

**BOILERMECH HOLDINGS BERHAD**  
(Company No: 897694-T)  
(Incorporated In Malaysia)

Minutes of the **8th 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, 24 August 2018** at **10.00 a.m.**

PRESENT : As per Attendance List

IN ATTENDANCE : Ms. Angeline Ng Sek Oi – Company Secretary

**ACTION**

**1. CHAIRMAN**

1.1 Dr. Chia Song Kun presided as Chairman of the meeting and welcomed all present to the 8th Annual General Meeting ("AGM") of the Company.

**2. QUORUM**

2.1 The Secretary confirmed that a quorum was present for the meeting pursuant to Article 56 of the Company's Articles of Association.

2.2 The Secretary further informed that 22 valid proxy forms were received within the prescribed period for the 8th AGM, which represented a total of 229,911,782 shares or 44.56% of the issued and paid-up share capital of the Company.

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

**3. NOTICE**

3.1 The notice of meeting having been circulated earlier was taken as read.

**4. SLIDE PRESENTATION ON THE COMPANY'S DEVELOPMENT**

4.1 Before proceeding with the agenda items, Mr Chia Lik Khai, the Deputy Managing Director, gave a presentation on the Company's corporate and operational developments.

4.2 After the presentation by Mr Chia Lik Khai, the Chairman welcomed questions from the floor on the Company's corporate and operational matters.

**ACTION**

4.3 The following enquiries were made by shareholders and/or proxies present and duly addressed by members of the Board:-

(i) Capital Expenditure Plans

The Group has no firm capital expenditure plans as yet. The Company's manufacturing plant at Lot 875, Jalan Subang 8, Taman Perindustrian Subang, 47620 Subang Jaya ("Lot 875") has the space and capacity to meet current operational needs and those of the near future.

Management is looking into expanding the Group's fabricating base to Indonesia to strengthen the Group's market presence there, however no firm plans were in place as yet. As the top palm oil producing country in the world, Indonesia is a major contributor to the Group's core business in palm oil mill boilers. Management recognizes the potential benefits of strengthening and expanding the Company's market share in Indonesia, particularly in boiler sales and repair and maintenance services.

(ii) Capacity and Utilization Rate of the Group's Manufacturing Plant

The Company's manufacturing plant at Lot 875 has the capacity to produce about 70 to 80 boilers a year based on normal working hours. The utilization rate based on FYE 2018 output is about 50 boilers.

(iii) How does Boilermech manage its profit margins with the increase in labour and material costs

Labour and material costs are market driven and with more new players joining in the palm oil mill boiler market, the Company also faces stiff pricing competition. To manage this and to remain competitive in the market, the Company leverages on the size of our procurement and other means of improving cost efficiency. Meanwhile, the Company also focuses on developing other areas such as emission control systems and boiler repair and maintenance services.

(iv) The Group's Cash position

Through prudent management of resources, the Group's cash position remains strong with no major capital expenditures and very low gearing. Hence, the Board has decided to recommend an increase in the final dividend payout to shareholders from 1.50 sen per ordinary share in FYE 2017 to 1.75 sen per ordinary share for FYE 2018. This will be tabled for shareholders' approval as part of the agenda for this AGM.

(v) Water Treatment Segment's Performance

The Group's water treatment segment under the subsidiary, Teknologi Enviro-Kimia (M) Sdn Bhd ("TEK") continues to grow steadily through its water treatment products and solutions and biogas business. A number of new biogas projects were procured in FYE 2018, of which most of the revenue is expected to be recognized in FYE 2019. Most of TEK's projects are currently in Sarawak, where TEK is based, but they are working on growing their business beyond Sarawak to cover more of Sabah and Peninsular Malaysia.

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

5.1 The Chairman then proceeded to inform the meeting on the proceedings of the 8th 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 8th AGM would be conducted by way of poll.

5.2 To facilitate the smooth running of the meeting, 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 have 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 2018**

6.1 The Chairman welcomed questions from the floor with regards to the Statutory Financial Statements and Reports for FYE 31 March 2018.

6.2 There were no questions raised by the shareholders on the Statutory Financial Statements and Reports for FYE 31 March 2018. 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 does not require the formal approval from the shareholders.

6.3 The Chairman declared the Statutory Financial Statements of the Company and the Group for the financial year ended 31 March 2018 together with the Reports of the Directors and Auditors thereon as properly laid and received.

**ACTION**

**7. APPROVAL OF DIRECTORS' FEES AND BENEFITS (COMPRISING MEETING ALLOWANCES) TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY FOR THE PERIOD COMMENCING FROM THE CONCLUSION OF THE 8TH ANNUAL GENERAL MEETING ("AGM") UNTIL THE NEXT AGM OF THE COMPANY**

7.1 The following fees and benefits (comprising meeting allowances) to the Non-Executive Directors ("NED") of the Company for the period commencing from the conclusion of the 8th AGM until the next AGM of the Company, were tabled for shareholders' approval:-

- (i) Directors' fees amounting to RM32,000 and SGD2,500 per month; and
- (ii) Meeting allowance of RM2,000 per Malaysian NED and SGD1,800 per Singaporean NED per meeting day.

