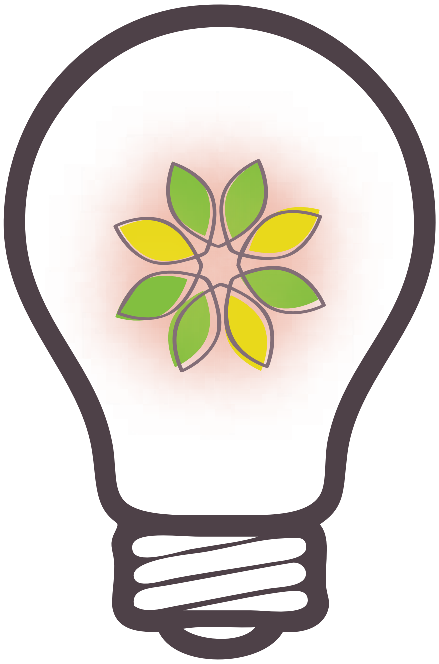
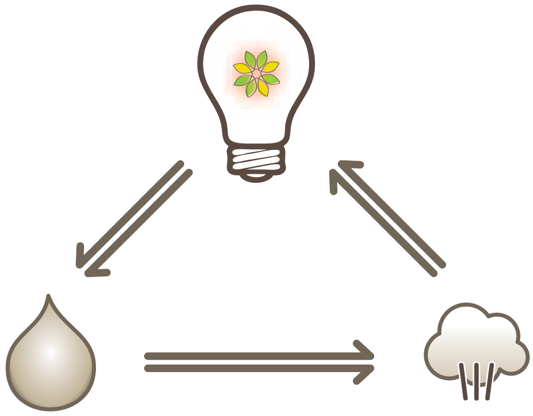


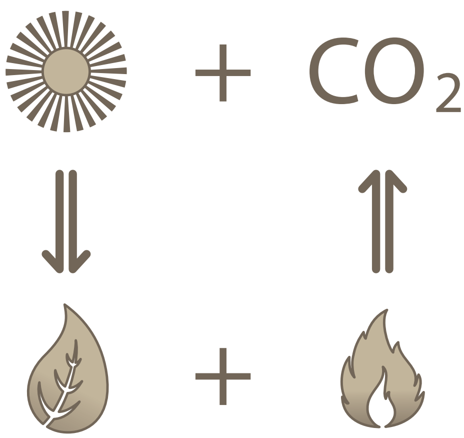
2013
Annual Report

BOILERMECH

Boilermech Holdings Berhad (897694-T)



Biomass energy is one of the earliest and sustainable sources of energy in human civilization. The seemingly simple energy cycle of converting biomass energy into heat and electricity remains to be one of the most sustainable forms of energy generation in modern times. At Boilermech, our people and product is an integral part of the waste-to-energy technology and it is our mission to do this better, leading to benefits for all stakeholders and a sustainable future.



Vision

To be a regional leader in waste-to-energy (renewable) and sustainable environmental solutions

Mission

We create and share value with our stake holders through the offering of innovative, sustainable and high quality renewable energy solutions

integrity

teamwork

perseverance

innovativeness

Our Values

Corporate Information

Board of Directors

Dr. Chia Song Kun
Non-Independent Non-Executive Chairman

Leong Yew Cheong
Managing Director

Wong Wee Voo
Executive Director

Chia Lik Khai
Executive Director

Chia Seong Fatt
Alternate Director to Executive Director, Chia Lik Khai

Low Teng Lum
Independent Non- Executive Director

Mohd Yusof bin Hussian
Independent Non-Executive Director

Audit Committee

Low Teng Lum
Chairman, Independent Non-Executive Director

Dr. Chia Song Kun
Member, Non- Independent Non-Executive Chairman

Mohd Yusof bin Hussian
Member, Independent Non-Executive Director

Nomination Committee

Low Teng Lum
Chairman, Independent Non-Executive Director

Dr. Chia Song Kun
Member, Non-Independent Non-Executive Chairman

Mohd Yusof bin Hussian
Member, Independent Non-Executive Director

Remuneration Committee

Dr. Chia Song Kun
Chairman, Non-Independent Non-Executive Chairman

Low Teng Lum
Member, Independent Non-Executive Director

Leong Yew Cheong
Member, Managing Director

Company Secretaries

Tan Bee Hwee (MAICSA 7021024)
Wong Wai Foong (MAICSA 7001358)

Registered Office

Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone 03-2264 8888
Facsimile 03-2282 2733

Head Office

Lot 875, Jalan Subang 8
Taman Perindustrian Subang
47620 Subang Jaya
Selangor Darul Ehsan
Telephone 03-8023 9137
Facsimile 03-8023 2127
Website: www.boilermech.com

Principal Bankers

HSBC Bank Malaysia Berhad (127776-V)

Malayan Banking Berhad (3813-K)

OCBC Bank (Malaysia) Berhad (295400-W)

Auditors

Messrs Crowe Horwath (AF1018)
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Telephone 03-27889999
Facsimile 03-27889998

Sponsor

RHB Investment Bank Berhad (19663-P)
Level 10,Tower One, RHB Centre
Jalan Tun Razak
50400, Kuala Lumpur
Telephone 03-92873888
Facsimile 03-92872233/3355

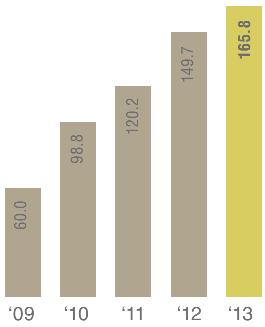
Share Registrar

Bina Management (M) Sdn Bhd (50164-V)
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan
Telephone 03-7784 3922
Facsimile 03-7784 1988

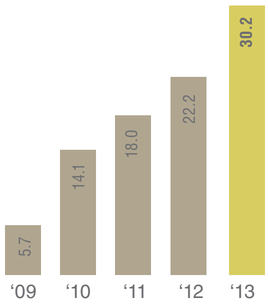
Stock Exchange Listing

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: BOILERM
Stock Code: 0168

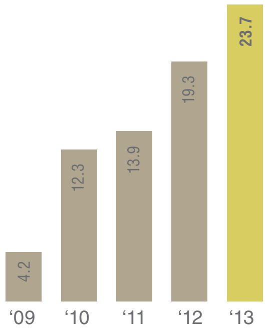
Financial Highlights



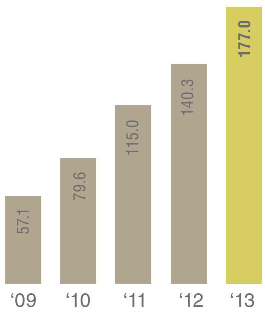
Revenue (RM Mil)



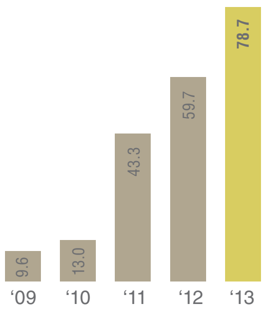
Profit Before Taxation (RM Mil)



Profit After Taxation (RM Mil)



Total Assets (RM Mil)



Net Tangible Assets (RM Mil)

	2009 RM Mil	2010 RM Mil	2011 RM Mil	2012 RM Mil	2013 RM Mil
Revenue	60.0	98.8	120.2	149.7	165.8
Profit before taxation	5.7	14.1	18.0	22.2	30.2
Profit after taxation	4.2	12.3	13.9	19.3	23.7
Total Assets	57.1	79.6	115.0	140.3	177.0
Net Tangible Assets	9.6	13.0	43.3	59.7	78.7

Board of Directors

Directors' Profile

Dr Chia Song Kun, a Malaysian aged 63 is the Non-Independent Non-Executive Chairman of the Company. He was appointed to the Board on 4 March 2011. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee.

He graduated with a Bachelor of Science (Honours) degree majoring in Mathematics from University of Malaya in 1973 and obtained a Master's degree in Business Administration in 1988 from the same university.

He began his career in 1973 as a tutor in University of Malaya and subsequently joined University Teknologi MARA, Shah Alam, Selangor Darul Ehsan as a lecturer where he served for eleven (11) years until 1984. He left the educational institution in 1984 to set up CBG Holdings Sdn Bhd to commence the business of distributing fishmeal and other feed-meal raw materials.

He was a founder member of Inti Universal Holdings Berhad (presently known as Inti Universal Holdings Sdn Bhd), one of the leading private university colleges in Malaysia. On 5 July 2008, he was conferred the honorary degree of Doctor of Laws (Hon LLD) by the Honorary Awards Board of the University of Hertfordshire in recognition of his outstanding contribution to the development of business and education in Malaysia.

He is also the founder and Managing Director of QL Resources Berhad which is listed in the Main Board of Bursa Malaysia Securities Berhad. Together with the help of his family members, he successfully nurtured, developed and transformed the QL Group into a billion ringgit sustainable and scalable multinational agro-food corporation.

He is the director and substantial shareholder of CBG Holdings Sdn Bhd, a major shareholder of QL Resources Berhad which in turn is a substantial shareholder of the Company by virtue of its shareholdings in QL Green Resources Sdn Bhd ("QLGR") He is also the director of QLGR.

Dr Chia Song Kun is the father of Mr Chia Lik Khai and brother-in law to Mr Chia Seong Fatt.

Dr Chia attended all five (5) Board of Directors meetings held during the financial period from 1 May 2012 to 31 March 2013 ("financial period").

Save for the disclosure in Items 4 and 6 of the Section on "Other Disclosure Requirements" in this Annual Report, he has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past ten years.

Dr. Chia Song Kun

Leong Yew Cheong, a Malaysian aged 59, is the Managing Director and was appointed to the Board on 26 October 2010. He is also a member of the Remuneration Committee. He holds a Bachelor of Science in Mechanical Engineering from the University of Huddersfield, United Kingdom. He brings with him approximately thirty three (33) years of experience in the boiler manufacturing industry and has strong business contacts with customers operating in the palm oil industry and other end-user industries, as well as supplies of spare parts and boiler components.

He began his career in 1980 as a project engineer in a boiler manufacturing company and was responsible for the designing, installation and commissioning of boilers. During his tenure, he held various positions including Operations Manager and General Manager. He played an instrumental role in achieving many key achievements/milestones including the spearheading of a team of engineers to design and install its first biomass boiler that utilises treated empty fruit bunches, rice husk and palm shell. He left the said company as its Executive Director.

He is presently responsible for overseeing the overall operation of the Group with emphasis on strategic business planning and development.

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

Mr Leong attended all five (5) Board of Directors meetings held during the financial period.

Mr Leong Yew Cheong has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within the past ten years.

Leong Yew Cheong

Wong Wee Voo, a Malaysian, aged 62, is the Executive Director of the Company. He was appointed to the Board on 26 October 2010. He brings with him approximately twenty six (26) years of experience in the boiler industry.

His career started in early 1970s where he was first attached with Cold Storage Malaysia Berhad and subsequently with ICI Paints (Malaysia) Sdn Bhd. His exposure to the boiler industry began when he joined East Asiatic Group of companies to promote and market insulation and refractory materials for boilers and furnaces. He later joined a boiler manufacturing company where he assumed various positions within the company throughout his tenure there and was assigned to oversee the sales and marketing of boilers in the Asian Pacific and the Central American region. He left the company as the Deputy General Manager (Sales).

He is primarily responsible for the sales and marketing, and human resource and administrative functions of the Group.

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

Mr Wong attended all five (5) Board of Directors meetings held during the financial period.

Mr Wong Wee Voo has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within the past ten years.

Chia Lik Khai, a Malaysian aged 34, is the Executive Director of the Company. He was appointed to the Board on 26 October 2010. He graduated from the MBA program of Wharton Business School, University of Pennsylvania, United States where he focused on Entrepreneurship and Corporate Finance. He also received his Master of Science and Bachelor of Science in Electrical Engineering from University of Michigan, Ann Arbor, United States. His graduate studies specialised in Communication Integrated Circuits design and advanced semiconductor.

Prior to 2009, he was with McKinsey & Company in Shanghai, where he was an affiliate of the Global Energy & Materials and High-Tech practice. During his tenure, he focused on serving global clients in renewable energy, consumer products and high-tech sectors on strategy, mergers and acquisitions as well as sales and marketing topics.

He also possesses extensive management experience in high-tech telecommunications and internet commerce. He spent seven (7) years in the semiconductor industry with Agilent and Avago Technologies in Silicon Valley, where he assumed multiple roles as R&D staff, New Product Manager and Marketing Manager. In his capacity as Product Marketing Manager in Avago Technologies, he managed multiple wireless product lines and Greater China regional business.

He subsequently joined QL Resources Berhad as Group Corporate Development Director and was appointed as the Executive Director of a few subsidiaries of QL Resources Berhad in 2009. In the same year, he was appointed as the Non-Independent Non-Executive director in EITA Resources Berhad. The EITA group of companies is involved in the distribution and manufacturing of electrical related products. On 17 September 2010, he was appointed as an Executive Director of QL Green Resources Sdn Bhd ("QLGR"), a substantial shareholder of the Company.

He is presently responsible for overseeing the overall corporate planning, finance and investor relations functions of the Group.

Mr Chia is the son of Dr. Chia Song Kun and the nephew to Mr Chia Seong Fatt.

Mr Chia attended all five (5) Board of Directors meetings held during the financial period.

Save for the disclosure in Items 4 and 6 of the Section on "Other Disclosure Requirements" in this Annual Report, he has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past ten years.

above: Wong Wee Voo
below: Chia Lik Khai

Chia Seong Fatt, a Malaysian aged 58, is an Alternate Director to Executive Director, Chia Lik Khai. He was appointed to the Board on 4 March 2011. He obtained his Bachelor of Science (Honours) degree majoring in Chemistry from University of London in 1979.

He practiced as an industrial chemist for three (3) years before pursuing further studies in University of Malaysia. In 1984, he graduated from the aforementioned university with a Masters degree in Business Administration. He served for seven (7) years as Managing Director in Sri Tawau Farming Sdn Bhd, a company involved in layer farming. The company is an associated company of Lay Hong Berhad, a company listed on the Main Market of Bursa Securities.

In 1991, he was appointed as Managing Director of QL Farms Sdn Bhd, a subsidiary of QL Group. In January 1996, he was appointed as an Executive Director of QL Feeding stuffs Sdn Bhd, in charge of the crude palm oil milling operations in Tawau. He was appointed as the Executive Director of QL Resources Berhad in 2000.

He is the director and substantial shareholder of Farsathy Holdings Sdn Bhd, a major shareholder of QL Resources Berhad which in turn is a substantial shareholder of the Company by virtue of its shareholdings in QLGR. He is also the director of QLGR.

Mr Chia Seong Fatt is the brother-in-law to Dr. Chia Song Kun and the uncle to Mr Chia Lik Khai.

Mr Chia attended all five (5) Board of Directors meetings held during the financial period.

Save for the disclosure in Items 4 and 6 of the Section on "Other Disclosure Requirements" in this Annual Report, he has no conflict of interest with the Company. He has no conviction for any offences (except for traffic offences, if any) within the past ten years.

Chia Seong Fatt

Low Teng Lum, a Malaysian aged 59, is the Independent Non-Executive Director of the Company. He was appointed to the Board on 27 October 2010. He is also the Chairman of the Audit Committee and the Nomination Committee and a member of the Nomination and Remuneration Committees.

He obtained his qualifications from the Association of Chartered Certified Accountants and Institute of Chartered Secretaries and Administrators, both of the United Kingdom, in 1977. He attended the Applied Management Program of Swedish Institute of Management in 1990. In 1996, he obtained his Master in Public Administration from the John Fitzgerald Kennedy School of Government, Harvard University.

He is a Chartered Accountant of the Malaysian Institute of Accountants, fellow member of the Association of Chartered Certified Accountants ("ACCA"), and Associate member of the Institute of Chartered Secretaries and Administrators, Malaysian Institute of Taxation and Association of Corporate Treasurers, United Kingdom. He is also a member of the Malaysian Alliance of Corporate Directors and its training faculty.

He has been a member of Taxation and Trade committees of the Malaysian International Chamber of Commerce and Industry since 2002 and 2005 respectively. He was a founding committee member of the Confederation of Malaysian Brewers.

Over the course of his career, he has held various accounting and financial positions in Arthur Young & Company (presently known as Ernst & Young), Guthrie Malaysia Holdings Berhad, Palmco Holdings Berhad, Guiness Anchor Berhad and General Corporation Berhad. During his 14 year tenure with Southern Steel Berhad, he was promoted from Finance Manager to General Manager (Commercial), Senior General Manager (Rod Division) and Chief Operating Officer (Steel Business Unit). He retired from Guinness Anchor Berhad in April 2011, as both the Finance Director and member of the Board of Directors, after 10 years of service.

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

Mr Low attended all five (5) Board of Directors meetings held during the financial period.

Mr Low Teng Lum has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within the past ten years.

Low Teng Lum

Mohd Yusof bin Hussian

Mohd Yusof bin Hussian, a Malaysian aged 64, is the Independent Non-Executive Director of the Company. He was appointed to the Board on 4 March 2011. He is also a member of the Audit Committee and Nomination Committee.

He is a graduate of Universiti Teknologi MARA, fellow member of the Association of Chartered Certified Accountants (UK) and a member of the Chartered Institute of Purchasing and Supply (UK) and a Chartered Accountant of the Malaysian Institute of Accountants. He is also a Certified Financial Planner. He was formerly a member of the ACCA Malaysian Advisory Committee.

He started his career with Coopers & Lybrand from 1971 to 1976 as an external auditor. Later he joined PTM Thompson Advertising Sdn Bhd, an affiliate of J. Walter Thompson Group in USA, as Finance and Administration Manager cum Company Secretary. He left the company and joined Shell Malaysia in 1986. During his tenure there, he held various positions within the company and the refinery which included amongst others, Internal Auditor, Treasurer, Finance and Services Manager and Procurement Contract Manager. He resigned as a Special Project Manager from the company and refinery in 1999 on early retirement.

He holds directorships in INTI Universal Holdings Sdn Bhd, Proton Commerce Sdn Bhd (an associate company of Proton Holdings Berhad), UDA Holdings Berhad and Tune Insurance Malaysia Berhad.

En. Yusof is a major shareholder and the principal consultant of his family owned company which specialises in training and consultancy.

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

En Yusof attended four (4) out of five (5) Board of Directors meetings held during the financial period.

En Yusof has no conflict of interest with the Company, and he has no conviction for any offences (except for traffic offences, if any) within the past ten years.

Chairman’s Statement

Performance review

It gives me great pleasure to report that the financial period I May 2012 to 31 March 2013 (“financial period”) finished strongly with a Revenue and Profit after Tax of RM165.8million and RM23.7million respectively. The profit after tax is 22.8% more than the previous year’s profit of RM19.3million. This is in spite of the fact that the results are only for an eleven month period, arising from the change in financial year end from 30 April to 31 March.

What is heartening is the fact that we have been making record revenue and profits since we started business in 2005. As a matter of comparison, our Revenue and Profit after Tax in the financial year ended (FYE) 2011 (our IPO year) were only RM 120.2million and RM13.9million respectively.

While there was a commendable increase in the level of manufacturing and project management activities, equally impressive is the upward trend in contribution margin due to our gradual shift to higher specification products.

Consequently, Profit before Tax margin widened from 14.8% to 18.2%. However, the effective tax rate was 21.4 % compared to 13.3% in the previous year. FYE 2012 was an exceptional year in that we were able to claim substantial tax incentives under Allowance for Increased Exports under the Income Tax (Exemption) (Note 17) Order 2005 which resulted in a lower tax rate. However, we were able to take advantage of the Reinvestment Allowance on the building sited on the property which was purchased during the financial period under the Group’s rationalisation plan. This resulted in a lower effective tax rate than the nominal rate of 25%.

Consequent to the better performance, the Group Shareholder Funds as at 31 March 2013 improved to RM78.7million while the Net Asset per Share was RM0.305.

We have also incorporated a wholly owned subsidiary in Indonesia for the purpose of enhancing our presence in our largest export market.

Future prospects

We are optimistic of our future prospects which are underpinned by the acceleration of planted areas in recent years particularly in Indonesia, our largest export market.

The United States Department of Agriculture (USDA) had in its report in October 2010 stated that the population of immature trees in Indonesia was approximately 1.75 million hectares or 23% of the total planted area. Furthermore, 55% of the palm acreage is in the pre-peak yielding growth stage. We believe that the situation in Indonesia remains the same today. This augurs well for the Company. The domestic market continues to do well, although on a smaller scale than Indonesia.

Board Developments

We are pleased to inform that the Board of Directors has adopted the Board Charter together with the Code of Conduct and the Sustainability Policy, among others, to accord with the recommendations of the Malaysian Code on Corporate Governance 2012. In addition, my colleagues and I have voted to appoint Mr. Low Teng Lum, the Independent Non-Executive Director and Chairman of the Audit Committee, to chair the Nomination Committee.

A Note of Appreciation

It has been an exceptional financial period for us and it would not have been possible without the guidance of the Board and the support of Management and staff. My sincere appreciation also goes to our customers, business partners and all other stakeholders.

I am thus proud to announce that Forbes Magazine cited us as among Asia’s 200 Best Under A Billion in 2012. The award was presented to our Managing Director in December 2012.

Finally, we are pleased to propose a final dividend of 2 sen per share, representing a dividend payout of about 22% of the profit after tax for the financial period ended 31 March 2013 to our shareholders for their continued support.

Thank you,

Dr Chia Song Kun
Chairman

Review of Operations by Managing Director

"The increase in production capacity, our well motivated employees and strong financial resources are vital factors that will continue to keep the Group on its growth trajectory."

The Group continued on a strong growth trajectory in the financial period 1 May 2012 to 31 March 2013 ("financial period"). Revenue increased to RM165.8million while net profit increased to RM23.7million from RM149.7 million and RM19.3 million respectively.

Underpinning our growth is the increase in production capacity to support our strong sales order book. In my previous report, we announced the proposed acquisition of a 1.4543 hectare property with a single storey detached factory annexed to a three storey office block which is located close to our existing factory. The acquisition was completed during the year. This helped boost our production capacity during the year. In addition, we are currently increasing the production and administration area in our main factory. The increase in production capacity is expected to come on-stream in the financial year ending 31 March 2014.

In line with our growth, our total assets increased by 26.2% to RM177.0 million in the financial period compared to RM140.3 million in the previous year. Our liquid investments together with cash in bank remained strong at RM40.14million, an increase of RM1.964million. This was in spite of the payment of RM 20.3 million for the acquisition of the aforementioned property through our internally generated funds.

The number of employees has correspondingly increased from 76 as at 30 April 2012 to 98 as at 31 March 2013. This reflects the higher level of business activity. Our management and staff are and will continue to be our greatest asset. We will therefore continue to provide staff development and enrichment via training and social activities.

We are optimistic of the Group's prospects. The increase in production capacity, our well motivated employees and strong financial resources are vital factors which will continue to keep the Group on its growth trajectory.

We expect an increase in the employee workforce in line with the anticipated growth. As mentioned in my previous report, we continue to explore opportunities in the biomass renewable energy sector. We have been evaluating options in this sector and we will inform you of developments when they arise.

Finally, we wish to thank our employees, business partners and suppliers and all other stake holders who have made it possible for us to achieve a record financial period.

Thank you,

Leong Yew Cheong
Managing Director

"Our management and staff are and will continue to be our greatest asset."

Corporate Governance Statement

The Board of Directors ("Board") of Boilermech Holdings Bhd ("Company") recognises the importance of adopting high standards of corporate governance in the Company in order to safeguard stakeholders' interests as well as enhancing shareholders' value.

This corporate governance statement ("Statement") sets out how the Company has applied the 8 Principles of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and observed the 26 Recommendations supporting the Principles during the financial period from 1 May 2012 to 31 March 2013 ("financial period") following the release of the MCCG 2012 by the Securities Commission in late March 2012. Where a specific Recommendation of the MCCG 2012 has not been observed during the financial period under review, the non-observation, including the reasons thereof and, where appropriate, the alternative practice, if any, is mentioned in this Statement.

Principle 1 - Establish clear Roles and Responsibilities of the Board and Management

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- reviewing and adopting a strategic plan for the Company, which also addresses the sustainability of the Group's business;
- overseeing the conduct of the Company's and subsidiaries' ("Group") business and evaluating whether or not its businesses are being properly managed;
- identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place a process to provide for the orderly succession of senior management personnel and members of the Board;
- overseeing the development and implementation of a shareholder communications policy; and
- reviewing the adequacy and integrity of the Group's internal control and management information systems.

To assist in the discharge of its stewardship role,the Board has established Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee, to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

(i) Board Charter

The Board has established clear functions reserved for the Board and those delegated to Management to enhance accountability. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, quarterly and annual financial statements for announcement, investment and divestment, as well as monitoring of the Group's financial and operating performance. Such delineation of roles is clearly set out in the Board Charter ("Charter"), which serves as a reference point for Board activities. The Charter provides guidance for Directors and Management regarding the responsibilities of the Board, its Committees and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities. The salient features of the Charter are disclosed in the Company's website at www.boilermech.com in line with Recommendation 1.7 of the MCCG 2012.

(ii) Code of Ethics

At the date of this Statement, the Board has formalized a Directors' Code of Ethics, setting out the standards of conduct expected from Directors. To inculcate good ethical conduct, the Group has established a Code of Conduct for employees.

The Board has also formalised a Whistle-blowing Policy, with the aim of providing an avenue for raising concerns relating to possible breaches of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices. The Board recognizes the importance of adhering to the Code of Ethics and has taken measures to put in place a process to ensure its compliance.

(iii) Sustainability of Business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social and governance aspects is taken into consideration. The Group also embraces sustainability in its operations.

The Group's activities on corporate social responsibilities for the financial period under review are disclosed Report in the Corporate Social Responsibility Report section of this Annual Report.

