ANNUAL REPORT 2015

BOILERMECH

Boilermech Holdings Berhad (897694-T)

The next level

It has been a year of many achievements and major milestones for Boilermech. The Company has grown and matured in size and strength. We have advanced from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad, we strengthened the Board of Directors with the appointment of new members, adding depth and breathe to the experience and knowledge within the Board and we have moved back to our "home with a new face" at Lot 875.

The new corporate office signifies the move by Boilermech to the next level towards achieving the Company's vision and mission whilst holding strong to our values of integrity, teamwork, perseverance and innovativeness.

VISION

TO BE A REGIONAL LEADER IN WASTE-TO-ENERGY (RENEWABLE) AND SUSTAINABLE ENVIRONMENTAL SOLUTIONS

MISSION

TO CREATE AND SHARE VALUE WITH OUR STAKEHOLDERS THROUGH THE OFFERING OF INNOVATIVE, SUSTAINABLE AND HIGH QUALITY RENEWABLE ENERGY SOLUTIONS

VALUES

INTEGRITY
TEAMWORK
PERSEVERANCE
INNOVATIVENESS

CORPORATE INFORMATION

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Chia Song Kun
Non-Independent Non-Executive Chairman

Leong Yew Cheong
Managing Director

Chia Lik Khai
Deputy Managing Director

Chia Seong Fatt
Alternate Director to Deputy Managing Director, Chia Lik Khai

Gan Chih Soon
Executive Director

Tee Seng Chun
Alternate Director to Executive Director, Gan Chih Soon

Low Teng Lum
Independent Non-Executive Director

Mohd Yusof bin Hussian
Independent Non-Executive Director

Ho Cheok Yuen
Independent Non-Executive Director

Adrian Chair Yong Huang
Independent Non-Executive Director

AUDIT COMMITTEE

Low Teng Lum
Chairman, Independent Non-Executive Director

Dr. Chia Song Kun
Member, Non-Independent Non-Executive Director

Mohd Yusof bin Hussian
Member, Independent Non-Executive Director

Ho Cheok Yuen
Member, Independent Non-Executive Director

Adrian Chair Yong Huang
Member, Independent Non-Executive Director

NOMINATION COMMITTEE

Low Teng Lum
Chairman, Independent Non-Executive Director

Dr. Chia Song Kun
Member, Non-Independent Non-Executive Director

Mohd Yusof bin Hussian
Member, Independent Non-Executive Director

Ho Cheok Yuen
Member, Independent Non-Executive Director

REMUNERATION COMMITTEE

Dr. Chia Song Kun
Chairman, Non-Independent Non-Executive Director

Low Teng Lum
Member, Independent Non-Executive Director

Leong Yew Cheong
Member, Managing Director

Adrian Chair Yong Huang
Member, Independent Non-Executive Director

COMPANY SECRETARIES

Tan Bee Hwee
(MAICSA 7021024)

Wong Wai Foong
(MAICSA 7001358)

Angeline Ng Sek Oi
(MAICSA 7054606)

REGISTERED OFFICE

Level 18,
The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone 03-2264 8888
Facsimile 03-2282 2733

HEAD OFFICE

Lot 875, Jalan Subang 8
Taman Perindustrian Subang
47620 Subang Jaya
Selangor Darul Ehsan
Telephone 03-8023 9137
Facsimile 03-8023 2127
Website: www.boilermech.com

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
(127776-V)

Malayan Banking Berhad
(3813-K)

OCBC Bank (Malaysia) Berhad
(295400-W)

AUDITORS

Messrs Crowe Horwath
(AF1018)
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Telephone 03-2788 9999
Facsimile 03-2788 9998

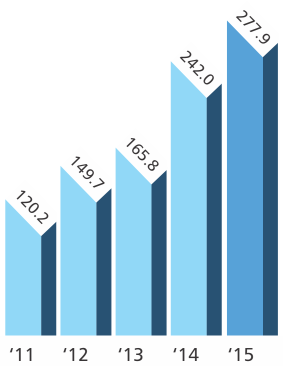
SHARE REGISTRAR

Bina Management (M) Sdn Bhd
(50164-V)
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan
Telephone 03-7784 3922
Facsimile 03-7784 1988

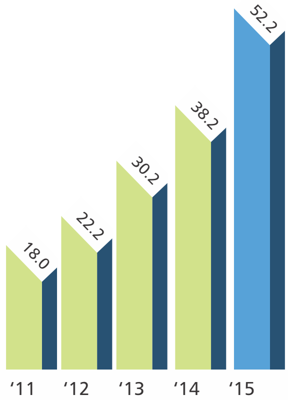
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name: BOILERM
Stock Code: 0168

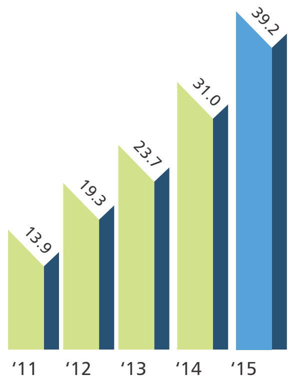
FINANCIAL HIGHLIGHTS



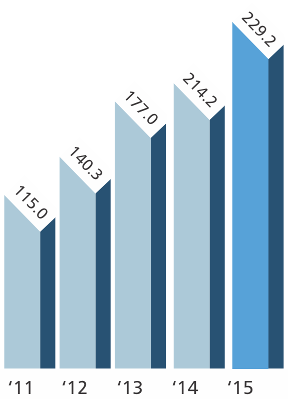
REVENUE
(RM MIL)



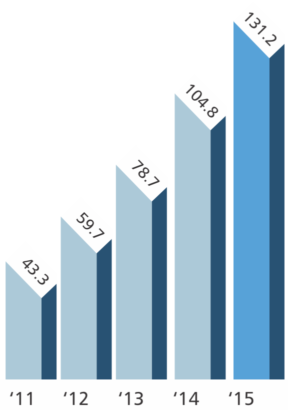
PROFIT
BEFORE TAXATION
(RM MIL)



PROFIT
AFTER TAXATION
(RM MIL)



TOTAL ASSETS
(RM MIL)



NET TANGIBLE ASSETS
(RM MIL)

	2011 RM Mil	2012 RM Mil	2013 RM Mil	2014 RM Mil	2015 RM Mil
Revenue	120.2	149.7	165.8	242.0	**277.9**
Profit before taxation	18.0	22.2	30.2	38.2	**52.2**
Profit after taxation	13.9	19.3	23.7	31.0	**39.2**
Total Assets	115.0	140.3	177.0	214.2	**229.2**
Net Tangible Assets	43.3	59.7	78.7	104.8	**131.2**

BOARD OF DIRECTORS

Back row *(Standing from left to right)*:

Mr Chia Lik Khai
Mr Ho Cheok Yuen
Mr Chia Seong Fatt
Mr Adrian Chair Yong Huang
Mr Gan Chih Soon

Front row (*Sitting from left to right*):

En Mohd. Yusof bin Hussian
Mr Leong Yew Cheong
Dr Chia Song Kun
Mr Tee Seng Chun
Mr Low Teng Lum

DIRECTORS' PROFILE

DR CHIA SONG KUN
Non-Independent Non-Executive Chairman

Dr Chia Song Kun, a Malaysian aged 65, is the Non-Independent Non-Executive Chairman of the Company. He was appointed to the Board on 4 March 2011. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee.

He graduated with a Bachelor of Science (Honours) degree majoring in Mathematics from University of Malaya in 1973 and obtained a Master's degree in Business Administration in 1988 from the same university.

He began his career in 1973 as a tutor in University of Malaya and subsequently joined University Teknologi MARA, Shah Alam, Selangor Darul Ehsan as a lecturer where he served for eleven (11) years until 1984. He left the educational institution in 1984 to set up CBG Holdings Sdn Bhd to commence the business of distributing fishmeal and other feed-meal raw materials.

He was a founder member of Inti Universal Holdings Berhad (presently known as Inti Universal Holdings Sdn Bhd) which operates one of the leading private university colleges in Malaysia. On 5 July 2008, he was conferred the honorary degree of Doctor of Laws (Hon LLD) by the Honorary Awards Board of the University of Hertfordshire in recognition of his outstanding contribution to the development of business and education in Malaysia.

He is also the founder and Managing Director of QL Resources Berhad ("QL") which is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). Together with the help of his family members, he successfully nurtured, developed and transformed the QL group of companies ("QL Group") into a billion ringgit sustainable and scalable multinational agro-food corporation.

He is the director and substantial shareholder of CBG Holdings Sdn Bhd, a major shareholder of QL which in turn is a substantial shareholder of the Company by virtue of its shareholdings in QL Green Resources Sdn Bhd ("QLGR"). He is also a director of QLGR.

Dr Chia Song Kun is the father of Mr Chia Lik Khai and brother-in law to Mr Chia Seong Fatt.

Dr Chia Song Kun attended all eight (8) Board of Directors' meetings held during the financial year ended 31 March 2015 ("financial year").

Save for the disclosure in Items 4 and 6 of the Section on "Other Disclosure Requirements" in this Annual Report, he has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past ten years.

MR LEONG YEW CHEONG
Managing Director

Mr Leong Yew Cheong, a Malaysian aged 60, is the Managing Director of the Company and was appointed to the Board on 26 October 2010. He is also a member of the Remuneration Committee. He holds a Bachelor of Science in Mechanical Engineering from the University of Huddersfield, United Kingdom. He brings with him approximately thirty five (35) years of experience in the boiler manufacturing industry and has strong business contacts with customers operating in the palm oil industry and other end-user industries, as well as supplies of spare parts and boiler components.

He began his career in 1980 as a project engineer in a boiler manufacturing company and was responsible for the designing, installation and commissioning of boilers. During his tenure there, he held various positions including Operations Manager and General Manager. He played an instrumental role in achieving many key achievements/ milestones including the spearheading of a team of engineers to design and install its first biomass boiler that utilises treated empty fruit bunches, rice husk and palm shell. He left the said company as its Executive Director.

He is presently responsible for overseeing the overall operations of the Group with emphasis on strategic business planning and development.

Mr Leong Yew Cheng does not hold any directorship in any other public listed companies.

He has no family relationship with any director and/or major shareholder of the Company.

Mr Leong Yew Cheong attended all eight (8) Board of Directors' meetings held during the financial year.

Mr Leong Yew Cheong has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within the past ten years.

MR CHIA LIK KHAI

Deputy Managing Director

Mr Chia Lik Khai, a Malaysian aged 36, is the Deputy Managing Director of the Company. He was appointed to the Board on 26 October 2010 as an Executive Director and was re-designated as Deputy Managing Director on 25 February 2015. He graduated from the MBA program of Wharton Business School, University of Pennsylvania, United States where he focused on Entrepreneurship and Corporate Finance. He also received his Master of Science and Bachelor of Science in Electrical Engineering from University of Michigan, Ann Arbor, United States. His graduate studies specialised in Communication Integrated Circuits design and advanced semiconductor.

Prior to 2009, he was with McKinsey & Company in Shanghai, where he was an affiliate of the Global Energy & Materials and High-Tech practice. During his tenure there, he focused on serving global clients in renewable energy, consumer products and high-tech sectors on strategy, mergers and acquisitions as well as sales and marketing topics.

He also possesses extensive management experience in high-tech telecommunications and internet commerce. He spent eight (8) years in the semiconductor industry with Agilent and Avago Technologies in Silicon Valley, where he assumed multiple roles as R&D staff, New Product Manager and Marketing Manager. In his capacity as Product Marketing Manager in Avago Technologies, he managed multiple wireless product lines and Greater China regional business.

He subsequently joined QL Resources Berhad as Group Corporate Development Director and was appointed as the Executive Director of a few subsidiaries of QL Resources Berhad in 2009. In the same year, he was appointed as a Non-Independent Non-Executive director in EITA Resources Berhad ("EITA"). The EITA group of companies is involved in the distribution and manufacturing of electrical related products. On 17 September 2010, he was appointed as an Executive Director of QLGR, a substantial shareholder of the Company.

He is presently responsible for overseeing the overall corporate planning, finance and investor relations functions of the Group.

Mr Chia Lik Khai is the son of Dr. Chia Song Kun and the nephew to Mr Chia Seong Fatt.

Mr Chia Lik Khai attended all eight (8) Board of Directors' meetings held during the financial year.

Save for the disclosure in Items 4 and 6 of the Section on "Other Disclosure Requirements" in this Annual Report, he has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past ten years.

MR CHIA SEONG FATT

Alternate Director to Deputy Managing Director, Chia Lik Khai

Mr Chia Seong Fatt, a Malaysian aged 59, is the Alternate Director to Deputy Managing Director, Chia Lik Khai. He was appointed to the Board on 4 March 2011. He obtained his Bachelor of Science (Honours) degree majoring in Chemistry from University of London in 1979.

He practiced as an industrial chemist for three (3) years before pursuing further studies in University of Malaya. In 1984, he graduated from the aforementioned university with a Masters degree in Business Administration. He served for seven (7) years as Managing Director in Sri Tawau Farming Sdn Bhd, a company involved in layer farming. The company is an associated company of Lay Hong Berhad, a company listed on the Main Market of Bursa Securities.

In 1991, he was appointed as Managing Director of QL Farms Sdn Bhd, a subsidiary of QL Group. In January 1996, he was appointed as an Executive Director of QL Feedingstuffs Sdn Bhd, in charge of the crude palm oil milling operations in Tawau. He was appointed as Executive Director of QL Resources Berhad in 2000.

He is a director and substantial shareholder of Farsathy Holdings Sdn Bhd, a major shareholder of QL which in turn is a substantial shareholder of the Company by virtue of its shareholdings in QLGR. He is also a director of QLGR.

Mr Chia Seong Fatt is the brother-in-law to Dr. Chia Song Kun and the uncle to Mr Chia Lik Khai.

Mr Chia Seong Fatt attended six (6) out of eight (8) Board of Directors' meetings held during the financial year.

Save for the disclosure in Items 4 and 6 of the Section on "Other Disclosure Requirements" in this Annual Report, he has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past ten years.

MR GAN CHIH SOON
Executive Director

Mr Gan Chih Soon, a Malaysian aged 41, is the Executive Director of the Company. He was appointed to the Board on 25 February 2015. He obtained his Bachelor of Science in Mechanical Engineering from University of Oklahoma, United Sates of America.

He started his career in 1997 as a Project Engineer in Vickers Hoskins (M) Sdn Bhd, a boiler manufacturing company. Upon his promotion to Senior Engineer, he led teams to manage the installation and commissioning of boilers in countries such as Indonesia, Thailand, Papua New Guinea, Myanmar and Venezuela. He was later promoted to Project Manager where he was responsible for the overall project management, material procurement and site execution and commissioning of boilers within the biomass industry.

He joined Boilermech Group in 2005 as Operations Manager and has since been promoted to General Manager and subsequently as Executive Director. He is presently responsible for overseeing the operations, sales and marketing, production, procurement, inventory control and HR & Admin functions of Boilermech Group.

Mr Gan Chih Soon does not hold any directorship in any other public listed companies.

He has no family relationship with any director and/or major shareholder of the Company.

Mr Gan Chih Soon attended one (1) Board of Directors' meeting during the financial year (being the remaining Board meeting held before the end of the financial year since his appointment date).

Mr Gan Chih Soon has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within the past ten years.

MR TEE SENG CHUN

Alternate Director to Executive Director, Gan Chih Soon

Mr Tee Seng Chun, a Malaysian aged 51, is the Alternate Director to Executive Director, Gan Chih Soon. He was appointed to the Board on 25 February 2015. He obtained his Bachelor of Science in Agricultural Engineering from University Pertanian Malaysia, Malaysia in 1988 and the Steam Engineer Certificate from Jabatan Keselamatan dan Kesihatan Pekerjaan, Malaysia in 1993.

He started his career in 1988 in Kuala Lumpur Kepong Berhad as a Cadet Engineer where he was posted to a palm oil mill in Sabah. He then joined Austral Enterprise as an Assistant Mill Engineer where he obtained his Steam Engineer Certificate in 1993 from Jabatan Keselamatan dan Kesihatan Pekerjaan.

In 1994, he joined Vickers Hoskins (M) Sdn Bhd as a Project Engineer and was involved in the installation, modification and upgrading work of no less than 200 boilers. He was promoted to Project Manager in 1998 and subsequently to Operations Manager in 2000. During his tenure in Vickers Hoskins, he underwent training at Babcock Limited Co. in United Kingdom in designing boiler thermal performance as well as circulation performance. His experience includes the design and implementation of heat recovery steam generating systems, mini Co-Generation Plant for the wood and palm oil industries. He was also involved in providing advice on the first unit of full water cooled moving grate boiler in a glove factory in Ipoh, which might eventually prove to be a solution for the general industry to utilize biomass fuel instead of fossil fuel.

He joined Boilermech Group in 2005 and is presently responsible for overseeing the business development, engineering and design and quality assurance functions of Boilermech Group.

Mr Tee Seng Chun does not hold any directorship in any other public listed companies.

He has no family relationship with any director and/or major shareholder of the Company.

Mr Tee Seng Chun attended one (1) Board of Directors' meeting during the financial year (being the remaining Board meeting held before the end of the financial year since his appointment date).

Mr Tee Seng Chun has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within the past ten years.

MR LOW TENG LUM

Independent Non-Executive Director

Mr Low Teng Lum, a Malaysian aged 61, is the Independent Non-Executive Director of the Company. He was appointed to the Board on 27 October 2010. He is also the Chairman of the Audit Committee and the Nomination Committee and a member of the Remuneration Committee.

He obtained his qualifications from the Association of Chartered Certified Accountants and Institute of Chartered Secretaries and Administrators, both of the United Kingdom, in 1977. He attended the Applied Management Program of Swedish Institute of Management in 1990. In 1996, he obtained his Master in Public Administration from the John Fitzgerald Kennedy School of Government, Harvard University.

He is a Chartered Accountant of the Malaysian Institute of Accountants, a Fellow member of the Association of Chartered Certified Accountants ("ACCA") and an Associate member of the Institute of Chartered Secretaries and Administrators, the

Malaysian Institute of Taxation and the Association of Corporate Treasurers, United Kingdom. He is also a member of the Malaysian Alliance of Corporate Directors and its training faculty.

He has been a member of the Taxation and Trade committees of the Malaysian International Chamber of Commerce and Industry since 2002 and 2005 respectively. He was a founding committee member of the Confederation of Malaysian Brewers.

Over the course of his career, he has held various accounting and financial positions in Arthur Young & Company (presently known as Ernst & Young), Guthrie Malaysia Holdings Berhad, Palmco Holdings Berhad, Guiness Anchor Berhad and General Corporation Berhad. During his 14 year tenure with Southern Steel Berhad, he was promoted from Finance Manager to General Manager (Commercial), Senior General Manager (Rod Division) and Chief Operating Officer (Steel Business Unit). He retired from Guinness Anchor Berhad in April 2011, as both the Finance Director and member of the Board of Directors, after 10 years of service.

Mr Low Teng Lum is also a director in Permaju Industries Berhad.

He has no family relationship with any director and/or major shareholder of the Company.

Mr Low Teng Lum attended all eight (8) Board of Directors' meetings held during the financial year.

Mr Low Teng Lum has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within the past ten years.

ENCIK MOHD YUSOF BIN HUSSIAN
Independent Non-Executive Director

Encik Mohd Yusof bin Hussian, a Malaysian aged 66, is the Independent Non-Executive Director of the Company. He was appointed to the Board on 4 March 2011. He is also a member of the Audit Committee and the Nomination Committee.

He is a graduate of Universiti Teknologi MARA, a Fellow member of the Association of Chartered Certified Accountants (UK), a member of the Chartered Institute of Purchasing and Supply (UK) and a Chartered Accountant of the Malaysian Institute of Accountants. He is also a Certified Financial Planner. He was formerly a member of the ACCA Malaysian Advisory Committee.

He started his career with Coopers & Lybrand from 1971 to 1976 as an external auditor. Later he joined PTM Thompson Advertising Sdn Bhd, an affiliate of J. Walter Thompson Group in USA, as Finance and Administration Manager cum Company Secretary. He left the company and joined Shell Malaysia in 1986. During his tenure there, he held various positions within the company and the refinery which included amongst others, Internal Auditor, Treasurer, Finance and Services Manager and Procurement Contract Manager. He resigned as a Special Project Manager from the company and refinery in 1999 on early retirement.

He holds directorships in Proton Commerce Sdn Bhd (an associate company of Proton Holdings Berhad), UDA Holdings Berhad and Tune Insurance Malaysia Berhad.

En Mohd Yusof bin Hussian is a major shareholder and the principal consultant of his family owned company which specialises in training and consultancy.

He has no family relationship with any director and/or major shareholder of the Company.

En Mohd Yusof bin Hussian attended all eight (8) Board of Directors' meetings held during the financial year.

En Mohd Yusof bin Hussian has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within the past ten years.

MR HO CHEOK YUEN
Independent Non-Executive Director

Mr Ho Cheok Yuen, a Singaporean aged 66, is the Independent Non-Executive Director of the Company. He was appointed to the Board on 18 November 2014. He is also a member of the Audit Committee and the Nomination Committee.

He obtained his Bachelor of Science (Honours) in Naval Architecture from University of Newcastle-Upon-Tyne, United Kingdom in 1971 and his Master of Science in Industrial Engineering from National University of Singapore, Singapore in 1979. He obtained his Master of Science in Mechanical Engineering from National University of Singapore, Singapore in 1989 and Master of Business Administration from Brunel University, United Kingdom in 1997. He has been a Chartered Engineer (UK) since 1989 and is a Member of the Society of Naval Architects and Marine Engineers (Singapore), the Society of Naval Architects and Marine Engineers (USA), the Royal Institution of Naval Architects (UK) and the American Bureau of Shipping.

He started his career in November 1971 in the Republic of Singapore Navy where he had served as a HQ Staff Naval Architect and as superintendent engineer. He later joined the Marine Department of Singapore as a Marine Surveyor from 1975 to 1976. He joined Keppel Group in 1976 and had served in various subsidiaries, rising up the ranks until his retirement in 2014. He started in career in Keppel Group as a Drawing Office Manager and Naval Architect in Keppel Shipyard Limited from 1976 to 1980. He then served Far East Levingston Shipbuilding Limited ("FELS"), which is part of the Keppel Group, from 1980 to 1996 where he held the positions of Assistant Manager and later as Manager of Engineering Department, Manager of Design Department, Contracts Manager and Corporate Development Manager. He later served as Assistant General Manager of Keppel FELS Ltd from 1996 to 2001, overseeing the engineering, estimating and purchasing functions of the company. In Keppel AMFELS Inc, a fully owned subsidiary located in Texas, USA, he served as Vice Chairman, Chief Executive Officer and President from 2001 to 2007 and as Interim President/Chief Executive Officer from September to December 2013. He served as Senior General Manager (Group Procurement) in Keppel Offshore & Marine Limited from 2007 to 2010 and was then appointed as Director (Global Engineering) in Keppel Integrated Engineering Limited from 2010 to 2012. He re-joined Keppel Offshore & Marine Limited as Senior General Manager (Special Projects) where he was responsible for project management until his retirement in 2014.

Mr Ho Cheok Yuen does not hold any directorship in any other public listed companies.

He has no family relationship with any director and/or major shareholder of the Company.

Mr Ho Cheok Yuen attended two (2) Board of Directors' meetings during the financial year (being the remaining two (2) Board meetings held before the end of the financial year since his appointment date).

Mr Ho Cheok Yuen has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within the past ten years.

MR ADRIAN CHAIR YONG HUANG
Independent Non-Executive Director

Mr Adrian Chair Yong Huang, a Malaysian aged 41, is the Independent Non-Executive Director of the Company. He was appointed to the Board on 20 November 2014. He is also a member of the Audit Committee and the Remuneration Committee.

He obtained his Bachelor of Laws (Honours) from University of Leicester, United Kingdom in 1995 under full scholarship as a recipient of the British High Commissioner's Chevening Awards. He was a Barrister-at-Law of Gray's Inn in 1996 and was called to the Bar of England and Wales in the same year. He was subsequently called to the Malaysian Bar as an Advocate & Solicitor in 1997.

He began his career in 1997 as an Associate in Messrs Skrine. In 2000, he joined GO2020.com as the Group Manager, Legal and Secretarial and later joined Messrs Zul Rafique & Partners in 2001 as a Senior Associate. He subsequently joined Messrs Kadir Andri & Partners in 2002 and has been a partner there since 2004.

His work covers mainly corporate and commercial matters, special projects particularly in the energy, infrastructure and utility sectors and catalytic developments involving cross border elements capital raising. He also has experience in bank capital transactions, complex project financing and telecommunications and technology related transactions. Mr Adrian Chair is consistently recognized as a leading lawyer for his work in industry guides and publications such as IFLR 1000 and Legal 500.

Mr Adrian Chair Yong Huang does not hold any directorship in any other public listed companies.

He has no family relationship with any director and/or major shareholder of the Company.

Mr Adrian Chair Yong Huang attended one (1) Board of Directors' meeting during the financial year (being the remaining Board meeting held before the end of the financial year since his appointment date).

Mr Adrian Chair Yong Huang has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within the past ten years.

CHAIRMAN'S STATEMENT

BOILERMECH RECEIVED THE AWARD OF 'BEST UNDER A BILLION' BY FORBES ASIA, TO RECOGNIZE THE BEST PERFORMING, SMALL AND MEDIUM-SIZED COMPANIES IN ASIA, FOR THE SECOND TIME.

PERFORMANCE REVIEW

I am pleased to announce another great year for the Group. Boilermech has achieved record revenue of RM278 million and profit after tax of RM39.2 million in the financial year of 2015. The group's results were attributable to the increased project execution throughout the financial year. In December 2014, Boilermech received the award of 'Best Under A Billion' by Forbes Asia, to recognize the best performing, small and medium-sized companies in Asia, for the second time.

INDUSTRY TRENDS AND FUTURE PROSPECTS

While the financial performance of the Group for the financial year ended 31 March 2015 was excellent, we expect strong headwinds in the form of a rising US Dollar and weak Crude Palm Oil ("CPO") Prices. Since a year back, the US Dollar has appreciated 10.9% against the Indonesian Rupiah ("IDR"). As at 30 June 2014, the US Dollar was valued at 12,020 IDR. Twelve months later, it was valued at 13,330 IDR. Whilst this has allowed us to receive some benefit on our US Dollar denominated overseas contracts, the strong US Dollar against regional currencies in ASEAN has slowed demand from weaker currency countries like Indonesia. The CPO prices have been exhibiting a down trend since 2011 and are expected to stay lack luster. CPO price as at 24 June 2015 was RM2,270 per MT. This has exacerbated the slowdown in orders by the palm oil mills.

We do not expect the economic scenario to improve in the short term. Nevertheless we remain undaunted as our Management team launches various initiatives, including the increase of our product range to offset the effects of the slowdown.

INTRODUCTION OF NEW MEMBERS OF THE BOARD

I wish to welcome Messrs Ho Cheok Yuen and Adrian Chair Yong Huang who have been appointed to the Board of Directors of the Company as independent non-executive directors. Both gentlemen have vast experience in areas of engineering, legal and general management acumen. The pool of knowledge and expertise in the Board will be deepened and enhanced and will serve us well as we progress towards our vision to be the regional leader in biomass energy and sustainable environmental solutions.

CORPORATE DEVELOPMENTS

During the year, the bonus issue of one bonus share for every one existing Boilermech share was completed on 16 October 2014 and on 4 December 2014, we were officially transferred to the Main Market of Bursa Malaysia Securities Berhad.

We have also completed the acquisition of a property in Pulau Indah Industrial Park, Westport, Klang, Selangor Darul Ehsan. This will cater well for our intention to expand our current business and to house new business ventures.

CORPORATE SOCIAL RESPONSIBILITY

In February 2015, Boilermech reached out to the flood-stricken areas in Kuala Krai, Kelantan to assist in the recovery effort. By mobilizing both financial and engineering resources, our team had assisted the children and teachers of Yuk Chai Primary School in returning to their learning activities with minimal interruption.

A NOTE OF APPRECIATION

Apart from rewarding the shareholders for their continuous support via the bonus issue of shares, I am pleased to announce that the Board has proposed a final single tier dividend of 1.75 sen per share.

Finally, the continued growth of the Company would not have been possible without the guidance of my Board members and the support of Management and staff. I also wish to express our appreciation to our customers and suppliers, business partners and all other stakeholders who have helped us in making this another memorable year.

Thank you,

DR. CHIA SONG KUN
Chairman

REVIEW OF OPERATIONS BY

MANAGING DIRECTOR

REVENUE IMPROVED BY 14.8% TO RM278 MILLION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 COMPARED TO THE PREVIOUS FINANCIAL YEAR OF RM242 MILLION. THE GROWTH IN REVENUE BOOSTED THE GROUP'S PRE-TAX PROFIT TO RM52.2 MILLION AGAINST RM38.2 MILLION REGISTERED IN THE PREVIOUS YEAR, RESULTING IN AN INCREASE OF 36.6%.

FINANCIAL REVIEW

I am pleased to report that the Group continued to perform commendably. Revenue improved by 14.8% to RM278 million for the financial year ended 31 March 2015 compared to the previous financial year of RM242 million. The growth in revenue boosted the Group's pre-tax profit to RM52.2 million against RM38.2 million registered in the previous year, resulting in an increase of 36.6%. The surge in pre-tax profit is largely due to the improvement in pre-tax margins which increased from 15.8% to 18.8%, thanks to the incidence of higher margin projects and the write back of allowances for impairment losses on trade receivables. The Group's after tax profits stood at RM39.2 million against RM31.0 million in the previous year. Meanwhile, the Group's total assets grew from RM214.2 million to RM229.2 million as at 31 March 2015. Our liquid investments together with cash in bank however decreased from RM74 million to RM26.6 million. The decrease resulted from the acquisition of a property in Pulau Indah Industrial Park, Klang (“Pulau Indah Property”), the renovation and extension of the administrative block in Lot 875, the increase in plant and machinery, and the additional working capital support for an increased level of operations. The continued growth in the business resulted in the shareholders' funds increasing from RM104.8 million in the previous year to RM131.2 million.

OPERATIONS REVIEW

In the financial year under review, we experienced a slowdown in orders as a result of the strong US Dollar and the slowdown in China's economic growth which affected demand on palm oil. This is not expected to improve in the short term. We are hence intensifying our marketing efforts and investing in product and technology development to increase our product portfolio. The Group has on 21 April 2015 entered into a Commercialisation Agreement with Commonwealth Scientific and Industrial Research Organisation (CSIRO), Australia's national science agency to commercialize the patent application and knowhow of using megasonic technology to enhance oil extraction efficiency from oil palm fruit. We are hopeful that this will enhance our future earnings and diversify beyond our usual line of business.

During the year, we have also been taking steps to strengthen our internal work processes and increase production capacity to cope with the higher order levels. We have also put up automated facilities to fabricate higher specification boiler products.

I am also pleased to announce that we have secured the ASME’s (American Society of Mechanical Engineers) Boiler and Pressure Vessel Certification which will enhance our competitiveness and diversify away from our traditional reliance on the British Standards.

The renovation and the extension of the office building in Lot 875 have been completed and it now houses our corporate office.

While the economy in the short term future is expected to be difficult, I am confident that the abovementioned steps taken in the year will enable us to weather the challenging times ahead.

ACKNOWLEDGMENT AND APPRECIATION

The Group will not be where it is today without the support of our shareholders and all our employees, business partners and all other stakeholders. I wish to record my deep appreciation for your continued support.

LEONG YEW CHEONG
Managing Director

The Board of Directors ("Board") of Boilermech Holdings Berhad ("Boilermech" or "Company") recognises the importance of adopting high standards of corporate governance in the Company in order to safeguard stakeholders' interests as well as enhancing shareholders' value.

This corporate governance statement ("Statement") sets out how the Company has applied the 8 Principles of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and observed the 26 Recommendations supporting the Principles during the financial year ended 31 March 2015 ("financial year"). Where a specific Recommendation of the MCCG 2012 has not been observed during the financial year, the non-observation, including the reasons thereof and, where appropriate, the alternative practice, if any, is mentioned in this Statement.

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- reviewing and adopting a strategic plan for the Company, which also addresses the sustainability of the Company's and subsidiaries' ("Group") business;
- overseeing the conduct of the Group's business and evaluating whether or not its businesses are being properly managed;
- identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place a process to provide for the orderly succession of senior management personnel and members of the Board;
- overseeing the development and implementation of a shareholder communications policy; and
- reviewing the adequacy and integrity of the Group's internal control and management information systems.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee, to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

(i) Board Charter

The Board has established clear functions reserved for the Board and those delegated to Management to enhance accountability. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, quarterly and annual financial statements for announcement, investment and divestment, as well as monitoring of the Group's financial and operating performance. Such delineation of roles is clearly set out in the Board Charter ("Charter"), which serves as a reference point for Board activities. The Charter provides guidance for Directors and Management regarding the responsibilities of the Board, its Committees and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities. The salient features of the Charter are disclosed in the Company's website at www.boilermech.com in line with Recommendation 1.7 of the MCCG 2012.

(ii) Code of Ethics

The Company has in place a Code of Ethics, which sets out the standards of conduct expected from Directors and employees.

The Board also has in place a Whistle-blowing Policy, with the aim of providing an avenue for raising concerns relating to possible breaches of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices. The Board recognizes the importance of adhering to the Code of Ethics and has taken measures to put in place a process to ensure its compliance.

(iii) Sustainability of Business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social and governance aspects is taken into consideration. The Group also embraces sustainability in its operations.

The Group's activities on corporate social responsibilities for the financial year are disclosed in the Corporate Social Responsibility Report section of this Annual Report.

(iv) Access to Information and Advice

Directors are provided with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis and effective discharge of the Board’s responsibilities.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors prior to the Board and Board Committee meetings, to facilitate decision making by the Board and to deal with matters arising from such meetings. Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company’s expense, if considered necessary, in accordance with established procedures set out in the Board Charter in furtherance of their duties.

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities.

PRINCIPLE 2 - STRENGTHEN COMPOSITION OF THE BOARD

The Board consists of eight (8) members, comprising three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors. This composition fulfills the requirements as set out in the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out in the Directors’ Profile section of this Annual Report. The Directors, with their diverse backgrounds and specializations, collectively bring with them a wide range of experience and expertise in areas such as engineering, entrepreneurship, finance, taxation, accounting and audit, legal and economics.

(i) Nomination Committee – Selection and Assessment of Directors

The Nomination Committee comprise of the following members, all of whom are Non-Executive Directors:

- Mr Low Teng Lum (Chairman of Committee and Independent Non-Executive Director);
- Dr Chia Song Kun (Non-Independent Non-Executive Director);
- En Mohd Yusof bin Hussian (Independent Non-Executive Director); and
- Mr. Ho Cheok Yuen (Independent Non-Executive Director).

The Nomination Committee recognizes the importance of the roles the Committee plays not only in the selection and assessment of Directors but also in other aspects of corporate governance which the Committee can assist the Board to discharge its fiduciary and leadership functions.

The Board has stipulated specific terms of reference for the Nomination Committee, which cover, inter-alia, assessing and recommending to the Board the candidacy of Directors, appointment of Directors to Board Committees and continuous education programmes for the Board. The terms of reference require the Nomination Committee to review annually the required mix of skills and experience of Directors; succession plans and board diversity; training courses for Directors and other qualities of the Board, including core-competencies which the Independent Non-Executive Directors should bring to the Board. The Committee is also entrusted to assess annually the effectiveness of the Board, as a whole, Board Committees and the contribution of each individual Director.

In the nomination and selection of new candidacy of Directors and in the annual assessment of the Board, the criteria of the Nomination Committee's evaluation is based on the candidates' competency, character, industry skills, knowledge and experience, time commitment, integrity, professionalism, experience and performance in discharging his or her role as a Director and in meeting the needs of the Company. In the case of Independent Non-Executive Directors, the Committee shall further evaluate the candidate's ability to act and discharge his or her responsibilities as an Independent Non-Executive Director.

During the financial year under review, the Nomination Committee had conducted an assessment of the performance of the Board, as a whole, the Audit, Nomination and Remuneration Committees and individual Directors, based on self and peer assessment approach. From the results of the assessment, including the mix of skills and experience possessed by the Directors, the Board considered and endorsed the recommendations on the re-election and re-appointment of Directors at the Company's forthcoming Annual General Meeting ("AGM").

The Articles of Association of the Company provide that one-third (1/3) of the Board members are required to retire at every AGM and be subjected to re-election by shareholders. Newly appointed directors shall hold office until the next AGM and shall be subjected to re-election by the shareholders. The Company's Articles of Association further provide that all Directors shall retire once every three (3) years.

The Nomination Committee also identifies suitable candidates and conducts interviews with shortlisted candidates prior to recommendation to the Board for new appointments of Directors. During the financial year under review, the Nomination Committee had shortlisted and reviewed the suitability of four (4) candidates for appointments to the Board, two (2) of whom were for the position of Independent Non-Executive Directors and two (2) were for the positions of Executive Director and Alternate Director respectively in accordance with the Group's succession plan. The Committee had reviewed the selected candidates based on their personality, time commitment, qualification, diversity of knowledge and experience and where relevant, the candidates' ability to act and discharge his role and responsibilities as an Independent Non-Executive Director.

Having conducted its review, the Nomination Committee had decided to recommend the appointment of Mr Ho Cheok Yuen and Mr Adrian Chair Yong Huang as Independent Non-Executive Directors of the Company and Mr Gan Chih Soon and Mr Tee Seng Chun as Executive Director and Alternate Director respectively. Based on the Nomination Committee's recommendations, the Board had approved the appointments of Mr Ho Cheok Yuen on 18 November 2014, Mr Adrian Chair Yong Huang on 20 November 2014, Mr Gan Chih Soon and Mr Tee Seng Chun on 25 February 2015 respectively.

The Nomination Committee met nine (9) times during the financial year under review.

Insofar as diversity is concerned, the Board does not have a specific policy on setting targets to cover diversity in gender, age and ethnicity for the Board. However, the Board is continuously looking into inviting to the Board, people of talent based on merits including skills, knowledge and experience bearing in mind the need for diversity, including gender, age and ethnicity diversity.

(ii) Directors' Remuneration

The Remuneration Committee, established by the Board, is responsible for setting the policy framework and recommending to the Board the remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully. The components of Directors' remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned.

Directors do not participate in discussion of their individual remuneration.

The Directors' remuneration for the financial year ended 31 March 2015, categorized into appropriate components, distinguishing between Executive and Non-Executive Directors, is as follows:

	Fees (RM)	Salaries and allowances (RM)	Bonus (RM)	Benefits-in-kind (RM)
Executive Directors	157,000	981,100	1,133,461	48,217
Non-Executive Directors	279,948	-	-	-

The number of Directors of the Company, whose remuneration band falls within the following successive bands of RM50,000, is as follows:

Range of remuneration	Executive	Non-Executive
Less than RM50,000	3	2
RM50,001 to RM100,000	-	3
RM550,001 to RM600,000	1	-
RM700,001 to RM750,000	1	-
RM1,150,001 to RM1,200,000	1	-

PRINCIPLE 3 – REINFORCE INDEPENDENCE OF THE BOARD

The positions of Chairman and Chief Executive Officer of the Company are held by the Non-Independent Non-Executive Chairman and Managing Director respectively. The Board is aware of the MCCG 2012 which recommends the appointment of an Independent Non-Executive Director as Board Chairman. The Board is nonetheless of the view that the current number of Independent Non-Executive Directors which exceeds the minimum requirements set by the Listing Requirements of Bursa Securities, coupled with the use of the Board Charter which formally sets out the schedule of matters reserved solely for the Board for decision making, provides the relevant check and balance on boardroom decisions.

The Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. The Managing Director, supported by fellow Executive Directors and the Executive Management team, implements the Group's strategies, policies and decision adopted by the Board and oversees the operations and business development of the Group.

The Independent Non-Executive Directors bring to the Board objective and independent views, advice and judgment on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

During the financial year under review, the Board had assessed the independence of its Independent Non-Executive Directors and was satisfied with the level of independence of the Independent Non-Executive Directors. The Board Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Director. However, an Independent Director may continue to serve on the Board upon reaching the 9-year limit subject to the Independent Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the Board is required to assess the candidate's suitability to continue as an Independent Director based on the criteria on independence as adopted by the Board.

At the date of this Statement, none of the Independent Directors has exceeded the 9-year independence tenure.

PRINCIPLE 4 – FOSTER COMMITMENT OF DIRECTORS

The Board ordinarily meets at least four (4) times a year, scheduled well in advance before the end of the preceding financial period to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. Board and Board Committees papers, which are prepared by Management, provide the relevant facts and analysis for the convenience of Directors. The meeting agenda, the relevant reports and Board papers are furnished to the Directors and Board Committees members before the meeting to allow them sufficient time to peruse for effective discussion and decision making during meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. All pertinent issues discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings.

During the financial year under review, the Board convened eight (8) Board meetings attended by the Directors as follows:

Name of Director	Designation	Board Meeting Attendance
Dr. Chia Song Kun	Chairman	8/8
Mr Leong Yew Cheong	Managing Director	8/8
Mr Chia Lik Khai	Deputy Managing Director	8/8
Mr Chia Seong Fatt	Alternate Director to Chia Lik Khai	6/8
Mr Low Teng Lum	Independent Non-Executive Director	8/8
En Mohd. Yusof bin Hussian	Independent Non-Executive Director	8/8
Mr Ho Cheok Yuen (Appointed on 18.11.2014)	Independent Non-Executive Director	2/2
Mr Adrian Chair Yong Huang (Appointed on 20.11.2014)	Independent Non-Executive Director	1/1
Mr Gan Chih Soon (Appointed on 25.2.2015)	Executive Director	1/1
Mr Tee Seng Chun (Appointed on 25.2.2015)	Alternate Director to Gan Chih Soon	1/1

As stipulated in the Board Charter, the Directors shall devote sufficient time and efforts to carry out their responsibilities. The Board shall obtain this commitment from the Directors at the time of their appointment. Each Director is expected to commit their time as and when required to discharge their relevant duties and responsibilities, besides attending meetings of the Board and Board Committees. The Directors further commit that they shall not hold directorships in more than five (5) public listed companies, as prescribed under Paragraph 15.06 of the Listing Requirements. Each Director shall also notify the Chairman and the Board before accepting any new directorship.

Directors' Training – Continuing Education Programmes

The Board is mindful of the importance for its members to undergo continuous training for personal and professional development as well as to keep abreast with developments in the industry in which they operate and changes in regulatory requirements and the impact such regulatory requirements have on the Group. The Board, through the Nomination Committee reviews the training needs of the Directors annually. All newly appointed Directors are also required to undergo the mandatory accreditation programme under the requirements of Bursa Securities.

During the financial year under review, the training attended by the Directors were as follows:

Name of Director	Details of Programme
Dr. Chia Song Kun	✦ Iclif Leadership and Governance Centre and Bursa Malaysia Berhad: Board Chairman Series – The Role of the Chairman ✦ QL Resources Berhad (“QL”) in-house training conducted by DPI Strategic Consultants Sdn Bhd: Leadership Development – Leadership and Management in Perspective ✦ QL in-house training conducted by Fortner Consulting: Balance Scorecard Workshop for Integrated Livestock Farming Industry ✦ Bursa Malaysia Berhad and Malayan Banking Berhad: CAP10 ASEAN CEO Summit 2015 – The Rise of the ASEAN Consumer

Name of Director	Details of Programme
Mr Leong Yew Cheong	+ Boilermech Managers' Conference 2014: Leading & Managing Sustainable Growth + Boilermech in-house training conducted by Crowe Horwath KL Tax Sdn Bhd: Goods and Services Tax
Mr Chia Lik Khai	+ Boilermech Managers' Conference 2014: Leading & Managing Sustainable Growth + Boilermech in-house training conducted by Crowe Horwath KL Tax Sdn Bhd: Goods and Services Tax + QL in-house training conducted by DPI Strategic Consultants Sdn Bhd: Leadership Development – Leadership and Management in Perspective + QL in-house training conducted by Fortner Consulting: Balance Scorecard Workshop for Integrated Livestock Farming Industry
Mr Chia Seong Fatt	+ QL in-house training conducted by DPI Strategic Consultants Sdn Bhd: Leadership Development – Leadership and Management in Perspective + QL in-house training conducted by Fortner Consulting: Balance Scorecard Workshop for Integrated Livestock Farming Industry + QL in-house training: Breeder Conference + Dalian Commodity Exchange: The 9th China International Oils and Oilseeds Conference + Bursa Malaysia Berhad and CME Group: POC2015 Palm & Lauric Oils Conference – Trade, Hedge & Be Ahead of Markets
Mr Low Teng Lum	+ Human Resources Development Fund (HRDF) and Billion Value Sdn Bhd: Train the Trainer + Guiness Anchor Berhad Goods and Services Tax Forum + Professor Barry Eichengreen: Hall of Mirrors - The Great Depression, The Great Recession and the Uses and Misuses of History
En Mohd.Yusof bin Hussian	+ Malaysian Institute of Corporate Governance: Annual ASEAN Corporate Governance Summit 2014 + CG Board Asia Pacific and Bursa Malaysia Berhad: Risk Management & Internal Control – Workshops for Audit Committee Members
Mr Ho Cheok Yuen	+ Bursatra Sdn Bhd: Mandatory Accreditation Programme for Directors of Public Listed Companies
Mr Adrian Chair Yong Huang	+ Bursatra Sdn Bhd: Mandatory Accreditation Programme for Directors of Public Listed Companies
Mr Gan Chih Soon	+ Boilermech Managers' Conference 2014: Leading & Managing Sustainable Growth + Boilermech in-house training conducted by Crowe Horwath KL Tax Sdn Bhd: Goods and Services Tax
Mr Tee Seng Chun	+ Boilermech Managers' Conference 2014: Leading & Managing Sustainable Growth + Boilermech in-house training conducted by Crowe Horwath KL Tax Sdn Bhd: Goods and Services Tax

The Company Secretaries circulate the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board on these updates, where applicable. The Financial Controller and External Auditors also brief the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the financial year under review. The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING BY THE COMPANY

It is the Board's commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial period, primarily through the quarterly announcement of the Group's results to Bursa Securities, the annual financial statements of the Group and Company as well as the Chairman's statement and review of the Group's operations in the Annual Report, where relevant.

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of their results and cash flows for the period then ended.

To assist in the discharge of its duties on financial reporting, the Board has established an Audit Committee, comprising exclusively Non-Executive Directors, the majority of whom are Independent, with Mr Low Teng Lum as the Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report section of this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and the provisions of the Companies Act, 1965. Such financial statements comprise the quarterly financial reports announced to Bursa Securities and the annual statutory financial statements.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in overseeing the financial reporting process of the Company, has adopted a policy for the types of non-audit services permitted to be provided by the external auditors, including the need for the Audit Committee's approval in writing before such services can be provided by the external auditors. To address the "self review" threat faced by the external audit firm, the procedures included in the policy require the engagement team conducting the non-audit services to be different from the external audit team.

In assessing the independence of external auditors, the Audit Committee requires written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS OF THE GROUP

The Board regards risk management and internal controls as an integral part of the overall management processes. The following represents the key elements of the risk management and internal control structure:

(a) The establishment of a Risk Management Unit ("RMU") which is entrusted to ensure the implementation of an effective risk management system and to review the adequacy and integrity of the Group's internal control and management information system;
(b) An organizational structure in the Company with formally defined lines of responsibility and delegation of authority;
(c) Review and approval of the annual business plan and budget of all major business units by the Board. This plan sets out the key business objectives of the respective business units, the major risks and opportunities in the operations and ensuing action plans;
(d) Quarterly review of the Group's business performance by the Board, which also covers the assessment of the impact of changes in business and competitive environment;
(e) Active participation and involvement by the Managing Director, supported by his fellow Executive Directors in the day-to-day running of the major businesses and regular discussions with senior management personnel on operational issues; and
(f) Monthly financial reporting by the subsidiaries to the holding company.

Recognising the importance of having risk management processes and practices, the Board has formalised a risk management framework to enable Management to identify, evaluate, control, monitor and report to the Board the principal business risks faced by the Group on an ongoing basis, including remedial measures to be taken to address the risks.

In line with the MCCG 2012 and the Listing Requirements of Bursa Securities, the Company outsourced its internal audit function to an independent professional firm to assess the adequacy and effectiveness of the Group's governance, risk management and internal control systems. The internal audit function, which reports directly to the Audit Committee, is guided by professional standards promulgated by the Institute of Internal Auditors Inc, a globally recognized professional body for internal auditors. The internal audit function is independent of the activities it audits and the scope of work covered by the internal audit during the financial year under review is provided in the Audit Committee Report section of this Annual Report.

PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. Accordingly, the Board has adopted and formalised pertinent corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa Securities, but also setting out the persons authorised and responsible to approve and disclose material information to regulators, shareholders and stakeholders.

To augment the process of disclosure, the Board has earmarked a section on the Company's website, where information on the Company's announcements to the regulators, the salient features of the Board Charter and the Company's Annual Report may be accessed.

PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

(i) Shareholder participation at general meeting

The Annual General Meeting (“AGM”), which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. Question & answer sessions are also held where the Chairman of the meeting would invite shareholders to raise questions with responses from the Board and Senior Management. The Notice of AGM is circulated at least twenty-one (21) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed.

It is the practice for the Chairman to inform the shareholders, before commencement of the AGM, on the resolutions to be voted for and their right to demand for a poll under the Company's Articles of Association. All the resolutions set out in the Notice of the last AGM of the Company were put to vote by show of hands and duly passed. The outcome of the AGM is announced to Bursa Securities on the same day of the meeting.

(ii) Communication and engagement with shareholders and prospective investors

The Board recognises the importance of being transparent and accountable to the Company's shareholders and prospective investors. The various channels of communications are through meetings with institutional shareholders and investment communities, quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website at www.boilermech.com where shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. invest@boilermech.com to which shareholders can direct their queries or concerns.

This Statement is issued in accordance with a Board resolution dated 7 July 2015.

1. Proposed Utilisation of Proceeds from Corporate Exercise

There were no proceeds raised from corporate exercises during the financial year ended 31 March 2015 ("financial year").

2. Non-Audit Fees

The Group incurred RM104,000 for services to our External Auditors and its affiliate for the financial year ended 31 March 2015.

3. Variation of actual profit from the unaudited results.

There has been no material variance of ten percent (10%) or more between the audited results for the financial year ended 31 March 2015 and the unaudited results previously announced.

4. Material contracts involving directors and major shareholders for the financial year.

The following material contracts were entered into during the financial year by the Group involving directors' and major shareholders' interests:

Date (a)	Parties	General nature	Consideration (c)	Billings (b)	Mode of satisfaction of consideration and billings	Relationship between director/major shareholder and contracting party
5 March 2015	QL Foods Sdn Bhd and Boilermech Sdn Bhd ("BSB")	Sale of bio-energy systems	2,550,000	-	Cash	QL Foods Sdn Bhd is a subsidiary of QL Resources Berhad while BSB is a subsidiary of Boilermech Holdings Berhad

Note:-
(a) Date of contract/commencement of arrangement.
(b) Billings made by the Group are for the financial year 1 April 2014 to 31 March 2015.
(c) Contracted values are paid progressively based on the billings schedules.

Dr Chia Song Kun, the Non-Independent Non-Executive Chairman, Mr Chia Lik Khai, the Deputy Managing Director and Mr Chia Seong Fatt, the Alternate Director to Mr Chia Lik Khai are directors within the QL Group while Dr Chia Song Kun and Mr Chia Seong Fatt have significant shareholdings (directly or indirectly) in QL. QL's wholly owned subsidiary QL Green Resources Sdn Bhd is a major shareholder of Boilermech.

5. Material contracts relating to loans involving directors and major shareholders for the financial year.

There were no contracts relating to loans involving the Directors' or major shareholders' interest.

6. Recurrent Related Party Transactions (RRPT) of Revenue or Trading Nature

The shareholders had earlier approved the RRPT as set out in the circular dated 3 September 2014 during the Company's Annual General Meeting held on 25 September 2014.

The Company had announced on 7 July 2015 that the Company is seeking its shareholders' approval for the Proposed Renewal of Shareholders' Mandate for Existing RRPT at the forthcoming Annual General Meeting. The details of the RRPT entered into or to be entered by the Group with related parties are included in the Circular to Shareholders that is dispatched together with this Annual Report.

Details of the aggregate value of the RRPT made during the financial year are set out as below:

Related parties	Nature of relationship	Nature of transaction	Aggregate value of RRPT for the financial year RM '000
QL Group and Boilermech Group	QL is one of the substantial shareholders of Boilermech	The provision of engineering solutions to QL in relation to Bio-Energy Systems	2,144
EITA Electronics Bhd ("EITA")	A substantial shareholder of EITA is connected to certain directors of Boilermech	The purchase of boiler electronic equipment from EITA Group	406

7. Corporate Social Responsibility

The Group's corporate social responsibility activities and practices are detailed in the Corporate Social Responsibility Report of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY REPORT

In the midst of achieving our financial goals, we at Boilermech have not forgotten our duty as a responsible corporate citizen as we strive to conduct our activities in a socially responsible manner to uphold the general wellbeing of the environment and the community at large.

ENVIRONMENT

Sustaining the environment lies at the heart of Boilermech's core business of providing biomass energy and sustainable environmental solutions. Through technology, design and engineering, we continue to promote the effective usage of biomass and biogas for the generation of steam and power, thereby reducing biomass waste and generating energy from non-fossil sources. We continue to research and develop new products to reduce the palm processing industry's environmental footprint and encourage our customers to adopt more efficient emission control systems to reduce the release of contaminants into the environment.

In line with the Environmental Quality (Clean Air) Regulations 2014 which was gazetted in June 2014 to reduce the level of emission of solids into the atmosphere, we had introduced to our customers various emission control products to reduce the emission level, thus helping them to comply with the said regulation as well as helping the environment in general by improving the air quality.

HUMAN CAPITAL DEVELOPMENT AND STAFF WELFARE

Our employees are our greatest assets, hence we believe in the continuous development of our human capital as a primary strategy in promoting business sustainability. We have initiated various training programs for our staff to enhance their personal and professional development in the organization. Regular staff social activities and sporting games are held to promote team spirit as well as a congenial and positive working environment.

COMMUNITY

One of our most rewarding efforts in community building was our involvement early this year in the restoration of SJK (C) Yuk Chai, one of the schools that was badly affected by the floods in Kuala Krai, Kelantan. Boilermech was involved in various recovery and restoration efforts to get the school back on its feet by restoring the electrical necessities that were no longer safe to use after the floods. Our sense of social responsibility had compelled us to go beyond monetary support to help the school recover from the disaster. By mobilizing both financial and engineering resources, our team's restoration efforts included the rewiring of electrical lines and installation of new lightings and fans for ten classrooms, two computer rooms, bookstore, students' activity room, counseling and information room, three store rooms and the restrooms. These restoration works had enabled the 356 pupils and 30 teachers of SJK (C) Yuk Chai to resume classes and school activities within a month.

Boilermech had also responded to the National Blood Bank's call to replenish the country's blood supply during the flood crisis by supporting a blood donation program which was jointly organized with the National Blood Bank.

On the education front, Boilermech continues to offer its support, particularly in the promotion of engineering studies. We have ongoing internship programs for university engineering students, under which the interns undergo a structured industrial training program where they are exposed to the engineering departments and processes of the Company.

The Audit Committee comprised the following members:

Name	Designation	Directorship
Mr Low Teng Lum	Chairman	Independent Non-Executive Director
Dr. Chia Song Kun	Member	Non-Independent Non-Executive Director
En Mohd Yusof bin Hussian	Member	Independent Non-Executive Director
Mr Ho Cheok Yuen	Member	Independent Non-Executive Director
Mr Adrian Chair Yong Huang	Member	Independent Non-Executive Director

The Secretary to the Committee is the Company Secretary.

Attendance at meetings

During the financial year ended 31 March 2015 ("financial year"), the Audit Committee convened seven (7) meetings attended by the members as follows:

Name of Audit Committee Member	Meeting Attendance
Mr Low Teng Lum	7/7
Dr. Chia Song Kun	7/7
En Mohd Yusof bin Hussian	7/7
Mr Ho Cheok Yuen (Appointed on 25.2.2015)	1/1
Mr Adrian Chair Yong Huang (Appointed on 25.2.2015)	1/1

Summary of activities

The main activities undertaken by the Audit Committee during the financial year were as follows:

1. Reviewed the quarterly unaudited financial results and the audited financial statements before submission to the Board of Directors ("Board") for consideration and approval.

2. Reviewed the related party transactions entered into by the Group, which included the acquisition of a leasehold vacant industrial land in Pulau Indah Industrial Park, Mukim Klang, Daerah Klang, State of Selangor Darul Ehsan by the Group together with its related party, Inspirasi Delima Sdn Bhd from Logiston Sdn Bhd. (Note: In view of the interests of certain interested directors and interested substantial shareholders, the aforesaid acquisition was deemed a related party transaction pursuant to Chapter 10 of the Listing Requirements of Bursa Malaysia Securities Berhad.)

3. Recommended the re-appointment of the External Auditors to the Board.

4. Reviewed the External Auditors' scope of work and the audit plan for the financial year.

5. Reviewed the results of the audit and the Audit Report with the External Auditors.

6. Reviewed the internal audit plan and findings and recommendations arising from the internal audit and Management's responses.

7. Reviewed the principal risks identified by Management and Management's plans to manage these risks.

8. Reviewed the appropriateness of the proposed final dividend for the financial year, and recommending to the Board accordingly.

Internal Audit

The Group engaged an independent professional firm to provide internal audit services with the view of providing assurance to the Board on the adequacy of the Group's system of internal control to safeguard the Group's assets. This function also serves as an avenue to improve current policies and procedures via the recommendation of the Internal Auditors. During the financial year, the Internal Auditors reviewed and conducted tests and assessed the adequacy of the system of internal controls over key management areas in property, plant and equipment management; inventory management; and production management and quality assurance. Internal Audit reports were issued to the Audit Committee detailing the findings and recommendations and Management's responses to the findings and recommendations.

Terms of Reference

(A) Membership

(1) The Audit Committee comprises at least three (3) Directors, the majority of whom are Independent. All members of the Committee shall be Non-Executive Directors.

(2) At least one (1) member of the Audit Committee:

2.1 must be a member of the Malaysian Institute of Accountants;

2.2 if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years working experience and;

(i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or

(ii) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

2.3 fulfils such other requirements as prescribed or approved by the Exchange.

(3) No alternate Director shall be appointed as a member of the Audit Committee.

(4) The Board shall review the terms of office and performance of the Audit Committee and each of its members at least once a year to determine whether the Committee and members have carried out their duties in accordance with their terms of reference.

(5) In the event of any vacancy in the Audit Committee resulting in the non-compliance of item 1 and 2 above, the Board shall fill the vacancy within three (3) months from the date of the vacancy.

(6) The members of the Audit Committee shall elect a Chairman from amongst themselves who shall be an Independent Director.

(B) Secretary

The Company Secretary shall be the Secretary of the Audit Committee. The Secretary shall record, prepare and circulate the minutes of the meetings of the Audit Committee to the Board and ensure that the minutes are properly kept and produced for inspection if required.

(C) Meetings and Attendance

(1) The Audit Committee shall meet at least four (4) times annually. A majority of the members in attendance must be Independent Directors in order to form a quorum for the meeting.

(2) Non-member Directors and employees of the Company shall not attend any Audit Committee meetings unless specifically invited by the Audit Committee.

(3) The Audit Committee shall meet the External Auditors at least twice a year without the presence of the Management or Executive Directors.

(4) The Audit Committee shall report to the Board.

(D) Authority

(1) The Audit Committee has the authority to investigate any matter within its terms of reference, at the cost of the Company and with the following:

(a) the resources which are required to perform its duties;

(b) full and unrestricted access to any information pertaining to the Company;

(c) direct communication channels with the External Auditors and the Internal Auditors;

(d) ability to obtain independent professional or other advice; and

(e) ability to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the listed corporation, whenever deemed necessary.

(2) The Internal Auditors shall report directly to the Committee and shall have direct access to the Chairman of the Committee on all matters of control and audit. All proposals by Management regarding the appointment, transfer and removal of the Internal Auditors of the Company shall require prior approval of the Committee. Any inappropriate restrictions on audit scope are to be reported to the Committee.

(E) Functions

(1) To review the quarterly and annual financial statements of the Company, before the approval of the Board of Directors, focusing particularly on:

(a) any significant changes to accounting policies and practices;

(b) significant adjustments arising from the audits;

(c) compliance with accounting standards and other legal requirements; and

(d) the going concern assumption.

(2) To review any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(3) To review, on an annual basis, the principal risks identified by Management and the methodology employed in the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner.

(4) To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored.

(5) To cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures.

(6) To obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the organisation.

(7) To be satisfied that the strategies, plans, manning and organisation for internal auditing are communicated down through the Company.

Specifically:

(a) to review the internal audit plans and to be satisfied with their consistency with the results of the risk assessment made, the adequacy of coverage and the audit methodologies employed;

(b) to be satisfied that the internal audit function within the Company has the proper resources and authority to enable them to complete their mandates and approved audit plans;

(c) to review status reports from internal audit and ensure that appropriate action is taken on the recommendations of the internal audit function. To recommend any broader reviews deemed necessary as a consequence of the issues or concerns identified;

(d) to review the effectiveness of the Internal Auditors and to recommend to the Board, the reappointment, termination or replacement of the incumbent and the appointment of any other Internal Auditor;

(e) to ensure internal audit has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties; and

(f) to request and review any special audit which it deems necessary.

(8) To review with the External Auditors the nature and scope of their audit plan, their evaluation of the system of internal controls and report.

(9) 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.

(10) To review and evaluate factors related to the independence of the External Auditors and assist them in preserving their independence.

(11) To be advised of significant use of the External Auditors in performing non-audit services within the Group, considering both the types of services rendered and the fees, such that their independence and objectivity as External Auditors are not deemed to be compromised.

(12) To review the External Auditors' findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken.

(13) To recommend to the Board steps to improve the system of internal control derived from the findings of the Internal and External Auditors and from the consultations of the Audit Committee itself.

(14) To prepare the annual Audit Committee Report to the Board which includes the composition of the Audit Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of an internal audit function and summary of the activities of that function for inclusion in the annual report.

(15) To review the Board's statements on compliance with the Malaysian Code of Corporate Governance for inclusion in the annual report.

(16) To review ordinary and extraordinary dividend payments.

(17) To review the assistance given by the employees of the Company to the External Auditors.

(18) To recommend the nomination of a person or persons as External Auditors.

Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires the board of directors of a listed issuer to include in its Annual Report a statement on the state of internal control of the listed issuer as a Group. Accordingly, the Board of Directors ("Board") is pleased to provide the following statement which outlines the nature and scope of the Group's risk management and internal control systems for the financial year ended 31 March 2015 ("financial year").

Board Responsibility

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets. In view of the limitations inherent in any system of risk management and internal control, the Board is aware that the system is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's corporate objectives. Accordingly, the system can only provide reasonable, but not absolute, assurance against material misstatement or loss.

Risk Management and Internal Control Structure

Risk management and internal controls are regarded as an integral part of the Group's overall management processes. The following represent some of the key elements of the Group's risk management and internal control structure:

(i) The establishment of a Risk Management Unit ("RMU") which is entrusted to ensure the implementation of an effective risk management system and to review the adequacy and integrity of the Group's internal control and management information system;

(ii) An organizational structure in the Group with formally defined lines of responsibility and delegation of authority, augmented by hierarchical reporting culminating in the Board;

(iii) Review and approval of the annual business plan and budget of all major business units by the Board. This plan sets out the key business objectives of the respective business units, the major risks and opportunities in the operations and ensuing action plans;

(iv) Quarterly review of the performance of the Group's business by the Audit Committee and the Board, which also covers the assessment of the impact of changes in the business and competitive environment; and

(v) Active participation and involvement by the Managing Director supported by his fellow Executive Directors, in the day-to-day running of the major businesses and regular discussions with Senior Management personnel on operational issues.

The internal controls of the Group are further supported by formalized limits of authority for various committees and personnel as designated. Support functions like Finance and Internal Audit also play a vital role in the overall control and risk management processes of the Group. Matters beyond the formalized limits of authority for Management are referred upward to the Board for approval.

Recognizing the importance of having risk management processes and practices, the Board has in place a risk management framework to enable Management to identify, evaluate, control, monitor and report to the Board the principal business risks faced by the Group on an ongoing basis.

The Board has received assurance from the Executive Committee that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

Internal Audit Function

The Group outsourced the internal audit function to an independent professional firm, which provides the Board, through the Audit Committee, with assurance on the adequacy and effectiveness of the Group's system of risk management and internal control.

The outsourced internal audit function adopts an approach that focuses on core activities of the Group for the purpose of identifying areas to be audited on a prioritized basis, vis-à-vis the business risks inherent in the core businesses concerned. The internal audit plan is tabled annually and approved by the Audit Committee. Action plans are taken by Management to address the observations raised in the internal audit reports. The outsourced internal audit function also follows up on the status of Management's action plans on internal audit observations.

The costs incurred for the internal audit function in respect of the financial year ended 31 March 2015 amounted to approximately RM32,000.

Weaknesses in Internal Controls that Resulted in Material Losses

The Board is of the view that there were no material losses incurred by the Group during the financial year ended 31 March 2015 as a result of weaknesses in internal controls. The Group continues to take measures to strengthen the risk management processes and internal control environment.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required under the Companies Act, 1965 to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company at the financial year ended 31 March 2015 and of the results of the Group and the Company for the financial year then ended.

In preparing those financial statements, the Directors have:

- selected appropriate accounting policies and applied them consistently

- made judgments and estimates that are reasonable and prudent

- prepared financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business

- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for ensuring proper accounting records are kept, which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and the Company by taking reasonable steps for the prevention and detection of fraud and other irregularities.

FINANCIAL STATEMENTS

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	39,153,288	8,575,379
Attributable to:		
Owners of the Company	39,153,288	8,575,379

DIVIDENDS

Since the end of the previous financial year, the Company paid a final single tier dividend of 3.0 sen per ordinary share on 258,000,000 ordinary shares amounting to RM7,740,000 in respect of the financial year ended 31 March 2014.

The directors propose a final single tier dividend of 1.75 sen per ordinary share on 516,000,000 ordinary shares amounting to RM9,030,000 in respect of the financial year ended 31 March 2015 subject to shareholders' approval at the forthcoming annual general meeting.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) the Company increased its authorised share capital from RM50,000,000 to RM100,000,000 by the creation of 500,000,000 new ordinary shares of RM0.10 each;

(b) the Company had on 15 October 2014 increased its issued and paid-up share capital from RM25,800,000 to RM51,600,000 by way of a bonus issue of 258,000,000 new ordinary shares of RM0.10 each credited as fully paid-up on the basis of one (1) bonus share for every one (1) existing ordinary share held in the Company ("Bonus Issue") and the bonus shares were listed on the ACE Market of Bursa Malaysia Securities Berhad on 16 October 2014; and

(c) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 33 to the financial statements. At the date of this report, there does not exist:-

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

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

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Chia Song Kun
Leong Yew Cheong
Chia Lik Khai
Low Teng Lum
Mohd Yusof Bin Hussian
Chia Seong Fatt (Alternate to Chia Lik Khai)
Ho Cheok Yuen (Appointed on 18.11.2014)
Adrian Chair Yong Huang (Appointed on 20.11.2014)
Gan Chih Soon (Appointed on 25.2.2015)
Tee Seng Chun (Alternate to Gan Chih Soon) (Appointed on 25.2.2015)
Wong Wee Voo (Resigned on 31.12.2014)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.10 Each			
	At 1.4.2014/ Date of Appointment	Bought	Sold	At 31.3.2015
Direct Interests				
Chia Song Kun	200,000	200,000 *	-	400,000
Leong Yew Cheong	35,702,912	35,702,912 *	(4,000,000)	67,405,824
Chia Lik Khai	200,000	300,000#	-	500,000
Low Teng Lum	200,000	200,000 *	-	400,000
Mohd Yusof Bin Hussian	210,000	210,000 *	-	420,000
Chia Seong Fatt (Alternate to Chia Lik Khai)	100,000	100,000 *	-	200,000
Gan Chih Soon	20,094,140	-	-	20,094,140
Tee Seng Chun (Alternate to Gan Chih Soon)	17,208,140	-	-	17,208,140
Indirect Interests				
Chia Song Kun (1)	105,023,118	109,023,118 ^	-	214,046,236
Low Teng Lum (2)	377,000	377,000 *	-	754,000
Mohd Yusof Bin Hussian (2)	25,000	25,000 *	-	50,000
Chia Seong Fatt (Alternate to Chia Lik Khai) (3)	105,023,118	109,023,118 ^	-	214,046,236
Tee Seng Chun (2)	4,020,000	-	-	4,020,000

DIRECTORS' INTERESTS (CONT'D)

(1) Deemed interest by virtue of shares held by QL Green Resources Sdn Bhd via his and his spouse shareholdings of more than fifteen percent (15%) in CBG Holdings Sdn Bhd, a major shareholder of QL Resources Berhad ("QL"). QL holds 100% equity interest in QL Green Resources Sdn Bhd.

(2) Deemed interest via their spouses' shareholdings in the Company.

(3) Deemed interest by virtue of shares held by QL Green Resources Sdn Bhd via his and his spouse's shareholdings of more than fifteen percent (15%) in Farsathy Holdings Sdn Bhd, a major shareholder of QL. QL holds 100% equity interest in QL Green Resources Sdn Bhd.

* Via Bonus Issue.

^ Via Bonus Issue and acquisition of 4,000,000 shares during the financial year.

\# Via Bonus Issue and acquisition of 100,000 shares during the financial year.

By virtue of their shareholdings in the Company, Chia Song Kun and Chia Seong Fatt are deemed to have interests in shares in the subsidiaries during the financial year to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965 in Malaysia.

The other directors holding office at the end of the financial year had no interest in shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 30 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 36 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

The significant event subsequent to the financial year is disclosed in Note 37 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 7 July 2015

Leong Yew Cheong **Chia Lik Khai**

STATEMENT BY DIRECTORS

We, Leong Yew Cheong and Chia Lik Khai, being two of the directors of Boilermech Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 52 to 106 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2015 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 38, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 7 July 2015

Leong Yew Cheong

Chia Lik Khai

STATUTORY DECLARATION

I, Chan Van Chee, IC No. 730506-05-5418, being the officer primarily responsible for the financial management of Boilermech Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 52 to 106 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Chan Van Chee, IC No. 730506-05-5418
at Kuala Lumpur in the Federal Territory
on this 7 July 2015

Chan Van Chee

Before me
Lai Din
No. W - 668
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BOILERMECH HOLDINGS BERHAD

Report on the Financial Statements

We have audited the financial statements of Boilermech Holdings Berhad, which comprise the statements of financial position as at 31 March 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 52 to 106.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not act as auditors, which is indicated in Note 5 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 38 on page107 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Chong Tuck Wai
Approval No: 3023/03/17 (J)
Chartered Accountant

7 July 2015

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION
AT 31 MARCH 2015

	Note	The Group 2015 RM	The Group 2014 RM	The Company 2015 RM	The Company 2014 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	25,135,556	22,310,002
Property, plant and equipment	6	75,847,951	42,231,452	12,294,462	-
Amount owing by a subsidiary	7	-	-	14,706,671	16,533,126
Deferred tax assets	8	163,398	523,675	-	-
		76,011,349	42,755,127	52,136,689	38,843,128
CURRENT ASSETS					
Inventories	9	29,576,859	28,615,633	-	-
Amount owing by contract customers	10	28,346,957	15,274,280	-	-
Trade receivables	11	63,733,084	46,728,055	-	-
Other receivables, deposits and prepayments	12	2,758,658	6,034,803	67,407	24,500
Amount owing by subsidiaries	7	-	-	1,373,213	2,243,670
Tax refundable		2,196,669	519,171	-	-
Derivative assets	13	-	179,722	-	-
Dividend receivable		-	-	10,000,000	10,000,000
Liquid investments	14	12,943,109	61,432,543	1,087,539	10,728,494
Cash and bank balances		13,637,707	12,616,495	599,485	121,086
		153,193,043	171,400,702	13,127,644	23,117,750
TOTAL ASSETS		229,204,392	214,155,829	65,264,333	61,960,878

The annexed notes form an integral part of these financial statements.

	Note	The Group 2015 RM	The Group 2014 RM	The Company 2015 RM	The Company 2014 RM
EQUITY AND LIABILITY					
EQUITY					
Share capital	15	51,600,000	25,800,000	51,600,000	25,800,000
Share premium	16	-	7,619,660	-	7,619,660
Cash flow hedge reserve	17	(4,774,418)	134,099	-	-
Merger deficit	18	(21,809,998)	(21,809,998)	-	-
Foreign exchange translation reserve	19	(21,515)	-	-	-
Retained profits	20	106,246,174	93,013,226	11,147,670	28,492,631
TOTAL EQUITY		131,240,243	104,756,987	62,747,670	61,912,291
CURRENT LIABILITIES					
Amount owing to contract customers	10	39,194,143	58,522,217	-	-
Trade payables	21	38,350,690	43,410,848	-	-
Other payables and accruals		14,221,483	7,458,490	2,509,801	41,300
Provision for taxation		6,962	7,287	6,862	7,287
Derivative liabilities	13	6,190,871	-	-	-
		97,964,149	109,398,842	2,516,663	48,587
TOTAL EQUITY AND LIABILITY		229,204,392	214,155,829	65,264,333	61,960,878
NET ASSETS PER ORDINARY SHARE (RM)	22	0.25	0.20		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	The Group 2015 RM	The Group 2014 RM	The Company 2015 RM	The Company 2014 RM
REVENUE	23	277,875,127	242,019,756	10,000,000	19,000,000
COST OF SALES		(205,037,022)	(186,171,030)	-	-
GROSS PROFIT		72,838,105	55,848,726	10,000,000	19,000,000
OTHER INCOME		7,861,753	3,377,681	881,109	864,138
		80,699,858	59,226,407	10,881,109	19,864,138
SELLING AND MARKETING EXPENSES		(4,790,762)	(4,636,077)	-	-
ADMINISTRATIVE EXPENSES		(12,134,434)	(8,731,530)	(2,087,924)	(1,350,686)
OTHER EXPENSES		(11,609,355)	(7,630,682)	-	-
FINANCE COST		-	(47,644)	-	-
PROFIT BEFORE TAXATION	24	52,165,307	38,180,474	8,793,185	18,513,452
INCOME TAX EXPENSE	25	(13,012,019)	(7,164,288)	(217,806)	(92,215)
PROFIT AFTER TAXATION		39,153,288	31,016,186	8,575,379	18,421,237
OTHER COMPREHENSIVE (EXPENSE)/INCOME					
Item that may be reclassified subsequently to profit or loss					
- Cash flow hedge		(4,908,517)	188,466	-	-
- Foreign currency translation differences		(21,515)	-	-	-
TOTAL OTHER COMPREHENSIVE (EXPENSE)/INCOME		(4,930,032)	188,466	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		34,223,256	31,204,652	8,575,379	18,421,237
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		39,153,288	31,016,186	8,575,379	18,421,237
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		34,223,256	31,204,652	8,575,379	18,421,237
EARNINGS PER SHARE (SEN)					
- Basic	26	7.59	6.01		
- Diluted	26	Not applicable	Not applicable		

The annexed notes form an integral part of these financial statements.

The Group	Note	Non-distributable Share Capital RM	Non-distributable Share Premium RM	Non-distributable Cash Flow Hedge Reserve RM	Non-distributable Merger Deficit RM	Distributable Retained Profits RM	Total RM
Balance at 1 April 2013		25,800,000	7,619,660	(54,367)	(21,809,998)	67,157,040	78,712,335
Profit after taxation for the financial year		-	-	-	-	31,016,186	31,016,186
Other comprehensive income for the financial year:							
- cash flow hedge		-	-	188,466	-	-	188,466
Total comprehensive income for the financial year		-	-	188,466	-	31,016,186	31,204,652
Distributions to owners of the Company:							
- dividend	27	-	-	-	-	(5,160,000)	(5,160,000)
Balance at 31 March 2014		25,800,000	7,619,660	134,099	(21,809,998)	93,013,226	104,756,987

The annexed notes form an integral part of these financial statements.

The Group	Note	Non-distributable					Distributable	
		Share Capital RM	Share Premium RM	Cash Flow Hedge Reserve RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Total RM
Balance at 31 March 2014/1 April 2014		25,800,000	7,619,660	134,099	(21,809,998)	-	93,013,226	104,756,987
Profit after taxation for the financial year		-	-	-	-	-	39,153,288	39,153,288
Other comprehensive expenses for the financial year:								
- cash flow hedge		-	-	(4,908,517)	-	-	-	(4,908,517)
- foreign currency translation differences		-	-	-	-	(21,515)	-	(21,515)
Total comprehensive expenses for the financial year		-	-	(4,908,517)	-	(21,515)	39,153,288	34,223,256
Distributions to owners of the Company:								
- dividend	27	-	-	-	-	-	(7,740,000)	(7,740,000)
- issuance of shares pursuant to bonus issue		25,800,000	(7,619,660)	-	-	-	(18,180,340)	-
Total transactions with owners		25,800,000	(7,619,660)	-	-	-	(25,920,340)	(7,740,000)
Balance at 31 March 2015		51,600,000	-	(4,774,418)	(21,809,998)	(21,515)	106,246,174	131,240,243

The annexed notes form an integral part of these financial statements.

The Company	Note	Non-distributable Share Capital RM	 Share Premium RM	Distributable Retained Profits RM	 Total RM
Balance at 1 April 2013		25,800,000	7,619,660	15,231,394	48,651,054
Profit after taxation/Total comprehensive income for the financial year		-	-	18,421,237	18,421,237
Distributions to owners of the Company:					
- dividend	27	-	-	(5,160,000)	(5,160,000)
Balance at 31 March 2014/1 April 2014		25,800,000	7,619,660	28,492,631	61,912,291
Profit after taxation/Total comprehensive income for the financial year		-	-	8,575,379	8,575,379
Distributions to owners of the Company:					
- dividend	27	-	-	(7,740,000)	(7,740,000)
- issuance of shares pursuant to bonus issue		25,800,000	(7,619,660)	(18,180,340)	-
Total transaction with owners		25,800,000	(7,619,660)	(25,920,340)	(7,740,000)
Balance at 31 March 2015		51,600,000	-	11,147,670	62,747,670

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	The Group		The Company	
		2015	2014	2015	2014
		RM	RM	RM	RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit before taxation		52,165,307	38,180,474	8,793,185	18,513,452
Adjustments for:-					
Allowance for impairment losses on trade receivables		3,004,558	4,447,850	-	-
Depreciation of property, plant and equipment		2,516,537	2,482,069	-	-
Equipment written off		5,440	8,736	-	-
Interest expense		-	47,644	-	-
Dividend income		-	-	(10,000,000)	(19,000,000)
Fair value loss/(gain) on derivatives		1,462,076	(114,143)	-	-
Gain on disposal of equipment		(80,000)	-	-	-
Interest income		(1,455,471)	(1,406,534)	(881,109)	(864,138)
Inventories written off/(written back)		57,765	(40,445)	-	-
Unrealised gain on foreign exchange		(1,863,816)	(44,827)	-	-
Write-back of allowance for impairment losses on trade receivables		(4,281,928)	(1,628,461)	-	-
Operating profit/(loss) before working capital changes		51,530,468	41,932,363	(2,087,924)	(1,350,686)
Increase in amount owing by contract customers		(13,072,677)	(5,396,471)	-	-
Increase in inventories		(1,018,991)	(9,259,534)	-	-
(Increase)/Decrease in trade and other receivables		(10,455,531)	11,333,320	(42,907)	9,538
Increase/(Decrease) in trade and other payables		1,569,958	18,380,926	2,468,501	(66,860)
Decrease in amount owing to contract customers		(19,328,074)	(4,800,242)	-	-
CASH FROM/(FOR) OPERATIONS		9,225,153	52,190,362	337,670	(1,408,008)
Interest paid		-	(47,644)	-	-
Income tax paid		(14,386,240)	(9,340,197)	(218,231)	(83,650)
Income tax refunded		56,675	-	-	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(5,104,412)	42,802,521	119,439	(1,491,658)
BALANCE CARRIED FORWARD		(5,104,412)	42,802,521	119,439	(1,491,658)

The annexed notes form an integral part of these financial statements.

	Note	The Group 2015 RM	The Group 2014 RM	The Company 2015 RM	The Company 2014 RM
BALANCE BROUGHT FORWARD		(5,104,412)	42,802,521	119,439	(1,491,658)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Repayment from subsidiaries		-	-	2,696,912	1,424,763
Proceeds from disposal of equipment		80,000	-	-	-
Purchase of property, plant and equipment		(36,136,443)	(3,995,766)	(12,294,462)	-
Dividend received		-	-	10,000,000	9,000,000
Interest received		1,455,471	1,406,534	881,109	864,138
Investments in subsidiaries		-	-	(2,825,554)	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(34,600,972)	(2,589,232)	(1,541,995)	11,288,901
CASH FLOWS FOR FINANCING ACTIVITIES					
Repayment of term loan		-	(1,123,114)	-	-
(Repayment to)/Advances from a related company		-	(24,000)	-	-
Dividend paid		(7,740,000)	(5,160,000)	(7,740,000)	(5,160,000)
NET CASH FOR FINANCING ACTIVITIES		(7,740,000)	(6,307,114)	(7,740,000)	(5,160,000)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(47,445,384)	33,906,175	(9,162,556)	4,637,243
Effect of foreign exchange in cash and cash equivalents		(22,838)	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		74,049,038	40,142,863	10,849,580	6,212,337
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	28	26,580,816	74,049,038	1,687,024	10,849,580

The annexed notes form an integral part of these financial statements.

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office:

Level 18, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur,
Wilayah Persekutuan.

Principal place of business:

Lot 875 Jalan Subang 8,
Taman Perindustrian Subang,
47620 Subang Jaya,
Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 7 July 2015.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments) did not have any material impact on the Group's financial statements.

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments) is expected to have no material impact on the financial statements of the Group upon its initial application except as follows:-

(i) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. There will be no financial impacts on the financial statements of the Group upon its initial application.

(ii) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers. In addition, extensive disclosures are required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(c) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Construction Contracts

Construction contracts accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion. In making the judgement, the management used experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract. The management estimates the profitability of the contract on an individual basis at any particular time.

(e) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(f) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment loss. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(g) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(h) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair values of these assets and liabilities would affect profit and/or equity.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

(i) Merger accounting for common control business combinations

The acquisitions resulted in a business combination involving common control entities, and accordingly the accounting treatment is outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common control business combinations.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial year.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations (Cont'd)

(i) Merger accounting for common control business combinations (cont'd)

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

(ii) Acquisition method of accounting for non-common control business combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognise the inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (cont'd)

(ii) Held-to-Maturity Investments (cont'd)

As at the end of the reporting period, there were no financial assets classified under this category.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

As at the end of the reporting period, there were no financial assets classified under this category.

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognise the inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities (Cont'd)

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Hedge Activities

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks.

The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

(i) Hedge Accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(e) Hedge Activities (cont'd)

(ii) Fair Value Hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued prospectively when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(iii) Cash Flow Hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged items affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is transferred from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss.

Hedge accounting is discontinued prospectively when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or it no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investment in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land	Over the lease period
Buildings	2.85% - 3.33%
Computers	20%
Furniture, fittings and office equipment	10% - 20%
Machinery	20%
Motor vehicles	20%
Renovation	10%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

4.7 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (cont'd)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.8 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and first-in-first-out basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

4.9 AMOUNTS OWING BY/TO CONTRACT CUSTOMERS

The amounts owing by/to contract customers are stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost includes direct materials, labour and applicable overheads.

4.10 INCOME TAXES

Income taxes for the year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 INCOME TAXES (CONT'D)

Deferred tax is provided in full, using the liability method, on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.12 PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.14 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a) above.
(vii) A person identified in (a)(I) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

4.15 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.17 REVENUE RECOGNITION

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(b) Services

Revenue is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(c) Construction Contracts

Revenue on contracts is recognised on the stage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

(d) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(e) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2015 RM	2014 RM
Unquoted shares in Malaysia, at cost		
At 1 April	22,310,002	22,310,002
Addition during the financial year	1,999,998	-
At 31 March	24,310,000	22,310,002
Unquoted shares outside Malaysia, at cost		
At 1 April	-	-
Addition during the financial year	825,556	-
At 31 March	825,556	-
	25,135,556	22,310,002

The details of the subsidiaries are as follows:

Name Of Subsidiary	Country Of Incorporation	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %	Principal Activities
Boilermech Sdn. Bhd. ("BSB")	Malaysia	100	100	Engaged in the business of manufacturing, repairing and servicing of boilers.
Boilermech Cleantech Sdn. Bhd. ("BCSB")	Malaysia	100	100	Engaged in the business of producing integrated biomass electric power generation system.
Zenith Index Sdn. Bhd. ("ZISB")	Malaysia	100	100	Engaged in the business of bio-energy systems.
PT Boilermech ("PTBM") * #	Indonesia	100	100	Dormant.
Boilermech Oretech Sdn. Bhd. ("BOSB") (formerly known as Prominent Discovery Sdn. Bhd.)	Malaysia	100	-	Dormant.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

* 1% held by a subsidiary, BSB.
# The subsidiary was audited by a member firm of Crowe Horwath International of which Crowe Horwath is a member.

During the financial year,

(a) the Company acquired 2 ordinary shares of RM1 each representing the entire issued and paid-up capital of BOSB for a total cash consideration of RM2. Subsequently, BOSB increased its issued and paid-up capital by issuing 999,998 ordinary shares of RM1 each, which was fully subscribed for by the Company for a total cash consideration of RM999,998 to retain its 100% equity interests;

(b) the Company and its subsidiary, BSB, injected IDR2,875,500,000 (equivalent of RM833,579) into PTBM; and

(c) the Company subscribed for an additional 999,998 ordinary shares of RM1 each in BCSB for a total cash consideration of RM999,998 to retain its 100% equity interests.

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.4.2014 RM	Additions RM	Reclassification RM	Written Off RM	Depreciation Charge RM	Translation Differences RM	At 31.3.2015 RM
Net Book Value							
Leasehold land	21,692,044	18,797,976	-	-	(432,465)	-	40,057,555
Buildings	14,138,316	568,453	4,891,923	-	(489,530)	-	19,109,162
Computers	530,787	479,755	-	(5,409)	(191,529)	631	814,235
Furniture, fittings and office equipment	297,256	1,466,964	-	(31)	(66,622)	131	1,697,698
Machinery	1,969,024	3,680,587	-	-	(792,471)	-	4,857,140
Motor vehicles	1,010,925	2,058,349	-	-	(535,623)	1,271	2,534,922
Renovation	-	159,611	835,977	-	(8,297)	-	987,291
Capital work-in-progress	2,593,100	8,924,748	(5,727,900)	-	-	-	5,789,948
	42,231,452	36,136,443	-	(5,440)	(2,516,537)	2,033	75,847,951

The Group	At 1.4.2013 RM	Additions RM	Written Off RM	Depreciation Charge RM	At 31.3.2014 RM
Net Book Value					
Leasehold land	22,124,510	-	-	(432,466)	21,692,044
Buildings	14,614,844	-	-	(476,528)	14,138,316
Computers	434,335	249,536	(2,320)	(150,764)	530,787
Furniture, fittings and office equipment	207,293	155,633	(6,416)	(59,254)	297,256
Machinery	2,119,625	707,703	-	(858,304)	1,969,024
Motor vehicles	1,152,349	363,329	-	(504,753)	1,010,925
Capital work-in-progress	73,535	2,519,565	-	-	2,593,100
	40,726,491	3,995,766	(8,736)	(2,482,069)	42,231,452

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
2015			
Leasehold land	41,452,898	(1,395,343)	40,057,555
Buildings	20,663,867	(1,554,705)	19,109,162
Computers	1,529,403	(715,168)	814,235
Furniture, fittings and office equipment	1,991,985	(294,287)	1,697,698
Machinery	8,310,838	(3,453,698)	4,857,140
Motor vehicles	4,416,639	(1,881,717)	2,534,922
Renovation	995,588	(8,297)	987,291
Capital work-in-progress	5,789,948	-	5,789,948
	85,151,166	(9,303,215)	75,847,951
2014			
Leasehold land	22,654,922	(962,878)	21,692,044
Buildings	15,203,491	(1,065,175)	14,138,316
Computers	1,054,751	(523,964)	530,787
Furniture, fittings and office equipment	525,264	(228,008)	297,256
Machinery	4,630,251	(2,661,227)	1,969,024
Motor vehicles	2,742,603	(1,731,678)	1,010,925
Capital work-in-progress	2,593,100	-	2,593,100
	49,404,382	(7,172,930)	42,231,452

The Company	At 1.4.2014 RM	Additions RM	At 31.3.2015 RM
Net Book Value			
Leasehold land	-	9,398,988	9,398,988
Capital work-in-progress	-	2,895,474	2,895,474
	-	12,294,462	12,294,462

The Company	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
2015			
Leasehold land	9,398,988	-	9,398,988
Capital work-in-progress	2,895,474	-	2,895,474
	12,294,462	-	12,294,462

One of the leasehold land and buildings of the Group amounting to RM20,512,348 (2014 - RM15,465,343) have been pledged to a licensed bank as security for banking facilities granted to the Group.

7. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2015	2014
	RM	RM
Non-current portion:		
- receivable between one year to two years	1,891,417	1,826,455
- receivable between two to five years	6,087,537	5,878,458
- receivable more than five years	6,727,717	8,828,213
	14,706,671	16,533,126
Current portion:		
- receivable within one year	1,373,213	2,243,670
	16,079,884	18,776,796

The amount owing by subsidiaries consist of the following:-

	The Company	
	2015	2014
	RM	RM
Amount owing:		
- interest bearing	16,533,126	18,296,851
- non-interest bearing	(453,242)	479,945
	16,079,884	18,776,796

(a) The interest bearing amount owing is non-trade in nature, unsecured and bore an effective interest of 3.50% (2014 - 3.50%) per annum; and

(b) The non-interest bearing amount owing is non-trade in nature, unsecured, interest-free and repayable on demand.

The amounts owing are to be settled in cash.

8. DEFERRED TAX ASSETS

	The Group	
	2015	2014
	RM	RM
At 1 April	523,675	(813,280)
Recognised in profit or loss (Note 25)	(360,277)	1,336,955
At 31 March	163,398	523,675

8. DEFERRED TAX ASSETS (CONT'D)

The deferred tax assets are attributable to the following:-

	The Group	
	2015 RM	2014 RM
Accelerated capital allowances over depreciation	(1,126,982)	(613,096)
Revaluation of property	(1,449,718)	(1,486,999)
Other temporary differences	2,740,098	2,623,770
	163,398	523,675

9. INVENTORIES

	The Group	
	2015 RM	2014 RM
Raw Materials:-		
At cost	29,060,146	28,389,974
At net realisable value	516,713	225,659
	29,576,859	28,615,633
Recognised in profit or loss:-		
Inventories recognised as cost of sales	96,714,881	96,016,591
Amount written down to net realisable value	57,765	-
Reversal of write-down	-	(40,445)

10. AMOUNTS OWING BY/(TO) CONTRACT CUSTOMERS

	The Group	
	2015 RM	2014 RM
Costs incurred on contracts to date	201,444,327	166,304,457
Attributable profits	66,046,027	45,888,670
	267,490,354	212,193,127
Progress billings	(278,337,540)	(255,441,064)
	(10,847,186)	(43,247,937)
The amounts owing comprise the following:-		
Amount owing by contract customers	28,346,957	15,274,280
Amount owing to contract customers	(39,194,143)	(58,522,217)
	(10,847,186)	(43,247,937)

11. TRADE RECEIVABLES

	The Group	
	2015	2014
	RM	RM
Trade receivables	61,165,819	45,483,375
Retention receivables	7,680,551	7,635,336
	68,846,370	53,118,711
Allowance for impairment losses	(5,113,286)	(6,390,656)
	63,733,084	46,728,055
Allowance for impairment losses:-		
At 1 April	(6,390,656)	(3,571,267)
Addition during the financial year	(3,004,558)	(4,447,850)
Write-back during the financial year	4,281,928	1,628,461
At 31 March	(5,113,286)	(6,390,656)

(a) The Group's normal trade credit terms range from 30 to 90 (2014 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

(b) Included in the trade receivables are amounts of RM1,663,673 (2014 - RM59,010) owing by the related parties.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Other receivables	369,050	351,711	-	-
Deposits	271,940	720,460	1,000	1,000
Prepayments	2,117,668	4,962,632	66,407	23,500
	2,758,658	6,034,803	67,407	24,500

Included in prepayments of the Group are amounts paid in advance to suppliers amounting to approximately RM1,028,000 (2014 – RM3,250,000).

13. DERIVATIVE (LIABILITIES)/ASSETS

	The Group			
	Contract/Notional Amount		(Liabilities)/Assets	
	2015	2014	2015	2014
	RM	RM	RM	RM
Forward foreign currency contracts				
- Cash flow hedge	99,315,128	67,487,510	(4,774,418)	134,099
- Fair value through profit or loss	32,609,472	20,468,940	(1,416,453)	45,623
	131,924,600	87,956,450	(6,190,871)	179,722

13. DERIVATIVE (LIABILITIES)/ASSETS (CONT'D)

(a) Cash Flow Hedge

At the end of the reporting period, the Group held forward currency contracts designated as hedges of expected future sales denominated in United States Dollar to customers for which the Group has firm commitments over the next 12 months.

The terms of the forward currency contracts have been negotiated to match the terms of the commitments. There were no highly probable transactions for which hedge accounting had previously been used, which are no longer expected to occur. No amount was recognised for ineffectiveness in other expenses in the profit or loss for the current financial year.

The cash flow hedge of the expected future transactions were assessed to be highly effective and the related net unrealised loss of RM4,908,517 (2014 - gain of RM188,466) was included in other comprehensive income in respect of these contracts.

(b) Fair Value Through Profit or Loss

The Group uses forward currency contracts to manage some of the Group's sales denominated in United States Dollar. These forward currency contracts are not designated as cash flow hedge and are entered into for periods consistent with the currency transaction exposure.

During the financial year, the Group recognised a loss of RM1,462,076 (2014 - gain of RM114,143) arising from fair value changes of its forward currency contracts.

The method and assumptions applied in determining the fair value of these derivatives are disclosed in Note 35.4 to the financial statements.

14. LIQUID INVESTMENTS

The liquid investments are short-term money market funds, the withdrawal proceeds of which can be received on the following day after the notice of withdrawal.

The liquid investments bore a weighted effective interest rate of 3.67% (2014 - 3.00%) per annum at the end of the reporting period.

15. SHARE CAPITAL

	The Company			
	2015	2014	2015	2014
	Number Of Shares		RM	RM
Ordinary Shares Of RM0.10 Each:-				
Authorised				
At 1 April	500,000,000	500,000,000	50,000,000	50,000,000
Created during the financial year	500,000,000	-	50,000,000	-
At 31 March	1,000,000,000	500,000,000	100,000,000	50,000,000
Issued And Fully Paid-Up				
At 1 April	258,000,000	258,000,000	25,800,000	25,800,000
Issuance of shares pursuant to bonus issue	258,000,000	-	25,800,000	-
At 31 March	516,000,000	258,000,000	51,600,000	25,800,000

15. SHARE CAPITAL (CONT'D)

During the financial year,

(a) the Company increased its authorised share capital from RM50,000,000 to RM100,000,000 by the creation of 500,000,000 new ordinary shares of RM0.10 each; and

(b) the Company had on 15 October 2014 increased its issued and paid-up share capital from RM25,800,000 to RM51,600,000 by way of a bonus issue of 258,000,000 new ordinary shares of RM0.10 each credited as fully paid-up on the basis of one (1) bonus share for every one (1) existing ordinary share held in the Company and the bonus shares were listed on the ACE Market of Bursa Malaysia Securities Berhad on 16 October 2014.

16. SHARE PREMIUM

The movements in the share premium of the Group and the Company are as follows:-

	The Group/The Company	
	2015	2014
	RM	RM
At 1 April	7,619,660	7,619,660
Utilised for bonus shares	(7,619,660)	-
At 31 March	-	7,619,660

The share premium was not distributable by way of dividends and has been utilised in the manner set out in Section 60(3) of the Companies Act 1965 in Malaysia for the issuance of bonus share.

17. CASH FLOW HEDGE RESERVE

This reserve comprises the effective portion of the cumulative gains and losses on the hedging instrument deemed effective in a cash flow hedge.

	The Group	
	2015	2014
	RM	RM
At 1 April	134,099	(54,367)
(Loss)/Gain on cash flow hedge	(4,908,517)	188,466
At 31 March	(4,774,418)	134,099

18. MERGER DEFICIT

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of a subsidiary upon consolidation under the merger accounting principles.

19. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary and is not distributable by way of dividends.

20. RETAINED PROFITS

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

21. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2014 - 30 to 90) days.

22. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share is calculated based on the net assets value of the Group at the end of the reporting period of RM131,240,243 (2014 - RM104,756,987) divided by the number of ordinary shares of RM0.10 each in issue at the end of the reporting period of 516,000,000 (2014 - 516,000,000).

The net assets per ordinary share in the previous financial year had been restated to conform with the current year's presentation as a result of the Bonus Issue during the financial year.

23. REVENUE

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trading and services	4,090,762	3,425,195	-	-
Contract revenue	273,784,365	238,594,561	-	-
Dividend income	-	-	10,000,000	19,000,000
	277,875,127	242,019,756	10,000,000	19,000,000

24. PROFIT BEFORE TAXATION

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for impairment losses on trade receivables	3,004,558	4,447,850	-	-
Audit fee:				
- statutory	92,620	69,500	33,000	30,000
- underprovision in the previous financial year	-	1,800	-	1,000
- non-statutory	34,000	31,000	34,000	31,000
Depreciation of property, plant and equipment	2,516,537	2,482,069	-	-
Directors' fee	436,948	378,000	410,948	354,000
Directors' non-fee emoluments	2,394,017	2,014,970	-	-
Equipment written off	5,440	8,736	-	-
Interest expense:				
- term loan	-	47,644	-	-
Loss/(Gain) on foreign exchange:				
- realised	5,614,056	1,784,310	-	-
- unrealised	(1,863,816)	(44,827)	-	-
Rental expense:				
- motor vehicles	29,296	5,259	-	-
- premises	144,950	115,667	-	-
Staff costs:				
- defined contribution plan	1,185,857	898,527	-	-
- salaries and other benefits	10,799,618	8,316,206	-	-
Dividend income	-	-	(10,000,000)	(19,000,000)
Fair value loss/(gain) on derivatives	1,462,076	(114,143)	-	-
Gain on disposal of equipment	(80,000)	-	-	-
Interest income	(1,455,471)	(1,406,534)	(881,109)	(864,138)
Inventories written off/(written back)	57,765	(40,445)	-	-
Write-back of allowance for impairment losses on trade receivables	(4,281,928)	(1,628,461)	-	-

The estimated monetary value of non-cash benefits provided to certain directors of the Group during the financial year amounted to RM48,217 (2014 - RM34,800).

25. INCOME TAX EXPENSE

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Income tax:				
- for the financial year	12,954,318	8,740,290	146,862	92,287
- (over)/underprovision in the previous financial year	(302,576)	(239,047)	70,944	(72)
	12,651,742	8,501,243	217,806	92,215
Deferred taxation (Note 8):				
- relating to origination and reversal of temporary differences	638,460	(1,299,674)	-	-
- reversal of deferred tax liability arising from revaluation reserve	(37,281)	(37,281)	-	-
- underprovision of deferred tax assets in the previous financial year	(240,902)	-	-	-
	360,277	(1,336,955)	-	-
	13,012,019	7,164,288	217,806	92,215

A reconciliation of income tax expense applicable to profit before taxation at the statutory tax rates to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before taxation	52,165,307	38,180,474	8,793,185	18,513,452
Tax at the statutory tax rate of 25%	13,041,327	9,545,119	2,198,296	4,628,363
Tax effects of:-				
Non-taxable income	(366,823)	(335,783)	(2,566,261)	(4,797,408)
Non-deductible expenses	1,113,879	1,151,880	514,827	261,332
Deferred tax asset not recognised during the financial year	-	54,400	-	-
Effect of tax incentive	(195,605)	(2,975,000)	-	-
Reversal of deferred tax liability arising from revaluation reserve	(37,281)	(37,281)	-	-
(Over)/Underprovision in the previous financial year:				
- current tax	(302,576)	(239,047)	70,944	(72)
Underprovision in the previous financial year:				
- deferred tax assets	(240,902)	-	-	-
Income tax expense for the financial year	13,012,019	7,164,288	217,806	92,215

26. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit attributable to owners of the Company of RM39,153,288 (2014 – RM31,016,186) by the number of ordinary shares in issue during the financial year of 516,000,000 (2014 - 516,000,000).