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

"THAT the payment of Directors' fees to the Non-Executive Directors of the Company amounting to RM32,000 and SGD2,500 per month for the period commencing from the conclusion of the 8th AGM until the next AGM of the Company be hereby approved."

"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 8th AGM until the next AGM of the Company be hereby approved."

**8. RE-ELECTION OF DIRECTORS**

**8.1 Re-election of Dr Chia Song Kun**

As the above motion was pertaining to the Chairman's re-election as Director, the Chairman had proposed and the shareholders had no objections for Mr Low Teng Lum, the Independent Director and Chairman of the Audit Committee, to take over the Chairmanship of the meeting in the tabling of the above motion.

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

"THAT Dr Chia Song Kun retiring pursuant to Article 78 of the Company's Articles of Association be and is hereby re-elected as a Director of the Company."

Mr. Low Teng Lum handed the Chair back to Dr. Chia Song Kun after the tabling of the above motion.

**8.2 Re-election of Mr Leong Yew Cheong**

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

“THAT Mr Leong Yew Cheong retiring pursuant to Article 78 of the Company’s Articles of Association be and is hereby re-elected as a Director of the Company.”

**8.3 Re-election of Mr Low Teng Lum**

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

“THAT Mr Low Teng Lum retiring pursuant to Article 78 of the Company’s Articles of Association be and is hereby re-elected as a Director of the Company.”

**9. APPROVAL OF FINAL SINGLE TIER DIVIDEND**

9.1 A final single tier dividend of 1.75 sen per ordinary share amounting to RM9,030,000 for the financial year ended 31 March 2018 was tabled for the shareholders’ approval.

9.2 There were no questions raised from the shareholders 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 2018 be and is hereby approved for payment.”

**10. RE-APPOINTMENT OF MESSRS. CROWE MALAYSIA AS AUDITORS OF THE COMPANY**

---

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

“THAT Messrs. Crowe Malaysia 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.”

**11. AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

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

“THAT, subject to the Companies Act 2016, the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad and other relevant government/regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot shares in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of the issued shares (excluding treasury shares) for the time being AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

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

12.1 As the Chairman was an interested party in the above proposed motion, he proposed that Mr Low Teng Lum take over the Chairmanship in the tabling of the above motion. With no objections raised by the shareholders, Mr Low Teng Lum took over the Chair and tabled the above motion for shareholders’ approval.

12.2 It was highlighted that the Interested Directors, who are Dr Chia Song Kun, Mr Chia Lik Khai and Mr Chia Seong Fatt and the Interested Major Shareholders, who are QL Green Resources Sdn Bhd, Dr Chia Song Kun and Mr Chia Seong Fatt and persons connected to them, would be abstaining from expressing any opinions and voting on the above motion.

12.3 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 2018 (“the Circular”), subject further to the following:

**ACTION**

- (i) the Recurrent Related Party Transactions are entered into in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arms' length basis and are not to the detriment of the minority shareholders of the Company;
- (ii) the disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year, amongst others, based on the following information:
  - (a) the type of Recurrent Related Party Transactions made; and
  - (b) the names of the related parties involved in each type of Recurrent Related Party Transaction made and their relationship with the Company;
- (iii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:
  - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM, at which this shareholders' mandate will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
  - (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 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 and/or any of them be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution;

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

- 12.4 Mr. Low Teng Lum handed the Chair back to Dr. Chia Song Kun after the tabling of the above motion.

**ACTION**

**13. CONDUCT OF POLL**

- 13.1 The meeting was adjourned at 11.30 a.m. for the conduct of the poll and was re-convened at 11.50 a.m. after the votes had been counted and verified by the Official Scrutineers, Messrs Coopers Professional Scrutineers Sdn Bhd.

**14. ANNOUNCEMENT OF POLL RESULTS**

- 14.1 The representative from the Official Scrutineers, Messrs Coopers Professional Scrutineers Sdn Bhd read out the results of the poll for each resolution tabled at the 8th AGM. With the report from the Official Scrutineers in hand, the Chairman announced that all the resolutions tabled at the Company's 8th AGM had been approved by the shareholders and proxies present and thereby declared all the resolutions tabled as carried.

**15. CLOSURE OF MEETING**

- 15.1 There being no further business, the meeting was closed at 12.00 p.m. with a vote of thanks to the Chairman.

CONFIRMED AS A CORRECT RECORD

.....  
CHAIRMAN

Dated: