BOILERMECH

BOILERMECH HOLDINGS BERHAD
REGISTRATION NO. 201001013463 (897694-T)

BRINGING SUSTAINABILITY TO LIFE

ANNUAL REPORT 2023

Our Vision & Mission Statements

We have realigned our vision and mission statements, as part of the corporate strategy to further incorporate ESG into our growth direction and culture. By crystallizing our vision and mission, our Board, Management and employees now have a stronger purpose and direction alignment in their roles and priorities.

Vision Statement

> To be the regional partner of choice to achieve an environmentally sustainable society

Mission Statement

> To create shared value for all stakeholders by providing innovative and cost-effective energy and water solutions to achieve lasting sustainability

AT A

Non-Financial Highlights

During the year we have also increased our investment in Tera VA Sdn Bhd to be a 100% subsidiary as a strategic effort to further align internal resources and focus. The consolidation signifies our firm commitment to solar segment and stronger capital resource to take on bigger solar projects going forward.

Our Values

- Integrity
- Teamwork
- Perseverance
- Innovativeness

SCAN ME

Scan the QR code to view or download a softcopy of this Annual Report 2023.

GLANCE

Financial Review

+18.8%
TOTAL REVENUE
has increased from RM317.8 million for FYE 2022 to
RM377.7 million
for FYE 2023.

-18.7%
PROFIT BEFORE TAX (“PBT”)
attained by the Group was
RM20.9 million
for FYE 2023 as compared to RM25.7 million for FYE 2022.

-0.3%
NET TANGIBLE ASSETS
has decreased from RM231.6 million for FYE 2022 to
RM231.0 million
for FYE 2023.

FINAL SINGLE TIER DIVIDEND OF
1.75 sen
PER ORDINARY SHARE
The Board of Directors has on 25 May 2023 recommended a final single tier dividend of 1.75 sen per ordinary share amounting to RM9,030,000 in respect of FYE 31 March 2023 subject to approval from shareholders at the forthcoming 13th Annual General Meeting.

Inside This Report

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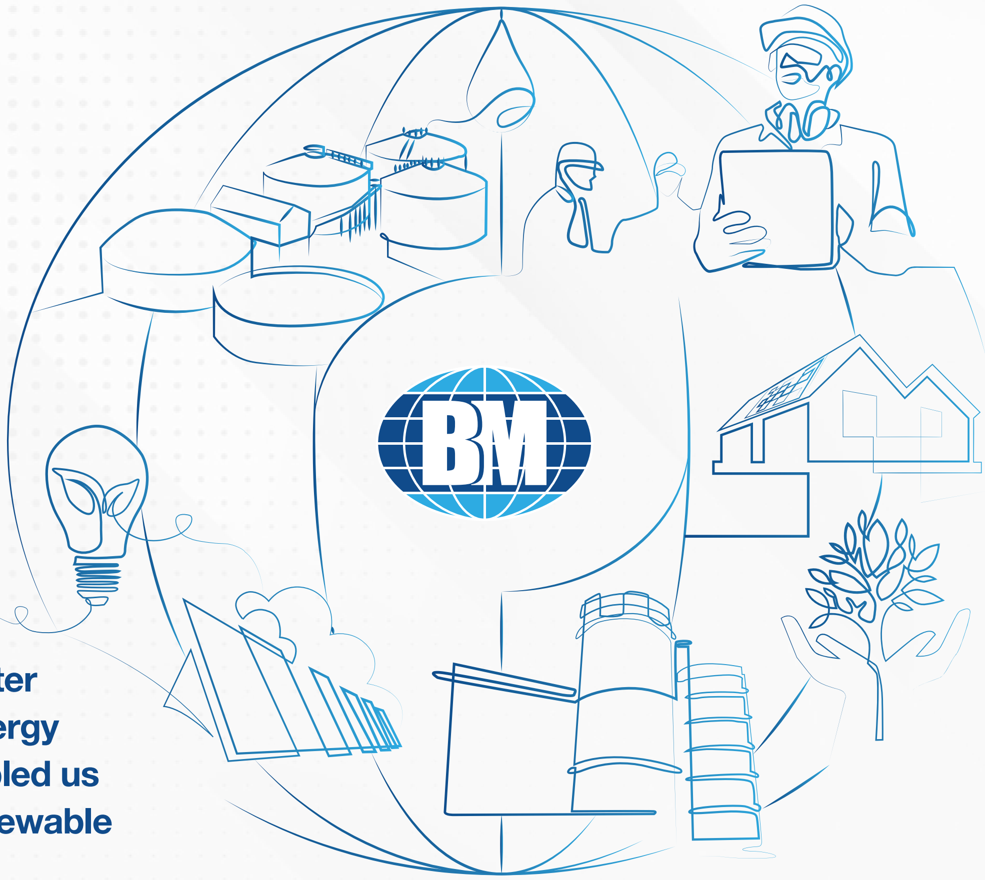
Who We Are



Over the years, our Group has made significant progress from specialising in boiler design and manufacturing to the current structure, which includes Bio-Energy, Water Treatment, and Solar Energy segments. This has enabled us to provide a range of renewable energy and sustainable environmental solutions.

Our focus on innovation and advocating the usage of green technologies to create value for customers and reduce their environmental impact has resulted in an estimated annual carbon dioxide (“CO_2”) equivalent reduction of 2.9 million MT and an annual Biological Oxygen Demand (“BOD”) reduction of 21,576 MT on the projects we have commissioned during the financial year.

Within the Bio-Energy segment, we successfully completed several technically challenging projects that demonstrate our commitment to continuous innovation and growth. Furthermore, the establishment of our manufacturing base in Indonesia has proven strategic in supporting our Indonesian customers better and long-term resources planning.

The demand for waste water and effluent treatment solutions driven by ESG will continue to accelerate and we expect the business growth to continue.

The Water Treatment segment has achieved rapid growth by offering superior quality products and services with proven track record. The demand for waste water and effluent treatment solutions driven by ESG will continue to increase and we expect the business growth to continue. Our expertise in this area continues to position us as the leader and trusted provider of sustainable solutions in water management.

Our Solar Energy segment has experienced moderate growth, despite being impacted by high panel prices earlier in the year. On a positive note, the government’s commitment to accelerate energy transition towards net zero and removal of energy subsidy, serves as a strong underpinning for continued growth in domestic demand for solar solutions over the medium and long term. Going forward, we continue to focus on solar segment growth in increasing order book while strengthening our brand profile through innovative solutions and customer satisfaction.

Looking ahead, we remain optimistic about the future and are committed to pursuing growth opportunities while upholding our principles of environmental stewardship, social responsibility and strong governance practices.

Corporate Information

BOARD OF DIRECTORS

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

CHIA LIK KHAI
Group Managing Director

CHIA SEONG FATT
Alternate Director to Group 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

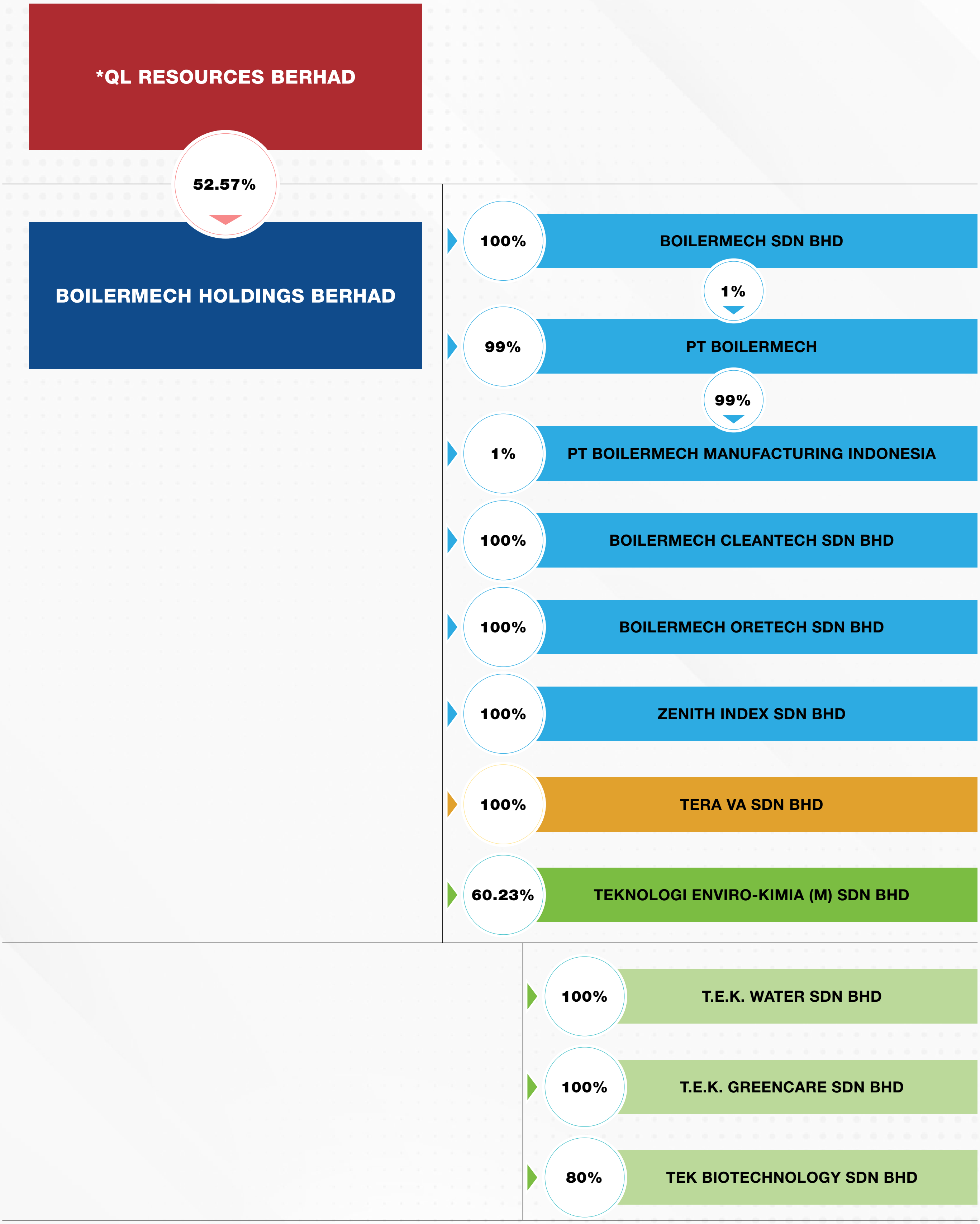
Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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*

Board of Directors

Front row, from left to right:

MR CHIA LIK KHAI

Group Managing Director

DR. CHIA SONG KUN

Non-Independent Non-Executive Chairman

MR CHIA SEONG FATT

Alternate Director to Group Managing Director, Mr Chia Lik Khai

Back row, from left to right:

MR NG SWEE WENG

Independent Non-Executive Director

MS RINA MEILEENE BINTI ADAM

Independent Non-Executive Director

MR ADRIAN CHAIR YONG HUANG

Independent Non-Executive Director

MR HO CHEOK YUEN

Independent Non-Executive Director

MR GAN CHIH SOON

Executive Director

MR TEE SENG CHUN

Alternate Director to Executive Director, Mr Gan Chih Soon

Directors' Profile

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.

Gender: Male	**Age:** 73	**Nationality:** Malaysian

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 six (6) Board of Directors' meetings held during the financial year ended 31 March 2023 ("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

MR CHIA LIK KHAI

Group Managing Director

Mr Chia Lik Khai is the Group Managing Director. He was first appointed to the Board on 26 October 2010, as an Executive Director. Subsequently, he was re-designated as Deputy Managing Director and Joint Managing Director on 25 February 2015 and 1 March 2021, respectively. He has served as Group Managing Director since 1 September 2022.

Gender: Male	**Age:** 44	**Nationality:** Malaysian

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 solution.

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 six (6) 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

MR CHIA SEONG FATT

Alternate Director
to Group Managing Director, Mr Chia Lik Khai

Mr Chia Seong Fatt is the Alternate Director to the Group 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.

Gender: Male	**Age:** 67	**Nationality:** Malaysian

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 six (6) 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

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.

Gender: Male	**Age:** 49	**Nationality:** Malaysian

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 six (6) 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

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.

Gender: Male	**Age:** 59	**Nationality:** Malaysian

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 six (6) 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

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.

Gender: Male	**Age:** 74	**Nationality:** Singaporean

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 six (6) 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

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.

Gender: Male	**Age:** 49	**Nationality:** Malaysian

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 consultant 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 six (6) 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

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.

Gender: Female	**Age:** 46	**Nationality:** Malaysian

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 was a Commercial Director at MyHSR Corporation Sdn Bhd where she was 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 six (6) 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

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.

Gender: Male	**Age:** 66	**Nationality:** Malaysian

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 six (6) 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 CHIA LIK KHAI

Group Managing Director of Boilermech Holdings Berhad

MR GAN CHIH SOON

Executive Director of Boilermech Holdings Berhad/Managing Director of Boilermech Sdn Bhd, a wholly-owned principal subsidiary of the Company

MR TEE SENG CHUN

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

Please refer to pages 7 to 10 for the profiles of the above Senior Management personnel.

MR LEONG YEW CHEONG

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

Gender: Male | **Age:** 68 | **Nationality:** Malaysian

Mr Leong Yew Cheong holds a Bachelor of Science in Mechanical Engineering from the University of Huddersfield, United Kingdom. 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.

He brings with him approximately forty-three 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.

Mr Leong Yew Cheong was appointed as Director of Boilermech Holdings Berhad on 26 October 2010. He acted as the Managing Director of the Group before re-designated as Joint Managing Director on 1 March 2021 and retired on 31 August 2022. He remains as an Executive Director of Boilermech Sdn Bhd.

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

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 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 YONG HUA KONG

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

Gender: Male	**Age:** 56	**Nationality:** Malaysian

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 waste water 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 continued 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.

MR LEONG JIT MIN

Managing Director of TERA VA Sdn Bhd, a wholly-owned principal subsidiary of the Company

Gender: Male	**Age:** 39	**Nationality:** Malaysian

Mr Leong Jit Min obtained his Diploma in Electronic and Electrical Engineering from Inti College Malaysia in 2003. In 2006, he completed a Graduate Diploma in Business Administration from ALC College. He then received Grid Connected Photovoltaic certificates from both ISPQ and SEDA in 2013 and 2014, respectively.

He began his career in the Power & Energy industry as an Application Assistant Engineer in the Diesel Generating set sector. He then joined three multinational corporations, namely Schneider Electric Malaysia, ABB Ltd, and Siemens AG, as a Business Development Engineer. During his time at these companies, he gained valuable experience in Power Distribution, Protection, Control, Monitoring, Management, and Switchboard Design & Construction.

In 2011, he co-founded the Company, TERA VA Sdn Bhd ("TERA VA") and played a key role as the Managing Director. TERA VA, is a well-established Engineering, Procurement, Contruction and Commissioning (EPCC) contractor in the Solar PV industry and has been operating under the reputable brand name of VASOLAR since 2016. TERA VA is dedicated to promoting the adoption of renewable energy sources and reducing carbon emissions. TERA VA aims to help more people switch to clean energy and reduce their carbon footprint by making Solar PV technology more affordable and accessible to a wide range of users, including residential, commercial, and industrial customers,

Mr Leong Jit Min 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.

Key Senior Management

MS CHAN VAN CHEE

Director, Corporate Planning and Transformation

Gender: Female | **Age:** 50 | **Nationality:** Malaysian

Ms Chan Van Chee joined Boilermech Group in year 2010, is a member of the Executive Committee and the Director, Corporate Planning and Transformation.

She obtained her qualification from the Association of Chartered Certified Accountants (ACCA) in 1998. She is a member of the Malaysian Institute of Accountants and a Fellow member of the ACCA. Prior to joining Boilermech, she has held various accounting, finance and human resource positions in audit, industrial manufacturing, information technology companies and was attached to a management consultancy providing business solutions.

She is presently responsible for the corporate planning, sustainability, and business process transformation of Boilermech Group.

Ms Chan Van Chee does not hold any directorship in any public companies and listed companies. She has no family relationship with any director and/or major shareholder of the Company and 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.

MS TAN EE MING

Group Financial Controller

Gender: Female | **Age:** 49 | **Nationality:** Malaysian

Ms Tan Ee Ming is a member of the Malaysian Institute of Accountants and a fellowship member of the Association of Chartered Certified Accountants ("ACCA").

She began her career as an auditor with a Big 4 public accounting firm in 1994 and thereafter continued to the commercial sector after 8 years. She has over 28 years of working experience in the areas of audit, accounting, taxation, corporate reporting, treasury and budget management, business partnering, mergers and acquisitions over industries such as manufacturing, services, healthcare and pharmaceutical, trading, retail, Saas, investment holding etc. Her experience includes the coverage of Finance function spanning local and multinational companies covering countries in Asia with a 2 year stint working in a Group Head Office based in Hong Kong.

Ms Tan Ee Ming is also an Independent Non-Executive Director and the Audit Committee Chairperson of SNS Network Technology Bhd, a company listed on Ace Market of Bursa Malaysia Securities Berhad.

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

Chairman's Statement

DEAR VALUED SHAREHOLDERS,

" On behalf of the Board of Directors, I am honoured to present the Annual Report of Boilermech Holdings Berhad for the financial year ended ("FYE") 31 March 2023.

DR CHIA SONG KUN
Chairman

It is with great pleasure that I announce another remarkable year of achievement for our Group, marked by record-breaking revenue across all three segments of our business. This impressive feat is a testament to our steadfast commitment to enable green technologies among industrial, commercial customers and consumers. Our focus on innovation and advocating the usage of green technologies to create value for customers and reduce their environmental impact has resulted in an estimated annual carbon dioxide ("CO_2") equivalent reduction of 2.9 million MT and an annual Biological Oxygen Demand ("BOD") reduction of 21,576 MT on the projects we have commissioned during the financial year.

The past year has been exceptionally busy and rewarding for us. We have witnessed strong business growth, with each segment achieving record revenue, reflecting the dedication and hard work of our entire team. However, we must acknowledge the challenging business environment we faced, characterized by volatility in material costs and foreign exchange fluctuations which negatively impacted our profit margins.

As economic activity recovers from Covid-19 pandemic, the world economy is heading towards recession, characterized by escalating inflation costs and the inherent volatility of the commodity prices and the foreign exchange rates. However, we are navigating these challenges with strengths of our brand, product and people across our three business segments. Amidst these dynamic conditions, we remain committed to driving internal improvements aimed at enhancing operational efficiency and increasing our cost competitiveness. By continuously strengthening our operational capabilities and fostering the innovative spirit of our employees, we are confident in our ability to navigate the unpredictable economic landscape and deliver sustainable growth for our stakeholders.

Chairman's Statement

We have realigned our mission to create shared value for all stakeholders by providing innovative and cost-effective energy and water solutions to achieve lasting sustainability.

In FY2023, we achieved a remarkable total revenue of RM377.7 million resulted in 18.8% year-on-year ("YOY") growth.

Our Water Treatment segment has achieved rapid growth by offering proven track record and superior quality products and services. The demand for waste water and effluent treatment solutions driven by ESG will continue to accelerate and we expect the business growth to continue. Our expertise in this area continues to position us as the leader and trusted provider of sustainable solutions in water management.

Our Solar Energy segment has experienced modest growth affected by high panel prices during the earlier part of the year, which affected the product margin and demand. However, the government's commitment to accelerate energy transition towards net zero and removal of energy subsidy underpins the medium and long term domestic demand for solar related solutions. Going forward, we continue to focus on solar segment growth in increasing order book while strengthening our brand profile through innovative solutions and customer satisfaction.

During the year we have also increased our investment in Tera VA Sdn Bhd as a 100% subsidiary as a strategic effort to further align internal resources and focus. The consolidation signifies our firm commitment to solar segment and stronger capital resource to take on bigger solar projects going forward.

Looking ahead, we remain optimistic about the future and are committed to pursuing growth opportunities while upholding our principles of environmental stewardship, social responsibility and strong governance practices.

FINANCIAL PERFORMANCE

In FY2023, we achieved a remarkable total revenue of RM377.7 million resulted in 18.8% year-on-year ("YOY") growth, thanks to the strong demand for our products and services in all our segments and markets. However, our earnings decreased by 18.7% YOY, mainly due to higher operating costs from the escalated raw material prices, labour wages and logistics costs, as well as fluctuating foreign exchange rates.

Within the Bio-Energy segment, we successfully completed several technically challenging projects that demonstrate our commitment to continuous innovation and growth. Additionally, the establishment of our manufacturing base in Indonesia has proven strategic in supporting our Indonesian customers better and long-term resources planning.

REALIGNMENT OF COMPANY'S VISION AND MISSION

As part of the corporate strategy to further incorporate ESG into our growth direction and culture, we have realigned our mission to create shared value for all stakeholders by providing innovative and cost-effective energy and water solutions to achieve lasting sustainability. It emphasizes the importance of creating value in our endeavour to achieve lasting sustainability for our stakeholders and in alignment with QL's philosophy of creating shared value for all stakeholders.

