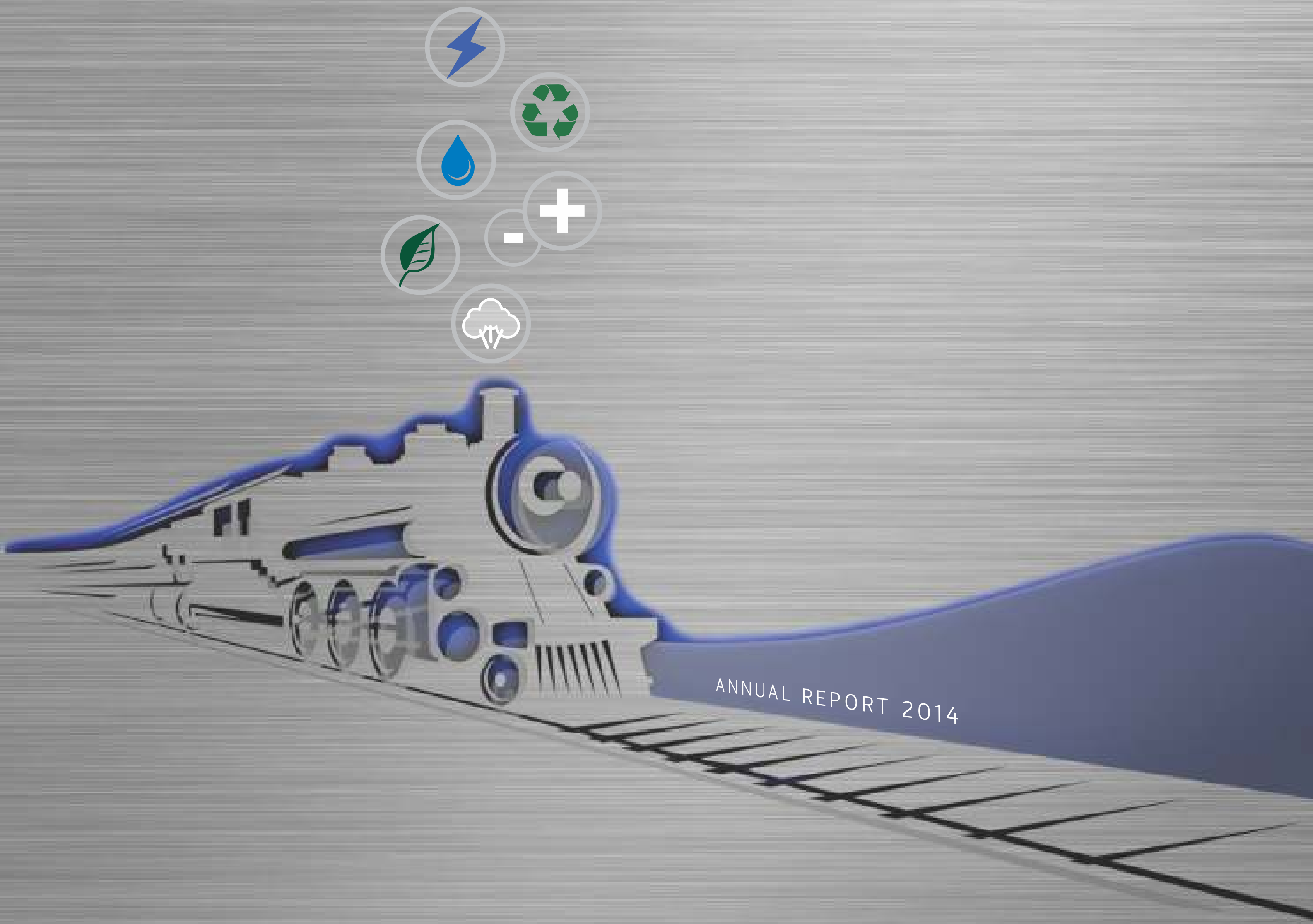
BOILERMECH

Boilermech Holdings Berhad (897694-T)

POWERING NEW FRONTIERS



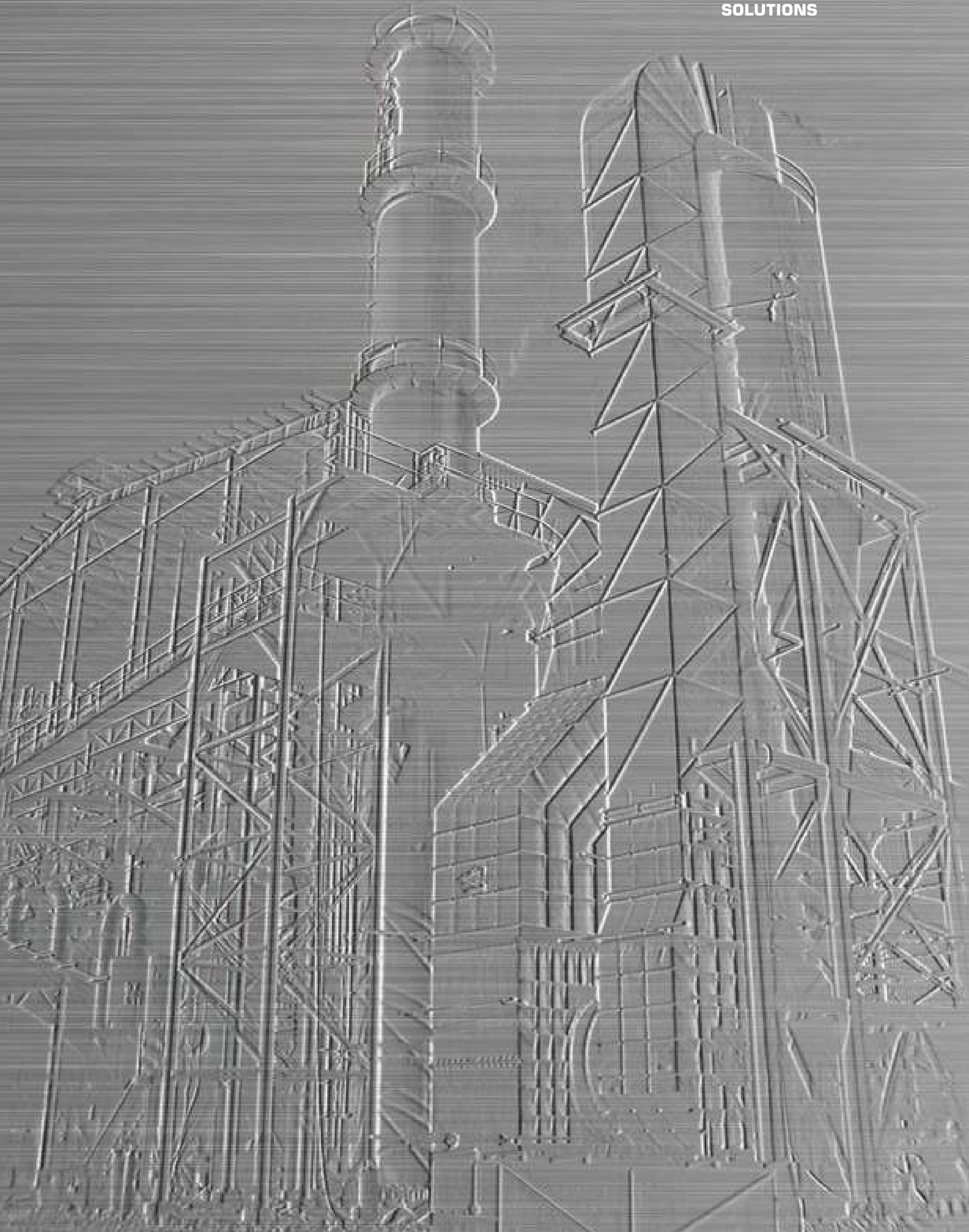
ANNUAL REPORT 2014

POWERING NEW FRONTIERS

The world needs clean, sustainable energy. Just like the locomotive powering the train, Boilermech powers the development of clean, sustainable energy for industry. We do it by innovating and perfecting effective waste to energy solutions. We thank you for supporting us along the journey.

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

OUR VALUES

INTEGRITY
TEAMWORK
PERSEVERANCE
INNOVATIVENESS

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Leong Yew Cheong
Managing Director

Wong Wee Voo
Executive Director

Chia Lik Khai
Executive Director

Chia Seong Fatt
Alternate Director to Executive Director, Chia Lik Khai

Low Teng Lum
Independent Non-Executive Director

Mohd Yusof bin Hussian
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

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

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

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 03-27889999
Facsimile 03-27889998

SPONSOR

RHB Investment Bank Berhad
(19663-P)
Level 10, Tower One,
RHB Centre
Jalan Tun Razak
50400, Kuala Lumpur
Telephone 03-9287 3888
Facsimile 03-9287 2233/3355

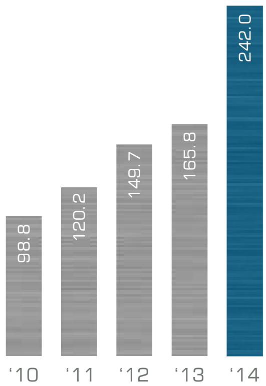
SHARE REGISTRAR

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

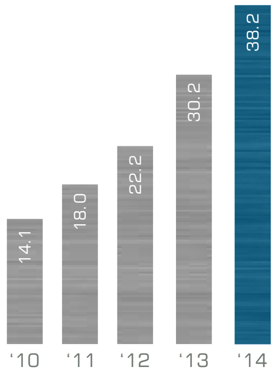
STOCK EXCHANGE LISTING

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

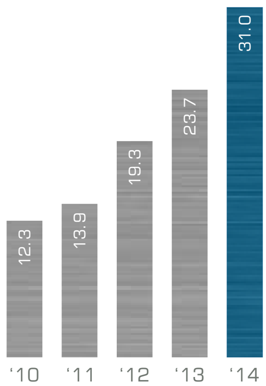
FINANCIAL HIGHLIGHTS



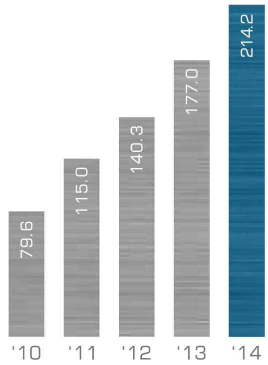
REVENUE
(RM MIL)



