

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0168
COMPANY NAME : BM GreenTech Berhad (formerly known as Boilermech Holdings Berhad)
FINANCIAL YEAR : March 31, 2024

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 PERSUANT 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>The Board of Directors ("Board") of BM GreenTech Berhad (formerly known as Boilermech Holdings Berhad) ("BM GreenTech" or "the Company") recognises the key role it plays in charting the strategic direction of the Company and its subsidiaries ("the Group"). To achieve this, the Board has carried out the following activities during the financial year under review and up to the date of this Corporate Governance Report:</p> <ol style="list-style-type: none">1) Conduct pre-scheduled meetings to deliberate on matters relating to the strategic direction and objectives setting, annual budgets, major capital expenditures, new ventures, material acquisitions and disposals;2) Monitor the implementation of the strategic business plans (include economic, environmental, and social initiatives) to ensure the Management meets the objectives to achieve sustainable growth and optimization returns for the Group;3) Recognise the importance of business sustainability and tasked the Executive Committee ("EXCO") and Risk Management Unit ("RMU") to formulate sustainability strategies, policies, goal setting or Key Performance Indicators ("KPI") and oversee the implementation process and the overall sustainability performance of the Group;4) Review the adequacy and the integrity of the management in internal control system of the Group;5) Develop an effective succession plan for Executive Directors and key senior management of the Group through the help of Nomination Committee ("NC") and Remuneration Committee ("RC");

	<p>6) Set specific KPI for Executive Management in order to align Management’s strategies with the Group’s objectives. Performance incentive scheme is also provided to Executive Directors and Management to reward those who achieved these KPI;</p> <p>7) Review quarterly results of the Company and the Group with representatives from Management reported on the performance and results of the business of the Company and the Group which are benchmarked against the relevant corresponding period;</p> <p>8) Fulfil its responsibilities with regard to risk governance and risk management with the assistance of RMU in order to manage the overall risk exposure of the Group;</p> <p>9) Maintain an effective communication policy that enables both the Board and Management to communicate effectively with shareholders and other stakeholders;</p> <p>10) Conduct all general meetings efficiently and leverage them as a vital platform for shareholders’ communications; and</p> <p>11) Maintain a corporate website (https://www.bmgreentech.com) for shareholders and stakeholders to access the Group’s information, such as background, products, financial performance, sustainability statement, and announcements made to Bursa Malaysia Securities Berhad.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

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>Dr. Chia Song Kun, the Non-Independent Non-Executive Chairman provides strong leadership quality to objectively steward the Board in meeting the Company's strategic objectives. Duties of the Board Chairman, amongst others, include the following:</p> <ul style="list-style-type: none"> • ensuring the adequacy, effectiveness, and integrity of the governance process within the Group; • functioning as a facilitator at meetings of the Board to ensure that no member, whether Executive or Non-Executive, dominates discussion; constructive discussions take place; and that relevant opinions amongst members are forthcoming; • ensuring that all Directors are encouraged to actively participate at Board meetings and allow dissenting views to be freely expressed. • ensuring every Board resolution is put to vote with the will of majority to prevail; • ensuring that Executive Directors look beyond their executive functions and accept their full share of the responsibilities of governance; • guiding and mediating the Board's actions with respect to organisational priorities and governance concerns; and • undertaking the primary responsibility for organising the information necessary for the Board to deal with items on the agenda. <p>Role and responsibilities of the Chairman are outlined in the Board Charter which is accessible on the Group's website at https://www.bmgreentech.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

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>The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Group to promote accountability and facilitate the division of responsibility. Accordingly, the Board Charter specifies that the position of Chairman shall be held by a Non-Executive Director while the Group Managing Director represent Management to the Board.</p> <p>The positions of the Chairman and the Group Managing Director are held by different individuals which provide clear distinction and separation of the said roles and ensure organisational check and balance for better governance.</p> <p>The Group's Board Charter clearly delineates the roles of the Chairman and the Group Managing Director. The Chairman (Dr. Chia Song Kun) focuses on ensuring effectiveness of the Board whilst the Group Managing Director (Mr Chia Lik Khai) focuses on ensuring efficiency and effectiveness of the Group's operations, including implementation of the Group's strategic plans and policies established by the Board.</p> <p>The roles of the Chairman and Group Managing Director are separated and clearly defined in the Board Charter which is available on the Group's website at https://www.bmgreentech.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

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.

