

**BOILERMECH HOLDINGS BERHAD**  
Registration No. 201001013463 (897694-T)  
(Incorporated In Malaysia)

Minutes of the **13th Annual General Meeting** of **Boilermech Holdings Berhad** 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.**

PRESENT : As per Attendance List

IN ATTENDANCE : Ms. Tan Bee Hwee – Company Secretary

**ACTION**

**1. CHAIRMAN**

Dr Chia Song Kun presided as Chairman (“Dr Chairman”) of the meeting and welcomed all present to the 13th Annual General Meeting (“AGM”) of Boilermech Holdings Berhad (“Boilermech” or “the Company”).

**2. QUORUM**

2.1 The Secretary confirmed that a quorum was present for the meeting pursuant to Clause 56 of the Company’s Constitution.

2.2 The Secretary further informed that 19 valid proxy forms were received within the prescribed period for the 13th AGM, which represented a total of 291,399,291 shares or 56.47% of the issued and paid-up share capital of the Company.

2.3 With the requisite quorum being present, Dr Chairman declared the meeting duly convened at 10.00 a.m.

**3. NOTICE**

The notice of meeting circulated earlier was taken as read.

**4. SLIDE PRESENTATION ON THE COMPANY’S DEVELOPMENT/  
RESPONSES TO MINORITY SHAREHOLDERS WATCH GROUP’S  
QUESTIONS**

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4.1 Dr Chairman invited Mr Chia Lik Khai, the Group Managing Director (“Group MD”) of Boilermech to give a presentation on the **corporate and operational developments** of the Group. He covered the following matters in his presentation:

- performance review
- key developments
- businesses strategies
- re-aligning mission and vision statements
- proposal for the new name of the Company and rebranding exercise
- overall outlook for FYE2024

**ACTION**

4.2 Minority Shareholders Watch Group's ("MSWG") Questions

Dr Chairman informed the Meeting that the Board had received written questions from the MSWG prior to the Meeting.

MSWG's questions were projected on the screen for the attendees' viewing. The Group MD then read out the Company's responses to MSWG's questions.

4.3 Dr Chairman thanked Mr Chia Lik Khai. He invited questions from the floor on matters related to the corporate and operational matters as well as the Company's responses to MSWG's questions.

4.4 The responses to the questions posed by MSWG which were received prior to the Meeting and answers to the questions raised by shareholders at the Meeting are set out in Appendix 1.

**5. PROCEEDINGS OF THE AGM AND VOTING PROCEEDINGS**

5.1 Dr Chairman proceeded to inform the Meeting on the proceedings of the 13th AGM and voting proceedings. He explained that in line with Bursa Malaysia Securities Berhad's Listing Requirements, voting for all the resolutions to be tabled at the 13th AGM would be conducted by way of poll.

5.2 The poll voting for all the resolutions tabled was conducted at the end of the meeting after all the resolutions as set out in the Agenda had been duly tabled.

**6. TO RECEIVE THE STATUTORY FINANCIAL STATEMENTS AND REPORTS OF THE DIRECTORS AND AUDITORS THEREON FOR THE FINANCIAL YEAR ENDED ("FYE") 31 MARCH 2023**

6.1 Dr Chairman invited questions from the floor in relation to the Statutory Financial Statements and Reports for FYE 31 March 2023.

6.2 Questions raised by the shareholders on the Statutory Financial Statements and Reports for FYE 31 March 2023 are set out in Appendix 1 of these minutes. The said Financial Statements were not put forward for voting as the provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 did not require the formal approval from the shareholders.

6.3 Dr Chairman declared the Statutory Financial Statements of the Company and the Group for the financial year ended 31 March 2023, together with the Reports of the Directors and Auditors thereon, properly laid and received.

**ACTION**

**7. 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**

7.1 Dr Chairman tabled Ordinary Resolution 1 on the agenda pertaining to the approval for 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.

7.2 There were no questions raised from the shareholders or proxy holders on the proposed motion. Based on the poll results, it was RESOLVED:-

“THAT 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 be and is hereby approved for payment.”

**8. TO RE-ELECT THE FOLLOWING DIRECTOR WHO RETIRES PURSUANT TO THE COMPANY’S CONSTITUTION AND BEING ELIGIBLE, HAS OFFERED HIMSELF FOR RE-ELECTION AND THE RETIREMENT OF DIRECTOR**

**8.1 Re-election of Mr Ng Swee Weng**

8.1.1 Dr Chairman tabled Ordinary Resolution 2 on the agenda pertaining to the re-election of Ng Swee Weng, who is retiring pursuant to Clause 76(3) of the Constitution of the Company and being eligible, had offered himself for re-election.

8.1.2 There were no questions raised from the shareholders or proxy holders on the proposed motion. Based on the poll results, it was RESOLVED:-

“THAT Mr Ng Swee Weng, retiring pursuant to Clause 76(3) of the Constitution of the Company, be and is hereby re-elected as Director of the Company.”

**8.2 Retirement of Ms Rina Meileene Binti Adam**

Dr Chairman informed that Ms Rina Meileene Binti Adam (“Ms Rina”), who is retiring by rotation in accordance with the Clause 76(3) of the Company’s Constitution, had expressed her intention not to seek re-election. Therefore, Ms Rina would retire as Director after the 13th AGM.

On behalf of the Board, Dr Chairman extended the Board’s gratitude and appreciation to Ms Rina for her valuable contributions during her tenure with the Company as Director.

**ACTION**

**9. TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF THE FOLLOWING DIRECTORS FOR THE PERIOD COMMENCING FROM THE CONCLUSION OF THE 13TH AGM UNTIL THE NEXT AGM OF THE COMPANY**

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**9.1 Director's Fee of Dr Chia Song Kun of RM9,000 per month**

9.1.1 Dr Chairman tabled Ordinary Resolution 3 on the agenda pertaining to the approval of payment of Director's fee of RM9,000 per month to himself for the period commencing from the conclusion of the 13th AGM until the next AGM of the Company. Mr Ng Swee Weng took over the chair as Dr Chairman was deemed interested in the proposed resolution.

9.1.2 There were no questions raised from the shareholders on the above proposed motion. Based on the poll results, it was RESOLVED:-

"THAT the Director's fee of RM9,000 per month to Dr Chia Song Kun for the period commencing from the conclusion of the 13th AGM until the next AGM of the Company be and is hereby approved for payment."

9.1.3 Mr Ng Swee Weng handed the Chair back to Dr Chia Song Kun to proceed with the next agenda item as set out in the Notice of the 13th AGM.

**9.2 Director's Fee of Mr Ng Swee Weng of RM8,000 per month**

9.2.1 Dr Chairman tabled Ordinary Resolution 4 on the agenda pertaining to the approval of payment of Director's fee of RM8,000 per month to Mr Ng Swee Weng for the period commencing from the conclusion of the 13th AGM until the next AGM of the Company.

9.2.2 There were no questions raised from the shareholders on the proposed motion. Based on the poll results, it was RESOLVED:-

"THAT the Director's fee of RM8,000 per month to Mr Ng Swee Weng for the period commencing from the conclusion of the 13th AGM until the next AGM of the Company be and is hereby approved for payment."

He proceeded to the next agenda item as set out in the Notice of the 13th AGM.

**9.3 Director's Fee of Mr Adrian Chair Yong Huang of RM7,000 per month**

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9.3.1 Dr Chairman tabled Ordinary Resolution 5 on the agenda pertaining to the approval of payment of Director's fee of RM7,000 per month to Mr Adrian Chair Yong Huang for the period commencing from the conclusion of the 13th AGM until the next AGM of the Company.

9.3.2 There were no questions raised from the shareholders on the proposed motion. Based on the poll results, it was RESOLVED:-

"THAT the Director's fee of RM7,000 per month to Mr Adrian Chair Yong Huang for the period commencing from the conclusion of the 13th AGM until the next AGM of the Company be and is hereby approved for payment."

**ACTION**

He proceeded to the next agenda item as set out in the Notice of the 13th AGM.

**9.4 Director's Fee of Mr Ho Cheok Yuen of SGD2,500 and Board Committee's Fee of RM1,000 per month**

9.4.1 Dr Chairman tabled Ordinary Resolution 6 on the agenda pertaining to the approval of payment of Director's fee of SGD2,500 and Board Committee's fee of RM1,000 per month to Mr Ho Cheok Yuen for the period commencing from the conclusion of the 13th AGM until the next AGM of the Company.

9.4.2 There were no questions raised from the shareholders on the proposed motion. Based on the poll results, it was RESOLVED:-

"THAT the Director's fee of SGD2,500 and Board Committee's fee of RM1,000 per month to Mr Ho Cheok Yuen for the period commencing from the conclusion of the 13th AGM until the next AGM of the Company be and is hereby approved for payment."

He proceeded to the next agenda item as set out in the Notice of the 13th AGM.

**9.5 Director's Fee of Mr Chia Seong Fatt of RM3,000 per month**

9.5.1 Dr Chairman tabled Ordinary Resolution 7 on the agenda pertaining to the approval of payment of Director's fee of RM3,000 per month to Mr Chia Seong Fatt for the period commencing from the conclusion of the 13th AGM until the next AGM of the Company.

9.5.2 There were no questions raised from the shareholders on the proposed motion. Based on the poll results, it was RESOLVED:-

"THAT the Director's fee of RM3,000 per month to Mr Chia Seong Fatt for the period commencing from the conclusion of the 13th AGM until the next AGM of the Company be and is hereby approved for payment."

He proceeded to the next agenda item as set out in the Notice of the 13th AGM.

**10. TO APPROVE DIRECTORS' BENEFITS FOR THE NON-EXECUTIVE DIRECTORS OF THE COMPANY FOR THE PERIOD COMMENCING FROM THE CONCLUSION OF THE 13TH AGM UNTIL THE NEXT AGM OF THE COMPANY**

10.1 Dr Chairman informed that Ordinary Resolution 8 was to approve the payment of Director's benefits comprising meeting allowances 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.

**ACTION**

- 10.2 The question raised from the shareholder on the above proposed motion is set out in Appendix 1 of these minutes. Based on the poll results, it was RESOLVED:-

“THAT the payment of meeting allowance of RM2,000 per Malaysian Non-Executive Director and SGD1,800 per Singaporean Non-Executive Director per meeting day for the period commencing from the conclusion of the 13th AGM until the next AGM of the Company be hereby approved.”

**11. TO RE-APPOINT KPMG PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

- 11.1 Dr Chairman referred to Ordinary Resolution 9 on the agenda pertaining to the re-appointment of KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

- 11.2 There were no questions raised from the shareholders on the proposed motion. Based on the poll results, it was RESOLVED:-

“THAT KPMG PLT be and are hereby re-appointed as Auditors of the Company at a fee to be agreed upon with the Directors of the Company and they shall hold office until the conclusion of the next Annual General Meeting.”

**SPECIAL BUSINESS:**

**ORDINARY RESOLUTION 10**

**12. 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**

- 12.1 Dr Chairman tabled Ordinary Resolution 10, under Special Business of the agenda in respect of the authority to issue 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.

- 12.2 The questions raised from the shareholder on the proposed motion are set out in Appendix 1 of these minutes. Based on the poll results, it was RESOLVED:-

“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

**ACTION**

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.”

**13. PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

13.1 As Dr Chairman was an interested party in the above proposed motion, he proposed that Mr Ng Swee Weng take over the Chair in the tabling of the above motion. With no objections raised by the shareholders, Mr Ng Swee Weng took over the Chair and tabled the above motion for shareholders’ approval.

13.2 Mr Ng Swee Weng referred to Ordinary Resolution 11, under Special Business of the agenda in respect of the proposed renewal of shareholders’ mandate for recurrent related party transactions of a revenue or trading nature.

13.3 It was highlighted that the Interested Directors – Dr Chia Song Kun, Mr Chia Lik Khai, Mr Chia Seong Fatt and Mr Yong Hua Kong – and the Interested Major Shareholders – QL Resources Berhad, QL Green Resources Sdn Bhd, CBG (L) Foundation, CBG (L) Pte. Ltd., Dr Chia Song Kun and persons connected to them – would abstain from voting and deliberation on the above motion.

13.4 There were no questions raised from the shareholders on the proposed motion. Based on the poll results, it was RESOLVED:-

“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;

**ACTION**

- (ii) the disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year, amongst others, based on the following information:
  - (a) the type of Recurrent Related Party Transactions made; and
  - (b) the names of the related parties involved in each type of Recurrent Related Party Transaction made and their relationship with the Company;
- (iii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:
  - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM, at which this shareholders' mandate will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
  - (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 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."

