BOILERMECH

Boilermech Holdings Berhad

Registration No. 201001013463 (897694-T)

ADVANCING **SUSTAINABILITY**

ANNUAL REPORT **2022**

OUR VISION AND MISSION

Scan the QR code to view or download a softcopy of this Annual Report 2022.

SCAN ME

To be the regional leader in renewable energy and sustainable environmental solutions provider

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

AT A GLANCE

NON-FINANCIAL HIGHLIGHTS

Our three business segments are leveraging and optimizing on our strength to deliver comprehensive products that cater towards the new ESG "way of life" for our existing and new customers. In this respect, our business enriches the lives of many people in the regions we operate in.

FINANCIAL REVIEW

+33.9%

TOTAL REVENUE

has increased from RM237.3 million for FYE 2021 to

RM317.8 million

for FYE 2022.

-23.7%

PROFIT BEFORE TAX ("PBT")

attained by the Group was

RM25.7 million

for FYE 2022 as compared to RM33.7 million for FYE 2021.

+3.6%

NET TANGIBLE ASSETS

has increased from RM223.6 million for FYE 2021 to

RM231.6 million

for FYE 2022.

FINAL SINGLE TIER DIVIDEND OF

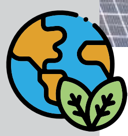
1.75 sen

PER ORDINARY SHARE

The Board of Directors has on 24 May 2022 recommended a final single tier dividend of 1.75 sen per ordinary share amounting to RM9,030,000 in respect of FYE 31 March 2022 subject to approval from shareholders at the forthcoming 12th Annual General Meeting.

INSIDE THIS REPORT

WHO WE ARE



Boilermech specialises in boiler design and manufacturing when it first started in 2005 and was successfully listed on Bursa Malaysia Securities Berhad in 2011. Our Vision, underpinned by our core values of Integrity, Teamwork, Perseverance and Innovativeness is to be the regional leader in renewable energy and sustainable environmental solutions provider. Boilermech plans to grow organically and via acquisitions to develop a diversified portfolio of revenue generating assets, especially in the renewable energy front, fortifying our market presence and positions, both domestically and internationally. We pride ourselves by taking full cognizance of our commitment in operating our Group business sustainably and responsibly.

As a whole, there has been an acceleration of global trends shifting towards sustainability, especially with regards to the environment. With the stronger environmental regulations, government efforts and awareness in Environmental, Social and Governance ("ESG"), management is optimistic on the continued growth prospects of renewable energy and clean water sectors. With our current structure of Bio-Energy, Water Treatment and Solar Energy segments, we are one step closer in achieving our vision to be the regional leader in providing renewable energy and sustainable environmental solutions.

Environment, Social and Governance ("ESG") and climate change will continue to be the long-term focus and priority for Boilermech and its stakeholders.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DR. CHIA SONG KUN
Non-Independent Non-Executive Chairman

LEONG YEW CHEONG
Joint Managing Director

CHIA LIK KHAI
Joint Managing Director

CHIA SEONG FATT
Alternate Director to Joint Managing Director, Chia Lik Khai

GAN CHIH SOON
Executive Director

TEE SENG CHUN
Alternate Director to Executive Director, Gan Chih Soon

HO CHEOK YUEN
Independent Non-Executive Director

ADRIAN CHAIR YONG HUANG
Independent Non-Executive Director

RINA MEILEENE BINTI ADAM
Independent Non-Executive Director

NG SWEE WENG
Independent Non-Executive Director

AUDIT COMMITTEE

Ng Swee Weng
Chairman, Independent Non-Executive Director

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

Rina Meileene Binti Adam
Member, Independent Non-Executive Director

Ho Cheok Yuen
Member, Independent Non-Executive Director

Adrian Chair Yong Huang
Member, Independent Non-Executive Director

NOMINATION COMMITTEE

Adrian Chair Yong Huang
Chairman, Independent Non-Executive Director

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

Ng Swee Weng
Member, Independent Non-Executive Director

Ho Cheok Yuen
Member, Independent Non-Executive Director

Rina Meileene Binti Adam
Member, Independent Non-Executive Director

REMUNERATION COMMITTEE

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

Ng Swee Weng
Member, Independent Non-Executive Director

Adrian Chair Yong Huang
Member, Independent Non-Executive Director

Ho Cheok Yuen
Member, Independent Non-Executive Director

COMPANY SECRETARIES

Tan Bee Hwee
(MAICSA 7021024)
(SSM PC No. 202008001497)

Wong Wai Foong
(MAICSA 7001358)
(SSM PC No. 202008001472)

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone : 03-2783 9191
Facsimile : 03-2783 9111

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

Hong Leong Islamic Bank
Registration No. 200501009144 (686191-W)

Hong Leong Bank Berhad
Registration No. 193401000023 (97141-X)

HSBC Bank Malaysia Berhad
Registration No. 198401015221 (127776-V)

Malayan Banking Berhad
Registration No. 196001000142 (3813-K)

OCBC Bank (Malaysia) Berhad
Registration No. 199401009721 (295400-W)

OCBC Al-Amin Bank Berhad
Registration No. 200801017151 (818444-T)

Public Bank Berhad
Registration No. 196501000672 (6463-H)

United Overseas Bank (Malaysia) Bhd
Registration No. 199301017069 (271809-K)

PT Bank Mandiri (Persero) Tbk

AUDITORS

KPMG PLT
(LLP0010081-LCA & AF 0758)
10th Floor, KPMG Tower
No. 8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Telephone : 03-7721 3388
Facsimile : 03-7721 3399

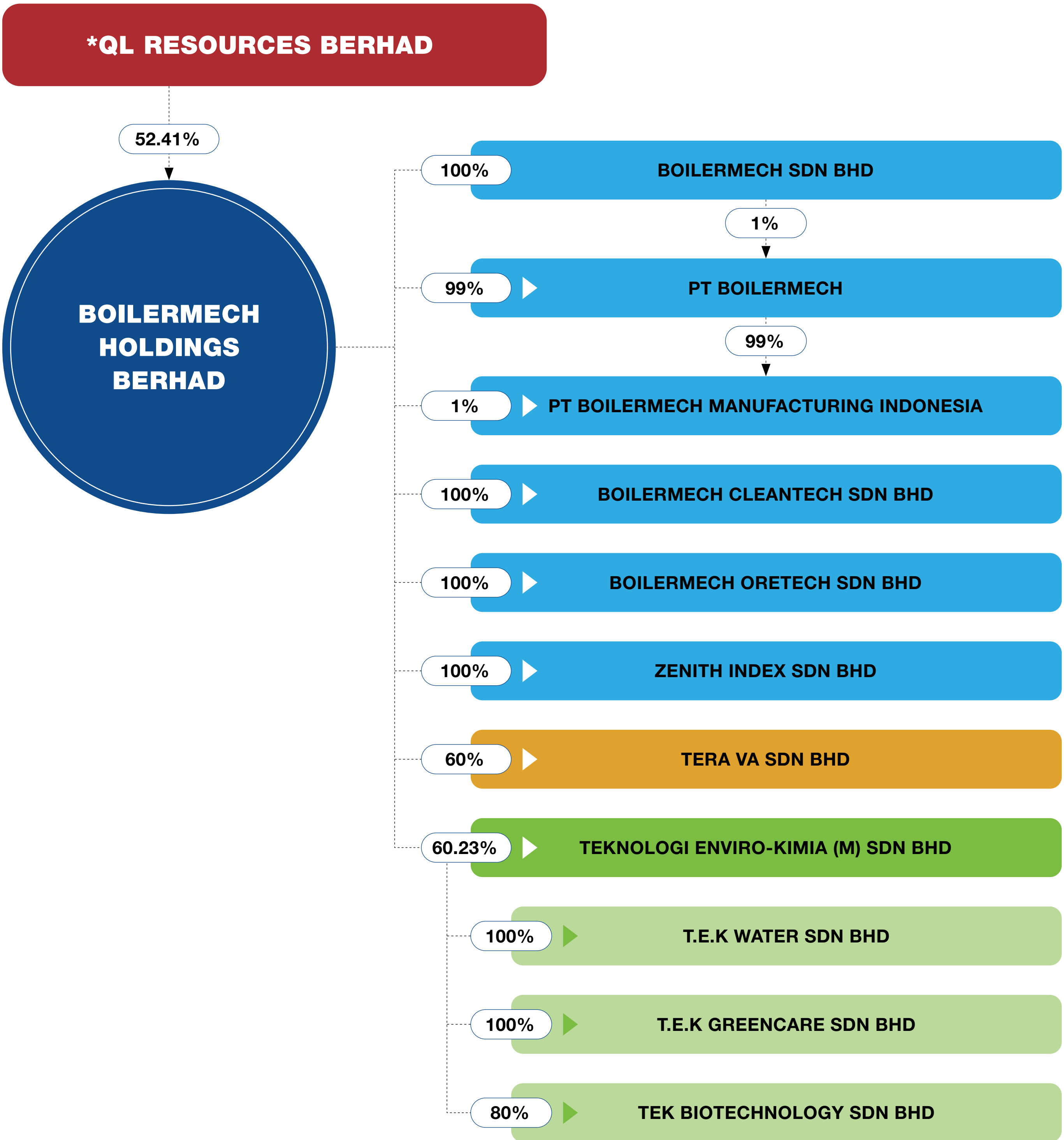
SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone : 03-2783 9299
Facsimile : 03-2783 9222

STOCK EXCHANGE LISTING

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

CORPORATE STRUCTURE



Note:
* *Deemed interest by virtue of being the holding company of QL Green Resources Sdn Bhd*

DIRECTORS' PROFILE

Gender
Male

Age
72

Nationality
Malaysian

DR. CHIA SONG KUN

Non-Independent Non-Executive Chairman

Dr. Chia Song Kun is the Non-Independent Non-Executive Chairman of the Company. He was appointed to the Board of Boilermech Holdings Berhad ("Boilermech" or "Company") 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 Executive Chairman of the Board of Directors 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 has beneficial interest in CBG (L) Foundation, the holding company of CBG (L) Pte Ltd, which is a major shareholder of QL, in turn is the ultimate holding company of Boilermech, held through its wholly-owned subsidiary, QL Green Resources Sdn Bhd. ("QLGR").

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

Dr. Chia Song Kun attended all the seven (7) Board of Directors' meetings held during the financial year ended 31 March 2022 ("financial year").

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 five (5) years and there were no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year under review.

DIRECTORS' PROFILE

Gender
Male

Age
67

Nationality
Malaysian

MR LEONG YEW CHEONG

Joint Managing Director

Mr Leong Yew Cheong is the Joint Managing Director of the Group who collectively undertake the role and function of Managing Director with Mr Chia Lik Khai.

He was appointed to the Board on 26 October 2010 and acted as the Managing Director of the Group before redesignated as Joint Managing Director on 1 March 2021.

On 24 May 2022, he announced his retirement as Joint Managing Director and Director of Boilermech Board with effect from 31 August 2022. As part of the leadership transition, he will remain as Executive Director of Boilermech Sdn Bhd to continue providing support and guidance to the management team on the business operations and client relationships.

He holds a Bachelor of Science in Mechanical Engineering from the University of Huddersfield, United Kingdom. He brings with him approximately forty (40) 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 suppliers 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 and 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 when he was holding a position as Executive Director.

He is presently responsible for overseeing the overall operations of Boilermech Group with emphasis on strategic business planning and development, client relationship and management as well as jointly lead the executive and management team and day to day business operations.

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

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

Mr Leong Yew Cheong attended all the seven (7) Board of Directors' meetings held during the financial year.

Mr Leong Yew Cheong has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year under review.

DIRECTORS' PROFILE

Gender
Male

Age
43

Nationality
Malaysian

MR CHIA LIK KHAI

Joint Managing Director

Mr Chia Lik Khai is the Joint Managing Director of the Group who collectively undertake the role and function of Managing Director with Mr Leong Yew Cheong.

He was appointed to the Board on 26 October 2010 as an Executive Director and redesignated as Deputy Managing Director on 25 February 2015 before his current position held as Joint Managing Director since 1 March 2021.

In line with the succession planning, Mr Chia Lik Khai will be redesignated as Managing Director with effective from 1 September 2022 upon Mr Leong Yew Cheong's retirement from the Board.

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.

He also possesses extensive management experience in high-tech telecommunications and internet commerce. He spent eight (8) years in the semiconductor industry with Agilent and Avago Technologies in Silicon Valley, where he assumed multiple roles as R&D staff, new product manager and marketing manager. He subsequently joined QL Resources Berhad as Group Corporate Development Director and was appointed as the Executive Director of a few subsidiaries of QL in 2009.

Mr Chia Lik Khai is instrumental in implementing and executing business strategies and plans of Boilermech Group. He is committed to drive the Group business towards a fully integrated sustainable environmental solution provider across all its business segments i.e. Bio-Energy, Water Treatment and Solar Energy.

He is also an Executive Director in QL Resources Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and QL Green Resources Sdn Bhd, being the ultimate and immediate holding company of Boilermech respectively.

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 the seven (7) Board of Directors' meetings held during the financial year.

Mr Chia Lik Khai has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year under review.

DIRECTORS' PROFILE

Gender
Male

Age
66

Nationality
Malaysian

MR CHIA SEONG FATT

Alternate Director to Joint Managing Director, Mr Chia Lik Khai

Mr Chia Seong Fatt is the Alternate Director to the Joint Managing Director, Mr 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 Malaya. In 1984, he graduated from University Malaya with Master 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 and 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 Resources Berhad. In January 1996, he was appointed as an Executive Director of QL Feedingstuffs Sdn. Bhd. in charge of layer farm and Crude Palm Oil ("CPO") milling operations and subsequently resigned as Director in view of the restructuring of the QL Group.

Mr Chia Seong Fatt is an Executive Director in QL Resources Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and a Director of QL Green Resources Sdn Bhd, being the ultimate and immediate holding company of Boilermech respectively.

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 all the seven (7) Board of Directors' meetings held during the financial year.

Mr Chia Seong Fatt has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year under review.

DIRECTORS' PROFILE

Gender
Male

Age
48

Nationality
Malaysian

MR GAN CHIH SOON

Executive Director

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

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

He joined Boilermech Group in 2005 as Operation Manager and has since been promoted to General Manager and subsequently as Executive Director. He is presently responsible for overseeing the operations, sales and marketing functions of Boilermech Group.

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

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

Mr Gan Chih Soon attended all the seven (7) Board of Directors' meetings held during the financial year.

Mr Gan Chih Soon has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year under review.

DIRECTORS' PROFILE

Gender
Male

Age
58

Nationality
Malaysian

MR TEE SENG CHUN

Alternate Director to Executive Director, Mr Gan Chih Soon

Mr Tee Seng Chun is the Alternate Director to Executive Director, Mr Gan Chih Soon. He was appointed to the Board on 25 February 2015. He obtained his Bachelor of Science in Agricultural Engineering from University Pertanian Malaysia, Malaysia in 1988.

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

In 1994, he joined Vickers Hoskins (M) Sdn Bhd as a project engineer and was involved in the installation, modification and upgrading work of no less than 200 boilers. He was promoted to Project Manager in 1998 and subsequently to Operations Manager in 2000. During his tenure in Vickers Hoskins, he underwent training at Babcock Limited Co. in United Kingdom in designing boiler thermal performance as well as circulation performance.

His experience includes the design and implementation of heat recovery steam generating systems, mini Co-Generation Plant for the wood and palm oil industries. He was also involved in providing advice on the first unit of full water cooled moving grate boiler in a glove factory in Ipoh, which eventually proven to be a solution for the general industry to utilize biomass fuel instead of fossil fuel.

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

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

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

Mr Tee Seng Chun attended all the seven (7) Board of Directors' meetings held during the financial year.

Mr Tee Seng Chun has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year under review.

DIRECTORS' PROFILE

Gender
Male

Age
73

Nationality
Singaporean

MR HO CHEOK YUEN

Independent Non-Executive Director

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

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

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

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

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

Mr Ho Cheok Yuen attended all the seven (7) Board of Directors' meetings held during the financial year.

Mr Ho Cheok Yuen has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year under review.

DIRECTORS' PROFILE

Gender
Male

Age
48

Nationality
Malaysian

MR ADRIAN CHAIR YONG HUANG

Independent Non-Executive Director

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

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

He began his legal career in 1997 and was made a partner at Messrs Kadir Andri & Partners in 2004. In 2015, he co-founded Putri Norlisa Chair (PNC LAW) and served as Managing Partner. PNC LAW garnered various awards including Malaysia's Rising Law Firm of the Year 2017 and Malaysia's Boutique Law Firm of the Year 2018 accorded by the renown legal publication Asian Legal Business. In October 2018, PNC LAW merged with Adnan Sundra & Low (ASL), one of the largest and most well regarded law firms in Malaysia with a long and illustrious history and is currently a partner at ASL.

He has led many headlining transactions and industry firsts, advising on energy and utility work, infrastructure, oil and gas, petrochemicals, telecommunications, rail, aviation, media, theme parks, satellite, logistics, healthcare, education, technology, mining and FMCG work, and led complex cross border transactions involving multiple jurisdictions.

He has experience working with investment banks, international law firms, private equity houses, banks, government investment houses, and has established close ties with many of his clientele, the bulk of which are international or large corporates with an international dimension, some of whom he served regularly for more than 10 years.

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

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

Mr Adrian Chair Yong Huang attended all the seven (7) Board of Directors' meetings held during the financial year.

Mr Adrian Chair Yong Huang has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year under review.

DIRECTORS' PROFILE

Gender
Female

Age
45

Nationality
Malaysian

MS RINA MEILEENE BINTI ADAM

Independent Non-Executive Director

Ms Rina Meileene Binti Adam is an Independent Non-Executive Director. She was appointed to the Board on 13 September 2019. She is a member of Nomination Committee and Audit Committee.

She graduated with a Bachelor of Engineering (Honours) in Electronic and Electrical Engineering from University of Manchester in 2000. In 2003, she obtained her Master of Business and Administration (Strategic Management) from International Business School, Universiti Teknologi Malaysia.

From 2001 till 2012, she worked in the government's investment arm, Khazanah Nasional Berhad. During her tenure there, she focused on projects from a wide range of industries including rail, aviation, creative industries and media as well as technology, at various stages of development.

Subsequently, she worked on the KL-Singapore High Speed Rail project at the Malaysian Land Public Transport Commission between 2013 and 2015, prior to the incorporation of the project's special purpose company, MyHSR Corporation Sdn Bhd. She is a Commercial Director at MyHSR Corporation Sdn Bhd where she is presently responsible for overseeing the commercial development of the project with her management-related skills and project management experience in High Speed Rail.

Ms Rina Meileene Binti Adam does not hold any directorship in any other public companies and listed companies.

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

Ms Rina Meileene Binti Adam attended all the seven (7) Board of Directors' meetings held during the financial year.

Ms Rina Meileene Binti Adam has no conflict of interest with the Company. She has no conviction for any offences (except for traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed on her by the relevant regulatory bodies during the financial year under review.

DIRECTORS' PROFILE

Gender
Male

Age
65

Nationality
Malaysian

MR NG SWEE WENG

Independent Non-Executive Director

Mr Ng Swee Weng is an Independent Non-Executive Director. He was appointed to the Board on 22 January 2020. He is also the Chairman of Audit Committee and member of Nomination Committee and Remuneration Committee.

He was articled with KPMG in 1977 and qualified as a member of the Malaysian Institute of Certified Public Accountants (MICPA) in 1981. He is also member of the Malaysian Institute of Accountants (MIA) and CPA Australia.

Mr Ng Swee Weng is currently a Senior Advisor at BDO Tax Services Sdn Bhd ("BDO"). Prior to joining BDO, he was an Audit Partner at KPMG Malaysia for 23 years before he retired in 2012 as the Partner in charge of the Penang office. He was also formerly a member of KPMG's Audit and Accounting Committee, which provided directives and consultative support on technical issues.

He has experience in providing Goods & Services Tax ("GST") advice to companies ranging from small-to-medium enterprises ("SMEs") to large publicly listed entities, particularly those entities operating in the property development and construction industries. By combining years of risk management experience with his GST knowledge, he is able to provide tailored advice to clients regarding a broad range of technical GST issues.

He also has extensive experience in coordinating and managing complex assurance assignments in the palm oil and plantation, manufacturing, trading, construction and property development industries. He is an experienced reporting accountant who has worked on numerous due diligence exercises and has been the reporting accountant for many Initial Public Offerings and Bond/ Rights Issues. He was a former Project Director of the Malaysian Accounting Standards Board.

Mr Ng Swee Weng is also a Director and Audit Committee Chairman of SKB Shutters Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

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

Mr Ng Swee Weng attended all the seven (7) Board of Directors' meetings held during the financial year.

Mr Ng Swee Weng has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year under review.

KEY SENIOR MANAGEMENT

MR LEONG YEW CHEONG

Joint Managing Director of Boilermech Holdings Berhad

MR CHIA LIK KHAI

Joint Managing Director of Boilermech Holdings Berhad

MR GAN CHIH SOON

Executive Director of Boilermech Holdings Berhad

MR TEE SENG CHUN

Executive Director of Boilermech Sdn Bhd, a wholly-owned principal subsidiary of the Company

Please refer to Pages 6 to 10 for the profiles of the above Senior Management personnel.

Gender	Age	Nationality
Male	55	Malaysian

MR YONG HUA KONG

Managing Director of Teknologi Enviro-Kimia (M) Sdn Bhd, a 60.23% owned principal subsidiary of the Company

Mr Yong Hua Kong obtained his Bachelor of Science in Chemistry from University of Malaya, Malaysia in 1991. He began his career as a product specialist in water testing equipment and later joined an American water treatment company as a water treatment engineer. He is also a registered wastewater specialist with the Department of Environment.

He started his business venture in 1995 as a cofounder and Managing Director of Teknologi Enviro-Kimia (M) Sdn Bhd ("TEK") group of companies. TEK is a total water management company offering a full range of water treatment solutions to the Malaysian and South East Asia markets. Mr Yong Hua Kong has been instrumental in driving the business operation of TEK Group. Over the years, TEK Group has accomplished many achievements while continuing to undertake the research and development activities in the water treatment industry.

He spearheaded his team in developing several patented treatment plants for various industrial applications, these include TEK MEMPLUS®, a unique membrane based treatment process for palm oil effluent treatment and TEK WaterPak®, specially designed packaged water treatment plant for rural community's clean water supply.

Mr Yong Hua Kong does not hold any directorship in any public companies and listed companies. He has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year under review.

CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

"ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO PRESENT THE ANNUAL REPORT OF BOILERMECH HOLDINGS BERHAD FOR THE FINANCIAL YEAR ENDED ("FYE") 31 MARCH 2022."

During this financial year, we made significant progress in our continuing journey as a leading integrated Environmental, Social and Governance ("ESG") solution company. Our three business segments are leveraging and optimizing on our strength to deliver comprehensive products that cater towards the new ESG "way of life" for our existing and new customers. In this respect, our business enriches the lives of many people in the regions we operate in. This in turn inspires and fuels us to reinvent the wheel and structure our core businesses on delivering a sustainable and progressive future.

Our overall business operation during this financial year has been challenging due to the ongoing Covid-19 pandemic and Russia-Ukraine conflict. Supply chain and logistics were disrupted, raw material prices volatile whilst labour shortages remain unresolved due to travel restriction and regulatory policies. We responded to these challenges with prudent business practices, effective cost management and forward-looking plans, continually challenging ourselves to think out of the box. Despite such measures, our margins consistent with global trends have been impacted.

On our business segments, the palm oil sector benefited positively from the price increase in the crude palm oil. This provides for an encouraging revenue growth in our Bio-Energy segment. Our Water Treatment segment remains strong with good traction from higher number of projects. Our Solar Energy segment has integrated well into Boilermech Group and has allowed us to unlock synergistic value and leverage on a cross-segment selling strategy across our customer base.

Internally, we continue to stay focus on improvement initiatives and strategies to reinforce our resilience, increase our productivity and strengthen our business fundamentals. We are confident these measures will enable the Group to reap long-term benefits and will be well positioned to ride and capitalize on business recovery and future growth.

Internally, we continue to stay focus on improvement initiatives and strategies to reinforce our resilience, increase our productivity and strengthen our business fundamentals.

The Group performed well in the revenue, achieving a record **RM317.8 million** that resulted in a **33.9%** year-on-year ("YOY") growth.

CHAIRMAN'S STATEMENT

BUSINESS REVIEW & OUTLOOK

Overall, the Group performed well in the revenue, achieving a record RM317.8 million that resulted in a 33.9% year-on-year ("YOY") growth. All three segments of our businesses shown strong resilience and delivered revenue growth, with the Bio-Energy and Water Treatment segment providing significant YOY growth of 40.0% and 27.6% respectively. The main contributor of the revenue comes from the Bio-Energy segment, with higher boiler deliveries; which provided 77.4% of the total revenue.

Despite the increase in revenue, the Group achieved a lower profit before tax ("PBT") of RM25.7 million, a reduction of 23.7% YOY in PBT. Two segments of our businesses, the Bio-Energy and Solar Energy segment have YOY decrease in PBT of 25.4% and 59.0% respectively. This was due to escalating costs and product mix resulting in margin compression for Bio-Energy segment while increase in raw material price and three months' suspended business activities due to Covid-19 restriction affected our solar business. However, our Water Treatment segment business remains strong with a significant 56.3% YOY growth in PBT, arising from higher project deliveries and customers' demand due to heightened ESG awareness and compliance requirement.

The adoption of the new ESG "way of life" will remain our key long-term focus.

BOARD MEMBER RETIREMENT AND REDESIGNATION AS MANAGING DIRECTOR

Mr Leong Yew Cheong ("Mr Leong") had on 24 May 2022, announced his retirement from the Board with effect from 31 August 2022 in line with Boilermech Group's leadership transition and succession planning. Mr Leong will remain as an integral part of the organization and continue to provide strategic oversight with his in-depth industry expertise and experience. On behalf of the Board, we extend our deepest gratitude and appreciation to Mr Leong for his invaluable contributions to Boilermech Group over the years.

On that note, the Board congratulates Mr Chia Lik Khai ("Mr Chia") who will be elevated as Managing Director of Boilermech Group with effect from 1 September 2022. Mr Chia has all the necessary attributes and skillset to bring the Group to greater heights.

APPRECIATION

As the Group moves forward into the new financial year, I would like to take this opportunity to thank all our shareholders, customers, suppliers, bankers, business associates and the government agencies for their continuous support and unwavering trust in Boilermech Group.

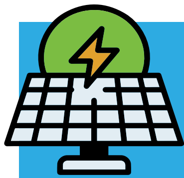
Our employees have always been our most valuable and important asset. They are our pillar of strength and their perseverance, relentless dedication and commitment enable Boilermech Group to grow each year, stronger and with resilience. On behalf of our Board Members and senior management, I would like to extend my sincere gratitude and appreciation to our employees for their commitment, sacrifice and contribution for the past year.

I would also like to express my gratitude to my fellow Board members for their undivided support and leadership in rendering advice and guidance in the best interest of the Group. We will continue to look to you to steer us forward.

Last but not least, I am pleased to announce that the Board is recommending a proposed final single tier dividend of 1.75 sen per ordinary share for FYE 2022 for shareholders' approval at the Boilermech Holdings Berhad's forthcoming 12th Annual General Meeting.

Thank you.

DR CHIA SONG KUN
Chairman



"THE ADOPTION OF THE NEW ESG "WAY OF LIFE" WILL REMAIN OUR KEY LONG-TERM FOCUS."

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS AND OPERATIONS

Boilermech Holdings Berhad ("Boilermech") has mainly focused on Bio-Energy boilers as its main activities. In 2011, the Group was listed on Bursa Malaysia based on the Bio-Energy boilers.

To complement with our renewable energy initiatives, the Water Treatment segment was acquired in 2016 while the acquisition of the Solar Energy segment occurred in 2020 whereby the Group now centres on providing sustainable environmental solutions for clients.

With this structure, the Group expanded to become a renewable energy and total water solution provider; in line with our strength to provide technical solutions that would both assist the clients and help the environment.

On the geographical front, Boilermech is currently the leading biomass boiler manufacturer in South East Asia while having clients as far as Africa, Cambodia, Colombia, Papua New Guinea, the Philippines, Sri Lanka and Thailand. The Group currently has manufacturing activities both in Malaysia and Indonesia serving clients in the region.

Our Vision, underpinned by our core values of Integrity, Teamwork, Perseverance and Innovativeness, is to be the regional leader in the renewable energy and the sustainable environmental solutions provider.

OUR PRINCIPAL ACTIVITIES

Our main principal activities focus on providing total Bio-Energy, Water Treatment and Solar Energy solutions propelling the Group to enable clients to progress on sustainability measures.

Bio-Energy, Water Treatment and Solar Energy segments are set to grow around the region with the heightened awareness of the Environment, Social and Governance ("ESG") and regulatory compliance. The Group leverages on our pool of engineering and specialised expertise to bring client's sustainability plans to success.

Business Segment	Principal Activities	
	Engineering, Procurement & Construction ("EPC")	**Trading & Repair Services**
BIO-ENERGY ("BE")	• Palm Oil Mill Boilers • Industrial Biomass Boilers • Industrial Oil & Gas Boilers • Heat Recovery Steam Generators • Independent Power Plant ("IPP")	• Major repairs services • Parts & accessories
WATER TREATMENT ("WT")	• Industrial Effluent Treatment system • Palm Oil Mill Effluent Treatment & Biogas Capture system • Membrane system for process water and tertiary treatment	• Water treatment chemical supplies • Repairs & maintenance • Parts & accessories
SOLAR ENERGY ("SE")	• Solar Photovoltaic ("PV") system for Commercial & Industrial • Solar PV system for Residential • Solar PV system for IPP	• Repairs & maintenance • Parts & accessories

MANAGEMENT DISCUSSION AND ANALYSIS

Core Businesses

BIO-ENERGY ("BE")

The Group's Bio-Energy segment is the core activity of the Group and is principally involved in engineering, procurement and construction of Bio-Energy systems primarily in palm oil mills, power plants and other industries.