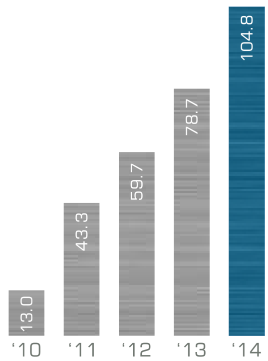
PROFIT
BEFORE TAXATION
(RM MIL)



PROFIT
AFTER TAXATION
(RM MIL)



TOTAL ASSETS
(RM MIL)



NET TANGIBLE
ASSETS
(RM MIL)

	2010 RM Mil	2011 RM Mil	2012 RM Mil	2013 RM Mil	2014 RM Mil
Revenue	98.8	120.2	149.7	165.8	**242.0**
Profit before taxation	14.1	18.0	22.2	30.2	**38.2**
Profit after taxation	12.3	13.9	19.3	23.7	**31.0**
Total Assets	79.6	115.0	140.3	177.0	**214.2**
Net Tangible Assets	13.0	43.3	59.7	78.7	**104.8**

BOARD OF DIRECTORS

Front row :
Left: Mr. Leong Yew Cheong
Right: Dr Chia Song Kun

Back row:
From left to right
Mr. Chia Lik Khai
Mr. Wong Wee Voo
Encik Mohd Yusof Bin Hussian
Mr. Low Teng Lum
Mr. Chia Seong Fatt

DIRECTORS' PROFILE

Dr Chia Song Kun, a Malaysian aged 64, 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 six (6) Board of Directors' meetings held during the financial year ended 31 March 2014 ("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.

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 four (34) 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.

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

Mr Leong Yew Cheong attended all six (6) 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.

DIRECTORS' PROFILE

(continued)

Wong Wee Voo, a Malaysian aged 63, is the Executive Director of the Company. He was appointed to the Board on 26 October 2010. He brings with him approximately twenty seven (27) years of experience in the boiler industry.

His career started in early 1970s where he was first attached with Cold Storage Malaysia Berhad and subsequently with ICI Paints (Malaysia) Sdn Bhd. His exposure to the boiler industry began when he joined East Asiatic Group of companies to promote and market insulation and refractory materials for boilers and furnaces. He later joined a boiler manufacturing company where he assumed various positions within the company throughout his tenure there and was assigned to oversee the sales and marketing of boilers in the Asian Pacific and the Central American regions. He left the company as the Deputy General Manager (Sales).

He is primarily responsible for the sales and marketing functions of the Group.

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

Mr Wong Wee Voo attended all six (6) Board of Directors' meetings held during the financial year.

Mr Wong Wee Voo 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.

Chia Seong Fatt, a Malaysian aged 58, is the Alternate Director to Executive 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 four (4) out of six (6) 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.

Chia Lik Khai, a Malaysian aged 35, is the Executive Director of the Company. He was appointed to the Board on 26 October 2010. 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 seven (7) 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 six (6) 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.

Low Teng Lum, a Malaysian aged 60, 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.

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

Mr Low Teng Lum attended five (5) out of six (6) 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.

Mohd Yusof bin Hussian, a Malaysian aged 65, 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 six (6) 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.

CHAIRMAN'S STATEMENT

THE GROWTH IS UNDERPINNED BY A STRONG ORDER BOOK. THESE ORDERS TRANSLATED TO INCREASED REVENUE THROUGH A HIGHER LEVEL OF ACTIVITY IN ALL KEY AREAS NAMELY, MANUFACTURING, INSTALLATION AND COMMISSIONING OF BIO-ENERGY SYSTEMS.

PERFORMANCE REVIEW

It gives me great pleasure to announce yet another record year in the Group's financial performance. Revenue surged to RM242.0million for the financial year ended 31 March 2014 ("FYE 2014") compared to the previous financial period 1 May 2012 to 31 March 2013 of RM165.8million. Consequently, the Group's pre-tax profit increased to RM38.2million from RM30.2million previously, representing an increase of 26.5%. The Group's profit after tax however, increased by 30.8% from RM23.7million in the previous period to RM31.0million. This was partly contributed by the incidence of a lower effective tax rate of 18.8% compared to the nominal tax rate of 25%. The lower tax rate was due to several reasons such as the over provision of tax in the previous financial period being taken up during FYE 2014, the positive impact of deferred tax and the incidence of tax allowances claimed under Allowance for Increased in Exports.

The growth is underpinned by a strong order book. These orders translated to increased revenue through a higher level of activity in all key areas namely, manufacturing, installation and commissioning of Bio-Energy Systems ("BES") which involve the combustion and generation of energy from bio-based materials such as biomass and biogas.

As a result of the record performance, the Group's shareholders' funds broke past the hundred million mark to register at RM104.8million. The Group's total assets stood at RM214.2million as at 31 March 2014, representing an increase of 21.0% as compared to 31 March 2013. The earnings per share also improved to 12.02 sen as compared to 9.20 sen in the previous period.

FUTURE PROSPECTS

We remain optimistic of our prospects as we continue with our sales and marketing efforts to develop in-roads into new oil palm markets as well as to penetrate further into two of our largest markets namely Indonesia and Malaysia. We are encouraged by a report from the United States Department of Agriculture released in June 2013, which stated that the current immature acreage in Indonesia is 2.7 million hectares while there are 6 to 7 million hectares in the industry's land bank.

While we continue to design, manufacture, install and commission BES mainly in the palm oil sector, we continue to explore opportunities and conduct development works in the areas of increased productivity and energy efficiencies within the palm oil sector.

A NOTE OF APPRECIATION

During the year, the Company proposed a bonus issue of one new bonus share for every one existing Boilermech share. The bonus issue will result in an increase in the issued and paid up capital to reflect our current scale of operations and assets employed. This is expected to encourage trading liquidity in the Company's shares.

The bonus issue was approved by Bursa Malaysia Securities Berhad on 20 March 2014 and the Board expects the bonus issue to be completed by the end of the year.

Concurrently with the bonus issue, the Company also sought to transfer from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad. The Board believes that the proposed transfer will also enhance the Company's credibility, standing and appeal amongst investors, particularly institutional investors and to enhance the confidence of our customers, suppliers and employees as well as to enhance the credit profile of the Group. The Proposed Transfer is also expected to improve the marketability of the Company's securities. The Company had on 13 June 2014 obtained the approval from the Securities Commission Malaysia for the transfer to the Main Market of Bursa Malaysia Securities Berhad subject to the Company appointing two (2) new independent directors to the Board.

I am also pleased to announce that the Board has proposed a final dividend of 3 sen per ordinary share based on the present number of shares issued namely 258,000,000 shares, in appreciation of the loyal support of our shareholders.

Finally, the exceptional performance of the Company would not have been possible without guidance from the Board and the support of Management and the staff. On behalf of the Board, I also wish to extend our appreciation for the support of our customers, business partners and all other stakeholders to make this a memorable year.

Thank you,

Dr. Chia Song Kun
Chairman

REVIEW OF OPERATIONS BY MANAGING DIRECTOR

IN LINE WITH OUR GROWTH, THE RETURN ON ASSETS WAS 14.5% COMPARED TO 13.4% IN THE PREVIOUS FINANCIAL PERIOD. OUR LIQUID INVESTMENTS TOGETHER WITH CASH IN BANK IMPROVED TO RM74.0 MILLION FROM RM40.1 MILLION PREVIOUSLY, REPRESENTING AN INCREASE OF RM33.9 MILLION.

FINANCIAL REVIEW

I am pleased to report that we continue to ride strongly on a growth trajectory. Revenue continues to climb to yet another record level of RM242.0million for the financial year ended 31 March 2014 (FYE 2014) and we recorded our highest net profit of RM31.0million. Our revenue and net profit have increased by 101.3% and 123.0% respectively, since our listing in the ACE Market of Bursa Malaysia Securities Berhad in 2011. In line with our growth, the return on assets was 14.5% compared to 13.4% in the previous financial period. Our liquid investments together with cash in bank improved to RM74.0million from RM40.1million previously, representing an increase of RM33.9million.

OPERATION REVIEW

The increase in the level of activity in all key areas namely, manufacturing, installation and commissioning of Bio-Energy Systems (which involve the combustion and generation of energy from bio-based materials) contributed to the surge in revenue and profits.

This rapid growth demands good execution in all aspects of the business and places some strain on the Group's resources. The Group experienced some growing pains but overall, I am pleased that we responded well to the increase in scope and complexity of the business. The Group is however continuously seeking more efficient and effective ways of improving its operations.

The Group expects to see continued growth as we are enhancing the capacity and capability in and across our value chain to support the anticipated growth. In my previous report, I mentioned about the acquisition of a 1.4543 hectare property (Lot 873) with a single-storey detached factory annexed to a three storey office block. This has helped us considerably in boosting our manufacturing capacity. We are also in the process of renovating and extending the administrative block in Lot 875 (our first factory lot) which shall house our corporate office. We expect this to be completed in FYE 2015.

We are also seeking to boost the level of automation in our manufacturing process in order to improve the quality and speed in the production process. This plan is now in place, the effects of which will be progressively felt in the coming years.

During the year, we increased the number of employees from 98 to 140 in order to support the higher level of business activity. We are conscious of the need to increase productivity at all levels and I am pleased to mention that we have secured the ISO9001:2008 Certification for Quality Management System.

The future prospects of the Group remain bright as we continue to grow our order book. In anticipation of an increase in business activity, we proposed to acquire a property in Pulau Indah Industrial Park, Westport Klang, Selangor Darul Ehsan and subsequently construct a manufacturing plant cum warehouse. We expect the acquisition to be completed by the financial year ending 31 March 2015. The construction of our manufacturing facility and warehouse is expected to take two to three years.

ACKNOWLEDGEMENT AND APPRECIATION

Finally, I wish to express my appreciation to our shareholders and all our staff, business partners, suppliers and all other stakeholders who have made it possible for us to achieve another splendid performance during the financial year.