<p><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></p>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>The Chairman, Dr Chia Song Kun ("Dr Chia") is a member of the Audit Committee ("AC"), Nomination Committee ("NC") and Chairman of the Remuneration Committee ("RC").</p> <p>The decision-making processes of the respective Committees are collectively made in accordance with the Terms of Reference of each Committee as well as all other applicable policies, procedures, and laws. No single person can influence BM GreenTech's decision making as decisions must be made by consensus and in the best interests of the Company.</p> <p>The Company believes that the inclusion of the Chairman in the relevant committees is justified given his extensive expertise and vast experience. The Chairman's engagement in the Committees is evidenced by his constructive counsel, insights and contributes to the deliberations in a similar manner to his fellow Committee members.</p> <p>With his wealth of experience, the AC, NC and RC are often able to leverage on the implicit knowledge, accumulated experience and insights of the Chairman. This strategic approach will ensure that the key decisions by these Committees are made with the utmost consideration for the Company's best interests.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure	: In line with the best practices guided by MCCG, the exclusion of the Chairman as a member of the Committees will be considered as the Company's commitment to Practice 1.4 in medium term.
Timeframe	: Within 3 years

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>BM GreenTech is jointly supported by three (3) Company Secretaries, namely Ms Foong Shat Lee (in-house), Ms Tan Bee Hwee (co-outsourced) and Ms Soo Siew Peng (co-outsourced).</p> <p>All the above three (3) Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as company secretaries under Section 235(2) of the Companies Act 2016.</p> <p>The Board Charter provides for the Company Secretary's accountability to the Board on all governance matters, including compliance with laws, rules, procedures, and regulations affecting the Company.</p> <p>The Company Secretaries organise and attend all Board and Board Committee meetings. All pertinent issues discussed at Board and Board Committee meetings in arriving at the decisions and conclusions are properly recorded as minutes of meeting by the Company Secretaries, concurred by participated Directors and signed by the Chairman of the meeting. The Company Secretary is also responsible to ensure timely communication of Board-level decisions to the Management.</p> <p>The Company Secretary further ensure that outstanding action items are properly tracked and monitored until such items are finally addressed by the Management and reported to the Board accordingly.</p> <p>The Company Secretaries continuously keep themselves abreast on the latest changes/update in the corporate governance, statutory and regulatory requirements by attending workshops, conferences and training programmes organised by MAICSA, Bursa Malaysia Securities Berhad, Securities Commission Malaysia, Companies Commission of Malaysia, and others. Thereafter, the Company Secretaries update the same to the Board either in writing or briefing at Board meetings. All Directors, whether as a whole or individually have unrestricted access to the professional advice and services of the Company Secretaries as well as information within the Group to assist them in the furtherance of their duties.</p>

	<p>The Company Secretaries play important roles for the Annual General Meeting (“AGM”) in ensuring due process and proceedings are in place and properly managed. During the AGM, the Company Secretaries assisted the Chairman and the Board on conduct of the AGM and ensure the minutes are properly recorded, particularly question raised by the Shareholder.</p> <p>The Board assesses the performance of the Company Secretaries on a yearly basis. The criteria used for the assessment are, amongst others, technical knowledge, experience, personal attributes, and ability to fulfil their roles and responsibilities in order to discharge their duties effectively.</p> <p>Based on the outcome of the assessment conducted on 28 May 2024, the Board was satisfied with the performance and support rendered by the Company Secretaries in discharging their functions.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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>The Company Secretaries in consultation with all Directors, prepare an annual meeting calendar at the beginning of each new calendar year. The annual meeting calendar includes the scheduled dates for meetings of the Board, Board Committees and Annual General Meeting.</p> <p>The agenda and meeting papers for consideration are circulated at least five (5) business days prior to each meeting (or shorter period where unavoidable, as specified in the Board Charter) to ensure Directors and respective Committee members have sufficient time to review them and prepared for discussion and decision-making during the meetings.</p> <p>The deliberations and decisions at the Board and Board Committee meetings are accurately documented in the minutes, including matters where Interested Directors abstained from voting or deliberation. Minutes of all Board and Board Committees meetings are circulated to each of Directors/Committee members for their perusal before confirmation and signing by the respective Chairman at the subsequent meetings.</p> <p>The Company Secretary will track the progress of Management's actions based on the previous minutes and report the updates in the paper on matters arising for the next Board and/or Board Committees Meetings.</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

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 Group had established a Board Charter which clearly defines the respective roles and responsibilities of the Board, Board Committee, individual Director and the Group Managing Director, as well as matters and decisions reserved for the Board.</p> <p>Their roles and responsibilities are summarised as follows:</p> <ul style="list-style-type: none">• the Board Chairman who is responsible for leadership of the Board, also ensures an effective conduct of the Board and effective communication with shareholders and stakeholders;• the Group Managing Director, who holds ultimate executive power, is responsible, amongst others, in ensuring the efficiency and effectiveness of the operations for the Group, implementing policies, strategies and decisions adopted by the Board and highlighting material and relevant matters to the attention of the Board in an accurate and timely manner;• the Executive Directors are responsible and involved in the day-to-day management of the Group, including as a delegate assisting the Group Managing Director in carrying out certain duties;• the Non-Executive Directors provide checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring high standards of corporate governance;• the Independent Directors emphasise on value brought by their independent judgement, and also provide check and balance to the Board;• the following Board Committees have been established by the Board and guided by their respective terms of reference:<ul style="list-style-type: none">○ Audit Committee;○ Nomination Committee;○ Remuneration Committee; and○ Executive Committee.

