

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

Minutes of the **9th 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 Monday, 19 August 2019 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 9th 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 24 valid proxy forms were received within the prescribed period for the 9th AGM, which represented a total of 228,288,772 shares or 44.24% 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 questions were raised by shareholders and/or proxies present and duly addressed by members of the Board and/or Management team:-

(i) What are the Company's strategies in addressing the decrease in Revenue from the Bio-Energy ("BE") segment

The slowdown in the global economy in general and in the palm oil industry, in which the Company's biomass boiler business mainly operate, had affected our BE segment's performance the past 3 years. Recognizing the need to lessen our dependence on the palm oil industry, the Company has since diversified into other businesses which are synergistic with the Company's agenda as a sustainable environmental solutions provider.

One of our diversification strategies includes our venture into the water treatment business 3 years ago through the acquisition of Teknologi Enviro-Kimia (M) Sdn Bhd ("TEK"), a total water management solutions company. TEK's products and services complements our BE businesses well and its steady contribution has helped to cushion the drop in the Group's revenue.

The Company is also embarking on expansion plans in Indonesia, our biggest customer market. We have initiated plans to set up our own manufacturing plant in Surabaya and have also set up a repair and service workshop cum warehouse in Medan to cater to the ready demand for boiler repair and maintenance services there.

We expect Indonesia to maintain its leading position in the world's palm oil market and these expansion plans will enable us to further strengthen our presence and marketing reach, both in boiler sales and boiler repair services and improve our cost competitiveness of boiler supply in Indonesia.

(ii) Difference between Contract Assets and Contract Liabilities

As defined in the Notes to the Company's Financial Statements for the year ended 31 March 2019, the difference between Contract Assets and Contract Liabilities are as follows:-

- Contract Assets primarily relate to the Company's right to consideration for construction works completed on construction contracts but not yet billed as at the reporting date and the amount to be invoiced within 12 months.
- Contract Liabilities primarily relate to advance considerations received from customers for construction services of which the revenue will be recognized over the remaining contract term of the specific contract it relates to, within 12 months.

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

- 5.1 The Chairman then proceeded to inform the meeting on the proceedings of the 9th AGM and voting proceedings. He explained that voting for all the resolutions to be tabled at the 9th AGM would be conducted by way of poll, in line with Bursa Malaysia Securities Berhad's Listing Requirements.
- 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 2019**

- 6.1 The Chairman welcomed questions from the floor with regards to the Statutory Financial Statements and Reports for FYE 31 March 2019.
- 6.2 There were no questions raised by the shareholders on the Statutory Financial Statements and Reports for FYE 31 March 2019. 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 2019 together with the Reports of the Directors and Auditors thereon as properly laid and received.

**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 9TH 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 9th 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.

**ACTION**

- 7.2 There were no questions raised from the shareholders on the proposed motion. Based on the poll results, it was unanimously 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 9th 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 9th AGM until the next AGM of the Company be hereby approved.”

**8. RE-ELECTION OF DIRECTORS**

**8.1 Re-election of Mr Chia Lik Khai**

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

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

**8.2 Re-election of En. Mohd Yusof Bin Hussian**

- 8.2.1 Before laying the proposed motion on En. Mohd Yusof Bin Hussian’s retirement and re-election as Director pursuant to Article 78 of the Company’s Articles of Association, the Chairman informed that En. Mohd Yusof will be reaching his 9 years tenure as Independent Director of the Company in March 2020. The Chairman further mentioned that Mr Low Teng Lum, another Independent Director, will also be reaching his 9 years tenure as Independent Director in October 2019.

- 8.2.2 In accordance with the recommended practice of the Malaysian Code on Corporate Governance, both the above Directors have informed the Board that they will not be seeking an extension of tenures on the Board upon reaching their respective 9 years tenure as Independent Directors. As such, if re-elected, En. Mohd Yusof Bin Hussian’s tenure on the Board shall only be until March 2020 when he reaches his 9 years tenure as Independent Director.

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

“THAT En. Mohd Yusof Bin Hussian 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 Ho Cheok Yuen

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

“THAT Mr Ho Cheok Yuen 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 2.00 sen per ordinary share amounting to RM10,320,000 for the financial year ended 31 March 2019 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 unanimously RESOLVED:-

“THAT the payment of a final single tier dividend of 2.00 sen per ordinary share amounting to RM10,320,000 for the financial year ended 31 March 2019 be and is hereby approved for payment.”

**10. RE-APPOINTMENT OF MESSRS. CROWE MALAYSIA PLT 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 unanimously RESOLVED:-

“THAT Messrs. Crowe Malaysia 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.”

**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 unanimously 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 AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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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, Mr Chia Seong Fatt and Mr Yong Hua Kong 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 unanimously 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 Sections 2.2 and 2.3 of the Circular to the Shareholders dated 19 July 2019 (“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 Transactions made and their relationship with the Company;
- (iii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:
  - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM, at which this shareholders' mandate will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
  - (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

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 Sections 2.2 and 2.3 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 2.5 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.

**13. PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY**

- 13.1 The Chairman informed that the above motion is in accordance with Bursa Malaysia's directive for all listed companies to adopt a new constitution by year 2019 and is consistent with the Companies Act 2016, Bursa Malaysia's Listing Requirements and other prevailing regulatory requirements. Based on the poll results, it was unanimously RESOLVED:-

"THAT approval be and is hereby given for the adoption of the New Constitution of the Company as set out in Appendix II of the Circular to Shareholders dated 19 July 2019, in place of the existing Memorandum and Articles of Association of the Company with immediate effect AND THAT the Directors of the Company be and are hereby authorized 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 full effect to the Proposed Adoption of New Constitution of the Company with full powers to assent to any conditions, variations, modifications and/or amendments as may be required by the relevant authorities."

**14. CONDUCT OF POLL**

- 14.1 The meeting was adjourned at 10.40 a.m. for the conduct of the poll and was re-convened at 11.10 a.m. after the votes had been counted and verified by the Official Scrutineers, Messrs Coopers Professional Scrutineers Sdn Bhd.

**15. ANNOUNCEMENT OF POLL RESULTS**

- 15.1 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 9th AGM. With the report from the Official Scrutineers in hand, the Chairman announced that all the resolutions tabled at the Company's 9th AGM had been unanimously approved by the shareholders and proxies present and thereby declared all the resolutions tabled as carried.

**16. CLOSURE OF MEETING**

- 16.1 There being no further business, the meeting was closed at 11.20 a.m. with a vote of thanks to the Chairman.

CONFIRMED AS A CORRECT RECORD

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CHAIRMAN

Dated: