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BOILERMECH

BOILERMECH HOLDINGS BERHAD

Registration No. 201001013463 (897694-T)
(Incorporated in Malaysia)

PART A

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED SHARE BUY BACK AUTHORITY OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY

PART B

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART C

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED CHANGE OF NAME OF THE COMPANY FROM BOILERMECH HOLDINGS BERHAD TO BM GREENTECH BERHAD

(COLLECTIVELY KNOWN AS "THE PROPOSALS")

The resolutions in respect of the above Proposals will be tabled as a Special Business at the 13th Annual General Meeting ("AGM") of Boilermech Holdings Berhad which will be held at Throne, Empire Hotel Subang, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan on Friday, 25 August 2023 10:00 a.m.. The notice of the 13th AGM of the Company together with the Proxy Form, Administrative Guide and this Circular/Statement are available to be downloaded from the Company's website <http://www.boilermech.com/aggm/>.

A member entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend and to vote on his behalf. In such event, the Proxy Form should be lodged at the Share Registrar of Boilermech Holdings Berhad, 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 or electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiah.online> not less than forty-eight (48) hours before the time stipulated for holding the AGM. The lodging of the Proxy Form does not preclude you from attending and voting at the AGM, should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Wednesday, 23 August 2023 at 10.00 a.m.

Date and time of the AGM : Friday, 25 August 2023 at 10.00 a.m.

This Circular/Statement is dated 26 July 2023

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular/Statement:-

“Act”	:	Companies Act 2016 and includes any amendments thereto from time to time
“AGM”	:	Annual General Meeting
“BCSB”	:	Boilermech Cleantech Sdn Bhd Registration No. 201101013494 (941634-K)
“Board”	:	Board of Directors of Boilermech
“Boilermech” or “Company”	:	Boilermech Holdings Berhad Registration No. 201001013463 (897694-T)
“Boilermech Group” or “Group”	:	Boilermech and its subsidiaries, collectively
“Boilermech Share(s) or Shares”	:	Ordinary share(s) in Boilermech
“BOSB”	:	Boilermech Oretch Sdn Bhd Registration No. 201401015347 (1091434-K)
“BSB”	:	Boilermech Sdn Bhd Registration No. 198001004313 (58098-U)
“CCM”	:	Companies Commission of Malaysia
“Bursa Securities”	:	Bursa Malaysia Securities Berhad Registration No. 200301033577 (635998-W)
“Code”	:	Malaysian Code on Take-Overs and Mergers 2016, read together with the Rules on Take-Over, Merger and Compulsory Acquisition 2016, including any amendments that may be made from time to time
“Director(s)”	:	Directors of the Company and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007
“EPS”	:	Earnings per share
“EITA”	:	EITA Resources Berhad Registration No. 199601026396 (398748-T)
“EITA Group”	:	EITA and its subsidiaries, collectively
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities and includes any amendments thereto from time to time
“LPD”	:	30 June 2023, being the latest practicable date prior to the printing of this Circular/Statement

DEFINITIONS (CONT'D)

- “Major Shareholder(s)” : Any person who has an interest or interests in one or more voting shares in Boilermech and the number or aggregate number of those shares, is:-
- i. 10% or more of the total number of the voting shares in Boilermech; or
 - ii. 5% or more of the total number of the voting shares in Boilermech where such person is the largest shareholder of Boilermech.
- For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act and a major shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the RRPT(s) were agreed upon, a major shareholder of Boilermech as defined under Paragraph 1.01 of the Listing Requirements or any other company which is its subsidiary or holding company
- “Market Day” : A day on which the stock market of Bursa Securities is open for trading in securities, which may include Surprise Holiday
- “NA” : Net Assets
- “Primem” : Primem Pte Ltd
Registration No. 201819246D
- “Primem Group” : Primem and its subsidiaries, collectively
- “MB Group” : M.B. Agriculture (Sabah) Sdn Bhd [Registration No. 199001017249 (208918-W)] and M.B. Agriculture (Sandakan) Sdn Bhd [Registration No. 198601001857 (151000-A)], collectively
- “Person(s) Connected” : In relation to a Director or a Major Shareholder of Boilermech, means such person who falls under any one of the following categories:-
- i. a family member of the Director or Major Shareholder;
 - ii. a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder is the sole beneficiary;
 - iii. a partner of the Director or Major Shareholder;
 - iv. a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
 - v. a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
 - vi. a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;

DEFINITIONS (CONT'D)

	vii.	a body corporate or its directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
	viii.	a body corporate in which the Director, Major Shareholder and/or Persons Connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
	ix.	a body corporate which is a related corporation.
"Proposals"	:	Collectively, Proposed Renewal of Shareholders' Mandate, Proposed Share Buy-Back Authority and Proposed Change of Name
"Proposed Share Buy Back"	:	Proposed purchase by the Company of its own shares of up to ten percent (10%) of its total number of issued shares
"Proposed Share Buy Back Authority"	:	Proposed shareholders' mandate for the authority to the Company to purchase its own Shares of up to ten percent (10%) of its total number of issued shares
"Proposed Renewal of Shareholders' Mandate"	:	Proposed renewal of shareholders' mandate for the existing RRPT(s) to be entered into from the date of the forthcoming 13th AGM to the next AGM of the Company as set out in Section 2.2 of this Circular
"Proposed Change of Name"	:	Propose change of the Company's name
"PTBM"	:	PT Boilermech Registration No. 8120113103004
"PTBMI"	:	PT Boilermech Manufacturing Indonesia Registration No. 9120507132525
"QLB"	:	QL Resources Berhad Registration No. 199701013419 (428915-X)
"QLGR"	:	QL Green Resources Sdn Bhd Registration No. 198101003375 (69489-D)
"QLB Group"	:	QLB and its subsidiaries, collectively
"Related Party(ies)"	:	A Director, a Major Shareholder or a Person Connected with such Director or Major Shareholder
"Recurrent Related Party Transaction(s) or "RRPT(s)"	:	A related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of Boilermech Group
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"Shares Purchased"	:	Boilermech Shares to be purchased by the Company pursuant to the Proposed Share Buy Back Authority
"Statement"	:	Share buy back statement in relation to the Proposed Share Buy Back Authority dated 26 July 2023