- 13.5 Mr Ng Swee Weng handed the Chair back to Dr Chia Song Kun to proceed with the next agenda item as set out in the Notice of the 13th AGM.

**14. PROPOSED SHARE BUY BACK OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY**

14.1 Dr Chairman tabled Ordinary Resolution 12, under Special Business of the agenda in respect of the proposed share buy back up to ten percent (10%) of the total number of issued shares of the Company.

14.2 The question raised from the shareholder on the proposed motion is set out in Appendix I of the minutes. Based on the poll results, it was RESOLVED:-

“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.

**ACTION**

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.”

**15. PROPOSED CHANGE OF NAME OF THE COMPANY FROM BOILERMECH HOLDINGS BERHAD TO BM GREENTECH BERHAD**

15.1 Dr Chairman tabled Special Resolution 1, under Special Business of the agenda in respect of the proposed change of name of the Company from Boilermech Holdings Berhad to BM GreenTech Berhad.

15.2 There were no questions raised from the shareholders on the proposed motion. Based on the poll results, it was RESOLVED:-

“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”).

**ACTION**

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.”

**16. TO TRANSACT ANY OTHER BUSINESS OF WHICH DUE NOTICE SHALL BEEN GIVEN IN ACCORDANCE WITH THE COMPANIES ACT 2016**

Dr Chairman informed that the Company had not received any notice to deal with any other business for which due notice was required to be given, pursuant to the Companies Act 2016.

**17. CONDUCT OF POLL**

The Meeting adjourned at 12.03 p.m. for the poll and re-convened at 12.30 p.m. after the votes were counted and verified by the Official Scrutineers, Coopers Professional Scrutineers Sdn Bhd.

**18. ANNOUNCEMENT OF POLL RESULTS**

18.1 Dr Chairman thanked the shareholders for staying back for the poll results. He then announced the poll results.

18.2 Based on the poll results duly verified by the Scrutineer for the respective resolutions, Dr Chairman announced that all the resolutions tabled at the Company’s 13th AGM were approved by the shareholders and proxies present, and he declared all the following resolutions carried:

Resolution(s)	Vote For		Vote Against		Results
	No. of Units	%	No. of Units	%	
Ordinary Resolution 1	364,495,283	100.0000	0	0.0000	Carried
Ordinary Resolution 2	363,085,170	100.0000	13	0.0000	Carried
Ordinary Resolution 3	92,110,464	99.9764	21,713	0.0236	Carried
Ordinary Resolution 4	364,473,570	99.9940	21,713	0.0060	Carried
Ordinary Resolution 5	363,951,570	99.9940	21,713	0.0060	Carried
Ordinary Resolution 6	364,473,570	99.9940	21,713	0.0060	Carried
Ordinary Resolution 7	92,131,964	99.9998	213	0.0002	Carried
Ordinary Resolution 8	362,847,570	99.9929	25,713	0.0071	Carried
Ordinary Resolution 9	364,495,070	99.9999	213	0.0001	Carried
Ordinary Resolution 10	364,333,070	99.9945	20,213	0.0055	Carried

**ACTION**

Ordinary Resolution 11	90,741,964	99.9777	20,213	0.0223	Carried
Ordinary Resolution 12	364,495,083	99.9999	200	0.0001	Carried
Special Resolution 1	364,473,770	99.9941	21,513	0.0059	Carried

**19. CLOSURE OF MEETING**

There being no further business to be transacted, the Meeting ended at 12.31 p.m. with a vote of thanks to the Chair.