This segment also includes the trading and repairs and maintenance of the said bio-energy systems.

The Bio-Energy system is a renewable system as it runs on agricultural waste; such as palm waste, rice husks and wood chips. This provides a holistic solution to clients to cater to their energy needs as well as efficient management of their production waste. The Group's Bio-Energy products offer sustainable solutions enabling clients to achieve efficient energy cost and to manage environment quality such as emission control and carbon reduction.

The Group's Bio-Energy segment operates mainly in Malaysia and Indonesia with its corporate office based in Taman Perindustrian Subang, Selangor which houses the sales and marketing, research and design and manufacturing functions.

The Bio-Energy segment's Indonesian subsidiaries operate a manufacturing plant in Surabaya and a sales office in Jakarta. The Indonesia presence positions the business close to its customers in Indonesia enabling efficient services and support to local client's requirements. The Indonesia manufacturing plant also enables additional capacity to meet the growing Indonesian market demand.

WATER TREATMENT ("WT")

The Group's Water Treatment segment provides engineering, procurement and construction of industrial waste water treatment solutions which serves palm oil and other general industries such as food, wood, paper and pulp.

The Water Treatment segment is spearheaded by Teknologi Enviro-Kimia (M) Sdn Bhd ("TEK"), our subsidiary which is one of the leading providers of industrial wastewater and palm oil mill effluent ("POME") treatment solutions. Water Treatment segment also offers Biogas capture and Membrane system for process water and tertiary treatment; maintenance and servicing of the system and also the supply of chemicals and parts for water treatment. Teknologi Enviro-Kimia (M) Sdn Bhd operates from 6 locations in Malaysia i.e. Kuching, Bintulu, Miri, Sandakan, Johor and Klang Valley.

SOLAR ENERGY ("SE")

The Group's Solar Energy segment primarily focus on the engineering, procurement and construction of Solar Photovoltaic systems to commercial, industrial and residential clients. The system allows the clients to enjoy energy cost savings while at the same time lowering carbon footprint bringing benefits to both financial and environmental fronts.

Tera VA Sdn Bhd ("Tera") leads the Solar Energy segment to participate in this fast-growing renewable energy sector. Tera focus on Commercial and Industrial ("C&I") sector and while making inroads on the residential market.

MANAGEMENT DISCUSSION AND ANALYSIS

ANALYSIS OF FINANCIAL RESULTS

The Group managed a record RM317.8 million revenue for the financial year; a 33.9% increase from last year. Nevertheless, the Profit before tax is at RM25.7 million, 23.7% lower than that of last year mainly due to lower direct contribution from Bio-Energy segment.

In spite of the challenging backdrop of Covid-19 restrictions and logistic issues, the Group's record revenue arose mainly from Bio-Energy segment as there was an increase of 40.0% in revenue due to new projects in large scale oil and gas fired boilers.

Gross margin reduced from 24.1% to 17.5% mainly due to rising commodity prices and the product mix for the main Bio-Energy segment this year which garner lower direct contribution. An increase in provision for doubtful debt and other expenses has also impacted the Profit before tax ("PBT") which reduced from RM33.7 million to RM25.7 million.

The net tangible assets have been positive and had increased from RM223.6 million to RM231.6 million; while borrowings have had a slight reduction of RM0.6 million.

	FYE 31 March 2022 RM Million	FYE 31 March 2021 RM Million	Variance RM Million	Variance (%)
Revenue	**317.8**	237.3	80.5	33.9
Profit before taxation	**25.7**	33.7	(8.0)	(23.7)

The Group's past 5 years performance and financial position are shown in page 23 of the annual report.

Segmental Reporting

	FYE 31 March 2022		FYE 31 March 2021	
Revenue	**RM Million**	**Contribution (%)**	**RM Million**	**Contribution (%)**
Bio-Energy segment	**246.1**	**77.4**	175.8	74.1
Water Treatment segment	**37.4**	**11.8**	29.3	12.3
Solar Energy segment	**34.3**	**10.8**	32.2	13.6
Total	**317.8**	**100.0**	237.3	100.0
Profit Before Tax	**RM Million**	**Contribution (%)**	**RM Million**	**Contribution (%)**
Bio-Energy segment	**18.2**	**70.8**	24.4	72.4
Water Treatment segment	**5.0**	**19.5**	3.2	9.5
Solar Energy segment	**2.5**	**9.7**	6.1	18.1
Total	**25.7**	**100.0**	33.7	100.0
Profit Margin	**(%)**		**(%)**	
Bio-Energy segment	**7.4**		13.9	
Water Treatment segment	**13.4**		10.9	
Solar Energy segment	**7.3**		18.9	
Overall	**8.1**		14.2	

MANAGEMENT DISCUSSION AND ANALYSIS

BIO-ENERGY ("BE")

Revenue during the year was RM246.1 million, an increase of 40.0% from last year where the Group reinforces its presence as a leading biomass energy solution provider and widens its manufacturing footprint in the region mainly in Malaysia and Indonesia. The increase reflected new industrial projects as well as additional contribution from the Indonesian operations. However, gross margin was adversely affected by rising raw material commodity prices and also industrial projects which contributed lower margins.

The segment contributed 77.4% of the Group's revenue for the year and 70.8% to the Group's profit before tax.

WATER TREATMENT ("WT")

The Water Treatment segment's revenue during the year achieved RM37.4 million, a 27.6% increase from last year achieving the second highest revenue since acquisition. The increase mainly came from the project business unit as more projects were carried out during the year while the trading business unit had remained largely consistent. There has been a good margin as the business unit kept costs low through strong operational efficiency and project execution.

The segment contributed 11.8% of the Group's revenue for the year and 19.5% to the Group's profit before tax.

SOLAR ENERGY ("SE")

Revenue during the year for the Solar Energy segment reached RM34.3 million, a 6.5% increase from last year; being the first full year of Solar Energy operations after the acquisition. The Covid-19 pandemic movement restrictions affected the solar photovoltaic installations and project implementation as installations had to be halted for approximately three months during the year. Solar Energy segment this year has also managed to secure some key engineering, procurement and construction contracts with established industrial corporate customers thus strengthening its client base and references.

The segment contributed 10.8% of the Group's revenue for the year and 9.7% to the Group's profit before tax.

Geographical Presence

The Group's business primarily derives from Malaysia and Indonesia although the Group has customer base mainly from oil palm producing countries of different continents of the world such as Africa, Cambodia, Colombia, Papua New Guinea, the Philippines, Sri Lanka and Thailand.

Revenue	FYE 31 March 2022		FYE 31 March 2021	
	RM Million	Contribution (%)	RM Million	Contribution (%)
Malaysia	**209.8**	**66.0**	157.6	66.4
Indonesia	**102.1**	**32.1**	65.7	27.7
Other countries	**5.9**	**1.9**	14.0	5.9
Total	**317.8**	**100.0**	237.3	100.0

Malaysia spearheaded the contribution of the record revenue with industrial projects while Indonesia follow suit with Indonesia localised operations.

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT RISK TO THE GROUP

The Group manages its enterprise and operational risks under the guidance of the Group's Enterprise Risk Management ("ERM") Framework. The ERM framework identifies, manages, monitors and mitigates the risks in the businesses and further ensures that the risk appetite and tolerance is appropriate for the Group's business model and strategies. The Group recognises that management and constant monitoring of those identified risks are essential to the successful business operations and execution of the Group's strategies.

Through its ERM framework, the Group continues to identify the following risks which it deems as important key business risks:

Heavy Reliance on Palm Oil Industry

The Group's primary activity of biomass boiler is largely dependent on one of the largest agricultural sectors of Malaysia. The Palm oil industry remains to be the main sector of industry for our revenue. Should the Palm oil sector as an industry contracts, it would have an adverse impact to the performance of the Group. For the current year, the Palm oil industry remains strong with anticipated high demand for biomass boilers. From the Group's perspective, the earnings from this sector remains to be the key contributor for the year.

Risk in Supply Chain and Labour Shortage Affecting Projectt Deliveries

In spite of the supply chain and logistics disruptions and shortage of manpower, the Group manages its resources to achieve significant revenue growth. Re-opening after Covid-19 restrictions continues to affect our project deliveries, as well as our client's operations and planning. The continuing supply chain and logistics disruptions which affect both shipments from our suppliers and our delivery to sites, may result in delays in project deliveries and completion.

Fluctuation in Raw Material Prices Affecting Margin

There has been a sharp increase and high volatility in commodity prices of raw materials for boilers. While the management has implemented measures in managing its new contract margins diligently, there are still certain raw material cost elements beyond our control. This could result in an increase in purchase costs from suppliers which would in turn affect the margins.

DIVIDEND

The Board of Directors is pleased to recommend a single tier dividend of 1.75 sen per ordinary share amounting to RM9,030,000 for the financial year ended 31 March 2022, subject to the approval of shareholders at the forthcoming Annual General Meeting.

The Company's dividend trend is as per below:-

	2017	2018	2019	2020	2021	2022
Net Dividend per share (sen)	1.50	1.75	2.00	1.75	1.75	**1.75**
Net Dividend (RM Million)	7.74	9.03	10.32	9.03	9.03	**9.03**

The Group's annual dividend payment may vary and is subject to, amongst others, the Group's level of cash, indebtedness, retained earnings, business operations, financial performance, prospects, capital commitments and other matters that the Board may deem relevant from time to time.

PROSPECTS

High palm oil price will continue to spur growth of boiler and water treatment solution investments and is expected to increase new orders for the Group. With the increased delivery of projects post Covid-19 restrictions, revenue is also expected to strengthen. However, the headwind due to raw material cost increase, supply chain disruptions and labour shortage is expected to affect our margins.

Environment, Social and Governance ("ESG") and climate change will continue to be the long-term focus and priority for Boilermech and its stakeholders e.g. investors, corporate entities, regulators. As a key proponent of clean technology, it is our mission to create and share value with our stakeholders through offering of innovative, sustainable and high quality renewable energy solutions. We strive to enable and empower clients in their transition to net zero emissions and a more sustainable environment.

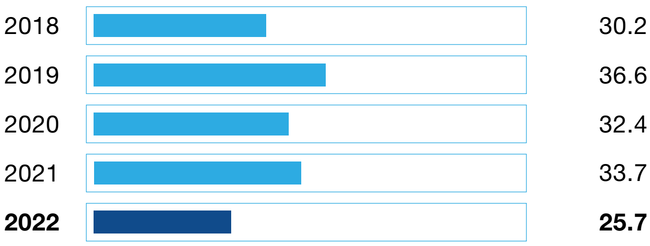
The adoption of ESG and demand for clean energy and environmental solutions will have exponential growth over the years. Therefore, Boilermech is well poised to lead and be ahead of the curve as an integrated clean energy and environmental solutions provider.

FINANCIAL HIGHLIGHTS

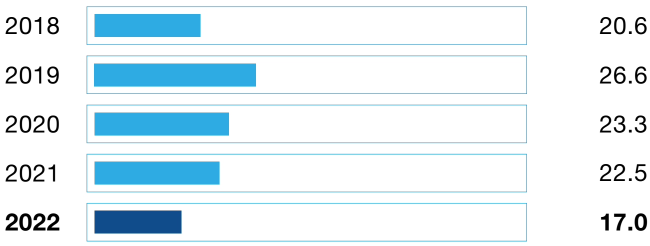
	2018 RM Mil	2019 RM Mil	2020 RM Mil	2021 RM Mil	2022 RM Mil
Revenue	225.9	234.8	230.1	237.3	**317.8**
Profit before Taxation	30.2	36.6	32.4	33.7	**25.7**
Profit after Taxation after Minority Interest	20.6	26.6	23.3	22.5	**17.0**
Total Assets	308.4	319.8	311.3	361.3	**352.1**
Net Tangible Assets	186.4	200.3	208.5	223.6	**231.6**

Revenue
(RM Mil)

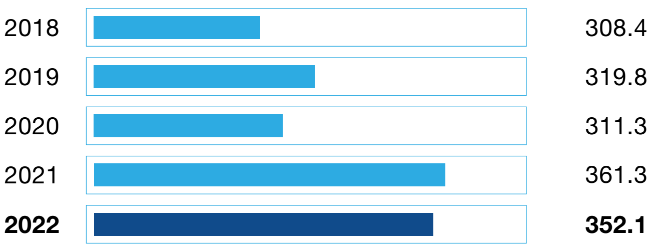
Profit Before Taxation
(RM Mil)



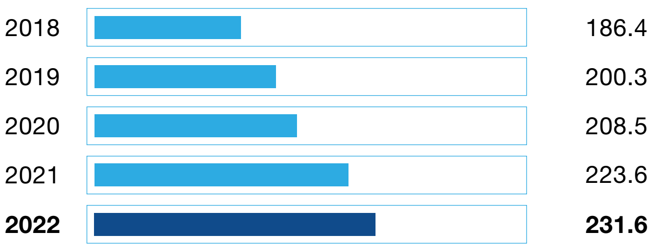
Profit after Taxation after Minority Interest
(RM Mil)



Total Assets
(RM Mil)



Net Tangible Assets
(RM Mil)



SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

This Sustainability Statement intends to communicate the Group's sustainability efforts and initiatives during the year as the Group reinforces its belief that business continuity is dependent on our sustainability goals. Sustainability is fundamental to the Group's business operations as we embed sustainability into our products and services by recognising the importance of economic, environmental, social and governance ("EESG") issues for stakeholders.

INTRODUCTION

Aligning with our Mission "to create and share value with our stakeholders through the offering of innovative, sustainable, and high-quality renewable energy solutions" and our Vision "to be the regional leader in renewable energy and sustainable environmental solutions provider", Boilermech takes full cognizance of our responsibility to operate business in a sustainable and responsible manner, whilst pursuing growth and expansion plans.

The Board takes into account sustainability considerations when exercising its duties including the development and implementation of company strategies and business plans. We endeavour to have sustainability embedded in our corporate culture and work practices.

The Board together with the management team, manages material economic, environmental, social and governance risks and opportunities (collectively known as "Material Sustainability Matters" or "MSM") arising from the Group's operations.

REPORTING FRAMEWORK

This Statement is prepared in accordance with Paragraph 29, Part A of Appendix 9C and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), and has also considered the Sustainability Reporting Guide and its accompanying Toolkits issued by Bursa.

The Group has also incorporated considerations of the Sustainable Development Goals ("SDG") which was adopted by all United Nations Member States (Malaysia included) in 2005, a global partnership which aims to provide peace and prosperity for people and the planet, now and into the future, and detailed as to how the Group can play a part in contributing to these global development goals in this Sustainability Statement.

SUSTAINABILITY STATEMENT

SCOPE

This Statement covers sustainability matters and activities of all entities within the Group for the reporting period from 1 April 2021 to 31 March 2022.

The Group reviews the scope of this Statement on an annual basis, considering amongst others, the contribution of the Group's business segment and activities, and their EESG impact.

GOVERNANCE STRUCTURE

To embed sustainability in our corporate culture and business & work practices in our operations, the Board and the Management Team (consisting of the Executive Committee, Heads of Business Units and Heads of Departments) works hand-in-hand to identify and manage sustainability risks and opportunities of the Group, with clear delineation of roles and responsibilities as follows:

BOARD

- Ultimately responsible for overseeing sustainability practices and performances
- Sets business strategies incorporating sustainability considerations
- Sets policies, priorities and targets in relation to sustainability

EXECUTIVE COMMITTEE

Consists of all Executive Directors and selected Senior Management team, responsible for strategic management of sustainability matters, including:

- Oversees MSM as identified
- Monitor and report group sustainability performances, including strategies and initiatives to the Board

HEADS OF BUSINESS UNITS AND DEPARTMENTS

Consists of all Heads of Business Units and Heads of Departments for Head Office, responsible to perform and implement sustainability-related tasks and initiatives on a day-to-day basis, covering:

- Identify, assess, monitor, manage and report sustainability matters to the Executive Committee
- Continuously engage with key stakeholders identified to understand concerns in relation to the company's sustainability risks and opportunities

MATERIALITY ASSESSMENT

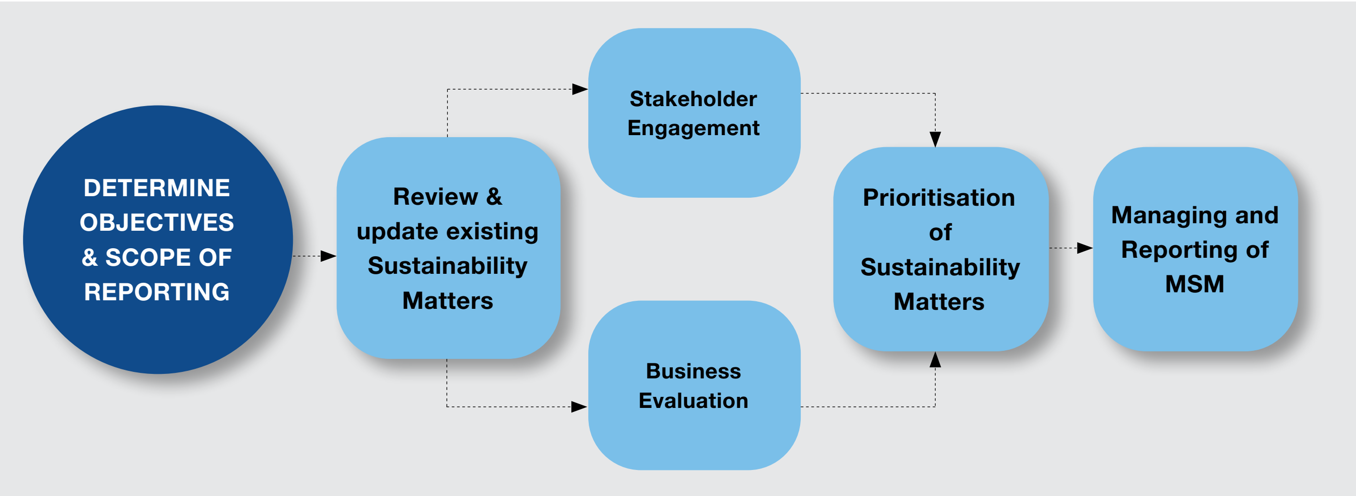
The Group undertook a review of the operating environment in the financial year to reaffirm that the Group's MSM remained material and relevant, including assessing updates to the existing MSM, such as the performances of the MSM and its action plans. This assessment is guided by the materiality process consistent with Bursa's Sustainability Reporting Guide and its accompanying Toolkits, and has taken into consideration the views and concerns of the Group's stakeholders, such as our customers, investors and shareholders, suppliers, employees and workers, contractors and regulators, to name a few.

The materiality process focuses on identification, assessment and prioritisation of the Group's stakeholders and sustainability matters, with the aim of understanding how material each EESG matters is to the Group's business and our key stakeholders (ie. internal and external perspectives). Sustainability matters are prioritised by considering the following criteria:

- if the sustainability matters reflect the Group's significant EESG impact; and/or
- if the sustainability matters substantively influence the assessments and decisions of stakeholders.

SUSTAINABILITY STATEMENT

The materiality assessment process is summarised as follows:



STAKEHOLDER ENGAGEMENT

The Group recognises the importance of stakeholders' engagement in identifying the key sustainability matters.

Through the engagement, we can better understand how our business activities impact on and what are stakeholders' expectations from our operations in relation to EESG matters. Such insights are instrumental in guiding our business strategy and shaping our disclosures.

Guided by the Sustainability Reporting Guide, we have conducted a structured stakeholder prioritisation exercise, identifying stakeholders key to the Group through influence and dependency of these stakeholders on the Group. As each stakeholder group is unique, we have adopted various customised communication channels to suit each stakeholder group to effectively and efficiently engage each group. Stakeholders are engaged through the following channels:

Stakeholder	Mode of engagement	Frequency of engagement	Relevant material sustainability matters
Customers	• Face-to-face interactions • Customer feedback • Meetings	• As needed	• Product pricing • Timeliness of delivery • Product and service quality • Technology and innovation • Environmental protection and regulations
Investors and shareholders	• Annual General Meeting • Announcements on Bursa • Press releases • Financial statements • Annual Reports • Meetings	• Quarterly • Annually • As needed	• Financial performance • Good corporate governance • Ethical business practices • Sustainability of value creation and business growth
Suppliers	• Supplier appraisal and evaluation reviews • Site visit/ interviews • Face-to-face interactions	• Annually • As needed	• Timeliness of delivery • Product and service quality • Price competitiveness • Awareness and Compliance with our Policies and Code of Business Ethic

SUSTAINABILITY STATEMENT

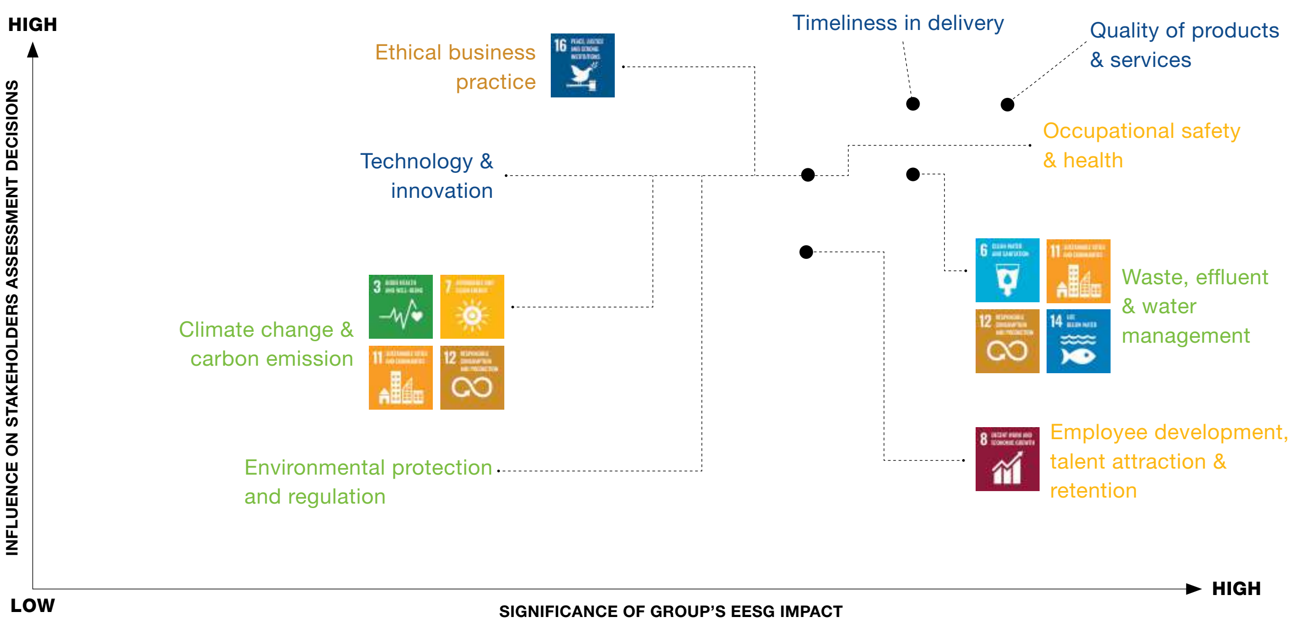
Stakeholder	Mode of engagement	Frequency of engagement	Relevant material sustainability matters
Contractors	• Contractor appraisal and evaluation reviews • Face-to-face interactions	• Annually • As needed	• Occupational safety and health • Timeliness in delivery • Product and service quality • Price competitiveness • Awareness and compliance with our Policies and Code of Business Ethic
Employees and workers	• Meetings and discussions • Induction training • Learning and development programmes • Employee performance evaluation	• Monthly • Half-yearly • Annually • As needed	• Occupational safety and health • Ethical business practices • Employee development, talent attraction and retention • Welfare • Business growth
Government agencies, authorities and regulators	• Meetings and discussions with officers from the agencies, authorities and regulators • Press releases • Changes in/or introduction of new regulations	• As needed	• Occupational safety and health • Product and service quality • Technology and innovation • Environmental protection and regulations

Note: Face-to-face interaction includes through virtual platforms, especially during the Covid-19 period.

MATERIAL SUSTAINABILITY MATTERS

With due considerations given to the outcome of the aforesaid stakeholder engagements as well as the limited reviews undertaken by the Group, the MSM under the scope of EESG for the Group remains unchanged, with its relative importance of each MSM depicted below:

MATERIALITY ASSESSMENT RESULTS



SUSTAINABILITY STATEMENT

ECONOMIC

The Group is of the view that adopting sound business practices provide long-term benefits and value creation towards sustainable growth and profitability. With this as a foundation, apart from generating sustainable returns to shareholders, the Group aims to deliver the highest value to our stakeholders e.g. customers, suppliers, employees and industry.

Quality of products and services and timeliness in delivery

Customer satisfaction is essential for achieving long-term business success. The attraction, retention and referrals of customers is vital for the sustainability of the Group. Therefore, product quality and timely delivery of our products and services are material aspects of our economic performance.

To ensure the Group delivers quality products and services timely, the Group practices the following:

CERTIFICATIONS

An effective Quality Management System ("QMS") allows us to deliver consistent quality products and services that meet both our customers' expectations as well as regulatory requirements through continuous improvement.

Three (3) of our subsidiaries in Bio-Energy, Water Treatment & Solar Energy segment are ISO9001:2015 accredited companies. These accreditations demonstrate the Group's ability and commitment to providing quality products and services.

Further to the above, our Bio-Energy segment are still holding valid The American Society of Mechanical Engineers ("ASME") 'S', 'U' and NB 'R' Stamp for our plant, a hallmark that the design, fabrication, inspection and testing of our pressure vessels conforms to the worldwide accepted ASME's guidelines and requirements. An ASME certification signifies that the company is committed to public safety and quality of boiler and pressure vessel. Boilermech has been holding certificates of authorisation to apply the code stamp products since year 2014 where the certification renewals at 3 years interval with updated code rules and publication always keeping us abreast with the latest practice in the industry.

INTERNAL GUIDING DOCUMENTS

Policies and procedures were established to ensure production and delivery are made in accordance with the standards and specifications as well as the terms of contractual agreements entered into.

QUALITY ASSURANCE

Our Bio-Energy Quality Assurance and Quality Control Department closely monitors the design and fabrication process to ensure product quality and compliance with specifications. Joint inspections are also conducted with accredited authorised inspecting agencies at every critical stage of manufacturing before the products are released to our customers. Emphasis is placed on key factors affecting product quality, which include the materials sourced, manufacturing process and workmanship.

SUSTAINABILITY STATEMENT

CUSTOMER SATISFACTION SURVEY

Apart from the routine dealings with our customers, we endeavour to better understand our customers' views in relation to quality and timeliness of our products or services through customer satisfaction surveys. Customer feedback provides us invaluable insights into what improvements can be made as well as in developing and innovating new products that meet customers' needs.

During the financial year, we continually carry out customer satisfaction surveys where selected customers were requested to provide feedback.

The percentage of respondents and the results of the survey are as follows:

FY 2022	FY 2021	FY 2020
90% RESPONDED	**89% RESPONDED**	**93% RESPONDED**
83%	**92%**	**87%**
Meeting/exceeding expectations	Meeting/exceeding expectations	Meeting/exceeding expectations

In FY 2022, we received 90% responses from our customers and the result for meeting/exceeding customers' expectation was lower at 83%. The lower satisfaction rate was due to delays in project deliveries and completion, arising from the supply chain and logistics disruption as well as manpower shortage at the installation site resulting from the pandemic.

INDONESIA FACILITY EXPANSION

In FY2020, the Group acquired a boiler manufacturing plant in Surabaya which commenced its operations in March 2021 after required licences have been obtained.

The plant increased our boiler fabrication capacity, facilitated faster response time to our customers and lowered delivery and transportation costs as well as carbon footprint to reach end customers.

During the pandemic and travel restriction period, the Group's Bio-Energy business was supported by our operations in Indonesia, through local fabrication and project management to mitigate project delays and better serve our customers.

Technology and innovation

We believe that technology and innovation, especially clean energy and environmental solutions, are the key drivers of sustainable economic growth. Technology and innovation increase productivity, efficiency and improves our competitiveness.

We work closely with our customer to understand their issues and challenges on energy efficiency and environmental concern such as renewable energy and water impact. We innovate and develop new technology and/or new products and solutions to address our customers' needs effectively.

ENVIRONMENTAL

In order to preserve the environment for our future generations, at Boilermech, we strive to minimise the environmental footprint of our operations, products and overall business. Above and beyond that, our products and solutions enable our customers to efficiently and responsibly manage their consumption of resources (fuel, water and energy) and to treat and reduce waste, effluent and emission, thereby reducing their carbon footprint and contributing to the preservation and protection of the environment.

Our Group's principal activities involve engineering, procurement and construction of renewable energy and water treatment projects. Our energy and water consumption are minimal. Therefore, the environmental footprint and its impact are inconsequential.