	<p>The Board Charter also outlines a formal schedule of matters reserved for the Board’s decision.</p> <p>The Board Charter and the Terms of Reference of the Board Committees are accessible on the Group’s website at https://www.bmgreentech.com.</p> <p>The Board will periodically review and update the Charter in accordance with needs of the Company and any new regulation that may have impact on the discharge of the Board’s responsibilities.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

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 Group has established a Code of Ethics ("Code") for its Directors, employees, suppliers and business associates and is committed to maintaining the highest standards of ethics and integrity.</p> <p>The scope of the Code includes compliance with relevant provisions of law, professional integrity, accurate and complete business records, business gifts and entertainment, conflicts of interests, confidentiality, protection of company's property, prohibition against insider trading, anti-money laundering and anti-corruption.</p> <p>The Group may require the provision of an integrity and background declaration by the Directors and Employees from time to time as a measure to protect the integrity of the business and professional relationship with the Group.</p> <p>The details of the Code of Ethics is available in the Company's website at https://www.bmgreentech.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 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 Group had implemented policies and procedures on Whistleblowing. It is a channel for whistleblowers (employees and external partners) to raise their concerns confidentially about any wrongdoing, inappropriate behaviour or misconduct relating to fraud, corrupt practices in good faith and on timely basis.</p> <p>In accordance with the Whistleblower Policy, the Audit Committee will be updated on the number and type of whistleblower cases reported, its progress and the outcome of the investigation (if any).</p> <p>The Whistleblower Policy can be found on the corporate website at https://www.bmgreentech.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 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>The Group has the governance structure in place to manage the economic, environmental social and governance risks and opportunities. To embed sustainability within our corporate culture and work practices, the Board and the Senior Management Team (consisting of the Executive Committee, Heads of Business Units and Sustainability Working Group) work collaboratively to identify and manage sustainability risks and opportunities in the Group.</p> <p>The Board of Directors assumes responsibility for overseeing sustainability practices and performance. The Board set business strategies that incorporate sustainability considerations, set policies, prioritise sustainability goals, and set targets.</p> <p>The Executive Committee, comprising all Executive Directors and selected Senior Management team, is responsible for the strategic management of sustainability matters. This includes identifying and implementing strategies and initiatives, monitoring and reporting on Material Sustainability Matters, and providing regular updates to the Board.</p> <p>The Heads of Business Units, along with the Sustainability Working Group, play a pivotal role in executing sustainability-related tasks and initiatives on a day-to-day basis. Their responsibilities include identifying, assessing, monitoring, managing, and reporting sustainability matters to the Executive Committee. Furthermore, they actively engage with key stakeholders to understand concerns related to the company's sustainability risks and opportunities.</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 4.2

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 Sustainability Statement in the Annual Report serves as a communication platform to share the Group's sustainability efforts and initiatives during the year. It provides information on BM GreenTech’s management of material Economic, Environmental, Social and Governance (EESG) risks and opportunities, performance, and targets.</p> <p>During the financial year, we undertook periodic reviews of our operating environment to ensure that the Group's material sustainability matters remained relevant and up to date. As part of this process, we engaged with internal and external stakeholders to assess and prioritise the EESG matters that are most significant to our business and key stakeholders.</p> <p>Recognising the importance of sustainability, the Board has included it as one of the Group's strategic priorities in our strategic business plan.</p> <p>We have set clear sustainability targets, which are detailed in the Sustainability Statement. These targets, aligned with our Mission “To create shared value for all stakeholders by providing innovative and cost-effective energy and water solutions to achieve lasting sustainability” and our Vision “To be the regional partner of choice to achieve an environmentally sustainable society,” guide our efforts and measure our progress.</p> <p>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. BM GreenTech is fully committed to operating our business in a sustainable and responsible manner while pursuing our growth and expansion plans.</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 4.3

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	:	<p>Board keeps themselves abreast with sustainability issues relevant to the Company and its businesses in the evolving operating environment through trainings and self-learnings.</p> <p>The Company addresses sustainability, especially climate related, business opportunities during bi-annual strategic planning and business review. In quarterly Board Meetings, Management also provide update on sustainability matters and progress.</p> <p>Going forward, the Company plans to introduce more trainings and reviews to address material sustainability matters pertaining to social and governance.</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 4.4