Guided by our mission, we also sharpened our vision to become the regional partner of choice to achieve an environmentally sustainable society. With the crystallisation of the vision and mission, our Board, Management and employees now have a stronger purpose and direction alignment in their roles and priorities.

Chairman's Statement

AS PART OF OUR UNWAVERING COMMITMENT TO SUSTAINABILITY, WE HAVE ESTABLISHED AMBITIOUS TARGETS TO ATTAIN **NET ZERO EMISSIONS WITHIN SCOPE 1 AND 2 FOR OURSELVES BY 2026.**

ZERO EMISSION

SUSTAINABILITY

As part of our unwavering commitment to sustainability, we have established ambitious targets to attain net zero emissions within Scope 1 and 2 for ourselves by 2026. In order to meet these targets, we require a comprehensive approach that encompasses responsible resource management and the adoption of innovative and sustainable practices. We are dedicated to implementing strategies that will drive significant reductions in our carbon footprint, both through direct emissions from our operations (Scope 1) and indirect emissions from the energy we consume (Scope 2).

Through the implementation of energy-efficient technologies, the utilization of renewable energy sources and the optimization of our operational processes, we are committed to investing in sustainable solutions that will not only benefit our company but also contribute to a greener and more sustainable future for all.

BOARD MEMBER RETIREMENT

Ms. Rina Meileene Binti Adam ("Ms Rina") will retire as a Director of the Company at the conclusion of the 13th AGM. On behalf of the Board, we extend our gratitude and appreciation to Ms Rina for her valuable contributions during her tenure with Boilermech as a Director. We wish her the best in her future endeavours.

APPRECIATION

On behalf of the Board of Directors, I wish to convey my heart felt gratitude to our shareholders, management, customers, suppliers, bankers, business associates and the government agencies for their trust, support, patience, and confidence in Boilermech Group.

To our employees, thank you for your hard work and dedication, it would not have been possible for us to cope with challenges and foster growth without your relentless effort, consistent contribution and support.

My sincere appreciation to my fellow Board members for their strong commitment in delivering shared value and enhanced dynamics to drive the organisational resilience and strategic movements.

Lastly, 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 2023 for shareholders' approval at the forthcoming 13th Annual General Meeting.

Thank you very much.

DR CHIA SONG KUN
Chairman

Management Discussion and Analysis

OVERVIEW OF BUSINESS AND OPERATIONS

Boilermech Holdings Berhad ("Boilermech" or "the Group") had mainly focused on the production of Bio-Energy boilers as its main activity when the Group first started. In 2011, the Group was listed on Bursa Malaysia based on the manufacturing and construction of Bio-Energy boilers. The Water Treatment segment was acquired in 2016 to enhance our renewable energy initiatives while the acquisition of the Solar Energy segment occurred in 2020 consolidating the Group to focus mainly on providing sustainable environmental solutions for clients presently.

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

On the geographical front, Boilermech is currently the leading biomass boiler manufacturer in South East Asia while serving clients in Africa, Cambodia, Colombia, Indonesia, Papua New Guinea, Thailand and Vietnam. The Group currently has sales and marketing and manufacturing facilities 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 partner of choice to achieve an environmentally sustainable society.

OUR PRINCIPAL ACTIVITIES

Our main principal activities focus on providing innovative and cost effective Bio-Energy, Water Treatment and Solar Energy solutions enabling clients to progress on sustainability transition. 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 evolving government policies. The Group leverages on our pool of engineering and specialised expertise to bring client's sustainability plans to fruition.

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

Management Discussion and Analysis

Core Business

BIO-ENERGY ("BE")

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

This segment also includes providing product upgrades, trading and repairs and maintenance of the said Bio-Energy systems.

The Bio-Energy segment's main product is the biomass boiler where it is a renewable energy system as it runs on agricultural waste; e.g. palm biomass, bagasse, rice husks and wood chips. This provides an integrated solution to clients to cater to their energy needs as well as efficient management of their production by-products. 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 subsidiary companies operate a manufacturing plant in Surabaya and a business office in Jakarta. The increasing Indonesia presence enables efficient services and support to local client's requirements. The Indonesia manufacturing plant also provides additional capacity to match the growing Indonesian market demand.

WATER TREATMENT ("WT")

The Group's Water Treatment segment provides engineering, procurement, construction and commissioning 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 raw water, industrial waste water and palm oil mill effluent ("POME") treatment solutions. Water Treatment segment also offers Biogas capture, Membrane system for waste water and chemical-free potable water treatment, product upgrades, 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, construction and commissioning of Solar Photovoltaic systems to commercial, industrial and residential clients. The system allows the clients to enjoy energy cost savings by having lower electricity bill while reducing carbon footprint, creating value financially and environmentally.

Tera VA Sdn Bhd ("Tera") leads the Solar Energy segment to participate in this fast-growing renewable energy sector. Tera focuses on Commercial and Industrial ("C&I") sector and is becoming one of the leading residential solar system providers.

ANALYSIS OF FINANCIAL RESULTS

The Group has achieved a second consecutive record year of revenue at RM377.7 million; an 18.8% increase from last year. The increase in revenue stems from all fronts with commendable year-on-year growth from each segment. The revenue from the 3 segments was the highest since the individual segments started as part of Boilermech Group.

Nevertheless, our financial results reflect a Profit before tax of RM20.9 million, 18.7% lower than that of last year mainly attributable to several factors, including market competition, fluctuations in raw material prices and the impact of volatile foreign exchange rates. Moreover, the establishment of and the higher operational costs associated with our manufacturing base in Indonesia, along with provision for doubtful debt and adverse variances on foreign exchange currency movements have also resulted in the Profit before tax ("PBT") decreasing from RM25.7 million to RM20.9 million for the year.

The net tangible assets have been positive albeit with a slight reduction moving from RM231.6 million to RM231.0 million; while borrowings have had managed a slight reduction of RM0.3 million.

	FY 2023 RM Million	FY 2022 RM Million	Variance RM Million	Variance (%)
Revenue	**377.7**	317.8	59.9	18.8%
Profit before taxation	**20.9**	25.7	(4.8)	-18.7%

The Group's past 5 years performance and financial position are shown in page 26 of the annual report.

Segmental Reporting

	FY 2023		FY 2022		Variance	
Revenue	RM Million	Contribution (%)	RM Million	Contribution (%)	RM Million	(%)
Bio-Energy Segment	**292.0**	**77.3%**	246.1	77.4%	45.9	18.7%
Water Treatment Segment	**48.0**	**12.7%**	37.4	11.8%	10.6	28.3%
Solar Energy Segment	**37.7**	**10.0%**	34.3	10.8%	3.4	9.9%
	377.7	**100.0%**	317.8	100.0%	59.9	18.8%
Profit Before Tax						
Bio-Energy Segment	**13.6**	**65.1%**	18.2	70.8%	(4.6)	-25.3%
Water Treatment Segment	**5.9**	**28.2%**	5.0	19.5%	0.9	18.0%
Solar Energy Segment	**1.4**	**6.7%**	2.5	9.7%	(1.1)	-44.0%
	20.9	**100.0%**	25.7	100.0%	(4.8)	-18.7%
Profit Margin						
Bio-Energy Segment	**4.6%**		7.4%			
Water Treatment Segment	**12.3%**		13.4%			
Solar Energy Segment	**3.7%**		7.3%			

Management Discussion and Analysis

BIO-ENERGY ("BE")

Bio-Energy segment attained a record revenue of RM292.0 million for the financial year. This was an increase of 18.7% from last year cementing the Group as the leading biomass energy engineering, procurement, construction and commissioning ("EPCC") contractor in the region.

The additional revenue from the factory in Indonesia widened our manufacturing footprint and record sales from the technical support division helped the Group to achieve the high growth in revenue.

However, profit before tax was adversely affected by higher operational cost, raw material price volatility, provision for doubtful debt and adverse foreign currency movements which contributed the lower margins.

The segment contributed 77.3% of the revenue for the year and 65.1% to the Group's profit before tax.

WATER TREATMENT ("WT")

The Water Treatment segment accomplished a record revenue at RM48.0 million, a 28.3% increase from last year. The increase mainly came from waste water treatment and biogas project business unit which is higher by 33.6% as more projects were carried out during the year while the revenue from the trading business unit had also increased by 22.7%. There has been a slight drop in margin as the business unit worked with larger EPCC projects.

The segment contributed 12.7% of the revenue for the year and 28.2% to the Group's profit before tax.

SOLAR ENERGY ("SE")

Solar Energy segment managed a record revenue during the year at RM37.7 million, a 9.9% increase from last year. The residential market under Solar Energy segment has grown significantly for the year; showing an increase of market penetration into consumer business which is attributable to targeted marketing efforts and also strong market awareness of the benefits of solar photovoltaic products. The Commercial and Industrial sector of the Solar Energy segment has grown by 12.0% where we had successfully commissioned a few key engineering, procurement, construction and commissioning projects with established industrial corporate customers this year.

The segment contributed 10.0% of the revenue for the year and 6.7% 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 palm oil producing countries of different continents of the world such as Africa, Cambodia, Colombia, Indonesia, Papua New Guinea, Thailand and Vietnam.

	FY 2023		FY 2022	
Revenue	RM Million	Contribution (%)	RM Million	Contribution (%)
Malaysia	**202.4**	**53.6%**	209.8	66.0%
Indonesia	**162.4**	**43.0%**	102.1	32.1%
Other countries	**12.9**	**3.4%**	5.9	1.9%
	377.7	**100.0%**	317.8	100.0%

Malaysia still remains to be the main revenue base while Indonesia's contribution increased to almost 43.0% of the Group's record revenue signifying the continuing importance of our localised operations in our neighbouring country.

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 deemed as important key business risks:

Fluctuations in raw material prices and foreign exchange rates
The financial year of 2023 has seen a continuation of the post Covid-19 trend of volatility in raw material prices and foreign exchange rates. This volatility in steel prices directly affects our Group as steel is the main raw material for building boilers while it also forms a significant part of the construction of structures at the site. Despite our management efforts, we are unable to hedge certain specialised steel components locally due to the nature of the product and supply limitations.

Furthermore, foreign currency exchange rates have also been highly volatile throughout the year. The fluctuating exchange rates have indirectly resulted a rise in raw material costs thereby reducing margins.

While the management has implemented measures in managing its new contract margins diligently, there are still certain cost elements beyond our control. This could result in an increase in purchase costs from suppliers which could affect the margins.

Inflationary cost over medium term
Due to the Ukraine war and inflation, there has been a global increase in costs on energy, logistics, wages and finance cost which increases the cost of doing business. We are impacted by the drastic inflationary costs due to delayed project execution post Pandemic period.

For new contracts, the cost increases are factored into selling price and passed through to customers. However, we are still exposed to medium term inflationary risks.

Talent and labour shortage
Increases in minimum wages and shortages of skilled labour in the industry can lead to higher labour costs, reducing profitability and potentially affecting the Group's ability to meet production demand. In Malaysia, the labour market and government policy to move towards reduced dependency on foreign worker will increase labour supply tightness and costs. Furthermore, weak ringgit and high inflation has resulted in outflow of local talent and has created a talent shortage, especially in professional and technical roles.

Management's strategy is to open up Indonesia's manufacturing base and diversify our talent pool from Indonesia. In addition, we are focusing on employee engagement, talent retention and development to mitigate talent and labour shortage issues.

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 2023, subject to the approval of shareholders at the forthcoming Annual General Meeting. The Company's dividend trend is as per below:-

	FY 2020	FY 2021	FY 2022	FY 2023
Net Dividend per share (sen)	1.75	1.75	1.75	**1.75**
Net Dividend (RM Million)	9.03	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.

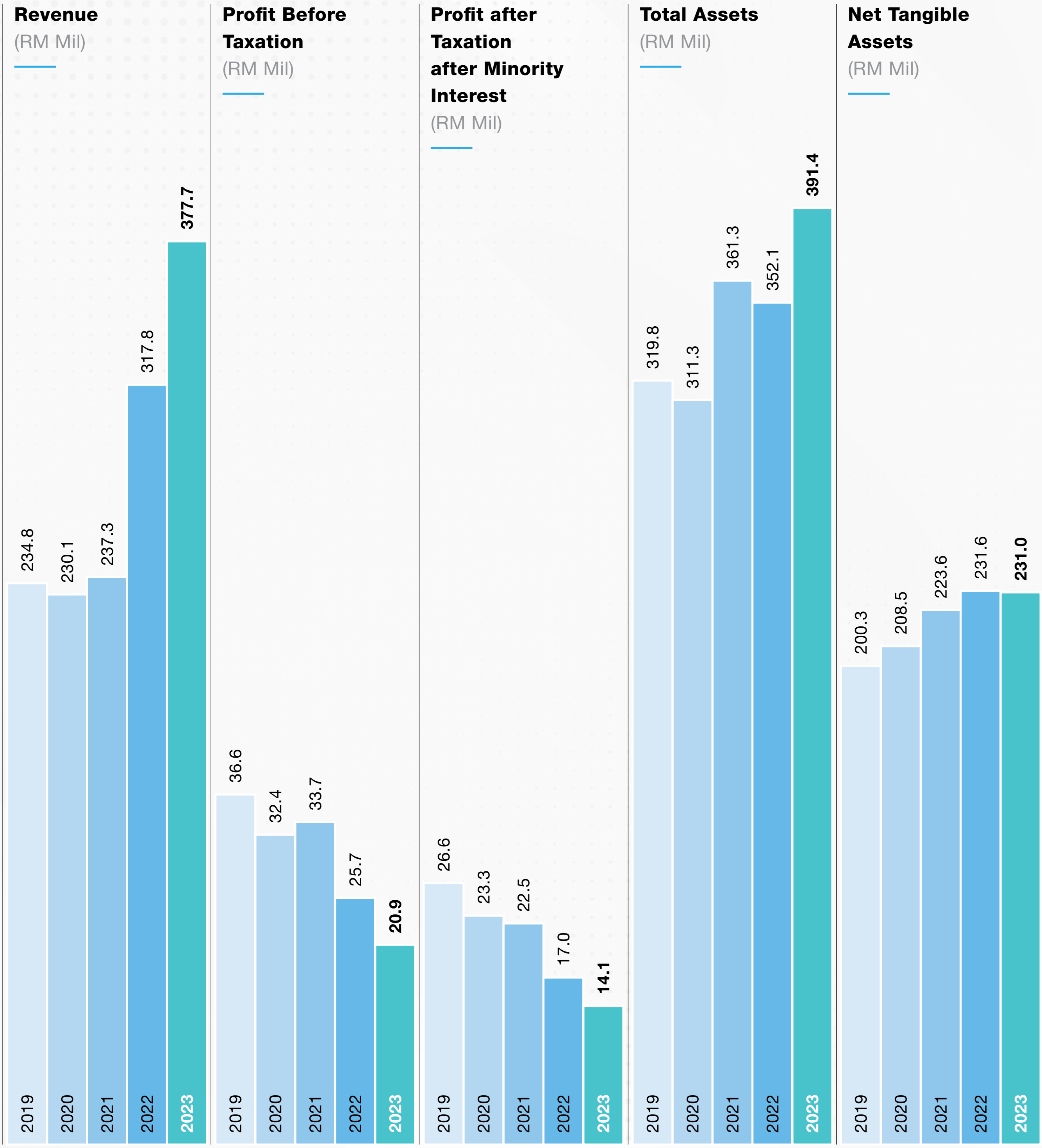
PROSPECTS

In the short and medium term, palm oil industry is expected to experience growth, primarily driven by stronger export demand from Asian markets, whereby Indonesia is expected to play a pivotal role in driving the industry's growth. Our newly established production facility in Indonesia is strategically positioned to capitalize on the expanding palm oil market in the country.

The renewable energy and water treatment segment continue to expand, driven by the increasing prominence of Environmental, Social and Governance ("ESG") initiatives. The Malaysian government has implemented favourable policies and incentives to support the growth of the renewable energy sector. Furthermore, there has been an increase in adoption and acceptance of sustainable development and green initiatives in Malaysia in recent years. This positive shift in support for environmentally friendly practices further strengthens the Group's prospects.

Financial Highlights

	2019 RM Mil	2020 RM Mil	2021 RM Mil	2022 RM Mil	2023 RM Mil
Revenue	234.8	230.1	237.3	317.8	**377.7**
Profit before Taxation	36.6	32.4	33.7	25.7	**20.9**
Profit after Taxation after Minority Interest	26.6	23.3	22.5	17.0	**14.1**
Total Assets	319.8	311.3	361.3	352.1	**391.4**
Net Tangible Assets	200.3	208.5	223.6	231.6	**231.0**



Sustainability Statement

ABOUT THIS STATEMENT

This Sustainability Statement summarises the Group's sustainability efforts and initiatives during the year. At Boilermech, we believe that effective business continuity is dependent on our sustainability practices. Therefore, sustainability is embedded within our business operations and our products. By recognizing the significance of economic, environmental, social, and governance ("EESG") issues for our stakeholders, we actively incorporate sustainability into our core practices.

INTRODUCTION

Aligned with our updated Mission 'to create shared value for all stakeholders by providing innovative and cost-effective energy and water solutions to achieve lasting sustainability' and our Vision 'to become the regional partner of choice to achieve an environmentally sustainable society', we fully recognize our responsibility to conduct business in a sustainable and responsible manner, whilst pursuing growth and expansion.

Our Board takes into account sustainability considerations when exercising its duties in the development and implementation of company strategies and business plans.

Collaboratively, the Board and management team manage material economic, environmental, social, and governance risks and opportunities, collectively known as 'Material Sustainability Matters', that arise from the Group's operations.

REPORTING FRAMEWORK

This Statement has been 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'). Additionally, it has considered the Sustainability Reporting Guide and its accompanying Toolkits issued by Bursa, ensuring compliance with the applicable reporting requirement.

The Group recognizes the importance of the Sustainable Development Goals ("SDGs") adopted by all United Nations Member States, including Malaysia, in 2015. These 17 global goals establish a framework for global partnership aimed at fostering peace, prosperity, and sustainability for people and the planet, both now and in the future. In this Sustainability Statement, we detail how the Group contributes to these global development goals.

SUSTAINABLE DEVELOPMENT GOALS

Sustainability Statement

SCOPE

This Statement covers the sustainability matters and activities of all entities within the Group for the reporting period from 1 April 2022 to 31 March 2023. The scope of this Statement is reviewed annually, taking into account various factors, including the contributions of the Group's business segments and activities, as well as their economic, environmental, social and governance impact.

GOVERNANCE STRUCTURE

To embed sustainability within our corporate culture and work practices, the Board and Management Team work collaboratively to identify and manage sustainability risks and opportunities in the Group. This integrated approach, where the Board and senior management work hand-in-hand, fosters effective governance of sustainability in the Group underscores our commitment to aligning sustainability with our overall business objectives. This joint effort involves clear roles and responsibilities as follows:

BOARD OF DIRECTORS

The Board of Directors assumes responsibility for overseeing sustainability practices and performance. The Board sets business strategies that incorporate sustainability considerations, set policies, prioritize sustainability goals, and set targets.

EXECUTIVE COMMITTEE

Executive Committee, comprising all Executive Directors and selected Senior Management team, is responsible for the strategic management of sustainability matters. This includes identifying and implementing strategies and initiatives, monitoring, and reporting on Material Sustainability Matters, and providing regular updates to the Board.

HEADS OF BUSINESS UNITS AND SUSTAINABILITY WORKING GROUP

The Heads of Business Units, along with the Sustainability Working Group, play a pivotal role in executing sustainability-related tasks and initiatives on a day-to-day basis. Their responsibilities include identifying, assessing, monitoring, managing, and reporting sustainability matters to the Executive Committee. Furthermore, they actively engage with key stakeholders to understand concerns related to the company's sustainability risks and opportunities.

MATERIALITY ASSESSMENT

The Group conducts reviews of the operating environment during the financial year to ensure that our Material Sustainability Matters remain relevant and material. These reviews include assessing the performance of existing Material Sustainability Matters and their action plans, as well as identifying any new sustainability matters that may arise. Our materiality assessment process, aligns with Bursa's Sustainability Reporting Guide and its accompanying Toolkits, incorporates the perspectives and concerns of our stakeholders, such as customers, investors, shareholders, suppliers, employees, workers, contractors, and regulators.

During the assessment, we evaluate the impact and importance of sustainability matters based on their alignment with our business objectives and their influence on stakeholder assessments and decisions. This enables us to identify and prioritize sustainability matters that have a substantial EESG impact and significantly affect our stakeholders. This approach allows us to continuously update our Material Sustainability Matters list and ensures that our sustainability efforts remain focused on the areas that matter most to our business and stakeholders.

Sustainability Statement

Sustainability matters are prioritized based on 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.

By applying these criteria, we ensure that our sustainability efforts align with the most significant areas of impact and concern for both our business and stakeholders. This enables us to address the key issues that contribute to our overall sustainability performance.

The materiality assessment process is summarised as follows:

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is an important component of our sustainability approach as it allows us to identify and address key sustainability matters. By actively engaging with our stakeholders, we gain a better understanding of how our business activities impact them and what their expectations are in relation to EESG matters. These insights play a vital role in guiding our business strategy and shaping our disclosures.

Recognizing that each stakeholder group is unique, we have implemented various customized communication channels tailored to suit their specific needs and preferences. This allows us to engage with each group effectively and efficiently. Our stakeholder engagement efforts encompass 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 and service quality • Timeliness of delivery • Product pricing • 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	• Product and service quality • Timeliness of delivery • Price competitiveness • Awareness and Compliance with our Policies and Code of Business Ethic

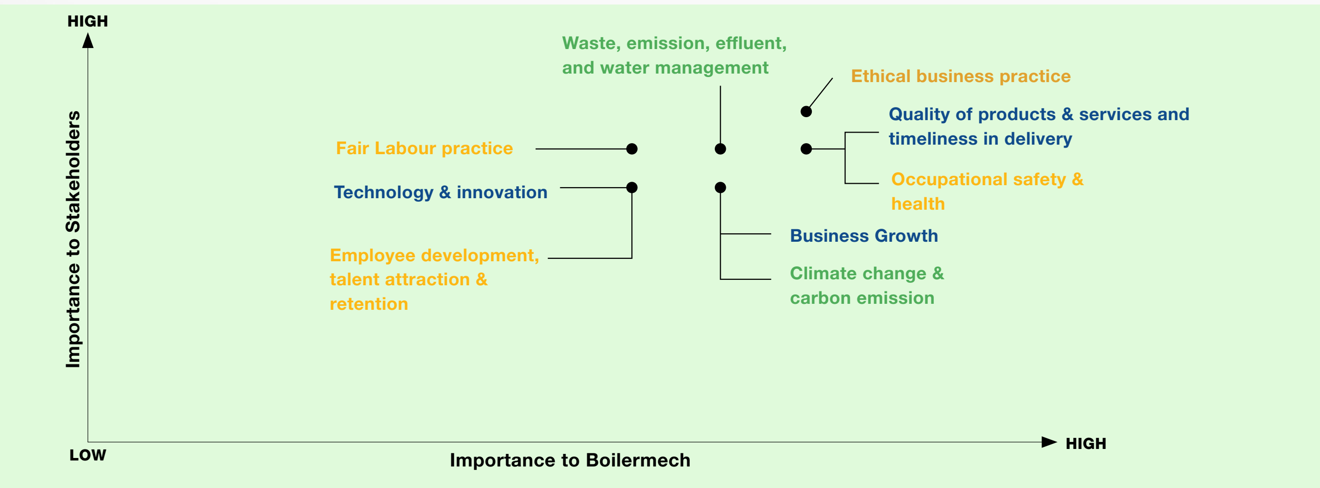
Stakeholder	Mode of engagement	Frequency of engagement	Relevant material sustainability matters
Contractors	• Contractor appraisal and evaluation reviews • Face-to-face interactions	• Annually • As needed	• Occupational safety and health • Product and service quality • Timeliness in delivery • Price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

MATERIAL SUSTAINABILITY MATTERS

With due consideration to the outcomes from stakeholder engagements and reviews conducted by the Group, we have identified a set of material sustainability matters that are of utmost importance to the Group within the scope of economic, environmental, social, and governance factors. While the majority of these material sustainability matters have remained consistent from the previous year, we have made refinements and added two new matters to further strengthen our sustainability focus. By addressing these 9 material sustainability matters, we are committed to managing these matters effectively and implementing strategies and initiatives that contribute to sustainable practices and positive impacts.

The relative importance of each material sustainability matter is depicted in the matrix chart below.

MATERIALITY MATRIX



Sustainability Statement

The table below presents an overview of the material sustainability matters and their importance to our Group:

Pillar	Material Sustainability Matter	Importance to the Group
Economic	• Business Growth • Quality of products & services and timeliness in delivery • Technology & innovation	• Providing innovative products and achieving customer satisfaction which create value are our competitive advantage for sustainable growth and profitability.
Environmental	• Climate change & carbon emission	• We continue to monitor and control the carbon footprint from our operations despite our operating activities emit minimal Greenhouse Gas. • Our Biomass boilers, Biogas plants and Solar photovoltaic systems enable our customers to generate power and energy using renewable resources, leading to a significant reduction in their carbon footprint and methane emissions.
	• Waste, emission, effluent, and water management	• Our Air pollution control and Wastewater/effluent treatment system minimises environmental impact for our customers' industrial operations leading to a more sustainable environment.
Social	• Employee development, talent attraction & retention	• A diverse and competent workforce, along with an inclusive work environment, plays a critical role in company's success.
	• Fair Labour Practices	• Fair labor practices promote a positive work environment, fostering employee satisfaction and productivity.
	• Occupational safety & health	• Occupational safety and health safeguards the well-being of our employees, reduces workplace accidents and incidents, and enhances overall productivity and morale.
Governance	• Ethical business practice	• Good governance, including strong ethics, compliance, and anti-bribery measures ensures transparency, accountability, and ethical decision-making, while safeguarding our reputation and fostering sustainable growth.

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 other stakeholders eg. customers, suppliers, employees and industry.

BUSINESS GROWTH

Our Group's growth strategy focuses on both organic expansion and strategic acquisitions, enabling us to develop a robust and diversified portfolio of revenue-generating assets. Particularly, we have placed a strong emphasis on the renewable energy sector. However, what sets us apart is our unwavering commitment to operate our Group's business sustainably and responsibly.

In line with global trends, there has been a significant acceleration towards sustainability, particularly in relation to environmental concerns. With increasingly stringent environmental regulations, heightened government efforts, and growing awareness of Environmental, Social, and Governance ("ESG") factors, our management remains optimistic about the continued growth prospects of the renewable energy and clean water sectors.

Our current structure positions us strategically to capitalize on energy transition and water preservation opportunities. By leveraging our expertise and experience, we actively seek out investment opportunities that align with our sustainability goals. Our approach encompasses consideration of ESG factors, ensuring that our investments not only generate financial returns but also contribute positively to the environment and society.

QUALITY OF PRODUCTS AND SERVICES AND TIMELINESS IN DELIVERY

Ensuring the quality of products and services, as well as timely delivery, is crucial for our Group's long-term business success. Customer satisfaction, attraction, retention, and referrals are vital for the sustainability of our Group. Therefore, we prioritize product quality and the timely delivery of our products and services as key drivers of our economic performance.

To uphold our commitment to delivering quality products and services in a timely manner, our Group implements the following practices:

QUALITY MANAGEMENT SYSTEM

We have established an effective Quality Management System (QMS) that enables us to consistently deliver products and services of the highest quality that meet both customer expectations and regulatory requirements. Three of our subsidiaries in the Bio-Energy, Water Treatment, and Solar Energy segments have obtained ISO9001:2015 accreditation, underscoring our ability and dedication to providing quality offerings.

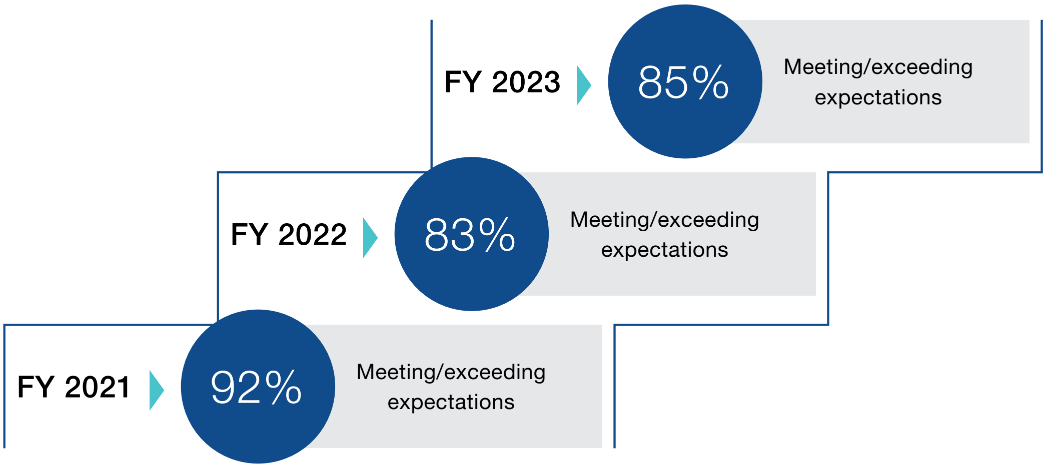
In addition, our Bio-Energy segment holds valid certifications such as The American Society of Mechanical Engineers ("ASME") 'S', 'U', and NB 'R' Stamps for our plant. These certifications validate that our pressure vessels' design, fabrication, inspection, and testing adhere to ASME's global guidelines and requirements. The ASME certification signifies our commitment to public safety and the quality of our boiler and pressure vessels. Renewals of these certifications occur at three-year intervals, ensuring that we stay up to date with the latest industry practices.

Our Bio-Energy Quality Assurance and Quality Control Department plays a vital role in monitoring the design and fabrication processes to ensure product quality and compliance with specifications. We conduct joint inspections with accredited authorized inspecting agencies at critical stages of manufacturing to ensure that our products meet the required standards, such as ASME standard. Our focus on key factors such as sourced materials, manufacturing processes, and workmanship ensures that product quality remains a top priority.

CUSTOMER SATISFACTION SURVEY

In addition to our routine interactions with customers, we actively seek to understand their perspectives on the quality and timeliness of our products and services through customer satisfaction surveys. These surveys provide valuable insights that guide us in making improvements and innovating new products that meet customer needs. By listening to our customers' feedback, we continuously strive to enhance our products and services.

During the financial year, we conducted customer satisfaction surveys to gauge the feedback and opinions of selected customers. The details of the survey results are as follows:



In FY 2023, the satisfaction rate for meeting and exceeding customers' expectations has increased from 83% to 85%, but still below the FY2021's result of 92%.

The lower satisfaction rate was due to delays in project deliveries and completion. The reopening of economic activities post pandemic has resulted in disruptions in the supply chain, logistics and manpower shortages at installation sites. These challenges had a direct impact on our ability to meet customer expectations in terms of timely project execution.

The survey results provide valuable insights into areas where we have made progress and areas that may require further attention. We will continue to analyse the feedback received and act upon them to further improve our products, services, and customer experience.

TECHNOLOGY & INNOVATION

One of the fundamental pillars underpinning our commitment to sustainable growth is technology and innovation. We firmly believe that embracing innovative technologies and solutions is essential for promoting renewable energy generation and efficient water management. By continuously exploring and investing in these areas, we aim to maintain a leading position within the industry, driving positive change, and catalysing the adoption of sustainable practices across the sector.

Technology and innovation enable us to enhance productivity, improve efficiency, and bolster our competitiveness. By harnessing the power of technology, we can develop advanced systems and processes that optimize resource utilization and minimize environmental impact.

At the core of our approach is a close collaboration with our customers. We actively seek to understand their unique challenges and concerns related to energy efficiency and environmental impact, particularly in the realms of renewable energy and water management. We also aim to provide our customers with practical and cost-effective solutions that enable them to achieve their sustainability goals. By listening to their needs, we can align our innovation efforts and leverage our expertise and research capabilities to develop tailored technology solutions and products that effectively address their specific requirements.

Environmental

The Group is committed to preserving the environment for future generations and actively contributing to Malaysia's goal of becoming a carbon-neutral nation by 2050. As part of our ongoing commitment, we have set ambitious targets to achieve Net Zero emissions (Scope 1 & 2) by the year 2026, positioning ourselves as a leader in the Energy Transition towards Net Zero.

As a Group engaged in the engineering, procurement, and construction of renewable energy and water treatment projects, we recognize the importance of leading by example. While our energy and water consumption remain minimal, we have proactively initiated monitoring and management systems to enhance energy consumption efficiency. This approach helps us identify areas for improvement and allows us to implement strategies that promote responsible resource management.

The following is a summary of the impact of our operations, including Scope 1, Scope 2, and renewable energy, during the financial year 2023:

	FY 2023
Energy consumption (GJ)	**23,828**
Energy intensity (GJ per Million Revenue)	**63.1**
Greenhouse Gas (GHG) Emissions (tCO_2e)	**1,669**
GHG intensity (tCO_2e per Million Revenue)	**4.4**
Electricity generated from solar energy (MWh)	**530**
Avoided GHG emission from solar energy generation (tCO_2e)	**340**

Our commitment to the environment extends beyond our own operations. Our products and solutions enable our customers to adopt sustainable practices, allowing them to efficiently manage their consumption of resources such as fuel, energy and water. By offering effective waste treatment, emission reduction and effluent reduction solutions, we assist our customers in minimizing their carbon footprint, conserving valuable resources, and safeguarding the environment.

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

	Cumulative capacity installed since FY 2019	FY 2021	FY 2022	FY 2023
Reduction in Global Warming Potential (Million MT of CO_2e)	**12.6**	**2.0**	**2.2**	**2.9**
- Reduction in Carbon Dioxide Emission (CO_2) (Million MT) from Biomass Energy generation	**12.0**	**2.0**	**2.2**	**2.6**
- Reduction in Methane (CH_4) Emission (Million MT) from biogas plant	**0.6**	**-**	**-**	**0.3**
Reduction in Biomass Waste (Million MT)	**14.0**	**2.3**	**2.5**	**3.0**
Raw & Wastewater Treated (Million M^3)	**7.9**	**1.0**	**1.4**	**1.3**
Reduction in Biochemical Oxygen Demand (BOD) in Wastewater (MT)	**45,174**	**846**	**938**	**21,576**

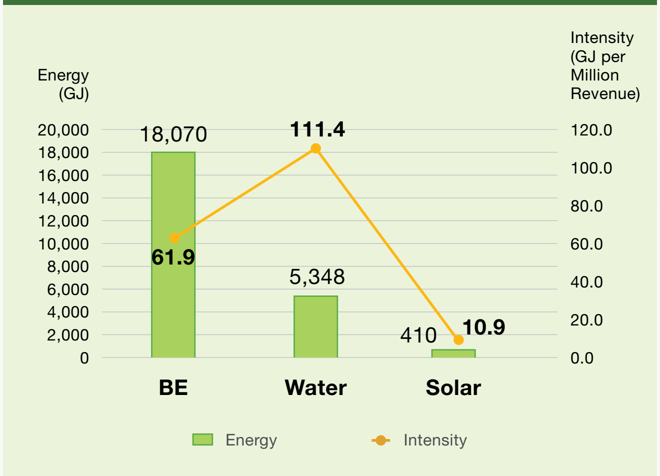
CLIMATE CHANGE AND CARBON EMISSION

The acceleration of climate change and its consequences, including global warming, continues to underscore the urgency for us to prioritize environmental sustainability.

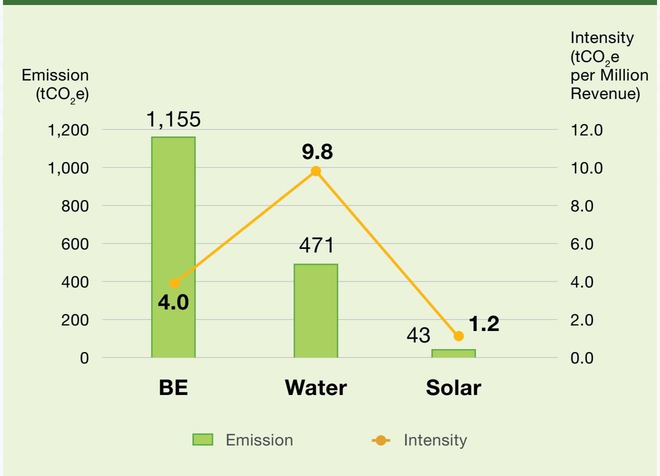
Impact from our operation

In FY2023, the Group's total energy consumption amounted to approximately 23,828 Gigajoules (GJ), with an energy intensity of 63.1 GJ per million Revenue. Our total greenhouse gas (GHG) emissions reached 1,669 metric tons of CO_2 equivalent (tCO_2e), with an intensity of 4.4 tCO_2e per million Revenue.

Energy Consumption & Intensity



GHG Emission (Scope 1 & 2)



Within the Group, Boilermech Sdn Bhd has installed a solar application with a total capacity of 416 kWp in its plant. This system is capable of generating approximately 530MWh of electricity and reducing CO_2 emissions by 340 tons each year through decreased consumption of fossil fuel-based energy. This utilization of renewable energy contributes to approximately 17% reduction in the Group's total CO_2 emissions.

Impact from our products and Solutions

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

	FY 2021 [(1)]	FY 2022 [(1)]	FY 2023 [(1)]
Reduction in CO_2	2.0 Million MT/year	2.2 Million MT/year	2.6 Million MT/year
Reduction in CO_2 *(cumulative since FY 2019)*	7.2 Million MT	9.4 Million MT	12.0 Million MT

Notes: [(1)] Assuming 6,000 hours of operation per year

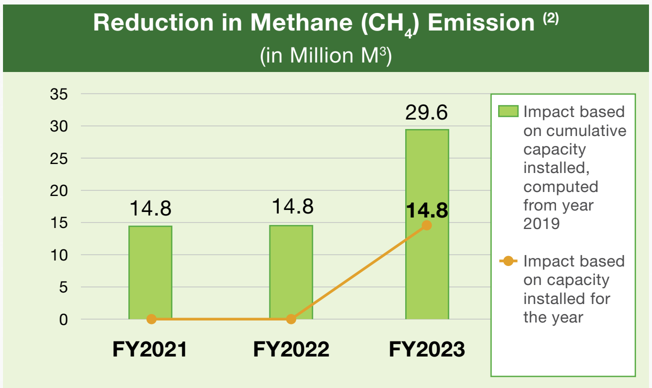
Sustainability Statement

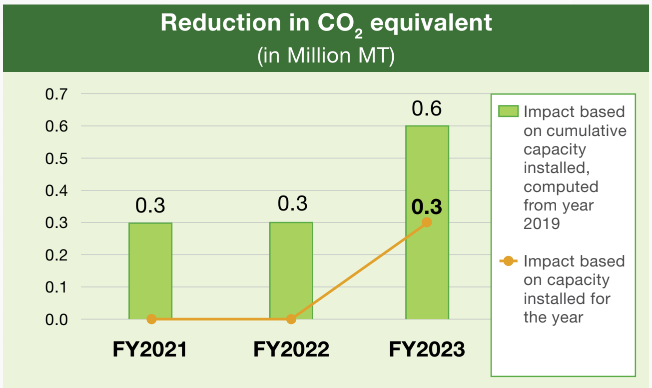
Our Group is dedicated to assisting palm oil mills in effectively treating palm oil mill effluent (POME) while simultaneously reducing methane emissions. Methane is a potent greenhouse gas, with a significantly higher global warming potential than carbon dioxide (CO_2). By capturing and utilizing the biogas released from POME, we enable our customers to minimize methane emissions, which would otherwise be emitted into the atmosphere.

The captured biogas offers several downstream applications, including electricity generation and utilization as boiler fuel, among others. By providing our customers with these innovative biogas solutions, we enable them to transform a potential environmental challenge into a sustainable energy resource.

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

Financial year ended	Methane Capturing Plant capacity installed (M^3 POME per hour)
31 March 2023	180
31 March 2022	-
31 March 2021	-





From the biogas plant installed in FY2023, we expected to reduce methane emissions estimated using capacity installed by 14.8 million m^3. To put this into perspective, methane has a 100-year global warming potential 28 times greater than carbon dioxide. Thus, this reduction is equivalent to approximately 0.3 million MT of CO_2.

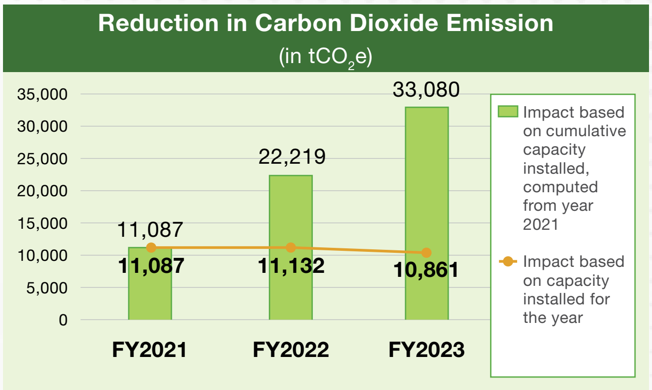
Notes: (2) Assuming 6,000 hours of operation per year and 0.7m^3 POME per MT of FFB (reinstated from 1m^3 POME per MT of FFB to 0.7m^3 POME per MT of FFB previously reported)

Sustainability Statement

Our Solar Energy Segment is dedicated to providing engineering, procurement, construction and commissioning services for solar power generation systems. These systems harness the abundant and renewable source of energy provided by sunlight, enabling our commercial, industrial, and residential clients to generate electricity. By embracing solar photovoltaic (PV) technology, we actively contribute to the reduction of fossil fuel consumption and greenhouse gas emissions.

Since the acquisition of our solar business three (3) years ago, we have successfully installed solar applications for our customers, contributing to electricity generation and reductions in CO_2 emissions. The estimated impact of our solar installations in terms of electricity generation and CO_2 emission reduction are as follows:

Financial year ended	Capacity installed	Estimated electricity generated
31 March 2023	13.4MWp	17,114MWh
31 March 2022	13.9MWp	17,720MWh
31 March 2021	12.5MWp	15,975MWh



Through our products and solutions, the Group actively contributes to achieving Goals 3, 7, 11, and 12 of the SDGs.

Our efforts in reducing CO_2 and methane emissions align with Goal 3 of "good health and well-being". By mitigating air pollution and promoting cleaner environments, we contribute to reducing the adverse impacts of pollution on human health, ultimately improving the well-being of individuals and communities.

Our installations of solar energy systems support Goal 7 of "affordable and clean energy". By increasing access to renewable energy and diversifying the energy mix, we contribute to the availability of affordable and sustainable energy sources, reducing reliance on fossil fuels and advancing the global transition to cleaner energy systems.

Our commitment to Goal 11 of "sustainable cities and communities" is reflected in our focus on air quality improvement and the reduction of per capita environmental impacts. By prioritizing sustainable practices and resource efficiency, we contribute to creating liveable and resilient cities, promoting sustainable urban development, and enhancing the well-being of urban populations.

Our dedication to Goal 12 of "responsible consumption and production" is demonstrated through our efforts to minimize chemicals and waste emissions. By promoting responsible resource management and reducing the release of harmful substances, we contribute to minimizing adverse impacts on human health and the environment, fostering more sustainable consumption and production patterns.

Sustainability Statement

WASTE, EMISSION, EFFLUENT AND WATER MANAGEMENT

Impact from our products and Solutions

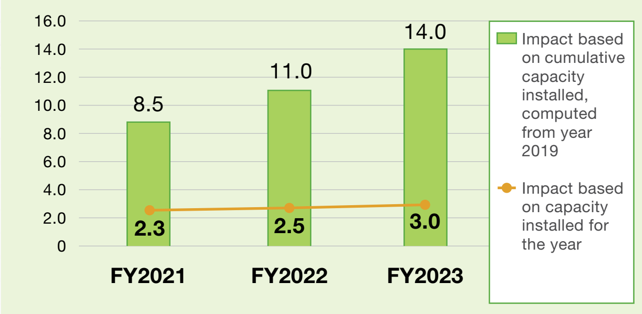
The Group's core product under the Bio-Energy Segment is the biomass boiler. Through the utilization of our biomass boilers, we enable our customers to effectively harness the various biomass wastes as fuel sources. These include palm biomass wastes (such as palm mesocarp fibre, palm kernel shell, and empty fruit bunches), wood wastes, and rice husks. By applying our biomass boiler solutions, our customers can generate steam and electricity while reducing their reliance on fossil fuels.

This approach not only leads to a decrease in long-term pollution and greenhouse gas emissions but also actively addresses the critical issue of biomass waste management. By converting biomass waste into energy, we make a meaningful contribution to mitigating the release of uncontrolled harmful fermented syngas into the atmosphere. Our waste-to-energy approach not only mitigates environmental risks but also provides a sustainable solution for efficient biomass waste disposal.

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:

Financial year ended	Biomass Boilers installed
31 March 2023	1,513 MT/hour capacity
31 March 2022	1,270 MT/hour capacity
31 March 2021	1,170 MT/hour capacity

Reduction in Biomass Waste [3]
(in Million MT)



Note: [3] 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 reduces waste generation through prevention, reduction, recycling and reuse.

The Group provides air pollution control solutions to our customers through the dust filtration system. This system able to remove dust particles emitted into the atmosphere, thereby safeguarding the quality of air and the environment.

By utilizing our dust filtration system, our customers are able to meet and comply with the Environmental Quality (Clean Air) Regulations 2014, which fall under the purview of the Environmental Quality Act 1974. These regulations set specific standards for solid fuel steam generators, requiring them to reduce particulate emissions into the atmosphere to below 150mg/Nm3. This represents a significant reduction compared to the previous limit of 400mg/Nm3.

Sustainability Statement

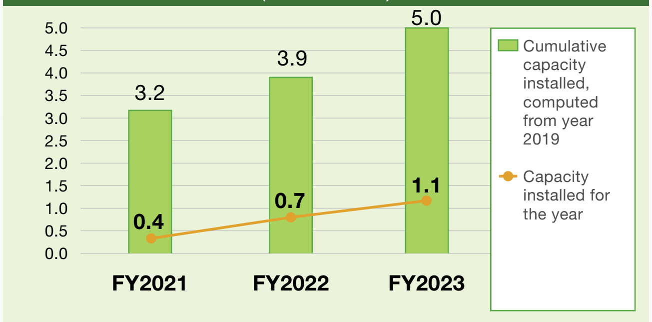
In the past three (3) financial years, we have delivered air pollution control systems to our customers, where it is estimated to further reduce dust emission into the atmosphere are as follows:

	FY 2021	FY 2022	FY 2023
Reduction in dust emission	245 MT/year	472 MT/year	1,807 MT/year
Reduction in dust emission *(cumulative since FY 2019)*	1,062 MT	1,534 MT	3,341 MT

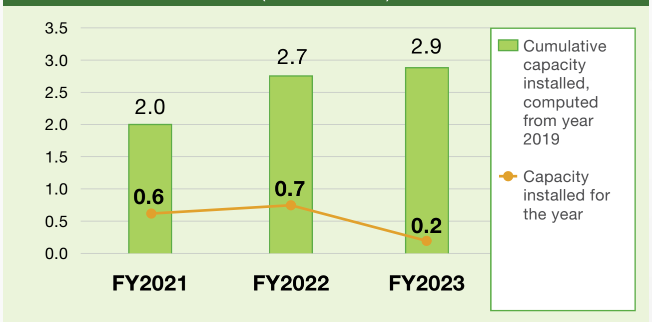
Our air pollution control solutions align with Goal 3 of "good health and well-being". By reducing the release of harmful dust particles and improving air quality, our solutions directly support efforts to minimize air pollution-related health risks and promote a healthier living environment for communities and individuals.

Our subsidiary from the Water Treatment Segment, TEK, also specializes in providing wastewater and raw water treatment solutions for industrial applications. TEK supplied and installed the following wastewater and raw water treatment systems in the financial years 2021, 2022 and 2023:

Wastewater Treatment (Capacity) [4]
(in Million M^3)



Raw Water Treated [4]
(in Million M^3)



Note: [4] 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.

Sustainability Statement

Our tertiary treatment plants and biogas plants enable palm oil mills meet the stringent requirements set by the Malaysian Environmental Quality (Industrial Effluent) Regulation 2009 - Environmental Quality Act 1974. These regulations mandate that the final discharge of effluents into watercourses must not exceed a Biochemical Oxygen Demand (BOD) limit of 20 parts per million (ppm) in selected sensitive areas. With our proprietary technology, the Group stands out as one of the few in the country capable of consistently achieving this target, providing assurance to our customers.

In addition to serving the palm oil industry, we have also designed and constructed Industrial Effluent Treatment Systems (IETS) for other industrial sectors. These systems effectively treat industrial wastewater before it is discharged into the environment. Our treatment processes focus on the removal of both organic and inorganic substances that could have adverse effects on the environment. By implementing these wastewater treatment solutions, we contribute to safeguarding the ecological balance and promoting responsible environmental practices across various industries.

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 2021 (5)	FY 2022 (5)	FY 2023 (5)
Reduction in BOD *(by capacity installed)*	846 MT BOD/year	938 MT BOD/year	21,576 MT BOD/year
Reduction in BOD *(cumulative since FY 2019)*	22,660 MT BOD	23,598 MT BOD	45,174 MT BOD

Notes: (5) Assuming 6,000 hours of operation per year and 0.7m³ POME per MT of FEB (reinstated from 1m³ POME per MT of FEB to 0.7m³ POME per MT of FEB previously reported)

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

Social

The Group's commitment to sustainability extends beyond economic and environmental stewardship. We recognize the importance of addressing the social aspects of sustainability to create a positive impact on the communities we serve. We value employees and workers and considers them our most important asset. By prioritizing the well-being and development of our employees, we not only foster a supportive work environment but also aspire to develop, attract and retain top talent. Additionally, we are committed to ensuring the health and safety of our workforce through the implementation of robust protocols, regular risk assessments, and the provision of necessary safety equipment. By embracing these principles, we strive to contribute to a more equitable and sustainable society while ensuring the long-term success of our business.

EMPLOYEE DEVELOPMENT, TALENT ATTRACTION AND RETENTION

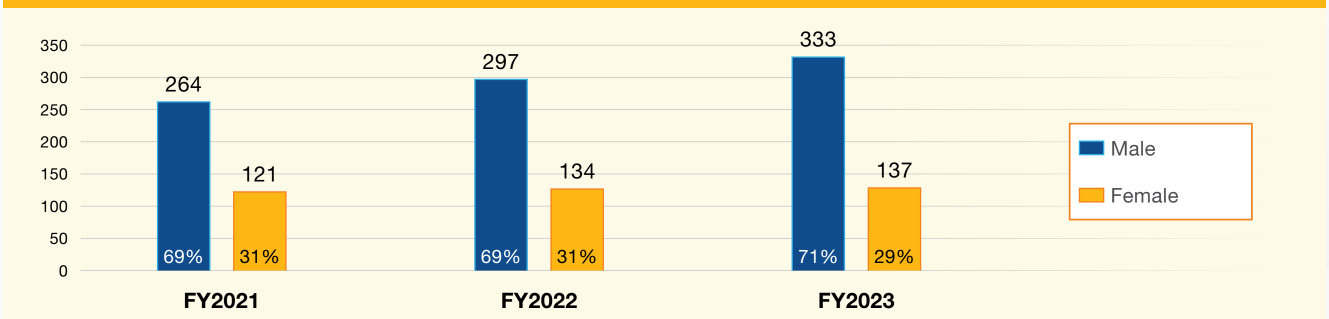
Workforce and Workplace Diversity

We have seen a steady growth in our workforce, with the number of employees increasing from 385 in 2021 to 431 in 2022 and further to 470 in 2023, in line with our business growth.

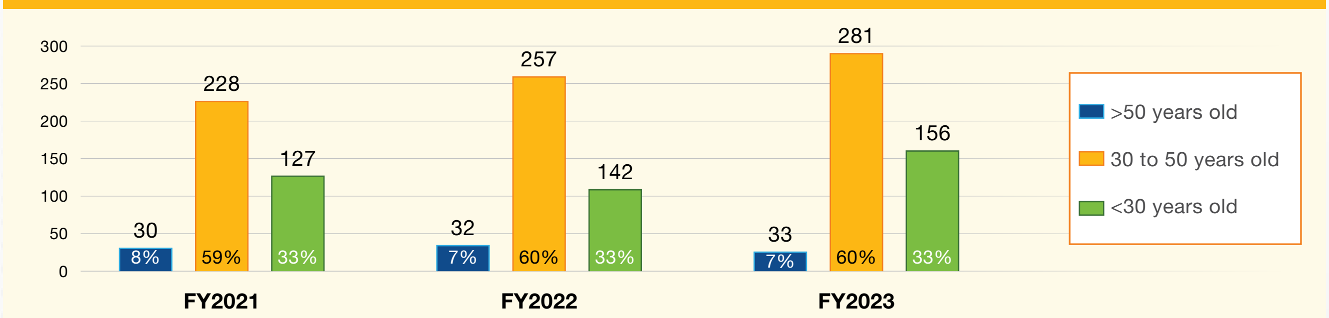
We believe in the power of a diverse workplace, where individuals from various backgrounds, skills, experiences, age groups, and genders come together to foster creativity and deliver high-quality solutions. Our conviction in treating employees fairly, actively promote inclusivity and equal opportunities, ensuring that our recruitment processes and policies are designed to attract and retain a diverse talent pool. By embracing diversity, we create an environment that nurtures innovation, collaboration, and understanding, ultimately contributing to our sustainable growth and success.

Gender and age composition of our workforce in the past three (3) financial years, are as follows: -

Workforce by Gender



Workforce by Age



Sustainability Statement

In analysing the gender composition of our workforce over the years, it is evident that our business environment, which encompasses engineering, manufacturing, construction and project management, has traditionally had a higher representation of male employees.

The higher male composition within our company is attributable to the nature of heavy machinery manufacturing and construction which are physically challenging and requires remote site posting. These characteristics of the industry have historically resulted in a lower representation of female workforce.

Over the past three years, our workforce has exhibited a diverse range of age groups.

Despite the challenges associated with industry job nature, we remain committed to promoting diversity and equal opportunities within our organization.

Learning and development

The Group recognizes the critical role of training and development in fostering talent retention and growth. We understand that investing in our employees' skills and competencies not only enhances their individual performance but also contributes to the overall success of the organization. To cultivate a high-performance culture and unlock the potential of our workforce, we conduct Training Needs Analysis exercise to identify areas for development and provide targeted training opportunities. While we strive to offer comprehensive training programs across all subsidiaries, not all subsidiaries have implemented formal training needs analysis. However, we are actively working towards expanding this practice to all subsidiaries to ensure a consistent approach to employee development.

By regularly assessing the training needs of our employees and aligning the available training programs with those needs, we aim to bridge any skill gaps, promote continuous learning, and empower our workforce to thrive in their roles.

The percentage of employee training hours attended, relative to the total hours of training programs identified from their Training Needs Analysis, reflects the participation of subsidiaries that have implemented this analysis. The achievements in terms of training hours attended for the past three years are as follows:

	FY 2021	FY 2022	FY 2023
Training attended as per Training Needs Analysis	**Target : 80%** 81% **Actual Attendance**	**Target : 80%** 72.2% **Actual Attendance**	**Target : 80%** 74.5% **Actual Attendance**

In 2021, employees attended training programs at a rate of 81%, showcasing their enthusiasm to enhance their knowledge and skills. While the percentage slightly decreased to 72.2% in 2022 and 74.5% in 2023, we remain dedicated to continuously improving these figures and increasing employee participation in training initiatives.

Looking ahead, we have also set new targets for average training hours per employee. To further enhance employee development and foster a well-rounded workforce, we have established targets of 16 hours of training for Executive level and above staff, and 10 hours for non-executive level staff. These targets reflect our commitment to providing more learning opportunities across various domains, including technical skills, sustainability, and soft skills development.

Sustainability Statement

We believe that investing in a comprehensive training program that goes beyond direct work-related skills is essential to instilling a culture of sustainability and promoting overall employee growth. By offering training on environmental practices, we empower our employees to actively contribute to our sustainability initiatives, ensuring that our commitment to environmental stewardship is embedded in their day-to-day actions, both in the workplace and in their personal lives. Additionally, providing training on governance, including our Code of Ethics and Anti-Bribery and Anti-Corruption (ABAC) policies, strengthens our employees' understanding of ethical conduct and their role in upholding our high standards of integrity.

Welfare

At our Group, we prioritize the well-being and welfare of our employees as a fundamental aspect of our sustainability commitment. We believe that by taking care of our employees' physical, mental, and emotional well-being, we create a positive and inclusive workplace culture that contributes to their long-term happiness and success. To achieve this, we provide a range of welfare programs and initiatives that support their overall well-being.

We understand the importance of maintaining a healthy work-life balance, and therefore, we strive to provide our employees with a safe, comfortable, and conducive working environment. By ensuring that our employees have a supportive workplace, we enable them to utilize their working hours in a productive and effective manner. In addition, we offer a variety of benefit and activities for betterment of staff welfare including annual and monthly employees' engagement activities, health and wellness benefits, and comprehensive medical coverage. Furthermore, we believe in creating an inclusive and harmonious work environment where every employee feels valued and respected.

By prioritizing the well-being and welfare of our employees, we create a healthy and supportive work environment that promotes employee satisfaction, engagement, and overall productivity.

FAIR LABOUR PRACTICES

At our Group, we are committed to supporting and respecting internationally recognized human rights and labour standards. We adhere to the principles set forth in the Universal Declaration on Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights of Work. Our policies and practices reflect our dedication to conducting business in a manner that upholds the rights and dignity of all individuals, in compliance with applicable regulations and laws. We strive to ensure that these fundamental rights are respected throughout our operations, value chain, and the communities in which we operate.

These include non-discrimination, equal opportunities, and a zero-tolerance approach towards any form of harassment or exploitation. By embracing these principles, we aim to create a work environment that is inclusive, respectful, and supportive, where everyone has equal opportunities to thrive and succeed.

Furthermore, we prioritize human rights and labour standards in various aspects of our operations. This encompasses workplace safety and health, workplace security, fair wages, reasonable working hours, and comprehensive benefits. We recognize that it is our responsibility to actively identify and address any potential infringements of human rights and labour standards, whether they arise directly or indirectly from our business activities or relationships.

To guide our efforts, we have developed our Human Rights and Labour Standards Policy, which is readily available on our company website. This policy serves as a guiding framework to ensure a fair, inclusive, and conducive work environment that upholds the well-being and rights of all individuals involved.

8 DECENT WORK AND ECONOMIC GROWTH

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.

Sustainability Statement

OCCUPATIONAL SAFETY AND HEALTH

As a responsible company, we prioritize the safety and health of our employees, contractors, and all individuals impacted by our operations, regardless of their affiliation. Whether it is within our own facilities or at construction sites during installation work, we are committed to ensuring a safe working environment for everyone involved. We achieve this by diligently providing and maintaining safe plant and systems of work, as well as implementing comprehensive information, instruction, training, and ongoing supervision programs.

In addition, we adhere to the Malaysia Occupational Safety and Health Act (OSHA) to meet the standards of safety and health in our workplace. To ensure compliance with the OSHA Act, we maintain a comprehensive legal register that keeps us informed of the latest regulatory requirements and obligations.

Our Safety and Health Committee, focused on continuous improvement, reviews our safety and health policies and procedures to align them with industry best practices and regulatory requirements. They actively monitor the implementation of our Occupational Safety and Health (OSH) Policy and conduct thorough investigations into any incidents that occur. Furthermore, the committee engages in regular discussions to address and resolve any safety and health-related concerns that arise in the workplace.

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

Description	Number of incidents		
	FY 2021	FY 2022	FY 2023
Fatality	-	-	**-**
Lost Time Injury	5	2	**1**

As part of our ongoing commitment to safety, we conduct periodic refresher safety briefings to reinforce awareness and adherence to safety protocols. These briefings serve as an opportunity to update employees on any changes to our Standard Operating Procedures (SOPs) and to address any emerging safety concerns. By regularly reviewing and updating our SOPs, we ensure that they remain relevant and aligned with industry best practices.

We also sending our employees to external training programs or conduct in-house training by industry experts. These OSH-related training sessions are designed to broaden our employees' skills, enhance their awareness of workplace safety, and equip them with the necessary knowledge to effectively respond to OSH-related incidents.

Sustainability Statement

Throughout the financial year, we have implemented various safety and health programs to further enhance our safety standards. These programs include:

Program	Description of program	Frequency of program
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 program	Train employees on the risk of hearing loss and the application of PPE in loud noise exposed environment	As required
Chemical Health Risk Assessment (CHRA)	Train employees who may be exposed to hazardous chemical on control measures to minimize exposure and medical surveillance activities to protect the health of employees	As required

By maintaining a safe working environment, implementing comprehensive training programs, adhering to regulatory requirements, and fostering a strong safety culture, we create a workplace where everyone feels secure and protected. We are committed to continuous improvement, ensuring that our safety and health practices evolve with industry best practices. Through these efforts, we aim to safeguard the physical and mental well-being of our employees and uphold our responsibility as a responsible and caring organization.

Governance

ETHICAL BUSINESS PRACTICE

To foster a culture of integrity and ethical behaviour, we have established an Anti-Bribery and Anti-Corruption Framework, accompanied by relevant Policies and Procedures. Our Code of Ethics sets clear standards for ethical conduct and is communicated to all Directors, Senior Management, Employees, Suppliers, and Business Associates. Additionally, we have established a whistleblowing channel to facilitate the reporting of any actual or suspected malpractices, including unethical behaviour.

To mitigate the risk of corruption, we conduct annual assessments to identify and address potential corruption risks. We also require our Suppliers and Business Associates declare and sign our Code of Business Ethics, reaffirming their commitment to ethical business practices. All Directors and Employees undergo Code of Ethics training during onboarding or refresher sessions, and they sign an Integrity declaration, reaffirming their dedication to upholding ethical standards.

In our commitment to uphold high ethical standards and sustainable business practices, we embed strong business ethics in our corporate culture and operations. The Group maintains a strong stance against bribery and corruption, strictly complying with anti-bribery legislation and refusing to engage in any form of bribery. We expect the same commitment from all stakeholders, including Directors, Employees, Suppliers, and Business Associates, who are required to adhere to our anti-bribery policies. Violations of our Anti-Bribery Policy are taken seriously, and appropriate actions will be taken, such as dismissal, termination of business relationships, and reporting to the authorities in accordance with relevant laws and regulations.

No violations of our Anti-Bribery Policy were reported during the year. Additionally, no whistleblowing cases were reported in relation to bribery and corruption for the financial years ended 31 March 2023, 2022, and 2021.

Our continuous efforts in promoting ethical business practices and maintaining a robust anti-bribery framework reflect our unwavering dedication to conducting business with integrity and transparency.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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.

TOWARDS A SUSTAINABLE FUTURE

As advocates of climate change technology, we play a role in raising awareness among industry users and the public about environmental matters. By empowering industries to adopt sustainable practices, our products have contributed to a reduction of 2.9 million tons of CO_2e in FY 2023, with a cumulative reduction of 12.6 million tons of CO_2e since FY 2019.

We will continue to prioritize the exploration and development of new technologies while enhancing our existing solutions. This enables us to increase the capacity and capability of our products and services, promoting carbon emission efficiency and minimizing pollution.

In line with our ongoing commitment, we have set ambitious targets to achieve Net Zero emissions (Scope 1 & 2) by the year 2026, positioning ourselves as a leader in the Energy Transition towards Net Zero.

We believe that by fostering a greener future and inspiring other to join us on this sustainability journey, we can make a meaningful difference for generations to come. Together, let us bring sustainability to life, integrating it into every aspect of our lives and creating a brighter and more sustainable future for all.

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 2023 ("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 Group 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")
Oversees matters relating to financial reporting, external audit, internal audit, related party transactions, conflict of interest situations and risk management.

NOMINATION COMMITTEE ("NC")
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.

REMUNERATION COMMITTEE ("RC")
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.

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 Group Managing Director position is held by Mr Chia Lik Khai. The Group Managing Director shall undertake the role and function of Group Managing Director of Boilermech Group. There is a clear separation between the Chairman's role and the Group 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 oversees and scrutinises 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, to lead 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 formalised 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	6/6	5/5	2/2	3/3
Chia Lik Khai	Group Managing Director	6/6	-	-	-
Chia Seong Fatt	Alternate Director to Chia Lik Khai	6/6	-	-	-
Gan Chih Soon	Executive Director	6/6	-	-	-
Tee Seng Chun	Alternate Director to Gan Chih Soon	6/6	-	-	-
Ho Cheok Yuen	Independent Non-Executive Director	6/6	5/5	2/2	3/3
Adrian Chair Yong Huang	Independent Non-Executive Director	6/6	5/5	2/2	3/3
Rina Meileene Binti Adam	Independent Non-Executive Director	6/6	5/5	2/2	-
Ng Swee Weng	Independent Non-Executive Director	6/6	5/5	2/2	3/3
Leong Yew Cheong [1]	Joint Managing Director	3/3	-	-	-

Note:

1. *Mr Leong Yew Cheong resigned as Joint Managing Director and Director on 31 August 2022.*

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
Malaysian Institute of Accountants ("MIA")	• MIA International Accountants Conference 2022
In-house training	• Safety Leadership Training for Directors and Senior Management
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
Singapore Institute of Directors	• Board and Director Fundamentals • Board Leadership in Sustainability
Securities Industry Development Corporation	• Driving Responsible and Sustainable Value Creation through Governance

II. Board Composition

The Board consists of seven (7) members, comprising two (2) 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.

In compliance with the Listing Requirement, the Board had on the recommendation of the Nomination Committee, approved the adoption of a Director's Fit and Proper Policy on 24 May 2022 for the appointment and re-election of Directors of the Company and its subsidiaries. The Policy sets the criteria in relation to a fit and proper requirement for Directors within the Group by demonstrating integrity and good character to enable the discharge of the responsibilities required of the position in the most effective manner. The said policy is available for reference on Boilermech's website, at www.boilermech.com.

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.

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;
- Reviewed and recommended the Directors' Fit & Proper Policy for the Company and its subsidiaries;
- Assessed the independence of the Independent Directors where their tenure to serve on the Board shall not exceed a cumulative term limit of nine (9) years;
- 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.

Ms Rina Meileene Binti Adam had expressed that she would not seek for re-election as a Director of the Company at the 13th AGM. Accordingly, she will retire as a Director of the Company at the conclusion of the 13th AGM. For the purpose of determining the eligibility of the retiring Director, Mr Ng Swee Weng, ("Retiring Director") who stands for re-election at the forthcoming 13th AGM, the Board through its Nomination Committee had assessed the Retiring Director.

The Nomination Committee and Board of the Company have considered the annual performance assessment together with the fit and proper criteria set out in the Company's Fit and Proper Policy, for Mr Ng Swee Weng and collectively agreed that he met the criteria of character, experience, integrity, competence and time required to effectively discharge his role as Director.

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

The Retiring Director had abstained from deliberation and decision on his 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 2023, there was no new appointment of director to the Board.

Corporate Governance Overview Statement

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.

The aggregate remuneration of Directors received from the Company and on Group basis for the financial year ended 31 March 2023 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	-	-	14,000	-	122,000
Ng Swee Weng	96,000	-	-	14,000	-	110,000
Ho Cheok Yuen	110,555[(1)]	-	-	41,413[(1)]	-	151,968[(1)]
Adrian Chair Yong Huang	84,000	-	-	14,000	-	98,000
Rina Meileene Binti Adam	84,000	-	-	14,000	-	98,000
Executive Director[(2)]						
Chia Lik Khai	-	443,370	55,700	65,940	-	565,010
Gan Chih Soon	-	527,922	66,160	114,683	17,400	726,165
Tee Seng Chun	-	518,304	65,120	76,912	17,400	677,736
Chia Seong Fatt	36,000[(3)]	-	-	-	-	36,000
Leong Yew Cheong[(4)]	-	340,000[(4)]	25,000[(4)]	48,130[(4)]	15,500[(4)]	428,630[(4)]
Company				**(in RM)**		
Non-Executive Director						
Dr. Chia Song Kun	108,000	-	-	14,000	-	122,000
Ng Swee Weng	96,000	-	-	14,000	-	110,000
Ho Cheok Yuen	110,555[(1)]	-	-	41,413[(1)]	-	151,968[(1)]
Adrian Chair Yong Huang	84,000	-	-	14,000	-	98,000
Rina Meileene Binti Adam	84,000	-	-	14,000	-	98,000

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 monthly average exchange rate.
(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.
(4) Mr Leong Yew Cheong retired as Joint Managing Director and Director of the Company on 31 August 2022. He remains as Executive Director of the Company's subsidiary, Boilermech Sdn. Bhd.

Corporate Governance Overview Statement

The position of the top three (3) Senior Management of the Group is occupied by the three (3) Executive Directors of the Company, namely Mr Chia Lik Khai, Mr Gan Chih Soon and Mr Tee Seng Chun. Details of their remuneration are as disclosed above. The 4th Senior Management personnel is Mr Leong Yew Cheong, the Director of Boilermech Sdn Bhd, the 100% owned subsidiary of the Company. His remuneration (comprising salary, benefits-in-kind and other emoluments) for the financial year ended 31 March 2023 which is provided herewith in bands of RM50,000 falls within the range of RM400,001 to RM450,000. 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 2023 which is provided herewith in bands of RM50,000 falls within the range of RM650,000 to RM700,000.

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 2023, 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.

Corporate Governance Overview Statement

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 FY2023 and during the period from 1 April 2022 up to the last practical date for this 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

The Annual General Meeting ("AGM"), which is the principal forum for shareholders dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. Shareholders are encouraged to participate in deliberations at the AGM and seek clarification where needed. During the last AGM held on 26 August 2022, the Chairman provided ample time for the question and answer sessions. All the Directors together with the Group Managing Director and Management were present to respond to all queries raised.

In compliance with Practice 13.1 of the MCCG, Notice of the Company' forthcoming 13th AGM to be held on 25 August 2023 shall be issued at least 28 days prior to the AGM date to allow shareholders sufficient time to review the Company's Annual Report and explanatory notes supporting the resolutions proposed.

The Board deliberated, reviewed and approved this Corporate Governance Overview Statement on 6 July 2023.

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 2023 ("financial year") are as follows:

	Group (RM)	Company (RM)
Audit fees	325,752	68,250
Non-audit fees	5,250	5,250

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 25 July 2022 during the Company's Annual General Meeting held on 26 August 2022.

The Company had announced on 6 July 2023 that the Company is seeking its shareholders' approval for the Proposed Renewal of Shareholders' Mandate for existing RRPT Mandate at the Company's forthcoming 13th 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 26 July 2023 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	6,637
EITA Resources Berhad ("EITA") Group and Boilermech Group(2)	A substantial shareholder of EITA is connected to directors of Boilermech Group	Purchase of boiler electronic equipment from EITA Group.	1,992

Other Disclosure Requirements

Related parties	Nature of relationship	Nature of transaction	Aggregate value of RRPT for the financial year (RM'000)
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	476
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	76

Notes:

(1) Dr. Chia Song Kun and 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, 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 2023 ("financial year"), the Audit Committee had convened five (5) meetings, attended by the members as follows:-

Name	Meeting Attendance
Mr Ng Swee Weng	5/5
Dr. Chia Song Kun	5/5
Mr Ho Cheok Yuen	5/5
Mr Adrian Chair Yong Huang	5/5
Ms Rina Meileene Binti Adam	5/5

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 that the transactions were fair and reasonable, not detrimental to the minority shareholders and were in the best interest of the Company.

Audit Committee Report

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

8. 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.

9. 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.

10. Reviewed the Anti-Bribery and Corruption Policy and 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.

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

12. 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.

During the financial year, the Audit Committee held 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. There were no concerns from the external auditors and they conveyed that they had been receiving full cooperation from managers and staff.

At the Audit Committee ("AC") Meeting held on 25 May 2023, 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 completing its review, AC recommended to the Board for approval on the re-appointment as external auditors of Boilermech Group.

The Audit Committee Report for the financial year ended 31 March 2023 was prepared and presented by the Audit Committee to the Board for approval on 6 July 2023.

Audit Committee Report

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 the manpower resources sufficiency and 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 2023, the Internal Auditors had focused on the processes on certain areas of the Group: Procurement Management, Inventory and Warehouse Management, and Production Management; had reviewed and assessed the adequacy of the internal controls systems in the subsidiary companies.

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 RM60,000 for financial year ended 31 March 2023 (RM40,000 for FY2022).

TERMS OF REFERENCE

The performance of the Audit Committee was assessed annually through self-evaluation and Nomination Committee had reviewed the results of such assessments before recommending them to the Board. The Board was satisfied that the Audit Committee has discharged its duties and responsibilities in accordance with the Terms of Reference of the Audit Committee.

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 2023.

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.

Statement on Risk Management and Internal Control

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.

The Managing Director 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 that 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.

Statement on Risk Management and Internal Control

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 2023 amounted to approximately RM60,000.

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 2023, 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 2023 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 6 July 2023.

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 2023 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;
- 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 2023.

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 has 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	14,081,025	5,018,139
Non-controlling interests	2,076,790	-
	16,157,815	5,018,139

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 2022 on 22 July 2022 and paid on 14 September 2022.

A final single tier dividend has been recommended by the Directors in respect of the financial year ended 31 March 2023 of 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
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)
Leong Yew Cheong (Retired on 31 August 2022)

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
Liu Chuan Yew
Yong Hua Kong
Leong Yew Cheong

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 1.4.2022	Bought	Sold	At 31.3.2023
Shareholdings in the Company which Directors have direct interests:				
Dr. Chia Song Kun	400,000	-	-	**400,000**
Chia Lik Khai	500,000	-	-	**500,000**
Gan Chih Soon	20,674,140	-	-	**20,674,140**
Adrian Chair Yong Huang	410,000	45,000	-	**455,000**
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 1.4.2022	Bought	Sold	At 31.3.2023
Shareholdings in the Company which Directors have deemed interests:				
Dr. Chia Song Kun	268,271,106	2,992,000	-	**271,263,106**
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**
Chia Lik Khai	2,805,500	269,700	-	**3,075,200**
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	1,003,822,371	67,300	(994,100)	**1,002,895,571**
Chia Lik Khai	285,480	-	-	**285,480**
Gan Chih Soon	32,760	-	-	**32,760**
Chia Seong Fatt	290,667,979	37,200	(844,100)	**289,861,079**

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 2023 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 shown in Directors' remuneration below and fixed salaries as full-time employee of the ultimate holding company and/or related companies) 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.

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' REMUNERATION

The details of the directors' remuneration and benefits paid or payable to the directors of the Company during the financial year are as follows:-

	Group RM	Company RM
Fees	518,555	482,555
Remuneration	2,444,654	97,413
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	50,300	-
	3,013,509	579,968

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.

OTHER STATUTORY INFORMATION (CONTINUED)

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.

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 2023 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.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Acquisition of non-controlling interests

During the financial year, the Company acquired the remaining 40% equity interest of Tera VA Sdn. Bhd. for a total consideration of RM8,830,000, increasing its ownership from 60% to 100%.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the year are RM331,002 and RM73,500 respectively. Details of auditors' remuneration are as disclosed in Note 19 to the financial statements.

AUDITORS

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

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

Chia Lik Khai
Director

Gan Chih Soon
Director

Subang Jaya

6 July 2023

Statements of Financial Position

As at 31 March 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Property, plant and equipment	3	**90,461,037**	93,480,301	**11,098,157**	11,248,301
Investment properties	4	**5,734,190**	5,842,450	**-**	-
Intangible assets	5	**5,831,378**	5,831,378	**-**	-
Investments in subsidiaries	6	**-**	-	**81,130,813**	71,323,456
Deferred tax assets	7	**3,089,923**	1,055,290	**-**	-
Trade receivables	8	**5,160,082**	3,659,348	**-**	-
Total non-current assets		**110,276,610**	109,868,767	**92,228,970**	82,571,757
Inventories	9	**64,511,129**	47,137,748	**-**	-
Contract assets	10.1	**52,993,018**	51,693,567	**-**	-
Contract costs	10.2	**849,869**	1,074,877	**-**	-
Current tax assets		**3,551,180**	3,002,301	**215,928**	175,566
Trade and other receivables	8	**95,655,295**	72,844,088	**11,418,450**	19,114,013
Prepayments	11	**13,493,849**	8,975,570	**30,334**	48,076
Derivative financial assets	12	**-**	23,013	**-**	-
Cash and cash equivalents	13	**50,028,572**	57,491,462	**3,938,980**	9,727,110
Total current assets		**281,082,912**	242,242,626	**15,603,692**	29,064,765
Total assets		**391,359,522**	352,111,393	**107,832,662**	111,636,522
EQUITY					
Share capital		**51,600,000**	51,600,000	**51,600,000**	51,600,000
Reserves		**185,280,518**	185,841,557	**55,885,205**	59,897,066
Equity attributable to owners of the Company	14	**236,880,518**	237,441,557	**107,485,205**	111,497,066
Non-controlling interests		**14,011,908**	15,584,360	**-**	-
Total equity		**250,892,426**	253,025,917	**107,485,205**	111,497,066

Statements of Financial Position

As at 31 March 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
LIABILITIES					
Loans and borrowings	15	**2,869,749**	3,074,198	**-**	-
Lease liabilities		**385,587**	434,693	**-**	-
Employee benefits	16	**386,233**	411,069	**-**	-
Deferred tax liabilities	7	**1,519,396**	1,356,200	**249,719**	49,864
Total non-current liabilities		**5,160,965**	5,276,160	**249,719**	49,864
Loans and borrowings	15	**671,888**	793,534	**-**	-
Lease liabilities		**330,010**	303,067	**-**	-
Trade and other payables	17	**63,433,135**	40,717,134	**97,738**	89,592
Contract liabilities	10.1	**70,518,131**	51,760,478	**-**	-
Derivative financial liabilities	12	**-**	-	**-**	-
Current tax liabilities		**352,967**	235,103	**-**	-
Total current liabilities		**135,306,131**	93,809,316	**97,738**	89,592
Total liabilities		**140,467,096**	99,085,476	**347,457**	139,456
Total equity and liabilities		**391,359,522**	352,111,393	**107,832,662**	111,636,522

The notes on pages 80 to 148 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	18	**377,684,178**	317,759,957	**4,837,944**	10,558,630
Cost of sales		**(318,516,888)**	(262,305,375)	**-**	-
Gross profit		**59,167,290**	55,454,582	**4,837,944**	10,558,630
Other income		**1,594,000**	4,004,790	**323,747**	679,859
Administrative expenses		**(27,256,577)**	(24,290,354)	**(972,267)**	(1,210,642)
Distribution expenses		**(4,124,447)**	(3,053,657)	**-**	-
Other expenses		**(8,980,388)**	(6,575,340)	**(170,144)**	(1,040,144)
Results from operating activities	19	**20,399,878**	25,540,021	**4,019,280**	8,987,703
Finance costs	20	**(190,780)**	(226,098)	**-**	(17,951)
Finance income	21	**657,543**	395,121	**1,277,018**	1,265,378
Profit before tax		**20,866,641**	25,709,044	**5,296,298**	10,235,130
Tax expense	22	**(4,708,826)**	(6,460,380)	**(278,159)**	(140,288)
Profit for the year		**16,157,815**	19,248,664	**5,018,139**	10,094,842
Other comprehensive income/ (expense), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liability		**(776)**	1,042	**-**	-
Items that are or may be reclassified subsequently to profit or loss					
Cash flow hedge		**(75,121)**	(598,475)	**-**	-
Foreign currency translation differences for foreign operations		**197,927**	678,250	**-**	-
		122,806	79,775	**-**	-
Other comprehensive income for the year, net of tax		**122,030**	80,817	**-**	-
Total comprehensive income for the year		**16,279,845**	19,329,481	**5,018,139**	10,094,842
Profit attributable to:					
Owners of the Company		**14,081,025**	16,974,480	**5,018,139**	10,094,842
Non-controlling interests		**2,076,790**	2,274,184	**-**	-
Profit for the year		**16,157,815**	19,248,664	**5,018,139**	10,094,842
Total comprehensive income attributable to:					
Owners of the Company		**14,203,055**	17,055,297	**5,018,139**	10,094,842
Non-controlling interests		**2,076,790**	2,274,184	**-**	-
Total comprehensive income for the year		**16,279,845**	19,329,481	**5,018,139**	10,094,842
Basic and diluted earnings per ordinary share (sen)	23	**2.73**	3.29		

The notes on pages 80 to 148 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2023

		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 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				

Consolidated Statement of Changes in Equity

For the year ended 31 March 2023

		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 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
Cash flow hedge		-	-	(75,121)	-	-	-	(75,121)	-	(75,121)
Foreign currency translation differences for foreign operations		-	-	-	197,811	116	-	197,927	-	197,927
Remeasurement of defined benefit liability		-	-	-	-	(776)	-	(776)	-	(776)
Total other comprehensive income for the year		-	-	(75,121)	197,811	(660)	-	122,030	-	122,030
Profit for the year		-	-	-	-	-	14,081,025	14,081,025	2,076,790	16,157,815
Total comprehensive income for the financial year		-	-	(75,121)	197,811	(660)	14,081,025	14,203,055	2,076,790	16,279,845
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		-	-	-	-	-	-	-	(553,336)	(553,336)
Total transactions with owners of the Company		-	-	-	-	-	(9,030,000)	(9,030,000)	(553,336)	(9,583,336)
Changes in ownership interests in a subsidiary	29	-	-	-	-	-	(5,734,094)	(5,734,094)	(3,095,906)	(8,830,000)
At 31 March 2023		51,600,000	(21,809,998)	-	(144,152)	16,186	207,218,482	236,880,518	14,011,908	250,892,426
		Note 14.1	**Note 14.2**	**Note 14.3**	**Note 14.4**	**Note 14.5**				

The notes on pages 80 to 148 are an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 March 2023

Company	Note	Attributable to owners of the Company		
		Non-distributable	Distributable	
		Share capital RM	Retained earnings RM	Total equity RM
At 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 2022/1 April 2022		**51,600,000**	**59,897,066**	**111,497,066**
Profit and total comprehensive income for the year		**-**	**5,018,139**	**5,018,139**
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 2023		**51,600,000**	**55,885,205**	**107,485,205**
		Note 14.1		

The notes on pages 80 to 148 are an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**20,866,641**	25,709,044	**5,296,298**	10,235,130
Adjustments for:					
Depreciation of:					
- property, plant and equipment	3	**5,172,821**	5,238,314	**150,144**	150,144
- investment properties	4	**108,260**	108,260	**-**	-
Dividend income		**-**	-	**(4,837,944)**	(10,558,630)
Employee benefits		**89,673**	151,022	**-**	-
Fair value gain on derivatives		**-**	(1,564,296)	**-**	-
Finance costs		**190,780**	226,098	**-**	17,951
Finance income		**(657,543)**	(395,121)	**(1,277,018)**	(1,265,378)
Gain on disposal of property, plant and equipment		**(87,000)**	(85,000)	**-**	-
Gain on termination of lease contracts		**(727)**	(5,801)	**-**	-
Loss/(Gain) on unrealised foreign exchange		**428,517**	(249,971)	**(151,353)**	(523,197)
Income distribution on liquid investments		**(475,405)**	(804,113)	**(172,296)**	(156,662)
Inventories written down		**335,291**	1,037,869	**-**	-
Inventories written off		**20,909**	1,424	**-**	-
Property, plant and equipment written off	3	**44,366**	12,963	**-**	-
Net impairment loss on:					
- investment in subsidiaries		**-**	-	**-**	500,000
- contract assets		**41,736**	134,593	**-**	-
- financial assets		**2,398,808**	1,012,994	**20,000**	390,000
Operating profit/(loss) before changes in working capital		**28,477,127**	30,528,279	**(972,169)**	(1,210,642)
Changes in working capital:					
Inventories		**(17,677,844)**	(6,820,273)	**-**	-
Trade and other receivables and prepayments		**(31,003,501)**	5,873,438	**(52,168)**	(23,037)
Contract assets		**(1,319,865)**	(26,313,639)	**-**	-
Contract costs		**225,008**	2,221,023	**-**	-
Trade and other payables, including derivatives		**22,399,351**	(845,260)	**4,483**	10,943
Contract liabilities		**18,733,255**	(16,606,224)	**-**	-
Cash generated from/(used in) operations		**19,833,531**	(11,962,656)	**(1,019,854)**	(1,222,736)

Statement of Cash Flows

For the year ended 31 March 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Cash generated from/(used in) operations (continued)		**19,833,531**	(11,962,656)	**(1,019,854)**	(1,222,736)
Interest paid		**(28,601)**	(31,570)	**-**	-
Employee benefit paid		**(118,347)**	-	**-**	-
Tax paid		**(7,009,803)**	(9,517,602)	**(118,666)**	(84,261)
Net cash from/(used in) operating activities		**12,676,780**	(21,511,828)	**(1,138,520)**	(1,306,997)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of non-controlling interest	29	**(8,830,000)**	-	**(8,830,000)**	-
Acquisition of property, plant and equipment	(i)	**(1,225,157)**	(1,756,596)	**-**	-
Advances to subsidiaries		**-**	-	**1,840,660**	1,450,231
Change in pledged deposits		**(3,370)**	(83,442)	**-**	-
Dividends received		**-**	-	**10,837,944**	15,558,630
Interest received		**487,950**	383,450	**359,490**	396,129
Income distribution on liquid investments		**475,405**	804,113	**172,296**	156,662
Proceeds from disposal of property, plant and equipment		**87,000**	85,000	**-**	-
Net cash (used in)/from investing activities		**(9,008,172)**	(567,475)	**4,380,390**	17,561,652
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to:					
- non-controlling interests		**(553,336)**	(368,890)	**-**	-
- owners of the Company		**(9,030,000)**	(9,030,000)	**(9,030,000)**	(9,030,000)
Interest paid		**(162,179)**	(194,528)	**-**	(17,951)
Repayment of:					
- term loans		**(437,659)**	(433,466)	**-**	-
- hire purchase liabilities		**(394,636)**	(407,053)	**-**	-
Payment of lease liabilities	(iii)	**(322,748)**	(223,631)	**-**	-
Net cash used in financing activities		**(10,900,558)**	(10,657,568)	**(9,030,000)**	(9,047,951)
Net (decrease)/increase in cash and cash equivalents		**(7,231,950)**	(32,736,871)	**(5,788,130)**	7,206,704
Effect of exchange rate fluctuations on cash held		**(234,310)**	99,970	**-**	-
Cash and cash equivalents at 1 April 2022/2021		**57,305,153**	89,942,054	**9,727,110**	2,520,406
Cash and cash equivalents at 31 March	(ii)	**49,838,893**	57,305,153	**3,938,980**	9,727,110

Statement of Cash Flows

For the year ended 31 March 2023

NOTES TO THE STATEMENTS OF CASH FLOWS

i) Acquisition of property, plant and equipment

During the financial year, the Group made the following cash payments to acquire property, plant and equipment:

	Group	
	2023 RM	2022 RM
Acquisition of property, plant and equipment	**1,932,322**	2,688,420
Right-of-use assets addition	**(200,965)**	(544,083)
Acquired by means of financing	**(506,200)**	(74,000)
Prepayment of property, plant and equipment	**-**	(313,741)
Cash outflows on acquisition of property, plant and equipment	**1,225,157**	1,756,596

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	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances		**28,021,131**	22,858,132	**21,765**	29,190
Deposits placed with licensed banks		**15,234,679**	10,346,828	**-**	-
Liquid investments		**6,772,762**	24,286,502	**3,917,215**	9,697,920
	13	**50,028,572**	57,491,462	**3,938,980**	9,727,110
Less: Pledged deposits	13.1	**(189,679)**	(186,309)	**-**	-
		49,838,893	57,305,153	**3,938,980**	9,727,110

iii) Cash outflows for leases as a lessee

		Group	
	Note	2023 RM	2022 RM
Included in net cash from operating activities:			
Payment relating to short-term leases	19	**498,479**	334,294
Payment relating to leases of low-value assets	19	**65,857**	54,468
Interest paid in relation to lease liabilities	20	**28,601**	31,570
		592,937	420,332
Included in net cash from financing activities:			
Payment of lease liabilities		**322,748**	223,631
Total cash outflows for leases		**915,685**	643,963

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 2021 RM	Net changes from financing cash flows RM	Acquisition of new leases RM	Remeasure-ment RM	Termination of lease contracts RM	At 31 March 2022/ 1 April 2022 RM	Net changes from financing cash flows RM	Acquisition of new leases RM	Remeasure-ment RM	Termination of lease contracts RM	At 31 March 2023 RM
Term loans	3,724,968	(433,466)	-	-	-	3,291,502	(437,659)	-	-	-	**2,853,843**
Hire purchase liabilities	909,283	(407,053)	74,000	-	-	576,230	(394,636)	506,200	-	-	**687,794**
Lease liabilities	544,666	(223,631)	544,083	46,497	(173,855)	737,760	(322,748)	200,965	117,952	(18,332)	**715,597**
Total liabilities from financing activities	5,178,917	(1,064,150)	618,083	46,497	(173,855)	4,605,492	(1,155,043)	707,165	117,952	(18,332)	**4,257,234**

Notes to the Financial Statements

For the year ended 31 March 2023

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 2023 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 2023 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 6 July 2023.

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 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 - 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 and International Tax Reform – Pillar Two Model Rules*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7*, Financial Instruments: Disclosures – Supplier Finance Arrangements*
- Amendments to MFRS 16, *Lease – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

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 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; and
- from the annual period beginning on 1 April 2024 for those amendments that are effective for annual periods beginning on or after 1 January 2024, except for the amendments to MFRS 107 and MFRS 7 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.

(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.

1. BASIS OF PREPARATION (CONTINUED)

(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.

(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.

Notes to the Financial Statements

For the year ended 31 March 2023

1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

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

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(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.

(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.

Notes to the Financial Statements

For the year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency (continued)

(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.

(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.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

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.

Notes to the Financial Statements

For the year ended 31 March 2023

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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

Financial liabilities (continued)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(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.

(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.

Notes to the Financial Statements
For the year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(v) Hedge accounting (continued)

(b) Cash flow hedge (continued)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

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.

Notes to the Financial Statements

For the year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

Notes to the Financial Statements
For the year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment (continued)

(i) Financial assets (continued)

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.

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.

Notes to the Financial Statements

For the year ended 31 March 2023

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits (continued)

(iii) Defined benefit plans (continued)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Revenue and other income (continued)

(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.

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.

Notes to the Financial Statements

For the year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

(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.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Property, plant and equipment							Right-of-use assets			
	Land RM	Buildings and improve-ments RM	Furniture, fitting and office equipment RM	Machinery RM	Motor vehicles RM	Renovation RM	Subtotal RM	Leasehold land RM	Premises RM	Subtotal RM	Total RM
Cost											
At 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/ 1 April 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**
Additions	**-**	**-**	**592,442**	**262,165**	**869,519**	**7,231**	**1,731,357**	**-**	**200,965**	**200,965**	**1,932,322**
Disposals	**-**	**-**	**-**	**-**	**(333,175)**	**-**	**(333,175)**	**-**	**-**	**-**	**(333,175)**
Derecognition	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(57,580)**	**(57,580)**	**(57,580)**
Written off	**-**	**-**	**(27,818)**	**(29,300)**	**(343,011)**	**-**	**(400,129)**	**-**	**-**	**-**	**(400,129)**
Remeasurement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**117,952**	**117,952**	**117,952**
Effect of movements in exchange rates	**121,304**	**23,600**	**1,910**	**29,626**	**2,452**	**954**	**179,846**	**-**	**-**	**-**	**179,846**
At 31 March 2023	**18,722,359**	**27,090,544**	**8,630,007**	**15,687,812**	**10,157,648**	**2,213,943**	**82,502,313**	**50,462,106**	**1,267,984**	**51,730,090**	**134,232,403**

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For the year ended 31 March 2023

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Property, plant and equipment							Right-of-use assets			
	Land RM	Buildings and improve-ments RM	Furniture, fitting and office equipment RM	Machinery RM	Motor vehicles RM	Renovation RM	Subtotal RM	Leasehold land RM	Premises RM	Subtotal RM	Total RM
Accumulated depreciation											
At 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/ 1 April 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**
Depreciation for the year	**-**	**786,109**	**705,585**	**1,641,656**	**715,873**	**188,872**	**4,038,095**	**806,332**	**328,394**	**1,134,726**	**5,172,821**
Disposals	**-**	**-**	**-**	**-**	**(333,175)**	**-**	**(333,175)**	**-**	**-**	**-**	**(333,175)**
Derecognition	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(39,975)**	**(39,975)**	**(39,975)**
Written off	**-**	**-**	**(23,470)**	**(29,300)**	**(302,993)**	**-**	**(355,763)**	**-**	**-**	**-**	**(355,763)**
Effect of movements in exchange rates	**2,559**	**876**	**819**	**8,674**	**1,516**	**148**	**14,592**	**-**	**-**	**-**	**14,592**
At 31 March 2023	**377,380**	**7,493,853**	**5,787,850**	**11,806,080**	**8,321,042**	**1,636,977**	**35,423,182**	**7,778,544**	**569,640**	**8,348,184**	**43,771,366**
Carrying amounts											
At 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/ 1 April 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
At 31 March 2023	**18,344,979**	**19,596,691**	**2,842,157**	**3,881,732**	**1,836,606**	**576,966**	**47,079,131**	**42,683,562**	**698,344**	**43,381,906**	**90,461,037**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Right-of-use asset Leasehold land RM
Cost	
At 1 April 2021/31 March 2022/1 April 2022/31 March 2023	**12,299,309**
Accumulated depreciation	
At 1 April 2021	**900,864**
Depreciation for the year	**150,144**
At 31 March/1 April 2022	**1,051,008**
Depreciation for the year	**150,144**
At 31 March 2023	**1,201,152**
Carrying amount	
At 1 April 2021	**11,398,445**
At 31 March/1 April 2022	**11,248,301**
At 31 March 2023	**11,098,157**

The Group leases office premise and staff hostel used in its operations that run between 2 years to 5 years (2022: 2 years to 5 years), with an option to renew the leases upon expiry. Leasehold land of the Group has a lease period between 47 years to 82 years (2022: 47 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 RM650,858 (2022: RM355,887).

Security

Land, buildings, and leasehold land of the Group with total carrying amount of RM3,729,598 (2022: RM3,791,236) 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 RM17,514,979 (2022: RM17,396,234) 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.

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 in previous financial year.

Notes to the Financial Statements
For the year ended 31 March 2023

4. INVESTMENT PROPERTIES

Group	Land and buildings RM
Cost	
At 1 April 2021/31 March 2022/1 April 2022/31 March 2023	**6,941,327**
Accumulated depreciation	
At 1 April 2021	**990,617**
Depreciation for the year	**108,260**
At 31 March/1 April 2022	**1,098,877**
Depreciation for the year	**108,260**
At 31 March 2023	**1,207,137**
Carrying amounts	
At 1 April 2021	**5,950,710**
At 31 March/1 April 2022	**5,842,450**
At 31 March 2023	**5,734,190**

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	
	2023 RM	2022 RM
Lease income	**202,080**	199,920
Direct operating expenses for income generating investment properties	**75,436**	77,076

The operating lease payments to be received are as follows:

	Group	
	2023 RM	2022 RM
Less than one year	**198,750**	182,080
Between one and five years	**317,000**	457,750
Total undiscounted lease payments	**515,750**	639,830

Notes to the Financial Statements

For the year ended 31 March 2023

4. INVESTMENT PROPERTIES (CONTINUED)

Fair value information

Fair value of investment properties are categorised as follows:

	Group Level 3	
	2023 RM	2022 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	Goodwill RM
Cost	
At 1 April 2021/At 31 March 2022/1 April 2022/31 March 2023	**5,831,378**
Carrying amount	
At 1 April 2021/At 31 March 2022/1 April 2022/31 March 2023	**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	
	2023 RM	2022 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 2024 to 2028 (2022: years 2023 to 2027) approximated 20% and 25% (2022: 24% and 18%) for water treatment and solar energy segment respectively; and

- Pre-tax discount rates of 17% and 17% (2022: 17% and 17%) 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

		Company	
	Note	2023 RM	2022 RM
Unquoted shares, at costs	6.1	**58,775,888**	49,945,888
Less: Impairment losses		**(1,000,000)**	(1,000,000)
		57,775,888	48,945,888
Amount due from a subsidiary	6.2	**23,354,925**	22,377,568
		81,130,813	71,323,456

6.1 During the financial year, the Company acquired the remaining 40% equity interest in Tera VA Sdn. Bhd. for a total consideration of RM8,830,000. The information of this acquisition is disclosed in Note 29 to the financial statements.

6.2 The amount due from a subsidiary is subject to an interest rate of 4.0% (2022: 4.0%) per annum and the repayment is neither planned nor likely to occur in the foreseeable future.

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 2023 %	Effective ownership interest and voting interest 2022 %
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 manufacturing 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 services especially in repairing, servicing, installation and commissioning of biomass 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 and electrical equipment.	**100.00**	60.00

\# *Subsidiaries audited by another firm of accountants.*

All other subsidiaries are audited by KPMG.

Notes to the Financial Statements
For the year ended 31 March 2023

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries

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

	2023		
	TEK RM	TERA RM	Total RM
NCI percentage of ownership interest and voting interest	39.77%	-	
Carrying amount of NCI	14,011,908	-	14,011,908
Total comprehensive income allocated to NCI	1,885,374	191,416	2,076,790
Summarised financial information before intra-group elimination			
As at 31 March			
Non-current assets	13,802,467	-	
Current assets	35,427,632	-	
Non-current liabilities	(4,473,272)	-	
Current liabilities	(11,092,067)	-	
Net assets	33,664,760	-	
Year ended 31 March			
Revenue	48,013,693	-	
Profit for the year	4,389,011	-	
Total comprehensive income	4,389,011	-	
Cash flows from operating activities	4,108,876	-	
Cash flows used in investing activities	(100,347)	-	
Cash flows used in financing activities	(2,389,946)	-	
Net decrease in cash and cash equivalents	1,618,583	-	
Dividend paid to NCI	(553,336)	-	

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):

	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 2023

7. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
Group	RM	RM	RM	RM	RM	RM
Property, plant and equipment	**303,867**	11,047	**(3,326,500)**	(3,437,095)	**(3,022,633)**	(3,426,048)
Trade receivables	**1,638,601**	1,162,912	**-**	-	**1,638,601**	1,162,912
Other temporary differences	**3,204,278**	2,012,090	**(249,719)**	(49,864)	**2,954,559**	1,962,226
Tax assets/(liabilities)	**5,146,746**	3,186,049	**(3,576,219)**	(3,486,959)	**1,570,527**	(300,910)
Set off of tax	**(2,056,823)**	(2,130,759)	**2,056,823**	2,130,759	**-**	-
Net tax assets/(liabilities)	**3,089,923**	1,055,290	**(1,519,396)**	(1,356,200)	**1,570,527**	(300,910)

	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
Company	RM	RM	RM	RM	RM	RM
Other temporary differences	**-**	-	**(249,719)**	(49,864)	**(249,719)**	(49,864)
Net tax liabilities	**-**	-	**(249,719)**	(49,864)	**(249,719)**	(49,864)

Movement in temporary differences during the year

Group	At 1 April 2022 RM	Recognised in profit or loss (Note 22) RM	Recognised in other comprehensive income RM	Effect of movements in exchange rate RM	At 31 March 2023 RM
Property, plant and equipment	**(3,426,048)**	**403,415**	**-**	**-**	**(3,022,633)**
Trade receivables	**1,162,912**	**475,689**	**-**	**-**	**1,638,601**
Other deductible temporary differences	**1,962,226**	**991,024**	**219**	**1,090**	**2,954,559**
	(300,910)	**1,870,128**	**219**	**1,090**	**1,570,527**

Group	At 1 April 2021 RM	Recognised in profit or loss (Note 22) RM	Recognised in other comprehensive income RM	Effect of movements in exchange rate RM	At 31 March 2022/ 1 April 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 2023

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

Movement in temporary differences during the year (continued)

Company	At 1 April 2022 RM	Recognised in profit or loss (Note 22) RM	At 31 March 2023 RM
Other deductible temporary differences	**(49,864)**	**(199,855)**	**(249,719)**

Company	At 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	
	2023 RM	2022 RM
Tax losses carry forward	**1,901,400**	3,594,800
Unabsorbed capital allowances carry forward	**200**	200
Trade receivables	**1,108,600**	1,026,000
Other deductible temporary differences	**342,700**	418,300
	3,352,900	5,039,300

The tax losses of subsidiaries in Malaysia of approximately RM861,000 (2022: RM829,400) can be carried forward up to 10 (2022: 10) consecutive years of assessment under the tax legislation in Malaysia, which will expire between years 2028 to 2033 (2022: years 2028 to 2032). The tax loss of a subsidiary in Indonesia of approximately RM1,040,400 (2022: RM2,765,400) 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 (2022: years 2025 to 2027).

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.

Notes to the Financial Statements
For the year ended 31 March 2023

8. TRADE AND OTHER RECEIVABLES

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Non-current					
Trade					
Trade receivables		**900,561**	836,392	**-**	-
Amount due from a related company	8.2	**4,259,521**	2,822,956	**-**	-
		5,160,082	3,659,348	**-**	-
Current					
Trade					
Trade receivables	8.1	**88,053,177**	65,513,757	**-**	-
Amounts due from related companies	8.2	**5,255,521**	3,889,403	**-**	-
		93,308,698	69,403,160	**-**	-
Non-trade					
Amounts due from subsidiaries	8.3	**-**	-	**7,325,827**	9,091,072
Dividend receivable		**-**	-	**4,000,000**	10,000,000
Other receivables		**1,838,921**	2,960,420	**91,623**	21,941
Deposits		**507,676**	480,508	**1,000**	1,000
		2,346,597	3,440,928	**11,418,450**	19,114,013
		95,655,295	72,844,088	**11,418,450**	19,114,013
		100,815,377	76,503,436	**11,418,450**	19,114,013

8.1 Included in trade receivables of the Group are retention sums of RM4,507,273 (2022: RM2,411,067) which are unsecured, interest free and are expected to be collected within periods ranging from 6 months to 12 months (2022: 6 months to 12 months).

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

	Group 2023 RM	Group 2022 RM
With companies in which certain Directors and/or person(s) connected to them have interests	**7,182**	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
	7,182	257,402

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 RM7,325,827 (2022: RM9,048,000) which is subject to an interest rate of 4.0% (2022: 4.0%) per annum and repayable on demand.

9. INVENTORIES

	Group	
	2023 RM	**2022 RM**
At cost:		
Raw materials and consumables	**51,717,900**	37,697,673
Work-in-progress	**1,449,872**	1,976,158
Goods in transit	**4,193,078**	35,700
Finished goods	**4,664,888**	4,642,877
	62,025,738	44,352,408
At net realisable value:		
Raw materials and consumables	**2,454,075**	2,785,340
Work-in-progress	**31,316**	-
	2,485,391	2,785,340
	64,511,129	47,137,748
Recognised in profit or loss		
Inventories recognised as costs of sales	**143,236,520**	112,886,762

10. CONTRACT WITH CUSTOMERS

10.1 Contract assets/(liabilities)

	Group	
	2023 RM	**2022 RM**
Contract assets	**52,993,018**	51,693,567
Contract liabilities	**(70,518,131)**	(51,760,478)

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 (2022: 12 months) and is subject to normal trade terms.

10. CONTRACT WITH CUSTOMERS (CONTINUED)

10.1 Contract assets/(liabilities) (continued)

The contract liabilities are made up of:

i) advance billings of RM68,626,845 (2022: RM50,316,328) 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 (2022: 12 months); and

ii) advance billings of RM1,891,286 (2022: RM1,444,150) 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 (2022:12 months).

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

	Group	
	2023 RM	2022 RM
At 1 April 2022/2021	**1,377,239**	(40,874,359)
Revenue recognised during the year	**311,450,432**	267,974,986
Billings to customers during the year	**(328,694,816)**	(225,873,744)
Others	**233,318**	150,356
At 31 March	**(15,633,827)**	1,377,239

10.2 Contract costs

	Group	
	2023 RM	2022 RM
Costs to fulfil contracts	**849,869**	1,074,877

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 RM12,854,000 (2022: RM6,926,000).

Notes to the Financial Statements

For the year ended 31 March 2023

12. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

Group	2023 Nominal value RM	2023 Assets/ (Liabilities) RM	2022 Nominal value RM	2022 Assets/ (Liabilities) RM
Derivatives at fair value through profit or loss				
- Forward exchange contracts	-	-	12,872,238	(52,108)
Derivatives used for hedging				
- Forward exchange contracts	-	-	32,666,389	75,121
	-	-	45,538,627	23,013

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 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Cash and bank balances		**28,021,131**	22,858,132	**21,765**	29,190
Deposits placed with licensed banks	13.1	**15,234,679**	10,346,828	**-**	-
Liquid investments	13.2	**6,772,762**	24,286,502	**3,917,215**	9,697,920
		50,028,572	57,491,462	**3,938,980**	9,727,110

13.1 Included in the deposits placed with licensed banks of the Group is RM189,679 (2022: RM186,309) 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.

Notes to the Financial Statements

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14. CAPITAL AND RESERVES

14.1 Share capital

	Group and Company			
	Amount 2023 RM	Number of shares 2023	Amount 2022 RM	Number of shares 2022
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At beginning/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 2023

15. LOANS AND BORROWINGS

	Note	Group 2023 RM	Group 2022 RM
Non-current			
Term loans	15.1	**2,408,684**	2,850,839
Hire purchase liabilities	15.2	**461,065**	223,359
		2,869,749	3,074,198
Current			
Term loans	15.1	**445,159**	440,663
Hire purchase liabilities	15.2	**226,729**	352,871
		671,888	793,534
		3,541,637	3,867,732

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:

	2023 Future minimum lease payments RM	2023 Interest RM	2023 Present value of minimum lease payments RM	2022 Future minimum lease payments RM	2022 Interest RM	2022 Present value of minimum lease payments RM
Group						
Less than one year	**254,846**	**(28,117)**	**226,729**	371,528	(18,657)	352,871
Between one and five years	**501,674**	**(40,609)**	**461,065**	231,919	(8,560)	223,359
	756,520	**(68,726)**	**687,794**	603,447	(27,217)	576,230

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 1 March 2023 (2022: 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	
		2023 RM	2022 RM
a.	**Expense recognised in profit or loss**		
	Current service cost	**79,018**	81,976
	Past service cost	**-**	56,586
	Interest on obligation	**2,568**	12,460
	Payment during the year	**8,087**	-
	Net benefit expense	**89,673**	151,022
b.	**Present value of defined benefit obligations**		
	Net benefit expense	**386,233**	411,069
c.	**Present value of defined benefit obligations**		
	Defined benefit obligations at 1 April 2022/2021	**411,069**	253,091
	Current service cost and interest	**89,673**	151,022
	Payment during the year	**(118,347)**	-
	Others	**3,838**	6,956
	Defined benefit obligations at 31 March	**386,233**	411,069

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 (2022: 55 years)
Annual salary increment (estimated)	: 5.0% (2022: 5.0%)
Annual discount rate	: 7.0% - 7.1% (2022: 7.35% - 7.4%)
Mortality level	: Indonesian Mortality Table ("TMI") 4 (2019) with improvement
Disability level	: 10% from mortality level (2022: 10%)
Resignation level	: 10% at age 25 years and linearly reduce until 0% at normal retirement age (2022: 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.

Notes to the Financial Statements
For the year ended 31 March 2023

17. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Trade					
Trade payables		**55,011,014**	34,995,320	**-**	-
Non-trade					
Other payables		**1,928,344**	1,315,889	**7,107**	9,203
Amount due to a subsidiary	17.1	**-**	-	**3,811**	148
Amounts due to related companies	17.2	**11,884**	101,551	**-**	-
Accrued expenses	17.3	**6,481,893**	4,304,374	**86,820**	80,241
		8,422,121	5,721,814	**97,738**	89,592
		63,433,135	40,717,134	**97,738**	89,592

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 is provision for warranties amounting to RM3,100,522 (2022: RM2,687,964), 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contracts with customers	**377,684,178**	317,759,957	**-**	-
Other revenue				
- Dividend income	**-**	-	**4,837,944**	10,558,630
	377,684,178	317,759,957	**4,837,944**	10,558,630

Notes to the Financial Statements
For the year ended 31 March 2023

18. REVENUE (CONTINUED)

18.1 Disaggregation of revenue

	Reportable segments							
	Bio-Energy		Water Treatment		Solar Energy		Total	
Group	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Primary geographical markets								
Malaysia	**117,977,988**	138,081,516	**46,842,410**	37,354,712	**37,630,578**	34,342,275	**202,450,976**	209,778,503
Indonesia	**161,430,644**	102,099,515	**941,383**	-	**-**	-	**162,372,027**	102,099,515
Other countries	**12,631,275**	5,881,939	**229,900**	-	**-**	-	**12,861,175**	5,881,939
	292,039,907	246,062,970	**48,013,693**	37,354,712	**37,630,578**	34,342,275	**377,684,178**	317,759,957
Major products and services lines								
Construction contracts	**280,896,558**	240,294,654	**26,631,874**	19,928,722	**3,922,000**	7,751,610	**311,450,432**	267,974,986
Sales of goods and services	**11,143,349**	5,768,316	**21,381,819**	17,425,990	**33,708,578**	26,590,665	**66,233,746**	49,784,971
	292,039,907	246,062,970	**48,013,693**	37,354,712	**37,630,578**	34,342,275	**377,684,178**	317,759,957
Timing and recognition								
Over time	**280,896,558**	240,294,654	**26,631,874**	19,928,722	**3,922,000**	7,751,610	**311,450,432**	267,974,986
At a point in time	**11,143,349**	5,768,316	**21,381,819**	17,425,990	**33,708,578**	26,590,665	**66,233,746**	49,784,971
	292,039,907	246,062,970	**48,013,693**	37,354,712	**37,630,578**	34,342,275	**377,684,178**	317,759,957

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 (2022: 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 (2022: 3 months to 5 years) 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 (2022: 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 (2022: 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	
	2023 RM	2022 RM
Within 1 year	**238,652,545**	168,788,821
More than 1 year	**82,636,419**	82,560,774
	321,288,964	251,349,595

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

19. RESULTS FROM OPERATING ACTIVITIES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Results from operating activities is arrived at after charging/(crediting):				
Auditors' remuneration:				
Audit fees				
- KPMG in Malaysia	**250,425**	238,500	**68,250**	65,000
- Other auditors	**75,327**	61,005	**-**	-
Non-audit fees				
- KPMG in Malaysia	**5,250**	5,000	**5,250**	5,000
- Other auditors	**-**	40,000	**-**	-
Material expenses/(income):				
Depreciation of:				
- property, plant and equipment	**5,172,821**	5,238,314	**150,144**	150,144
- investment properties	**108,260**	108,260	**-**	-
Fair value gain on derivatives	**-**	(1,564,296)	**-**	-
Gain on disposal of property, plant and equipment	**(87,000)**	(85,000)	**-**	-
Gain on termination of lease contracts	**(727)**	(5,801)	**-**	-
Loss/(Gain) on foreign exchange:				
- realised	**2,370,237**	944,111	**(98)**	-
- unrealised	**428,517**	(249,971)	**(151,353)**	(523,197)
Income distribution on liquid investments	**(475,405)**	(804,113)	**(172,296)**	(156,662)
Inventories written down	**335,291**	1,037,869	**-**	-
Inventories written off	**20,909**	1,424	**-**	-
Net impairment loss on:				
- investments in subsidiaries	**-**	-	**-**	500,000
- contract assets	**41,736**	134,593	**-**	-
- financial assets	**2,398,808**	1,012,994	**20,000**	390,000
Property, plant and equipment written off	**44,366**	12,963	**-**	-
Personnel expenses (including key management personnel):				
- wages, salaries and others	**33,590,372**	28,632,235	**579,968**	587,116
- contributions to state plans	**3,405,938**	2,985,906	**-**	-
- expenses related to defined benefit plans	**89,673**	151,022	**-**	-
Expenses arising from leases				
Expenses relating to short-term leases	**498,479**	334,294	**-**	-
Expenses relating to leases of low-value assets	**65,857**	54,468	**-**	-

Notes to the Financial Statements

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20. FINANCE COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense of financial liabilities that are carried at amortised cost:				
- revolving credits	**15,000**	33,931	**-**	17,951
- term loans	**125,677**	124,341	**-**	-
- hire purchase liabilities	**21,502**	36,256	**-**	-
Interest expense on lease liabilities	**28,601**	31,570	**-**	-
	190,780	226,098	**-**	17,951

21. FINANCE INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest income of financial assets calculated using the effective interest method that are at amortised cost:				
- deposits placed with licensed banks	**487,950**	383,450	**1,359**	346
- subsidiaries	**-**	-	**1,275,659**	1,265,032
- others	**169,593**	11,671	**-**	-
	657,543	395,121	**1,277,018**	1,265,378

22. TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense				
Current year	**6,621,346**	6,180,321	**78,304**	90,430
(Over)/Under provision in prior year	**(42,392)**	294,264	**-**	(6)
	6,578,954	6,474,585	**78,304**	90,424
Deferred tax expense				
Origination and reversal of temporary differences	**(1,753,781)**	456,091	**199,855**	49,864
Over provision in prior year	**(116,347)**	(470,296)	**-**	-
	(1,870,128)	(14,205)	**199,855**	49,864
Total tax expense	**4,708,826**	6,460,380	**278,159**	140,288
Reconciliation of tax expense				
Profit before tax	**20,866,641**	25,709,044	**5,296,298**	10,235,130
Income tax calculated using Malaysian tax rate of 24% (2022: 24%)	**5,007,994**	6,170,171	**1,271,111**	2,456,431
Tax exempt income	**(219,833)**	(256,925)	**(1,238,806)**	(2,853,434)
Non-deductible expenses	**471,229**	758,403	**245,854**	537,297
Effect of temporary differences not recognised	**-**	8,160	**-**	-
Utilisation previously unrecognised deferred tax assets	**(404,736)**	-	**-**	-
Effect of tax rates in foreign jurisdictions	**12,911**	(43,397)	**-**	-
Over provided in prior year	**(158,739)**	(176,032)	**-**	(6)
Total tax expense	**4,708,826**	6,460,380	**278,159**	140,288

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 RM14,081,025 (2022: RM16,974,480) and the number of ordinary shares in issue during the year.

	Group	
	2023	2022
Number of ordinary shares at 31 March	**516,000,000**	516,000,000
Basic and diluted earnings per ordinary share (sen)	**2.73**	3.29

24. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM	Date of payment
2023			
Final 2022	**1.75**	**9,030,000**	**14 September 2022**
2022			
Final 2021	1.75	9,030,000	6 October 2021

A final single tier dividend has been recommended by the Directors in respect of the financial year ended 31 March 2023 of 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 technical support of bio-energy systems (which involve the generation of energy from bio-based materials), technical support and trading of related parts and accessories.
Water treatment	Installation and technical support of water treatment equipment and trading of related chemicals.
Solar energy	Installation of solar photovoltaic systems, technical support 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.

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25. OPERATING SEGMENTS (CONTINUED)

	Bio-Energy		Water Treatment		Solar Energy		Consolidated	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Business segments								
Revenue from external customers	**292,039,907**	246,062,970	**48,013,693**	37,354,712	**37,630,578**	34,342,275	**377,684,178**	317,759,957
Segment profit before tax	**13,541,165**	18,240,870	**5,884,833**	4,985,971	**1,440,643**	2,482,203	**20,866,641**	25,709,044
Included in the measurement of segment profit before tax are:								
Inter-segment revenue	**945,298**	841,879	**-**	-	**2,200**	4,200	**947,498**	846,079
Finance income	**273,399**	230,342	**199,160**	148,289	**184,984**	16,490	**657,543**	395,121
Finance costs	**(1,277)**	(19,858)	**(184,439)**	(193,931)	**(5,064)**	(12,309)	**(190,780)**	(226,098)
Depreciation	**(4,110,391)**	(4,135,835)	**(914,672)**	(955,726)	**(256,018)**	(255,013)	**(5,281,081)**	(5,346,574)
Net impairment loss on:								
- contract assets	**(41,736)**	(134,593)	**-**	-	**-**	-	**(41,736)**	(134,593)
- financial assets	**(1,695,117)**	(634,959)	**44,276**	(168,710)	**(747,967)**	(209,325)	**(2,398,808)**	(1,012,994)
Inventories written down	**(307,952)**	(1,037,869)	**(27,339)**	-	**-**	-	**(335,291)**	(1,037,869)
Inventories written off	**(13,462)**	-	**(7,447)**	(1,424)	**-**	-	**(20,909)**	(1,424)
Not included in the measurement of segment profit before tax but provided to CODM:								
Tax expense	**(2,855,468)**	(4,818,853)	**(1,495,822)**	(1,056,235)	**(357,536)**	(585,292)	**(4,708,826)**	(6,460,380)
Segment assets	**320,379,543**	292,828,980	**53,080,974**	46,618,548	**17,899,005**	12,663,865	**391,359,522**	352,111,393
Segment liabilities	**117,811,367**	84,046,475	**15,484,835**	12,020,140	**7,170,894**	3,018,861	**140,467,096**	99,085,476
Included in the measurement of segment assets are:								
Additions to non-current assets other than financial instruments and deferred tax assets	**566,506**	1,673,954	**1,131,549**	884,257	**352,219**	176,706	**2,050,274**	2,734,917

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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	
	2023 RM	2022 RM
Revenue from external customers		
Malaysia	**326,938,330**	295,511,660
Indonesia	**50,745,848**	22,248,297
	377,684,178	317,759,957
Non-current assets		
Malaysia	**78,647,959**	81,109,391
Indonesia	**23,378,646**	24,044,738
	102,026,605	105,154,129

Major customers

There were no major customers with revenue equal to or more than 10% of the Group's total revenue for the years ended 31 March 2023 and 31 March 2022.

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

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26. FINANCIAL INSTRUMENTS (CONTINUED)

26.1 Categories of financial instruments (continued)

2023	Carrying amount RM	AC RM	FVTPL RM	Derivatives used for hedging RM
Financial assets				
Group				
Derivative financial assets	-	-	-	-
Trade and other receivables	100,815,377	100,815,377	-	-
Cash and cash equivalents	50,028,572	43,255,810	6,772,762	-
	150,843,949	144,071,187	6,772,762	-
Company				
Amount due from a subsidiary	23,354,925	23,354,925	-	-
Trade and other receivables	11,418,450	11,418,450	-	-
Cash and cash equivalents	3,938,980	21,765	3,917,215	-
	38,712,355	34,795,140	3,917,215	-
Financial liabilities				
Group				
Loans and borrowings	3,451,637	3,451,637	-	-
Derivative financial liabilities	-	-	-	-
Trade and other payables (excluding provision of warranties)	60,332,613	60,332,613	-	-
	63,784,250	63,784,250	-	-
Company				
Trade and other payables	97,738	97,738	-	-

Notes to the Financial Statements

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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	-	-

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.2 Net gains and losses arising from financial instruments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Net gains/(losses) on:				
Financial assets at AC	**(3,832,969)**	(1,181,235)	**1,408,469**	1,398,575
Financial liabilities at AC	**(869,228)**	(325,306)	**-**	(17,951)
Financial assets at FVTPL	**400,284**	1,769,934	**172,296**	156,662
	(4,301,913)	263,393	**1,580,765**	1,537,286

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.

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.

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26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Trade receivables and contract assets (continued)

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	
	2023 RM	2022 RM
Malaysia	**96,586,355**	91,163,597
Indonesia	**53,577,035**	29,405,627
Others	**1,298,408**	4,186,851
	151,461,798	124,756,075

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 would assess any receivables with financial difficulties for credit impairments on 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.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment loss (continued)

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
2023			
Current (not past due)	57,027,785	(91,742)	56,936,043
1-30 days past due	16,351,516	(566,921)	15,784,595
31-60 days past due	5,832,643	(217,218)	5,615,425
61-90 days past due	4,034,076	(178,105)	3,855,971
91-120 days past due	3,366,197	(136,707)	3,229,490
More than 120 days past due	18,167,589	(5,120,333)	13,047,256
	104,779,806	(6,311,026)	98,468,780
Credit impaired			
Individually impaired	5,148,351	(5,148,351)	-
Trade receivables	109,928,157	(11,459,377)	98,468,780
Contract assets	54,074,534	(1,081,516)	52,993,018
	164,002,691	(12,540,893)	151,461,798

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
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

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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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	Trade receivables: Credit impaired RM	Contract assets RM	Total RM
Balance at 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/ 1 April 2022	(5,145,564)	(4,043,867)	(1,039,780)	(10,229,211)
Amounts written off	130,293	-	-	130,293
Net remeasurement of loss allowance	(1,294,958)	(1,103,850)	(41,736)	(2,440,544)
Translation difference	(797)	(634)	-	(1,431)
Balance at 31 March 2023	**(6,311,026)**	**(5,148,351)**	**(1,081,516)**	**(12,540,893)**

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, not provided for.

Other receivables

Credit risk on other receivables is mainly arising from sundry 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 RM14,464,818 (2022: RM15,058,732) 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.

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
2023			
Low credit risk	**30,680,752**	**-**	**30,680,752**
Credit impaired	**3,460,000**	**(3,460,000)**	**-**
	34,140,752	**(3,460,000)**	**30,680,752**
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

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 2021	3,050,000
Net remeasurement of loss allowance	390,000
Balance at 31 March/1 April 2022	3,440,000
Net remeasurement of loss allowance	20,000
Balance at 31 March 2023	**3,460,000**

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
2023							
Non-derivative financial liabilities							
Term loans	2,853,843	4.27 – 5.07	3,334,603	573,981	560,323	1,394,348	805,951
Hire purchase liabilities	687,794	2.10 – 3.45	756,520	254,846	163,473	338,201	-
Trade and other payables	60,332,613	-	60,332,613	60,332,613	-	-	-
Lease liabilities	715,597	3.73 – 4.44	752,500	352,200	248,800	151,500	-
	64,589,847		65,176,236	61,513,640	972,596	1,884,049	805,951

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
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)

Company	Carrying amount RM	Contractual interest/ Discount rate %	Contractual undiscounted cash flows RM	Under 1 year RM
2023				
Non-derivative financial liabilities				
Trade and other payables	**97,738**	**-**	**97,738**	**97,738**
Financial guarantees	**-**	**-**	**14,464,818**	**14,464,818**
	97,738		**14,562,556**	**14,562,556**
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

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"), Indonesian Rupiah ("IDR") and Renminbi ("RMB").

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**	**RMB RM**
2023				
Trade and other receivables	**-**	**5,224,255**	**520**	**-**
Cash and cash equivalents	**-**	**11,856,237**	**92,098**	**-**
Trade and other payables	**(394,071)**	**(2,257,774)**	**-**	**(3,390,146)**
Forward exchange contracts	**-**	**-**	**-**	**-**
Net exposure	**(394,071)**	**14,822,718**	**92,618**	**(3,390,146)**
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)	-

	Denominated in IDR	
Company	**2023 RM**	**2022 RM**
Amount due from a subsidiary	**23,354,925**	22,377,568

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

26.6.1 Currency risk (continued)

Currency risk sensitivity analysis

A 1.50% (2022: 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.

	Equity/Profit or loss	
	2023 RM	2022 RM
Group		
IDR	**4,492**	4,857
USD	**(168,979)**	(22,660)
EUR	**(1,056)**	2,641
RMB	**38,648**	-
Company		
IDR	**(266,246)**	(255,104)

A 1.50% (2022: 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed rate instruments				
Financial assets	**15,234,679**	10,346,828	**30,680,752**	31,425,568
Financial liabilities	**(687,794)**	(576,230)	**-**	-
Lease liabilities	**(715,597)**	(737,760)	**-**	-
	13,831,288	9,032,838	**30,680,752**	31,425,568
Floating rate instruments				
Financial assets	**34,793,893**	47,144,634	**3,938,980**	9,727,110
Financial liabilities	**(2,853,843)**	(3,291,502)	**-**	-
	31,940,050	43,853,132	**3,938,980**	9,727,110

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.

(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 2023 RM	50 bp decrease 2023 RM	50 bp increase 2022 RM	50 bp decrease 2022 RM
Group				
Floating rate instruments	**121,372**	(121,372)	**166,642**	(166,642)
Company				
Floating rate instruments	**14,968**	(14,968)	**36,963**	(36,963)

26. FINANCIAL INSTRUMENTS (CONTINUED)

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, all the forward contracts have matured.

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				Total fair value	Carrying amount
Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	RM	RM
2023										
Financial assets										
Trade receivables	-	-	-	-	-	-	5,160,082	5,160,082	5,160,082	5,160,082
Liquid investments	6,772,762	-	-	6,772,762	-	-	-	-	6,772,762	6,772,762
	6,772,762	-	-	6,772,762	-	-	5,160,082	5,160,082	11,932,844	11,932,844
Financial liabilities										
Term loans	-	-	-	-	-	-	2,853,843	2,853,843	2,853,843	2,853,843
Hire purchase liabilities	-	-	-	-	-	-	687,794	687,794	687,794	687,794
	-	-	-	-	-	-	3,541,637	3,541,637	3,541,637	3,541,637

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.8 Fair value information (continued)

	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
Company										
2023										
Financial assets										
Amount owing from a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**23,354,925**	**23,354,925**	**23,354,925**	**23,354,925**
Liquid investments	**3,917,215**	**-**	**-**	**3,917,215**	**-**	**-**	**-**	**-**	**3,917,215**	**3,917,215**
	3,917,215	**-**	**-**	**3,917,215**	**-**	**-**	**23,354,925**	**23,354,925**	**27,272,140**	**27,272,140**
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

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 (2022: no transfer in either direction).

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.

Notes to the Financial Statements

For the year ended 31 March 2023

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	
	2023 RM	2022 RM
With companies in which certain Directors and/or person(s) connected to them have interests:		
Purchases	**1,810,328**	1,165,809
Sales	**(43,200)**	(9,000)
Progress billings	**(186,550)**	(256,840)
With companies in which certain Directors of certain subsidiaries and person(s) connected to them have interests:		
Purchases	**476,744**	979,641
Sales	**-**	(2,540)
Progress billings	**-**	(19,600)
Related companies		
Purchases	**-**	131,705
Sales	**(1,854,154)**	(1,280,138)
Progress billings	**(7,929,954)**	(12,254,648)
Key management personnel		
Progress billings	**(118,520)**	(169,443)

28. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

	Company	
	2023 RM	2022 RM
Subsidiaries		
Dividend income	**(4,837,944)**	(10,558,630)
Finance income	**(1,275,659)**	(1,265,032)

The key management personnel compensation are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors of the Company				
- Fees	**518,555**	514,022	**482,555**	478,022
- Remuneration	**2,444,654**	2,843,111	**97,413**	109,094
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	**50,300**	44,675	**-**	-
	3,013,509	3,401,808	**579,968**	587,116
Directors of the subsidiaries				
- Remuneration	**2,406,096**	1,997,826	**-**	-
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	**6,888**	25,515	**-**	-
	2,412,984	2,023,341	**-**	-
	5,426,493	5,425,149	**579,968**	587,116

29. ACQUISITION OF NON-CONTROLLING INTERESTS

During the financial year, the Company acquired the remaining 40% equity interest of Tera VA Sdn. Bhd. for a total consideration of RM8,830,000, increasing its ownership from 60% to 100%. The total consideration consists of the following:

a) Cash consideration of RM4,630,000; and
b) Retention sum of RM4,200,000 paid to the solicitor as a security for profit guarantee provided by the vendor.

The Company recognised a decrease in non-controlling interests of RM3,095,906 and a decrease in retained earnings of RM5,734,094.

The following summaries the effect of changes in the equity interest in Tera VA Sdn. Bhd. that is attributable to owners of the Company:

	2023 RM
Equity interest at 1 April 2022	**4,356,736**
Effect of increase of Company's ownership interest	**3,095,906**
Share of comprehensive income during the year	**944,796**
Equity interest at 31 March 2023	**8,397,438**

Net cash outflow arising from acquisition of non-controlling interests

	2023 RM
Net assets acquired from non-controlling interests	**(3,095,906)**
Surplus of total purchase consideration against the carrying amount of non-controlling interests acquired	**(5,734,094)**
Cash outflow on acquisition of the remaining interests in TERA	**(8,830,000)**

30. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Acquisition of non-controlling interests

During the financial year, the Company acquired remaining 40% equity interest of Tera VA Sdn. Bhd. for total consideration of RM8,830,000, increasing its ownership from 60% to 100%. The details of the acquisition of non-controlling interests stated in Note 29.

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 70 to 148 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 2023 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:

Chia Lik Khai
Director

Gan Chih Soon
Director

Subang Jaya

6 July 2023

Statutory Declaration

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Tan Ee Ming, 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 70 to 148 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 Tan Ee Ming, MIA Membership No. 17251, at Subang Jaya in the State of Selangor on 6 July 2023.

Tan Ee Ming

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 2023 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 70 to 148.

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 2023, 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 revenue 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 2023, construction contract revenue amounted to RM311 million represented 82% 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; and
  - 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 2023, the carrying amounts of the Group's trade receivables and contract assets amounted to RM98 million and RM53 million respectively, representing 25% and 14% 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 MATTER

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

6 July 2023

List of Properties

At 31 March 2023

Owner Company	Location	Tenure of lease	Land area or built up area	Existing use	Approximate age of buildings	Net Book Value 31 March 2023 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	26 years	16,063	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	26 years	15,787	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	11,098	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	11,098	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	12 years	5,177	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	23 years	794	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	2,069	5 January 2016

List of Properties

At 31 March 2023

Owner Company	Location	Tenure of lease	Land area or built up area	Existing use	Approximate age of buildings	Net Book Value 31 March 2023 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	30 years	858	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	30 years	951	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	14 years	842	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	14 years	842	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	11 years	6,182	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	14,598	14 August 2018

Shareholders' Analysis Report

As at 30 June 2023

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	276	179,950	0.03
1,001 – 10,000	1,325	7,735,500	1.50
10,001 – 100,000	1,146	40,850,100	7.92
100,001 to less than 5% of issued shares	280	163,705,252	31.73
5% and above of issued shares	2	303,528,930	58.82
	3,044	516,000,000	100.00

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct	%	Indirect	%
Dr. Chia Song Kun	400,000	0.08	271,263,106 [1]	52.57
Chia Lik Khai	500,000	0.10	-	-
Chia Seong Fatt	200,000	0.04	-	-
Adrian Chair Yong Huang	505,000	0.10	-	-
Gan Chih Soon	20,674,140	4.01	-	-
Tee Seng Chun	13,633,140	2.64	3,520,000 [2]	0.68
Ho Cheok Yuen	-	-	-	-
Ng Swee Weng	-	-	-	-
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 spouse's shareholdings in the Company.*

Shareholders' Analysis Report

As at 30 June 2023

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct	%	Indirect	%
QL Green Resources Sdn Bhd	271,263,106	52.57	-	-
Leong Yew Cheong	32,265,824	6.25	4,000,000 (1)	0.78
Dr. Chia Song Kun	400,000	0.08	271,263,106 (2)	52.57
QL Resources Berhad	-	-	271,263,106 (3)	52.57
CBG (L) Pte Ltd	-	-	271,263,106 (4)	52.57
CBG (L) Foundation	-	-	271,263,106 (5)	52.57

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	1,002,895,571 (1)	41.209
Chia Lik Khai	3,075,200	0.126	285,480 (2)	0.012
Gan Chih Soon	-	-	32,760 (2)	0.001
Chia Seong Fatt	390,000	0.016	289,861,079 (3)	11.911

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 2023

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	90,499,470	17.54
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.	Lim See Pek	3,500,000	0.68
12.	Len Tze Jian	3,276,228	0.64
13.	Liu Fui Moy	2,872,000	0.56
14.	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Wong Wai Kong (7003764))	2,600,000	0.50
15.	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chuah Kang Boon (6000945))	2,400,000	0.47
16.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Seow Li (E-KLG))	2,167,900	0.42
17.	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lim Hung Thiam (7000997))	1,833,000	0.36
18.	Too Chin Kiong	1,740,000	0.34
19.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chuah Kang Boon (E-BSA/BBT))	1,611,700	0.31
20.	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Puang Let Cheah (8060818))	1,549,400	0.30
21.	Loh Foo	1,540,000	0.30
22.	Yong Yew San	1,410,000	0.27
23.	Wong Wai Kong	1,400,000	0.27
24.	Yong Hua Kong	1,370,000	0.27
25.	Lian Boon Tiam	1,360,000	0.26
26.	Liu Loy Tai	1,303,400	0.25
27.	Lim Xun Ru	1,174,600	0.23
28.	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chia Siang Eng (E-TWU))	1,142,000	0.22
29.	Ng Sok Siah	1,140,000	0.22
30.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Puah Guan Sang (PUA0432C))	1,130,000	0.22
		397,352,510	77.01

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT that the 13th Annual General Meeting of the Company will be held at Throne, Empire Hotel Subang, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan on Friday, 25 August 2023 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 2023 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 2023. — **Resolution 1** **Refer to Explanatory Note 2**

3. To re-elect Mr Ng Swee Weng, the Director who retired by rotation in accordance with the Clause 76(3) of the Company's Constitution and who being eligible, offer himself for re-election. — **Resolution 2** **Refer to Explanatory Note 3**

   Ms Rina Meileene Binti Adam who also retired by rotation in accordance with the Clause 76(3) of the Company's Constitution, has expressed her intention not to seek for re-election. Hence, she will retain office until the conclusion of the 13th Annual General Meeting ("AGM").

4. To approve the payment of Director's fee of Dr Chia Song Kun amounting to RM9,000 per month for the period commencing from the conclusion of the 13th Annual General Meeting ("AGM") until the next AGM of the Company. — **Resolution 3** **Refer to Explanatory Note 4**

5. To approve the payment of Director's fee of Mr Ng Swee Weng amounting to RM8,000 per month for the period commencing from the conclusion of the 13th Annual General Meeting ("AGM") until the next AGM of the Company. — **Resolution 4** **Refer to Explanatory Note 4**

6. To approve the payment of Director's fee of Mr Adrian Chair Yong Huang amounting to RM7,000 per month for the period commencing from the conclusion of the 13th Annual General Meeting ("AGM") until the next AGM of the Company. — **Resolution 5** **Refer to Explanatory Note 4**

7. To approve the payment of Director's fee 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 13th Annual General Meeting ("AGM") until the next AGM of the Company. — **Resolution 6** **Refer to Explanatory Note 4**

8. 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 13th Annual General Meeting ("AGM") until the next AGM of the Company. — **Resolution 7** **Refer to Explanatory Note 4**

9. 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 13th Annual General Meeting ("AGM") until the next AGM of the Company: — **Resolution 8** **Refer to Explanatory Note 4**

   (a) Meeting allowance of RM2,000 per Malaysian NED and SGD1,800 per Singaporean NED per meeting day.

10. To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. — **Resolution 9** **Refer to Explanatory Note 5**

Notice of Annual General Meeting

As Special Business:

To consider and if thought fit, to pass the following resolutions:

11. **Authority to Issue Shares and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-emptive Rights pursuant to Section 85 of the Companies Act 2016**

Resolution 10
Refer to Explanatory Note 6

"THAT, subject to the Companies Act 2016, the Constitution of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals from Bursa Securities and other relevant governmental/regulatory authorities, if applicable, 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 at such price 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 percent (10%) of the total number of issued shares (excluding treasury shares) for the time being, AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive or deemed to have waived all and any of their pre-emptive rights over all new ordinary shares arising from issuance of new ordinary shares pursuant to Sections 75 and 76 of the Companies Act 2016, such new ordinary shares when issued, to rank pari passu with the existing ordinary shares in the Company, AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities, AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company, AND FURTHER THAT such authority shall continue in force until the conclusion of the next annual general meeting of the Company or at the expiring of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by ordinary resolution of the Company in a general meeting."

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

Resolution 11
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 26 July 2023 ("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;

Notice of Annual General Meeting

(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;

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."

13. **Proposed Share Buy Back Authority of up to Ten Percent (10%) of the Total Number of Issued Shares of the Company**

Resolution 12
Refer to Explanatory Note 8

"THAT, subject to the Companies Act 2016 ("Act"), the provisions of the Company's Constitution, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy Back Authority") provided that:

a) the aggregate number of shares purchased does not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase(s);

b) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy Back Authority shall not exceed the aggregate of the retained profits of the Company based on its latest audited financial statements and/ or the latest management account (where applicable) available at the time of the purchase(s);

c) upon completion of the purchase (s) by the Company of its own shares, the Directors of the Company be and are hereby authorised to:

(a) cancel all or part of the shares so purchased;

(b) retain all or part of the shares so purchased as treasury shares;

(c) distribute the treasury shares as share dividends to the Company's shareholders for the time being;

(d) transfer the treasury shares, or any part thereof as purchase consideration and/or for the purposes of or under an employees' share scheme;

(e) resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; or

(f) sell, transfer or otherwise use the treasury shares for such other purpose pursuant to Section 127 of the Act.

Notice of Annual General Meeting

THAT any authority conferred by this resolution may only continue to be in force until:

(i) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements of Bursa Securities and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Act, the provisions of the Constitution of the Company and the Listing Requirements and/or guidelines of Bursa Securities and all other relevant government and/or regulatory authorities."

14. **Proposed Change of Name of the Company from Boilermech Holdings Berhad to BM GreenTech Berhad**

Special Resolution 1
Refer to Explanatory Note 9

"THAT the name of the Company be hereby changed from Boilermech Holdings Berhad to BM GreenTech Berhad effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia pursuant to Section 28(4) of the Companies Act, 2016 ("Proposed Change of Name").

THAT all references in the Constitution of the Company be hereby amended accordingly, wherever the name of the Company appears.

AND THAT the Directors of the Company and/or the Company Secretaries be and are hereby authorised and empowered to do all such acts and things (including executing all such documents as may be required) as they may consider necessary and/or expedient to give effect to the Proposed Change of Name."

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

Notice of Annual General Meeting

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of Members at the 13th Annual General Meeting of the Company to be held on 25 August 2023, a final single tier dividend of 1.75 sen per ordinary share for the financial year ended 31 March 2023, will be paid on 13 September 2023 to Depositors whose names appear in the Record of Depositors of the Company on 30 August 2023.

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 2023 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: 26 July 2023

NOTES:-

1. For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming 13th Annual General Meeting ("AGM") of the Company, the Company shall be requesting the Record of Depositors as at 18 August 2023. Only a depositor whose name appears on the Record of Depositors as at 18 August 2023 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.

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.

Notice of Annual General Meeting

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, 23 August 2023 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. Item 1 of the Agenda

To receive the Statutory Financial Statements for the Financial Year Ended 31 March 2023
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. Resolution 1 – Dividend Payment

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 25 May 2023, 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 13 September 2023 in accordance with the requirements under Section 132(2) and (3) of the Companies Act 2016.

3. Resolution 2 – Re-election of Director

Mr Ng Swee Weng is standing for re-election as Director of the Company and being eligible, has offered himself for re-election at 13th AGM.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance 2021 ("MCCG"), the profile of Mr Ng Swee Weng is set out in the Directors' Profile of the Annual Report 2023. For the purpose of determining the eligibility of Mr Ng Swee Weng to stand for re-election at the 13th AGM, the Board had through its Nomination Committee ("NC"), considered, assessed and deliberated on the suitability of Mr Ng Swee Weng to be re-elected as Director of the Company based on the results of the assessment and fit and proper assessment of Mr Ng Swee Weng for the financial year ended 31st March 2023.

Ms Rina Meileene Binti Adam expressed her intention not to seek for re-election at the 13th AGM. Accordingly, she will retire as Independent Non-Executive Director of the Company at the conclusion of the 13th AGM.

4. Resolutions 3 to 8 – 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 12th AGM of the Company held on 26 August 2022.

The proposed payment of Directors' fees for the Ordinary Resolutions 3, 4, 5 and 6 comprising Director's fees and Board Committee's fees. Whereas, Ordinary Resolution 7 comprising Director's fee payable to 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 8 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.

Notice of Annual General Meeting

5. **Resolution 9 – Re-appointment of Auditors**

The Board had, at its meeting held on 25 May 2023, approved the AC's recommendation that shareholders' approval be sought at the 13th AGM on the re-appointment of KPMG PLT as the auditors of the Company, as set out under Resolution 9. 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 10 – Authority to Issue Shares and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-emptive Rights pursuant to Section 85 of the Companies Act 2016**

The Ordinary Resolution 10 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 13th 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 12th AGM of the Company held on 26 August 2022 (hence, no proceeds were raised therefrom) and which will lapse at the conclusion of the 13th 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.

Pursuant to Section 85(1) of the Companies Act 2016 be read together with Clause 12(3) of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities. By voting in favour of this resolution, the shareholders of the Company would be waiving their statutory pre-emptive rights. The resolution, if passed, would allow the Directors to issue new shares to any person without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to issuance.

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

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

8. **Resolution 12 – Proposed Share Buy Back Authority of up to Ten Percent (10%) of the Total Number of Issued Shares of the Company**

The proposed resolution, if passed, will empower the Directors to purchase the Company's shares through Bursa Malaysia Securities Berhad up to 10% of the total number of issued shares of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the conclusion of the next annual general meeting of the Company or within which the next annual general meeting after the date is required by law to be held, whichever occurs first. For further information, please refer to Part A of the Circular to Shareholders dated 26 July 2023.

9. **Special Resolution 1 – Proposed Change of Name of the Company from Boilermech Holdings Berhad to BM GreenTech Berhad**

The Proposed Change of Name reflects our vision and mission to be the regional partner of choice for innovative and cost-effective energy and water solutions, i.e. green solutions, that achieve lasting sustainability. Our new name also captures our core values of innovation, excellence, collaboration, and responsibility, aligning us with our holding company, QL's philosophy of creating shared value for all stakeholders. As BM GreenTech Berhad, we will continue to deliver high-quality products and services that meet the Environmental, Social and Governance ("ESG") needs of the market and enhance our brand recognition in creating a more sustainable future for all.

The Board believes that the Proposed Change of Name will uplift the Company's market position and showing the development and progress as a company.

For further information, please refer to Part C of the Circular to Shareholders dated 26 July 2023.

Statement Accompanying Notice of 13th Annual General Meeting

Ordinary Resolution 2

The Director who retires pursuant to Clause 76(3) of the Constitution of the Company and being eligible to offer himself for re-election at the 13th Annual General Meeting ("AGM") is Mr Ng Swee Weng ("Retiring Director").

The profile of the Retiring Director who is standing for re-election as per Agenda item 3 of the Notice of 13th AGM is as follows:

Name	:	Ng Swee Weng
Directorate	:	Independent Non-Executive Director
Nationality	:	Malaysian
Age	:	66
Gender	:	Male
Date of Appointment	:	22 January 2020
Length of Tenure (as at 31 March 2023)	:	3 years 2 months

Qualification

Mr Ng Swee Weng is a qualified 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.

Directorship/Relevant Appointments (Other than Boilermech Holdings Berhad)

Mr Ng Swee Weng is also a Director and Audit Committee Chairman of SKB Shutters Corporation Berhad.

Relevant Experience

Mr Ng Swee Weng was appointed as an Independent Non-Executive Director of the Company on 22 January 2020.

He is currently a Senior Advisor at BDO Tax Services Sdn. Bhd. ("BDO"), Malaysia. 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 provides 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 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 does not hold any shares in the Company. He has no family relationship with any Director and/or major shareholder of the Company and does not have any business or other relationship which could pose a conflict of interest with the Company or interfere with exercise of his judgment in the Company. He acts in the best interest of the Company.

The Board hereby supports and recommends the re-election of Mr Ng Swee Weng as the Independent Non-Executive Director of the Company for the shareholders' approval.

Proxy Form

BOILERMECH
Boilermech Holdings Berhad
Registration No. 201001013463 (897694-T)
(Incorporated in Malaysia)

I/We ____
(Full name in block)

NRIC/Passport/Company No.: ______________________ 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, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the 13th Annual General Meeting of the Company to be held at Throne, Empire Hotel Subang, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan on Friday, 25 August 2023 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:

No.	Ordinary 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 2023.		
2.	To re-elect Mr Ng Swee Weng as Director.		
3.	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 13th Annual General Meeting ("AGM") until the next AGM of the Company.		
4.	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 13th AGM until the next AGM of the Company.		
5.	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 13th AGM until the next AGM of the Company.		
6.	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 13th AGM until the next AGM of the Company.		
7.	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 13th AGM until the next AGM of the Company.		
8.	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 13th AGM until the next AGM of the Company.		
9.	To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
10.	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-emptive Rights pursuant to Section 85 of the Companies Act 2016.		
11.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
12.	To approve the Proposed Share Buy Back of up to Ten Percent (10%) of the Total Number of Issued Shares of the Company.		
	Special Resolution	**For**	**Against**
13.	To approve the Proposed Change of Name of the Company from Boilermech Holdings Berhad to BM GreenTech Berhad.		

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 ________ 2023

*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 13th 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 18 August 2023. Only a depositor whose name appears on the Record of Depositors as at 18 August 2023 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, 23 August 2023 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