CONFIRMED AS A CORRECT RECORD

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DR CHAIRMAN

Dated:

## Boilermech Holdings Berhad – Minutes of 13th AGM held on 25 August 2023

## Questions And Answers in respect of Boilermech Holdings Berhad's 13th AGM held on 25 August 2023

No.	Questions	Answers
<b>Questions received from MSWG prior to AGM, and answered during AGM</b>		
1.	<p>In FY2023, Boilermech achieved an 18.8% growth in revenue to RM377.7 million. However, profit before tax (PBT) fell by 18.7% to RM20.9 million, mainly due to higher operating costs from the escalated raw material prices, labour wages and logistics costs, as well as foreign exchange fluctuations and provision for doubtful debt. (page 19 and 23 of Annual Report (AR) 2023)</p> <p>(a) How much was the increase in key raw material prices in FY2023? How was the trend over the last 12 months?</p> <p>(b) How much was the net forex loss and provision for doubtful debt in FY2023?</p> <p>(c) What is the budgeted capex for FY2024?</p> <p>(d) Based on your current outstanding orders, what is the outlook for profit margins?</p>	<p>(a) Generally, key raw material items recorded an increase of 10% to 25% over the previous financial year in RM terms.</p> <p>(b) The net forex loss for FY2023 was RM2.8 million while the net provision for doubtful debt was RM2.4 million.</p> <p>(c) We expect minor capex for production facility upgrade.</p> <p>(d) Profit margins is expected to recover and normalize after the commodity price spike in FY22/23 which resulted in low profit margins in previous year.</p>

## Boilermech Holdings Berhad – Minutes of 13th AGM held on 25 August 2023

No.	Questions	Answers
2.	<p>The additional revenue from the factory in Indonesia widened the Group's manufacturing footprint and record sales from the technical support division helped the Group to achieve the high growth in revenue. (page 24 of AR 2023)</p> <p>(a) How much was the revenue and operating profit achieved by the manufacturing plant in Indonesia in FY2023?</p> <p>(b) What was the average utilisation rate in FY2023?</p> <p>(c) What is the expected average utilisation rate for FY2024?</p>	<p>(a) Our Indonesia manufacturing plant had contributed less than 25% of revenue and operating profit of Bio-Energy segment.</p> <p>(b) We had achieved around 60% of the utilization for FY2023.</p> <p>(c) We are looking for a higher utilization rate of 85% in FY2024.</p>
3.	<p>The Solar Energy segment recorded a 44% decline in PBT to RM1.4 million in FY2023 despite registering a 9.9% increase in revenue to RM37.7 million. (page 23 of AR 2023)</p> <p>(a) What were the reasons for the significant decline in PBT? What measures are you taking to improve the profit margins for this segment?</p> <p>(b) What is the current outstanding order book for the Solar Energy segment?</p> <p>(c) Is this segment actively tendering for any EPCC projects? If so, what is the current tender book?</p>	<p>(a) The decline in PBT was adversely affected by the lower gross margin due to high panel prices during the earlier part of the year and competitive market. The management is focussing on optimising the procurement of panels to protect project margin and increasing business volume for economies of scale.</p> <p>(b) Order book for Solar Energy segment is positive and growing coupled with strong demand from residential market.</p> <p>(c) At the moment we stay focus on commercial and industrial solar projects including Power Purchase Agreement (PPA) projects. As for solar farm EPCC projects, the management continues to explore suitable opportunities when it arises.</p>

## Boilermech Holdings Berhad – Minutes of 13th AGM held on 25 August 2023

No.	Questions	Answers
4.	<p>Practice 5.9 of the Malaysian Code of Corporate Governance (MCCG) stipulates that 30% of the Board should comprise women. As of FY2023, there was only one-woman director which represents 14.3% female representation on the Board.</p> <p>Furthermore, there will be zero women representation on the Board after this AGM as Ms. Rina will retire at the conclusion of this AGM.</p> <p>What specific plans and strategies does the Board have in place to achieve a 30% women representation on the board as stipulated under MCCG?</p>	<p>We remain committed to promoting gender diversity within our organization's Board. The Group is actively identifying suitable candidates to ensure female representation at the Board within three months.</p>
<b>Questions from Shareholders as responded during AGM</b>		
1.	<p>Referring to the answer to MSWG's question 1(a), Mr Chee Sai Mun ("Mr Chee") enquired how was the price trend of the key raw materials over the last 12 months?</p>	<p>The price of key raw materials had increased from the beginning of 2022 and subsequently had been on a decline. These prices are expected to be stabilized in the near future.</p>
2.	<p>Referring to the answer to MSWG's question 2(a) where Indonesia manufacturing plant had contributed less than 25% of revenue and operating profit of Bio-Energy segment. Mr Chee was seeking clearer picture of the contribution of Indonesia plant in terms of revenue and profitability for the Boilermech Group.</p> <p>(a) Could you please provide the breakdown of the costs required to sustain a boiler manufacturing business in Indonesia?</p>	<p>(a) Boilermech has been actively exploring strategies to optimize its supply chain operations. For each contract entered by its Indonesia subsidiary, Management will assess carefully to optimize the supply chain including manufacturing location and procurement of materials in order to maintain highest level of quality and cost-effectiveness in its operations.</p>