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	:	Applied
Explanation on application of the practice	:	<p>The Board takes cognizant the importance of embedding EESG considerations and sustainability measure into the Board and senior management's performance to ensure accountability towards sustainability targets.</p> <p>The Board has included sustainability performance evaluations in annual Board performance assessment and will strengthen the goals setting and performance evaluation of the Board and senior management in addressing the Company's material sustainability risks and opportunities.</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 4.5- 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	:	The Board has identified a designated person within senior management, to provide dedicated focus to 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 Committee (“NC”) reviews the structure, size and composition of the Board and other Board Committees periodically.</p> <p>The tenure of each Director and annual re-election of Directors are also reviewed by the NC in accordance with the Board Charter which limits the tenure of an Independent Director to nine years to ensure progressive refreshing of the Board.</p> <p>The effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and the Board Committees will be assessed on an annual basis. This assessment will be guided by the criteria outlined in the Company's Fit and Proper Policy.</p> <p>The annual re-election of retiring Directors has been contingent on satisfactory evaluation of the retiring Directors’ performance and contribution to the Board.</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

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	:	Applied							
Explanation on application of the practice	:	<p>The Board recognizes the crucial role of Independent Directors in safeguarding the interests of all shareholders, in particular the minority shareholders. They significantly contribute to the Board’s decision-making processes by bring in quality of detached impartiality.</p> <p>The Board consists of a total of six members with three Independent Directors and three Non-Independent Directors (excluding the Alternate Directors).</p> <table border="1"> <thead> <tr> <th>Independence</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Independent</td> <td>50%</td> </tr> <tr> <td>Non-Independent</td> <td>50%</td> </tr> </tbody> </table>		Independence	%	Independent	50%	Non-Independent	50%
Independence	%								
Independent	50%								
Non-Independent	50%								
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 5.3

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	:	Applied	
Explanation on application of the practice	:	During financial year 2024, none of the Independent Directors of the Company exceeded a cumulative term limit of nine years.	
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 5.4 - 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	:	Adopted
Explanation on adoption of the practice	:	The Board adopted a policy which limits the tenure of an Independent Director to nine (9) years. The said policy is clearly set out in the Board Charter. The Board Charter is available on the Company's website at https://www.bmgreentech.com .

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 Nomination Committee (“NC”) identifies and recommends candidate to the Board and Senior Management of the Group based on their diverse skills, knowledge, experience, character, professionalism, integrity, gender, and other qualities. In the case of Independent Director, the NC shall also evaluate the candidate’s ability to discharge such responsibilities as expected from an Independent Director.</p> <p>The Board values diversity in skills and experience for good governance and effective deliberation. The Board members are qualified, diverse, and committed to the Group. The Board benefits from having varied perspectives when making decisions.</p> <p>The Directors are required to notify the Chairman of the Board before accepting any new directorship and to indicate the anticipated time commitment on the new appointment. None of the Directors holds more than three (3) directorships in listed issuers, which is well within the Main Market Listing Requirements to limit directors to a maximum of five (5) directorships in listed issuers.</p> <p>The Company has also adopted a Fit and Proper Policy in ensuring that they are of high calibre, competent, probity and credibility on a continuing basis.</p> <p>The appointment of Senior Management was also consistently made with due regard for diversity in skills, experience, integrity, and character.</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	:	Applied
Explanation on application of the practice	:	<p>The Nomination Committee (“NC”) is guided by its terms of reference and Fit and Proper Policy in carrying out its responsibilities for nominating, selecting and appointing Directors of the Company.</p> <p>The Director’s appointment process involves identifying candidates, evaluating their skills and qualities, conducting interviews with candidates and recommending them to the Board after NC’s review and deliberation.</p> <p>This process was applied for the recent appointment of Datuk Wira Roslan Bin AB Rahman and Ms Koh Ee Huei as Directors and members of Board Committees effective from 17 November 2023.</p> <p>The identification of candidates for the appointment of Directors is facilitated through recommendations from the Directors, Management or external parties, including the Company’s contacts in related industries. The NC, in the case of the appointment of Datuk Wira Roslan Bin AB Rahman and Ms Koh Ee Huei, did not seek the external independent sources as it deemed them suitable based on assessment of their background, professionalism, expertise, integrity, competency, independence, as well as fulfilment of criteria set out in the Fit and Proper Policy.</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 5.7

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	:	<p>The profile of Directors is published in the Annual Report and on the Company’s website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interests as well as their shareholdings in the Company, if any.</p> <p>Details of interest, position and relationship that may influence independent judgement upon appointment or re-appointment of director(s) will also be disclosed for discussion and deliberation by the Nomination Committee (“NC”).</p> <p>Upon satisfactory assessment and with the recommendation of appointment or re-appointment of director(s) by the NC, the Board shall then proceed with consideration and approval on appointment or reappointment of director(s).</p> <p>A statement elaborating the Board’s recommendation to the shareholders for re-election of the retiring Directors, was provided in the statement accompanying the notice of AGM in the Annual Report.</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 5.8

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

Application	:	Applied
Explanation on application of the practice	:	<p>The membership profile of the Nomination Committee (“NC”) is set out in its Terms of Reference, where the NC shall comprise exclusively Non-Executive Directors, the majority of whom are Independent Non-Executive Directors, and chaired by an Independent Director. The NC’s Terms of Reference is accessible on the Group’s website at https://www.bmgreentech.com.</p> <p>Mr Ng Swee Weng, being the Chairman of the Audit Committee, took over as NC Chairman on 17 November 2023 following the retirement of Mr Adrian Chair Yong Huang as Independent Director and NC Chairman. The NC comprises four (4) Non-Executive Directors.</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 takes cognizance of the importance of diversity in the board composition including representation of female directors. The Board supports gender diversity at all levels which include the Board, Senior Management, and general workforce. The Company appoints its directors based on merits of skills, knowledge, experience, professionalism and integrity.</p> <p>The Company's Board Charter includes a gender diversity policy of at least one Board member shall be of a female gender.</p>	
<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 5.10

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 gender diversity policy for the Board is set out in the Board Charter of the Company. The Board is supportive of gender diversity in the Board as recommended by the MCCG and will take into consideration suitably qualified female candidates for any vacant Board position in future.	
		The Board currently does not have a formal policy on gender diversity for its senior management. Nonetheless, the Board is supportive of gender diversity in the senior management and will endeavour to consider suitable and qualified female candidates for appointment to the senior management.	
<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 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.

<i>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.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Nomination Committee (“NC”) facilitates and organises the annual Board effectiveness assessment for the Board, Board Committees, individual Director, and Independent Directors.</p> <p>The Board engaged the Company’s external secretarial firm, Tricor Corporate Services Sdn Bhd to facilitate the Board evaluation, including assisting the preparation of documents for self and peer evaluations. The external secretarial firm compiled the report on the results of the assessment of each individual Director and Board Committee to the NC for review before tabling the same to the Board for deliberation and approval.</p> <p>Based on the report on the assessment results, the Board was satisfied with the performance of each individual director and the Board Committees. Overall, the Board is effective and provides oversight governance as well as strategic execution monitoring. The Board has taken note of the evaluation results and would address the areas for enhancement in the appropriate manner.</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 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	:	The Board had adopted a Remuneration Policy for Directors and Senior Management and it shall be reviewed by the Remuneration Committee ("RC") on a periodic basis to ensure it remains relevant and appropriate and shall be subject to the Board's approval. The said policy is published and available on the corporate website at https://www.bmgreentech.com .
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 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 Board has established a Remuneration Committee ("RC") to implement its policies and procedures on remuneration including reviewing and recommending a remuneration framework and terms of employment for all Executive Directors and Senior Management personnel of the Group for the Board's approval.</p> <p>It is the ultimate responsibility of the entire Board to approve the remuneration of the Executive Directors and to recommend the remuneration of the Non-Executive Directors (with individual Directors abstaining from discussion in respect of their remuneration) to the shareholders for approval.</p> <p>The Terms of Reference of the RC is accessible on the Group's website at https://www.bmgreentech.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

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 detailed disclosure of the remuneration breakdown of individual Directors including fees, salary, bonuses, benefits-in-kind and other emoluments received from the Company and Group are disclosed in the table on the next page.

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	Chia Song Kun	Non-Executive Non-Independent Director	108,000	-	-	-	-	14,000	122,000	108,000	-	-	-	-	14,000	122,000
2	Ng Swee Weng	Independent Director	96,000	-	-	-	-	14,000	110,000	96,000	-	-	-	-	14,000	110,000
3	Datuk Wira Roslan Bin AB Rahman	Independent Director	31,267					4,000	35,267	31,267	-	-	-	-	4,000	35,267
4	Koh Ee Huei	Independent Director	31,267					4,000	35,267	31,267	-	-	-	-	4,000	35,267
5	Adrian Chair Yong Huang	Independent Director	56,000	-	-	-	-	12,000	68,000	56,000	-	-	-	-	12,000	68,000
6	Rina Meileene Binti Adam	Independent Director	35,000	-	-	-	-	10,000	45,000	35,000	-	-	-	-	10,000	45,000
7	Ho Cheok Yuen	Independent Director	67,838	-	-	-	-	31,027	98,865	67,838	-	-	-	-	31,027	98,865
8	Chia Lik Khai	Executive Director	-	-	-	-	-	-	-	-	-	496,140	81,290	-	76,230	653,660
9	Gan Chih Soon	Executive Director	-	-	-	-	-	-	-	-	37,050	591,990	96,530	17,400	91,096	834,066
10	Tee Seng Chun	Executive Director	-	-	-	-	-	-	-	-	895	539,150	89,560	17,400	82,185	729,190
11	Chia Seong Fatt	Executive Director	-	-	-	-	-	-	-	36,000	-	-	-	-	-	36,000