Total electricity used in the past three (3) financial years are as below:

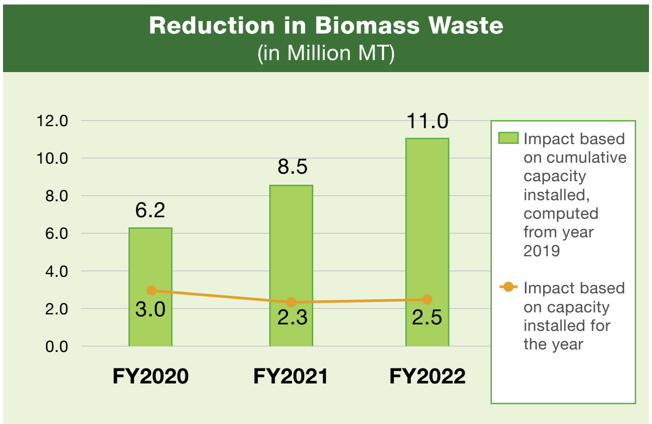
	FY 2022	FY 2021	FY 2020
Electricity Consumption (MWh)	**636**	623	992
CO_2 from Electricity (tCO_2e)	**406**	398	634

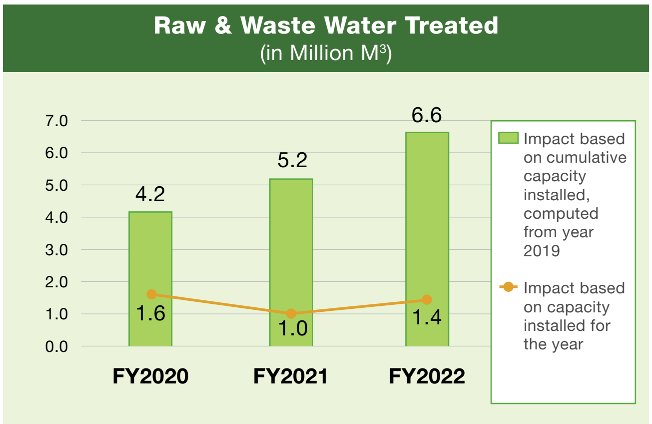
Total volume of water used in the past three (3) financial years are as below:

	FY 2022	FY 2021	FY 2020
Water Consumption (m^3)	**14,888**	13,117	15,036

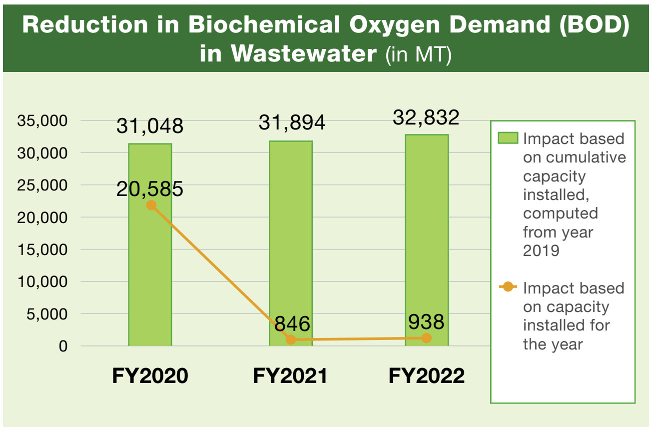
As a matter of fact, we focus our environmental efforts on helping and enabling our customers in reducing environmental impact from their business.

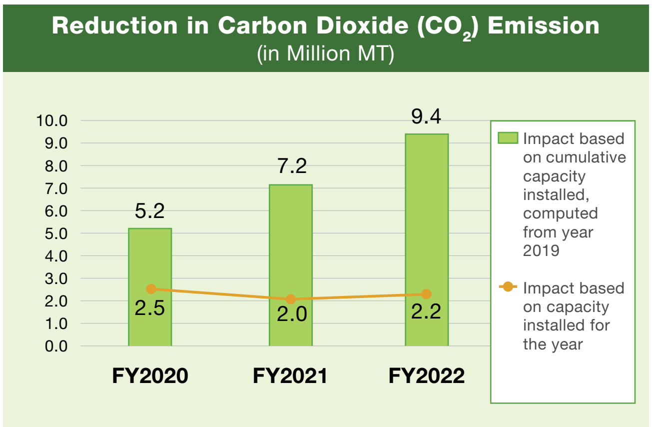
The summary of potential environmental impact estimated using capacity installed by the Group are:

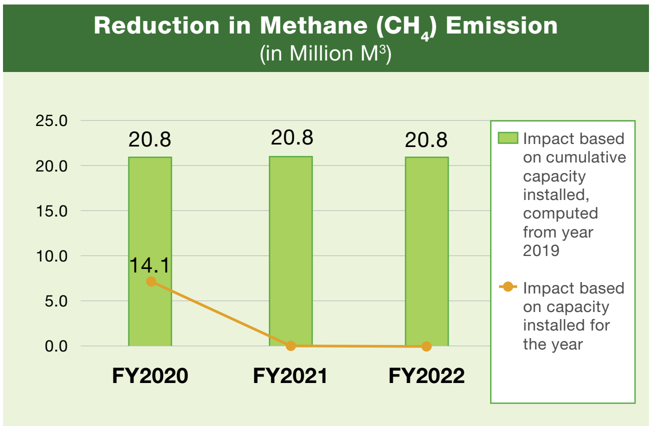


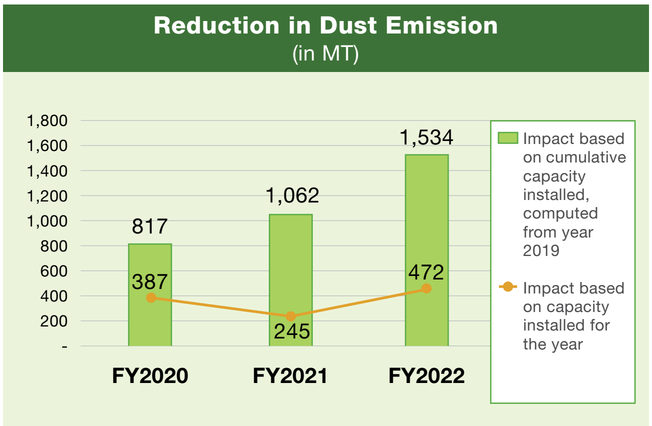


SUSTAINABILITY STATEMENT









Waste, effluent and water management

The Group's core product under the Bio-Energy segment, namely the biomass boiler, is designed to use various biomass wastes as fuel, such as palm oil wastes (e.g. palm mesocarp fibre, palm kernel shell, empty fruit bunches ("EFB")), wood wastes and rice husks to generate steam and electricity. This provides a cleaner alternative for power generation as compared to boilers using fossil fuel which generally result in long-term accumulation of pollution and greenhouse gas emission. On the other hand, the use of biomass fuel for steam and power generation also helps to address the biomass waste management issue and stop uncontrolled harmful fermented syngas released into the open air.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL (CONT'D.)

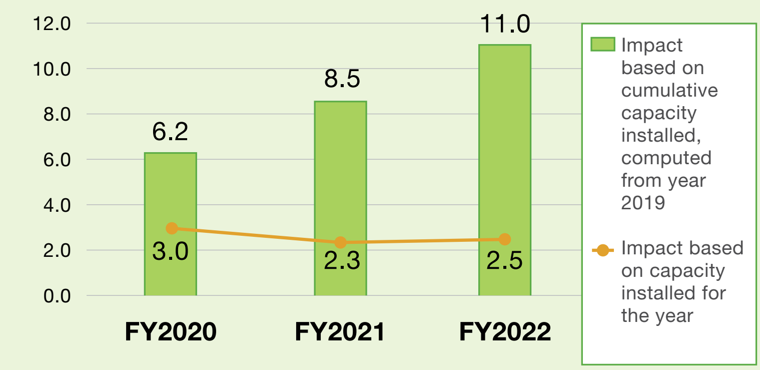
During the financial year under review and in comparison with the two (2) preceding financial years, we have installed biomass boilers for our clients with the estimated reduction in biomass waste as follows:

FYE 31 MARCH 2022
BIOMASS BOILERS INSTALLED
1,270
MT/hour capacity

FYE 31 MARCH 2021
BIOMASS BOILERS INSTALLED
1,170
MT/hour capacity

FYE 31 MARCH 2020
BIOMASS BOILERS INSTALLED
1,490
MT/hour capacity

Reduction in Biomass Waste[1]
(in Million MT)

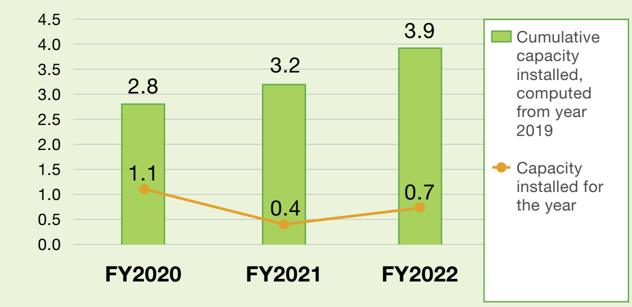


Note:
[1] Assuming 6,000 hours of operation per year

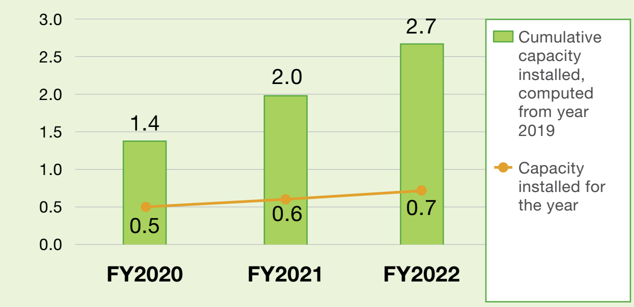
The reduction of waste generated supports Goals 11 and 12 of SDG, "sustainable cities and communities" and "responsible consumption and production". It reduces the adverse per capita environmental impact on cities and communities through effective waste management; and substantially reduce waste generation through prevention, reduction, recycling and reuse.

Our subsidiary from the Water Treatment segment, TEK, also provides wastewater and raw water treatment solutions for industrial use. TEK supplied and installed the following wastewater and raw water treatment in the financial years 2020, 2021 and 2022:

Wastewater Treatment (Capacity) [2]
(in Million M³)



Raw Water Treatment (Capacity) [2]
(in Million M³)



Note:
[2] Assuming 6,000 hours of operation per year

The water treatment solutions for industrial use supports Goal 6 of SDG, "clean water and sanitation", as this process helps to improve raw water quality and wastewater discharge quality and increased water-use efficiency.

Our tertiary treatment plants and biogas plants enable palm oil mills to reduce the Biochemical Oxygen Demand ("BOD") of their discharge or effluent into the watercourse. The government imposed a strict condition under the Malaysian Environmental Quality (Industrial Effluent) Regulation 2009 - Environmental Quality Act 1974 whereby the final discharge of effluents into the watercourse must not exceed the BOD limit of 20 parts per million (''ppm") in selected sensitive areas. The Group, through its proprietary technology, is one of the few in the country to be able to achieve this target consistently and give assurance to customers in this respect.

Further to the above, we have also designed and built Industrial Effluent Treatment Systems ("IETS") for other industries to treat industrial wastewater before they are discharged into the environment. Treatments on wastewater are administered by removal of organic and inorganic matter that would adversely impact the environment.

We have in the past three (3) financial years, delivered tertiary treatment plants, biogas plants and IETS that are estimated to further reduce BOD as follows:

FY 2022	FY 2021	FY 2020
REDUCTION IN BOD (BY CAPACITY INSTALLED) **938** MT BOD/year	**REDUCTION IN BOD** (BY CAPACITY INSTALLED) **846** MT BOD/year	**REDUCTION IN BOD** (BY CAPACITY INSTALLED) **20,585** MT BOD/year
REDUCTION IN BOD (BY CUMULATIVE CAPACITY INSTALLED SINCE YEAR 2019) **32,832** MT BOD	**REDUCTION IN BOD** (BY CUMULATIVE CAPACITY INSTALLED SINCE YEAR 2019) **31,894** MT BOD	**REDUCTION IN BOD** (BY CUMULATIVE CAPACITY INSTALLED SINCE YEAR 2019) **31,048** MT BOD

The reduction of BOD in the final discharge helps our customers to reduce their impact on the water quality and enabling better quality water systems, consistent with Goal 14 of SDG, "life below water", reducing marine pollution of all kinds, in particular from land-based activities.

Climate change and carbon emission

The acceleration of climate change and its effects such as global warming has driven us to increase our focus on environmental sustainability.

The Group's Bio-Energy segment promotes the use of biomass boilers wherever biomass fuel is available. Our biomass boiler produces steam and electricity for industrial operations and power generation.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL (CONT'D.)

By comparing to coal fired boilers, the steam generation using our biomass boilers installed is able to reduce CO_2 as follow:

FY 2022 [3]	FY 2021 [3]	FY 2020 [3]
REDUCTION IN CO_2 2.2 Million MT/year	**REDUCTION IN CO_2** 2.0 Million MT/year	**REDUCTION IN CO_2** 2.5 Million MT/year
REDUCTION IN CO_2 (CUMULATIVE SINCE YEAR 2019) 9.4 Million MT	**REDUCTION IN CO_2** (CUMULATIVE SINCE YEAR 2019) 7.2 Million MT	**REDUCTION IN CO_2** (CUMULATIVE SINCE YEAR 2019) 5.2 Million MT

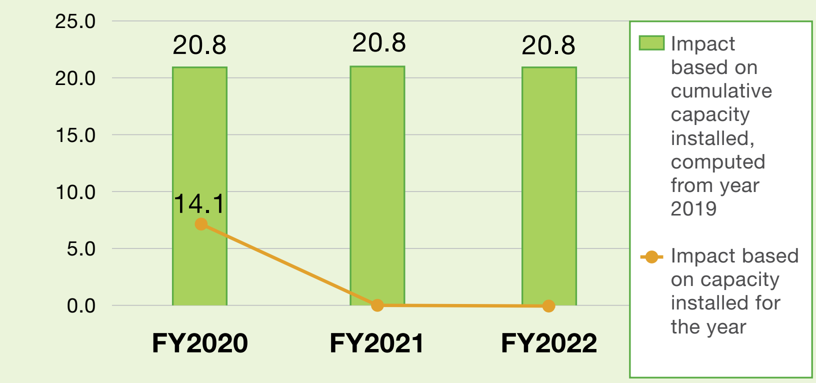
Note:
[3] Assuming 6,000 hours of operation per year

The Group also treats palm oil mill effluent ("POME") by capturing biogas from POME to reduce the methane [4] emitted to the atmosphere. The captured biogas offers several downstream utilizations including electricity generation, as boiler fuel and others.

We have installed POME treatment and biogas methane capturing plant in the past three (3) financial years, and the estimated reduction in methane in relation to these capturing plants are as follows:

FYE 31 MARCH 2022	FYE 31 MARCH 2021	FYE 31 MARCH 2020
BIOGAS METHANE CAPTURING PLANT INSTALLED (CAPACITY) - M^3 per hour	**BIOGAS METHANE CAPTURING PLANT INSTALLED** (CAPACITY) - M^3 per hour	**BIOGAS METHANE CAPTURING PLANT INSTALLED** (CAPACITY) 120 M^3 per hour

Reduction in Methane (CH_4) Emission [5]
(in Million M^3)



Note:
[4] A potent greenhouse gas emitted by EFB with a global warming potential higher than CO_2
[5] Assuming 6,000 hours of operation per year

SUSTAINABILITY STATEMENT

Our Solar Energy segment provides engineering, procurement and construction of solar power generation systems to commercial, industrial and residential clients. Our Solar Photovoltaic system generates electricity from renewable source, i.e. sunlight and reduces fossil fuel consumption and greenhouse gas emission. Since the acquisition of the solar business two (2) years ago, we have installed solar applications for our customers and the estimated electricity generation and reduction in CO_2 emission are as follows:

FYE 31 MARCH 2022

CAPACITY INSTALLED

13.9 MWp

ESTIMATED ELECTRICITY GENERATED

17,720 MWh

FYE 31 MARCH 2021

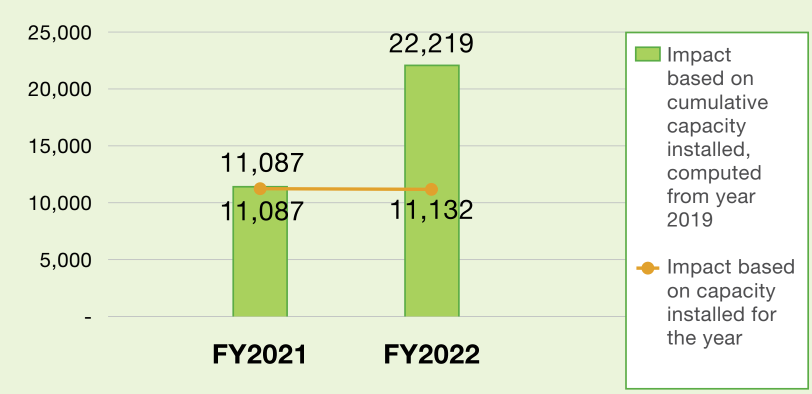
CAPACITY INSTALLED

12.5 MWp

ESTIMATED ELECTRICITY GENERATED

15,975 MWh

Reduction in Carbon Dioxide Emission
(in tCO_2e)



Furthermore, Boilermech Sdn Bhd had installed a total capacity of 416 kWp solar application in its Subang Jaya plant. This system generates approximately 531MWh of electricity and reduce CO_2 emission by 340 Tons each year.

Through our products and solutions which reduces our customers' CO_2 and methane emission, the Group supports Goals 3, 11 and 12 of SDG, "good health and well-being", "sustainable cities and communities" and "responsible consumption and production", by reducing death and illnesses from air pollution; reduction of adverse per capita environmental impact on cities and communities by paying attention to air quality; and reduce chemicals and wastes from being released to the air, to minimise adverse impacts on human health and the environment.

Further to the above, through the installation of solar energy systems in our plant and for our customers, the Group supports Goal 7 of SDG, "affordable and clean energy" by increasing access, affordability and reliability of solar energy and increase the share of renewable energy in energy mix.

ENVIRONMENTAL (CONT'D.)

Environmental protection and regulation

The Group provides air pollution control solutions to our customers through the dust filtration system which removes dust particles emitted into the atmosphere and as such protect the quality of air and environment.

This system assists our customers in complying with the Environmental Quality (Clean Air) Regulations 2014 – Environmental Quality Act 1974. The said regulation requires all solid fuel steam generators to reduce the particulate emission into the atmosphere to below 150mg/Nm^3, as compared to the previous required limit of 400mg/Nm^3.

In the past three (3) financial years, we have delivered air pollution control systems to our customers, where it is estimated to further reduce dust emission into the atmosphere are as follows:

	FY 2022	FY 2021	FY 2020
REDUCTION IN DUST EMISSION	472 MT/year	245 MT/year	387 MT/year
REDUCTION IN DUST EMISSION (CUMULATIVE SINCE YEAR 2019)	1,534 MT	1,062 MT	817 MT

In addition to the above, the Group also provides solutions to our customers, in assisting them to comply with the Malaysia Environmental Quality (Industrial Effluent) Regulation 2009 – Environmental Quality Act 1974, where the regulation requires the BOD from the POME and the industrial effluent to meet to its individual standard.

Committed to progressing further in the Group's environmental sustainability agenda, the management is also tasked to explore and develop new technology, whilst continuously enhancing our existing technology to step up the capacity and capability of the Group's products and services in achieving carbon emission efficiency and pollution minimisation.

The Group is continuously working on innovating and improving our designs and technology in renewable energy generating systems which are environmentally friendly and cost-efficient. Through our products and services, the Group aims to enable solutions which could reuse biomass waste, reduce carbon emission and minimise dust emission to control the impact of industrial effluent to the environment.

SUSTAINABILITY STATEMENT

SOCIAL

The Group values employees and workers and considers them our most important asset with the belief that employees are one of the essential factors of our Group's long-term success.

We emphasize on employee engagement and health and safety programs as they promote employees' well-being and contribute to higher employee productivity.

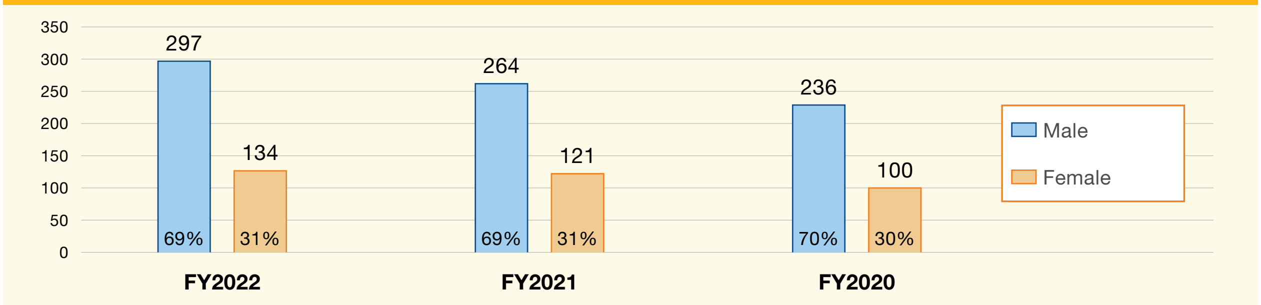
Employee development, talent attraction and retention

Workforce Diversity

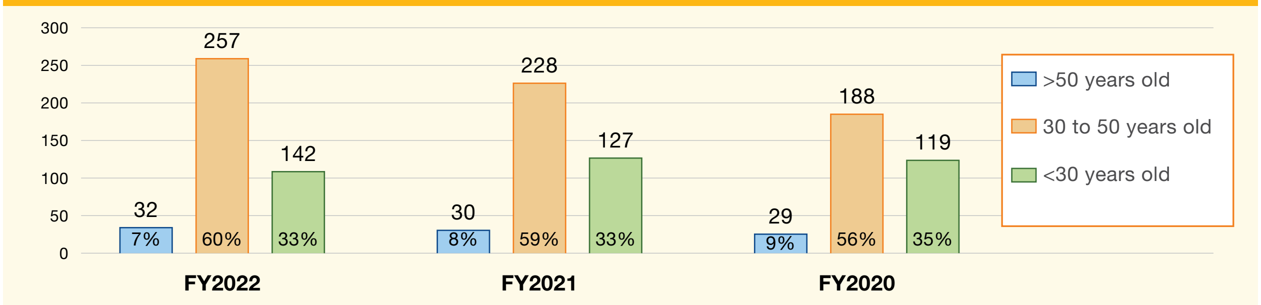
The Group values diversity in our workplace. We believe that diversity in skills, experience, age group and gender will enhance creativity and quality of solutions. Our conviction in treating employees fairly and providing equal opportunities to all employees will enable us to attract and retain a diverse and an engaged workforce.

In the past three (3) financial years, we have a total of 431, 385 and 336 employees respectively as follows: -

Workforce by Gender



Workforce by Age



As at 31 March 2022, we have 69% male and 31% female employees. In terms of age groups, 7% of our workforce aged above 50 years old, 60% between 30 to 50 years old and 33% are below 30 years old.

SUSTAINABILITY STATEMENT

SOCIAL (CONT'D.)

Learning and development

The Group acknowledges the importance of training and development in talent retention and development.

To facilitate a high-performance culture and to unlock the potential of our people, we have an annual exercise to carry out Training Needs Analysis and provide training accordingly. The percentage of training attended by employees in comparison with training programs as identified from their Training Needs Analysis for the past three (3) financial years are as follows:

FY 2022	FY 2021	FY 2020
TRAINING ATTENDED AS PER TRAINING NEEDS ANALYSIS	TRAINING ATTENDED AS PER TRAINING NEEDS ANALYSIS	TRAINING ATTENDED AS PER TRAINING NEEDS ANALYSIS
TARGET: 80%	TARGET: 80%	TARGET: 80%
72.2%	81%	82%
Actual Attendance	Actual Attendance	Actual Attendance

Welfare

The December 2021 Flash Flood Incident in Selangor affected some of our employees' homes, the Group has therefore provided financial support to 14 employees whose houses were affected to enable them to repair their homes.

To promote work-life balance, we provide our employees with a safe, comfortable and conducive working environment to ensure their working hours are used in a productive and effective manner. Other employees' welfare incentives that are provided includes annual and monthly employees' engagement activities, medical benefits, group insurance etc.

The above is in line with Goal 8 of SDG "decent work and economic growth", where the Group promotes a safe and secure working environment for all workers.

8 DECENT WORK AND ECONOMIC GROWTH

Occupational safety and health

The Group has established a Safety and Health Committee to oversee the Group's safety and health matters and to ensure high level of safety and health standards at our workplace. The committee is responsible to review the safety and health policies and procedures, monitor and ensure the implementation of the Occupational Safety and Health ("OSH") Policy, conduct investigations on incidents, hold regular discussions on issues relating to safety and health at the workplace.

SUSTAINABILITY STATEMENT

The safety and health incident reported during the financial year under review are:

Description	Number of incidents		
	FY 2022	FY 2021	FY 2020
Fatality	**-**	-	-
Lost Time Injury	**2**	5	1

To avoid a repeat of the incidents, we conduct refresher safety briefings periodically and review our Standard Operating Procedures to ensure that it remains relevant.

During the financial year, we continue to conduct the following health and safety related programs:

Programme	Description of programme	Frequency of periodic programme
First aid training	Train employees to administer first aid	Every alternate year
Firefighting training	Train employees to prevent and put out fire	Every alternate year
Fire drill and evaluation training	Train employees to respond in the event of fire	Annually
Factory worker OSH briefing	Brief factory workers on OSH matters and related protection and safety measures and practices	Weekly
Employee orientation on Personal Protective Equipment ("PPE")	Brief new employees on the usage of PPE	Monthly
Visitor PPE briefing	Brief visitors on OSH requirements and usage of PPE prior to entering factory	As required
Essential chemical training	Train employees on methods and safety measures in the handling of chemicals and chemical spillages	As required
Equipment and machinery handling training	Train employees on operating work equipment and machineries	As required
Noise awareness programme	Train employees on the risk of hearing loss and the application of PPE in loud noise exposed environment	As required

The Group also invites external professionals to provide OSH-related training, to our employees and workers from time to time, with the objective of broadening our employees for competency accreditation, awareness and knowledge pertaining to workplace safety and their ability to respond to OSH-related incidents.

Throughout the financial year, we continue to implement the following Covid-19 preventive measures to ensure that our employees are working in a safe environment:

- segregate our workplace into two zones, to reduce the spread of the virus;
- requiring all our employees and contractors to perform weekly Covid-19 Rapid Test Kit ("RTK") test; and
- sanitise our office and factory premises on a daily basis.

SUSTAINABILITY STATEMENT

GOVERNANCE

Ethical business practice

For details of the Group application of the Principles as set out in the Malaysian Code on Corporate Governance, please refer to our Corporate Governance Overview Statement.

The Group strongly believes that maintaining high standards of ethical business practices is pivotal and forms the foundation of sustainable business operations. Hence, we have embedded strong business ethics in our corporate culture and in all our business dealings.

The Group has established strong stance against all forms of bribery and corruption as follows:

- Committed to complying with anti-bribery legislations applicable to its operations and will not pay bribes to anyone for any purpose
- Takes the upholding of its anti-bribery stance across the Group's business seriously and expects the same from stakeholders internal and external to the Group's businesses
- All Directors, Employees, Suppliers and Business Associates shall adhere to and observe the Group's anti-bribery stance and relevant anti-bribery-related policies of the Group
- Treats any violation of the Anti-Bribery and Anti-Corruption Policy seriously and will undertake necessary actions, including, but not limited to dismissal or cessation of business relationship, and/or reporting to the authorities, consistent with relevant laws and regulations

To cultivate a culture of integrity and exercise high ethical standards in our business activities throughout our value chain, the Group has established an Anti-Bribery and Anti-Corruption Framework together with relevant Policies and Procedures. Code of Ethics were formulated to establish standards of ethical behaviour and communicated to Directors, Senior Management, employee, suppliers and business associates of the Group.

Further to the above, the Group has also established a whistleblowing channel, where any persons are able to report any actual or suspected malpractices, including unethical behaviour to the Group Managing Director or the Audit Committee Chairman, who is an Independent Non-Executive Director.

There were no whistleblowing cases being reported or recorded for the financial years ended 31 March 2022, 2021 and 2020, including in relation to bribery and corruption.

The actions of establishing policies, procedures and controls to combat corruption is in line with Goal 16 of SDG, "peace, justice and strong institutions", with the objective of reducing corruption and bribery in all their forms.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SUSTAINABILITY STATEMENT

TOWARDS A SUSTAINABLE FUTURE

As we strive to build and maintain a sustainable business, the Group also considers other aspects of sustainability risks and opportunities, in terms of EESG, and has invested resources and efforts to manage these sustainability matters where applicable.

Moving forward, we will remain committed to continuously progress along our sustainability journey and communicating the progress and outcomes to our stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Boilermech Holdings Berhad ("Boilermech" or "Company") presents this Statement to provide an overview of the Company's application of the Principles set out in the Malaysian Code on Corporate Governance 2021 ("MCCG") for the financial year under review and up to the date of this Statement.

The Board recognises the importance of implementing high standards of corporate governance in the Company and its subsidiaries for discharging its duties and responsibilities at the best interest of its shareholders and stakeholders. In adopting corporate governance practices, the Board is ever mindful in making its business decisions where amongst the key considerations are transparency, accountability, ethical culture, sustainability and financial performance.

This Corporate Governance ("CG") Overview Statement, which was approved by the Board, shall be read together with the Corporate Governance Report 2022 ("CG Report") of the Company which provides the details on how the Company has applied, or departed from, each CG practice. The CG Report is available on the Company's website at www.boilermech.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Company is led by a Board who is responsible for the overall business direction of the Group. The Board provides stewardship to the Company and oversees the conduct of the business affairs of the Group's operations and performance in achieving long-term values to shareholders as well as other stakeholders of the Group.

The Company has established a Board Charter, to serve as a source of reference and primary guide to the Board and Senior Management as it sets out the roles, functions, composition, operation and processes of the Board and seeks to ensure that all Board members are fully aware of their duties and responsibilities. This also enables the Board to function effectively and with proper accountability. The Board Charter has outlined matters reserved for the Board's deliberation and decision. This is to ensure that the powers and direction of the Company are vested in the Board.

The Board Charter is accessible on the Company's website at www.boilermech.com.

To assist in the discharge of its stewardship role, the Board has delegated and conferred some of its authorities and powers to its Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee. The demarcation of roles and responsibilities of the Board, Board Committees, Chairman and Managing Director, is summarised as follows:

BOARD
Responsible for the overall business direction and conduct of the Group's business.

BOARD CHAIRMAN
Responsible for leadership of the Board, by ensuring effective conduct of the Board and effective communication with shareholders and stakeholders.

AUDIT COMMITTEE ("AC")	NOMINATION COMMITTEE ("NC")	REMUNERATION COMMITTEE ("RC")
Oversees matters relating to financial reporting, external audit, internal audit, related party transactions, conflict of interest situations and risk management.	Oversees matters pertaining to the structure, size and composition of the Board and Board Committees, including identifying and nominating candidates to fill Board/Board Committee vacancies and the annual evaluation of the Board, Board Committees and individual Directors.	Reviews and recommends to the Board the remuneration of Directors and Senior Management to align with the long-term objectives, business strategy and performance of the Group.