## Boilermech Holdings Berhad – Minutes of 13th AGM held on 25 August 2023

No.	Questions	Answers
2.	<p>(b) Could you please provide more information about the average cost that had been incurred for Indonesia production?</p> <p>(c) With regards to answer to MSWG's question 3(a) where the decline in PBT was adversely affected by the lower gross margin due to high panel prices during the earlier part of the year and competitive market.</p> <p>What actions have the Management taken to optimize the procurement cost of solar panels?</p>	<p>(b) In FY2022, our Indonesia plant had experienced higher expenses due to start-up costs. However, we expect the cost structure to be competitive and comparable to that of Malaysia when we ramp-up the volume.</p> <p>(c) To cope with the price volatility of solar panels, the Group implemented material cost hedging strategies like reducing unhedged periods, optimizing panel procurement based on closely monitored sales activities and demand forecasts.</p>
3.	<p>Mr Chee commented on MSWG's question 4 which referred to 30% woman representation in the Board and he opined on the importance of having a diverse board composition and believes that directors should be selected based on various criteria including skills, knowledge, experience, professionalism, integrity and not solely on gender diversity.</p>	<p>Management noted on the comments.</p>
4.	<p>(a) Mr Teh Ken Guan asked whether the current financial year (FY2024) will have better result than FY2023?</p> <p>(b) Apart from inflation, could you comment on the challenges faced for skilled labors, such as engineers?</p>	<p>(a) Overall, FY2024 is expected to yield better results than FY2023, due to the stabilization of raw material prices. This improvement is reflected in the increased Gross Profit (GP) for the 1st Quarter of FY2024 barring external challenges posed by inflation and other factors.</p> <p>(b) The weak Malaysian Ringgit and high inflation have added on the skilled workforce shortage in Malaysia. The Group is looking into diversifying its talent pool, enhancing employee's engagement, focusing on talent retention and development in order to address these challenges.</p>

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No.	Questions	Answers
4.	(c) How does the growth of the solar energy segment compare with that of the water treatment segment?	(c) While our water treatment segment is operating at a stable and optimal stage, our solar energy segment is still in a phase of growth and expansion. We are making good progress, and foresee an opportunity to scale up our solar energy business.
5.	Mr Ting Sie Hang asked about the reasoning behind the share buy-back exercise, as he believes the Company to be financially strong and consistently profitable. He finds it difficult to foresee any significant risk of a crash in the share price.	Having a share buy-back mandate provides us with the flexibility to purchase the Company's shares when they are undervalued. A share buy-back exercise is expected to maintain the stability of the Company's share prices.  Moreover, the purchased shares which are held as treasury shares, can later be used for purposes such as employee share scheme or consideration for asset acquisitions etc.
6.	<p>Mr Tan Zhi How noted that the construction and delivery process for boilers will normally require around 10 months from the receipt of the order.</p> <p>(a) Could you please provide us with a comparison of the order book for FY2023 vs FY2024?</p> <p>(b) Concerning the distribution channels, does your Company actively seek out customers, or do you normally wait for customers to approach you? What is the usual scenario?</p> <p>(c) Considering the market saturation in terms of growth potential, given approximately 450 palm oil mills in Malaysia, how would Boilermech, as a major market player (with 60% - 70% market share) to unlock the potential of upgrading works of the existing mills?</p>	<p>(a) It is the Company's policy not to disclose detailed information of order book to shareholders. We continue to strive to maintain a minimum one-year order book.</p> <p>(b) Boilermech is an established leading boiler manufacturer and provider with a strong reputation and a solid presence in the market. The concerted efforts by our Sales team through customer relationship management garners word-of-mouth referrals and regular enquiries. Meanwhile, the After Sales team maintains our key focus to provide sales coverage for existing palm oil mills. They actively seeking opportunities for repairs, technical support and upgrades for biomass boilers.</p> <p>(c) Boilermech had over the years adopted key strategies to diversify and expand the Company's product offerings in keeping to its environmental sustainability goals. We are leveraging our market position in palm oil mills to expand products offerings beyond biomass power generation into solar energy and water treatment for palm oil mills.</p>

