (“FYE 2023”).</p> <p>For FYE 2023, the IARAD of the Company is staffed by the following personnel, as follows: -</p> <table><tr><td>1</td><td>Name</td><td>:</td><td>Encik Amir Mahmood</td></tr><tr><td></td><td>Qualification</td><td>:</td><td>• Master in Business Administration, University of Manchester • Bachelor of Law (Hons.) LLB, University of Manchester</td></tr><tr><td></td><td>Position</td><td>:</td><td>Assistant General Manager, IARAD</td></tr><tr><td>2</td><td>Name</td><td>:</td><td>Encik Muzaffar bin Mansor</td></tr><tr><td></td><td>Qualification</td><td>:</td><td>• Bachelor of Accountancy, University of Selangor • Diploma in Accountancy, University of Selangor</td></tr><tr><td></td><td>Position</td><td>:</td><td>Executive, IARAD</td></tr></table> <p>The IARAD has 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 independence. The internal audit function is carried out in accordance with a recognised framework, namely Adaptation of Committee of Sponsoring Organisations (“COSO”) Framework.</p>	1	Name	:	Encik Amir Mahmood		Qualification	:	• Master in Business Administration, University of Manchester • Bachelor of Law (Hons.) LLB, University of Manchester		Position	:	Assistant General Manager, IARAD	2	Name	:	Encik Muzaffar bin Mansor		Qualification	:	• Bachelor of Accountancy, University of Selangor • Diploma in Accountancy, University of Selangor		Position	:	Executive, IARAD
1	Name	:	Encik Amir Mahmood																							
	Qualification	:	• Master in Business Administration, University of Manchester • Bachelor of Law (Hons.) LLB, University of Manchester																							
	Position	:	Assistant General Manager, IARAD																							
2	Name	:	Encik Muzaffar bin Mansor																							
	Qualification	:	• Bachelor of Accountancy, University of Selangor • Diploma in Accountancy, University of Selangor																							
	Position	:	Executive, IARAD																							

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of effective communication to the investors of the Company regarding the business, operations and financial performance of the Group are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.</p> <p>The Board ensures that there is effective, transparent and regular communication with its stakeholders through a variety of communication channels as follow:</p> <p>1. Announcements to Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities")</p> <p>Material information, updates and periodic financial reports are published on a timely basis through announcements to Bursa Malaysia Securities.</p> <p>Shareholders and Investors can obtain the Company's latest announcements such as quarterly financial results in the dedicated website of Bursa Malaysia Securities at www.bursamalaysia.com.my.</p> <p>2. Annual Reports</p> <p>The Company's Annual Reports to the shareholders remain the central means of communicating to the shareholders, amongst others, the Company's operations, activities and performance for the past financial year end as well as the status of compliance with applicable rules and regulations.</p> <p>3. Annual General Meeting/General Meetings</p> <p>The Annual General Meeting/General Meetings which are used as the main forum of dialogue for shareholders to raise any issues pertaining to the Company.</p>

	4. Corporate Website	
	The Company's website provides a plethora of information to the public, which includes, inter alia, corporate information, business activities, corporate governance matters, latest news and events, annual reports, and etc.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	<p>Notice of the Forty-Fourth Annual General Meeting held on 8 December 2022 together with the Annual Report was sent to the shareholders at least twenty-eight (28) days prior to the meeting date in order to give sufficient time to the shareholders to review the resolutions that will be discussed and concluded during the Annual General Meeting. In addition, the notice of Forty-Fourth Annual General Meeting was advertised in local newspaper in which the shareholders and the general public were able to access easily to the said notice.</p> <p>The Explanatory Notes in the Notice of Forty-Fourth Annual General Meeting also provide detailed explanation to enable the shareholders to make informed decision in exercising their voting rights.</p>	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>During the financial year ended 30 June 2023, the Forty-Fourth Annual General Meeting (“44th AGM”) has been carried out on a virtual basis and all Directors had attended and participated the 44th AGM held on 8 December 2022.</p> <p>The proceedings of the 44th AGM included the presentation of financial statements to the shareholders, and a Question and Answer (“Q&A”) session in which the Chairman of the 44th AGM had invited shareholders to raise questions on the Company’s financial statements and other items for adoption at the 44th AGM, before putting a resolution to vote.</p> <p>The Board has ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company and that adequate responses are given.</p> <p>The Chairmen of the Board Committees were also readily available to address the questions posted by the shareholders at the 44th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>In accordance with the Company's Constitution, the Company may convene a meeting of members at more than one (1) venue using any technology or method that enables the members of the Company to participate and to exercise the members' right to speak and vote at the meeting. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue.</p> <p>For the financial year ended 30 June 2023, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on all resolutions via remote participation and voting facilities for its virtual Forty-Fourth Annual General Meeting ("44th AGM") held on 8 December 2022.</p> <p>The Administrative Guide of the 44th AGM including online registration and remote participation and voting were provided to shareholders.</p> <p>The Company had conducted its voting on all resolutions at the virtual 44th AGM by online polling to provide for remote voting. The Company had engaged SS E Solutions Sdn. Bhd. to act as the Poll Administrator to provide the electronic polling services, while Commercial Quest Sdn. Bhd. was the appointed independent scrutineer to verify the poll results.</p> <p>The Company has also undertaken the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	<p>The Remote Participation and Electronic Voting ("RPV") facilities utilised in the virtual Forty-Fourth Annual General Meeting had enabled all shareholders and proxies to communicate with the Board or Management via a real-time submission of typed texts through a text box within the Securities Services e-Portal during the live streaming of the Annual General Meeting.</p> <p>The Company does not filter challenging questions as the Board is cognisant that shareholders are reposed with the right to have their questions appropriately addressed. However, for unattended questions posed during the Forty-Fourth Annual General Meeting, the Company has provided response via email. The shareholders can also email any inquiries to corporatecomm@edenzil.com or submit their inquiries via https://www.edenzil.com/shareholders-inquiries/.</p> <p>During the Forty-Fourth Annual General Meeting held on 8 December 2022, the Group Managing Director, Datin Fara Nadia binti Abd Rahim took the opportunity to engage with the shareholders by giving a brief presentation which covered the following: -</p> <ul style="list-style-type: none">• Strategic Pillars;• Five (5) Years Performance Review Snapshot;• Financial Year Ended 30 June 2022 Snapshot;• First Quarter ended 30 September 2022 Snapshot; and• Future outlook.
Explanation for departure	:

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>The Forty-Fourth Annual General Meeting was held on 8 December 2022 through live streaming and online remote voting using Securities Services ePortal (“SSeP”) provided by SS E Solutions Sdn. Bhd. SSeP is a reliable infrastructure that enabled the conduct of a virtual Annual General Meeting.</p> <p>Shareholders or their proxies were advised/informed to attend, post questions via real time submission of typed texts and vote via SSeP. Technical support assistance was provided to shareholders, corporate representatives and proxies to email their questions to eservices@sshhsb.com.my in the event of any technical glitch.</p> <p>During the Forty-Fourth Annual General Meeting, the Board has addressed most of the questions posed by shareholders. Any other questions that could not be addressed during the Forty-Fourth Annual General Meeting have subsequently been addressed to each shareholder via email by the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The minutes the Forty-Fourth Annual General Meeting held on 8 December 2022 has been uploaded at Company's website at www.edenzil.com within thirty (30) days upon conclusion of the meeting. This represents the Board's awareness of the importance of the timely release of general meeting minutes for the perusal of shareholders.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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