(iv) Access to Information and Advice

Directors are provided with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis and effective discharge of the Board's responsibilities.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors prior to the Board and Board Committee meetings, to facilitate decision making by the Board and to deal with matters arising from such meetings. Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in accordance with established procedures set out in the Board Charter in furtherance of their duties.

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities.

Principle 2 - Strengthen Composition of the Board

During the financial period under review, the Board consisted of six (6) members, comprising three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors. This composition fulfills the requirements as set out in the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa"), which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out in the Directors' Profile section of this Annual Report. The Directors, with their diverse backgrounds and specializations, collectively bring with them a wide range of experience and expertise in areas such as engineering, entrepreneurship, finance; taxation, accounting and audit; legal and economics.

(i) Nomination Committee – Selection and Assessment of Directors

The Nomination Committee conducted an assessment of the performance of the Board, as a whole, the Audit, Nomination and Remuneration Committees and individual Directors, based on a self and peer assessment approach. From the results of the assessment, including the mix of skills and experience possessed by Directors, the Board considered and approved the recommendations on the re-election and re-appointment of Directors at the Company's forthcoming Annual General Meeting.

The Nomination Committee recognizes the importance of the roles the Committee plays not only in the selection and assessment of Directors but also in other aspects of corporate governance which the Committee can assist the Board to discharge its fiduciary and leadership functions. The Nomination Committee comprises the following members:

- Mr. Low Teng Lum (Chairman of Committee and Independent Non-Executive Director);
- Dr. Chia Song Kun (Non-Independent Non-Executive Director); and
- En. Mohd Yusof bin Hussian (Independent Non-Executive Director).

The Board has stipulated specific terms of reference for the Nomination Committee, which cover, inter-alia, assessing and recommending to the Board the candidacy of Directors, appointment of Directors to Board Committees and training programmes for the Board. The terms of reference require the Nomination Committee to review annually the required mix of skills and experience of Directors; succession plans and board diversity, including gender diversity; training courses for Directors and other qualities of the Board, including core-competencies which the Independent Non-Executive Directors should bring to the Board. The Committee is also entrusted to assess annually the effectiveness of the Board, as a whole, Board Committees and contribution of each individual Director. Insofar as board diversity is concerned, the Board does not have a specific policy on setting targets for women candidates. The evaluation of candidates' suitability is solely based on their competency, character, time commitment, integrity and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Non-Executive Directors, as the case may be.

(ii) Directors' Remuneration

The Remuneration Committee, established by the Board, is responsible for setting the policy framework and recommending to the Board the remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully. The components of Directors' remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned.

Directors do not participate in discussion of their individual remuneration.

Directors' remuneration for the financial period ended 31 March 2013, categorized into appropriate components, distinguishing between Executive and Non-Executive Directors, is as follows:

	Fees (RM)	Salaries and allowances (RM)	Bonus (RM)	Benefits-in-kind (RM)
Executive Directors	88,000	618,111	614,970	34,800
Non-Executive Directors	137,500	-	-	-

The number of Directors of the Company, whose remuneration band falls within the following successive bands of RM50,000, is as follows:

Range of remuneration	Executive	Non-Executive
Less than RM50,000	1	2
RM50,001 to RM100,000	-	1
RM200,001 to RM250,000	1	-
RM500,001 to RM550,000	1	-
RM700,001 to RM750,000	1	-

Principle 3 – Reinforce Independence of the Board

The positions of Chairman and Chief Executive Officer of the Company are held by the Non-Independent Non-Executive Chairman and Managing Director respectively. The Board is aware of the MCCG 2012 which recommends the appointment of an Independent Non-Executive Director as Board Chairman. The Board is nonetheless of the view that the composition of Independent Non-Executive Directors, which fulfils the Listing Requirements of Bursa, coupled with the use of Board Charter that formally sets out the schedule of matters reserved solely to the Board for decision making, provides for the relevant check and balance on boardroom decisions.

The Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. As the Managing Director, supported by fellow Executive Directors and an Executive Management team, he implements the Group's strategies, policies and decision adopted by the Board and oversees the operations and business development of the Group.

The Independent Non-Executive Directors bring to bear objective and independent views, advice and judgment on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

During the financial period under review, the Board assessed the independence of its Independent Non-Executive Directors based on criteria set out in the Listing Requirements of Bursa. The Board Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Director. However, an Independent Director may continue to serve on the Board upon reaching the 9-year limit subject to the Independent Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the Board is required to assess the candidate's suitability to continue as an Independent Director based on the criteria on independence as adopted by the Board.

At the date of this Statement, none of the Independent Directors has exceeded the 9-year independence tenure.

Principle 4 – Foster commitment of Directors

The Board ordinarily meets at least four (4) times a year, scheduled well in advance before the end of the preceding financial period to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. Board and Board Committees papers, which are prepared by Management, provide the relevant facts and analysis for the convenience of Directors. The meeting agenda, the relevant reports and Board papers are furnished to Directors and Board Committees members before the meeting to allow the Directors sufficient time to peruse for effective discussion and decision making during meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. All pertinent issues discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings. During the financial period under review, the Board convened five (5) scheduled Board meetings attended by the Directors as follows:

Name of Director	Designation	Board Meeting Attendance
Dr. Chia Song Kun	Chairman	5/5
Leong Yew Cheong	Managing Director	5/5
Wong Wee Voo	Executive Director	5/5
Chia Lik Khai	Executive Director	5/5
Chia Seong Fatt	Alternate Director to Chia Lik Khai	5/5
Low Teng Lum	Non-Executive Independent Director	5/5
Mohd. Yusof bin Hussian	Non-Executive Independent Director	4/5

As stipulated in the Board Charter, the Directors shall devote sufficient time and efforts to carry out their responsibilities. The Board shall obtain this commitment from Directors at the time of their appointment. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees.

Directors' Training – Continuing Education Programmes

The Board is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact such regulatory requirements have on the Group.

During the financial period under review, the training attended by the Directors were as follows:

Name of Director	Details of Programme
Dr. Chia Song Kun	Bursatra: Understanding the Governance Framework for Boardroom Excellence-MCCG20127 Amended Listing Requirements
Mr. Leong Yew Cheong	KPMG: Enterprise Risk Management Workshop SGS (Malaysia): ISO 9001:2008 Quality Management System –A Process Approach Training
Mr. Wong Wee Voo	KPMG: Enterprise Risk Management Workshop SGS (Malaysia): ISO 9001:2008 Quality Management System –A Process Approach Training
Mr. Chia Lik Khai	KPMG: Enterprise Risk Management Workshop SGS (Malaysia): ISO 9001:2008 Quality Management System –A Process Approach Training
Mr. Chia Seong Fatt	Dalian Commodity Exchange & Bursa Malaysia Derivatives: The 7th China International Oils and Oilseeds Conference Bursa Malaysia & CME Group: Palm and Lauric Oils Conference (POC2013)
Mr. Low Teng Lum	ASLI Strategic and Leadership Institute: CFO Summit 2012 University of Malaya : Macro Challenges in the US, Europe and China ACCA and Ernst & Young :CFO Breakfast Talk - CFO and beyond
En. Mohd.Yusof bin Hussian	Boardroom Corporate Services: Director's Duties and Responsibilities & Corporate Governance Today and the Directions Moving Forward Malaysian Institute of Corporate Governance: The Malaysian Code on Corporate Governance 2012- The Implications and Challenges to Public Listed Companies

The Company Secretaries circulates the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board on these updates, where applicable. The Financial Controller and External Auditors also brief the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the financial period under review. The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

Principle 5 – Uphold integrity in financial reporting by the Company

It is the Board's commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial period, primarily through the quarterly announcement of Group's results to Bursa, the annual financial statements of the Group and Company as well as the Chairman's statement and review of the Group's operations in the Annual Report, where relevant.

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of their results and cash flows for the period then ended.

To assist in its discharge of its duties on financial reporting, the Board has established an Audit Committee, comprising exclusively Non-Executive Directors, the majority of whom are Independent, with Mr. Low Teng Lum as the Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report section of this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act, 1965. Such financial statements comprise the quarterly financial report announced to Bursa and the annual statutory financial statements.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in overseeing the financial reporting process of the Company, has adopted a policy for the types of non-audit services permitted to be provided by the external auditors, including the need for the Audit Committee's approval in writing before such services can be provided by the external auditors. To address the "self review" threat faced by the external audit firm, the procedures included in the policy require the engagement team conducting the non-audit services to be different from the external audit team.

In assessing the independence of external auditors, the Audit Committee requires written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

Principle 6 – Recognise and manage risks of the Group

The Board regards risk management and internal controls as an integral part of the overall management processes. The following represents the key elements of the risk management and internal control structure:

(a) The establishment of a Risk Management Unit ("RMU") which is entrusted to ensure the implementation of an effective risk management system and to review the adequacy and integrity of the Group's internal control and management information system.

(b) An organizational structure in the Company with formally defined lines of responsibility and delegation of authority;

(c) Review and approval of annual business plan and budget of all major business units by the Board. This plan sets out the key business objectives of the respective business units, the major risks and opportunities in the operations and ensuing action plans;

(d) Quarterly review of the Group's business performance by the Board, which also covers the assessment of the impact of changes in business and competitive environment; and

(e) Active participation and involvement by the Managing Director, supported by his fellow Executive Directors in the day-to-day running of the major businesses and regular discussions with senior management personnel on operational issues.

(f) Monthly financial reporting by the subsidiaries to the holding company.

Recognising the importance of having risk management processes and practices, the Board has formalised a risk management framework to enable Management to identify, evaluate, control, monitor and report to the Board the principal business risks faced by the Group on an ongoing basis, including remedial measures to be taken to address the risks.

In line with the MCCG 2012 and the Listing Requirements of Bursa, the Company outsourced its internal audit function to an independent professional firm to assess the adequacy and effectiveness of the Group's governance, risk management and internal control systems. The internal audit function, which reports directly to the Audit Committee, is guided by professional standards promulgated by the Institute of Internal Auditors Inc, a globally recognized professional body for internal auditors. The internal audit function is independent of the activities it audits and the scope of work covered by the internal audit during the financial period under review is provided in the Audit Committee Report section of this Annual Report.

Principle 7 – Ensure timely and high quality disclosure

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. Accordingly, the Board has adopted and formalised pertinent corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa, but also setting out the persons authorised and responsible to approve and disclose material information to regulators, shareholders and stakeholders.
To augment the process of disclosure, the Board has earmarked a section on the Company's website, where information on the Company's announcements to the regulators, the salient features of the Board Charter and the Company's Annual Report may be accessed.

Principle 8 – Strengthen relationship between the Company and its shareholders

(i) Shareholder participation at general meeting

The Annual General Meeting ("AGM"), which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. At the last AGM, a question & answer session was held where the Chairman of the meeting invited shareholders to raise questions with responses from the Board and Senior Management. The Notice of AGM is circulated at least twenty-one (21) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. All the resolutions set out in the Notice of the last AGM were put to vote by show of hands and duly passed. The outcome of the AGM is announced to Bursa on the same meeting day.

(ii) Communication and engagement with shareholders and prospective investors

The Board recognises the importance of being transparent and accountable to the Company's shareholders and prospective investors. The various channels of communications are through meetings with institutional shareholders and investment communities, quarterly announcements on financial results to Bursa, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website at www.boilermech.com where shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. invest@boilermech.com to which shareholders can direct their queries or concerns.

This Statement is issued in accordance with a Board resolution dated 8 July 2013.

Other Disclosure Requirements

1. Proposed Utilisation of Proceeds from Corporate Exercise
   The details of the utilisation of proceeds from the Company's Initial Public Offering on 5 May 2011 are as follows:

Purpose	Proposed utilisation RM'000	Utilisation up to 30 June 2013 RM'000	Estimated time frame for utilisation
Business expansion plans	4,000	2,680	5 May 2014*
Repayment of term loan	2,500	2,500	-
Working capital	3,317	3,317	-
Estimated listing expenses	1,700	1,700	-
Total	11,517	10,197	

   Note:-
   * On 19 March 2013, the Board resolved to approve the extension of time for the utilisation of the remaining IPO proceeds for the business expansion plans until 5 May 2014.

2. Non-Audit Fees
   The Group incurred RM6, 700 for services to our External Auditors and its affiliate for the financial period 1 May 2012 to 31 March 2013 ("financial period").

3. Variation of actual profit from the unaudited results.
   There has been no material variance of ten percent (10%) or more between the audited results for the financial period ended 31 March 2013 and the unaudited results previously announced.

4. **Material contracts involving directors and major shareholders for the financial period.**

The following material contracts were entered during the financial period by the Group involving directors' and major shareholders 'interests:

Date (a)	Parties	General nature	Consideration (c) RM	Billings (b) RM	Mode of satisfaction of consideration & Billings	Relationship between director/ major shareholder and contracting party
30 July 2012	QL Ansan Poultry Farm Sdn Bhd and Zenith Index Sdn Bhd ("ZISB")	Sale of bio-mass renewable energy system	5,919,000	4,735,200	Cash	QL Ansan Poultry Farm Sdn Bhd is a subsidiary of QL Resources Berhad while ZISB is a subsidiary of Boilermech Holdings Berhad
1 May 2011	QL Resources Berhad ("QLRB") and Boilermech Sdn Bhd (" BSB")	Management fees to QLRB	132,000(d)	NA	Cash	See Note (d) below

Note
(a) Date of contract/commencement of arrangement.
(b) Billings made by the Group are for the financial period 1 May 2012 to 31 March 2013.
(c) Contracted values are paid progressively based on the billings schedules.
(d) The Group paid management fees to QL Resources Berhad for the provision of management services for the financial period at RM12,000 per month.

Dr Chia Song Kun, the Non-Independent Non-Executive Chairman, Mr Chia Lik Khai, the Executive Director and Mr Chia Seong Fatt, Alternate Director to Chia Lik Khai are directors within the QL Resources Berhad Group while Dr Chia Song Kun and Mr Chia Seong Fatt have significant shareholdings (directly or indirectly) in QL Resources Berhad. QL Resources Berhad's wholly owned subsidiary QL Green Resources Sdn Bhd is a major shareholder of Boilermech Holdings Berhad.

5. **Material contracts relating to loans involving directors and major shareholders for the financial period.**

There were no contracts relating to loans involving the Directors' or major shareholders' interest.

6. Recurrent Related Party Transactions (RRPT) of Revenue Nature

The shareholders had earlier approved the RRPT as set out in the circular dated 28 September 2012 (together with the addendum dated 18 October 2012) during the Annual General Meeting held on 22 October 2012.

The Company had announced on 10 July 2013 that Boilermech is seeking the shareholders' approval for the Proposed Renewal of Shareholders' Mandate for Existing RRPT at the forthcoming Annual General Meeting. The details of the RRPT entered into or to be entered by the Group with related parties are included in the Circular to Shareholders that is dispatched together with this Annual Report.

Details of the aggregate value of the RRPT made during the financial period are set out as below:-

Related parties	Nature of relationship	Nature of transaction	Aggregate value of RRPT for the financial period (RM'000)
QL and BSB	QL is one of the substantial shareholders of Boilermech	QL charges management fees for, amongst others, the provision of risk management, corporate strategy and planning services	132
QL Group and Boilermech Group	QL is one of the substantial shareholders of Boilermech	The provision of engineering solutions to QL in relation to biomass renewable energy projects	450
QL Ansan Poultry Farm Sdn Bhd, and ZISB	QL is one of the substantial shareholders of Boilermech	Sale of biomass renewable energy system	1,943
EITA Electronics Bhd ("EITA")	EITA and the company shares certain common substantial shareholders(1)	The purchase of boiler electronic equipment from EITA Group	76

(1) Both the directors of Boilermech, Chia Song Kun and Chia Seong Fatt are deemed as "Interested Major Shareholders" by virtue of their respective substantial shareholdings in:-
a) QL which are held through CBG Holdings Sdn Bhd and Farsathy Holdings Sdn Bhd respectively; and
b) EITA which are held through Ruby Technique Sdn Bhd (vide CBG Holdings Sdn Bhd and Farsathy Holdings Sdn Bhd respectively).
In addition, Chia Lik Khai is deemed as an "Interested Director" by virtue of his directorship in Boilermech, QL Green Resources Sdn Bhd(a substantial shareholder of Boilermech) and EITA.

7. Corporate Social Responsibility

The Group's corporate social responsibility activities and practices are detailed in the Corporate Social Responsibility Report of this Annual Report.

Corporate Social Responsibility Report

Boilermech, in exercising its responsibility as a good corporate citizen, continuously seek to conduct its activities in a socially acceptable manner for the well being of the community which it operates under. We are also guided by the principles enumerated in our Sustainability Policy in developing a sustainable business that delivers value for our stakeholders and the community at large.

Concern for the environment

Our Vision (i.e. to be a leader in the provision of renewable energy and sustainable environmental solutions particularly in the utilization of biomass for the generation of steam and power) addresses two main issues, namely the utilizing and eliminating of biomass waste and in generating energy from non-fossil sources. We go further by improving on the combustion technology and incorporating improved fuel feeding which results in optimal usage of biomass fuel and the avoidance of wasteful fuel. Finally, we encourage our users to adopt more efficient emission control systems to reduce the release of contaminants into the environment.

In other words, our concern for the environment lies at the heart of what we do at Boilermech.

Human Capital Development and Staff Welfare

The development and continued concern for the welfare of our staff is one of our primary strategies in the promotion of business sustainability. A key initiative is the development of a formal succession planning program for its managers. This culminated in the Company's first Strategic Review and Leadership Conference for management and its first Managers' Conference for its managers. Training will take an increasingly important role in the future to enhance the personal growth of our people.