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No.	Questions	Answers
6.	<p>(d) As highlighted by the Company, diversifying our product range, including the adoption of water treatment solutions required by palm oil mills, is a key growth area. It is particularly important in order to comply with government policies in country like Indonesia.</p> <p>Could you please provide more details of palm oil mills in Malaysia and Indonesia that have implemented water treatment plants?</p> <p>(e) Could you please provide information on which components of the boiler are manufactured in-house and which ones are sourced externally?</p>	<p>(d) The level of adoption of water treatment solutions by palm oil mills may vary depending on the requirement of the respective local authority. As environmental standards in both Malaysia and Indonesia become more stringent, the demand for effective water treatment solutions is expected to rise.</p> <p>(e) The key components of the boilers, such as pressure vessels, drums, tubes and combustion grates are produced in-house. Other components such as instruments and facility structures are normally outsourced to external parties.</p>
7.	<p>Mr Chee suggested the Company to acquire a palm oil plantation and develop a business model based on the clean energy concept. This model encompasses elements such as water treatment, generation of biogas power and solar power which align with Environmental, Social, and Governance (ESG) initiatives, to reflect our commitment in sustainability and responsible business practices.</p>	<p>At this moment, we are not planning to enter into the palm oil plantation business that requires management expertise, technical capabilities and also demand significant management resources. Instead, we remain focused on the transition towards sustainable energy sources, which presents greater opportunities and potential to our group.</p>
8.	<p>Mr Francis Ng Zhen An posed the following questions:</p> <p>(a) What is the life cycle of a boiler?</p>	<p>(a) Typically, a boiler has a lifespan of 15 to 20 years. Boilers that are subjected to heavier usage may require upgrades in less than 15 years.</p>

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No.	Questions	Answers
8.	(b) In terms of comparing energy generated by biomass and solar, which one would be a more viable investment for palm oil millers, considering factors such as start-up cost and profit margin?	(b) Biomass power generation can be viable investment if the palm oil mill posses power grid connection and excess biomass from its operations. On the other hand, generating solar power is usually more straightforward, especially with rooftop installations. However, solar power generally yields lower power generation as compared to a biomass plant. Currently, the electricity tariff in Malaysia for biomass generated power is less attractive than solar power.
9.	Mr Chee brought up the issue of the meeting allowance, which stands at RM2,000 per meeting for each Malaysian Director and SGD1,800 for each Singaporean Director. He asked how the Management would address this gap. Mr Chee also enquired whether meetings are normally conducted virtually or in-person, and whether any travel costs are covered by the Company.	<p>The meeting allowances for Directors from Singapore and Malaysia are based on the allowances given to Directors of public listed companies in their countries. The Company will take into consideration of Mr Chee’s suggestion to manage the costs effectively.</p> <p>Other than Movement Control Order (MCO) period, Board meetings are normally held in-person and travel cost of Directors are covered by the Company.</p>
10.	<p>Mr Chee addressed the issue of the waiver being sought from shareholders for their pre-emptive rights over all new ordinary shares to be issued under Sections 75 and 76 of the Companies Act 2016.</p> <p>He further sought clarification whether the Company could proceed with a private placement by a third party, assuming the shareholders given their waiver.</p> <p>In addition, Mr Chee expressed his interest in participating in the private placement.</p>	<p>In the event that the resolution is approved by shareholders, it would authorize the Directors to execute a private placement exercise for up to 10% of the existing total issued shares without the need for further approval at a general meeting. The Company is required to comply with regulatory requirements imposed by Bursa Malaysia and the Securities Commission Malaysia and all other regulatory bodies for implementation of private placement exercise. An official announcement will be made to Bursa Malaysia during the private placement exercise. This exercise will be facilitated by a placement agent and principal adviser appointed by the Company.</p>