DEFINITIONS (CONT'D)

"SC"	: Securities Commission Malaysia
"Substantial Shareholder(s)"	: A person who has an interest in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than five percent (5%) of the total number of all the voting shares in the Company as defined in Section 136(1)(a) of the Act
"Surprise Holiday"	: A day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
"Treasury Share(s)"	: Shares purchased by the Company, which are retained as treasury shares
"TEK"	: Teknologi Enviro-Kimia (M) Sdn Bhd Registration No. 199501021717 (350920-V)
"TEKB"	: TEK Biotechnology Sdn Bhd Registration No. 201501023272 (1148601-T)
"TEKG"	: T.E.K. Greencare Sdn Bhd Registration No. 200801002163 (803447-U)
"TEKW"	: T.E.K. Water Sdn Bhd Registration No. 200101013314 (549071-T)
"TERA"	: Tera VA Sdn Bhd Registration No. 201101001113 (929247-P)
"ZISB"	: Zenith Index Sdn Bhd Registration No. 201101026339 (954475-T)

All references to "you" in this Circular/Statement are referred to Boilermech's shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular/Statement to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Circular/Statement shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this Circular/Statement between the amounts listed, actual figures and the totals thereof are due to rounding.

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PART A

STATEMENT TO SHAREHOLDERS IN RELATION TO
THE PROPOSED SHARE BUY BACK AUTHORITY



BOILERMECH

BOILERMECH HOLDINGS BERHAD

Registration No. 201001013463 (897694-T)
(Incorporated in Malaysia)

Registered Office

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

26 July 2023

Board of Directors

Dr. Chia Song Kun	<i>(Non-Independent Non-Executive Chairman)</i>
Chia Lik Khai	<i>(Group Managing Director)</i>
Chia Seong Fatt	<i>(Alternate Director to Chia Lik Khai)</i>
Gan Chih Soon	<i>(Executive Director)</i>
Tee Seng Chun	<i>(Alternate Director to Gan Chih Soon)</i>
Ng Swee Weng	<i>(Independent Non-Executive Director)</i>
Ho Cheok Yuen	<i>(Independent Non-Executive Director)</i>
Adrian Chair Yong Huang	<i>(Independent Non-Executive Director)</i>
Rina Meileene Binti Adam	<i>(Independent Non-Executive Director)</i>

To: The Shareholders of Boilermech Holdings Berhad

Dear Sir/ Madam,

PROPOSED SHARE BUY BACK AUTHORITY

1. INTRODUCTION

On 6 July 2023, the Board announced to Bursa Securities that the Company is proposing to seek its shareholders' approval for the authority to purchase its own shares of up to ten percent (10%) of the total number of issued shares at the forthcoming Thirteenth (13th AGM) to be convened.

The purpose of this statement is to provide you with details of the Proposed Share Buy Back Authority and to seek your approval for the Ordinary Resolution pertaining thereto to be tabled at the forthcoming AGM of the Company.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHARE BUY BACK AUTHORITY AT THE FORTHCOMING 13TH AGM.

2. INFORMATION ON THE PROPOSED SHARE BUY BACK AUTHORITY

2.1 DETAILS OF THE PROPOSED SHARE BUY BACK AUTHORITY

Your Directors propose that the shareholders give authority for the Company to purchase such amounts of its own Shares as may be determined by the Directors from time to time through Bursa Securities so that the net amount of Shares bought back or held as Treasury Shares do not exceed ten percent (10%) of the Company's total number of issued shares at any one time subject to compliance with the provisions of the Companies Act 2016, the Listing Requirements of Bursa Securities and/or any other relevant authorities.

The authority for the Proposed Share Buy Back shall commence upon passing of the Ordinary Resolution at the forthcoming 13th AGM, and will continue to be in force until:-

- (i) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by ordinary resolution passed at that general meeting, the authority is renewed either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

2.2 MAXIMUM NUMBER OR PERCENTAGE OF SHARES TO BE ACQUIRED

The maximum aggregate number of Boilermech Shares which may be purchased by the Company shall not exceed ten percent (10%) of the total number of issued shares of the Company in compliance with Paragraph 12.09 of the Listing Requirements.

As at LPD, the maximum number of Boilermech Shares that can be purchased and/or held by the Company will be as follows:

	No. of Shares
Total number of issued shares of Boilermech	516,000,000
10% of the total number of issued shares	51,600,000
Maximum number of shares which may be purchased in respect of the Proposed Share Buy Back	51,600,000

The actual number of Shares to be purchased, the total amount of funds to be utilised as well as the timing of the Proposed Share Buy Back will be dependent on, among others, market conditions, the availability of the retained profits, and the financial resources available to Boilermech as well as Bursa Securities' requirement to maintain the minimum shareholding spread and minimum share capital.

2.3 PURCHASE PRICE

The Company may only purchase its own Shares at a price which is not more than fifteen percent (15%) above the VWAP for the Shares for the five (5) market days immediately preceding the date of the purchase(s).

2.4 FUNDING

The maximum amount of funds to be allocated for the Proposed Share Buy Back will be subject to the retained profits of the Company. The Proposed Share Buy Back will be funded from internally generated funds of the Company and/or borrowings.

The Proposed Share Buy Back is likely to reduce the working capital and cash flow of the Company, the quantum of which depends on the purchase price and the actual number of Shares purchased. However, it is not expected to have a material effect on the working capital and cash flow of its subsidiaries.

The retained profits of the Company based on its audited financial statements as at 31 March 2023 is RM55,885,205.

2.5 IMPLICATION OF THE CODE

Boilermech does not intend to exercise the Proposed Share Buy Back such that it will trigger any obligation to undertake a mandatory offer pursuant to the Code. However, in the event an obligation to undertake a mandatory offer is to arise with respect to any parties resulting from the Proposed Share Buy Back, the relevant parties shall make the necessary application to the Securities Commission Malaysia for an exemption to undertake a mandatory offer pursuant to the Code.

2.6 TREATMENT OF SHARES PURCHASED

Where the Directors resolve to cancel the Shares so purchased, the Company's total number of issued shares shall be diminished by the Shares so cancelled. Cancellation of Shares made pursuant to Section 127 of the Companies Act 2016, shall not be deemed to be a reduction of share capital.

If the Shares so purchased are retained as treasury shares and subsequently re-sold, distributed to the shareholders or transferred in the manner as stated therein, the Proposed Share Buy Back will have no effect on the total number of issued shares of the Company. However, the rights attaching to the treasury shares as to voting, dividends and participation in other distribution or otherwise will be suspended. While these Shares remain as treasury shares, the Act prohibits the taking into account of such Shares in calculating the number or percentage of Shares in the Company for any purpose whatsoever including, substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

Notwithstanding the above, the Company may:

- (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.

The decision of the Board on the above options will be made at an appropriate time. An immediate announcement will be made to Bursa Securities as and when any purchase, cancellation and/or resale of Boilermech Shares are executed.

In the case of a re-sale of treasury shares or transfer the treasury shares pursuant to Section 127(7) of the Act, if any, the Company may only re-sell or transfer treasury shares on Bursa Securities at:

- (a) a price which is not less than the weighted average market price for the Shares for the 5 Market Days immediately before the resale or transfer; or
- (b) a discounted price of not more than 5% to the weighted average market price for the Shares for 5 Market Days immediately before the resale or transfer provided that:
 - (i) the resale or transfer takes place not earlier than 30 days from the date of purchase; and

- (ii) the resale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

3. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of the Company is 30.66%. The public shareholding spread is expected to be reduced to 22.95% assuming the Proposed Share Buy Back is implemented in full and all the Shares so purchased are cancelled.

The Company shall not buy back any shares if it results in the Company being in breach of the minimum public shareholding spread requirement of the Listing Requirements.

4. RATIONALE FOR THE PROPOSED SHARE BUY BACK AUTHORITY

The rationale for and the benefits of the Proposed Share Buy Back if exercised are as follows:

- (a) as a possible measure to assist towards stabilising the supply and demand for Boilermech Shares on Bursa Securities, which in turn is expected to foster investors' confidence;
- (b) if the Shares Purchased are subsequently cancelled, this may increase the consolidated earnings per share of Boilermech Group, which may have a positive impact on Boilermech's share price;
- (c) if the treasury shares are sold at prices higher than the purchase prices, potential gains may be realised and consequently increase Boilermech's working capital and NA; and
- (d) as a mechanism to reward shareholders in the event that the treasury shares are distributed as share dividend.

The potential disadvantages of the Proposed Share Buy Back to the Company and its shareholders are as follows:

- (a) the Proposed Share Buy Back, if implemented, will reduce the amount of financial resources available for distribution to the shareholders of the Company;
- (b) if the Company decides to utilise bank borrowings to finance the Proposed Share Buy Back, the Company's cash flow may be affected to the extent of the interest costs associated with such borrowings;
- (c) the funds allocated for the Proposed Share Buy Back could be used for other better investment opportunities which may emerge in the future; and
- (d) as the Proposed Share Buy Back can only be made wholly out of the Company's retained profits, it may result in the reduction of distributable reserves available for distribution to the shareholders.

The Proposed Share Buy Back is not expected to cause any potential material disadvantage to the Company and its shareholders as it will be exercised only after in-depth consideration of the financial resources of the Boilermech Group and of the consequential impact on its shareholders' interest. The Board will be mindful of the Company and its shareholders' interests in exercising the Proposed Share Buy Back.

5. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY BACK AUTHORITY

The effects of the Proposed Share Buy Back are as follows:

(i) Share Capital

In the event that the Company acquires the full ten percent (10%) of the total number of issued shares of the Company authorised under the Proposed Share Buy Back and all the Boilermech Shares so acquired are cancelled, the total number of issued shares of the Company will be as follows:

	No. of Shares
Total Number of Issued Shares as at LPD	516,000,000
Less: Shares purchased of up to 10% of the total number of issued shares pursuant to the Proposed Share Buy Back	(51,600,000)
Total Number of Issued Shares after the cancellation of all the Purchased Shares	<u>464,400,000</u>

(ii) NA and NA per Share

The Proposed Share Buy-Back is likely to reduce the NA per share of the Company and the Group if the purchase price exceeds the audited NA per share of the Group at the time of purchase, and will increase the NA per share of the Group if the purchase price is less than the audited NA per share of the Group at the time of purchase.

For Shares so purchased which are retained as treasury shares, the NA of the Group will increase upon the resale of these shares, assuming that a gain has been realised. Nevertheless, the quantum of the increase in NA will depend on the actual selling price of the Treasury Shares and the number of the said shares being resold.

(iii) Earnings and EPS

The earnings per share of the Group may increase depending on the number and purchase prices of the Shares Purchased. Similarly, based on the assumption that the Shares so purchased are treated as treasury shares, the extent of the effect on the earnings of the Group will depend on the actual selling price, the number of Treasury Shares resold and the effective gain or interest savings arising.

(iv) Working Capital

The working capital of Boilermech Group will be reduced to the extent of the amount of funds utilized for the purchases of the Shares but is not expected to have a material adverse effect on the working capital of Boilermech Group.

(v) Dividends

The Proposed Share Buy Back is not expected to adversely affect the payment of dividends as the amount of dividends to be paid will be reduced, as there will be less Shares qualifying for dividends whether the Shares so purchased are retained as Treasury Shares or are cancelled.