MANAGING DIRECTOR
Responsible for ensuring efficiency and effectiveness of the Group's operations, implementing policies, strategies and decisions adopted by the Board and highlighting material and relevant matters to the attention of the Board in an accurate, comprehensive and timely manner.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is led by Dr. Chia Song Kun, a Non-Independent Non-Executive Director, whereas the Joint Managing Director position is held by Mr Leong Yew Cheong and Mr Chia Lik Khai. Both Joint Managing Directors shall collectively undertake the role and function of Managing Director of Boilermech Group. There is a clear separation between the Chairman's role and the Managing Director's role to ensure a division of responsibilities and a balance of power, control and authority.

Whilst Dr. Chia Song Kun focuses on providing overall leadership to the Board, the Independent Audit Committee Chairman, namely Mr Ng Swee Weng, provides checks and balances by leading the AC to independently oversee and scrutinise the Group's financial reporting and related matters, external and internal audits, related party transactions, including any conflict of interest situations and system of internal controls and risk management.

The Nomination Committee is chaired by an Independent Director, Mr Adrian Chair Yong Huang, who leads the Nomination Committee to objectively and independently perform its duties, including overseeing matters pertaining to the structure, size and composition of the Board and Board Committees, identifying and nominating candidates to fill Board and Board Committee vacancies, conducting the annual evaluation of the Board, Board Committees and individual Directors, assessing the retiring directors to be re-elected at the Company's annual general meetings and overseeing Directors' training needs and succession planning.

The Board remains committed to conducting its business in accordance with the highest standards of business ethics and in compliance with all the relevant laws, rules and regulations. The Company has established a Code of Ethics which sets out the standards of conduct expected from the Directors and employees of the Group, to ensure an ethical culture and high standards of behaviour are cultivated and promoted at all levels of the Group.

To further fortify the Group's governance framework, a Whistleblower Policy has been formalized to enable internal and external stakeholders of the Group to raise in confidentiality any concerns relating to wrongful activities or possible breaches of laws within the Group. The Company's Code of Ethics and Whistleblower Policy are accessible on the Company's website at www.boilermech.com.

The Board members have unrestricted access to the Company Secretaries who provide sound governance advice to the Board, particularly on Corporate Governance issues and compliance with the relevant laws and regulatory requirements and policies and procedures.

The Board is committed to devoting sufficient time and effort in carrying out their duties and responsibilities, which include attending Board and Board Committee meetings. Details of the attendance of the Directors in office during the financial year under review are as follows:-

Directors	Designation	Meeting Attendance			
		Board	AC	NC	RC
Dr. Chia Song Kun	Non-Independent Non-Executive Chairman	7/7	7/7	2/2	4/4
Leong Yew Cheong	Joint Managing Director	7/7	-	-	-
Chia Lik Khai	Joint Managing Director	7/7	-	-	-
Chia Seong Fatt	Alternate Director to Chia Lik Khai	7/7	-	-	-
Gan Chih Soon	Executive Director	7/7	-	-	-
Tee Seng Chun	Alternate Director to Gan Chih Soon	7/7	-	-	-
Ho Cheok Yuen	Independent Non-Executive Director	7/7	7/7	2/2	4/4
Adrian Chair Yong Huang	Independent Non-Executive Director	7/7	7/7	2/2	4/4
Rina Meileene Binti Adam	Independent Non-Executive Director	7/7	7/7	2/2	-
Ng Swee Weng	Independent Non-Executive Director	7/7	7/7	2/2	4/4

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board acknowledges the importance of continuous education and training programmes for its members to enable the effective discharge of its responsibilities and to be apprised on the changes to regulatory requirements and the impact of such regulatory requirements on the Group. The Company Secretaries circulate to the Board the relevant guidelines on statutory and regulatory requirements and any changes thereto and brief the Board on the updates at Board meetings.

Through the NC's annual evaluation of the Board, Board Committees and individual Directors, the Board also assessed the training needs of the Directors. During the financial year under review, the Directors attended various training programme, seminars, workshops, conferences and briefings on topics relevant to the industry and their roles. The details of which are as follows:-

Organisers	Training programmes, briefings, seminars, workshops and conferences attended
In-house training	• Malaysian Code on Corporate Governance 2021 & SC Guidelines on Directors' conduct – Implications to the Board of Directors and Management
Malaysian Institute of Accountants ("MIA")	• MIA International Accountants Conference 2021
Audit Oversight Board of Securities Commission Malaysia	• Oversight of auditors of public interest entities and audit committee's role in enhancing and improving audit quality
Asia School of Business	• Board's role in the changing world of work • Implementing amendments in the MCCG
Telum Media	• ESG : the challenge and opportunity
Allen & Overy LLP	• Putting COP26 into context – immediate and long-term implications • Global trends in Private Mergers & Acquisitions

II. Board Composition

The Board consists of eight (8) members, comprising three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors. This fulfils the MCCG's recommendation that at least half the Board comprises Independent Directors. The Independent Directors provide unbiased and independent judgment in ensuring that the strategies proposed by the Management are fully and objectively deliberated, challenged and examined, taking into account the interests of shareholders and other stakeholders of the Company. They are essential for protecting the interests of minority shareholders and make significant contributions to the Board's decision making by bringing in the quality of detached impartiality.

The assessment of the independence of each of the Independent Directors is undertaken annually according to the criteria as prescribed by the MCCG and the Listing Requirements.

The Board recognises that diverse professional backgrounds, skills and extensive experience and knowledge are pivotal towards the Group's performance, financial or otherwise. The current Board members possess a diverse range of skills and experience, including, amongst others, in the areas of boiler designing and manufacturing, business, finance, accountancy, auditing, law, education, agro-food, manufacturing and electrical, mechanical and agricultural engineering.

For the assessment and selection of new Board candidates, the Board, through the recommendation of the Nomination Committee and external independent sources, shall consider the prospective candidate's character, integrity, competency, time commitment and experience in meeting the Company's needs. The Board also takes into consideration other factors such as industry skills and knowledge, professionalism, contribution and performance. The Board constantly advocates fair and equal participation and opportunity for all individuals of the right calibre.

The Board, through the Nomination Committee, conducts an annual evaluation of the Board and Board Committees, to determine if the Board and Board Committees have the right composition, adequate information in decision making and have effectively discharged their duties and responsibilities. The individual Directors also undertook a self and peer-assessment of their performance during the financial year under review. Through these assessments, the Board is satisfied that the Board, Board Committees and individual Directors are functioning effectively and collectively possess adequate knowledge and skills to meet the Company's needs.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A summary of key activities undertaken by the Nomination Committee in discharging its duties during the financial year under review is set out below:-

- Reviewed the mix of skills, integrity, competencies, experience, time commitment, contribution and other qualities required of the Board;
- Assessed the performance and effectiveness of the Board, Board Committees and individual Directors;
- Reviewed the composition of the Board and Board Committees;
- Reviewed the performance of the AC, NC and RC and its members;
- Assessed the independence of the Independent Directors;
- Assessed the training needs of the Directors;
- Assessed the Directors who are due for retirement and re-election at the Company's forthcoming AGM;
- Assessed the target and measures on gender diversity on the Board; and
- Reviewed the Group's human capital development and talent management plan, including succession planning.

III. Re-election of Directors

In accordance to the Company's Constitution, one-third of the Directors or if their number is not three or multiples of three, then the number nearest to one-third shall retire from office by rotation, and are eligible for re-election at each Annual General Meeting ("AGM").

Retiring Directors are selected on the basis of those who have been longest in office since their last re-election. Additional Directors appointed during the interval between two AGMs are also subject to retirement, and are eligible for re-election at the following AGM.

For the purpose of determining the eligibility of the Directors namely, Mr Ho Cheok Yuen, Mr Adrian Chair Yong Huang and Mr Gan Chih Soon ("Retiring Directors") who stand for re-election at the forthcoming 12th AGM, the Board through its Nomination Committee had assessed each of the Retiring Directors.

The Nomination Committee and Board of the Company have considered the results of the assessment conducted on the Retiring Directors and collectively agreed that they met the criteria of character, experience, integrity, competence and time required to effectively discharge their respective roles as Directors, as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

The Board approved the Nomination Committee's recommendation that the Retiring Directors are eligible to stand for re-election at the AGM.

These three (3) Retiring Directors had abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at the relevant Nomination Committee and Board meetings.

There are no Independent Directors who have served on the Board for nine (9) years.

During the financial year 2022, there was no new appointment of director to the Board.

IV. Remuneration

The Remuneration Committee is tasked to review and recommend the remuneration of the Directors and Senior Management for Board's approval. The criteria for determining the appropriate level of remuneration for Executive Directors and Senior Management includes the complexity of the Group's business and the individual's performances and responsibilities. In the case of Non-Executive Directors, the level of remuneration reflects the experience, expertise, level of responsibilities and time commitment undertaken by the respective Non-Executive Director.

The Board has adopted a remuneration policy for Directors and Senior Management of the Company that aimed to attract, motivate and retain individuals of high calibre and talent to drive the Company's business goals and strategies in the long-term. The Remuneration Policy is available on the Company's website at www.boilermech.com.

The Directors are required to abstain from deliberating and voting on their own remuneration at Board and/or Remuneration Committee Meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The aggregate remuneration of Directors received from the Company and on Group basis for the financial year ended 31 March 2022 is as follows:-

Directors	Fees	Salaries	Bonuses	Other allowances/ emoluments	Benefits in-kind	Total
Group				**(in RM)**		
Non-Executive Director						
Dr. Chia Song Kun	108,000	-	-	16,000	-	124,000
Ng Swee Weng	96,000	-	-	16,000	-	112,000
Ho Cheok Yuen	106,022[(1)]	-	-	45,094[(1)]	-	151,116[(1)]
Adrian Chair Yong Huang	84,000	-	-	16,000	-	100,000
Rina Meileene Binti Adam	84,000	-	-	16,000	-	100,000
Executive Director[(2)]						
Leong Yew Cheong	-	540,000	110,396	85,145	15,500	751,041
Chia Lik Khai	-	424,200	84,809	67,095	-	576,104
Gan Chih Soon	-	503,949	113,117	117,607	17,400	752,073
Tee Seng Chun	-	495,831	111,315	80,553	11,775	699,474
Chia Seong Fatt	36,000[(3)]	-	-	-	-	36,000
Company				**(in RM)**		
Non-Executive Director						
Dr. Chia Song Kun	108,000	-	-	16,000	-	124,000
Ng Swee Weng	96,000	-	-	16,000	-	112,000
Ho Cheok Yuen	106,022[(1)]	-	-	45,094[(1)]	-	151,116[(1)]
Adrian Chair Yong Huang	84,000	-	-	16,000	-	100,000
Rina Meileene Binti Adam	84,000	-	-	16,000	-	100,000

Notes:

(1) Mr Ho Cheok Yuen's fees and meeting allowance have been converted from Singapore Dollar to Ringgit Malaysia as shown above based on the average exchange rate of SGD1:RM3.1.
(2) Salaries, bonuses etc. for Executive Directors derived only from subsidiary.
(3) This refers to Director's fee paid to Mr. Chia Seong Fatt, in his capacity as Director of the Company's subsidiary, Boilermech Sdn Bhd.

The position of the top four (4) Senior Management of the Group is occupied by the four (4) Executive Directors of the Group, namely Mr Leong Yew Cheong, Mr Chia Lik Khai, Mr Gan Chih Soon and Mr Tee Seng Chun. Details of their remuneration are as disclosed above. The 5th Senior Management personnel is Mr Yong Hua Kong, the Managing Director of Teknologi Enviro-Kimia (M) Sdn Bhd, the 60.23% owned subsidiary of the Company. His remuneration (comprising salary, benefits-in-kind and other emoluments) for the financial year ended 31 March 2022 which is provided herewith in bands of RM50,000 falls within the range of RM550,001 to RM600,000.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Board has established an Audit Committee to oversee matters relating to financial reporting, external and internal audit, internal controls, risk management, related party transactions and conflicts of interest situations.

The Audit Committee comprises five (5) members, of whom four (4) members, including the Audit Committee Chairman, are Independent Non-Executive Directors and one (1) member who is a Non-Independent Non-Executive Director. The requirements for the Audit Committee to consist of at least three (3) members, all of whom shall be non-executive with majority being Independent Directors and the requirement for the Audit Committee Chairman to be an Independent Director are set out in the Audit Committee's Terms of Reference.

The Audit Committee brings to the Board an independent and objective approach that safeguards the integrity of the Company's financial reporting, which includes ensuring the independence and quality of audit activities which are key to providing objective assurance to the Audit Committee in forming the basis for their recommendations to the Board.

The Audit Committee has also adopted a policy that requires a former partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee and such policy has been incorporated in the Audit Committee's Terms of Reference.

In the annual assessment on the suitability, objectivity and independence of the external auditors, the Audit Committee is guided by the factors as prescribed under Paragraph 15.21 of the MMLR.

The performance of the Audit Committee and its members is evaluated annually by the Nomination Committee and the results are reported to the Board. The evaluation covers key aspects such as the members' independence and discharge of their duties under the Audit Committee's Terms of Reference. Based on the assessment for the financial year ended 31 March 2022, the Board was satisfied with the performance of the Audit Committee and its members. As disclosed earlier in this Statement, the Audit Committee members have attended various training programmes and seminars to broaden their knowledge and keep abreast with the relevant development and changes in laws, regulations, internal control systems and risk environment in which the Group operates.

II. Risk Management and Internal Control Framework

The Board has the overall responsibility for maintaining a sound system of risk management and internal control in the Group that provides reasonable assurance on the effective and efficient business operations, fair financial and other reporting, compliance with laws and regulations as well as internal procedures and guidelines.

The Board, through the Audit Committee, oversees the risk management matters of the Group, which include identifying, analysing, evaluating, managing, monitoring, treating and mitigating significant risks across the Group. In this respect, the Audit Committee and Board is assisted by the Risk Management Unit ("RMU"), a Management level working committee established to ensure the implementation of an effective management system and to review the adequacy and integrity of the Group's internal control and management information system.

Further information on the Group's risk management and internal control framework, as well as the activities carried out during the financial year under review and reporting processes can be referred to in the Statement on Risk Management and Internal Control of this Annual Report.

III. Anti-Bribery and Anti-Corruption Policy

The Board has established an Anti-Bribery and Anti-Corruption Framework together with relevant Policies and Procedures in-line with the five (5) principles promulgated by the Guidelines on Adequate Procedures issued by the Prime Minister's Department pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

Through the Anti-Bribery and Anti-Corruption Policy, the Group communicates its stance and controls in combating bribery and corruption in its business operations to its Directors, employees, suppliers and business associates. The Anti-Bribery and Anti-Corruption Policy is accessible on the Company's website at www.boilermech.com.

IV. Insider Trading

In efforts to prevent insider trading in the listed securities of Boilermech and to maintain the confidentiality of price sensitive information, the Board has adopted an Insider Trading Code. The Insider Trading Code contains general guidelines for all Directors and employees of Boilermech Group to avoid falling foul of insider trading laws and regulations. The Board is not aware of any incidence of insider trading in FY2022 and during the period from 1 April 2021 up to the last practical date for this statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I. Engagement with Stakeholders

The Board recognises the importance of being transparent and accountable to the Company's stakeholders. The Board provides clear, comprehensive and timely information to stakeholders via various disclosures and announcements, including the quarterly and annual financial results which provide investors with up-to-date financial information of the Group. All the announcements and other information about the Company are available on the Company's website which shareholders, investors and the public may access via www.boilermech.com.

II. Conduct of General Meetings

On 14 September 2021, the Company had successfully convened a fully virtual Annual General Meeting ("AGM") through live streaming and online voting using remote participation and voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("TIIH"), via its TIIH Online Website at https://tiih.online. The RPV facilities provided by TIIH enabled voting in absentia and remote participation by shareholders.

Shareholders were encouraged to submit questions via. TIIH Online Website at https://tiih.online. to pose questions and submit electronically prior to the general meeting. Shareholders were also provided sufficient time and opportunity to raise questions on the day of the AGM via the virtual meeting portal. The Board had endeavoured to answer all questions received before and during the AGM. Questions that were not addressed during the Question and Answer session due to time constraint were responded to via email to the respective shareholder/proxy after the meeting.

A total of 92 shareholders, proxies and corporate representatives were logged in for the fully virtual AGM. Shareholders were allowed to cast his/her votes from the start of the meeting at 10.00 a.m. till the closure of voting as announced by the Chairman. Voting by poll was implemented for all resolutions set out in the notice of the 11th AGM. The notice of the 11th AGM dated 16 August 2021, which set out the businesses to be transacted at the AGM, was published in the Annual Report 2021, advertised in The New Straits Times newspaper, released to Bursa Malaysia Securities Berhad and uploaded onto the Company's website.

Coopers Professional Scrutineers Sdn Bhd was appointed as the independent scrutineer to observe the polling procedures and verify the results. Minutes of the 11th AGM including the Question and Answer session posed by the shareholders are made available on the corporate website within 30 business days after the AGM.

The Board deliberated, reviewed and approved this Corporate Governance Overview Statement on 7 July 2022.

OTHER DISCLOSURE REQUIREMENTS

1. Audit and Non-Audit Fees

The amount of audit fees and non-audit fees paid or payable to the external auditors for the financial year ended 31 March 2022 ("financial year") are as follows:

	Group (RM)	Company (RM)
Audit fees	299,505	65,000
Non-audit fees	5,000	5,000

2. Material contracts involving directors, chief executive who is not a director and major shareholders for the financial year

There were no material contracts entered into during the financial year by the Group involving directors' or major shareholders' interests. The Company does not have a chief executive who is not a director.

3. Material contracts relating to loans involving directors, chief executive who is not a director and major shareholders for the financial year

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

4. Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature

The shareholders had earlier approved the RRPT as set out in the circular dated 16 August 2021 during the Company's Annual General Meeting held on 14 September 2021.

The Company had on 7 July 2022 announced that the Company is seeking its shareholders' approval for the Proposed Renewal of Shareholders' Mandate for existing RRPT Mandate at the Company's forthcoming 12th 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 dated 25 July 2022 that is available on the Company's website at www.boilermech.com.

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 Resources Berhad ("QL") Group and Boilermech Group(1)	QL is the ultimate holding company of Boilermech	Provision of engineering solutions and materials in relation to bio-energy systems and water treatment activities; and provision of photovoltaic system (solar power system) to QL group of companies	4,548
EITA Resources Berhad ("EITA") Group and Boilermech Group(2)	A substantial shareholder of EITA is connected to directors of Boilermech	Purchase of boiler electronic equipment and maintenance services from EITA Group.	1,234
Primem Group and Boilermech Group(3)	A substantial shareholder of Primem Pte Ltd ("Primem)" is a director of a subsidiary of Boilermech	Purchase of materials from Primem Group	937
MB Group and Boilermech Group(4)	Substantial shareholders of MB Group are connected to the Directors of Boilermech	Provision of engineering solutions and materials in relation to bio-energy systems and water treatment activities; and provision of photovoltaic system (solar power system) to MB Group	609

Notes:

(1) Dr. Chia Song Kun and Mr Chia Seong Fatt are deemed as "Interested Directors" and "Interested Major Shareholders" by virtue of their respective substantial shareholdings in QL Resources Berhad ("QL"), which held through CBG (L) Pte Ltd via CBG (L) Foundation and Farsathy Holdings Sdn Bhd respectively. QL is the ultimate holding company of Boilermech, held through its wholly-owned subsidiary QL Green Resources Sdn Bhd ("QLGR"). In addition, Mr Chia Lik Khai is deemed as an "Interested Director" by virtue of his directorship in Boilermech, QLGR and QL.

(2) Dr. Chia Song Kun is deemed interested in EITA, held through Ruby Technique Sdn Bhd via. his and his spouse's interest in CBG Holdings Sdn Bhd. Mr Chia Seong Fatt is deemed interested in EITA, held through Ruby Technique Sdn Bhd via. his and his spouse's beneficial interest in Farsathy Holdings Sdn Bhd.

(3) Mr Yong Hua Kong, a Director of TEK, is deemed as an "Interested Director" by virtue of his substantial shareholdings in Primem.

(4) MB Group refers to M.B. Agriculture (Sabah) Sdn Bhd and M.B. Agriculture (Sandakan) Sdn Bhd. Both M.B. Agriculture (Sabah) Sdn Bhd and M.B. Agriculture (Sandakan) Sdn Bhd are held by Imbangan Lestari Sdn Bhd (77.67%) and Farsathy Holdings Sdn Bhd (22.33%) respectively. Imbangan Lestari Sdn Bhd is a wholly-owned subsidiary of CBG (L) Foundation, an entity where Dr. Chia Song Kun and person(s) connected to him have interests; Mr Chia Seong Fatt is deemed interested in M.B. Agriculture (Sabah) Sdn Bhd and M.B. Agriculture (Sandakan) Sdn Bhd via. his and his spouse's beneficial interest in Farsathy Holdings Sdn Bhd.

AUDIT COMMITTEE REPORT

The Audit Committee comprises the following members:

Name	Designation	Directorship
Mr Ng Swee Weng	Chairman	Independent Non-Executive Director
Dr. Chia Song Kun	Member	Non-Independent Non-Executive Director
Mr Ho Cheok Yuen	Member	Independent Non-Executive Director
Mr Adrian Chair Yong Huang	Member	Independent Non-Executive Director
Ms Rina Meileene Binti Adam	Member	Independent Non-Executive Director

The Secretary to the Committee is the Company Secretary.

ATTENDANCE AT MEETINGS

During the financial year ended 31 March 2022 ("financial year"), the Audit Committee had convened seven (7) meetings, attended by the members as follows:-

Name	Meeting Attendance
Mr Ng Swee Weng	7/7
Dr. Chia Song Kun	7/7
Mr Ho Cheok Yuen	7/7
Mr Adrian Chair Yong Huang	7/7
Ms Rina Meileene Binti Adam	7/7

SUMMARY OF WORKS

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

1. Reviewed the quarterly unaudited financial results and the audited financial statements before submission to the Board of Directors ("Board") for consideration and approval. Members of Senior Management were invited to attend meetings of the Audit Committee to brief and furnish the Audit Committee members with the relevant information and clarification pertaining to the quarterly unaudited financial results and the audited financial statements. The Audit Committee would ensure the financial statements of the Group complied with the requirements of the Companies Act 2016 and the applicable financial reporting standards. The External Auditors were also invited to attend Audit Committee meetings to update the Audit Committee members on the changes in major accounting policies and its subsequent implementation and to answer questions raised by the Audit Committee members during their meetings. The Audit Committee also deliberated on the audit opinion to be rendered by the External Auditors and the key audit matters to be reported.

2. Reviewed the related party transactions entered into by the Group, including the policies and procedures for reviewing recurrent related party transactions of a revenue or trading nature, to ensure all the recurrent related party transactions entered into by the Group are not more favourable to the transacting parties than those normally available to the public and are not to the detriment of the minority shareholders.

3. Reviewed the operational and financial monitoring by Management of the subsidiaries of the Group.

4. Reviewed the External Auditors' audit plan for the financial year which comprised their scope of audit, audit methodology and timetable, areas of focus and fraud risk assessment prior to the commencement of their annual audit.

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

6. Evaluated the External Auditors' independence, objectivity, effectiveness, performance, technical competency, sufficiency of resources, terms of engagement and reasonableness of audit fees, including taking into consideration the provision of audit and non-audit services by the External Auditors.

7. Reviewed any matters concerning the appointment and reappointment and any questions of resignation of the External Auditors and Internal Auditors.

AUDIT COMMITTEE REPORT

8. Reviewed the internal audit plan to ensure adequate scope and comprehensive coverage on the activities of the Group.

9. Reviewed the internal audit reports of the Group, which outlined the audit findings and recommendations for improvements on reported weaknesses to ensure that management action plans are taken to improve the systems of internal control based on the Internal Auditors' recommendations.

10. Reviewed the Group's internal control systems and principal risks identified by Management and Management's plans to manage these risks, including the adequacy of the Group's overall control environment and controls in selected areas representing significant financial and business risks.

11. Reviewed the Anti-Bribery and Corruption Policy and revised the Whistleblower Policy and Procedures by assessing the Group's existing governance, risk management, internal control systems and practices on prevention of corruption before recommendation to the Board for approval.

12. Reviewed the appropriateness of the proposed final dividend for the financial year and recommended to the Board accordingly.

13. Reviewed the Board's statements on compliance with the Malaysian Code on Corporate Governance, Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the annual report.

14. Reviewed the change of auditors from Crowe Malaysia PLT to KPMG PLT before recommendation to the Board for deliberation.

During the financial year, the Audit Committee held two (2) meetings with the External Auditors without the presence of the Executive Directors or Management, which allowed the auditors to discuss any issues arising from their audit assignment or any other matter which the External Auditors wished to raise.

At the Audit Committee ("AC") Meeting held on 24 May 2022, the Committee reviewed the performance and independence of the external auditors. AC was satisfied with the suitability of the external auditors based on the quality of service and sufficiency of resources they provided to Boilermech Group. The AC also considered the information in the Annual Transparency Report presented by the external auditors with reference to the Guidance of MCCG for re-appointment of auditors. Upon satisfying its review, AC recommended to the Board for approval on the re-appointment of KPMG as external auditors of Boilermech Group.

In addition, AC had reviewed the terms of reference of AC following the adoption of best practices as recommended by MCCG.

The Audit Committee Report for the financial year ended 31 March 2022 was prepared and presented by the Audit Committee to the Board for approval on 7 July 2022.

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 internal control systems to safeguard the Group's assets. The internal audit function reports directly to the Audit Committee. This function also serves as an avenue to improve current policies and procedures via the recommendation of the Internal Auditors.

The Audit Committee also reviewed the adequacy of the scope, functions, resources and competency of the internal audit functions and assessed the performance of the Internal Auditors in terms of their technical competencies and manpower resources sufficiency and that they have the necessary authority to carry out their work. The Audit Committee is of the opinion that the outsourced professional firm is independent and able to objectively carry out its role as internal auditors.

During the financial year ended 31 March 2022, the Internal Auditors had focused on the processes on certain areas of the Group: Order to collection process; and Inventory management and had reviewed and assessed the adequacy of the internal controls systems.

The Internal Auditors had issued their reports on the above to the Audit Committee detailing their findings and recommendations and Management's responses to the findings and recommendations.

The total expenses incurred for the internal audit function was RM40,000 for financial year ended 31 March 2022 (RM38,000 for FY2021).

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee is published on the Company's website at www.boilermech.com.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of Directors of a listed issuer to include in its Annual Report a statement about the state of risk management and internal control of the listed issuer as a group. Accordingly, the Board of Directors ("Board") of Boilermech Holdings Berhad ("Boilermech" or "Company") is pleased to provide the following statement which outlines the nature and scope of Boilermech and its subsidiaries ("Group")'s risk management and internal control systems for the financial year ended 31 March 2022.

BOARD'S RESPONSIBILITY

The Board acknowledges its responsibility in maintaining a sound and robust system of risk management and internal control to safeguard shareholders' investments and the Group's assets. The Board is assisted by the Audit Committee to oversee and monitor the effectiveness of the Group's risk management system. The Audit Committee meets on a quarterly basis, where principal risks identified and action plans to address the risks will be highlighted by the Risk Management Unit, a Management Committee. The Audit Committee then reports the same to the Board.

The Board and the Audit Committee have 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, based on the risk management and internal control systems of the Group.

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 business management processes. Some of the key elements of the Group's risk management and internal control system are as follows:

- **Organization structure**

  The Group has established an organizational structure with formally defined lines of responsibility and delegation of authority, augmented by hierarchical reporting culminating in the Board. The organizational structure enables each department to focus on the respective roles and responsibilities assigned to them and enhances operational efficiency and effectiveness.

- **Code of Ethics**

  The Group has a formalized Code of Ethics to provide a behavioral framework which sets out the Group's standards of integrity, acceptable conduct and behavior. The Code of Ethics is communicated to all employees of the Group.

- **Policies and Procedures**

  The Group has established policies and procedures for the Group's core business units, which are clearly communicated to all relevant parties. These policies and procedures are reviewed and updated from time-to-time to adapt to the changing business environment.

- **Business performance monitoring**

  Business performance is monitored periodically, focusing on both financial and operational results. The Group's annual business plan and budget for all major business units is reviewed and approved 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.

  The Board receives Management's reports on business performance, which include action plans to address areas of concerns, if any. The Audit Committee assists the Board in reviewing quarterly financial results, which are approved by the Board before the same is announced to the regulators and the public.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Joint Managing Directors and his fellow Executive Directors are actively involved in the day-to-day running of the major businesses, including having regular discussions with Senior Management personnel on operational issues.

The internal controls of the Group are further supported by formalized limits of authority for the various committees and personnel as designated. Support functions such as 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.

ENTERPRISE RISK MANAGEMENT (“ERM”) FRAMEWORK AND POLICY

The Board has established an ERM Framework and Policy to guide in the identification, assessment, evaluation, treatment and monitoring of principal risks to safeguard shareholders’ investments and the Group’s assets. The ERM framework is guided by the ISO 31000:2018. The ERM processes are as follows:

- **Risk identification**

  This process involves the identification of key risks that could have a material negative impact on the Group’s ability to achieve its objectives. During this process, risks are considered from both strategic and operational perspectives, as well as through various sources such as business operations, internal and external audit findings, customer complaints and incidents occurred.

- **Risk rating**

  Risks identified are then assessed and ranked based on the severity of consequences and likelihood of occurrence, giving different risk rating to each identified risk. This allows risks to be prioritized and resources to be effectively used in managing the principal risks identified.

- **Risk treatment**

  Risk treatment process includes actions, measures and strategies undertaken by Management to bring principal risks to an acceptable rating level. The implementation of risk treatment plans are generally the responsibility of the risk owners and risk delegates.

- **Risk monitoring**

  Principal risks identified are monitored by risk owners and risk delegates to ensure the risk ratings remain relevant and controls that have been put in place remain effective and adequate amidst changing circumstances and business environment. Any changes will be reported, and appropriate action plans will be devised with a view to realign the risk rating to an acceptable level.

The Group adopts a decentralized approach to risk management, whereby all employees take ownership and accountability for risks at their respective levels. The process of risk management and treatment is the responsibilities of the Heads of Department.

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 a risk based approach that focuses on the 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 and approved by the Audit Committee. Action plans are taken by Management to address the observations raised in the internal audit reports, which are presented by the internal auditors to the Audit Committee and subsequently reported upward to the Board. 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 2022 amounted to approximately RM40,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In accordance with Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants for inclusion in the Company's Annual Report for the financial year ended 31 March 2022, and reported to the Board that nothing has come to their attention that caused them to believe that the statement intended to be included in this Annual Report, in all material respects:-

(i) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(ii) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management.

CONCLUSION

The Board is of the view that the Group's risk management and internal control systems during the financial year under review up to the date of approval of this statement is adequate and effective to safeguard shareholders' investments, the Group's assets and the interests of customers, regulators and employees.

The Board is of the view that there were no material losses incurred by the Group during the financial year ended 31 March 2022 as a result of weaknesses in internal controls. The Group continues to take the necessary measures to strengthen the risk management processes and internal control environment of the Group.

This Statement on Risk Management and Internal Control was approved by the Board on 7 July 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2022 and of their financial performance and cash flows 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;
- ensured applicable accounting standards have been followed; and
- prepared financial statements on a going concern basis.

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 of the Company.

The Directors are also responsible for safeguarding the assets of the Group and of the Company by taking reasonable steps for the prevention and detection of fraud and other irregularities.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There have been no significant change in the nature of these activities during the financial year.

ULTIMATE HOLDING COMPANY

The Company is a subsidiary of QL Resources Berhad, of which is incorporated in Malaysia and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	16,974,480	10,094,842
Non-controlling interests	2,274,184	-
	19,248,664	10,094,842

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review.

DIVIDENDS

Since the end of the previous financial year, the Company declared a final single tier dividend of 1.75 sen per ordinary share totalling approximately RM9,030,000 in respect of the financial year ended 31 March 2021 on 13 August 2021 and paid on 6 October 2021.

A final single tier dividend recommended by the Directors in respect of the financial year ended 31 March 2022 is 1.75 sen per ordinary share totalling approximately RM9,030,000 subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

DIRECTORS' REPORT

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Dr. Chia Song Kun
Leong Yew Cheong
Chia Lik Khai
Gan Chih Soon
Ng Swee Weng
Adrian Chair Yong Huang
Ho Cheok Yuen
Rina Meileene Binti Adam
Chia Seong Fatt (Alternate to Chia Lik Khai)
Tee Seng Chun (Alternate to Gan Chih Soon)

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253(2) of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year and up to the date of the report is as follows:

Benja Boonyakitsombat
Chia Khek Ping
Hii Hiong Swee
Law Chee Wong
Leong Jit Min
Yong Hua Kong
Liu Chuan Yew (Appointed on 17 May 2022)

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the ordinary shares of the Company and of its related companies (other than wholly-owned subsidiaries) of those who were Director at financial year end (including the interest of the spouse and children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.4.2021	Bought	Sold	At 31.3.2022
Shareholdings in the Company which Directors have direct interests:				
Dr. Chia Song Kun	400,000	-	-	**400,000**
Leong Yew Cheong	34,265,824	-	(2,000,000)	**32,265,824**
Chia Lik Khai	500,000	-	-	**500,000**
Gan Chih Soon	20,674,140	-	-	**20,674,140**
Adrian Chair Yong Huang	40,500	369,500	-	**410,000**
Chia Seong Fatt	200,000	-	-	**200,000**
Tee Seng Chun	13,633,140	-	-	**13,633,140**

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

	Number of ordinary shares			
	At 1.4.2021	Bought	Sold	At 31.3.2022
Shareholdings in the Company which Directors have deemed interests:				
Dr. Chia Song Kun	260,750,206	7,520,900	-	**268,271,106**
Leong Yew Cheong	2,000,000	2,000,000	-	**4,000,000**
Tee Seng Chun	3,520,000	-	-	**3,520,000**
Shareholdings in the ultimate holding company which Directors have direct interests:				
Dr. Chia Song Kun	1,316,250	-	-	**1,316,250**
Leong Yew Cheong	68,250	-	-	**68,250**
Chia Lik Khai	2,709,900	95,600	-	**2,805,500**
Adrian Chair Yong Huang	-	25,000	-	**25,000**
Chia Seong Fatt	390,000	-	-	**390,000**
Shareholdings in the ultimate holding company which Directors have deemed interests:				
Dr. Chia Song Kun	999,586,771	4,907,300	(671,700)	**1,003,822,371**
Chia Lik Khai	285,480	-	-	**285,480**
Gan Chih Soon	32,760	-	-	**32,760**
Chia Seong Fatt	286,448,979	4,890,700	(671,700)	**290,667,979**

By virtue of his interest in the shares of the Company, Dr. Chia Song Kun is also deemed interested in the shares of all subsidiaries disclosed in Note 6 to the financial statements to the extent that the Company has an interest.

None of the other Directors holding office at 31 March 2022 had any interest in the shares of the Company and of its related companies during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration 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 or of related corporations) 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 other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 28 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

The Directors and certain officers of the Group and of the Company are covered by Directors and Officers Liability Insurance for any liability incurred in the discharge of their duties. The insurance premium paid during the financial year amounted to approximately RM18,000.

There was no indemnity given to, or insurance effected for auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business 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:

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONTINUED)

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

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

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group 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 as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 March 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 19 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Leong Yew Cheong
Director

Chia Lik Khai
Director

Subang Jaya

7 July 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Property, plant and equipment	3	**93,480,301**	95,581,420	**11,248,301**	11,398,445
Investment properties	4	**5,842,450**	5,950,710	**-**	-
Intangible assets	5	**5,831,378**	5,831,378	**-**	-
Investments in subsidiaries	6	**-**	-	**71,323,456**	70,781,071
Deferred tax assets	7	**1,055,290**	1,018,179	**-**	-
Trade receivables	8	**3,659,348**	2,668,500	**-**	-
Total non-current assets		**109,868,767**	111,050,187	**82,571,757**	82,179,516
Inventories	9	**47,137,748**	41,236,115	**-**	-
Contract assets	10.1	**51,693,567**	25,468,415	**-**	-
Contract costs	10.2	**1,074,877**	3,295,900	**-**	-
Current tax assets		**3,002,301**	566,612	**175,566**	181,729
Trade and other receivables	8	**72,844,088**	76,620,946	**19,114,013**	25,582,341
Prepayments	11	**8,975,570**	13,058,643	**48,076**	46,881
Derivative financial assets	12	**23,013**	-	**-**	-
Cash and cash equivalents	13	**57,491,462**	90,044,921	**9,727,110**	2,520,406
Total current assets		**242,242,626**	250,291,552	**29,064,765**	28,331,357
Total assets		**352,111,393**	361,341,739	**111,636,522**	110,510,873
EQUITY					
Share capital		**51,600,000**	51,600,000	**51,600,000**	51,600,000
Reserves		**185,841,557**	177,816,260	**59,897,066**	58,832,224
Equity attributable to owners of the Company	14	**237,441,557**	229,416,260	**111,497,066**	110,432,224
Non-controlling interests		**15,584,360**	13,679,066	**-**	-
Total equity		**253,025,917**	243,095,326	**111,497,066**	110,432,224

The notes on pages 72 to 147 are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
LIABILITIES					
Loans and borrowings	15	**3,074,198**	3,803,297	**-**	-
Lease liabilities		**434,693**	389,964	**-**	-
Employee benefits	16	**411,069**	253,091	**-**	-
Deferred tax liabilities	7	**1,356,200**	1,336,886	**49,864**	-
Total non-current liabilities		**5,276,160**	5,783,238	**49,864**	-
Loans and borrowings	15	**793,534**	830,954	**-**	-
Lease liabilities		**303,067**	154,702	**-**	-
Trade and other payables	17	**40,717,134**	41,463,882	**89,592**	78,649
Contract liabilities	10.1	**51,760,478**	68,226,493	**-**	-
Derivative financial liabilities	12	**-**	942,808	**-**	-
Current tax liabilities		**235,103**	844,336	**-**	-
Total current liabilities		**93,809,316**	112,463,175	**89,592**	78,649
Total liabilities		**99,085,476**	118,246,413	**139,456**	78,649
Total equity and liabilities		**352,111,393**	361,341,739	**111,636,522**	110,510,873

The notes on pages 72 to 147 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue	18	**317,759,957**	237,327,714	**10,558,630**	25,398,024
Cost of sales		**(262,305,375)**	(180,140,860)	**-**	-
Gross profit		**55,454,582**	57,186,854	**10,558,630**	25,398,024
Other income		**4,004,790**	5,001,931	**679,859**	1,763,169
Administrative expenses		**(24,290,354)**	(20,663,939)	**(1,210,642)**	(1,253,738)
Distribution expenses		**(3,053,657)**	(2,402,953)	**-**	-
Other expenses		**(6,575,340)**	(5,485,380)	**(1,040,144)**	(1,430,144)
Results from operating activities	19	**25,540,021**	33,636,513	**8,987,703**	24,477,311
Finance costs	20	**(226,098)**	(309,022)	**(17,951)**	-
Finance income	21	**395,121**	418,247	**1,265,378**	1,397,949
Profit before tax		**25,709,044**	33,745,738	**10,235,130**	25,875,260
Tax expense	22	**(6,460,380)**	(8,328,296)	**(140,288)**	(51,146)
Profit for the year		**19,248,664**	25,417,442	**10,094,842**	25,824,114
Other comprehensive income/(expense), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liability		**1,042**	5,881	**-**	-
Items that are or may be reclassified subsequently to profit or loss					
Cash flow hedge		**(598,475)**	1,391,905	**-**	-
Foreign currency translation differences for foreign operations		**678,250**	2,206,907	**-**	-
		79,775	3,598,812	**-**	-
Other comprehensive income for the year, net of tax		**80,817**	3,604,693	**-**	-
Total comprehensive income for the year		**19,329,481**	29,022,135	**10,094,842**	25,824,114
Profit attributable to:					
Owners of the Company		**16,974,480**	22,459,421	**10,094,842**	25,824,114
Non-controlling interests		**2,274,184**	2,958,021	**-**	-
Profit for the year		**19,248,664**	25,417,442	**10,094,842**	25,824,114
Total comprehensive income attributable to:					
Owners of the Company		**17,055,297**	26,064,114	**10,094,842**	25,824,114
Non-controlling interests		**2,274,184**	2,958,021	**-**	-
Total comprehensive income for the year		**19,329,481**	29,022,135	**10,094,842**	25,824,114
Basic and diluted earnings per ordinary share (sen)	23	**3.29**	4.35		

The notes on pages 72 to 147 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

		Attributable to owners of the Company								
		Non-distributable					Distributable			
Group	Note	Share capital RM	Merger deficit RM	Hedging reserve RM	Translation reserve RM	Defined benefit reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 April 2020		51,600,000	(21,809,998)	(718,309)	(3,226,005)	8,808	186,527,650	212,382,146	10,583,879	222,966,025
Cash flow hedge		-	-	1,391,905	-	-	-	1,391,905	-	1,391,905
Foreign currency translation differences for foreign operations		-	-	-	2,206,179	728	-	2,206,907	-	2,206,907
Remeasurement of defined benefit liability		-	-	-	-	5,881	-	5,881	-	5,881
Total other comprehensive income for the year		-	-	1,391,905	2,206,179	6,609	-	3,604,693	-	3,604,693
Profit for the year		-	-	-	-	-	22,459,421	22,459,421	2,958,021	25,417,442
Total comprehensive income for the financial year		-	-	1,391,905	2,206,179	6,609	22,459,421	26,064,114	2,958,021	29,022,135
Contributions by and distributions to owners of the Company										
- Dividend to owners of the Company	24	-	-	-	-	-	(9,030,000)	(9,030,000)	-	(9,030,000)
- Dividend to non-controlling interests		-	-	-	-	-	-	-	(262,834)	(262,834)
- Acquisition of a subsidiary	29	-	-	-	-	-	-	-	400,000	400,000
Total transactions with owners of the Company		-	-	-	-	-	(9,030,000)	(9,030,000)	137,166	(8,892,834)
At 31 March 2021		51,600,000	(21,809,998)	673,596	(1,019,826)	15,417	199,957,071	229,416,260	13,679,066	243,095,326

The notes on pages 72 to 147 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

Group	Note	Attributable to owners of the Company							Non-controlling interests RM	Total equity RM
		Non-distributable					Distributable			
		Share capital RM	Merger deficit RM	Hedging reserve RM	Translation reserve RM	Defined benefit reserve RM	Retained earnings RM	Total RM		
At 1 April 2021		51,600,000	(21,809,998)	673,596	(1,019,826)	15,417	199,957,071	229,416,260	13,679,066	243,095,326
Cash flow hedge		-	-	(598,475)	-	-	-	(598,475)	-	(598,475)
Foreign currency translation differences for foreign operations		-	-	-	677,863	387	-	678,250	-	678,250
Remeasurement of defined benefit liability		-	-	-	-	1,042	-	1,042	-	1,042
Total other comprehensive income for the year		-	-	(598,475)	677,863	1,429	-	80,817	-	80,817
Profit for the year		-	-	-	-	-	16,974,480	16,974,480	2,274,184	19,248,664
Total comprehensive income for the financial year		-	-	(598,475)	677,863	1,429	16,974,480	17,055,297	2,274,184	19,329,481
Distributions to owners of the Company										
- Dividend to owners of the Company	24	-	-	-	-	-	(9,030,000)	(9,030,000)	-	(9,030,000)
- Dividend to non-controlling interests		-	-	-	-	-	-	-	(368,890)	(368,890)
Total transactions with owners of the Company		-	-	-	-	-	(9,030,000)	(9,030,000)	(368,890)	(9,398,890)
At 31 March 2022		51,600,000	(21,809,998)	75,121	(341,963)	16,846	207,901,551	237,441,557	15,584,360	253,025,917
		Note 14.1	Note 14.2	Note 14.3	Note 14.4	Note 14.5				

The notes on pages 72 to 147 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

Company	Note	Attributable to owners of the Company Non-distributable Share capital RM	Distributable Retained earnings RM	Total equity RM
At 1 April 2020		51,600,000	42,038,110	93,638,110
Profit and total comprehensive income for the year		-	25,824,114	25,824,114
Distribution to owners of the Company				
- Dividend to owners of the Company	24	-	(9,030,000)	(9,030,000)
Total transactions with owners of the Company		-	(9,030,000)	(9,030,000)
At 31 March 2021/1 April 2021		**51,600,000**	**58,832,224**	**110,432,224**
Profit and total comprehensive income for the year		**-**	**10,094,842**	**10,094,842**
Distribution to owners of the Company				
- Dividend to owners of the Company	24	**-**	**(9,030,000)**	**(9,030,000)**
Total transactions with owners of the Company		**-**	**(9,030,000)**	**(9,030,000)**
At 31 March 2022		**51,600,000**	**59,897,066**	**111,497,066**
		Note 14.1		

The notes on pages 72 to 147 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**25,709,044**	33,745,738	**10,235,130**	25,875,260
Adjustments for:					
Bad debts written off		**-**	506,598	**-**	-
Depreciation of:					
- property, plant and equipment	3	**5,238,314**	4,963,256	**150,144**	150,144
- investment properties	4	**108,260**	108,260	**-**	-
Dividend income		**-**	-	**(10,558,630)**	(25,398,024)
Employee benefits		**151,022**	32,871	**-**	-
Fair value (gain)/loss on derivatives		**(1,564,296)**	57,532	**-**	-
Finance costs		**226,098**	309,022	**17,951**	-
Finance income		**(395,121)**	(418,247)	**(1,265,378)**	(1,397,949)
Gain on disposal of property, plant and equipment		**(85,000)**	(78,767)	**-**	-
Gain on termination of lease contracts		**(5,801)**	-	**-**	-
(Gain)/Loss on unrealised foreign exchange		**(249,971)**	402,291	**(523,197)**	(1,543,239)
Income distribution on liquid investments		**(804,113)**	(951,657)	**(156,662)**	(69,930)
Inventories written down		**1,037,869**	406,746	**-**	-
Inventories written off		**1,424**	38,539	**-**	-
Property, plant and equipment written off	3	**12,963**	113,741	**-**	-
Net impairment loss/(reversal of impairment loss) on:					
- investment in subsidiaries		**-**	-	**500,000**	500,000
- contract assets		**134,593**	627,229	**-**	-
- financial assets		**1,012,994**	(2,541,023)	**390,000**	780,000
Operating profit/(loss) before changes in working capital		**30,528,279**	37,322,129	**(1,210,642)**	(1,103,738)
Changes in working capital:					
Inventories		**(6,820,273)**	(5,385,363)	**-**	-
Trade and other receivables and prepayments		**5,873,438**	(10,367,870)	**(23,037)**	50,142
Contract assets		**(26,313,639)**	8,442,992	**-**	-
Contract costs		**2,221,023**	(892,373)	**-**	-
Trade and other payables, including derivatives		**(845,260)**	9,747,991	**10,943**	(61,449)
Contract liabilities		**(16,606,224)**	22,725,665	**-**	-
Cash (used in)/generated from operations		**(11,962,656)**	61,593,171	**(1,222,736)**	(1,115,045)

The notes on pages 72 to 147 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash (used in)/generated from operations (continued)		**(11,962,656)**	61,593,171	**(1,222,736)**	(1,115,045)
Interest paid		**(31,570)**	(15,056)	**-**	-
Employee benefit paid		**-**	(8,414)	**-**	-
Tax paid		**(9,517,602)**	(10,571,484)	**(84,261)**	(143,561)
Net cash (used in)/from operating activities		**(21,511,828)**	50,998,217	**(1,306,997)**	(1,258,606)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash and bank balances acquired	29	**-**	(2,455,526)	**-**	(2,500,000)
Acquisition of property, plant and equipment	(i)	**(1,756,596)**	(5,980,279)	**-**	-
Advances to subsidiaries		**-**	-	**1,450,231**	(10,455,624)
Change in pledged deposits		**(83,442)**	-	**-**	-
Dividends received		**-**	-	**15,558,630**	25,398,024
Interest received		**383,450**	415,714	**396,129**	1,744
Income distribution on liquid investments		**804,113**	951,657	**156,662**	69,930
Proceeds from disposal of property, plant and equipment		**85,000**	81,200	**-**	-
Net cash (used in)/from investing activities		**(567,475)**	(6,987,234)	**17,561,652**	12,514,074
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to:					
- non-controlling interests		**(368,890)**	(262,834)	**-**	-
- owners of the Company		**(9,030,000)**	(9,030,000)	**(9,030,000)**	(9,030,000)
Interest paid		**(194,528)**	(293,966)	**(17,951)**	-
Repayment of:					
- bankers' acceptances		**-**	(1,490,855)	**-**	-
- revolving credit		**-**	(1,500,000)	**-**	-
- term loans		**(433,466)**	(483,193)	**-**	-
- hire purchase liabilities		**(407,053)**	(355,305)	**-**	-
Payment of lease liabilities		**(223,631)**	(77,443)	**-**	-
Net cash used in financing activities		**(10,657,568)**	(13,493,596)	**(9,047,951)**	(9,030,000)
Net (decrease)/increase in cash and cash equivalents		**(32,736,871)**	30,517,387	**7,206,704**	2,225,468
Effect of exchange rate fluctuations on cash held		**99,970**	740,046	**-**	-
Cash and cash equivalents at 1 April 2021/2020		**89,942,054**	58,684,621	**2,520,406**	294,938
Cash and cash equivalents at 31 March	(ii)	**57,305,153**	89,942,054	**9,727,110**	2,520,406

The notes on pages 72 to 147 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE STATEMENTS OF CASH FLOWS

i) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM2,688,420 (2021: RM6,580,211), of which RM618,083 (2021: RM599,932) were acquired by means of lease arrangements and RM313,741 relates to prepayment made in 2021.

ii) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances		**22,858,132**	19,064,390	**29,190**	19,148
Deposits placed with licensed banks		**10,346,828**	5,962,418	**-**	-
Liquid investments		**24,286,502**	65,018,113	**9,697,920**	2,501,258
	13	**57,491,462**	90,044,921	**9,727,110**	2,520,406
Less: Pledged deposits	13.1	**(186,309)**	(102,867)	**-**	-
		57,305,153	89,942,054	**9,727,110**	2,520,406

iii) Cash outflows for leases as a lessee

		Group	
	Note	2022 RM	2021 RM
Included in net cash from operating activities:			
Payment relating to short-term leases	19	**334,294**	450,645
Payment relating to leases of low-value assets	19	**54,468**	27,721
Interest paid in relation to lease liabilities	20	**31,570**	15,056
		420,332	493,422
Included in net cash from financing activities:			
Payment of lease liabilities		**223,631**	77,443
Total cash outflows for leases		**643,963**	570,865

The notes on pages 72 to 147 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

iv) Reconciliations of movement of liabilities to cash flows arising from financing activities

Group	At 1 April 2020 RM	Net changes from financing cash flows RM	Acquisition of new leases RM	Acquisition through business combination (Note 29) RM	Remeasurement RM	At 31 March 2021/ 1 April 2021 RM	Net changes from financing cash flows RM	Acquisition of new leases RM	Remeasurement RM	Termination of lease contracts RM	At 31 March 2022 RM
Term loans	3,961,057	(483,193)	-	247,104	-	3,724,968	(433,466)	-	-	-	**3,291,502**
Bankers' acceptances	827,000	(1,490,855)	-	663,855	-	-	-	-	-	-	**-**
Revolving credits	1,500,000	(1,500,000)	-	-	-	-	-	-	-	-	**-**
Hire purchase liabilities	1,088,303	(355,305)	-	176,285	-	909,283	(407,053)	74,000	-	-	**576,230**
Lease liabilities	6,876	(77,443)	599,932	-	15,301	544,666	(223,631)	544,083	46,497	(173,855)	**737,760**
Total liabilities from financing activities	7,383,236	(3,906,796)	599,932	1,087,244	15,301	5,178,917	(1,064,150)	618,083	46,497	(173,855)	**4,605,492**

The notes on pages 72 to 147 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Boilermech Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the registered office and principal place of business of the Company are as follows:

Registered office
Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur

Principal place of business
Lot 875, Jalan Subang 8
Taman Perindustrian Subang
47620 Subang Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 March 2022 do not include other entities.

The Company is principally engaged in the business of investment holding, whilst the principal activities of the subsidiaries are as stated in Note 6. There has been no significant change in the nature of these activities during the financial year.

The immediate and ultimate holding companies are QL Green Resources Sdn. Bhd. and QL Resources Berhad respectively. Both companies are incorporated in Malaysia. The ultimate holding company is listed on the Main Market of Bursa Malaysia Securities Berhad.

These financial statements were authorised for issue by the Board of Directors on 7 July 2022.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts - Initial application of MFRS 17 and MFRS 9 - Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 April 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments to MFRS 1 and MFRS 141 which are not applicable to the Group and the Company; and
- from the annual period beginning on 1 April 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Group and the Company.

The initial application of the abovementioned accounting standards, interpretations and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. BASIS OF PREPARATION (CONTINUED)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

(i) Note 3 - extension options and incremental borrowing rate in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

(ii) Note 5 - impairment of intangible assets

The Group performs annual impairment assessment on goodwill. The impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. Determining the value-in-use of an assets requires an estimation of the future cash flows expected to arise from the cash generating units to which goodwill has been allocated and a suitable discount rate. Details of the impairment assessment are disclosed in Note 5.

1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

(iii) Note 9 - allowance for slow-moving inventories and write-down of inventories to net realisable value

Reviews are made periodically by the Group 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.

(iv) Note 8, Note 10 and Note 26.4 - impairment of trade receivables and contract assets

The Group uses the simplified approach to estimate a lifetime expected credit loss ("ECLs") allowance for trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts.

A considerable amount of judgement is required in assessing the loss rates, which are based on the payment profiles of past sales and the historical credit loss. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables and contract assets. If the financial conditions of the customers with which the Group deals were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

(v) Note 18 - revenue from construction contracts

The Group recognises revenue from construction contracts by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The Group measures the performance of construction work done by comparing actual work costs incurred with the estimated total costs required to complete the construction. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, the Group relied on the work of specialists and on past experience of completed projects. A change in the estimates will directly affect the revenue to be recognised.

(vi) Note 29 - purchase price allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future impairment tests.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, 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. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transaction between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Acquisitions from entities under common controls

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for using book value accounting as occur and the comparatives are not restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or a financial asset depending on the level of influence retained.

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(l)(i)) where the effective interest rate is applied to the amortised cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(b) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss are subject to impairment assessment (see Note 2(l)(i)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

(a) Fair value through profit or loss (continued)

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group recognises the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset to be received by the Group or the Company; and
(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies trade date accounting unless otherwise stated for the specific class of asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(v) Hedge accounting

At inception of a designated hedging relationship, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

(a) Fair value hedge

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the profit or loss.

In a fair value hedge, the gain or loss on the hedging instrument shall be recognised in profit or loss (or other comprehensive income, if the hedging instrument hedges an equity instrument which the Group has elected to present the subsequent changes in fair value of the investment in equity in other comprehensive income).

The hedging gain or loss on the hedged item shall adjust the carrying amount of the hedged item and be recognised in profit or loss. If the hedged item is a financial asset (or a component thereof) that is measured at fair value through other comprehensive income, the hedging gain or loss on the hedged item shall be recognised in profit or loss. However, if the hedged item is an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income, those amounts shall remain in other comprehensive income. When a hedged item is an unrecognised firm commitment (or a component thereof), the cumulative change in the fair value of the hedged item subsequent to its designation is recognised as an asset or a liability with a corresponding gain or loss recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(v) Hedge accounting (continued)

(b) Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity and the ineffective portion is recognised in profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

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 forecast cash flows 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 removed 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 immediately.

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ("forward points") and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer meets the criteria for hedge accounting, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(vi) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) 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, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. 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.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within “other income” and “other expenses” respectively in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings and improvements	10 - 58 years
Furniture, fittings, and office equipment	5 - 10 years
Machinery	4 - 10 years
Motor vehicles	5 years
Renovation	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(ii) Recognition and initial measurement (continued)

As a lessee (continued)

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these as an expense on a straight-line basis over the lease-term.

(iii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses.

(ii) Amortisation

Goodwill is not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Investment properties

Investment properties carried at cost

Investment properties are properties which are owned or right-of-use assets held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(d).

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful life.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of raw materials and other consumables are measured based on the weighted average cost and first-in first-out method respectively, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and certain finished goods, cost comprises materials and other direct charges.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Contract asset/Contract liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(l)(i)).

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Contract cost

The Group recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits placed with licensed banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

(l) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and cash equivalents for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information, where available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment (continued)

(i) Financial assets (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment (continued)

(ii) Other assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(m) Equity instruments

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

Ordinary shares

Ordinary shares are classified as equity.

(n) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to the statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits (continued)

(iii) Defined benefit plans

The Group's net obligation in respect of defined benefit retirement plans arises from its subsidiaries in Indonesia for long-term and post-employment benefits, such as pension, severance pay, service pay and other benefits.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data associated with similar products and services.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Revenue and other income

(i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring product or services to customer, excluding amounts collected on behalf of third party. The Group or the Company recognises revenue when it transfers control over a product or services to a customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

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

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's rights to receive payment is established.