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 2014 ("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 Group's business;
- overseeing the conduct of the Company's and subsidiaries' ("Group") 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 Company 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

During the financial year, the Board consisted of six (6) members, comprising three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors. This composition fulfills the requirements as set out in the ACE 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.

Notwithstanding the above, the Company also intends to appoint two (2) new independent directors to the Board as it transfers from the ACE Market to the Main Market of Bursa Securities. For information purposes, the Company had previously obtained the approval from the Securities Commission Malaysia on 13 June 2014 to transfer the Company from the ACE Market to the Main Market of Bursa Securities subject to Boilermech appointing two (2) new independent directors to the Board. The Board envisage to complete the transfer to the Main Market of Bursa Securities by the end of 2014.

(i) Nomination Committee – Selection and Assessment of Directors

The Nomination Committee conducted an assessment of the performance of the Board, as a whole, the Audit, Nomination and Remuneration Committees and individual Directors, based on a self and peer assessment approach. Based on the results of the assessment, including the mix of skills and experience possessed by the Directors, the Board considered and approved the recommendations on the re-election and re-appointment of Directors at the Company's forthcoming Annual General Meeting.

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 Nomination Committee comprises the following members:

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

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 training 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, including gender 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 contribution of each individual Director. Insofar as board diversity is concerned, the Board does not have a specific policy on setting targets for women candidates. In the nomination and selection process, the evaluation of candidates' suitability is based on their competency, character, time commitment, integrity and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Non-Executive Directors, as the case may be.

(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 2014, 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	162,000	890,700	900,202	34,800
Non-Executive Directors	216,000	-	-	-

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	1	-
RM50,001 to RM100,000	-	3
RM500,001 to RM550,000	1	-
RM600,001 to RM650,000	1	-
RM950,001 to RM1,000,000	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 composition of Independent Non-Executive Directors, which fulfills the Listing Requirements of Bursa Securities, coupled with the use of the Board Charter that formally sets out the schedule of matters reserved solely to the Board for decision making, provides for 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.

Notwithstanding the above, as disclosed under Principle 2 in page 21 of this Annual Report, the Company also intends to appoint two (2) new independent directors to the Board prior to the proposed transfer of Boilermech from the ACE Market to the Main Market of Bursa Securities.

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 six (6) Board meetings attended by the Directors as follows:

Name of Director	Designation	Board Meeting Attendance
Dr. Chia Song Kun	Chairman	6/6
Leong Yew Cheong	Managing Director	6/6
Wong Wee Voo	Executive Director	6/6
Chia Lik Khai	Executive Director	6/6

Name of Director	Designation	Board Meeting Attendance
Chia Seong Fatt	Alternate Director to Chia Lik Khai	4/6
Low Teng Lum	Independent Non-Executive Director	5/6
Mohd. Yusof bin Hussian	Independent Non-Executive Director	6/6

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.

Directors' Training – Continuing Education Programmes

The Board is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact such regulatory requirements have on the Group.

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	+ QL Resources Berhad ("QL") in-house training: Layer Conference + KPMG: Corporate Governance Guide (Towards Boardroom Excellence) 2nd Edition - How it assists listed issuers + Audit Committee Institute: 2013 ACI Breakfast Roundtable + Sunway University: The Challenge from Quantitative Easing to Economic Management in Southeast Asia: Indonesia's Experience
Mr. Leong Yew Cheong	+ KPMG: Corporate Governance Guide (Towards Boardroom Excellence) 2nd Edition - How it assists listed issuers
Mr. Wong Wee Voo	+ KPMG: Corporate Governance Guide (Towards Boardroom Excellence) 2nd Edition - How it assists listed issuers
Mr. Chia Lik Khai	+ KPMG: Corporate Governance Guide (Towards Boardroom Excellence) 2nd Edition - How it assists listed issuers + Bursatra: Effective Corporate Mergers & Acquisitions – From Complexity to Execution Excellence
Mr. Chia Seong Fatt	+ QL in-house training: Broiler Conference + Dalian Commodity Exchange: The 8th China International Oils and Oilseeds Conference
Mr. Low Teng Lum	+ KPMG: Corporate Governance Guide (Towards Boardroom Excellence) 2nd Edition - How it assists listed issuers + Malaysian Institute of Accountants : Goods and Services Tax (GST) - A Preparatory Course for GST Consultants and Accountants
En. Mohd.Yusof bin Hussian	+ KPMG: Corporate Governance Guide (Towards Boardroom Excellence) 2nd Edition - How it assists listed issuers + PwC: MASB (Malaysian Accounting Standards Board) Forum on IASB (International Accounting Standards Board)

The Company Secretaries circulates 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 its 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 Reports 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 on 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. 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 2014.

1. Proposed Utilisation of Proceeds from Corporate Exercise

The details of the utilisation of proceeds from the Company's Initial Public Offering ("IPO") on 5 May 2011 are as follows:

Purpose	Proposed utilisation RM'000	Utilisation up to 30 June 2014 RM'000	Estimated time frame for utilisation
Business expansion plans	4,000	4,000	-
Repayment of term loan	2,500	2,500	-
Working capital	3,317	3,317	-
Estimated listing expenses	1,700	1,700	-

Note:-

* The IPO proceeds were fully utilised during the financial year ended 31 March 2014.

2. Non-Audit Fees

The Group incurred RM2,000 for services to our External Auditors and its affiliate for the financial year ended 31 March 2014 ("financial year").

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 2014 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
23 April 2013	QL Marine Products Sdn Bhd and Boilermech Sdn Bhd ("BSB")	Sale of bio-energy systems	2,040,000	1,734,000	Cash	QL Marine Products Sdn Bhd is a subsidiary of QL Resources Berhad ("QL") while BSB is a subsidiary of Boilermech Holdings Berhad ("Boilermech")

Note:-

(a) Date of contract/commencement of arrangement.
(b) Billings made by the Group are for the financial year 1 April 2013 to 31 March 2014.
(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 Executive 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 30 July 2013 during the Annual General Meeting held on 21 August 2013.

The Company had announced on 7 July 2014 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 and BSB	QL is one of the substantial shareholders of Boilermech	QL charges management fees for, amongst others, the provision of risk management, corporate strategy and planning services	36
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	4,711
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	326

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

As a responsible corporate citizen, Boilermech continuously seeks to conduct its activities in an environmentally and socially responsible manner for the general wellbeing of the environment and the community in which it operates. We are further guided by the principles enumerated in our Sustainability Policy in developing a sustainable business that delivers value for our stakeholders and the community at large.

ENVIRONMENT

Sustaining the environment lies at the heart of what we do at Boilermech. Our Vision to be a leader in the provision of renewable energy and sustainable environmental solutions, particularly in the utilization of biomass and biogas for the generation of steam and power, addresses the issues of utilizing and reducing biomass waste and generating energy from non-fossil sources. We also promote more effective utilization of biomass and biogas through technology, design and engineering. We continue to research and develop new products to reduce the palm processing industry's environmental footprint.

WORKPLACE

Human capital development remains one of our primary strategies in promoting business sustainability. A key initiative in driving this is the development of our managers to enhance their personal and professional growth and development within the Company. Training is an integral part of the development of our employees and they have been sent for the relevant external courses as well as in-house training. Human capital development is on-going and continuous and we shall endeavor to instill a strong learning culture in the organization.

COMMUNITY

Our involvement in the community principally revolves around our support of engineering education and the underprivileged in our community.

We do this by participating in Career Fairs organized by local tertiary education institutions and providing internship programs to selected Malaysian undergraduates. During the financial year ended 31 March 2014, we started ten weeks internship programs for local and foreign university engineering students. Under the program, interns undergo a structured industrial training program where they are exposed to the engineering departments and processes of the Company. It provides a unique hands-on, industrial training experience for engineering students.

We have also been a regular supporter of Pertubuhan Kebajikan Skizofrenia Malaysia, a charity home for the depressed, emotionally and mentally ill for the last three years. This is part of our effort to reach out to the underprivileged and mentally challenged within our community.

AUDIT COMMITTEE REPORT

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

The Secretary to the Committee is the Company Secretary.

ATTENDANCE AT MEETINGS

The Audit Committee members attended all five (5) meetings held during the financial year ended 31 March 2014 ("financial year").

SUMMARY OF ACTIVITIES

The main activities undertaken by the Audit Committee 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.

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 Asset Management (including credit risk on trade receivables), Health, Safety and Environment and Production Planning 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Rule 15.26 (b) of the ACE 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 2014 ("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 2014 amounted to approximately RM29,000.

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 2014 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 2014 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 detention 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 2014.

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	31,016,186	18,421,237
Attributable to:		
Owners of the Company	31,016,186	18,421,237

DIVIDENDS

Since the end of the previous financial period, the Company paid a final single tier dividend of 2.0 sen per ordinary share of RM0.10 each amounting to RM5,160,000 in respect of the financial period ended 31 March 2013.

The directors proposed a final single tier dividend of 3.0 sen per ordinary share on the existing issued and paid up capital of the Company of 258,000,000 ordinary shares of RM0.10 each amounting to RM7,740,000 in respect of the financial year ended 31 March 2014, subject to the approval of the shareholders at the forthcoming annual general meeting. The Company has obtained the approval on the listing and quotation of 258,000,000 Bonus Shares ("Proposed Bonus Issue") and the exercise will be completed in the financial year ending 31 March 2015. In relation thereto, in the event that the Proposed Bonus Issue is completed prior to the date of the dividend entitlement, the proposed dividend per share will then be equivalent to 1.5 sen per share as a result of the increase in share capital arising from the Proposed Bonus Issue.

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) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) 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 34 to the financial statements. At the date of this report, there does not exist:-

(i) 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

(ii) 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
Wong Wee Voo
Chia Lik Khai
Low Teng Lum
Mohd Yusof Bin Hussian
Chia Seong Fatt *(Alternate to Chia Lik Khai)*

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 1.4.2013	**Bought**	**Sold**	**At 31.3.2014**
Direct Interests				
Chia Song Kun	200,000	-	-	200,000
Leong Yew Cheong	40,474,412	70,000	(4,841,500)	35,702,912
Wong Wee Voo	24,936,085	-	(8,018,000)	16,918,085
Chia Lik Khai	200,000	-	-	200,000
Low Teng Lum	200,000	-	-	200,000
Mohd Yusof Bin Hussian	200,000	10,000	-	210,000
Chia Seong Fatt (Alternate to Chia Lik Khai)	100,000	-	-	100,000
Indirect Interests				
Chia Song Kun [(1)]	98,023,118	7,000,000	-	105,023,118
Low Teng Lum [(2)]	180,000	197,000	-	377,000
Mohd Yusof Bin Hussian [(2)]	20,000	5,000	-	25,000
Chia Seong Fatt (Alternate to Chia Lik Khai) [(3)]	98,023,118	7,000,000	-	105,023,118

(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 his spouse's shareholding 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.

DIRECTORS' INTERESTS (CONT'D)

By virtue of their shareholdings in the Company, Leong Yew Cheong, 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.

DIRECTORS' BENEFITS

Since the end of the previous financial period, 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 31 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 EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

The significant events during and subsequent to the financial year are 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 2014

Leong Yew Cheong

Wong Wee Voo

STATEMENT BY DIRECTORS

We, Leong Yew Cheong and Wong Wee Voo, being two of the directors of Boilermech Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 46 to 99 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 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 39, 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 2014

Leong Yew Cheong

Wong Wee Voo

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 46 to 99 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 2014

Chan Van Chee

Before me
Datin Hajah Raihela Wanchik
No. W - 275
Commissioner for Oaths

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 2014 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 46 to 99.

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 2014 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 have been properly kept in accordance with the provisions of the Act.

(b) 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.

(c) Our 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 39 on page 100 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: 3023/03/15 (J)
Chartered Accountant

7 July 2014

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AT 31 MARCH 2014

	Note	The Group 31.3.2014 RM	The Group 31.3.2013 RM	The Company 31.3.2014 RM	The Company 31.3.2013 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	22,310,002	22,310,002
Property, plant and equipment	6	42,231,452	40,726,491	-	-
Amount owing by a subsidiary	7	-	-	16,533,126	18,296,851
Deferred tax assets	8	523,675	-	-	-
		42,755,127	40,726,491	38,843,128	40,606,853
CURRENT ASSETS					
Inventories	9	28,615,633	19,315,654	-	-
Amount owing by contract customers	10	15,274,280	9,877,809	-	-
Trade receivables	11	46,728,055	61,721,763	-	-
Other receivables, deposits and prepayments	12	6,034,803	5,155,603	24,500	34,038
Amount owing by subsidiaries	7	-	-	2,243,670	1,904,708
Tax refundable		519,171	57,278	-	1,278
Derivative assets	13	179,722	-	-	-
Dividend receivable		-	-	10,000,000	-
Liquid investments	14	61,432,543	27,034,613	10,728,494	5,262,248
Cash and bank balances		12,616,495	13,108,250	121,086	950,089
		171,400,702	136,270,970	23,117,750	8,152,361
TOTAL ASSETS		214,155,829	176,997,461	61,960,878	48,759,214

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

	Note	The Group 31.3.2014 RM	The Group 31.3.2013 RM	The Company 31.3.2014 RM	The Company 31.3.2013 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	25,800,000	25,800,000	25,800,000	25,800,000
Share premium	16	7,619,660	7,619,660	7,619,660	7,619,660
Cash flow hedge reserve	17	134,099	(54,367)	-	-
Merger deficit	18	(21,809,998)	(21,809,998)	-	-
Retained profits	19	93,013,226	67,157,040	28,492,631	15,231,394
TOTAL EQUITY		104,756,987	78,712,335	61,912,291	48,651,054
NON-CURRENT LIABILITIES					
Term loan	20	-	683,336	-	-
Deferred tax liabilities	8	-	813,280	-	-
		-	1,496,616	-	-
CURRENT LIABILITIES					
Amount owing to contract customers	10	58,522,217	63,322,459	-	-
Trade payables	21	43,410,848	28,626,492	-	-
Other payables and accruals		7,458,490	3,868,546	41,300	108,160
Amount owing to a related company	22	-	24,000	-	-
Provision for taxation		7,287	384,348	7,287	-
Term loan	20	-	439,778	-	-
Derivative liabilities	13	-	122,887	-	-
		109,398,842	96,788,510	48,587	108,160
TOTAL LIABILITIES		109,398,842	98,285,126	48,587	108,160
TOTAL EQUITY AND LIABILITIES		214,155,829	176,997,461	61,960,878	48,759,214
NET ASSETS PER ORDINARY SHARE (RM)	23	0.41	0.31		

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

	Note	The Group		The Company	
		1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM
REVENUE	24	242,019,756	165,834,458	19,000,000	15,000,000
COST OF SALES		(186,171,030)	(127,527,513)	-	-
GROSS PROFIT		55,848,726	38,306,945	19,000,000	15,000,000
OTHER INCOME		3,377,681	3,180,792	864,138	232,924
		59,226,407	41,487,737	19,864,138	15,232,924
SELLING AND MARKETING EXPENSES		(4,636,077)	(2,994,862)	-	-
ADMINISTRATIVE EXPENSES		(8,731,530)	(5,697,993)	(1,350,686)	(820,932)
OTHER EXPENSES		(7,630,682)	(2,537,279)	-	-
FINANCE COST		(47,644)	(64,313)	-	-
PROFIT BEFORE TAXATION	25	38,180,474	30,193,290	18,513,452	14,411,992
INCOME TAX EXPENSE	26	(7,164,288)	(6,457,542)	(92,215)	(1,835)
PROFIT AFTER TAXATION		31,016,186	23,735,748	18,421,237	14,410,157
OTHER COMPREHENSIVE INCOME/(EXPENSE) Item that may be reclassified subsequently to profit or loss - Cash flow hedge		188,466	(855,814)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR/PERIOD		31,204,652	22,879,934	18,421,237	14,410,157
PROFIT AFTER TAXATION ATTRIBUTABLE TO:- Owners of the Company		31,016,186	23,735,748	18,421,237	14,410,157
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:- Owners of the Company		31,204,652	22,879,934	18,421,237	14,410,157
EARNINGS PER SHARE (SEN)					
- Basic	27	12.02	9.20		
- Diluted	27	Not applicable	Not applicable		

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	Retained Profits RM	Total RM
Balance at 1 May 2012		25,800,000	7,619,660	801,447	(21,809,998)	47,291,292	59,702,401
Profit after taxation for the financial period		-	-	-	-	23,735,748	23,735,748
Other comprehensive expense for the financial period:							
- cash flow hedge		-	-	(855,814)	-	-	(855,814)
Total comprehensive income for the financial period		-	-	(855,814)	-	23,735,748	22,879,934
Distributions to owners of the Company:							
- dividend	28	-	-	-	-	(3,870,000)	(3,870,000)
Balance at 31 March 2013		25,800,000	7,619,660	(54,367)	(21,809,998)	67,157,040	78,712,335

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	Retained Profits RM	Total RM
Balance at 31 March 2013/1 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	28	-	-	-	-	(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 Company	Note	Non-distributable Share Capital RM	Non-distributable Share Premium RM	Distributable Retained Profits RM	Total RM
Balance at 1 May 2012		25,800,000	7,619,660	4,691,237	38,110,897
Profit after taxation/Total comprehensive income for the financial period		-	-	14,410,157	14,410,157
Distributions to owners of the Company:					
- dividend	28	-	-	(3,870,000)	(3,870,000)
Balance at 31 March 2013/1 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	28	-	-	(5,160,000)	(5,160,000)
Balance at 31 March 2014		25,800,000	7,619,660	28,492,631	61,912,291

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

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	The Group 1.4.2013 to 31.3.2014 RM	The Group 1.5.2012 to 31.3.2013 RM	The Company 1.4.2013 to 31.3.2014 RM	The Company 1.5.2012 to 31.3.2013 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		38,180,474	30,193,290	18,513,452	14,411,992
Adjustments for:-					
Allowance for impairment losses on trade receivables		4,447,850	1,535,678	-	-
Depreciation of property, plant and equipment		2,482,069	1,570,697	-	-
Equipment written off		8,736	4,024	-	-
Interest expense		47,644	64,313	-	-
Dividend income		-	-	(19,000,000)	(15,000,000)
Fair value (gain)/loss on derivatives		(114,143)	102,443	-	-
Gain on disposal of equipment		-	(128,433)	-	-
Gain on disposal of other investment		-	(106)	-	-
Interest income		(1,406,534)	(833,820)	(864,138)	(232,924)
Inventories written back		(40,445)	(141,287)	-	-
Unrealised gain on foreign exchange		(44,827)	(301,920)	-	-
Write-back of allowance for impairment losses on trade receivables		(1,628,461)	(771,771)	-	-
Operating profit/(loss) before working capital changes		41,932,363	31,293,108	(1,350,686)	(820,932)
(Increase)/Decrease in amount owing by contract customers		(5,396,471)	8,254,219	-	-
Increase in inventories		(9,259,534)	(2,583,169)	-	-
Decrease/(Increase) in trade and other receivables		11,333,320	(20,196,475)	9,538	(21,038)
Increase/(Decrease) in trade and other payables		18,380,926	6,045,171	(66,860)	62,560
(Decrease)/Increase in amount owing to contract customers		(4,800,242)	11,402,747	-	-
CASH FROM/(FOR) OPERATIONS		52,190,362	34,215,601	(1,408,008)	(779,410)
Interest paid		(47,644)	(64,313)	-	-
Income tax paid		(9,340,197)	(5,645,615)	(83,650)	(3,113)
NET CASH FROM/(FOR) OPERATING ACTIVITIES		42,802,521	28,505,673	(1,491,658)	(782,523)
BALANCE CARRIED FORWARD		42,802,521	28,505,673	(1,491,658)	(782,523)

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

	Note	The Group 1.4.2013 to 31.3.2014 RM	The Group 1.5.2012 to 31.3.2013 RM	The Company 1.4.2013 to 31.3.2014 RM	The Company 1.5.2012 to 31.3.2013 RM
BALANCE BROUGHT FORWARD		42,802,521	28,505,673	(1,491,658)	(782,523)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Repayment from/(Advances to) subsidiaries		-	-	1,424,763	(20,194,353)
Proceeds from disposal of equipment		-	243,063	-	-
Purchase of property, plant and equipment		(3,995,766)	(23,460,100)	-	-
Dividends received		-	-	9,000,000	19,000,000
Interest received		1,406,534	833,820	864,138	232,924
Proceeds from disposal of other investment		-	19,606	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(2,589,232)	(22,363,611)	11,288,901	(961,429)
CASH FLOWS FOR FINANCING ACTIVITIES					
Repayment of term loan		(1,123,114)	(370,070)	-	-
(Repayment to)/Advances from a related company		(24,000)	12,000	-	-
Dividend paid		(5,160,000)	(3,870,000)	(5,160,000)	(3,870,000)
NET CASH FOR FINANCING ACTIVITIES		(6,307,114)	(4,228,070)	(5,160,000)	(3,870,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		33,906,175	1,913,992	4,637,243	(5,613,952)
Effect of foreign exchange in cash and cash equivalents		-	50,517	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD		40,142,863	38,178,354	6,212,337	11,826,289
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	29	74,049,038	40,142,863	10,849,580	6,212,337

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 2014.

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 standards and interpretations (including the consequential amendments, if any):-

MFRSs and IC Interpretations (Including The Consequential Amendments)

MFRS 10 Consolidated Financial Statements
MFRS 11 Joint Arrangements
MFRS 12 Disclosure of Interests in Other Entities
MFRS 13 Fair Value Measurement
MFRS 119 (2011) Employee Benefits
MFRS 127 (2011) Separate Financial Statements
MFRS 128 (2011) Investments in Associates and Joint Ventures
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements to MFRSs 2009 – 2011 Cycle

3. BASIS OF PREPARATION (CONT'D)

3.1 The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except as follows:-

MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. There is no financial impact on the financial statements of the Group upon its initial application.

MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and requires extensive disclosures of which the additional. Accordingly, there is no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. MFRS 13 has been applied prospectively as of the beginning of the current financial year and there is no financial impact on the financial statements of the Group upon its initial application.

The amendments to MFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact on the financial statements of the Group upon its initial application.

The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There is no financial impact on the financial statements of the Group upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.

The Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments have no material impact on the financial statements of the Group upon their initial application.

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following accounting standards and interpretations (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 IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 9 (2009) Financial Instruments	To be announced by MASB
MFRS 9 (2010) Financial Instruments	To be announced by MASB
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)	To be announced by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	To be announced by MASB
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

The above accounting standards and interpretations (including the consequential amendments, if any) are not relevant to the Group's operations except as follows:-

MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no financial impact on the financial statements of the Group upon its initial application.

The amendments to MFRS 10, MFRS 12 and MFRS 127 (2011) require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them. The Company is an investment entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Accordingly, the Group will deconsolidate its subsidiaries upon the initial application of these amendments and to fair value the investments in accordance with MFRS 139. There will be no financial impact on the financial statements of the Group and of the Company upon its initial application.

The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There will be no financial impact on the financial statements of the Group upon its initial application.

The amendments to MFRS 139 allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated (i.e. parties have agreed to replace their original counterparty with a new one) to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met. There will be no financial impact on the financial statements of the Group upon its initial application.

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:-

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(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.

(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.

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.

(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.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (cont'd)

(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.

(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.

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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(e) Hedge Activities (cont'd)

(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.

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%

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 IMPAIRMENT (CONT'D)

(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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 INCOME TAXES (CONT'D)

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.

4.13 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

4.16 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 FAIR VALUE MEASUREMENTS (CONT'D)

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	
	31.3.2014 RM	31.3.2013 RM
Unquoted shares in Malaysia, at cost	22,310,002	22,310,002

The details of the subsidiaries are as follows:

Name Of Subsidiary	Country Of Incorporation	Effective Equity Interest 31.3.2014 %	Effective Equity Interest 31.3.2013 %	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	Dormant
Zenith Index Sdn. Bhd. ("ZISB")	Malaysia	100	100	Engaged in the business of bio-energy systems
PT Boilermech ("PTBM") * #	Indonesia	100	100	Dormant

* 1% held by a subsidiary, BSB.

\# As at the end of the reporting period, no capital injection has been effected into PT Boilermech.

6. PROPERTY, PLANT AND EQUIPMENT

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

The Group	At 1.5.2012 RM	Additions RM	Disposals RM	Written Off RM	Depreciation Charge RM	At 31.3.2013 RM
Net Book Value						
Leasehold land	10,683,908	11,654,922	-	-	(214,320)	22,124,510
Buildings	5,548,810	9,303,491	-	-	(237,457)	14,614,844
Computers	289,221	251,754	-	-	(106,640)	434,335
Furniture, fittings and office equipment	215,309	39,401	(5,063)	(357)	(41,997)	207,293
Machinery	1,233,064	1,464,131	(20,000)	(3,667)	(553,903)	2,119,625
Motor vehicles	985,430	672,866	(89,567)	-	(416,380)	1,152,349
Capital work-in-progress	-	73,535	-	-	-	73,535
	18,955,742	23,460,100	(114,630)	(4,024)	(1,570,697)	40,726,491

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

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
31.3.2014			
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
31.3.2013			
Leasehold land	22,654,922	(530,412)	22,124,510
Buildings	15,203,491	(588,647)	14,614,844
Computers	823,393	(389,058)	434,335
Furniture, fittings and office equipment	389,908	(182,615)	207,293
Machinery	3,922,548	(1,802,923)	2,119,625
Motor vehicles	2,379,274	(1,226,925)	1,152,349
Capital work-in-progress	73,535	-	73,535
	45,447,071	(4,720,580)	40,726,491

One of the leasehold land and buildings of the Group amounting to RM15,465,343 (31.3.2013 - RM15,865,712) have been pledged to a licensed bank as security for banking facilities granted to the Group.

7. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	31.3.2014 RM	31.3.2013 RM
Non-current portion:		
- receivable between one year to two years	1,826,455	1,763,725
- receivable between two to five years	5,878,458	5,676,560
- receivable more than five years	8,828,213	10,856,566
	16,533,126	18,296,851
Current portion:		
- receivable within one year	2,243,670	1,904,708
	18,776,796	20,201,559

The amount owing by subsidiaries consist of the following:-

(a) The amount owing of RM479,945 (31.3.2013 - RM201,559) is non-trade in nature, unsecured, interest-free and repayable on demand;

(b) The amount owing of approximately RM18,296,851 (31.3.2013 - RM20,000,000) is non-trade in nature, unsecured and bore an effective interest of 3.50% (31.3.2013 - 3.50%) per annum; and

The amounts owing are to be settled in cash.

8. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	31.3.2014 RM	31.3.2013 RM
At 1 April/1 May	(813,280)	(700,456)
Recognised in profit or loss (Note 26)	1,336,955	(112,824)
At 31 March	523,675	(813,280)

The deferred tax assets/(liabilities) are attributable to the following:-

	The Group	
	31.3.2014 RM	31.3.2013 RM
Accelerated capital allowances over depreciation	(613,096)	(754,188)
Revaluation of property	(1,486,999)	(1,524,280)
Other temporary differences	2,623,770	1,465,188
	523,675	(813,280)

9. INVENTORIES

	The Group	
	31.3.2014 RM	31.3.2013 RM
Raw Materials:-		
At cost	28,389,974	18,840,229
At net realisable value	225,659	475,425
	28,615,633	19,315,654

10. AMOUNTS OWING BY/(TO) CONTRACT CUSTOMERS

	The Group	
	31.3.2014 RM	31.3.2013 RM
Costs incurred on contracts to date	166,304,457	148,300,861
Attributable profits	45,888,670	37,745,938
	212,193,127	186,046,799
Progress billings	(255,441,064)	(239,491,449)
	(43,247,937)	(53,444,650)
The amounts owing comprise the following:-		
Amount owing by contract customers	15,274,280	9,877,809
Amount owing to contract customers	(58,522,217)	(63,322,459)
	(43,247,937)	(53,444,650)

11. TRADE RECEIVABLES

	The Group	
	31.3.2014 RM	31.3.2013 RM
Trade receivables	45,483,375	62,928,102
Retention receivables	7,635,336	2,364,928
	53,118,711	65,293,030
Allowance for impairment losses	(6,390,656)	(3,571,267)
	46,728,055	61,721,763
Allowance for impairment losses:-		
At 1 April/1 May	(3,571,267)	(2,807,360)
Addition for the financial year/period	(4,447,850)	(1,535,678)
Write-back during the financial year/period	1,628,461	771,771
At 31 March	(6,390,656)	(3,571,267)

(a) The Group's normal trade credit terms range from 30 to 90 (31.3.3013 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

(b) Included in the trade receivables is an amount of RM59,010 (31.3.2013 - RM2,056,350) owing by the related parties.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	31.3.2014 RM	31.3.2013 RM	31.3.2014 RM	31.3.2013 RM
Other receivables	351,711	154,672	-	-
Deposits	720,460	3,491,333	1,000	1,000
Prepayments	4,962,632	1,509,598	23,500	33,038
	6,034,803	5,155,603	24,500	34,038

Included in prepayments of the Group are amounts paid in advance to suppliers amounting to approximately RM3,250,000 (31.3.2013 – RM180,000).

13. DERIVATIVE ASSETS/(LIABILITIES)

	The Group			
	Contract/Notional Amount		Assets/(Liabilities)	
	31.3.2014 RM	31.3.2013 RM	31.3.2014 RM	31.3.2013 RM
Forward foreign currency contracts				
- Cash flow hedge	67,487,510	25,880,094	134,099	(54,367)
- Fair value through profit or loss	20,468,940	31,326,766	45,623	(68,520)
	87,956,450	57,206,860	179,722	(122,887)

13. DERIVATIVE ASSETS/(LIABILITIES) (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 gain of RM188,466 (31.3.2013 - loss of RM855,814) 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 gain of RM114,143 (31.3.2013 - loss of RM102,443) 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 36.4 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 effective interest rates ranging from 2.99% to 3.00% (31.3.2013 - 2.95% to 3.05%) per annum at the end of the reporting period.

15. SHARE CAPITAL

	The Company			
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	Number Of Shares		RM	RM
Ordinary Shares Of RM0.10 Each:-				
Authorised	500,000,000	500,000,000	50,000,000	50,000,000
Issued And Fully Paid-Up	258,000,000	258,000,000	25,800,000	25,800,000

16. SHARE PREMIUM

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965 in Malaysia.

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	
	31.3.2014 RM	31.3.2013 RM
At 1 April/1 May	(54,367)	801,447
Gain/(Loss) on cash flow hedge	188,466	(855,814)
At 31 March	134,099	(54,367)

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. 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.

20. TERM LOAN

	The Group	
	31.3.2014 RM	31.3.2013 RM
Non-current portion:		
- repayable between one year to two years	-	463,596
- repayable between two to five years	-	219,740
	-	683,336
Current portion:		
- repayable within one year	-	439,778
	-	1,123,114

The term loan was repayable in 180 monthly installments of RM40,722 each commencing February 2009. During the financial year, the term loan has been fully settled.

In the previous financial period, the term loan bore an effective interest rate of 5.30% per annum and was secured by:-

(a) a first legal charge over the leasehold land and building as disclosed in Note 6 to the financial statements;

(b) a fixed and floating charge over the assets of the Group, both present and future; and

(c) a joint and several guarantee of certain directors of the Group.

21. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (31.3.2013 - 30 to 90) days.

22. AMOUNT OWING TO A RELATED COMPANY

In the previous financial period, the amount owing was non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing was settled in cash.

23. 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 RM104,756,987 (31.3.2013 - RM78,712,335) divided by the number of ordinary shares of RM0.10 each in issue at the end of the reporting period of 258,000,000 (31.3.2013 - 258,000,000).

24. REVENUE

	The Group		The Company	
	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM
Trading and services	3,425,195	3,360,709	-	-
Contract revenue	238,594,561	162,473,749	-	-
Dividend income	-	-	19,000,000	15,000,000
	242,019,756	165,834,458	19,000,000	15,000,000

25. PROFIT BEFORE TAXATION

	The Group		The Company	
	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for impairment losses on trade receivables	4,447,850	1,535,678	-	-
Audit fee:				
- statutory	69,500	62,200	30,000	28,000
- underprovision in the previous financial period/year	1,800	-	1,000	-
- non-statutory	29,000	29,000	29,000	29,000
Depreciation of property, plant and equipment	2,482,069	1,570,697	-	-
Directors' fee	378,000	225,500	354,000	214,500
Directors' non-fee emoluments	2,014,970	1,393,385	-	-
Equipment written off	8,736	4,024	-	-
Interest expense:				
- term loan	47,644	64,313	-	-
Loss/(Gain) on foreign exchange:				
- realised	1,784,310	(920,967)	-	-
- unrealised	(44,827)	(301,920)	-	-
Rental expense:				
- factory	-	164,355	-	-
- forklifts	5,259	16,720	-	-
- premises	115,667	13,688	-	-
Staff costs:				
- defined contribution plan	898,527	632,447	-	-
- salaries and other benefits	8,316,206	5,784,848	-	-
Dividend income	-	-	(19,000,000)	(15,000,000)
Fair value (gain)/loss on derivatives	(114,143)	102,443	-	-
Gain on disposal of equipment	-	(128,433)	-	-
Gain on disposal of other investment	-	(106)	-	-
Interest income	(1,406,534)	(833,820)	(864,138)	(232,924)
Inventories written back	(40,445)	(141,287)	-	-
Write-back of allowance for impairment losses on trade receivables	(1,628,461)	(771,771)	-	-

The estimated monetary value of non-cash benefits provided to certain directors of the Group during the financial year/period amounted to RM34,800 (2013 - RM34,800).

26. INCOME TAX EXPENSE

	The Group		The Company	
	1.4.2013 to 31.3.2014 RM	**1.5.2012 to 31.3.2013 RM**	**1.4.2013 to 31.3.2014 RM**	**1.5.2012 to 31.3.2013 RM**
Income tax:				
- for the financial year/period	8,740,290	6,703,326	92,287	2,000
- overprovision in the previous financial period/year	(239,047)	(358,608)	(72)	(165)
	8,501,243	6,344,718	92,215	1,835
Deferred taxation (Note 8):				
- relating to origination and reversal of temporary differences	(1,299,674)	110,000	-	-
- underprovision of deferred tax liability in the previous financial period/year	-	37,000	-	-
- reversal of deferred tax liability arising from revaluation reserve	(37,281)	(34,176)	-	-
	(1,336,955)	112,824	-	-
	7,164,288	6,457,542	92,215	1,835

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	
	1.4.2013 to 31.3.2014 RM	**1.5.2012 to 31.3.2013 RM**	**1.4.2013 to 31.3.2014 RM**	**1.5.2012 to 31.3.2013 RM**
Profit before taxation	38,180,474	30,193,290	18,513,452	14,411,992
Tax at the statutory tax rate of 25%	9,545,119	7,548,323	4,628,363	3,602,998
Tax effects of:-				
Non-taxable income	(335,783)	(214,854)	(4,797,408)	(3,806,271)
Non-deductible expenses	1,151,880	553,337	261,332	205,273
Deferred tax asset not recognised during the financial year/period	54,400	-	-	-
Effect of tax incentive	(2,975,000)	(1,073,480)	-	-
Reversal of deferred tax liability arising from revaluation reserve	(37,281)	(34,176)	-	-
(Over)/Underprovision in the previous financial period/year:				
- current tax	(239,047)	(358,608)	(72)	(165)
- deferred tax	-	37,000	-	-
Income tax expense for the financial year/period	7,164,288	6,457,542	92,215	1,835

No deferred tax asset is recognised in the respect of the temporary differences arising from allowance for impairment loss on trade receivable.

27. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit attributable to owners of the Company of RM31,016,186 (2013 - RM23,735,748) by the number of ordinary shares in issue during the financial year/period of 258,000,000 (2013 - 258,000,000).

	The Group	
	31.3.2014	**31.3.2013**
Profit attributable to owners of the Company (RM)	31,016,186	23,735,748
Number of ordinary shares at 31 March	258,000,000	258,000,000
Basic earnings per share (sen)	12.02	9.20

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

28. DIVIDEND

	The Company	
	31.3.2014 RM	**31.3.2013 RM**
In respect of the financial period ended 31 March 2013:-		
Paid:		
- final single tier dividend of 2.0 sen per ordinary share	5,160,000	-
In respect of the financial year ended 30 April 2012:-		
Paid:		
- final single tier dividend of 1.5 sen per ordinary share	-	3,870,000

The directors proposed a final single tier dividend of 3.0 sen per ordinary share on the existing issued and paid up capital of the Company of 258,000,000 ordinary shares of RM0.10 each amounting to RM7,740,000 in respect of the financial year ended 31 March 2014, subject to the approval of the shareholders at the forthcoming annual general meeting. The Company has obtained the approval on the listing and quotation of 258,000,000 Bonus Shares ("Proposed Bonus Issue") and the exercise will be completed in the financial year ending 31 March 2015. In relation thereto, in the event that the Proposed Bonus Issue is completed prior to the date of the dividend entitlement, the proposed dividend per share will then be equivalent to 1.5 sen per share as a result of the increase in share capital arising from the Proposed Bonus Issue.

The financial statements for the financial year ended 31 March 2014 do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 March 2015.

29. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	31.3.2014 RM	31.3.2013 RM	31.3.2014 RM	31.3.2013 RM
Liquid investments	61,432,543	27,034,613	10,728,494	5,262,248
Cash and bank balances	12,616,495	13,108,250	121,086	950,089
	74,049,038	40,142,863	10,849,580	6,212,337

30. 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/period are as follows:-

	The Group		The Company	
	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM
Executive directors:				
- emoluments	2,014,970	1,393,385	-	-
- fees	162,000	88,000	138,000	77,000
Non-executive directors:				
- fees	216,000	137,500	216,000	137,500
	2,392,970	1,618,885	354,000	214,500
Benefits-in-kind	34,800	34,800	-	-
	2,427,770	1,653,685	354,000	214,500

30. 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	
	1.4.2013 to 31.3.2014	1.5.2012 to 31.3.2013	1.4.2013 to 31.3.2014	1.5.2012 to 31.3.2013
	Number Of Directors		Number Of Directors	
Executive directors:-				
Below RM50,000	1	1	3	4
RM50,001 – RM100,000	-	-	1	-
RM200,001 – RM250,000	-	1	-	-
RM500,001 – RM550,000	1	1	-	-
RM600,001 – RM650,000	1	-	-	-
RM700,001 – RM750,000	-	1	-	-
RM950,001 – RM1,000,000	1	-	-	-
Non-executive directors:-				
Below RM50,000	-	2	-	2
RM50,000 – RM100,000	3	1	3	1
	7	7	7	7
Benefits-in-kind	2	2	-	-

31. 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.