However, if the Shares so purchased are retained as Treasury Shares, they can be used for subsequent payment of dividends in the form of share dividends.

A final dividend of 1.75 sen per share under the single tier system has been proposed for the financial year ended 31 March 2023.

(vi) Cash Flow

The Proposed Share Buy Back is not expected to adversely affect the cash requirements of the Company as the cash outflow is not substantial.

6. SHAREHOLDINGS OF DIRECTORS AND MAJOR/SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at 30 June 2023, the number of Shares held by the Directors and Major/Substantial Shareholders of Boilermech respectively are as follows:

	Shareholdings in Boilermech as at the LPD				Proforma shareholdings in Boilermech as at the LPD after 10% Proposed Share Buy Back			
	Direct		Indirect		Direct		Indirect	
	No. of Boilermech Shares	%	No. of Boilermech Shares	%	No. of Boilermech Shares	%	No. of Boilermech Shares	%
Interested Major Shareholders								
QLGR	271,263,106	52.57	-	-	271,263,106	58.41	-	-
QLB	-	-	(a) 271,263,106	52.57	-	-	(a) 271,263,106	58.41
Dr. Chia Song Kun	400,000	0.08	(b) 271,263,106	52.57	400,000	0.09	(b) 271,263,106	58.41
CBG (L) Foundation	-	-	(c) 271,263,106	52.57	-	-	(c) 271,263,106	58.41
CBG (L) Pte. Ltd.	-	-	(d) 271,263,106	52.57	-	-	(d) 271,263,106	58.41
Substantial Shareholder								
Leong Yew Cheong	32,265,824	6.25	(e) 4,000,000	0.78	32,265,824	6.95	(e) 4,000,000	0.86
Interested Directors								
Dr. Chia Song Kun	400,000	0.08	(b) 271,263,106	52.57	400,000	0.09	(b) 271,263,106	58.41
Chia Lik Khai	500,000	0.10	-	-	500,000	0.11	-	-
Chia Seong Fatt	200,000	0.04	-	-	200,000	0.04	-	-
Adrian Chair Yong Huang	505,000	0.10	-	-	505,000	0.11	-	-
Gan Chih Soon	20,674,140	4.01	-	-	20,674,140	4.45	-	-
Tee Seng Chun	13,633,140	2.64	(f) 3,520,000	0.68	13,633,140	2.94	(f) 3,520,000	0.76

Notes:-

- (a) Deemed interest by virtue of its wholly-owned subsidiary, QLGR, pursuant to Section 8 of the Act.
- (b) Deemed interest by virtue of shares held by QLGR via his and his spouse's interest in CBG (L) Foundation, the holding company of CBG (L) Pte Ltd, which is a substantial shareholder of QLB, the holding company of QLGR.
- (c) Deemed interest by virtue of being the holding company of CBG (L) Pte. Ltd, i.e. a substantial shareholder of QLB, the holding company of QLGR.
- (d) Deemed interest by virtue of its substantial shareholding in QLB, the holding company of QLGR.
- (e) Deemed interest by virtue of his daughter's shareholdings in the Company.
- (f) Deemed interested by virtue of his spouse's shareholdings in the Company.

7. PURCHASE OF BOILERMECH SHARES, RESALE OR TRANSFER AND/OR CANCELLATION OF TREASURY SHARES IN THE PRECEDING TWELVE (12) MONTHS

There have not been any previous purchases of Boilermech Shares, resale, transfer and/or cancellation of treasury shares of the Company in the previous 12 months preceding this Statement as the Proposed Share Buy Back Authority is the first mandate sought by the Company. As at the date of this Statement, the Company does not hold any treasury shares.

8. MARKET PRICE OF THE COMPANY'S SHARES

The monthly highest and lowest prices of the Shares traded on Bursa Securities for the preceding twelve (12) months are as follows:

	High (RM)	Low (RM)
2022		
June	0.91	0.77
July	0.81	0.76
August	0.80	0.73
September	0.75	0.64
October	0.68	0.63
November	0.77	0.68
December	0.80	0.74
2023		
January	0.81	0.76
February	0.83	0.75
March	0.78	0.70
April	0.74	0.70
May	0.74	0.66

(Source: Bursa Securities Malaysia Berhad)

The last transacted market price of Boilermech Shares on 30 June 2023 (being the LPD) was RM0.77.

9. CONDITIONS OF THE PROPOSED SHARE BUY BACK AUTHORITY

The Proposed Share Buy Back Authority is conditional upon approval being obtained from the shareholders of the Company at the forthcoming 13th AGM.

10. INTERESTS OF DIRECTORS, MAJOR/SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save for the proportionate increase in the percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Share Buy Back, none of the Directors and/or Major/Substantial Shareholders of the Company and/or Person Connected with them has any interests, either direct or indirect, in the Proposed Share Buy Back.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

Your Directors, having considered all aspects of the Proposed Share Buy Back, are of the opinion that the Proposed Share Buy Back is in the best interests of the Boilermech Group and its shareholders. Accordingly, they recommend that you vote in favour of the resolution to be tabled as a special business at the forthcoming 13th AGM.

12. AGM

The forthcoming 13th AGM 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. for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Share Buy Back Authority pursuant to the agenda of Special Business as detailed in the Company's Notice of AGM.

If you are unable to attend and vote in person at the said AGM and wish to appoint a proxy or proxies to attend and vote on your behalf, you are requested to complete and return the Proxy Form which can be downloaded from the Company's website at www.boilermech.com in accordance with the instructions thereon to Boilermech'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 or electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time fixed for holding the AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

13. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix for further information.

Yours faithfully
For and on behalf of the Board of
BOILERMECH HOLDINGS BERHAD

NG SWEE WENG
Independent Non-Executive Director

PART B

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE



BOILERMECH

BOILERMECH HOLDINGS BERHAD

Registration No. 201001013463 (897694-T)
(Incorporated in Malaysia)

Registered Office

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

26 July 2023

Board of Directors

Dr. Chia Song Kun	<i>(Non-Independent Non-Executive Chairman)</i>
Chia Lik Khai	<i>(Group Managing Director)</i>
Chia Seong Fatt	<i>(Alternate Director to Chia Lik Khai)</i>
Gan Chih Soon	<i>(Executive Director)</i>
Tee Seng Chun	<i>(Alternate Director to Gan Chih Soon)</i>
Ng Swee Weng	<i>(Independent Non-Executive Director)</i>
Ho Cheok Yuen	<i>(Independent Non-Executive Director)</i>
Adrian Chair Yong Huang	<i>(Independent Non-Executive Director)</i>
Rina Meileene Binti Adam	<i>(Independent Non-Executive Director)</i>

To: The Shareholders of Boilermech Holdings Berhad

Dear Sir/ Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the AGM of the Company held on 26 August 2022, the Company had obtained the shareholders' mandate for the Group to enter into certain RRPT(s) based on terms set out in the circular to shareholders dated 25 July 2022. The said shareholders' mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM, which will be held on 25 August 2023, unless approval for the renewal of the shareholders' mandate is obtained from the shareholders of Boilermech at the forthcoming AGM.

Accordingly, the Board had on 6 July 2023 announced that the Company proposes to seek the approval of the shareholders for the Proposed Renewal of Shareholders' Mandate in compliance with Paragraph 10.09(2) of the Listing Requirements.

The purpose of this Circular is to provide the shareholders of Boilermech with the relevant information on the Proposed Renewal of Shareholders' Mandate and to seek the approval from the shareholders of Boilermech for the ordinary resolution pertaining thereto to be tabled at the forthcoming 13th AGM of Boilermech.

SHAREHOLDERS OF BOILERMECH ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING 13TH AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

Pursuant to Paragraph 10.09(1)(b) of the Listing Requirements, listed issuers with a share capital which is less than RM60 million must immediately announce a RRPT as follows :-

- i. the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
- ii. the percentage ratio of such RRPT is 1% or more,

whichever is the lower.

Pursuant to Paragraph 10.09(2) of the Listing Requirements, Boilermech may seek a mandate from its shareholders to enter into RRPT(s), subject to the following:-

- i. the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- ii. the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- iii. a circular to the shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft Circular relating to obtaining shareholders' mandate for new RRPT must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- iv. in a meeting to obtain shareholders' mandate, the relevant related party must comply with the requirements set out in Paragraph 10.08(7) of the Listing Requirements; and
- v. immediate announcement to Bursa Securities when the actual value of a RRPT entered into by Boilermech, exceeds the estimated value of the RRPT disclosed in the circular by **10%** or more and must include the information as may be prescribed by Bursa Securities in its announcement.

In the ordinary course of business, the Group will enter into RRPT(s) and it is anticipated that the Group will continue to enter into RRPT(s), the particulars of which are set out in **Section 2.2** of this Circular.

Accordingly, the Board seeks the shareholders' approval for the Proposed Renewal of Shareholders' Mandate from the date of the forthcoming 13th AGM until the next AGM of the Company.

Such transactions have been and will be made on terms which are not more favourable to the Related Party(ies) than those generally available to the public and are not to the detriment of the minority shareholders of Boilermech.

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The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders of Boilermech, will take effect from the date of the 13th AGM until:-

- i. the conclusion of the next AGM of Boilermech following the forthcoming 13th AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
 - ii. the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - iii. revoked or varied by resolution passed by the shareholders in a general meeting,
- whichever is the earlier.

Disclosure will be made in the Company's annual report in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of RRPT(s) entered into pursuant to the Proposed Renewal of Shareholders' Mandate for the financial year under review, providing amongst others, the following information:

- (a) type of the RRPT(s) entered into; and
- (b) names of the Related Parties involved in each type of RRPTs entered into and their relationship with the Company.

Thereafter, the approval from the shareholders of Boilermech will be sought for the renewal of the shareholders' mandate for the RRPT(s), as applicable, at each subsequent AGM of Boilermech.

2.1 Principal activities of the Boilermech Group

Boilermech is principally an investment holding company. As at the LPD, the principal activities of its subsidiary companies are as follows:-

Name	Effective equity interest (%)	Principal activities
BSB	100.00	Engaged in the business of manufacturing, repairing and servicing of boilers.
BCSB	100.00	Engaged in the business of dealing and installation of green solar power energy products and producing integrated biomass electric power generation system.
ZISB	100.00	Engaged in the business of manufacturing bio-energy systems.
BOSB	100.00	Engaged in the business of supplying palm oil recovery enhancement system.
PTBM	100.00	Engaged in trading services especially in repairing, servicing, installation and commissioning of biomass boilers.
PTBMI	100.00	Engaged in the business of manufacturing, repairing and servicing of boilers.

Name	Effective equity interest (%)	Principal activities
TEK	60.23	Engaged in the businesses of general trader and contractor of water treatment chemicals and equipment and investment holdings.
TERA	100.00	Engaged in the business of dealing and installation of green solar power energy products and electrical equipment.

Indirect subsidiaries held through TEK, their principal activities and Boilermech's effective equity interest held therein are as follows:-

Name	Effective equity interest (%)	Principal activities
TEKG	60.23	Inactive.
TEKW	60.23	Supplier of water treatment chemical and related accessories.
TEKB	48.18	Management services, technical consultancy service, project management, laboratory testing, trading and engineering works.