We have also initiated various programs to improve the health and safety of our employees in our premises, including the development of the Health and Safety Policy and the related Manual, training on health and safety matters and crime prevention.

Staff social activities continue to be held to provide a congenial work environment. Activities include the annual overseas trip, annual dinners and regular sporting games.

Community involvement

Community involvement principally revolves around our encouragement of education for the community. We do this by participating in Career Fairs organized by local tertiary education institutions and providing internship programs to selected Malaysian undergraduates.

We have also provided training on Boiler Design and Operations to a regulatory agency and our customers to facilitate a better understanding of our products and services.

We have also donated 2 units of auto-wheelchairs to Pertubuhan Kebajikan Skizofrenia Malaysia during the financial period.

Audit Committee Report

The Audit Committee comprised the following members

Name	Designation	Directorship
Mr. Low Teng Lum	Chairman	Independent Non- Executive Director
Dr. Chia Song Kun	Member	Non-Independent Non-Executive Director
En. Mohd Yusof bin Hussian	Member	Independent Non-Executive Director

The Secretary to the Committee is the Company Secretary.

Attendance at meetings

The Audit Committee members attended all five (5) meetings held during the financial period 1 May 2012 to 31 March 2013 ("financial period").

Summary of activities

The main activities undertaken by the Audit Committee were as follows:

1. Reviewed the quarterly unaudited financial results and the audited financial statements before submission to the Board of the Company ("Board") for consideration and approval.
2. Reviewed the related party transactions entered into by the Group.
3. Recommended the re-appointment of the External Auditor to the Board.
4. Reviewed the External Auditor's scope of work and the audit plan for the financial period.
5. Reviewed the results of the audit and the Audit Report with the External Auditor.
6. Reviewed the internal audit plan and findings and recommendations arising from the internal audit and the management response.
7. Reviewed the principal risks identified by Management and the Management's plans to manage these risks.
8. Review the appropriateness of the proposed dividend for the financial period, and recommend to the Board of Directors accordingly.

Internal Audit

The Group engaged an independent professional firm to provide internal audit services with the view of providing assurance to the Board on the adequacy of the Group's system of internal control to safeguard the Group's assets. This function also serves as an avenue to improve current policies and procedures via the recommendation of the Internal Auditor. During the financial period, the Internal Auditor reviewed and conducted tests and assessed the adequacy of the system of internal controls over key management areas in Asset Management (including credit risk on trade receivables), Health safety and Environment and production planning and quality assurance. Internal Audit reports were issued to the Audit Committee detailing the findings and recommendations and the management responses to the findings and recommendations.

Terms of Reference

(A) Membership

(1) The Audit Committee comprises at least three (3) Directors, the majority of whom are Independent. All members of the Committee shall be Non-Executive Directors.

(2) At least one (1) member of the Audit Committee:

2.1 must be a member of the Malaysian Institute of Accountants;

2.2 if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years working experience and;

(i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or

(ii) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

2.3 fulfils such other requirements as prescribed or approved by the Exchange

(3) No alternate Director shall be appointed as a member of the Audit Committee.

(4) The Board shall review the terms of office and performance of the Audit Committee and each of its members at least once a year to determine whether the Committee and members have carried out their duties in accordance with their terms of reference.

(5) In the event of any vacancy in the Audit Committee resulting in the non-compliance of item 1 and 2 above, the Board shall fill the vacancy within three (3) months from the date of the vacancy.

(6) The members of the Audit Committee shall elect a Chairman from amongst themselves who shall be an Independent Director.

(B) Secretary

The Company Secretary shall be the Secretary of the Audit Committee. The Secretary shall record, prepare and circulate the minutes of the meetings of the Audit Committee to the Board of Directors and ensure that the minutes are properly kept and produced for inspection if required.

(C) Meetings and Attendance

(1) The Audit Committee shall meet at least four (4) times annually. A majority of the members in attendance must be Independent Directors in order to form a quorum for the meeting.

(2) Non-member Directors and employees of the Company shall not attend any Audit Committee meetings unless specifically invited by the Audit Committee.

(3) The Audit Committee shall meet the External Auditors at least twice a year without the presence of the Management or Executive Directors.

(4) The Audit Committee shall report to the Board.

(D) Authority

(1) The Audit Committee has the authority to investigate any matter within its terms of reference, at the cost of the Company and with the following:

(a) the resources which are required to perform its duties;

(b) full and unrestricted access to any information pertaining to the Company;

(c) direct communication channels with the External Auditors and the Internal Auditors;

(d) ability to obtain independent professional or other advice; and

(e) ability to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the listed corporation, whenever deemed necessary.

(2) The Internal Auditor shall report directly to the Committee and shall have direct access to the Chairman of the Committee on all matters of control and audit. All proposals by Management regarding the appointment, transfer and removal of the Internal Auditor of the Company shall require prior approval of the Committee. Any inappropriate restrictions on audit scope are to be reported to the Committee.

(E) Functions

(1) To review the quarterly and annual financial statements of the Company, before the approval of the Board of Directors, focusing particularly on:

(a) any significant changes to accounting policies and practices;

(b) significant adjustments arising from the audits;

(c) compliance with accounting standards and other legal requirements; and

(d) the going concern assumption.

(2) To review any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(3) To review, on an annual basis, the principal risks identified by Management and the methodology employed in the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner.

(4) To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored.

(5) To cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures.

(6) To obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the organisation.

(7) To be satisfied that the strategies, plans, manning and organisation for internal auditing are communicated down through the Company.

Specifically:

(a) to review the internal audit plans and to be satisfied with their consistency with the results of the risk assessment made, the adequacy of coverage and the audit methodologies employed;

(b) to be satisfied that the internal audit function within the Company has the proper resources and authority to enable them to complete their mandates and approved audit plans;

(c) to review status reports from internal audit and ensure that appropriate action is taken on the recommendations of the internal audit function. To recommend any broader reviews deemed necessary as a consequence of the issues or concerns identified;

(d) to review the effectiveness of the Internal Auditor and to recommend to the Board, the reappointment, termination or replacement of the incumbent and the appointment of any other Internal Auditor;

(e) to ensure internal audit has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties; and

(f) to request and review any special audit which it deems necessary.

(8) To review with the External Auditors the nature and scope of their audit plan, their evaluation of the system of internal controls and report.

(9) To review any matters concerning the appointment and reappointment, audit fee and any questions of resignation or dismissal of the External Auditors and Internal Auditors.

(10) To review and evaluate factors related to the independence of the External Auditors and assist them in preserving their independence.

(11) To be advised of significant use of the External Auditors in performing non-audit services within the Group, considering both the types of services rendered and the fees, such that their independence and objectivity as External Auditors are not deemed to be compromised.

(12) To review the External Auditors' findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken.

(13) To recommend to the Board steps to improve the system of internal control derived from the findings of the Internal and External Auditors and from the consultations of the Audit Committee itself.

(14) To prepare the annual Audit Committee Report to the Board which includes the composition of the Audit Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of an internal audit function and summary of the activities of that function for inclusion in the annual report.

(15) To review the Board's statements on compliance with the Malaysian Code of Corporate Governance for inclusion in the annual report.

(16) To review ordinary and extraordinary dividend payments.

(17) To review the assistance given by the employees of the Company to the External Auditors.

(18) To recommend the nomination of a person or persons as External Auditors.

Statement on Risk Management and Internal Control

Paragraph 15.26 (b) of the ACE market Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of a listed issuer to include in its Annual Report a statement on the state of internal control of the listed issuer as a Group. Accordingly, the Board of Directors is pleased to provide the following statement which outlines the nature and scope of the Group's risk management and internal control systems for the financial period from 1 May 2012 to 31 March 2013 ('financial period')

Board Responsibility

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control to safeguard shareholders' investments and Group's assets. In view of the limitations inherent in any system of risk management and internal control, the Board is aware that the system is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's corporate objectives. Accordingly, the system can only provide reasonable, but not absolute, assurance against material misstatement or loss.

Risk Management and Internal Control Structure

Risk management and internal controls are regarded as an integral part of the Group's overall management processes. The following represent some of the key elements of the Group's risk management and internal control structure:

(i) The establishment of a Risk Management Unit ("RMU") which is entrusted to ensure the implementation of an effective risk management system and to review the adequacy and integrity of the Group's internal control and management information system.

(ii) An organizational structure in the Group with formally defined lines of responsibility and delegation of authority, augmented by hierarchical reporting culminating in the Board;

(iii) Review and approval of annual business plan and budget of all major business units by the Board. This plan sets out the key business objectives of the respective business units, the major risks and opportunities in the operations and ensuing action plans;

(iv) Quarterly review of the performance of the Group's business by the Audit Committee and the Board, which also covers the assessment of the impact of changes in business and competitive environment; and

(v) Active participation and involvement by the Managing Director supported by his fellow Executive Directors, in the day-to-day running of the major businesses and regular discussions with Senior Management personnel on operational issues.