31. 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/period:-

	The Group		The Company	
	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM
Purchase of equipment from:				
- Eita Electric Sdn. Bhd.*	325,626	76,150	-	-
Sales to:				
- QL Endau Fishmeal Sdn. Bhd. #	38,566	13,540	-	-
- QL Foods Sdn. Bhd. #	31,750	2,500	-	-
- QL Marine Products Sdn. Bhd. #	1,604,870	2,800	-	-
- QL Plantation Sdn. Bhd. #	15,500	14,040	-	-
- QL ESCO Sdn. Bhd. #	237,468	417,722	-	-
- QL Ansan Poultry Farm Sdn. Bhd. #	2,783,068	1,942,510	-	-
Management fee charged by:				
- QL Resources Berhad Δ	36,000	132,000	-	-
Dividend income from a subsidiary:				
- Boilermech Sdn. Bhd.	-	-	(19,000,000)	(15,000,000)
Interest income from a subsidiary:				
- Boilermech Sdn. Bhd.	-	-	(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	
	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM
Short-term employee benefits:				
- salaries, allowances and bonuses	3,092,429	2,146,093	354,000	214,500
- defined contribution plan	335,699	248,676	-	-
- others	34,800	34,800	-	-
	3,462,928	2,429,569	354,000	214,500

32. 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
1.4.2013 to 31.3.2014			
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

32. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Bio-Energy Systems RM	Others RM	Group RM
31.3.2014			
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
1.5.2012 to 31.3.2013			
Revenue			
External revenue	165,834,458	-	165,834,458
Inter-segment revenue	-	15,000,000	15,000,000
	165,834,458	15,000,000	180,834,458
Adjustments and eliminations			(15,000,000)
Consolidated revenue			165,834,458
Results			
Segment results	32,459,777	(864,643)	31,595,134
Interest income	600,896	232,924	833,820
Other material items of income	1,041,491	-	1,041,491
Depreciation of property, plant and equipment	(1,557,197)	(13,500)	(1,570,697)
Other material items of expenses	(1,642,145)	-	(1,642,145)
	30,902,822	(645,219)	30,257,603
Finance costs			(64,313)
Income tax expense			(6,457,542)
Consolidated profit after taxation			23,735,748

32. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Bio-Energy Systems RM	Others RM	Group RM
31.3.2013			
Assets			
Segment assets	170,560,006	6,380,177	176,940,183
Tax refundable			57,278
Consolidated total assets			176,997,461
Liabilities			
Segment liabilities	96,971,900	115,598	97,087,498
Deferred taxation			813,280
Provision for taxation			384,348
Consolidated total liabilities			98,285,126
Other Segments Items			
Additions to non-current assets other than financial instruments:			
- property, plant and equipment	23,325,100	135,000	23,460,100

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

	The Group	
	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM
Fair value gain on derivatives	114,143	-
Gain on disposal of equipment	-	128,433
Inventories written back	40,445	141,287
Write-back of allowance for impairment losses on trade receivables	1,628,461	771,771
	1,783,049	1,041,491

32. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

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

	The Group	
	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM
Allowance for impairment losses on trade receivables	4,447,850	1,535,678
Equipment written off	8,736	4,024
Fair value loss on derivatives	-	102,443
	4,456,586	1,642,145

GEOGRAPHICAL INFORMATION

	Revenue	
	1.4.2013 to 31.3.2014 RM	1.5.2012 to 31.3.2013 RM
Local	108,804,932	80,122,311
Overseas	133,214,824	85,712,147
	242,019,756	165,834,458

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/period.

MAJOR CUSTOMERS

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

33. CAPITAL COMMITMENTS

	The Group		The Company	
	31.3.2014 RM	31.3.2013 RM	31.3.2014 RM	31.3.2013 RM
Investment in a foreign subsidiary:				
- approved but not contracted for	-	-	970,000	919,000
Purchase of property, plant and equipment:				
- approved but not contracted for	600,000	600,000	-	-
- approved and contracted for	2,637,017	4,364,150	-	-
	3,237,017	4,964,150	970,000	919,000

34. CONTINGENT LIABILITY

	The Company	
	31.3.2014	**31.3.2013**
	RM	**RM**
Corporate guarantee given to licensed banks for credit facilities granted to a subsidiary	35,847,573	12,000,000

35. 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	
	31.3.2014	**31.3.2013**
	RM	**RM**
United States Dollar	3.2655	3.0935
Indonesian Rupiah	0.0003	0.0003

36. 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.

36.1 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.

36.1 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**
31.3.2014					
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
Derivative assets	-	-	-	179,722	179,722
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	98,770,527	122,028,986
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)	51,021,405	71,159,648
Less: Forward foreign currency contracts (contracted notional principal)	-	(20,468,940)	-	-	(20,468,940)
Less: Net financial assets denominated in the entity's functional currencies	-	-	-	(51,021,405)	(51,021,405)
Currency exposure	(148,547)	(178,633)	(3,517)	-	(330,697)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 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**	**Ringgit Malaysia RM**	**Total RM**
31.3.2013				
Financial assets				
Trade receivables	-	21,857,631	39,864,132	61,721,763
Other receivables and deposits	-	-	3,646,005	3,646,005
Liquid investments	-	-	27,034,613	27,034,613
Cash and bank balances	-	10,688,928	2,419,322	13,108,250
	-	32,546,559	72,964,072	105,510,631
Financial liabilities				
Trade payables	187,173	1,408,433	27,030,886	28,626,492
Other payables and accruals	-	566,944	3,301,602	3,868,546
Amount owing to a related company	-	-	24,000	24,000
Term loan	-	-	1,123,114	1,123,114
Derivate liabilities	-	-	122,887	122,887
	187,173	1,975,377	31,602,489	33,765,039
Net financial (liabilities)/assets	(187,173)	30,571,182	41,361,583	71,745,592
Less: Forward foreign currency contracts (contracted notional principal)	-	(31,326,766)	-	(31,326,766)
Less: Net financial assets denominated in the entity's functional currencies	-	-	(41,361,583)	(41,361,583)
Currency exposure	(187,173)	(755,584)	-	(942,757)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 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	
	31.3.2014 (Decrease)/ Increase RM	31.3.2013 (Decrease)/ Increase RM
Effects On Profit After Taxation/Equity		
Indonesian Rupiah		
- strengthened by 10%	(11,141)	(14,038)
- weakened by 10%	11,141	14,038
United States Dollar		
- strengthened by 10%	(13,397)	(56,669)
- weakened by 10%	13,397	56,669

(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 and liabilities. 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 exposure to the interest rate risk of the financial liabilities is disclosed in Note 36.1(c) to the financial statements.

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	
	31.3.2014 Increase/ (Decrease) RM	31.3.2013 Increase/ (Decrease) RM	31.3.2014 Increase/ (Decrease) RM	31.3.2013 Increase/ (Decrease) RM
Effects On Profit After Taxation/Equity				
Increase of 25 basis points (bp)	153,581	65,481	61,128	50,656
Decrease of 25 bp	(153,581)	(65,481)	(61,128)	(50,656)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (cont'd)

(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.

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

	The Group	
	31.3.2014 RM	**31.3.2013 RM**
Overseas	21,183,352	29,778,513
Local	25,544,703	31,943,250
	46,728,055	61,721,763

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (cont'd)

(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
31.3.2014				
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
31.3.2013				
Trade receivables:-				
Not past due	36,623,129	-	-	36,623,129
Past due 0 - 30 days	4,296,433	-	-	4,296,433
Past due more than 30 days	22,008,540	(3,306,967)	-	18,701,573
	62,928,102	(3,306,967)	-	59,621,135
Retention receivables:-				
Not past due	1,173,816	-	-	1,173,816
Past due	1,191,112	(264,300)	-	926,812
	2,364,928	(264,300)	-	2,100,628
	65,293,030	(3,571,267)	-	61,721,763

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.

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (cont'd)

(iii) Ageing analysis (cont'd)

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 and the available of funding through certain committed credit facilities.

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 (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

The Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
31.3.2014						
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	-	-
31.3.2013						
Trade payables	-	28,626,492	28,626,492	28,626,492	-	-
Other payables and accruals	-	3,868,546	3,868,546	3,868,546	-	-
Amount owing to a related company	-	24,000	24,000	24,000	-	-
Term loan	5.30	1,123,114	1,200,233	488,660	711,573	-
		33,642,152	33,719,271	33,007,698	711,573	-
The Company						
31.3.2014						
Other payables and accruals	-	41,300	41,300	41,300	-	-
31.3.2013						
Other payables and accruals	-	108,160	108,160	108,160	-	-

36. FINANCIAL INSTRUMENTS (CONT'D)

36.2 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 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.

36.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	31.3.2014 RM	31.3.2013 RM	31.3.2014 RM	31.3.2013 RM
Financial Assets				
Loans and receivables financial assets				
Trade receivables	46,728,055	61,721,763	-	-
Other receivables and deposits	1,072,171	3,646,005	1,000	1,000
Amount owing by subsidiaries	-	-	18,776,796	20,201,559
Dividend receivable	-	-	10,000,000	-
Liquid investments	61,432,543	27,034,613	10,728,494	5,262,248
Cash and bank balances	12,616,495	13,108,250	121,086	950,089
	121,849,264	105,510,631	39,627,376	26,414,896
Fair value through profit or loss				
Derivative assets	45,623	-	-	-
Others				
Derivative assets - cash flow hedge	134,099	-	-	-
Financial Liabilities				
Other financial liabilities				
Term loan	-	1,123,114	-	-
Trade payables	43,410,848	28,626,492	-	-
Other payables and accruals	7,458,490	3,868,546	41,300	108,160
Amount owing to a related company	-	24,000	-	-
Derivative liabilities	-	122,887	-	-
	50,869,338	33,765,039	41,300	108,160

36.4 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.

The Group	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 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
31.3.2014								
Financial Assets								
Liquid investments	61,432,543	-	-	-	-	-	61,432,543	61,432,543
Derivative assets	-	179,722	-	-	-	-	179,722	179,722

The Group	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 RM	Level 2 RM	Level 3 RM	Level* RM	RM	RM
31.3.2013						
Financial Asset						
Liquid investments	27,034,613	-	-	-	27,034,613	27,034,613
Financial Liabilities						
Derivative liabilities	-	122,887	-	-	122,887	122,887
Term loan	-	-	-	1,123,114	1,123,114	1,123,114

* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.

36. FINANCIAL INSTRUMENTS (CONT'D)

36.4 FAIR VALUE INFORMATION (CONT'D)

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. (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
31.3.2014								
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

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*		
	RM	RM	RM	RM	RM	RM
31.3.2013						
Financial Assets						
Amount owing by a subsidiary (non-current)	-	-	-	18,296,851	18,296,851	18,296,851
Liquid investments	5,262,248	-	-	-	5,262,248	5,262,248

* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.

36. FINANCIAL INSTRUMENTS (CONT'D)

36.4 FAIR VALUE INFORMATION (CONT'D)

The fair values of level 2 above have been determined using the following basis:-

(a) The fair value of forward foreign currency contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

(b) The carrying amount of the term loan approximated its fair value as this is floating rate instrument that is repriced to market interest rate on or near the reporting date.

(c) 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% (31.3.2013 – 3.50%) and is within level 2 of the fair value hierarchy.

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

37. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

(a) During the financial year, the Company announced to undertake the proposed transfer of the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Proposed Transfer").

On 13 June 2014, the Company announced that the Securities Commission Malaysia had approved the Proposed Transfer subject to the appointment of two (2) additional independent directors to the Company's Board of Directors.

(b) During the financial year, the Company announced to undertake the proposed bonus issue of 258,000,000 new ordinary shares of RM0.10 each in the Company ("Proposed Bonus Issue") on the basis of one (1) Bonus Share for every one (1) existing share held by the entitled shareholders of the Company on an entitlement date to be determined later. The Company announced that Bursa Malaysia Securities Berhad had approved the Proposed Bonus Issue during the financial year.

(c) During the financial year, the Company announced to undertake the proposed increase in the authorised share capital of the Company from RM50,000,000 comprising 500,000,000 shares to RM100,000,000 comprising 1,000,000,000 shares of RM0.10 each.

(d) On 9 June 2014, the Company, its subsidiary (BSB) and a related party entered into a conditional Sale and Purchase Agreement with another related party to acquire a parcel of leasehold land. The consideration payable by the Group is RM18,208,587. The three parties have entered into a Co-Ownership Agreement to regulate their relationship as the purchasers and joint owners of the said parcel of leasehold land.

38. COMPARATIVE FIGURES

In the previous financial period, the Group and the Company changed their financial year end from 30 April to 31 March. Accordingly, the financial statements of the Group and the Company for the previous financial period ended 31 March 2013 cover an 11-month period from 1 May 2012 to 31 March 2013 as compared to the 12-month period from 1 April 2013 to 31 March 2014.

39. 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	
	31.3.2014 RM	31.3.2013 RM	31.3.2014 RM	31.3.2013 RM
Total retained profits:				
- realised	90,916,182	66,518,640	28,492,631	15,231,394
- unrealised	2,097,044	638,400	-	-
At 31 March	93,013,226	67,157,040	28,492,631	15,231,394

The Group owns two pieces of properties via its wholly owned subsidiary, Boilermech Sdn Bhd.

Location	**Tenure of lease**	**Land area or built up area**	**Approximate age of buildings**	**Net book value 31 March 2014 RM'000**	**Date of last revaluation**
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: 7,200 square meters	17 years	15,465	30 August 2010
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	17 years	20,365	6 September 2012

[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.

AS AT 4 AUGUST 2014

Authorised share capital	:	**RM50,000,000**
Issued and paid-up capital	:	**RM25,800,000**
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	142	0.00
100 – 1,000	179	137,100	0.05
1,001 – 10,000	883	4,681,600	1.82
10,001 – 100,000	590	21,491,200	8.33
100,001 to less than 5% of issued shares	127	74,641,343	28.93
5% and above of issued shares	4	157,048,615	60.87
	1,791	258,000,000	100.00

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct	%	Indirect	%
Dr Chia Song Kun	200,000	0.08	105,023,118 [1]	40.71
Leong Yew Cheong	35,702,912	13.84	-	-
Wong Wee Voo	16,322,585	6.33	-	-
Chia Lik Khai	200,000	0.08	-	-
Chia Seong Fatt	100,000	0.04	105,023,118 [2]	40.71
Low Teng Lum	200,000	0.08	377,000 [3]	0.15
Mohd Yusof Bin Hussian	210,000	0.08	25,000 [3]	0.01

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 his spouse's shareholdings in the Company.

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct	%	Indirect	%
QL Green Resources Sdn Bhd	105,023,118	40.71	-	-
Leong Yew Cheong	35,702,912	13.84	-	-
Wong Wee Voo	16,322,585	6.33	-	-
Dr Chia Song Kun	200,000	0.08	105,023,118[1]	40.71
Chia Seong Fatt	100,000	0.04	105,023,118[2]	40.71
QL Resources Berhad	-	-	105,023,118[3]	40.71
CBG Holdings Sdn Bhd	-	-	105,023,118[4]	40.71
Farsathy Holdings Sdn Bhd	-	-	105,023,118[4]	40.71

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 it 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	90,381,818	35.03
2.	Leong Yew Cheong	35,702,912	13.84
3.	Wong Wee Voo	16,322,585	6.33
4.	QL Green Resources Sdn Bhd	14,641,300	5.67
5.	Gan Chih Soon	10,047,070	3.89
6.	Tee Seng Chun	8,924,270	3.46
7.	Lai Yee Kein	4,437,615	1.72
8.	Wong Poon Han	3,150,186	1.22
9.	Law Chee Wong	3,000,000	1.16
10.	Loh Foo	2,749,002	1.07
11.	Tan Lik Houe	2,038,000	0.79
12.	Hong Yuet Ngan	2,000,000	0.78
13.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged securities account for Yoong Kah Yin)	1,555,000	0.60
14.	Nahoorammah A/P Sithamparam Pillay	1,500,000	0.58
15.	Liu Fui Moy	1,465,000	0.57
16.	Lee Fah On	1,114,100	0.43
17.	Heng Chin Choo	1,074,800	0.42
18.	RHB Capital Nominees (Tempatan) Sdn Bhd (Lo Lee Lin @Serena)	1,056,600	0.41
19.	Hoe Wei Ying	926,000	0.36
20.	Ong Keng Seng	900,000	0.35

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

No.	Name of Shareholders	Shareholdings	%
21.	AllianceGroup Nominees (Tempatan) Sdn Bhd (Lim See Pek)	896,000	0.35
22.	Chia Get Kiau	701,000	0.27
23.	Tay Puat Keng @ Tee Puat Keng	700,000	0.27
24.	Malacca Equity Nominees (Tempatan) Sdn Bhd (Exempt AN for Phillip Capital Management Sdn Bhd)	649,600	0.25
25.	Chaw Moi @ Chaw Yet Moi	623,600	0.24
26.	Liu Fui Yee	592,800	0.23
27.	They Heng Chong @ Teh Chong Fay	550,900	0.21
28.	Public Nominees (Tempatan) Sdn Bhd (Pledged securities account for Lo Lee Lin @ Serena)	522,200	0.20
29.	Public Nominees (Tempatan) Sdn Bhd (Pledged securities account for Lo Lee Yung)	519,700	0.20
30.	Loh Man Kai	510,000	0.20
		209,252,058	81.10

BOILERMECH

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

NOTICE IS HEREBY GIVEN that the Fourth 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, 25 September 2014 at 10.00 a.m.

AGENDA

As Ordinary Business

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2014 together with the Reports of the Directors and Auditors thereon. **Refer to Explanatory Note 1**

2. To approve the payment of the Directors' fees amounting to RM354,000 for the financial year ending 31 March 2015. **Resolution 1**

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) Dr Chia Song Kun (Article 78) **Resolution 2**

   (b) Mohd Yusof Bin Hussian (Article 78) **Resolution 3**

4. To approve the payment of a final single tier dividend of 3 sen per ordinary share based on the Company's existing issued and paid-up share capital of 258,000,000 ordinary shares of RM0.10 each amounting to RM7,740,000 for the financial year ended 31 March 2014. **Resolution 4**

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

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 6**

   "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 7**

   "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 3 September 2014 ("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 Fourth Annual General Meeting of the Company to be held on 25 September 2014, a final single tier dividend of 3 sen per ordinary share based on the Company's existing issued and paid-up share capital of 258,000,000 ordinary shares of RM0.10 each amounting to RM7,740,000 for the financial year ended 31 March 2014, will be paid on 14 October 2014 to Depositors whose names appear in the Record of Depositors of the Company on 30 September 2014.

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 30 September 2014 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

Dated: 3 September 2014

NOTES:-

1. For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming Fourth Annual General Meeting of the Company, the Company shall be requesting the Record of Depositors as at 18 September 2014. Only a depositor whose name appears on the Record of Depositors as at 18 September 2014 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. **Item 1 of the Agenda**
   To receive the Statutory Financial Statements for the Financial Year Ended 31 March 2014

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

   The Ordinary Resolution 6 is proposed to seek for a general authority from the shareholders pursuant to Section 132D of the Companies Act, 1965. If passed, it will give the Directors of the Company from the date of the Fourth Annual General Meeting ("AGM"), authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. The authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM of the Company.

   The above general mandate for the issuance of shares is a renewal of the mandate granted by the shareholders at the last AGM of the Company held on 21 August 2013. As at the date of notice of the Fourth AGM, no shares have been issued pursuant to the general mandate granted at the last AGM of the Company.

   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.

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

   The Ordinary Resolution 7 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 FOURTH 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, 25 September 2014 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 2014 together with the Reports of the Directors and Auditors thereon.			
	ORDINARY RESOLUTIONS	**RESOLUTION**	**FOR**	**AGAINST**
2	To approve the payment of Directors' fees amounting to RM354,000 for the financial year ending 31 March 2015.	1		
3	To re-elect the following Directors who retire in accordance with the Company's Articles of Association:			
	(a) Dr Chia Song Kun (Article 78)	2		
	(b) Mohd Yusof Bin Hussian (Article 78)	3		
4	To approve the payment of a final single tier dividend of 3 sen per ordinary share based on the Company's existing issued and paid-up share capital of 258,000,000 ordinary shares of RM0.10 each amounting to RM7,740,000 for the financial year ended 31 March 2014.	4		
5	To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorize the Directors to fix their remuneration.	5		
6	Approval for Issuance of New Ordinary Shares pursuant to Section 132D of the Companies Act, 1965.	6		
7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	7		

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.

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

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

....
Signature/Common Seal

Number of shares held:

Date :

Notes:-

1. For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming Fourth Annual General Meeting of the Company, the Company shall be requesting the Record of Depositors as at 18 September 2014. Only a depositor whose name appears on the Record of Depositors as at 18 September 2014 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 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*

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Affix
Stamp

The Share Registrar

BOILERMECH HOLDINGS BERHAD
(897694-T)

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

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