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2.2 Details of the RRPT(s) under the Proposed Renewal of Shareholders' Mandate

The details of the RRPT(s) entered into between Boilermech Group and the Related Parties are as follows:-

Transacting party	Nature of relationship	Nature of transaction	Estimated value as previously disclosed in the circular dated 25 July 2022 (RM'000)	Actual value transacted from the 12th AGM up to the LPD (RM'000)	Variance %	Variance Reason	Estimated value for the forthcoming 13th AGM to the next AGM (RM'000)
QLB Group ⁽¹⁾ and Boilermech Group ⁽²⁾	QLB is the ultimate holding company of Boilermech ⁽³⁾	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 QLB group of companies	45,000	6,557	<0	N/A	70,000
EITA Group and Boilermech Group ⁽²⁾	A substantial shareholder of EITA is connected to directors of Boilermech ⁽⁴⁾	Purchase of boiler electronic equipment and maintenance services from EITA Group	4,000	1,901	<0	N/A	4,000

2.2 Details of the RRPT(s) under the Proposed Renewal of Shareholders' Mandate (Cont'd)

Transacting party	Nature of relationship	Nature of transaction	Estimated value as previously disclosed in the circular dated 25 July 2022 (RM'000)	Actual value transacted from the 12th AGM up to the LPD (RM'000)	Variance %	Variance Reason	Estimated value for the forthcoming 13th AGM to the next AGM (RM'000)
Primem Group and Boilermech Group ⁽²⁾	A substantial shareholder of Primem Pte Ltd ("Primem") is a director of a subsidiary of Boilermech ⁽⁵⁾	Purchase of materials from Primem Group	2,500	476	<0	N/A	2,500
MB Group and Boilermech Group ⁽²⁾	Substantial shareholders of MB Group are connected to the Directors of Boilermech ⁽⁶⁾	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	3,000	91	<0	N/A	3,000

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Notes:-

- (1) QLB Group refers to subsidiaries and affiliated companies within QLB Group excluding Boilermech and its subsidiaries.
- (2) Includes any new subsidiaries that Boilermech may incorporate or acquire from time to time.
- (3) Both the directors of Boilermech, Dr. Chia Song Kun and Mr Chia Seong Fatt are deemed as "Interested Directors" and "Interested Major Shareholders" by virtue of their respective substantial shareholdings in QL Resources Berhad ("QLB"), which held through CBG (L) Pte Ltd via CBG (L) Foundation and Farsathy Holdings Sdn Bhd respectively. QLB is the ultimate holding company of Boilermech, held through its wholly-owned subsidiary QL Green Resources Sdn Bhd. ("QLGR"). In addition, Mr Chia Lik Khai is deemed as an "Interested Director" by virtue of his directorship in Boilermech, QLGR and QLB. Please refer to **Section 6** for further details on the Interested Directors and Interested Major Shareholders of Boilermech.
- (4) 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.
- (5) Mr Yong Hua Kong, a director of TEK, is deemed as an "Interested Director" by virtue of his substantial shareholdings in Primem Pte Ltd.
- (6) 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.

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There are no material amounts due and owing by the Related Parties to Boilermech Group pursuant to the RRPTs which exceeded the credit terms as at 31 March 2023.

2.3 Threshold of Authority

While all RRPT(s) are subject to the review procedures and guidelines mentioned in **Section 2.4** of this Circular, all mandated transaction values above RM8 million will require the prior evaluation of the Audit Committee and the approval of the Board. Transaction values below RM8 million will be reviewed by the following management personnel according to their respective limits of approval:-

- (i) Above RM3 million and up to RM8 million will be reviewed and approved by Executive Directors;
- (ii) RM500,001 to RM3 million will be reviewed and approved by a Director of a subsidiary company; and
- (iii) Amounts up to RM500,000 will be reviewed and approved by either a Director of the subsidiary company or Project Manager.

Where any Director has any interest (direct or indirect) in any RRPT(s), such Director shall abstain from deliberation and voting on the matter.

In compliance with Paragraph 10.09(1)(b) of the Listing Requirements, Boilermech shall immediately announce any Recurrent Related Party Transaction(s) which have not obtained the shareholders' mandate where: (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or (ii) the percentage ratio of such RRPT is 1% or more, whichever is the lower.

2.4 Review Procedures and Guidelines for RRPT(s)

To ensure the RRPT(s) are conducted on normal commercial terms and transaction prices consistent with the Company's usual business practices and policies, which are not more favourable to the Related Party than those extended to the public and are not to the detriment of the minority shareholders of Boilermech, the Audit Committee has been tasked with the review and approval of such transactions.

The review procedures established by Boilermech Group for RRPT(s) are as follows:

- (i) A list of the Related Parties is established and circulated annually to the finance division of the Group, who shall monitor and ensure that all RRPT(s) to be entered into by the Group are reported and forwarded to the Audit Committee, who then ensures that the RRPT(s) are to be undertaken on an arm's length basis, on terms which are not more favourable to the Related Party(ies) other than those generally available to the public and which are not to the detriment of the minority shareholders of Boilermech.
- (ii) Proper records are maintained at the Company and each of its subsidiaries to capture all RRPT(s) so that all RRPT(s) entered into pursuant to the shareholders' mandate will be adequately discussed.
- (iv) All RRPT(s) shall be disclosed to and reviewed by the Audit Committee on a quarterly basis with details of the transactions. In its review of the RRPT(s), the Audit Committee shall have the right to have access to information. The Audit Committee may also appoint individuals and committees to examine the RRPT(s), as and when appropriate, and shall be entitled to the services of independent advisors, if required in the discharge of its duties.

- (iv) The Board and Audit Committee have the overall responsibility to determine whether the procedures for RRPT(s) are appropriate and sufficient. An annual review of the procedures and processes for RRPT(s) is carried out by the Audit Committee and approved by the Board.
- (v) Wherever practicable, at least two (2) other contemporaneous transactions with unrelated third parties for substantially similar products or services, and/or quantities will be used as comparison, to determine whether the price and terms offered to/by the Related Party(ies) are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products or services and/or quantities.
- (vi) Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined based on usual business practices and policies of the Group and industry norms to ensure that the RRPT(s) is not detrimental to the Group.
- (vii) All members of the Board and/or Audit Committee who are directly or indirectly interested in any particular RRPT(s) shall declare their interest thereon and shall abstain from any deliberation or voting in respect of such transactions at the Board and/or Audit Committee meetings.

2.5 Statement by Audit Committee

The Audit Committee is of the view that the Group has adequate procedures and processes in place (which are reviewed on a yearly basis) to monitor, track, and identify the RRPT(s) in a timely and orderly manner. The Audit Committee is also satisfied that the procedures and guidelines set out in **Section 2.4** of this Circular are sufficient and appropriate to ensure that such RRPT(s) will be undertaken at arm's length and on normal commercial terms consistent with the industry norms not more favourable to the Related Party than those generally available to the public and that such terms will not be detrimental to the interests of the minority shareholders of Boilermech.

The Audit Committee reviews the procedures and processes set out in **Section 2.4** of this Circular on a yearly basis and these procedures and processes were last reviewed on 6 July 2023. If during its periodic reviews, the Audit Committee is of the view that such procedures and processes are no longer appropriate or adequate to monitor, track and identify RRPT(s), the Audit Committee will draw it to the attention of the Board and, if necessary, Boilermech will establish new guidelines and procedures.

3. RATIONALE AND BENEFITS FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The RRPT(s) entered or to be entered into by the Group are intended to meet the business needs of the Group at the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background, financial position and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have a good understanding of each other's business needs and expectations thus providing a platform where all parties can benefit from conducting the RRPT(s).

The RRPT(s) are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and may arise at any time and from time to time.

The Proposed Renewal of Shareholders' Mandate will eliminate the need to announce and convene separate general meetings of Boilermech from time to time to seek shareholders' approval on each occasion pursuant to the requirements of Paragraph 10.09(2) of the Listing Requirements, as and when potential transactions with the specified classes of Related

Party(ies) arise. This will also substantially reduce expenses associated with the convening of such meetings on an ad hoc basis, improve administrative efficiency and allow human resources and time to be channeled towards attaining other corporate objectives and opportunities.

4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate is administrative in nature and is therefore not expected to have any effect on the issued and paid-up share capital, substantial shareholders' shareholdings, earnings, gearing and net assets of Boilermech.

5. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of Boilermech at the forthcoming 13th AGM of the Company.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the Directors and/or Major Shareholders and/or persons connected to them have any interest, whether direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

The shareholdings of all Directors and Major Shareholders of Boilermech and/or its subsidiaries having direct or indirect interests in the Proposed Renewal of Shareholders' Mandate as at the LPD are as follows:-

	Shareholdings in Boilermech as at the LPD			
	Direct		Indirect	
	No. of Boilermech Shares	%	No. of Boilermech Shares	%
Interested Major Shareholders				
QLGR	271,263,106	52.57	-	-
QLB	-	-	(a) 271,263,106	52.57
Dr. Chia Song Kun	400,000	0.08	(b) 271,263,106	52.57
CBG (L) Foundation	-	-	(c) 271,263,106	52.57
CBG (L) Pte. Ltd.	-	-	(d) 271,263,106	52.57
Interested Directors				
Dr. Chia Song Kun	400,000	0.08	(b) 271,263,106	52.57
Chia Lik Khai	500,000	0.10	-	-
Chia Seong Fatt	200,000	0.04	-	-
Yong Hua Kong	1,370,000	0.27	(e) 10,000	0.002
Persons Connected to Interested Director and Major Shareholders				
Ruby Technique Sdn Bhd ^(f)	-	-	-	-
Imbangan Lestari Sdn Bhd ^(g)	-	-	-	-
Farsathy Holdings Sdn Bhd ^(h)	-	-	-	-

Notes:-

- (a) *Deemed interest by virtue of its wholly-owned subsidiary, QLGR, pursuant to Section 8 of the Act.*
- (b) *Deemed interest by virtue of shares held by QLGR via his and his spouse's interest in CBG (L) Foundation, the holding company of CBG (L) Pte Ltd, which is a substantial shareholder of QLB, the holding company of QLGR.*
- (c) *Deemed interest by virtue of being the holding company of CBG (L) Pte. Ltd, i.e. a substantial shareholder of QLB, the holding company of QLGR.*
- (d) *Deemed interest by virtue of its substantial shareholding in QLB, the holding company of QLGR.*
- (e) *Deemed interested in his spouse's shareholdings in the Company.*
- (f) *Ruby Technique Sdn Bhd ("RTSB") is a major shareholder of EITA, which Dr Chia Song Kun and his spouse are deemed interested in RTSB via their shareholdings in CBG Holdings Sdn Bhd and Mr Chia Seong Fatt is deemed interested in RTSB via his shareholding in Farsathy Holdings Sdn Bhd.*
- (g) *Imbangan Lestari Sdn Bhd ("ILSB") is a wholly owned subsidiary of CBG (L) Foundation, an entity where Dr Chia Song Kun and person(s) connected to him have interests.*
- (h) *Farsathy Holdings Sdn Bhd ("Farsathy") has 22.33% interest in MB Group, which Chia Seong Fatt and his spouse's have beneficial interest in Farsathy.*

Accordingly, Dr. Chia Song Kun, Mr Chia Lik Khai, Mr Chia Seong Fatt and Mr Yong Hua Kong (collectively referred to as the "**Interested Directors**") have abstained and will continue to abstain from all board deliberations on the Proposed Renewal of Shareholders' Mandate. QLB, QLGR, CBG (L) Foundation, CBG (L) Pte. Ltd. and Dr. Chia Song Kun (collectively referred to as the "**Interested Major Shareholders**") and the Interested Directors will abstain from voting in respect of their direct and indirect interests in Boilermech on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming 13th AGM of the Company.

The said Interested Directors and Interested Major Shareholders have undertaken to ensure that persons connected to them will abstain from voting and deliberating in respect of their direct and indirect interests in Boilermech on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming 13th AGM of the Company.

7. DIRECTORS' RECOMMENDATION

The Board (save for the Interested Directors), having considered all aspects of the Proposed Renewal of Shareholders' Mandate is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of Boilermech.