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	:	Applied – the company discloses the remuneration of members senior management who are not members of the board	
Explanation on application of the practice	:	Details of the top five (5) Senior Management's remuneration for the financial year ended 31 March 2024 are disclosed in the table on the next page.	
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	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Chia Lik Khai	Group Managing Director of BM GreenTech berhad (formerly known as Boilermech Holdings Berhad)	450,001-500,000	0-50,000	50,001-100,000	0-50,000	50,001-100,000	650,001-700,000
2	Gan Chih Soon	Executive Director of BM GreenTech berhad (formerly known as Boilermech Holdings Berhad)	550,001-600,000	0-50,000	50,001-100,000	0-50,000	50,001-100,000	800,001-850,000
3	Tee Seng Chun	Executive Director of Boilermech Sdn Bhd	500,001-550,000	0-50,000	50,001-100,000	0-50,000	50,001-100,000	700,001-750,000
4	Yong Hua Kong	Managing Director of BM TEK Sdn Bhd (formerly known as Teknologi Enviro-Kimia (M) Sdn Bhd)	400,001-450,000	0-50,000	100,001-150,000	0-50,000	100,001-150,000	650,001-700,000
5	Leong Yew Cheong	Executive Director of Boilermech Sdn Bhd	250,001-300,000	0-50,000	0-50,000	0-50,000	0-50,000	300,001-350,000

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 Committee is chaired by Mr Ng Swee Weng while the Board is chaired by Dr Chia Song Kun.</p> <p>The Audit Committee ("AC") comprises of four (4) members (including the AC Chairman), three (3) of whom, including the AC Chairman, are Independent Directors and one (1) member who is a Non-Independent Non-Executive Director. The Terms of Reference of the AC is accessible on the Group's website at https://www.bmgreentech.com.</p> <p>The AC Chairman, Mr Ng Swee Weng is a member of the Malaysian Institute of Accountants, Certified Practising Accountant of Australia and Malaysian Institute of Certified Public Accountants.</p> <p>The Independent AC Chairmanship held by a separate individual, provides strong independence, check and balance in leading the AC to independently scrutinise financial matters (such as quarterly reports and audited financial statements), related party transactions and system of internal controls.</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>The terms of reference of the Audit Committee (“AC”) had included a cooling-off period of at least three (3) years before a former audit partner could be appointed as a member of the AC.</p> <p>At present, none of the members of the AC are former audit partners of the external audit firm of the Company within the cooling-off period of three (3) years.</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 Group has established policies for the Audit Committee ("AC"), through its Terms of Reference, to assess the suitability, objectivity and independence of the External Auditors (including reviewing of non-audit services provided by the External Auditors).</p> <p>As set out in the Terms of Reference of the AC, the responsibilities of the AC include, amongst others, the following:</p> <ul style="list-style-type: none"> a) To review any matters concerning the appointment and reappointment, audit fee and any questions of resignation or dismissal of the External Auditors and Internal Auditors. b) To review with the External Auditors the nature and scope of their audit plan, their evaluation of the system of internal controls and report. c) To review the External Auditors' audit plan for the financial year which comprised their scope of audit, audit methodology and timetable, areas of focus and fraud risk assessment prior to the commencement of their annual audit. <p>In addition, AC evaluates the External Auditors' quality in audit processes and performance, sufficiency of resources, technical competency, and reasonableness of audit/non-audit fees.</p> <p>AC also considered the information in an Annual Transparency Report presented by the External Auditors, in line with the guidance of MCCG.</p> <p>The AC's Terms of Reference is posted in the Group's website at https://www.bmgreentech.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 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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 AC members are aware of the need to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain active participation during deliberations.</p> <p>The AC members keep abreast of relevant industry developments including accounting standards, high quality auditing process, business practices and rules and market issue through appropriate continuing evaluation programmes and constantly update themselves on new statutory 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

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	:	<p>The Group has established an ongoing process to identify, evaluate, and manage significant risks faced and has put in place a structured risk management framework which was based on the <i>ISO31000:2018 Risk Management – Guidelines</i> Framework.</p> <p>A Risk Management Unit (“RMU”) is entrusted to ensure the implementation of an effective risk management and reviewing the adequacy and integrity of the Group’s internal control and management information system. The RMU consists of all Executive Committee (“EXCO”) members and has appointed a Risk Coordinator to assist in discharging its duties. The RMU reports matters pertaining to risk management to the Audit Committee, which then reports the same to the Board of Directors.</p> <p>The relevant details of risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Company’s Annual Report.</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

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 through the Audit Committee ("AC") oversees the risk management matters of the Group, which include identifying, managing, monitoring and mitigating significant risk across the Group. The AC also assists the Board in fulfilling its responsibilities pertaining to risk governance and risk management in order to manage the overall risk exposure of the Group.</p> <p>The AC's duties, amongst others, include:</p> <ul style="list-style-type: none">• review the principal risks identified by Management and the methodology employed in identifying, analysing, assessing, monitoring and communicating the risks in a regular and timely manner;• ensure that the system of internal control is sound, effectively adopted and regularly monitored; and• recommend to the Board on steps to improve for the system of internal control based on the findings of the Internal Auditors and External Auditors. <p>The Group has established a structured process for the identification, assessment, communication, monitoring as well as continual review of risks and effectiveness of risk mitigation controls and strategies at the divisional and enterprise levels. The analysis and evaluation of risks are guided by approved risk criteria.</p> <p>The Group adopts a decentralised approach to risk management, whereby all employees take ownership and accountability for risks at their respective levels. The process of risk management and treatment is the responsibilities of the Heads of Department.</p> <p><u>Risk management</u></p> <p>The risk management methodology and approach applied are described as below:</p> <ul style="list-style-type: none">• The Risk Register is compiled and reviewed on a quarterly basis. Any emerging new risks are identified and followed up with the implementation of the control action plans;

	<ul style="list-style-type: none"> • The Group’s risk appetite defines the amount and types of risk that the Group is able and willing to accept in pursuit of the Group’s business objectives. It also sets out the level of risk tolerance and limits to govern, manage and control the Group’s risk-taking activities. <p><u>Internal control</u></p> <p>The internal control and monitoring procedures include:</p> <ul style="list-style-type: none"> • clearly defined systems and procedures for key operational and financial departments, which include maintenance of operational and financial records and controls with accurate and timely management information; • detailed reporting of financial results, statements of financial position and cash flows, with regular reviews by Management; • regular independent internal audit activities to monitor compliance with procedures and assess the integrity of operational and financial information provided; and • regular information provided to the Management, covering financial performance and key indicators and cash flow performance <p>The key elements of the Group’s internal control system that are considered as an integral part of the assurance framework are as follows:</p> <ul style="list-style-type: none"> • Organisational structure; • Audit Committee; • Internal audit; • Policies and procedures; • Business plan and budgeting process; • Reporting system; and • Appraisal system.
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

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 Board has through the Audit Committee, appointed Deloitte Business Advisory Sdn Bhd (“Deloitte”) to perform internal audit (“IA”) for the Group (covering BM GreenTech and its subsidiaries). Deloitte reports the Group’s IA results directly to the Audit Committee (“AC”).</p> <p>The IA service is guided by the Engagement Letter signed between BM GreenTech and Deloitte. The primary role of Deloitte, based on the Engagement Letter, is to provide independent assessment of the system of internal controls established, the adequacy and operating effectiveness of such system vis-à-vis the objectives served and to make appropriate recommendations thereof. The IA is guided by the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.</p> <p>To ensure that the responsibilities of IA are fully discharged, the AC is responsible for the following:</p> <ul style="list-style-type: none">• reviewing nature and scope of IA plans;• reviewing internal audit reports, major findings and the management’s responses thereto and ensure that appropriate actions is taken by Management in respect of the IA observations;• reviewing adequacy of the scope, functions, competency and resources of the IA functions and whether it has the necessary authority to carry out its work;• reviewing the performance of the IA function; and• approving appointment or termination of the IA service provider. <p>For the financial year under review, internal auditing activities of the Group were carried out based on the IA plan 2024 (stated in the Engagement Letter) as approved by the AC. The results of these internal auditing activities, including the findings and action plans were documented and reported/recommended to the AC. The expenses incurred for internal audit amounted to RM48,000 for the financial year ended 2024.</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

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 (“IA”) Engagement Letter specifies that the IA function should be independent of the activities they audit to ensure that impartial views, unbiased judgements and recommendations are presented to the Management and the Board.</p> <p>For this reason, the IA function is not involved in performing routine non-auditing works or have direct responsibility over any activities, functions or tasks they are reviewing. To ensure its independence, the IA reports directly to the Audit Committee (“AC”).</p> <p>The AC has through the AC Report, reviewed the adequacy of the scope, functions, competency and resources of the IA function to meet the requirement of the Group’s current operations structure and size.</p> <p>The IA team, for each cycle of internal audit, usually consists of four (4) personnel, i.e., an Engagement Director, an Engagement Partner, an Engagement Manager, a Quality Assurance Reviewer and a Core Engagement Team with 2 – 3 Member(s). The Engagement Partner (i.e., En. Muzafar Kamal Mahmood) is a Member of the Malaysian Institute of Accountants (“MIA”), a Chartered Member of the Malaysian Institute of Internal Auditors Malaysia (“CMIIA”) and a Fellow Certified Practicing Accountant (“FCPA”).</p> <p>The IA function adheres to the Institute of Internal Auditors’ mandatory guidelines, i.e., the International Professional Practices Framework.</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 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>BM GreenTech ensures that its communication with the shareholders and various stakeholders is transparent, timely and with quality disclosure. The Group actively engages all its stakeholders through various platforms, including via BM GreenTech’s website and its investor relations (“IR”) function.</p> <p>BM GreenTech has maintained an “Investors” section on its Group website as a platform to provide the relevant information of the Group, including share price information, quarterly financial reports, corporate announcements and Annual Reports etc.</p> <p>The Company will continue to leverage on technology to enhance the quality of engagement with the shareholders through the appropriate channels for disclosure of information.</p> <p>The Board maintains an effective communications policy that enables both the Board and Management to communicate effectively with shareholders and other stakeholders.</p> <p>The Board ensures that all general meetings are conducted in an efficient manner and serves as crucial mechanisms in shareholders’ communication. During general meetings, the Chairman of the meetings invites shareholders to participate in the question-and-answer session.</p> <p>The IR function is established to enable continuous communication between the Group and its shareholders and the investment community. The shareholders and investors are encouraged to channel their concerns via telephone call (03-80239137) or e-mail to invest@bmgreentech.com, as provided in the Investor Relation section of the Group’s website.</p> <p>The IR section is available at the Group’s website at https://www.bmgreentech.com/investor-relations.html.</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 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>The notice for the 13th AGM in 2023 was issued on 26 July 2023 whilst the AGM was held on 25 August 2023, provided a notice period of 28 clear days prior to the Company's 13th AGM held on 25 August 2023.</p> <p>For the Company's upcoming 14th AGM to be held on 12 September 2024, the Company will be issuing notice of AGM to shareholders on 30 July 2024, providing a notice period of more than 28 clear days prior to the date of the 14th AGM.</p> <p>The Notice of 14th AGM, Proxy Form and Administrative Guide are available on the Company's website at http://www.bmgreentech.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

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>All the Directors attended the Company’s 13th Annual General Meeting (“AGM”) held on 25 August 2023.</p> <p>At the 2023 AGM, the Chairmen of all the Board Committees (i.e. Audit Committee, Nomination Committee and Remuneration Committee) were present and provided meaningful responses to queries raised by shareholders, corporate representatives, and proxies. Our Group Managing Director presented our responses to the questions we received from the Minority Shareholders’ Watch Group before proceed with the agendas of the said AGM.</p> <p>The members of Key Senior Management were also in attendance at the AGM to allow shareholders to raise questions and concerns directly to them, if required.</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

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	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>BM GreenTech held a physical AGM in 2023 when there was no more restriction on public gathering.</p> <p>AGM of the Company has always been held in accessible locations within the Klang Valley for the ease of shareholders' attendance. Whilst BM GreenTech shareholders' base remains relatively small, the physical AGM served as a platform for interactive and direct engagement with shareholders.</p> <p>The Company encouraged participation of shareholders through leveraging on technology i.e. Notice of AGM and Proxy Form were published at its corporate website. For shareholders who were unable to attend the AGM, they were allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in their stead. The submission of proxy forms could now be made via any mode which is of most convenient to them, be it in hard copy form or in electronic form.</p> <p>In view of this, the Board believes that the intended outcome could still be made accordingly.</p>
<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 13th AGM of the Company held on 25 August 2023 was conducted physically.</p> <p>The Chairman has always been apprised of the importance in ensuring the AGM supports meaningful engagement between the Board, Management and shareholders. Chairman informed the shareholders, corporate representatives and proxies who attended the meeting of their rights to participate and vote. He invited them to raise questions regarding the Company's financial and non-financial performance as well as any other matters related to the Company's operations.</p> <p>At the 13th AGM, the Group Managing Director gave a presentation on the Company's financial and operational performance for financial year 2023, along with a video. The Board addressed the questions that were asked at the AGM as well as those that were submitted prior to the meeting.</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 13.5

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.

<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. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	Shareholders were provided sufficient time and opportunity to raise questions during the AGM where the Chairman or Management responded to accordingly.
<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	: Minutes of the previous Annual General Meeting together with questions raised by shareholders and responses by the Company were uploaded to the Company's website within 30 business days after the general meeting.
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
PERSUANT 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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