The internal controls of the Group are further supported by formalized limits of authority for various committees and personnel as designated. Support functions like Finance and Internal Audit also play a vital role in the overall control and risk management processes of the Group. Matters beyond the formalized limits of authority for Management are referred upward to the Board for approval.

Recognizing the importance of having risk management processes and practices, the Board has in place a risk management framework to enable Management to identify, evaluate, control, monitor and report to the Board the principal business risks faced by the Group on an ongoing basis.

The Board has received assurance from the Managing Director and the Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

Internal Audit Function

The Group outsourced the internal audit function to an independent professional firm, which provides the Board, through the Audit Committee, with assurance on the adequacy and effectiveness of the Group's system of risk management and internal control.

The outsourced internal audit function adopts an approach that focuses on core activities of the Group for the purpose of identifying areas to be audited on a prioritized basis, vis-à-vis the business risks inherent in the core businesses concerned. The internal audit plan is tabled annually and approved by the Audit Committee. Action plans are taken by Management to address the observations raised in the internal audit reports. The outsourced internal audit function also follows up on the status of Management's action plans on internal audit observations.

The costs incurred for the internal audit function in respect of the financial period ended 31 March 2013 amounted to approximately RM 29,000.

Weaknesses in Internal Controls that Resulted in Material Losses

The Board is of the view that there were no material losses incurred by the Group during the financial period ended 31 March 2013 as a result of weaknesses in internal controls. The Group continues to take measures to strengthen the risk management processes and internal control environment.

Statement of Directors' Responsibilities

The Directors are required under the Companies Act, 1965 to prepare financial statements which give a true and fair view of the state of affairs of the Group and Company at the financial period ended 31 March 2013 and of the results of the Group and the Company for the financial period then ended.

In preparing those financial statements, the Directors have:

- selected appropriate accounting policies and applied them consistently

- made judgments and estimates that are reasonable and prudent

- prepared financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business

- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for ensuring proper accounting records are kept, which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and the Company by taking reasonable steps for the prevention and detention of fraud and other irregularities.

Financial Statements

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period from 1 May 2012 to 31 March 2013.

CHANGE OF FINANCIAL YEAR END

The Company changed its financial year end from 30 April to 31 March.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial period	23,735,748	14,410,157
Attributable to:-		
Owners of the Company	23,735,748	14,410,157

DIVIDENDS

Since the end of the previous financial year, the Company paid a final single tier dividend of 1.5 sen per ordinary share of RM0.10 each amounting to RM3,870,000 in respect of the previous financial year.

The directors recommend the payment of a final single tier dividend of 2.0 sen per ordinary share of RM0.10 each amounting to RM5,160,000 in respect of the current financial period subject to the approval of the shareholders at the forthcoming annual general meeting.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial period are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial period,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial period, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 35 to the financial statements. At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial period were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial period.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Chia Song Kun
Leong Yew Cheong
Wong Wee Voo
Chia Lik Khai
Low Teng Lum
Mohd Yusof Bin Hussian
Chia Seong Fatt (Alternate to Chia Lik Khai)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial period in shares in the Company and its related corporations during the financial period are as follows:-

	Number of ordinary shares of RM0.10 each			
	At 1.5.2012	Bought	Sold	At 31.3.2013
Direct Interests				
Chia Song Kun	200,000	-	-	200,000
Leong Yew Cheong	40,474,412	-	-	40,474,412
Wong Wee Voo	25,536,085	-	(600,000)	24,936,085
Chia Lik Khai	200,000	-	-	200,000
Low Teng Lum	200,000	-	-	200,000
Mohd Yusof Bin Hussian	200,000	-	-	200,000
Chia Seong Fatt (Alternate to Chia Lik Khai)	100,000	-	-	100,000
Indirect Interests				
Chia Song Kun (1)	95,363,418	2,659,700	-	98,023,118
Low Teng Lum (2)	100,000	80,000	-	180,000
Mohd Yusof Bin Hussian (2)	20,000	-	-	20,000
Chia Seong Fatt (Alternate to Chia Lik Khai) (3)	95,363,418	2,659,700	-	98,023,118

(1) Deemed interest by virtue of shares held by QL Green Resources Sdn Bhd via his and his spouse's shareholdings of more than fifteen percent (15%) in CBG Holdings Sdn Bhd, a major shareholder of QL Resources Berhad ("QL"). QL holds 100% equity interest in QL Green Resources Sdn Bhd.
(2) Deemed interest via his spouse's shareholdings in the Company.
(3) Deemed interest by virtue of shares held by QL Green Resources Sdn Bhd via his and his spouse's shareholdings of more than fifteen percent (15%) in Farsathy Holdings Sdn Bhd, a major shareholder of QL. QL holds 100% equity interest in QL Green Resources Sdn Bhd.

DIRECTORS' INTERESTS (continued)

By virtue of their shareholdings in the Company, Leong Yew Cheong, Chia Song Kun and Chia Seong Fatt are deemed to have interests in shares in the subsidiaries during the financial period to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965 in Malaysia.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company or a related corporation) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 32 to the financial statements.

Neither during nor at the end of the financial period was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The significant event during the financial period is disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 8 July 2013

Leong Yew Cheong

Wong Wee Voo

Statement By Directors

We, Leong Yew Cheong and Wong Wee Voo, being two of the directors of Boilermech Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 46 to 108 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 March 2013 and of their results and cash flows for the financial period ended on that date.

The supplementary information set out in Note 41, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 8 July 2013

Leong Yew Cheong

Wong Wee Voo

Statutory Declaration

I, Chan Van Chee, IC No. 730506-05-5418, being the officer primarily responsible for the financial management of Boilermech Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 46 to 108 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Chan Van Chee, IC No. 730506-05-5418,
at Kuala Lumpur in the Federal Territory
on this 8 July 2013

Chan Van Chee
Before me

Report on the Financial Statements

We have audited the financial statements of Boilermech Holdings Berhad, which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 46 to 108.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2013 and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 41 on page 109 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

1. As stated in Note 39 to the financial statements, Boilermech Holdings Berhad adopted Malaysian Financial Reporting Standards on 1 May 2012 with a transition date of 1 May 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 30 April 2012 and 1 May 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 30 April 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial period ended 31 March 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 May 2012 do not contain misstatements that materially affect the financial position as of 31 March 2013 and financial performance and cash flows for the financial period then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Ooi Song Wan
Approval No: 2901/10/14 (J)
Chartered Accountant

8 July 2013

Kuala Lumpur

Statements of Financial Position

at 31 March 2013

		The Group			The Company		
		31.3.2013	30.4.2012	1.5.2011	31.3.2013	30.4.2012	1.5.2011
	Note	RM	RM	RM	RM	RM	RM
ASSETS							
NON-CURRENT ASSETS							
Investments in subsidiaries	5	-	-	-	22,310,002	22,310,002	22,309,998
Property, plant and equipment	6	40,726,491	18,955,742	19,115,967	-	-	-
Other investment	7	-	19,500	20,000	-	-	-
Amount owing by a subsidiary	8	-	-	-	18,296,851	-	-
		40,726,491	18,975,242	19,135,967	40,606,853	22,310,002	22,309,998
CURRENT ASSETS							
Inventories	9	19,315,654	16,591,198	10,095,755	-	-	-
Amount owing by contract customers	10	9,877,809	18,132,028	11,254,258	-	-	-
Trade receivables	11	61,721,763	42,265,546	28,388,711	-	-	-
Other receivables, deposits and prepayments	12	5,155,603	4,919,542	14,574,027	34,038	13,000	11,517,000
Amount owing by subsidiaries	8	-	-	-	1,904,708	7,206	-
Tax refundable		57,278	372,033	343,758	1,278	-	-
Derivative assets	13	-	835,370	999,410	-	-	-
Dividend receivable		-	-	-	-	4,000,000	-
Liquid investments	14	27,034,613	30,934,250	-	5,262,248	11,787,165	-
Short-term deposits with a licensed bank		-	-	13,000,000	-	-	-
Cash and bank balances		13,108,250	7,244,104	17,217,432	950,089	39,124	2
		136,270,970	121,294,071	95,873,351	8,152,361	15,846,495	11,517,002
TOTAL ASSETS		176,997,461	140,269,313	115,009,318	48,759,214	38,156,497	33,827,000

The annexed notes form an integral part of these financial statements.