(iii) Rental income

Rental income from investment properties is recognised in the profit or loss on a straight-line basis over the term of the lease.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Income tax (continued)

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary difference: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (“EPS”).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(s) 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. All operating segments’ operating results are reviewed regularly by the chief operating decision maker, which in this case are the Managing Directors of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability 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 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.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 : unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment								Right-of-use assets			
Group	Land RM	Buildings and improvements RM	Furniture, fitting and office equipment RM	Machinery RM	Motor vehicles RM	Renovation RM	Capital work-in-progress RM	Subtotal RM	Leasehold land RM	Premises RM	Subtotal RM	Total RM
Cost												
At 1 April 2020	830,000	26,724,744	6,821,097	10,665,004	9,370,901	1,705,115	109,038	56,225,899	66,189,132	14,720	66,203,852	122,429,751
Additions	-	-	685,547	4,204,484	756,570	333,678	-	5,980,279	-	599,932	599,932	6,580,211
Acquisition through business combination	-	-	175,384	-	343,011	69,730	-	588,125	-	-	-	588,125
Disposals	-	-	(4,000)	-	(654,044)	-	-	(658,044)	-	-	-	(658,044)
Written off	-	-	(30,609)	(27,000)	-	-	(109,038)	(166,647)	-	-	-	(166,647)
Remeasurement	-	-	-	-	-	-	-	-	-	15,301	15,301	15,301
Effect of movements in exchange rates	-	259,600	10,057	4,770	26,622	(128)	-	300,921	1,310,584	-	1,310,584	1,611,505
At 31 March/1 April 2021	**830,000**	**26,984,344**	**7,657,476**	**14,847,258**	**9,843,060**	**2,108,395**	**-**	**62,270,533**	**67,499,716**	**629,953**	**68,129,669**	**130,400,202**
Additions	**313,741**	**-**	**578,477**	**641,592**	**516,277**	**94,250**	**-**	**2,144,337**	**-**	**544,083**	**544,083**	**2,688,420**
Disposals	**-**	**-**	**-**	**-**	**(405,984)**	**-**	**-**	**(405,984)**	**-**	**-**	**-**	**(405,984)**
Derecognition	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(213,886)**	**(213,886)**	**(213,886)**
Written off	**-**	**-**	**(178,848)**	**(166,650)**	**-**	**-**	**-**	**(345,498)**	**-**	**-**	**-**	**(345,498)**
Reclassification	**17,037,610**	**-**	**-**	**-**	**-**	**-**	**-**	**17,037,610**	**(17,037,610)**	**-**	**(17,037,610)**	**-**
Remeasurement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**46,497**	**46,497**	**46,497**
Effect of movements in exchange rates	**419,704**	**82,600**	**6,368**	**103,121**	**8,510**	**3,113**	**-**	**623,416**	**-**	**-**	**-**	**623,416**
At 31 March 2022	**18,601,055**	**27,066,944**	**8,063,473**	**15,425,321**	**9,961,863**	**2,205,758**	**-**	**81,324,414**	**50,462,106**	**1,006,647**	**51,468,753**	**132,793,167**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Property, plant and equipment								Right-of-use assets			
Group	Land RM	Buildings and improvements RM	Furniture, fitting and office equipment RM	Machinery RM	Motor vehicles RM	Renovation RM	Capital work-in-progress RM	Subtotal RM	Leasehold land RM	Premises RM	Subtotal RM	Total RM
Accumulated depreciation												
At 1 April 2020	-	5,135,819	3,913,397	7,385,683	7,444,122	1,038,355	-	24,917,376	5,359,552	7,843	5,367,395	30,284,771
Acquisition through business combination	-	-	102,717	-	148,638	15,108	-	266,463	-	-	-	266,463
Depreciation for the year	-	783,893	607,488	1,327,678	788,164	198,196	-	3,705,419	1,172,579	85,258	1,257,837	4,963,256
Disposals	-	-	(1,567)	-	(654,044)	-	-	(655,611)	-	-	-	(655,611)
Written off	-	-	(25,906)	(27,000)	-	-	-	(52,906)	-	-	-	(52,906)
Effect of movements in exchange rates	-	(72)	4,430	(289)	9,134	(11)	-	13,192	(383)	-	(383)	12,809
At 31 March/1 April 2021	**-**	**5,919,640**	**4,600,559**	**8,686,072**	**7,736,014**	**1,251,648**	**-**	**28,193,933**	**6,531,748**	**93,101**	**6,624,849**	**34,818,782**
Depreciation for the year	**-**	**784,917**	**669,730**	**1,642,374**	**905,071**	**195,938**	**-**	**4,198,030**	**806,332**	**233,952**	**1,040,284**	**5,238,314**
Disposals	**-**	**-**	**-**	**-**	**(405,984)**	**-**	**-**	**(405,984)**	**-**	**-**	**-**	**(405,984)**
Derecognition	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(45,832)**	**(45,832)**	**(45,832)**
Written off	**-**	**-**	**(167,891)**	**(164,644)**	**-**	**-**	**-**	**(332,535)**	**-**	**-**	**-**	**(332,535)**
Reclassification	**365,868**	**-**	**-**	**-**	**-**	**-**	**-**	**365,868**	**(365,868)**	**-**	**(365,868)**	**-**
Effect of movements in exchange rates	**8,953**	**2,311**	**2,518**	**21,248**	**4,720**	**371**	**-**	**40,121**	**-**	**-**	**-**	**40,121**
At 31 March 2022	**374,821**	**6,706,868**	**5,104,916**	**10,185,050**	**8,239,821**	**1,447,957**	**-**	**32,059,433**	**6,972,212**	**281,221**	**7,253,433**	**39,312,866**
Carrying amounts												
At 1 April 2020	830,000	21,588,925	2,907,700	3,279,321	1,926,779	666,760	109,038	31,308,523	60,829,580	6,877	60,836,457	92,144,980
At 31 March/1 April 2021	830,000	21,064,704	3,056,917	6,161,186	2,107,046	856,747	-	34,076,600	60,967,968	536,852	61,504,820	95,581,420
At 31 March 2022	**18,226,234**	**20,360,076**	**2,958,557**	**5,240,271**	**1,722,042**	**757,801**	**-**	**49,264,981**	**43,489,894**	**725,426**	**44,215,320**	**93,480,301**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Right-of-use asset Leasehold land RM
Cost	
At 1 April 2020/31 March 2021/1 April 2021/31 March 2022	**12,299,309**
Accumulated depreciation	
At 1 April 2020	**750,720**
Depreciation for the year	**150,144**
At 31 March/1 April 2021	**900,864**
Depreciation for the year	**150,144**
At 31 March 2022	**1,051,008**
Carrying amount	
At 1 April 2020	**11,548,589**
At 31 March/1 April 2021	**11,398,445**
At 31 March 2022	**11,248,301**

The Group leases office premise and staff hostel used in its operations that run between 2 years to 5 years (2021: 2 years to 7 years), with an option to renew the leases upon expiry. Leasehold land of the Group has an unexpired lease period between 47 years to 82 years (2021: 45 years to 82 years).

Motor vehicles under hire purchase arrangements

Included in property, plant and equipment of the Group are assets acquired under hire purchase arrangements with the net carrying amount of RM355,887 (2021: RM695,339).

Security

Land, buildings, and leasehold land of the Group with total carrying amount of RM3,791,236 (2021: RM3,863,840) are pledged to licensed banks as security for banking facilities granted to the Group (see Note 15).

Land in Indonesia

Land in Indonesia, with a carrying amount of RM17,396,234 (2021: RM16,671,742) is regulated under Hak Guna Bangunan ("HGB") and can be renewed indefinitely at a minimal cost if certain conditions are met. The Group assessed the conditions and concluded that the possibility of non-renewal of the usage rights of the land is remote.

On 1 April 2021, the Directors regard the said land as in substance a purchase of rights which meets the definition of property, plant and equipment regardless of whether the legal title transfers. Therefore, the said land has been reclassified from right-of-use assets to property, plant and equipment.

4. INVESTMENT PROPERTIES

Group	Land and buildings RM
Cost	
At 1 April 2020/31 March 2021/1 April 2021/31 March 2022	**6,941,327**
Accumulated depreciation	
At 1 April 2020	**882,357**
Depreciation for the year	**108,260**
At 31 March/1 April 2021	**990,617**
Depreciation for the year	**108,260**
At 31 March 2022	**1,098,877**
Carrying amounts	
At 1 April 2020	**6,058,970**
At 31 March/1 April 2021	**5,950,710**
At 31 March 2022	**5,842,450**

Security

The investment properties of the Group are pledged to licensed banks as security for banking facilities granted to the Group (see Note 15).

Operating lease

The investment properties of the Group are leased to third parties. The following are recognised in profit or loss:

	Group	
	2022 RM	2021 RM
Lease income	**199,920**	68,940
Direct operating expenses for income generating investment properties	**77,076**	56,100

The operating lease payments to be received are as follows:

	Group	
	2022 RM	2021 RM
Less than one year	**182,080**	188,220
Between one and five years	**457,750**	615,980
Total undiscounted lease payments	**639,830**	804,200

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. INVESTMENT PROPERTIES (CONTINUED)

Fair value information

Fair value of investment properties are categorised as follows:

	Group Level 3	
	2022 RM	2021 RM
Land and buildings	**6,303,000**	6,303,000

Level 3 fair value

Level 3 fair values of land and buildings are estimated by Directors by making reference to the recent transactions and asking price of comparable properties in close proximity and adjusted for differences in key attributes such as property size and bargain discount. The significant unobservable inputs include adjustments to price per square feet of comparable properties and the discount factors.

5. INTANGIBLE ASSETS

Group	Note	Goodwill RM
Cost		
At 1 April 2020		**3,931,378**
Acquisition through business combination	29	**1,900,000**
At 31 March 2021/1 April 2021/31 March 2022		**5,831,378**
Carrying amount		
At 1 April 2020		**3,931,378**
At 31 March 2021/1 April 2021		**5,831,378**
At 31 March 2022		**5,831,378**

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions as follows:

	Group	
	2022 RM	2021 RM
Water treatment segment	**3,931,378**	3,931,378
Solar energy segment	**1,900,000**	1,900,000
	5,831,378	5,831,378

5. INTANGIBLE ASSETS (CONTINUED)

Impairment testing for cash-generating units containing goodwill (continued)

The recoverable amounts of the cash-generating units (operating divisions) were based on value in use, determined by discounting pre-tax cash flow projections based on the financial budgets approved by management covering a period of 5 years. The recoverable amounts of the above cash-generating units are higher than their carrying amounts.

The key assumptions used in the determination of the recoverable amounts are as follows:

- The average revenue growth rates included in the cash flow projections for the years 2023 to 2027 (2021: years 2022 to 2026) approximated 24% and 18% (2021: 12% and 25%) for water treatment and solar energy segment respectively; and
- Pre-tax discount rates of 17% and 17% (2021: 15% and 15%) were applied in determining the recoverable amount for water treatment and solar energy segment respectively. The discount rates were estimated based on the specific risk relating to the relevant cash generating unit.

The Directors believe that there is no reasonably possible change in the above key assumptions applied that would materially cause the respective cash-generating unit's carrying amount to exceed its recoverable amount.

6. INVESTMENTS IN SUBSIDIARIES

	Note	Company 2022 RM	Company 2021 RM
Unquoted shares, at costs	6.1	**49,945,888**	49,945,888
Less: Impairment losses		**(1,000,000)**	(500,000)
		48,945,888	49,445,888
Amount due from a subsidiary	6.2	**22,377,568**	21,335,183
		71,323,456	70,781,071

6.1 In previous financial year, the Company acquired 60% equity interest of Tera VA Sdn. Bhd. for total cash consideration of RM2,500,000. Details of the acquisition are disclosed in Note 29.

6.2 The amount due from a subsidiary is subject to an interest rate of 4.00% (2021: 5.50%) per annum and the repayment is neither planned nor likely to occur in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2022 %	Effective ownership interest and voting interest 2021 %
Boilermech Sdn. Bhd.	Malaysia	Engaged in the business of manufacturing, repairing and servicing of boilers.	**100**	100
Boilermech Cleantech Sdn. Bhd.	Malaysia	Engaged in the business of dealing and installation of green solar power energy products and producing integrated biomass electric power generation system.	**100**	100
Zenith Index Sdn. Bhd.	Malaysia	Engaged in the business of bio-energy systems.	**100**	100
Boilermech Oretech Sdn. Bhd.	Malaysia	Engaged in the business of supplying palm oil recovery enhancement system.	**100**	100
PT Boilermech (“PTBM”)# and its subsidiary	Indonesia	Engaged in trading, repairing and servicing of boilers.	**100**	100
PT Boilermech Manufacturing Indonesia (“PTBMI”)#	Indonesia	Engaged in the business of manufacturing, repairing and servicing of boilers.	**100**	100
Teknologi Enviro-Kimia (M) Sdn. Bhd. (“TEK”) and its subsidiaries	Malaysia	Engaged in the businesses of general trader and contractor of water treatment chemicals and equipment and investment holdings.	**60.23**	60.23
T.E.K. Water Sdn. Bhd.	Malaysia	Supplier of water treatment chemical and related accessories.	**60.23**	60.23
TEK Biotechnology Sdn. Bhd.	Malaysia	Management services, technical consultancy service, project management, laboratory testing, trading and engineering works.	**48.18**	48.18
T.E.K. Greencare Sdn. Bhd.	Malaysia	Inactive	**60.23**	60.23
Tera VA Sdn. Bhd. (“TERA”)	Malaysia	Engaged in the business of dealing and installation of green solar power energy products.	**60.00**	60.00

Subsidiaries audited by another firm of accountants.

All other subsidiaries are audited by KPMG.

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	2022		
	TEK RM	TERA RM	Total RM
NCI percentage of ownership interest and voting interest	39.77%	40.00%	
Carrying amount of NCI	12,679,870	2,904,490	15,584,360
Total comprehensive income allocated to NCI	1,708,931	565,253	2,274,184
Summarised financial information before intra-group elimination			
As at 31 March			
Non-current assets	13,661,537	1,547,433	
Current assets	29,063,753	18,178,369	
Non-current liabilities	(4,689,438)	(100,497)	
Current liabilities	(7,368,823)	(12,364,079)	
Net assets	30,667,029	7,261,226	
Year ended 31 March			
Revenue	37,354,712	32,975,378	
Profit for the year	3,929,736	1,413,134	
Total comprehensive income	3,929,736	1,413,134	
Cash flows (used in)/from operating activities	(2,280,315)	1,543,661	
Cash flows used in investing activities	(77,189)	(260,147)	
Cash flows used in financing activities	(1,860,949)	(1,320,680)	
Net decrease in cash and cash equivalents	(4,218,453)	(37,166)	
Dividend paid to NCI	368,890	-	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries (continued)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows (continued):

	2021		
	TEK RM	TERA RM	Total RM
NCI percentage of ownership interest and voting interest	39.77%	40.00%	
Carrying amount of NCI	11,339,829	2,339,237	13,679,066
Total comprehensive income allocated to NCI	1,018,784	1,939,237	2,958,021
Summarised financial information before intra-group elimination			
As at 31 March			
Non-current assets	13,632,542	1,057,171	
Current assets	26,422,623	19,412,896	
Non-current liabilities	(5,271,491)	(221,077)	
Current liabilities	(7,118,861)	(14,400,898)	
Net assets	27,664,813	5,848,092	
Year ended 31 March			
Revenue	29,299,584	32,196,490	
Profit for the year	2,419,313	4,848,092	
Total comprehensive income	2,419,313	4,848,092	
Cash flows from operating activities	3,826,464	3,162,527	
Cash flows from/(used in) investing activities	38,576	(389,419)	
Cash flows used in financing activities	(3,590,805)	(975,341)	
Net increase in cash and cash equivalents	274,235	1,797,767	
Dividend paid to NCI	262,834	-	

7. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2022 RM	Assets 2021 RM	Liabilities 2022 RM	Liabilities 2021 RM	Net 2022 RM	Net 2021 RM
Property, plant and equipment	**11,047**	-	**(3,437,095)**	(3,619,913)	**(3,426,048)**	(3,619,913)
Trade receivables	**1,162,912**	1,078,978	**-**	-	**1,162,912**	1,078,978
Other temporary differences	**2,012,090**	2,222,228	**(49,864)**	-	**1,962,226**	2,222,228
Tax assets/(liabilities)	**3,186,049**	3,301,206	**(3,486,959)**	(3,619,913)	**(300,910)**	(318,707)
Set off of tax	**(2,130,759)**	(2,283,027)	**2,130,759**	2,283,027	**-**	-
Net tax assets/(liabilities)	**1,055,290**	1,018,179	**(1,356,200)**	(1,336,886)	**(300,910)**	(318,707)

Company	Assets 2022 RM	Assets 2021 RM	Liabilities 2022 RM	Liabilities 2021 RM	Net 2022 RM	Net 2021 RM
Other temporary differences	**-**	-	**(49,864)**	-	**(49,864)**	-
Net tax liabilities	**-**	-	**(49,864)**	-	**(49,864)**	-

Movement in temporary differences during the year

Group	At 1 April 2021 RM	Recognised in profit or loss (Note 22) RM	Recognised in other compre-hensive income RM	Effect of movements in exchange rate RM	At 31 March 2022 RM
Property, plant and equipment	**(3,619,913)**	**193,770**	**-**	**95**	**(3,426,048)**
Trade receivables	**1,078,978**	**83,547**	**-**	**387**	**1,162,912**
Other deductible temporary differences	**2,222,228**	**(263,112)**	**509**	**2,601**	**1,962,226**
	(318,707)	**14,205**	**509**	**3,083**	**(300,910)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Movement in temporary differences during the year (continued)

Group	At 1 April 2020 RM	Arising from business combination (Note 29) RM	Recognised in profit or loss (Note 22) RM	Recognised in other compre-hensive income RM	Effect of movements in exchange rate RM	At 31 March 2021/ 1 April 2021 RM
Property, plant and equipment	(3,685,049)	(15,400)	80,536	-	-	(3,619,913)
Trade receivables	1,455,847	-	(376,869)	-	-	1,078,978
Other deductible temporary differences	1,820,309	(387,189)	787,040	(1,961)	4,029	2,222,228
	(408,893)	(402,589)	490,707	(1,961)	4,029	(318,707)

Company	At 1 April 2020/ 31 March 2021/ 1 April 2021 RM	Recognised in profit or loss (Note 22) RM	At 31 March 2022 RM
Other deductible temporary differences	**-**	**(49,864)**	**(49,864)**

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2022 RM	2021 RM
Tax losses carry forward	**3,558,900**	3,454,500
Unabsorbed capital allowances carry forward	**200**	200
Property, plant and equipment	**744,500**	411,700
Trade receivables	**1,026,000**	1,253,600
Other deductible temporary differences	**428,300**	671,900
	5,757,900	5,791,900

The tax losses of subsidiaries in Malaysia of approximately RM830,900 (2021: RM736,100) can be carried forward up to 10 (2021: 7) consecutive years of assessment under the tax legislation in Malaysia, which will expire between years 2028 to 2032 (2021: years 2025 to 2028). The tax loss of a subsidiary in Indonesia of approximately RM2,728,000 (2021: RM2,718,400) can be carried forward up to 5 consecutive years of assessment under the tax legislation in Indonesia, which will expire between years 2025 to 2027 (2021: years 2025 to 2026).

The unabsorbed capital allowances carry forward do not expire under current tax legislation.

Deferred tax assets have not been recognised in respect of the above items because it is not probable that future taxable profit will be available against which the Group entities can utilise the benefits therefrom.

8. TRADE AND OTHER RECEIVABLES

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Non-current					
Trade					
Trade receivables		**836,392**	2,668,500	**-**	-
Amount due from a related company	8.2	**2,822,956**	-	**-**	-
		3,659,348	2,668,500	**-**	-
Current					
Trade					
Trade receivables	8.1	**65,513,757**	69,190,372	**-**	-
Amounts due from related companies	8.2	**3,889,403**	3,238,785	**-**	-
		69,403,160	72,429,157	**-**	-
Non-trade					
Amounts due from subsidiaries	8.3	**-**	-	**9,091,072**	10,581,341
Dividend receivables		**-**	-	**10,000,000**	15,000,000
Other receivables		**2,960,420**	3,517,418	**21,941**	-
Deposits		**480,508**	674,371	**1,000**	1,000
		3,440,928	4,191,789	**19,114,013**	25,582,341
		72,844,088	76,620,946	**19,114,013**	25,582,341
		76,503,436	79,289,446	**19,114,013**	25,582,341

8.1 Included in trade receivables of the Group are retention sums of RM2,411,067 (2021: RM2,878,142) which are unsecured, interest free and are expected to be collected within periods ranging from 6 months to 12 months (2021: 6 months to 12 months).

Included in trade receivables of the Group are the following amounts due from related parties:

	Group 2022 RM
With companies in which certain Directors and/or person(s) connected to them have interests	**199,447**
With companies in which certain Directors of certain subsidiaries and person(s) connected to them have interests	**19,600**
Directors of the Group and of the Company	**38,355**
	257,402

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

8.2 The amounts due from related companies of the Group are subject to normal trade terms.

8.3 The amounts due from subsidiaries of the Company are unsecured, interest free and repayable on demand, except for an amount due from a subsidiary of RM9,048,000 (2021: RM10,251,341) which is subject to an interest rate of 4.00% (2021: 4.00%) per annum and repayable on demand.

9. INVENTORIES

	Group	
	2022 RM	2021 RM
At cost:		
Raw materials and consumables	**37,697,673**	31,670,630
Work-in-progress	**1,976,158**	530,591
Goods in transit	**35,700**	2,721,264
Finished goods	**4,642,877**	3,481,551
	44,352,408	38,404,036
At net realisable value:		
Raw materials and consumables	**2,785,340**	2,308,836
Finished goods	**-**	523,243
	2,785,340	2,832,079
	47,137,748	41,236,115
Recognised in profit or loss		
Inventories recognised as costs of sales	**112,886,762**	87,231,587

10. CONTRACT WITH CUSTOMERS

10.1 Contract assets/(liabilities)

	Group	
	2022 RM	2021 RM
Contract assets	**51,693,567**	25,468,415
Contract liabilities	**(51,760,478)**	(68,226,493)

The contract assets primarily relate to the Group's right to consideration for work completed on construction contracts but not yet billed as at the reporting date. The amount will be billed on achievement of billing milestones as per the contracts, typically within 12 months (2021: 12 months) and subject to normal trade terms.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. CONTRACT WITH CUSTOMERS (CONTINUED)

10.1 Contract assets/(liabilities) (continued)

The contract liabilities are made up of:

i) advance billings of RM50,316,328 (2021: RM66,342,774) made to customers for construction contracts, for which revenue is recognised over time during the construction period. The contract liabilities are expected to be recognised as revenue over a period of 12 months (2021: 12 months); and

ii) advance billings of RM1,444,150 (2021: RM1,883,719) made to customers for their purchases of goods, for which revenue is recognised at a point in time when the goods are delivered or services are rendered and accepted by customers. The contract liabilities are expected to be recognised as revenue within next 12 months.

Movement in contract assets and contract liabilities balances which related to construction contracts during the year are as follows:

	Group	
	2022 RM	2021 RM
At 1 April 2021/2020	**(40,874,359)**	(10,582,854)
Revenue recognised during the year	**267,974,986**	181,533,840
Billings to customers during the year	**(225,873,744)**	(211,068,721)
Others	**150,356**	(756,624)
At 31 March	**1,377,239**	(40,874,359)

10.2 Contract costs

	Group	
	2022 RM	2021 RM
Costs to fulfil contracts	**1,074,877**	3,295,900

Cost to fulfil a contract comprises of costs incurred in construction and installation contracts that are used to fulfil the contracts in future. These costs are to be recognised in profit or loss over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

11. PREPAYMENTS

Included in prepayments of the Group is advance consideration paid to suppliers for purchase of materials amounting to approximately RM6,926,000 (2021: RM12,352,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

12. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

Group	2022 Nominal value RM	2022 Assets/ (Liabilities) RM	2021 Nominal value RM	2021 Assets/ (Liabilities) RM
Derivatives at fair value through profit or loss				
- Forward exchange contracts	**12,872,238**	(52,108)	**22,167,395**	(1,616,404)
Derivatives used for hedging				
- Forward exchange contracts	**32,666,389**	75,121	**29,997,407**	673,596
	45,538,627	23,013	**52,164,802**	(942,808)

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's receivables denominated in currencies other than the functional currencies of Group entities. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity.

13. CASH AND CASH EQUIVALENTS

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash and bank balances		**22,858,132**	19,064,390	**29,190**	19,148
Deposits placed with licensed banks	13.1	**10,346,828**	5,962,418	**-**	-
Liquid investments	13.2	**24,286,502**	65,018,113	**9,697,920**	2,501,258
		57,491,462	90,044,921	**9,727,110**	2,520,406

13.1 Included in the deposits placed with licensed banks of the Group is RM186,309 (2021: RM102,867) pledged as securities for banking facilities granted to the Group.

13.2 The liquid investments represent investment in unit trust funds which primarily invests in money market instruments. The Directors regard the liquid investments as cash and cash equivalents in view of its high liquidity and insignificant risk of changes in value.

14. CAPITAL AND RESERVES

14.1 Share capital

	Group and Company			
	Amount 2022 RM	Number of shares 2022	Amount 2021 RM	Number of shares 2021
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At beginning of year/end of year	**51,600,000**	516,000,000	**51,600,000**	516,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

14.2 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.

14.3 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

14.4 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

14.5 Defined benefit reserve

The defined benefit reserve arose from the remeasurement of the defined benefit plans.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

15. LOANS AND BORROWINGS

	Note	Group 2022 RM	Group 2021 RM
Non-current			
Term loans	15.1	**2,850,839**	3,289,948
Hire purchase liabilities	15.2	**223,359**	513,349
		3,074,198	3,803,297
Current			
Term loans	15.1	**440,663**	435,020
Hire purchase liabilities	15.2	**352,871**	395,934
		793,534	830,954
		3,867,732	4,634,251

15.1 The term loans of the Group are secured by:

(i) A legal charge over certain properties and investment properties of the Group (see Note 3 and Note 4);
(ii) A corporate guarantee by the Company; and
(iii) A joint and several guarantee of certain Directors of a subsidiary.

15.2 Hire purchase liabilities are payable as follows:

	2022			2021		
Group	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM
Less than one year	**371,528**	**(18,657)**	**352,871**	433,691	(37,757)	395,934
Between one and five years	**231,919**	**(8,560)**	**223,359**	533,668	(20,319)	513,349
	603,447	**(27,217)**	**576,230**	967,359	(58,076)	909,283

16. EMPLOYEE BENEFITS

The Group's net obligation in respect of defined benefit plans arises from its subsidiaries in Indonesia, which is determined based on the latest actuarial valuation by an independent actuary dated 9 March 2022.

The following table summarises the components of net employee benefits expense recognised in the statement of profit of loss and other comprehensive income and in the statement of financial position as employee benefits:

		Group	
		2022 RM	2021 RM
a.	**Expense recognised in profit or loss**		
	Current service cost	**81,976**	99,104
	Past service cost	**56,586**	(64,655)
	Interest on obligation	**12,460**	16,452
	Others	**-**	8,414
	Net benefit expense	**151,022**	59,315
b.	**Present value of defined benefit obligations**		
	Net benefit expense	**411,069**	253,091
c.	**Present value of defined benefit obligations**		
	Defined benefit obligations at 1 April 2021/2020	**253,091**	220,361
	Current service cost and interest	**151,022**	59,315
	Payment during the year	**-**	(8,414)
	Others	**6,956**	(18,171)
	Defined benefit obligations at 31 March	**411,069**	253,091

The principal actuarial assumptions used in determining the defined benefit cost at end of reporting period are as follows:

Calculation method	:	Projected Unit Credit
Normal pension age	:	55 years (2021: 55 years)
Annual salary increment (estimated)	:	5.00% (2021: 5.00%)
Annual discount rate	:	7.35% - 7.40% (2021: 7.15%)
Mortality level	:	Indonesian Mortality Table ("TMI") 4 with improvement
Disability level	:	10.00% from mortality level (2021: 10.00%)
Resignation level	:	10% at age 25 years and linearly reduce until 0% at normal retirement age

The Group's management believes that the accrued employee benefits as of the financial year end is sufficient to meet the requirement of the law in Indonesia.

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FOR THE YEAR ENDED 31 MARCH 2022

17. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Trade					
Trade payables		**34,995,320**	34,922,185	**-**	-
Non-trade					
Other payables		**1,315,889**	1,827,084	**9,203**	7,486
Amount due to a subsidiary	17.1	**-**	-	**148**	143
Amounts due to related companies	17.2	**101,551**	-	**-**	-
Accrued expenses	17.3	**4,304,374**	4,714,613	**80,241**	71,020
		5,721,814	6,541,697	**89,592**	78,649
		40,717,134	41,463,882	**89,592**	78,649

17.1 The amount due to a subsidiary is unsecured, interest free and repayable on demand.

17.2 The amounts due to related companies are unsecured, interest free and repayable on demand.

17.3 Included in accrued expenses of the Group are provision for warranties amounting to RM2,687,964 (2021: RM1,659,335), relating to products sold and services rendered. The provision is based on estimates made from historical warranty data associated with similar products and services.

18. REVENUE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contracts with customers	**317,759,957**	237,327,714	**-**	-
Other revenue				
- Dividend income	**-**	-	**10,558,630**	25,398,024
	317,759,957	237,327,714	**10,558,630**	25,398,024

18. REVENUE (CONTINUED)

18.1 Disaggregation of revenue

	Reportable segments							
	Bio-Energy		Water Treatment		Solar Energy		Total	
Group	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM
Primary geographical markets								
Malaysia	**138,081,516**	98,837,854	**37,354,712**	27,918,324	**34,342,275**	30,836,386	**209,778,503**	157,592,564
Indonesia	**102,099,515**	64,493,376	**-**	1,233,760	**-**	-	**102,099,515**	65,727,136
Other countries	**5,881,939**	12,507,910	**-**	140,000	**-**	1,360,104	**5,881,939**	14,008,014
	246,062,970	175,839,140	**37,354,712**	29,292,084	**34,342,275**	32,196,490	**317,759,957**	237,327,714
Major products and services lines								
Construction contracts	**240,294,654**	169,910,162	**19,928,722**	11,623,678	**7,751,610**	-	**267,974,986**	181,533,840
Sales of goods and services	**5,768,316**	5,928,978	**17,425,990**	17,668,406	**26,590,665**	32,196,490	**49,784,971**	55,793,874
	246,062,970	175,839,140	**37,354,712**	29,292,084	**34,342,275**	32,196,490	**317,759,957**	237,327,714
Timing and recognition								
Over time	**240,294,654**	169,910,162	**19,928,722**	11,623,678	**7,751,610**	-	**267,974,986**	181,533,840
At a point in time	**5,768,316**	5,928,978	**17,425,990**	17,668,406	**26,590,665**	32,196,490	**49,784,971**	55,793,874
	246,062,970	175,839,140	**37,354,712**	29,292,084	**34,342,275**	32,196,490	**317,759,957**	237,327,714

18. REVENUE (CONTINUED)

18.2 Nature of goods and services

Construction contracts

Revenue from construction contracts is recognised over time as and when the costs are incurred using the input method. These contracts would meet the no alternative use and the Group have rights to payment for work performed. The billings made by the Group for revenue from construction contracts are based on agreed milestone, with general payment terms of 30 days (2021: 30 days) from invoice date.

Transaction price is computed based on the price specified in the contract. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Generally, the Group is required to fulfil warranty obligation over a defect liability period ranging from 3 months to 5 years (2021: 3 months to 12 months) from the date of completion.

Sales of goods and services

Revenue from sale of goods and services is recognised when the goods are delivered or services are rendered and accepted by customers at their premises, or recognised when the control of the goods have transferred to the customer. Generally, payment terms for revenue from customers ranging from 30 days to 90 days (2021: 30 days to 90 days) from invoice date or cash term. For the supply of solar products and services to customers, the Group is required to fulfil warranty obligation over a period of up to 5 years (2021: up to 5 years) from the date of completion.

18.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations for contracts with duration of more than 1 year, that are unsatisfied (or partially unsatisfied) at the reporting date.