Accordingly, the Board (save for the Interested Directors) recommends that the shareholders of Boilermech vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 13th AGM of the Company.

8. AGM

The forthcoming 13th AGM 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. for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate pursuant to the agenda of Special Business as detailed in the Company's Notice of AGM.

If you are unable to attend and vote in person at the said AGM and wish to appoint a proxy or proxies to attend and vote on your behalf, you are requested to complete and return the Proxy Form which can be downloaded from the Company's website at www.boilermech.com in accordance with the instructions thereon to Boilermech'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 or electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiah.online> not less than forty-eight (48) hours before the time fixed for holding the AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are advised to refer to the enclosed Appendix I for further information.

Yours faithfully
For and on behalf of the Board of
BOILERMECH HOLDINGS BERHAD

NG SWEE WENG
Independent Non-Executive Director

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PART C

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED CHANGE OF NAME FROM
BOILERMECH HOLDINGS BERHAD TO BM GREENTECH BERHAD



BOILERMECH

BOILERMECH HOLDINGS BERHAD

Registration No. 201001013463 (897694-T)
(Incorporated in Malaysia)

Registered Office

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

26 July 2023

Board of Directors

Dr. Chia Song Kun	<i>(Non-Independent Non-Executive Chairman)</i>
Chia Lik Khai	<i>(Group Managing Director)</i>
Chia Seong Fatt	<i>(Alternate Director to Chia Lik Khai)</i>
Gan Chih Soon	<i>(Executive Director)</i>
Tee Seng Chun	<i>(Alternate Director to Gan Chih Soon)</i>
Ng Swee Weng	<i>(Independent Non-Executive Director)</i>
Ho Cheok Yuen	<i>(Independent Non-Executive Director)</i>
Adrian Chair Yong Huang	<i>(Independent Non-Executive Director)</i>
Rina Meileene Binti Adam	<i>(Independent Non-Executive Director)</i>

To: The Shareholders of Boilermech Holdings Berhad

Dear Sir/ Madam,

PROPOSED CHANGE OF NAME FROM BOILERMECH HOLDINGS BERHAD TO BM GREENTECH BERHAD

1. INTRODUCTION

The Board of Directors of the Company had on 24 July 2023 announced to Bursa Securities that the Company proposes to seek its shareholders' approval for the change of Company's name from "Boilermech Holdings Berhad" to "BM GreenTech Berhad" at the forthcoming Thirteenth AGM ("13th AGM"), to be held on Friday, 25 August 2023 at 10.00 a.m. ("Proposed Change of Name").

The purpose of this Circular is to provide you with the details of the Proposed Change of Name and to seek your approval for the Special Resolution to be tabled at the forthcoming 13th AGM.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED CHANGE OF NAME AT THE FORTHCOMING 13TH AGM.

2. DETAILS OF THE PROPOSED CHANGE OF NAME

The proposed name “BM GREENTECH BERHAD” was reserved with the CCM on 10 July 2023 until 8 August 2023. The Company will apply for an extension of time on the reservation for the proposed name for another 30 days before the expiry on 8 August 2023. The Proposed Change of Name, if approved by the shareholders of Boilermech, will be effective from the date of the issuance of the Notice of Registration of New Name by CCM.

3. RATIONALE FOR THE PROPOSED CHANGE OF NAME

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.

4. EFFECTS OF THE PROPOSED CHANGE OF NAME

The Proposed Change of Name will not have any effect on the issued shares capital and substantial shareholders’ shareholdings of the Company, the consolidated NA per share and the consolidated earnings of the Group for the financial year ending 31 March 2024.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors, major shareholders and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Change of Name.

6. APPROVAL REQUIRED FOR THE PROPOSED CHANGE OF NAME

The Proposed Change of Name is subject to the approval being obtained from the shareholders of the Company at the forthcoming 13th AGM.

The Proposed Change of Name, if approved by the shareholders of the Company, will be effective from the date of issuance of the Notice of Registration of New Name by CCM to the Company.

7. DIRECTORS' RECOMMENDATION

The Board having considered all aspects of the Proposed Change of Name, is of the opinion that the Proposed Change of Name is in the best interest of the Company and its shareholders. Accordingly, the Board recommends that you vote in favour of the Special Resolution pertaining to the Proposed Change of Name to be tabled at the forthcoming 13th AGM.

8. AGM

The forthcoming 13th AGM 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. for the purpose of considering and, if thought fit, passing the special resolution to give effect to the Proposed Change of Name pursuant to the agenda of Special Resolution as detailed in the Company's Notice of AGM.

If you are unable to attend and vote in person at the said AGM and wish to appoint a proxy or proxies to attend and vote on your behalf, you are requested to complete and return the Proxy Form which can be downloaded from the Company's website at www.boilermech.com in accordance with the instructions thereon to Boilermech'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 or electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time fixed for holding the AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are advised to refer to the enclosed Appendix I for further information.

Yours faithfully
For and on behalf of the Board of
BOILERMECH HOLDINGS BERHAD

NG SWEE WENG
Independent Non-Executive Director

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APPENDIX I

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular/Statement has been seen and approved by the Board of Boilermech who, individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular/Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

As at the date of this Circular/Statement, neither Boilermech nor any of its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Circular/Statement.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the date of this Circular/Statement, neither Boilermech nor any of its subsidiaries are engaged in any material litigation, claims or arbitration, either as a plaintiff or a defendant, and the Board is not aware and does not have any knowledge of any proceedings pending or threatened against Boilermech or its subsidiaries or of any fact likely to give rise to any proceeding which might materially or adversely affect the financial position or business of Boilermech or its subsidiaries.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Boilermech at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur during normal business hours (except public holidays) for a period from the date of this Circular/Statement up to and including the date of the forthcoming 13th AGM of the Company:-

- (i) Constitution of Boilermech; and
- (ii) the audited consolidated financial statements of Boilermech for the past two financial years ended 31 March 2022 and 31 March 2023.

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