	The Group	
	2015	2014
Profit attributable to owners of the Company (RM)	39,153,288	31,016,186
Number of ordinary shares at 31 March	516,000,000	516,000,000
Basic earnings per share (sen)	7.59	6.01

The diluted earnings per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

The basic earnings per share in the previous financial year had been restated to conform with the current year's presentation as a result of the Bonus Issue during the financial year

27. DIVIDEND

	The Group / The Company	
	2015	2014
	RM	RM
In respect of the financial year ended 31 March 2014:-		
Paid:		
- final single tier dividend of 3.0 sen per ordinary share	7,740,000	-
In respect of the financial year ended 31 March 2013:-		
Paid:		
- final single tier dividend of 2.0 sen per ordinary share	-	5,160,000

28. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Liquid investments	12,943,109	61,432,543	1,087,539	10,728,494
Cash and bank balances	13,637,707	12,616,495	599,485	121,086
	26,580,816	74,049,038	1,687,024	10,849,580

29. DIRECTORS' REMUNERATION

(a) The aggregate amounts of remuneration received and receivable by the directors of the Group and of the Company during the financial year are as follows:-

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Executive directors:				
- emoluments	2,394,017	2,014,970	-	-
- fees	157,000	162,000	131,000	138,000
Non-executive directors:				
- fees	279,948	216,000	279,948	216,000
	2,830,965	2,392,970	410,948	354,000
Benefits-in-kind	48,217	34,800	-	-
	2,879,182	2,427,770	410,948	354,000

29. DIRECTORS' REMUNERATION (CONT'D)

(b) The number of the Group's and the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Group		The Company	
	2015	2014	2015	2014
	Number Of Directors		Number Of Directors	
Executive directors:-				
Below RM50,000	3	1	5	3
RM50,001 – RM100,000	-	-	1	1
RM500,001 – RM550,000	-	1	-	-
RM550,001 – RM600,000	1	-	-	-
RM600,001 – RM650,000	-	1	-	-
RM700,001 – RM750,000	1	-	-	-
RM950,001 – RM1,000,000	-	1	-	-
RM1,150,001 – RM1,200,000	1	-	-	-
Non-executive directors:-				
Below RM50,000	2	-	2	-
RM50,001 – RM100,000	3	3	3	3
	11	7	11	7
Benefits-in-kind	4	2	-	-

30. RELATED PARTY DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

30. RELATED PARTY DISCLOSURES (CONT'D)

(b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Purchase of equipment from:				
- Eita Electric Sdn. Bhd.*	406,482	325,626	-	-
Sales to:				
- QL Endau Fishmeal Sdn. Bhd. #	5,150	38,566	-	-
- QL Foods Sdn. Bhd. #	-	31,750	-	-
- QL Marine Products Sdn. Bhd. #	799,890	1,604,870	-	-
- QL Plantation Sdn. Bhd. #	5,600	15,500	-	-
- QL ESCO Sdn. Bhd. #	182,810	237,468	-	-
- QL Ansan Poultry Farm Sdn. Bhd. #	1,150,736	2,783,068	-	-
Management fee charged by:				
- QL Resources Berhad Δ	-	36,000	-	-
Purchase of leasehold land from:				
- Logiston Sdn. Bhd.*	18,208,587	-	9,104,293	-
Dividend income from a subsidiary:				
- Boilermech Sdn. Bhd.	-	-	(10,000,000)	(19,000,000)
Interest income from a subsidiary:				
Boilermech Sdn. Bhd.	-	-	(612,275)	(672,851)

* A company in which a substantial shareholder is connected to certain Directors of the Company.
\# A company in which a corporate shareholder has a substantial financial interest.
Δ A corporate shareholder which has a substantial financial interest.

(c) Key management personnel compensation:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Short-term employee benefits:				
- salaries, allowances and bonuses	3,713,835	3,092,429	410,948	354,000
- defined contribution plan	415,532	335,699	-	-
- others	48,217	34,800	-	-
	4,177,584	3,462,928	410,948	354,000

31. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the management as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 2 main business segments as follows:-

(I) Bio-energy systems	Manufacturing, installation and repair of bio-energy systems (which involve the generation of energy from bio-based materials) and trading of related parts and accessories.
(ii) Others	Investment holding.

The management assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

BUSINESS SEGMENTS

	Bio-Energy Systems RM	Others RM	Group RM
2015			
Revenue			
External revenue	277,875,127	-	277,875,127
Inter-segment revenue	870,000	10,000,000	10,870,000
	278,745,127	10,000,000	288,745,127
Adjustments and eliminations			(10,870,000)
Consolidated revenue			277,875,127
Results			
Segment results	56,208,840	(2,814,556)	53,394,284
Interest income	1,158,750	296,721	1,455,471
Other material items of income	4,361,928	-	4,361,928
Depreciation of property, plant and equipment	(2,508,493)	(8,044)	(2,516,537)
Other material items of expenses	(4,529,839)	-	(4,529,839)
	54,691,186	(2,525,879)	52,165,307
Income tax expense			(13,012,019)
Consolidated profit after taxation			39,153,288

31. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Bio-Energy Systems RM	Others RM	Group RM
2015			
Assets			
Segment assets	211,150,853	15,693,472	226,844,325
Deferred tax assets			163,398
Tax refundable			2,196,669
Consolidated total assets			229,204,392
Liabilities			
Segment liabilities	95,414,147	2,543,040	97,957,187
Provision for taxation			6,962
Consolidated total liabilities			97,964,149
Other Segments Items			
Additions to non-current assets other than financial instruments:			
- property, plant and equipment	23,722,715	12,413,728	36,136,443
2014			
Revenue			
External revenue	242,019,756	-	242,019,756
Inter-segment revenue	-	19,000,000	19,000,000
	242,019,756	19,000,000	261,019,756
Adjustments and eliminations			(19,000,000)
Consolidated revenue			242,019,756
Results			
Segment results	43,457,287	(1,480,097)	41,977,190
Interest income	1,215,207	191,327	1,406,534
Other material items of income	1,783,049	-	1,783,049
Depreciation of property, plant and equipment	(2,455,069)	(27,000)	(2,482,069)
Other material items of expenses	(4,456,586)	-	(4,456,586)
	39,543,888	(1,315,770)	38,228,118
Finance costs			(47,644)
Income tax expense			(7,164,288)
Consolidated profit after taxation			31,016,186

31. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Bio-Energy Systems RM	Others RM	Group RM
2014			
Assets			
Segment assets	201,901,602	11,211,381	213,112,983
Deferred tax assets			523,675
Tax refundable			519,171
Consolidated total assets			214,155,829
Liabilities			
Segment liabilities	109,324,904	66,651	109,391,555
Provision for taxation			7,287
Consolidated total liabilities			109,398,842
Other Segments Items			
Additions to non-current assets other than financial instruments:			
- property, plant and equipment	3,992,769	2,997	3,995,766

(a) Other material items of income consist of the following:-

	The Group	
	2015 RM	2014 RM
Fair value gain on derivatives	-	114,143
Gain on disposal of equipment	80,000	-
Inventories written back	-	40,445
Write-back of allowance for impairment losses on trade receivables	4,281,928	1,628,461
	4,361,928	1,783,049

31. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

(b) Other material items of expenses consist of the following:-

	The Group	
	2015	2014
	RM	RM
Allowance for impairment losses on trade receivables	3,004,558	4,447,850
Equipment written off	5,440	8,736
Inventories written off	57,765	-
Fair value loss on derivatives	1,462,076	-
	4,529,839	4,456,586

GEOGRAPHICAL INFORMATION

	Revenue	
	2015	2014
	RM	RM
Local	105,427,727	108,804,932
Overseas	172,447,400	133,214,824
	277,875,127	242,019,756

No information is presented on the basis of geographical information for non-current assets as the Group operates primarily in Malaysia during the financial year.

MAJOR CUSTOMERS

There is no customer with revenue equal to or more than 10% of the Group's revenue.

32. CAPITAL COMMITMENTS

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Investment in a foreign subsidiary:				
- approved but not contracted for	-	-	-	970,000
Purchase of property, plant and equipment:				
- approved but not contracted for	-	600,000	-	-
- approved and contracted for	1,226,000	2,637,017	-	-
	1,226,000	3,237,017	-	970,000

33. CONTINGENT LIABILITY

	The Company	
	2015	2014
	RM	RM
Corporate guarantee given to licensed banks for credit facilities granted to a subsidiary	35,847,573	35,847,573

34. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the end of the reporting period are as follows:-

	The Group	
	2015	2014
	RM	RM
United States Dollar	3.7035	3.2655
Indonesian Rupiah	0.0003	0.0003

35. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

35.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar and Indonesian Rupiah. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk as disclosed in Note 13 to the financial statements.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

Foreign currency exposure

The Group	Indonesian Rupiah RM	United States Dollar RM	Others RM	Ringgit Malaysia RM	Total RM
2015					
Financial assets					
Trade receivables	-	28,652,456	-	35,080,628	63,733,084
Other receivables and deposits	51,420	9,999	-	579,571	640,990
Liquid investments	-	-	-	12,943,109	12,943,109
Cash and bank balances	454,901	10,769,987	982	2,411,837	13,637,707
	506,321	39,432,442	982	51,015,145	90,954,890
Financial liabilities					
Trade payables	747,677	2,867,862	577,704	34,157,447	38,350,690
Other payables and accruals	27,738	73,850	-	14,119,895	14,221,483
	775,415	2,941,712	577,704	48,277,342	52,572,173
Net financial (liabilities)/assets	(269,094)	36,490,730	(576,722)	2,737,803	38,382,717
Less: Forward foreign currency contracts (contracted notional principal)	-	(35,354,710)	-	-	(35,354,710)
Less: Net financial assets denominated in the entity's functional currencies	(452,688)	-	-	(2,737,803)	(3,190,491)
Currency exposure	(721,782)	1,136,020	(576,722)	-	(162,484)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

Foreign currency exposure (cont'd)

The Group	Indonesian Rupiah RM	United States Dollar RM	Others RM	Ringgit Malaysia RM	Total RM
2014					
Financial assets					
Trade receivables	198,030	15,154,638	-	31,375,387	46,728,055
Other receivables and deposits	-	-	-	1,072,171	1,072,171
Liquid investments	-	-	-	61,432,543	61,432,543
Cash and bank balances	-	7,904,802	989	4,710,704	12,616,495
	198,030	23,059,440	989	98,590,805	121,849,264
Financial liabilities					
Trade payables	338,508	2,769,133	4,506	40,298,701	43,410,848
Other payables and accruals	8,069	-	-	7,450,421	7,458,490
	346,577	2,769,133	4,506	47,749,122	50,869,338
Net financial (liabilities)/assets	(148,547)	20,290,307	(3,517)	50,841,683	70,979,926
Less: Forward foreign currency contracts (contracted notional principal)	-	(20,290,307)	-	-	(20,290,307)
Less: Net financial assets denominated in the entity's functional currencies	-	-	-	(50,841,683)	(50,841,683)
Currency exposure	(148,547)	-	(3,517)	-	(152,064)

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (cont'd)

(i) Foreign Currency Risk (cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	2015	**2014**
	(Decrease)/ Increase	**(Decrease)/ Increase**
	RM	**RM**
Effects On Profit After Taxation/Equity		
Indonesian Rupiah		
- strengthened by 10%	(54,134)	(11,141)
- weakened by 10%	54,134	11,141
Effects On Profit After Taxation/Equity		
United States Dollar		
- strengthened by 10%	85,202	-
- weakened by 10%	(85,202)	-

The Company does not have any transactions or balances denominated in foreign currencies and hence no foreign currency risk sensitivity analysis is presented.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's and the Company's exposure to the interest rate risk of the financial assets is disclosed in Note 7 and Note 14 to the financial statements.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (cont'd)

(ii) Interest Rate Risk (cont'd)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2015 Increase/ (Decrease) RM	2014 Increase/ (Decrease) RM	2015 Increase/ (Decrease) RM	2014 Increase/ (Decrease) RM
Effects On Profit After Taxation/Equity				
Increase of 25 basis points (bp)	32,358	153,581	33,718	61,128
Decrease of 25 bp	(32,358)	(153,581)	(33,718)	(61,128)

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

(i) Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (cont'd)

(ii) Exposure to credit risk (cont'd)

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group 2015 RM	The Group 2014 RM
Overseas	35,190,532	21,183,352
Local	28,542,552	25,544,703
	63,733,084	46,728,055

(iii) Ageing analysis

The ageing analysis of the Group's trade receivables as at the end of the reporting period is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2015				
Trade receivables:-				
Not past due	36,803,789	-	-	36,803,789
Past due 0 - 30 days	7,273,133	-	-	7,273,133
Past due more than 30 days	17,088,897	(3,306,600)	-	13,782,297
	61,165,819	(3,306,600)	-	57,859,219
Retention receivables:-				
Not past due	5,873,865	-	-	5,873,865
Past due	1,806,686	(1,806,686)	-	-
	7,680,551	(1,806,686)	-	5,873,865
	68,846,370	(5,113,286)	-	63,733,084

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (cont'd)

(iii) Ageing analysis (cont'd)

The ageing analysis of the Group's trade receivables as at the end of the reporting period is as follows (cont'd):-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2014				
Trade receivables:-				
Not past due	31,977,573	-	-	31,977,573
Past due 0 - 30 days	3,033,779	-	-	3,033,779
Past due more than 30 days	10,472,023	(5,003,889)	-	5,468,134
	45,483,375	(5,003,889)	-	40,479,486
Retention receivables:-				
Not past due	6,248,569	-	-	6,248,569
Past due	1,386,767	(1,386,767)	-	-
	7,635,336	(1,386,767)	-	6,248,569
	53,118,711	(6,390,656)	-	46,728,055

At the end of the reporting period, trade receivables that are individually impaired were those who have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent liquidity risk management by maintaining sufficient cash balances.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows:-

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
The Group					
2015					
Trade payables	38,350,690	38,350,690	38,350,690	-	-
Other payables and accruals	14,221,483	14,221,483	14,221,483	-	-
Derivative liabilities – net payment	6,190,871	6,190,871	6,190,871	-	-
	58,763,044	58,763,044	58,763,044	-	-
2014					
Trade payables	43,410,848	43,410,848	43,410,848	-	-
Other payables and accruals	7,458,490	7,458,490	7,458,490	-	-
	50,869,338	50,869,338	50,869,338	-	-
The Company					
2015					
Other payables and accruals	2,509,801	2,509,801	2,509,801	-	-
2014					
Other payables and accruals	41,300	41,300	41,300	-	-

35. FINANCIAL INSTRUMENTS (CONT'D)

35.2 CAPITAL RISK MANAGEMENT

The Group manages its capital by maintaining an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total net borrowings from financial institutions divided by total equity.

As the Group does not have any borrowings from financial institutions, the debt-to-equity ratio is not presented as it does not provide a meaningful indicator of the risk of borrowings.

Under the requirement of Bursa Malaysia Guidance Note No. 3/2006, the Company is required to maintain its shareholders' equity equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) of the Company. The Company has complied with this requirement.

35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Financial Assets				
Loans and receivables financial assets				
Trade receivables	63,733,084	46,728,055	-	-
Other receivables and deposits	640,990	1,072,171	1,000	1,000
Amount owing by subsidiaries	-	-	16,079,884	18,776,796
Dividend receivable	-	-	10,000,000	10,000,000
Cash and bank balances	13,637,707	12,616,495	599,485	121,086
	78,011,781	60,416,721	26,680,369	28,898,882
Fair value through profit or loss				
Derivative assets	-	45,623	-	-
Liquid investments	12,943,109	61,432,543	1,087,539	10,728,494
	12,943,109	61,478,166	1,087,539	10,728,494
Others				
Derivative assets - cash flow hedge	-	134,099	-	-
Financial Liabilities				
Other financial liabilities				
Trade payables	38,350,690	43,410,848	-	-
Other payables and accruals	14,221,483	7,458,490	2,509,801	41,300
Derivative liabilities – cash flow hedge	4,774,418	-	-	-
	57,346,591	50,869,338	2,509,801	41,300
Fair value through profit or loss				
Derivative liabilities	1,416,453	-	-	-

35. FINANCIAL INSTRUMENTS (CONT'D)

35.4 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values are included in level 2 of the fair value hierarchy.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value				
The Group	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
2015								
Financial Asset								
Liquid investments	12,943,109	-	-	-	-	-	12,943,109	12,943,109
Financial Liability								
Derivative liabilities	-	6,190,871	-	-	-	-	6,190,871	6,190,871
2014								
Financial Assets								
Liquid investments	61,432,543	-	-	-	-	-	61,432,543	61,432,543
Derivative assets	-	179,722	-	-	-	-	179,722	179,722

35.4 FAIR VALUE INFORMATION (CONT'D)

The Company	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
2015								
Financial Assets								
Amount owing by a subsidiary (non-current)	-	-	-	-	14,706,671	-	14,706,671	14,706,671
Liquid investments	1,087,539	-	-	-	-	-	1,087,539	1,087,539
2014								
Financial Assets								
Amount owing by a subsidiary (non-current)	-	-	-	-	16,533,126	-	16,533,126	16,533,126
Liquid investments	10,728,494	-	-	-	-	-	10,728,494	10,728,494

35. FINANCIAL INSTRUMENTS (CONT'D)

35.4 FAIR VALUE INFORMATION (CONT'D)

The fair values of level 2 above are for disclosure purposes and have been determined using the following basis:-

(a) The fair values of forward currency contracts are determined using forward exchange rates at the end of the reporting period with the resulting value discounted back to present value.

(b) The fair value of the non-current portion of amount owing by a subsidiary that carry floating interest rate equal its carrying amount as the impact of discounting is not material. The fair value is determined on cash flows discounted using the current market borrowing rate of 3.50% (2014 – 3.50%).

In regard to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial year.

36. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 4 December 2014, the Company has completed its transfer of the listing from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad.

37. SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

The subsidiary of the Company, BOSB, has on 21 April 2015 entered into a Commercialisation Agreement for certain patents, patent applications and know-how in respect of the technology to enhance oil extraction efficiency from oil palm fruit.

38. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and the Company at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained profits:				
- realised	104,144,948	90,916,182	11,147,670	28,492,631
- unrealised	2,101,226	2,097,044	-	-
At 31 March	106,246,174	93,013,226	11,147,670	28,492,631

Owner Company	Location	Tenure of lease	Land area or built up area	Approximate age of buildings	Net book value 31 March 2015 RM'000	Date of last revaluation
Boilermech Sdn Bhd	Lot 875 Jalan Subang 8 Taman Perindustrian Subang 47620 Subang Jaya Selangor Darul Ehsan[(1)]	99 years, expiring on 2 September 2068	Land area: 20,407 square meters Built up area: 10,004 square meters	18 years	20,512	30 August 2010
Boilermech Sdn Bhd	Lot 873 Jalan Subang 8 Taman Perindustrian Subang 47620 Subang Jaya Selangor Darul Ehsan[(2)]	99 years, expiring on 12 October 2061	Land area: 14,163 square meters Built up area: 9,304 square meters	18 years	19,856	6 September 2012
Boilermech Sdn Bhd	Lot 169438 held under Mukim Klang, Klang, Selangor Darul Ehsan[(3)]	99 years, expiring on 24 February 2097	Land area: 44,517 square meters	n/a	9,399	9 June 2014
Boilermech Holdings Berhad	Lot 169438 held under Mukim Klang, Klang, Selangor Darul Ehsan[(3)]	99 years, expiring on 24 February 2097	Land area: 44,517 square meters	n/a	9,399	9 June 2014

(1) The property comprises two units of single storey detached factory with one being annexed to a three storey office building and a guard house. The Group's corporate and administrative office and the production facilities are sited on the said property.

(2) The property comprises one unit of single storey detached factory annexed to a three storey office building and a guard house. The premises houses part of the Group's production and warehousing facilities.

(3) The property is a vacant industrial land.

SHAREHOLDERS' ANALYSIS REPORT

AS AT 30 JUNE 2015

Authorised share capital	:	**RM100,000,000**
Issued and paid-up capital	:	**RM51,600,000**
Types of shares	:	**Ordinary shares of RM0.10 each**
Voting rights	:	**One vote per ordinary share**

SHAREHOLDERS BY SIZE OF HOLDINGS

Holdings	No. of Holders	Total Holdings	%
Less than 100	8	169	0.00
100 – 1,000	130	91,915	0.02
1,001 – 10,000	1,183	6,741,300	1.31
10,001 – 100,000	1,001	37,768,900	7.32
100,001 to less than 5% of issued shares	290	192,945,656	37.39
5% and above of issued shares	3	278,452,060	53.96
	2,615	516,000,000	100.00

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct	%	Indirect	%
Dr Chia Song Kun	400,000	0.08	214,046,236 [1]	41.48
Leong Yew Cheong	64,405,824	12.48	-	-
Chia Lik Khai	500,000	0.10	-	-
Gan Chih Soon	20,094,140	3.89	-	-
Chia Seong Fatt	200,000	0.04	214,046,236 [2]	41.48
Tee Seng Chun	17,208,140	3.33	4,020,000 [3]	0.78
Low Teng Lum	400,000	0.08	754,000 [3]	0.15
Mohd Yusof Bin Hussian	420,000	0.08	50,000 [3]	0.01
Ho Cheok Yuen	-	-	-	-
Adrian Chair Yong Huang	-	-	-	-

Notes:

(1) Deemed interest by virtue of shares held by QL Green Resources Sdn Bhd ("QLGR") via his and his spouse's shareholdings of more than 15% in CBG Holdings Sdn Bhd ("CBG"), which is a major shareholder of QL Resources Berhad ("QL"). QL holds 100% shares in QLGR.

(2) Deemed interest by virtue of shares held by QLGR via his and his spouse's shareholdings of more than 15% in Farsathy Holdings Sdn Bhd ("Farsathy"), which is a major shareholder of QL. QL holds 100% shares in QLGR.

(3) Deemed interest via their spouses' shareholdings in the Company.

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct	%	Indirect	%
QL Green Resources Sdn Bhd	214,046,236	41.48	-	-
Leong Yew Cheong	64,405,824	12.48	-	-
Dr Chia Song Kun	400,000	0.08	214,046,236 (1)	41.48
Chia Seong Fatt	200,000	0.04	214,046,236 (2)	41.48
QL Resources Berhad	-	-	214,046,236 (3)	41.48
CBG Holdings Sdn Bhd	-	-	214,046,236 (4)	41.48
Farsathy Holdings Sdn Bhd	-	-	214,046,236 (4)	41.48

Notes:

(1) Deemed interest by virtue of shares held by QLGR via his and his spouse's shareholdings of more than 15% in CBG, which is a major shareholder of QL. QL holds 100% shares in QLGR.

(2) Deemed interest by virtue of shares held by QLGR via his and his spouse's shareholdings of more than 15% in Farsathy, which is a major shareholder of QL. QL holds 100% shares in QLGR.

(3) Deemed interest by virtue of its wholly-owned subsidiary, QLGR, pursuant to Section 6A of the Companies Act, 1965.

(4) Deemed interest by virtue of its substantial shareholdings in QL pursuant to Section 6A of the Companies Act, 1965.

TOP THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	Shareholdings	%
1.	QL Green Resources Sdn Bhd	180,763,636	35.03
2.	Leong Yew Cheong	64,405,824	12.48
3.	QL Green Resources Sdn Bhd	33,282,600	6.45
4.	Gan Chih Soon	20,094,140	3.89
5.	Tee Seng Chun	17,208,140	3.33
6.	Lai Yee Kein	8,602,330	1.67
7.	Wong Poon Han	6,300,372	1.22
8.	Law Chee Wong	6,000,000	1.16
9.	Wong Wee Voo	5,545,170	1.07
10.	Loh Foo	5,310,004	1.03
11.	Hong Yuet Ngan	4,000,000	0.78
12.	Cartaban Nominees (Tempatan) Sdn Bhd (RHB Trustees Berhad for Manulife Investment Shariah Progress Fund)	3,987,100	0.77
13.	Lim See Pek	3,936,000	0.76
14.	Amanahraya Trustees Berhad (Affin Hwang Growth Fund)	3,925,200	0.76
15.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged securities account for Yoong Kah Yin)	3,133,000	0.61
16.	Len Tze Jian	3,131,728	0.61
17.	Nahoorammah A/P Sithamparam Pillay	3,000,000	0.58
18.	Liu Fui Moy	2,997,300	0.58
19.	Amanahraya Trustees Berhad (Affin Hwang Principled Growth Fund)	2,252,300	0.44
20.	Lee Fah On	2,228,200	0.43

TOP THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholders	Shareholdings	%
21.	Heng Chin Choo	2,149,600	0.42
22.	Chia Get Kiau	1,533,900	0.30
23.	Tay Puat Keng @ Tee Puat Keng	1,429,000	0.28
24.	Yong Yew San	1,410,000	0.27
25.	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged securities account for Lo Lee Lin @ Serena (KKB))	1,387,400	0.27
26.	Tan Lik Houe	1,376,700	0.27
27.	Maybank Nominees (Tempatan) Sdn Bhd (Maybank Trustees Berhad for Affin Hwang Equity Fund)	1,370,100	0.27
28.	Hoe Wei Ying	1,360,000	0.26
29.	Malacca Equity Nominees (Tempatan) Sdn Bhd (Exempt AN for Phillip Capital Management Sdn Bhd(EPF))	1,320,900	0.26
30.	They Heng Chong @ Teh Chong Fay	1,307,500	0.25
		394,748,144	76.50

BOILERMECH
Boilermech Holdings Berhad (897694-T)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of the Company will be held at Throne, Empire Hotel Subang, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 20 August 2015 at 10.00 a.m.

AGENDA

As Ordinary Business

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2015 together with the Reports of the Directors and Auditors thereon. **Refer to Explanatory Note 1**

2. To approve the following payment of Directors' fees:

   (a) To approve and ratify the payment of additional Directors' fees amounting to RM56,948 for the financial year ended 31 March 2015. **Resolution 1**

   (b) To approve the payment of Directors' fees of up to RM474,000 for the financial year ending 31 March 2016. **Resolution 2**

3. To re-elect the following directors who retire pursuant to the Company's Articles of Association and being eligible offer themselves for re-election:

   (a) Leong Yew Cheong (Article 78) **Resolution 3**

   (b) Low Teng Lum (Article 78) **Resolution 4**

   (c) Ho Cheok Yuen (Article 84) **Resolution 5**

   (d) Adrian Chair Yong Huang (Article 84) **Resolution 6**

   (e) Gan Chih Soon (Article 84) **Resolution 7**

4. To approve the payment of a final single tier dividend of 1.75 sen per ordinary share of RM0.10 each amounting to RM9,030,000 for the financial year ended 31 March 2015. **Resolution 8**

5. To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 9**

As Special Business:
To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

6. **Approval for Issuance of New Ordinary Shares pursuant to Section 132D of the Companies Act, 1965** **Resolution 10**

   "THAT, subject to the Companies Act, 1965, the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad and other relevant government/regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue new ordinary shares of RM0.10 each in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued and paid-up share capital for the time being of the Company AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

7. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **Resolution 11**

"THAT subject to the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and its subsidiary(ies) to enter into recurrent related party transactions of a revenue or trading nature with the related parties ("Recurrent Related Party Transactions") as set out in Section 2.2 of the Circular to the Shareholders dated 29 July 2015 ("the Circular"), subject further to the following:

(i) the Recurrent Related Party Transactions are entered into in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arms' length basis and are not to the detriment of the minority shareholders of the Company;

(ii) the disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year, amongst others, based on the following information:

(a) the type of Recurrent Related Party Transactions made; and

(b) the names of the related parties involved in each type of Recurrent Related Party Transaction made and their relationship with the Company;

(iii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM, at which this shareholders' mandate will lapse, unless by a resolution passed at the said AGM, such authority is renewed;

(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution;

AND THAT, the estimates given of the Recurrent Related Party Transactions specified in Section 2.2 of the Circular being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.4 of the Circular."

8. To transact any other business for which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of Members at the Fifth Annual General Meeting of the Company to be held on 20 August 2015, a final single tier dividend of 1.75 sen per ordinary share of RM0.10 each for the financial year ended 31 March 2015, will be paid on 18 September 2015 to Depositors whose names appear in the Record of Depositors of the Company on 26 August 2015.

A Depositor shall qualify for entitlement only in respect of:

(a) Securities transferred into the Depositor's securities account before 4:00 p.m. on 26 August 2015 in respect of ordinary transfers; and

(b) Securities bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

TAN BEE HWEE (MAICSA 7021024)
WONG WAI FOONG (MAICSA 7001358)
ANGELINE NG SEK OI (MAICSA 7054606)
Company Secretaries

Date: 29 July 2015

NOTES:-

1. For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming Fifth Annual General Meeting of the Company, the Company shall be requesting the Record of Depositors as at 12 August 2015. Only a depositor whose name appears on the Record of Depositors as at 12 August 2015 shall be entitled to attend and vote at the meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.

2. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.

3. A Member may appoint not more than two (2) proxies to attend the same meeting. Where a Member of the Company is an authorised nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

4. Where a Member or the authorised nominee appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

5. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where an exempt authorised nominee appoints two (2) or more proxies to attend and vote at the same meeting, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited by hand at or by facsimile transmission to the Company's Share Registrar, Bina Management (M) Sdn Bhd at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.

7. If the Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If the Proxy Form is signed under the attorney duly appointed under a Power of Attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with the Proxy Form.

Explanatory Notes on Ordinary Business/ Special Business :

1. <u>**Item 1 of the Agenda**</u>
   To receive the Statutory Financial Statements for the Financial Year Ended 31 March 2015

   This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Statutory Financial Statements. Hence, this Agenda item is not put forward for voting.

2. <u>**Item 2 of the Agenda**</u>
   To approve the payment of Directors' fees

   The Ordinary Resolution 1 in respect of Item 2 (a) of the Agenda is proposed to seek the shareholders' approval and ratification for the payment of additional Directors' fees amounting to RM56,948 for the financial year ended 31 March 2015.

   At the Fourth Annual General Meeting ("AGM") of the Company held on 25 September 2014, the shareholders had approved the Directors' fees amounting to RM354,000 for the financial year ended 31 March 2015. Subsequent to obtaining the aforesaid approval and before the end of the said financial year, there had been one (1) resignation and three (3) new appointments to the Board of Directors ("Board"), of which two (2) of the said appointments were for independent directors to fulfill the Securities Commission Malaysia's condition for the transfer of the Company's listing status from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad. Hence, as a result of the said changes in the Board, the total Directors' fees paid during the financial year ended 31 March 2015 amounted to RM410,948.

   The Ordinary Resolution 2 in respect of Item 2 (b) of the Agenda is proposed to seek the shareholders' approval for the payment of Directors' fees for the financial year ending 31 March 2016 based on an estimated amount of RM474,000.

3. Item 6 of the Agenda
Approval for Issuance of New Ordinary Shares pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution 10 is proposed to seek for a renewal of the general authority for the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965. If passed, it will empower the Directors of the Company from the date of the Fifth AGM until the next AGM to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company.

The Company has not issued any new shares pursuant to Section 132D of the Companies Act, 1965 under the general mandate which was approved at the Fourth AGM of the Company held on 25 September 2014 and which will lapse at the conclusion of the Fifth AGM.

The above renewal of the general mandate sought will enable the Directors of the Company to issue and allot shares, including but not limited to further placing of shares for purpose of funding investment(s), working capital and/or acquisitions, at any time to such persons in their absolute discretion without convening a general meeting as it would be both costs and time-consuming to organize a general meeting.

4. Item 7 of the Agenda
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution 11 is proposed and if passed, will enable the Company and/or its subsidiary company(ies) to enter into recurrent transactions involving the interest of Related Parties, which are necessary for the Group's day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

BOILERMECH

Boilermech Holdings Berhad (897694-T)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No. of Authorised Nominee*

I/We ....IC No. /Passport No./Company No ....

of ....

being a member of **Boilermech Holdings Berhad**, hereby appoint..

IC No./Passport No. ....of ....

....

or failing him, ... IC No. /Passport No. ....

of ....

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the FIFTH ANNUAL GENERAL MEETING of the Company to be held at Throne, Empire Hotel Subang, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 20 August 2015 at 10.00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

ITEM	AGENDA			
1	To receive the Statutory Financial Statements for the financial year ended 31 March 2015 together with the Reports of the Directors and Auditors thereon.			
	ORDINARY RESOLUTIONS	**RESOLUTION**	**FOR**	**AGAINST**
2	To approve the following payment of Directors' fees: (a) To approve and ratify the payment of additional Directors' fees amounting to RM56,948 for the financial year ended 31 March 2015.	1		
	(b) To approve the payment of Directors' fees of up to RM474,000 for the financial year ending 31 March 2016.	2		
3	To re-elect the following Directors who retire pursuant to the Company's Articles of Association: (a) Leong Yew Cheong (Article 78)	3		
	(b) Low Teng Lum (Article 78)	4		
	(c) Ho Cheok Yuen (Article 84)	5		
	(d) Adrian Chair Yong Huang (Article 84)	6		
	(e) Gan Chih Soon (Article 84)	7		
4	To approve the payment of a final single tier dividend of 1.75 sen per ordinary share of RM0.10 each amounting to RM9,030,000 for the financial year ended 31 March 2015.	8		
5	To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.	9		
6	Approval for Issuance of New Ordinary Shares pursuant to Section 132D of the Companies Act, 1965.	10		
7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	11		

Please indicate with an "X" in the spaces as provided above how you wish to cast your votes. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

……………………………………..
Signature/Common Seal

Number of shares held:
Date :

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage	
Proxy 1			%
Proxy 2			%
Total		100	%

Notes:-

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2. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.
3. A Member may appoint not more than two (2) proxies to attend the same meeting. Where a Member of the Company is an authorised nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
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   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited by hand at or by facsimile transmission to the Company's Share Registrar, Bina Management (M) Sdn Bhd at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.
7. If this Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a Power of Attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with this Proxy Form.

* *applicable to shares held through nominee account*

Fold this flap for sealing

2nd Fold Here

Affix
Stamp

The Share Registrar

BOILERMECH HOLDINGS BERHAD
(897694-T)

Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan

1st Fold Here

Boilermech Holdings Berhad
(897694-T)
Lot 875 Jalan Subang 8
Taman Perindustrian Subang
47620 Subang Jaya
Selangor Darul Ehsan
Tel : 03-8023 9137
Fax : 03-8023 2127
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