	Group	
	2022 RM	2021 RM
Within 1 year	**168,788,821**	202,348,138
More than 1 year	**82,560,774**	87,055,771
	251,349,595	289,403,909

The amount disclosed above does not include variable considerations which are constrained.

19. RESULTS FROM OPERATING ACTIVITIES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Results from operating activities is arrived at after charging/(crediting):				
Auditors' remuneration:				
Audit fees				
- KPMG in Malaysia	**238,500**	-	**65,000**	-
- Other auditors	**61,005**	247,103	**-**	68,000
Non-audit fees				
- KPMG in Malaysia	**5,000**	-	**5,000**	-
- Other auditors	**40,000**	41,500	**-**	41,500
Material expenses/(income):				
Bad debts written off	**-**	506,598	**-**	-
Depreciation of:				
- property, plant and equipment	**5,238,314**	4,963,256	**150,144**	150,144
- investment properties	**108,260**	108,260	**-**	-
Fair value (gain)/loss on derivatives	**(1,564,296)**	57,532	**-**	-
Gain on disposal of property, plant and equipment	**(85,000)**	(78,767)	**-**	-
Gain on termination of lease contracts	**(5,801)**	-	**-**	-
Loss/(Gain) on foreign exchange:				
- realised	**944,111**	(1,632,350)	**-**	-
- unrealised	**(249,971)**	402,291	**(523,197)**	(1,543,239)
Income distribution on liquid investments	**(804,113)**	(951,657)	**(156,662)**	(69,930)
Inventories written down	**1,037,869**	406,746	**-**	-
Inventories written off	**1,424**	38,539	**-**	-
Net impairment loss/(reversal of impairment loss) on:				
- investments in subsidiaries	**-**	-	**500,000**	500,000
- contract assets	**134,593**	627,229	**-**	-
- financial assets	**1,012,994**	(2,541,023)	**390,000**	780,000
Property, plant and equipment written off	**12,963**	113,741	**-**	-
Personnel expenses (including key management personnel):				
- wages, salaries and others	**28,632,235**	24,790,012	**587,116**	581,275
- contributions to state plans	**2,985,906**	2,725,221	**-**	-
- expenses related to defined benefit plans	**151,022**	59,315	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

19. RESULTS FROM OPERATING ACTIVITIES (CONTINUED)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Expenses arising from leases				
Expenses relating to short-term leases	**334,294**	450,645	**-**	-
Expenses relating to leases of low value assets	**54,468**	27,721	**-**	-

20. FINANCE COSTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- revolving credits	**33,931**	55,229	**17,951**	-
- term loans	**124,341**	164,031	**-**	-
- hire purchase liabilities	**36,256**	48,884	**-**	-
- bankers' acceptances	**-**	25,822	**-**	-
Interest expense on lease liabilities	**31,570**	15,056	**-**	-
	226,098	309,022	**17,951**	-

21. FINANCE INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest income of financial assets calculated using the effective interest method that are at amortised cost:				
- deposits placed with licensed bank	**383,450**	418,247	**346**	1,744
- subsidiaries	**-**	-	**1,265,032**	1,396,205
- others	**11,671**	-	**-**	-
	395,121	418,247	**1,265,378**	1,397,949

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

22. TAX EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax expense				
Current year	**6,180,321**	9,280,154	**90,430**	94,556
Under/(Over) provision in prior year	**294,264**	(461,151)	**(6)**	(43,410)
	6,474,585	8,819,003	**90,424**	51,146
Deferred tax expense				
Origination and reversal of temporary differences	**456,091**	(490,707)	**49,864**	-
Over provision in prior year	**(470,296)**	-	**-**	-
	(14,205)	(490,707)	**49,864**	-
Total tax expense	**6,460,380**	8,328,296	**140,288**	51,146
Reconciliation of tax expense				
Profit before tax	**25,709,044**	33,745,738	**10,235,130**	25,875,260
Income tax calculated using Malaysian tax rate of 24% (2021: 24%)	**6,170,171**	8,098,977	**2,456,431**	6,210,062
Tax exempt income	**(256,925)**	(548,088)	**(2,853,434)**	(6,757,454)
Non-deductible expenses	**758,403**	708,822	**537,297**	641,948
Effect of temporary differences not recognised	**8,160**	555,347	**-**	-
Effect of tax rates in foreign jurisdictions	**(43,397)**	(25,611)	**-**	-
Over provided in prior year	**(176,032)**	(461,151)	**(6)**	(43,410)
Total tax expense	**6,460,380**	8,328,296	**140,288**	51,146

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

23. EARNINGS PER ORDINARY SHARE

Basic and diluted earnings per ordinary share

The calculation of basic and diluted earnings per ordinary share is based on the profit for the year attributable to the owners of the Company of RM16,974,480 (2021: RM22,459,421) and the number of ordinary shares in issue during the year.

	Group	
	2022	2021
Number of ordinary shares at 31 March	**516,000,000**	516,000,000
Basic and diluted earnings per ordinary share (sen)	**3.29**	4.35

24. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM	Date of payment
2022			
Final 2021	**1.75**	**9,030,000**	**6 October 2021**
2021			
Final 2020	1.75	9,030,000	16 October 2020

A final single tier dividend recommended by the Directors in respect of the financial year ended 31 March 2022 is 1.75 sen per ordinary share totalling approximately RM9,030,000 subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

25. OPERATING SEGMENTS

The Group's resources allocation is assessed in accordance to the business performance and requirement of the respective business segments as reviews and determined by the Chief Operating Decision Maker ("CODM") whom are the Managing Directors of the Group. Hence, segment information is presented by business segment that the Group operates in. The format of the business segment is based on the Group's operation management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Expenses which are common and may not be directly allocated to the respective operating segments are allocated to the respective segments based on the relative size of each segment.

Segment capital expenditure is the total costs incurred during the period to acquire property, plant and equipment and investment properties.

Business Segments

The Group comprises of the following main business segments:

Bio-energy	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.
Water treatment	General trader and contractor of water treatment chemicals and equipment.
Solar energy	Installation of solar photovoltaic systems and trading of related parts and accessories.

The inter-segment transactions have been entered into in the normal course of business and are based on normal trade terms.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

25. OPERATING SEGMENTS (CONTINUED)

	Bio-Energy		Water Treatment		Solar Energy		Consolidated	
	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM
Business segments								
Revenue from external customers	**246,062,970**	175,839,140	**37,354,712**	29,292,084	**34,342,275**	32,196,490	**317,759,957**	237,327,714
Segment profit before tax	**18,240,870**	24,472,423	**4,985,971**	3,187,113	**2,482,203**	6,086,202	**25,709,044**	33,745,738
Included in the measurement of segment profit before tax are:								
Inter-segment revenue	**841,879**	462,241	**-**	7,500	**4,200**	-	**846,079**	469,741
Finance income	**230,342**	211,910	**148,289**	199,308	**16,490**	7,029	**395,121**	418,247
Finance costs	**(19,858)**	(192)	**(193,931)**	(282,827)	**(12,309)**	(26,003)	**(226,098)**	(309,022)
Depreciation	**(4,135,835)**	(4,062,128)	**(955,726)**	(866,037)	**(255,013)**	(143,351)	**(5,346,574)**	(5,071,516)
Net (impairment loss)/reversal of impairment loss on:								
- contract assets	**(134,593)**	(627,229)	**-**	-	**-**	-	**(134,593)**	(627,229)
- financial assets	**(634,959)**	2,178,521	**(168,710)**	580,232	**(209,325)**	(217,730)	**(1,012,994)**	2,541,023
Bad debts written off	**-**	(506,598)	**-**	-	**-**	-	**-**	(506,598)
Inventories written (down)/back	**(1,037,869)**	(413,037)	**-**	6,291	**-**	-	**(1,037,869)**	(406,746)
Inventories written off	**-**	(38,539)	**(1,424)**	-	**-**	-	**(1,424)**	(38,539)
Not included in the measurement of segment profit before tax but provided to CODM:								
Tax expense	**(4,818,853)**	(6,322,387)	**(1,056,235)**	(767,799)	**(585,292)**	(1,238,110)	**(6,460,380)**	(8,328,296)
Segment assets	**292,828,980**	305,434,849	**46,618,548**	43,938,163	**12,663,865**	11,968,727	**352,111,393**	361,341,739
Segment liabilities	**84,046,475**	101,683,807	**12,020,140**	12,341,972	**3,018,861**	4,220,634	**99,085,476**	118,246,413
Included in the measurement of segment assets are:								
Additions to non-current assets other than financial instruments and deferred tax assets	**1,673,954**	5,472,213	**884,257**	511,323	**176,706**	2,511,976	**2,734,917**	8,495,512

25. OPERATING SEGMENTS (CONTINUED)

Geographical segments

The Group's business operates in two geographical areas: Malaysia and Indonesia.

In presenting information on the basis of geographical segments, segment revenue is based on the country in which the entities within the Group are located. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Group	
	2022 RM	2021 RM
Revenue from external customers		
Malaysia	**295,511,660**	226,937,904
Indonesia	**22,248,297**	10,389,810
	317,759,957	237,327,714
Non-current assets		
Malaysia	**81,109,391**	83,330,942
Indonesia	**24,044,738**	24,032,566
	105,154,129	107,363,508

Major customers

There were no major customers with revenue equal or more than 10% of the Group's total revenue for the years ended 31 March 2022 and 31 March 2021.

26. FINANCIAL INSTRUMENTS

26.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

i) Amortised cost ("AC");
ii) Fair value through profit or loss ("FVTPL"); and
iii) Derivatives used for hedging.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.1 Categories of financial instruments (continued)

2022	Carrying amount RM	AC RM	FVTPL RM	Derivatives used for hedging RM
Financial assets				
Group				
Derivative financial assets	75,121	-	-	75,121
Trade and other receivables	76,503,436	76,503,436	-	-
Cash and cash equivalents	57,491,462	33,204,960	24,286,502	-
	134,070,019	109,708,396	24,286,502	75,121
Company				
Amount due from a subsidiary	22,377,568	22,377,568	-	-
Trade and other receivables	19,114,013	19,114,013	-	-
Cash and cash equivalents	9,727,110	29,190	9,697,920	-
	51,218,691	41,520,771	9,697,920	-
Financial liabilities				
Group				
Loans and borrowings	3,867,732	3,867,732	-	-
Derivative financial liabilities	52,108	-	52,108	-
Trade and other payables (excluding provision of warranties)	38,029,170	38,029,170	-	-
	41,949,010	41,896,902	52,108	-
Company				
Trade and other payables	89,592	89,592	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.1 Categories of financial instruments (continued)

2021	Carrying amount RM	AC RM	FVTPL RM	Derivatives used for hedging RM
Financial assets				
Group				
Derivative financial assets	673,596	-	-	673,596
Trade and other receivables	79,289,446	79,289,446	-	-
Cash and cash equivalents	90,044,921	25,026,808	65,018,113	-
	170,007,963	104,316,254	65,018,113	673,596
Company				
Amount due from a subsidiary	21,335,183	21,335,183	-	-
Trade and other receivables	25,582,341	25,582,341	-	-
Cash and cash equivalents	2,520,406	19,148	2,501,258	-
	49,437,930	46,936,672	2,501,258	-
Financial liabilities				
Group				
Loans and borrowings	4,634,251	4,634,251	-	-
Derivative financial liabilities	1,616,404	-	1,616,404	-
Trade and other payables (excluding of provision warranties)	39,804,547	39,804,547	-	-
	46,055,202	44,438,798	1,616,404	-
Company				
Trade and other payables	78,649	78,649	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.2 Net gains and losses arising from financial instruments

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Net gains/(losses) on:				
Financial assets at AC	**(1,181,235)**	2,452,672	**1,398,575**	617,949
Financial liabilities at AC	**(325,306)**	(293,966)	**(17,951)**	-
Financial assets at FVTPL	**1,769,934**	951,657	**156,662**	69,930
Financial liabilities at FVTPL	**-**	(57,532)	**-**	-
	263,393	3,052,831	**1,537,286**	687,879

26.3 Financial risk management

The Group and the Company have exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

26.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to certain subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not have any significant exposure to any individual counterparty. The Group has credit policy in place to ensure that transactions are conducted with creditworthy counterparty.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Risk management objectives, policies and processes for managing the risk (continued)

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position. The Group uses aging analysis to monitor the credit quality of receivables.

Concentration of credit risk

The exposure of credit risk for trade receivables and contract assets as at the end of the reporting period by geographic region was:

	Group	
	2022 RM	2021 RM
Malaysia	**91,163,597**	64,593,006
Indonesia	**29,405,627**	26,629,629
Others	**4,186,851**	9,343,437
	124,756,075	100,566,072

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group considers any receivables having financial difficulty, are deemed credit impaired and assessed for their risk of loss individually.

The Group uses an allowance matrix to measure expected credit losses ("ECL") of trade receivables. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency.

Loss rates are based on payment profiles of past sales and the historical credit loss experience over the past four years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM	Loss allowance RM	Net balance RM
2022			
Current (not past due)	38,045,275	-	38,045,275
1-30 days past due	9,717,495	(397,580)	9,319,915
31-60 days past due	8,795,690	(357,308)	8,438,382
61-90 days past due	6,375,370	(220,421)	6,154,949
91-120 days past due	2,913,481	(123,503)	2,789,978
More than 120 days past due	12,360,761	(4,046,752)	8,314,009
	78,208,072	(5,145,564)	73,062,508
Credit impaired			
Individually impaired	4,043,867	(4,043,867)	-
Trade receivables	82,251,939	(9,189,431)	73,062,508
Contract assets	52,733,347	(1,039,780)	51,693,567
	134,985,286	(10,229,211)	124,756,075

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

Group	Gross carrying amount RM	Loss allowance RM	Net balance RM
2021			
Current (not past due)	33,486,386	-	33,486,386
1-30 days past due	13,888,687	(572,392)	13,316,295
31-60 days past due	10,575,053	(385,254)	10,189,799
61-90 days past due	6,177,127	(206,142)	5,970,985
91-120 days past due	811,191	(10,830)	800,361
More than 120 days past due	15,670,398	(4,336,567)	11,333,831
	80,608,842	(5,511,185)	75,097,657
Credit impaired			
Individually impaired	2,658,988	(2,658,988)	-
Trade receivables	83,267,830	(8,170,173)	75,097,657
Contract assets	26,373,602	(905,187)	25,468,415
	109,641,432	(9,075,360)	100,566,072

There are trade receivables where the Group has not recognised any loss allowance as the trade receivables are supported by collateral such as agreed instalment plan and other credit enhancement in managing exposure to credit risk.

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FOR THE YEAR ENDED 31 MARCH 2022

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

The movements in the allowance for impairment in respect of trade receivables and contract assets during the year are shown below.

Group	Trade receivables			
	Lifetime ECL RM	Credit impaired RM	Contract assets RM	Total RM
Balance at 1 April 2020	(8,052,023)	(2,184,104)	(277,958)	(10,514,085)
Acquisition through business combination	-	(463,189)	-	(463,189)
Net remeasurement of loss allowance	2,552,798	(11,775)	(627,229)	1,913,794
Translation difference	(11,960)	80	-	(11,880)
Balance at 31 March 2021/1 April 2021	**(5,511,185)**	**(2,658,988)**	**(905,187)**	**(9,075,360)**
Net remeasurement of loss allowance	**370,038**	**(1,383,032)**	**(134,593)**	**(1,147,587)**
Translation difference	**(4,417)**	**(1,847)**	**-**	**(6,264)**
Balance at 31 March 2022	**(5,145,564)**	**(4,043,867)**	**(1,039,780)**	**(10,229,211)**

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

As at the end of the reporting period, the maximum exposure to credit risk on other receivables is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides corporate guarantee to a bank in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their borrowings on an ongoing basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM15,058,732 (2021: RM23,652,199) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans and banking facilities.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the financial institution in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment and hence no allowance for impairment losses was recognised by the Company.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

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FOR THE YEAR ENDED 31 MARCH 2022

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Inter-company loans and advances (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral to supported by any other credit enhancements.

Recognition and measurement of impairment losses

Generally, the Company considers loans and advances to subsidiaries is of low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- the subsidiary is unlikely to repay its loan or advance to the Company in full; or
- the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loan and advances.

Company	Gross carrying amount RM	Loss allowance RM	Net balance RM
2022			
Low credit risk	**31,468,640**	**-**	**31,468,640**
Credit impaired	**3,440,000**	**(3,440,000)**	**-**
	34,908,640	**(3,440,000)**	**31,468,640**
2021			
Low credit risk	31,736,524	-	31,736,524
Credit impaired	3,230,000	(3,050,000)	180,000
	34,966,524	(3,050,000)	31,916,524

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Inter-company loans and advances (continued)

Recognition and measurement of impairment losses (continued)

Company	Lifetime ECL RM
Balance at 1 April 2020	2,270,000
Net remeasurement of loss allowance	780,000
Balance at 31 March/1 April 2021	3,050,000
Net remeasurement of loss allowance	390,000
Balance at 31 March 2022	3,440,000

26.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. The Company can also demand repayment of advances/dividends from subsidiaries to meet its ability as and when fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM	Contractual interest/ Discount rate %	Contractual undiscounted cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2022							
Non-derivative financial liabilities							
Term loans	3,291,502	3.27 - 4.65	3,732,135	550,787	541,169	1,451,383	1,188,796
Hire purchase liabilities	576,230	2.28 - 3.25	603,447	371,528	159,440	72,479	-
Trade and other payables	38,029,170	-	38,029,170	38,029,170	-	-	-
Lease liabilities	737,760	3.73 - 4.76	777,150	326,550	281,800	168,800	-
	42,634,662		43,141,902	39,278,035	982,409	1,692,662	1,188,796
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
Outflow	-	-	45,515,614	45,515,614	-	-	-
Inflow	(23,013)	-	(45,538,627)	(45,538,627)	-	-	-
	42,611,649		43,118,889	39,255,022	982,409	1,692,662	1,188,796

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.5 Liquidity risk (continued)

Maturity analysis (continued)

Group	Carrying amount RM	Contractual interest/ Discount rate %	Contractual undiscounted cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2021							
Non-derivative financial liabilities							
Term loans	3,724,968	3.27 - 4.65	4,286,984	559,207	559,207	1,549,965	1,618,605
Hire purchase liabilities	909,283	4.00 - 4.77	967,359	433,691	450,841	82,827	-
Trade and other payables	39,804,547	-	39,804,547	39,804,547	-	-	-
Lease liabilities	544,666	2.31 - 4.77	600,950	176,400	159,250	211,300	54,000
	44,983,464		45,659,840	40,973,845	1,169,298	1,844,092	1,672,605
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
Outflow	942,808	-	53,107,610	53,107,610	-	-	-
Inflow	-	-	(52,164,802)	(52,164,802)	-	-	-
	45,926,272		46,602,648	41,916,653	1,169,298	1,844,092	1,672,605

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26. FINANCIAL INSTRUMENTS (CONTINUED)

26.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM	Contractual interest/ Discount rate %	Contractual undiscounted cash flows RM	Under 1 year RM
2022				
Non-derivative financial liabilities				
Trade and other payables	**89,592**	**-**	**89,592**	**89,592**
Financial guarantees	**-**	**-**	**15,058,732**	**15,058,732**
	89,592		**15,148,324**	**15,148,324**
2021				
Non-derivative financial liabilities				
Trade and other payables	78,649	-	78,649	78,649
Financial guarantees	-	-	23,652,199	23,652,199
	78,649		23,730,848	23,730,848

26.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's and the Company's financial position or cash flows.

26.6.1 Currency risk

The Group and the Company are exposed to foreign currency risk arising from transactions that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily US Dollars ("USD"), Euro ("EUR") and Indonesian Rupiah ("IDR").

The management does not view the exposure to other currencies to be significant.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's foreign exchange management policies are to minimise exposures arising from currency movements. The Group monitors currency movements closely and may enter forward foreign currency contracts to limit its exposure when the needs arise.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

26.6.1 Currency risk (continued)

Exposure to foreign currency risk

The Group's and the Company's main exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

	Denominated in		
Group	**IDR RM**	**USD RM**	**EUR RM**
2022			
Trade and other receivables	**-**	**5,058,786**	**512,866**
Cash and cash equivalents	**-**	**11,531,249**	**59,073**
Trade and other payables	**(426,021)**	**(1,730,102)**	**(803,570)**
Forward exchange contracts	**-**	**(12,872,238)**	**-**
Net exposure	**(426,021)**	**1,987,695**	**(231,631)**
2021			
Trade and other receivables	-	10,139,707	2,356,688
Cash and cash equivalents	-	5,433,647	-
Trade and other payables	(568,709)	(680,237)	-
Forward exchange contracts	-	(13,898,331)	(2,303,148)
Net exposure	(568,709)	994,786	53,540

	Denominated in IDR	
Company	**2022 RM**	**2021 RM**
Amount due from a subsidiary	**22,377,568**	21,335,183

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26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

26.6.1 Currency risk (continued)

Currency risk sensitivity analysis

A 1.50% (2021: 1.50%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss	
	2022 RM	**2021 RM**
Group		
IDR	**4,857**	6,483
USD	**(22,660)**	(11,341)
EUR	**2,641**	(610)
Company		
IDR	**(255,104)**	(243,221)

A 1.50% (2021: 1.50%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

26.6.2 Interest rate risk

The Group's fixed rate borrowing are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

In managing interest rate risk, the Group and the Company maintain a balanced portfolio of fixed and floating rate instruments. All interest rate exposures are monitored and managed by the Group and the Company on a regular basis.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

26.6.2 Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profiles of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Fixed rate instruments				
Financial assets	**10,346,828**	5,962,418	**-**	-
Financial liabilities	**(576,230)**	(909,283)	**-**	-
Lease liabilities	**(737,760)**	(544,666)	**-**	-
	9,032,838	4,508,469	**-**	-
Floating rate instruments				
Financial assets	**47,144,634**	84,082,503	**32,104,678**	23,855,589
Financial liabilities	**(3,291,502)**	(3,724,968)	**-**	-
	43,853,132	80,357,535	**32,104,678**	23,855,589

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

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FOR THE YEAR ENDED 31 MARCH 2022

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

26.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis (continued)

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss			
	50 bp increase 2022 RM	50 bp decrease 2022 RM	50 bp increase 2021 RM	50 bp decrease 2021 RM
Group				
Floating rate instruments	**166,642**	(166,642)	**305,359**	(305,359)
Company				
Floating rate instruments	**121,998**	(121,998)	**90,651**	(90,651)

26.7 Hedging activities

26.7.1 Cash flow hedge

The Group entered into forward exchange contracts as hedges for sales denominated in foreign currencies.

During the financial year, the Group recognised a net unrealised loss of RM598,475 (2021: net unrealised gain of RM1,391,905) in other comprehensive income.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.8 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of the floating rate borrowings and long-term advances to subsidiaries approximate fair value as they are subject to variable interest rates which in turn approximate the current market interest rates for similar loans at the end of the reporting period.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
2022										
Financial assets										
Trade receivables	-	-	-	-	-	-	3,659,348	3,659,348	3,659,348	3,659,348
Liquid investments	24,286,502	-	-	24,286,502	-	-	-	-	24,286,502	24,286,502
Derivative financial assets	-	23,013	-	23,013	-	-	-	-	23,013	23,013
	24,286,502	23,013	-	24,309,515	-	-	3,659,348	3,659,348	27,968,863	27,968,863
Financial liabilities										
Term loans	-	-	-	-	-	-	3,291,502	3,291,502	3,291,502	3,291,502
Hire purchase liabilities	-	-	-	-	-	-	576,230	576,230	576,230	576,230
	-	-	-	-	-	-	3,867,732	3,867,732	3,867,732	3,867,732

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26. FINANCIAL INSTRUMENTS (CONTINUED)

26.8 Fair value information (continued)

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	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	RM	RM
2021										
Financial assets										
Trade receivables	-	-	-	-	-	-	2,668,500	2,668,500	2,668,500	2,668,500
Liquid investments	65,018,113	-	-	65,018,113	-	-	-	-	65,018,113	65,018,113
	65,018,113	-	-	65,018,113	-	-	2,668,500	2,668,500	67,686,613	67,686,613
Financial liabilities										
Term loans	-	-	-	-	-	-	3,724,968	3,724,968	3,724,968	3,724,968
Hire purchase liabilities	-	-	-	-	-	-	909,283	909,283	909,283	909,283
Derivatives financial liabilities	-	942,808	-	942,808	-	-	-	-	942,808	942,808
	-	942,808	-	942,808	-	-	4,634,251	4,634,251	5,577,059	5,577,059
Company										
2022										
Financial assets										
Amount owing from a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**22,377,568**	**22,377,568**	**22,377,568**	**22,377,568**
Liquid investments	**9,697,920**	**-**	**-**	**9,697,920**	**-**	**-**	**-**	**-**	**9,697,920**	**9,697,920**
	9,697,920	**-**	**-**	**9,697,920**	**-**	**-**	**22,377,568**	**22,377,568**	**32,075,488**	**32,075,488**
2021										
Financial assets										
Amount owing from a subsidiary	-	-	-	-	-	-	21,335,183	21,335,183	21,335,183	21,335,183
Liquid investments	2,501,258	-	-	2,501,258	-	-	-	-	2,501,258	2,501,258
	2,501,258	-	-	2,501,258	-	-	21,335,183	21,335,183	23,836,441	23,836,441

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.8 Fair value information (continued)

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2021: no transfer in either directions).

Level 1 fair value

The fair values of liquid investments are their last quoted bid prices at the end of the reporting period.

Level 2 fair value

Derivatives

The fair value of forward exchange contracts are based on the market price obtained from licensed financial institutions.

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Term loans, hire purchase liabilities, trade receivables, amount due from subsidiaries	Discounted cash flow using a rate based on the current market rate of borrowing of the Group at the reporting date.

27. CAPITAL MANAGEMENT

The Group and the Company define capital as the total equity and debt. The objective of the Group's and of the Company's capital management are to maintain an optimal capital structure and ensuring funds availability to support business operations and maximises shareholders value. The Group and the Company monitor debts to equity ratio to ensure compliance with management policies as well as maintaining shareholders' confidence in the management.

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28. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

The Group and the Company have related party relationship with its subsidiaries and key management personnel.

Significant related party transactions

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are shown below. The balances related to the below transactions are shown in Notes 6, 8 and 17.

	The Group	
	2022 RM	2021 RM
With companies in which certain Directors and/or person(s) connected to them have interests:		
Purchases	**1,165,809**	1,009,057
Sales	**(9,000)**	-
Progress billings	**(256,840)**	(164,310)
With companies in which certain Directors of certain subsidiaries and person(s) connected to them have interests:		
Purchases	**979,641**	812,064
Sales	**(2,540)**	(1,855,682)
Progress billings	**(19,600)**	(4,687,168)
Related companies		
Purchases	**131,705**	-
Sales	**(1,280,138)**	(196,542)
Progress billings	**(12,254,648)**	(2,263,957)
Key management personnel		
Progress billings	**(169,443)**	-

28. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

	Company	
	2022 RM	**2021 RM**
Subsidiaries		
Dividend income	**(10,558,630)**	(25,398,024)
Finance income	**(1,265,032)**	(1,396,205)
Management fee income	**-**	(150,000)

The key management personnel compensation are as follows:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Directors of the Company				
- Fees	**514,022**	512,882	**478,022**	476,882
- Remuneration	**2,843,111**	2,968,648	**109,094**	104,393
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	**44,675**	37,175	**-**	-
	3,401,808	3,518,705	**587,116**	581,275
Directors of the subsidiaries				
- Remuneration	**1,997,826**	1,538,771	**-**	-
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	**25,515**	23,300	**-**	-
	2,023,341	1,562,071	**-**	-
	5,425,149	5,080,776	**587,116**	581,275

29. ACQUISITION OF A SUBSIDIARY

In May 2020, the Company acquired 60% equity interest in Tera VA Sdn. Bhd. ("TERA") for a total cash consideration of RM2,500,000. The acquisition is to enhance the Group's revenue and profitability given the outlook for the renewable energy industry in Malaysia.

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29. ACQUISITION OF A SUBSIDIARY (CONTINUED)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	2021 RM
Fair value of identifiable net assets of TERA	
Property, plant and equipment	321,662
Trade and other receivables	1,508,165
Inventories	701,501
Contract cost assets	2,403,527
Deposits pledged with licensed banks	100,334
Cash and bank balances	44,474
Trade and other payables	(2,577,084)
Loans and borrowings	(1,087,244)
Deferred tax liabilities	(402,589)
Current tax liabilities	(12,746)
Total identifiable net assets	1,000,000

Net cash outflow arising from acquisition of a subsidiary

	Group 2021 RM
Purchase consideration settled in cash	(2,500,000)
Cash and bank balances acquired	44,474
	(2,455,526)

Goodwill

Goodwill was recognised as a result of the acquisition as follows:

	Group 2021 RM
Fair value of considerations	2,500,000
Fair value of identifiable net assets	(1,000,000)
Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	400,000
Goodwill	1,900,000

The goodwill is attributable mainly to the control premium paid for the new subsidiary's position in the green power energy products, manpower and technical know-how in place and the synergies expected to arise after the acquisition.

These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not deductible for income tax purposes.

30. COMPARATIVE FIGURES

Certain comparatives have been restated to conform with current year presentation.

	Group		Company	
	As restated RM	As previously restated RM	As restated RM	As previously restated RM
Statements of financial position				
Current assets				
Trade and other receivables	76,620,946	-	25,582,341	-
Prepayments	13,058,643	-	46,881	-
Trade receivables	-	72,429,157	-	-
Other receivables, deposits and prepayments	-	17,250,432	-	47,881
Amount owing by subsidiaries	-	-	-	10,581,341
Dividend receivable	-	-	-	15,000,000
Cash and cash equivalents	90,044,921	-	2,520,406	-
Liquid investments	-	65,018,113	-	2,501,258
Short-term deposits with licensed banks	-	5,962,418	-	-
Cash and bank balances	-	19,064,390	-	19,148
Non-current liabilities				
Loans and borrowings	3,803,297	3,289,948	-	-
Lease liabilities	389,964	903,313	-	-
Current liabilities				
Loans and borrowings	830,954	-	-	-
Lease liabilities	154,702	-	-	-
Short-term borrowings	-	985,656	-	-
Trade and other payables	41,463,882	-	78,649	-
Contract liabilities	68,226,493	66,342,774	-	-
Trade payables	-	32,535,509	-	-
Other payables and accruals	-	10,812,092	-	78,506
Amount owing to a subsidiary	-	-	-	143
Statements of profit or loss and other comprehensive income				
Other income	5,001,931	3,506,384	1,763,169	3,161,118
Other expenses	-	-	(1,430,144)	(650,144)
Finance income	418,247	-	1,397,949	-
Net impairment gains/(losses) on financial assets and contract assets	-	1,913,794	-	(780,000)

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 62 to 147 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Leong Yew Cheong
Director

Chia Lik Khai
Director

Subang Jaya

7 July 2022

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Chan Van Chee, 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 62 to 147 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Chan Van Chee, MIA Membership No. 18449, at Subang Jaya in the State of Selangor on 7 July 2022.

Chan Van Chee

Before me:
Fadzilah Binti Hussain
No. B627
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BOILERMECH HOLDINGS BERHAD
(REGISTRATION NO: 201001013463 (897694 - T)) (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Boilermech Holdings Berhad, which comprise the statements of financial position as at 31 March 2022 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 62 to 147.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

1. Revenue from construction contracts

Refer to Note 2(p)(i) - Significant accounting policy: Revenue from contracts with customers and Note 18 - Revenue.

The key audit matter

A significant proportion of the Group's revenues was derived from construction contracts with customers which was recognised for over a period of time in accordance with MFRS 15, *Revenue from Contracts with Customers*. For the financial year ended 31 March 2022, construction contract revenue amounted to RM268 million represented 84% of the Group's revenue.

We have identified revenue from construction contracts as a key audit matter as it involved the use of significant judgements made by the Group in estimating the stage of completion, in determining the right to receive payments for performance completed to date, in assessing the changes in scope and consequential revised contract price and evaluating the ability of the Group to deliver goods and services according to the agreed timeline. Revenues and profits for the year may deviate significantly on account of any changes in such judgements and estimates.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BOILERMECH HOLDINGS BERHAD
(REGISTRATION NO: 201001013463 (897694 - T)) (INCORPORATED IN MALAYSIA)

Key Audit Matters (continued)

1. Revenue from construction contracts (continued)

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Evaluated the design and implementation of and tested the operating effectiveness of key controls over the recognition of revenue from construction contract;
- For selected projects,
  - read the correspondences and minutes of meeting with customers;
  - read the key clauses of the signed contracts to identify relevant contractual terms covering damages and variation orders;
  - agreed contract value to signed agreements and approved variation orders;
  - performed site visits and held discussions with project teams;
  - compared prior year budgets and actual costs incurred and enquired with the Group on any material variance identified;
  - tested the estimated costs to complete by agreeing key forecast costs assumptions to documents such as letters of award, approved purchase orders, sub-contractors' claims and invoices;
  - recomputed the percentage of completion;
  - assessed if there were any delays in delivery and/or any potential issues which would result in exposure to liquidated ascertained damages;
- Agreed the construction costs incurred during the year on a sample basis to the contractors' progress claims, suppliers' invoices and relevant supporting documents; and
- Read and assessed the presentation and disclosures in the financial statements.

2. Impairment of trade receivables and contract assets

Refer to Note 2(l)(i) - Significant accounting policy: Impairment of financial assets, Note 8 - Trade and other receivables, Note 10 – Contract assets and Note 26.4 - Financial Instruments : Credit risks - Trade receivables and contract assets.

The key audit matter

As at 31 March 2022, the carrying amounts of the Group's trade receivables and contract assets amounted to RM73 million and RM52 million respectively, representing 21% and 15% respectively of the Group's total assets.

The Group's accounting policy with respect of impairment of financial assets and contract assets is covered through Expected Credit Losses ("ECL") method which involves a simplified approach to estimate the loss allowance at an amount equal to lifetime expected credit loss using individual receivables or homogenous group of receivables with similar credit risk characteristics.

We have identified impairment of trade receivables and contract assets as a key audit matter as the calculation of the impairment allowance under ECL method is highly judgmental as there is a significant degree of judgement applied in assessing loss rates, customers' payment behaviour pattern and other relevant risk characteristics.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BOILERMECH HOLDINGS BERHAD
(REGISTRATION NO: 201001013463 (897694 - T)) (INCORPORATED IN MALAYSIA)

Key Audit Matters (continued)

2. Impairment of trade receivables and contract assets (continued)

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Evaluated the design and implementation of key controls in credit control cycle;
- Tested the accuracy of age bracket in the trade receivables ageing report, by checking to the invoices, on a sample basis;
- Assessed on a sample basis, the recoverability of trade receivables and contract assets by testing the receipts of cash after year end and considered the historical payment trend;
- Assessed adequacy of the allowance for ECL by comparing our expectations against the loss allowance made by the Group; and
- Assessed the Group's disclosure on expected credit loss and relevant credit risks of trade receivables and contract assets.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BOILERMECH HOLDINGS BERHAD
(REGISTRATION NO: 201001013463 (897694 - T)) (INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BOILERMECH HOLDINGS BERHAD
(REGISTRATION NO: 201001013463 (897694 - T)) (INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

OTHER MATTERS

1 The financial statements of the Group and of the Company for the financial year ended 31 March 2021 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 22 July 2021.

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

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Ow Peng Li
Approval Number: 02666/09/2023 J
Chartered Accountant

Petaling Jaya

7 July 2022

LIST OF PROPERTIES
AS AT 31 MARCH 2022

Owner Company	Location	Tenure of lease	Land area or built up area	Existing use	Approximate age of buildings	Net Book Value 31 March 2022 RM'000	Date of last revaluation
Boilermech Sdn Bhd	Lot 875, Jalan Subang 8, Taman Perindustrian Subang, 47620 Subang Jaya, Selangor.	99 years, expiring on 2 September 2068	Land area: 20,407 square meter Built up area: 10,004 square meter	Corporate and administrative office & factory	25 years	16,619	30 August 2010
Boilermech Sdn Bhd	Lot 873, Jalan Subang 8, Taman Perindustrian Subang, 47620 Subang Jaya, Selangor.	99 years, expiring on 12 October 2061	Land area: 14,163 square meter Built up area: 9,304 square meter	Factory & warehouse	25 years	16,296	6 September 2012
Boilermech Sdn Bhd	Lot 169438 held under Mukim Klang, Klang, Selangor.	99 years, expiring on 24 February 2097	Land area: 44,517 square meter	Vacant Industrial Land	N/A	11,248	9 June 2014
Boilermech Holdings Berhad	Lot 169438 held under Mukim Klang, Klang, Selangor.	99 years, expiring on 24 February 2097	Land area: 44,517 square meter	Vacant Industrial Land	N/A	11,248	9 June 2014
Teknologi Enviro-Kimia (M) Sdn Bhd	Lot 1508, Jalan Taman Hui Sing, 93350 Kuching, Sarawak.	60 years, expiring on 27 March 2072	Land area: 1,590 square meter Built up area: 1,221 square meter	Office	11 years	5,298	28 December 2020
Teknologi Enviro-Kimia (M) Sdn Bhd	Lot 3681, Block 32, Kemena Land District, Jalan Sungai Nyigu, 97000 Bintulu, Sarawak.	60 years, expiring on 19 October 2059	Land area: 1,077 square meter Built up area: 489 square meter	Warehouse	22 years	816	5 January 2016
Teknologi Enviro-Kimia (M) Sdn Bhd	Lot 2359, Block 32, Kemena Land District, Jalan Sungai Nyigu, 97000 Bintulu, Sarawak.	60 years, expiring on 7 April 2057	Land area: 7,809 square meter	Vacant Industrial Land	N/A	2,130	5 January 2016

LIST OF PROPERTIES

AS AT 31 MARCH 2022

Owner Company	Location	Tenure of lease	Land area or built up area	Existing use	Approximate age of buildings	Net Book Value 31 March 2022 RM'000	Date of last revaluation
T.E.K. Water Sdn Bhd	No. 66, Jalan Mutiara Emas 7/5, Taman Mount Austin, 81100 Johor Bahru, Johor.	Freehold	Land area: 362 square meter Built up area: 312 square meter	Office and warehouse	29 years	882	8 January 2016
T.E.K. Water Sdn Bhd	No. 68, Jalan Mutiara Emas 7/5, Taman Mount Austin, 81100 Johor Bahru, Johor.	Freehold	Land area: 362 square meter Built up area: 312 square meter	Office and warehouse	29 years	973	8 January 2016
T.E.K. Water Sdn Bhd	No. 27, Jalan Austin Perdana 2/25, Taman Austin Perdana, 81100 Johor Bahru, Johor.	Freehold	Land area: 123 square meter Built up area: 117 square meter	Office	13 years	849	8 January 2016
T.E.K. Water Sdn Bhd	No. 29, Jalan Austin Perdana 2/25, Taman Austin Perdana, 81100 Johor Bahru, Johor.	Freehold	Land area: 123 square meter Built up area: 117 square meter	Office	13 years	849	8 January 2016
PT Boilermech Manufacturing Indonesia	No.43, Jalan Siwalanpanji, Siwalanpanji, Buduran, Sidoarjo, 61252 Jawa Timur, Indonesia.	Expiring on 24 September 2048	Land area: 11,929 square meter Built up area: 8,395 square meter	Office, factory & warehouse	10 years	6,212	25 July 2017
PT Boilermech Manufacturing Indonesia	Jalan Beta III, Kawasan Industri Maspion, Manyarsidomukti, Manyar, Gresik, 61151, Jawa Timur, Indonesia.	Expiring on 24 September 2044 Expiring on 26 March 2049	Land area: 15,555 square meter Land area: 10,324 square meter	Vacant Industrial Land	N/A	14,499	14 August 2018

SHAREHOLDERS' ANALYSIS REPORT

AS AT 30 JUNE 2022

Issued and paid-up capital	:	RM51,600,000 divided into 516,000,000 ordinary shares
Types of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

SHAREHOLDERS BY SIZE OF HOLDINGS

Holdings	No. of Holders	Total Holdings	%
Less than 100	15	268	0.00
100 – 1,000	291	187,950	0.04
1,001 – 10,000	1,418	8,210,700	1.59
10,001 – 100,000	1,177	42,008,700	8.14
100,001 to less than 5% of issued shares	287	162,889,252	31.57
5% and above of issued shares	2	302,703,130	58.66
	3,190	516,000,000	100.00

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct	%	Indirect	%
Dr. Chia Song Kun	400,000	0.08	270,437,306 (1)	52.41
Leong Yew Cheong	32,265,824	6.25	4,000,000 (2)	0.78
Chia Lik Khai	500,000	0.10	-	-
Gan Chih Soon	20,674,140	4.01	-	-
Chia Seong Fatt	200,000	0.04	-	-
Tee Seng Chun	13,633,140	2.64	3,520,000 (3)	0.68
Ng Swee Weng	-	-	-	-
Ho Cheok Yuen	-	-	-	-
Adrian Chair Yong Huang	430,000	0.08	-	-
Rina Meileene Binti Adam	-	-	-	-

Notes:

(1) *Deemed interest by virtue of shares held by QL Green Resources Sdn Bhd ("QLGR") via his and his spouse's beneficial interest in CBG (L) Foundation, the holding company of CBG (L) Pte Ltd, which is substantial shareholder of QL Resources Berhad ("QL"), the holding company of QLGR.*

(2) *Deemed interest via his daughter's shareholdings in the Company.*

(3) *Deemed interest via his spouse's shareholdings in the Company.*

SHAREHOLDERS' ANALYSIS REPORT
AS AT 30 JUNE 2022

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct	%	Indirect	%
QL Green Resources Sdn Bhd	270,437,306	52.41	-	-
Leong Yew Cheong	32,265,824	6.25	4,000,000 (1)	0.78
Dr. Chia Song Kun	400,000	0.08	270,437,306 (2)	52.41
QL Resources Berhad	-	-	270,437,306 (3)	52.41
CBG (L) Pte Ltd	-	-	270,437,306 (4)	52.41
CBG (L) Foundation	-	-	270,437,306 (5)	52.41

Notes:

(1) *Deemed interest via his daughter's shareholdings in the Company.*

(2) *Deemed interest by virtue of shares held by QL Green Resources Sdn Bhd ("QLGR") via his and his spouse's beneficial interest in CBG (L) Foundation, the holding company of CBG (L) Pte Ltd, which is a substantial shareholder of QL Resources Berhad ("QL"), the holding company of QLGR.*

(3) *Deemed interest by virtue of its wholly-owned subsidiary, QLGR, pursuant to Section 8 of the Companies Act 2016.*

(4) *Deemed interest by virtue of its substantial shareholdings in QL, the holding company of QLGR, pursuant to Section 8 of the Companies Act 2016.*

(5) *Deemed interest by virtue of being the holding company of CBG (L) Pte Ltd, which is a substantial shareholder of QL, the holding company of QLGR.*

SHARES HELD IN RELATED CORPORATION
QL RESOURCES BERHAD (ULTIMATE HOLDING COMPANY) DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct	%	Indirect	%
Dr. Chia Song Kun	1,316,250	0.054	1,003,672,371 (1)	41.241
Leong Yew Cheong	68,250	0.003	-	-
Chia Lik Khai	2,955,500	0.121	285,480 (2)	0.012
Gan Chih Soon	-	-	32,760 (2)	0.001
Chia Seong Fatt	390,000	0.016	290,667,979 (3)	11.944

Notes:

(1) *Deemed interest via his and his spouse's interest in CBG (L) Foundation, the holding company of CBG (L) Pte Ltd, Song Bak Holdings Sdn Bhd, his and his spouse's indirect interest in Ruby Technique Sdn Bhd ("RT") and Pelita Global Sdn Bhd ("PG") as well as his spouse's and children's shares in QL.*

(2) *Indirect interest via his spouse's shares in QL.*

(3) *Deemed interest via his and his spouse's beneficial interest in Farsathy Holdings Sdn Bhd, his and his spouse's indirect interest in RT and PG as well as his spouse's and children's shares in QL.*

SHAREHOLDERS' ANALYSIS REPORT
AS AT 30 JUNE 2022

TOP THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	Shareholdings	%
1.	QL Green Resources Sdn Bhd	180,763,636	35.03
2.	QL Green Resources Sdn Bhd	89,673,670	17.38
3.	Leong Yew Cheong	32,265,824	6.25
4.	Gan Chih Soon	20,674,140	4.01
5.	Tee Seng Chun	13,633,140	2.64
6.	Wong Poon Han	6,000,372	1.16
7.	Law Chee Wong	5,356,400	1.04
8.	Liu & Chia Holdings Sdn Bhd	4,139,300	0.80
9.	Laura Lorraine Leong Pei-Pei	4,000,000	0.78
10.	Hong Yuet Ngan	3,500,000	0.68
11.	Len Tze Jian	3,276,228	0.64
12.	Liu Fui Moy	2,872,000	0.56
13.	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Wong Wai Kong (7003764))	2,600,000	0.50
14.	HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Chee Sai Mun)	2,376,200	0.46
15.	Seh May Hoon	2,000,000	0.39
16.	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lim Hung Thiam (7000997))	1,833,000	0.36
17.	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chuah Kang Boon (6000945))	1,800,000	0.35
18.	Loh Foo	1,750,000	0.34
19.	RHB Nominees (Asing) Sdn Bhd (Pledged Securities Account for Lim Hun Swee)	1,705,000	0.33
20.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Seow Li (E-KLG))	1,500,000	0.29
21.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chuah Kang Boon (E-PKG/BBT))	1,499,900	0.29
22.	Yong Yew San	1,410,000	0.27
23.	Wong Wai Kong	1,400,000	0.27
24.	Lian Boon Tiam	1,360,000	0.26
25.	Liu Loy Tai	1,303,400	0.25
26.	Lim Xun Ru	1,174,600	0.23
27.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chia Siang Eng (E-TWU))	1,142,000	0.22
28.	Ng Sok Siah	1,140,000	0.22
29.	Affin Hwang Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Puah Guan Sang (PUA0432C))	1,130,000	0.22
30.	Lim Li Xuan	1,100,400	0.21
		394,379,210	76.43

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 12th Annual General Meeting of the Company will be held at Zamrud Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 26 August 2022 at 10.00 a.m. to transact the following businesses:

AGENDA

As Ordinary Business

1.	To receive the Statutory Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon.	**Refer to Explanatory Note 1**
2.	To approve the payment of a final single tier dividend of 1.75 sen per ordinary share amounting to RM9,030,000 for the financial year ended 31 March 2022.	**Resolution 1** **Refer to Explanatory Note 2**
3.	To re-elect the following Directors who retired by rotation in accordance with the Clause 76(3) of the Company's Constitution and who being eligible, offer themselves for re-election:-	**Refer to Explanatory Note 3**
	(a) Mr Ho Cheok Yuen	**Resolution 2**
	(b) Mr Adrian Chair Yong Huang	**Resolution 3**
	(c) Mr Gan Chih Soon	**Resolution 4**
4.	To approve the payment of Director's fees of Dr Chia Song Kun amounting to RM9,000 per month for the period commencing from the conclusion of the 12th Annual General Meeting ("AGM") until the next AGM of the Company.	**Resolution 5** **Refer to Explanatory Note 4**
5.	To approve the payment of Director's fees of Mr Ng Swee Weng amounting to RM8,000 per month for the period commencing from the conclusion of the 12th Annual General Meeting ("AGM") until the next AGM of the Company.	**Resolution 6** **Refer to Explanatory Note 4**
6.	To approve the payment of Director's fees of Mr Adrian Chair Yong Huang amounting to RM7,000 per month for the period commencing from the conclusion of the 12th Annual General Meeting ("AGM") until the next AGM of the Company.	**Resolution 7** **Refer to Explanatory Note 4**
7.	To approve the payment of Director's fees of Mr Ho Cheok Yuen amounting to SGD2,500 and Board Committee's fee of RM1,000 per month for the period commencing from the conclusion of the 12th Annual General Meeting ("AGM") until the next AGM of the Company.	**Resolution 8** **Refer to Explanatory Note 4**
8.	To approve the payment of Director's fees of Ms Rina Meileene Binti Adam amounting to RM7,000 per month for the period commencing from the conclusion of the 12th Annual General Meeting ("AGM") until the next AGM of the Company.	**Resolution 9** **Refer to Explanatory Note 4**
9.	To approve the payment of Director's fee of Mr Chia Seong Fatt amounting to RM3,000 per month for the period commencing from the conclusion of the 12th Annual General Meeting ("AGM") until the next AGM of the Company.	**Resolution 10** **Refer to Explanatory Note 4**
10.	To approve the payment of the following Directors' benefits to the Non-Executive Directors ("NED") of the Company for the period commencing from conclusion of the 12th Annual General Meeting ("AGM") until the next AGM of the Company:	**Resolution 11** **Refer to Explanatory Note 4**
	(a) Meeting allowance of RM2,000 per Malaysian NED and SGD1,800 per Singaporean NED per meeting day.	
11.	To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Resolution 12** **Refer to Explanatory Note 5**

NOTICE OF ANNUAL GENERAL MEETING

As Special Business:

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

12. **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016** **Resolution 13** **Refer to Explanatory Note 6**

"THAT, subject to the Companies Act 2016, the Constitution 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 Sections 75 and 76 of the Companies Act 2016 to issue and allot shares 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 total number of the issued shares (excluding treasury shares) for the time being AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

13. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **Resolution 14** **Refer to Explanatory Note 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 25 July 2022 ("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 Transactions 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 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

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

whichever is the earlier;

NOTICE OF ANNUAL GENERAL MEETING

AND THAT, the Directors of the Company be 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 to 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."

14. 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 12th Annual General Meeting of the Company to be held on 26 August 2022, a final single tier dividend of 1.75 sen per ordinary share for the financial year ended 31 March 2022, will be paid on 14 September 2022 to Depositors whose names appear in the Record of Depositors of the Company on 30 August 2022.

A Depositor shall qualify for entitlement only in respect of:

(a) Securities transferred into the Depositor's securities account before 4:30 p.m. on 30 August 2022 in respect of 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 (SSM PC No. 202008001497/MAICSA 7021024)
WONG WAI FOONG (SSM PC No. 202008001472/MAICSA 7001358)
Company Secretaries

Date: 25 July 2022

NOTES:-

1. For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming 12th Annual General Meeting ("AGM") of the Company, the Company shall be requesting the Record of Depositors as at 19 August 2022. Only a depositor whose name appears on the Record of Depositors as at 19 August 2022 shall be entitled to attend and vote at the meeting as well as for appointment of proxy(ies) to attend, speak 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. There shall be no restriction as to the qualification of the proxy.

3. A Member of the Company 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 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 multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.

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, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, their Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur 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.

NOTICE OF ANNUAL GENERAL MEETING

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.

8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

   (i) <u>In hard copy form</u>
   In the case of an appointment made in hard copy form, this proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) <u>By electronic form</u>
   The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih. online. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.

9. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

10. Last date and time for lodging this proxy form is **Wednesday, 24 August 2022 at 10.00 a.m**.

11. In the case of a corporation, the instrument appointing a proxy or proxies must be in accordance with the corporation's constitution.

12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:

   a. Identity card (NRIC) (Malaysia), or
   b. Police report (for loss of NRIC)/ Temporary NRIC (Malaysian), or
   c. Passport (Foreigner).

13. For a corporate member who has appointed a representative instead of proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's Share Registrar office earlier.

Explanatory Notes on Ordinary Business/Special Business:

1. <u>Item 1 of the Agenda</u>

To receive the Statutory Financial Statements for the Financial Year Ended 31 March 2022. This Agenda item is meant for discussion only as the provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Statutory Financial Statements. Hence, this Agenda item is not put forward for voting.

2. <u>Resolution 1 – Dividend Payment</u>

With reference to Section 131 of the Companies Act 2016, a company may only make a distribution to the shareholders out of profits of the Company available if the Company is solvent. On 24 May 2022, the Board had considered the amount of dividend and decided to recommend the same for the shareholders' approval. The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within 12 months immediately after the distribution is made on 14 September 2022 in accordance with the requirements under Section 132(2) and (3) of the Companies Act 2016.

3. <u>Resolutions 2 to 4 - Re-election of Directors</u>

In accordance to Clause 76(3) of the Constitution of the Company ("Constitution"), one-third of the Directors or if their number is not three or multiples of three, then the number nearest to one-third shall retire from office by rotation, and are eligible for re-election at each annual general meeting.

Mr Ho Cheok Yuen, Mr Adrian Chair Yong Huang and Mr Gan Chih Soon ("Retiring Directors"), being eligible, have offered themselves for re-election at this AGM. Details of the Retiring Directors are set out in the Board of Directors' profile of the Annual Report 2022.

The Board has through the Nomination Committee, considered the assessment of the Retiring Directors and collectively agreed that they met the criteria of character, experience, integrity, competence and time required to effectively discharge their respective roles as Directors, as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"). The Retiring Directors who are Independent Non-Executive Directors, have also provided their confirmation that they fulfil the independence criteria prescribed by the MMLR.

NOTICE OF ANNUAL GENERAL MEETING

4. **Resolutions 5 to 11 - Payment of Directors' Fees and Benefits**

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.

The amounts of Directors' fees tabled for approval is based on the current composition of the Board which currently has 5 Non-Executive Directors ("NED"), comprising 4 Malaysian NED and 1 Singaporean NED. The total amount of Directors' fees for the estimated period is RM384,000 and SGD30,000. There has been no revision to the Directors' fees previously approved by the shareholders at the 11th AGM of the Company held on 14 September 2021.

The proposed payment of Directors' fees for the Ordinary Resolutions 5, 6, 7, 8 and 9 comprising Director's fees and Board Committee's fees. Whereas, Ordinary Resolution 10 comprising Director's fee payable to Mr Chia Seong Fatt in his capacity as Director of the Company's subsidiary, Boilermech Sdn Bhd amounting to RM36,000 for the estimated period.

The proposed Directors' benefits for the Ordinary Resolution 11 comprise of meeting allowance to the NED for their attendance at Board and Board Committee meeting(s) per meeting day. The total amount of meeting allowance based on the estimated meetings scheduled for the estimated period is RM64,000 and SGD14,400.

5. **Resolution 12 – Re-appointment of Auditors**

The Board had, at its meeting held on 24 May 2022, approved the Audit Committee's recommendation that shareholders' approval be sought at the 12th AGM on the re-appointment of KPMG PLT as the auditors of the Company, as set out under Resolution 12. The Board is satisfied with the suitability of KPMG PLT based on the quality of audit, performance, competency and sufficiency of resource that KPMG PLT had provided to Boilermech Group. KPMG PLT have indicated their willingness to be re-elected as auditors of the Company.

6. **Resolution 13 - Authority to Issue Shares and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The Ordinary Resolution 13 is proposed to seek for a renewal of the general mandate for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016. If passed, it will empower the Directors of the Company from the date of the 12th AGM until the next AGM to allot and issue shares in the Company up to an amount not exceeding in total 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company.

The Company has not issued any new shares under the general mandate for the issuance of new ordinary shares which was approved at the 11th AGM of the Company held on 14 September 2021 (hence, no proceeds were raised therefrom) and which will lapse at the conclusion of the 12th AGM.

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

7. **Resolution 14 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The Ordinary Resolution 14 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.

PROXY FORM

BOILERMECH
Boilermech Holdings Berhad
Registration No. 201001013463 (897694-T)
(Incorporated in Malaysia)

I/We ____
(Full name in block)

NRIC/Passport/Company ____________________ No.: Mobile Phone No.: ____________________

CDS Account No.: ____________________ Number of Shares Held: ____________________

Address: ____

____

being a member of **BOILERMECH HOLDINGS BERHAD [201001013463 (897694-T)]**, hereby appoint:-

1) Name of proxy: ____________________ NRIC/Passport No.: ____________________
(Full name in block)

Address: ____

____________________ Number of Shares Represented: ____________________

2) Name of proxy: ____________________ NRIC/Passport No.: ____________________
(Full name in block)

Address: ____

____________________ Number of Shares Represented: ____________________

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the 12th Annual General Meeting of the Company to be held at Zamrud Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 26 August 2022 at 10.00 a.m. and at any adjournment thereof, and to vote as indicated below:

No.	Resolutions	For	Against
1.	To approve the payment of a final single tier dividend of 1.75 sen per ordinary share amounting to RM9,030,000 for the financial year ended 31 March 2022.		
2.	To re-elect Mr Ho Cheok Yuen as Director.		
3.	To re-elect Mr Adrian Chair Yong Huang as Director.		
4.	To re-elect Mr Gan Chih Soon as Director.		
5.	To approve the payment of Directors' fees of Dr Chia Song Kun amounting to RM9,000 per month for the period commencing from the conclusion of the 12th Annual General Meeting ("AGM") until the next AGM of the Company.		
6.	To approve the payment of Director's fees of Mr Ng Swee Weng amounting to RM8,000 per month for the period commencing from the conclusion of the 12th AGM until the next AGM of the Company.		
7.	To approve the payment of Director's fees of Mr Adrian Chair Yong Huang amounting to RM7,000 per month for the period commencing from the conclusion of the 12th AGM until the next AGM of the Company.		
8.	To approve the payment of Director's fees of Mr Ho Cheok Yuen amounting to SGD2,500 and Board Committee's fee of RM1,000 per month for the period commencing from the conclusion of the 12th AGM until the next AGM of the Company.		
9.	To approve the payment of Director's fees of Ms Rina Meileene Binti Adam amounting to RM7,000 per month for the period commencing from the conclusion of the 12th AGM until the next AGM of the Company.		
10.	To approve the payment of Director's fees of Mr Chia Seong Fatt amounting to RM3,000 per month for the period commencing from the conclusion of the 12th AGM until the next AGM of the Company.		
11.	To approve the payment of Directors' benefits comprising meeting allowance of RM2,000 per Malaysian Non-Executive Director ("NED") and SGD1,800 per Singaporean NED per meeting day for the period commencing from the conclusion of the 12th AGM until the next AGM of the Company.		
12.	To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
13.	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
14.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Please indicate with "X" how you wish your vote to be cast. In the absence of specific instruction, your Proxy will vote or abstain as he/she thinks fit.

Signed (and sealed) this _____ day of _____ 2022

*Signature(s): ____________________
Member

* ***Manner of execution:***

(a) If you are an individual member, please sign where indicated.

(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.

(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated

Notes:-

1. *For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming 12th Annual General Meeting ("AGM") of the Company, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 19 August 2022. Only a depositor whose name appears on the Record of Depositors as at 19 August 2022 shall be entitled to attend the meeting or appoint a proxy to attend, speak 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. There shall be no restriction as to the qualification of the proxy.*
3. *A Member of the Company 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 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 multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
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, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, their Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur 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.*
8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:*

   (i) *In hard copy form*

   In the case of an appointment made in hard copy form, this proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) *By electronic form*

   The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.
9. *Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.*
10. *Last date and time for lodging this proxy form is* ***Wednesday, 24 August 2022 at 10.00 a.m****.*
11. *In the case of a corporation, the instrument appointing a proxy or proxies must be in accordance with the corporation's constitution.*
12. *Please bring an* ***ORIGINAL*** *of the following identification papers (where applicable) and present it to the registration staff for verification:*

    a. *Identity card (NRIC) (Malaysian), or*

    b. *Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or*

    c. *Passport (Foreigner).*
13. *For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the* ***ORIGINAL*** *certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's Share Registrar office earlier.*

BOILERMECH HOLDINGS BERHAD Registration No. 201001013463 (897694-T)
Lot 875, Jalan Subang 8, Taman Perindustrian Subang, 47620 Subang Jaya, Selangor Darul Ehsan
Tel (6)03 8023 9137 Fax (6)03 8023 2127