		The Group			The Company		
		31.3.2013	30.4.2012	1.5.2011	31.3.2013	30.4.2012	1.5.2011
	Note	RM	RM	RM	RM	RM	RM
EQUITY AND LIABILITIES							
EQUITY							
Share capital	15	25,800,000	25,800,000	25,800,000	25,800,000	25,800,000	25,800,000
Share premium	16	7,619,660	7,619,660	7,619,660	7,619,660	7,619,660	7,619,660
Cash flow hedge reserve	17	(54,367)	801,447	491,771	-	-	-
Fair value reserve		-	-	(30,000)	-	-	-
Merger deficit	18	(21,809,998)	(21,809,998)	(21,809,998)	-	-	-
Retained profits/(Accumulated loss)	19	67,157,040	47,291,292	31,239,857	15,231,394	4,691,237	(1,557,125)
TOTAL EQUITY		78,712,335	59,702,401	43,311,290	48,651,054	38,110,897	31,862,535
NON-CURRENT LIABILITIES							
Hire purchase payables		-	-	186,190	-	-	-
Term loan	20	683,336	1,073,567	4,079,203	-	-	-
Deferred tax liabilities	21	813,280	700,456	1,595,737	-	-	-
		1,496,616	1,774,023	5,861,130	-	-	-

The annexed notes form an integral part of these financial statements.

Statements of Financial Position
at 31 March 2013 (continued)

		The Group			The Company		
		31.3.2013	30.4.2012	1.5.2011	31.3.2013	30.4.2012	1.5.2011
	Note	RM	RM	RM	RM	RM	RM
CURRENT LIABILITIES							
Amount owing to contract customers	10	63,322,459	51,919,712	38,996,995	-	-	-
Trade payables	22	28,626,492	23,554,340	22,834,367	-	-	-
Other payables and accruals		3,868,546	2,887,220	3,570,094	108,160	45,600	903,715
Amount owing to a subsidiary		-	-	-	-	-	1,060,750
Amount owing to a related company	23	24,000	12,000	10,800	-	-	-
Provision for taxation		384,348	-	-	-	-	-
Hire purchase payables		-	-	147,506	-	-	-
Term loan	20	439,778	419,617	277,136	-	-	-
Derivative liabilities	13	122,887	-	-	-	-	-
		96,788,510	78,792,889	65,836,898	108,160	45,600	1,964,465
TOTAL LIABILITIES		98,285,126	80,566,912	71,698,028	108,160	45,600	1,964,465
TOTAL EQUITY AND LIABILITIES		176,997,461	140,269,313	115,009,318	48,759,214	38,156,497	33,827,000
NET ASSETS PER ORDINARY SHARE (RM)	24	0.31	0.23	0.17			

The annexed notes form an integral part of these financial statements.

Statements of Comprehensive Income

For the Finanicial Period from 1 May 2012 to 31 March 2013

	Note	The Group 1.5.2012 to 31.3.2013 RM	The Group 1.5.2011 to 30.4.2012 RM	The Company 1.5.2012 to 31.3.2013 RM	The Company 1.5.2011 to 30.4.2012 RM
REVENUE	25	165,834,458	149,656,877	15,000,000	10,000,000
COST OF SALES		(127,527,513)	(119,659,117)	-	-
GROSS PROFIT		38,306,945	29,997,760	15,000,000	10,000,000
OTHER INCOME		3,180,792	3,033,358	232,924	304,956
		41,487,737	33,031,118	15,232,924	10,304,956
SELLING AND MARKETING EXPENSES		(2,994,862)	(2,553,685)	-	-
ADMINISTRATIVE EXPENSES		(5,697,993)	(4,590,915)	(820,932)	(827,594)
OTHER EXPENSES		(2,537,279)	(3,510,958)	-	-
FINANCE COSTS		(64,313)	(138,570)	-	-
PROFIT BEFORE TAXATION	26	30,193,290	22,236,990	14,411,992	9,477,362
INCOME TAX EXPENSE	27	(6,457,542)	(2,960,555)	(1,835)	(4,000)
PROFIT AFTER TAXATION		23,735,748	19,276,435	14,410,157	9,473,362
OTHER COMPREHENSIVE INCOME, NET OF TAX					
- Fair value changes of available-for-sale financial assets		-	30,000	-	-
- Cash flow hedge		(855,814)	309,676	-	-
		(855,814)	339,676	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR		22,879,934	19,616,111	14,410,157	9,473,362

The annexed notes form an integral part of these financial statements.

Statements of Comprehensive Income

For the Finanicial Period from 1 May 2012 to 31 March 2013 (continued)

		The Group		The Company	
	Note	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		23,735,748	19,276,435	14,410,157	9,473,362
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		22,879,934	19,616,111	14,410,157	9,473,362
EARNINGS PER SHARE (SEN)					
- Basic	28	9.20	7.47		
- Diluted	28	Not applicable	Not applicable		

The annexed notes form an integral part of these financial statements.

Statements of Changes In Equity

For the Finanicial Period from 1 May 2012 to 31 March 2013

The Group	Note	Share Capital RM	Share Premium RM	Cash Flow Hedge Reserve RM	Fair Value Reserve RM	Merger Deficit RM	Retained Profits RM	Total RM
		<---------- Non-Distributable				---------->	Distributable	
Balance at 1.5.2011		25,800,000	7,619,660	491,771	(30,000)	(21,809,998)	31,239,857	43,311,290
Profit after taxation for the financial year		-	-	-	-	-	19,276,435	19,276,435
Other comprehensive income for the financial year, net of tax:								
- fair value changes of available-for-sale financial assets		-	-	-	30,000	-	-	30,000
- cash flow hedge		-	-	309,676	-	-	-	309,676
Total comprehensive income for the financial year		-	-	309,676	30,000	-	19,276,435	19,616,111
Contributions by and distributions to owners of the Company:								
- dividend	29	-	-	-	-	-	(3,225,000)	(3,225,000)
Balance at 30.4.2012		25,800,000	7,619,660	801,447	-	(21,809,998)	47,291,292	59,702,401

The annexed notes form an integral part of these financial statements.

The Group	Note	<------------ Non-Distributable			------------>	Distributable	
		Share Capital RM	Share Premium RM	Cash Flow Hedge Reserve RM	Merger Deficit RM	Retained Profits RM	Total RM
Balance at 30.4.2012/1.5.2012		25,800,000	7,619,660	801,447	(21,809,998)	47,291,292	59,702,401
Profit after taxation for the financial period		-	-	-	-	23,735,748	23,735,748
Other comprehensive income for the financial period, net of tax:							
- cash flow hedge		-	-	(855,814)	-	-	(855,814)
Total comprehensive income for the financial period		-	-	(855,814)	-	23,735,748	22,879,934
Contributions by and distributions to owners of the Company:							
- dividend	29	-	-	-	-	(3,870,000)	(3,870,000)
Balance at 31.3.2013		25,800,000	7,619,660	(54,367)	(21,809,998)	67,157,040	78,712,335

The annexed notes form an integral part of these financial statements.

The Company	Note	<----------- Non-Distributable ------------> Share Capital RM	Share Premium RM	Distributable (Accumulated Loss)/ Retained Profits RM	Total RM
Balance at 1.5.2011		25,800,000	7,619,660	(1,557,125)	31,862,535
Profit after taxation/Total comprehensive income for the financial year		-	-	9,473,362	9,473,362
Contributions by and distributions to owners of the Company:					
- dividend	29	-	-	(3,225,000)	(3,225,000)
Balance at 30.4.2012/1.5.2012		25,800,000	7,619,660	4,691,237	38,110,897
Profit after taxation/Total comprehensive income for the financial period		-	-	14,410,157	14,410,157
Contributions by and distributions to owners of the Company:					
- dividend	29	-	-	(3,870,000)	(3,870,000)
Balance at 31.3.2013		25,800,000	7,619,660	15,231,394	48,651,054

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For the Finanicial Period from 1 May 2012 to 31 March 2013

	Note	The Group 1.5.2012 to 31.3.2013 RM	The Group 1.5.2011 to 30.4.2012 RM	The Company 1.5.2012 to 31.3.2013 RM	The Company 1.5.2011 to 30.4.2012 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		30,193,290	22,236,990	14,411,992	9,477,362
Adjustments for:-					
Bad debts written off		-	45,502	-	-
Depreciation of property, plant and equipment		1,570,697	1,411,176	-	-
Equipment written off		4,024	2,122	-	-
Fair value loss on derivatives		102,443	473,716	-	-
Impairment losses on other investment		-	30,500	-	-
Impairment losses on trade receivables		1,535,678	1,810,499	-	-
Interest expense		64,313	138,570	-	-
Inventories written (back)/down		(141,287)	347,225	-	-
Unrealised gain on foreign exchange		(301,920)	(142,044)	-	-
Dividend income		-	-	(15,000,000)	(10,000,000)
Gain on disposal of equipment		(128,433)	(49,112)	-	-
Gain on disposal on other investment		(106)	-	-	-
Interest income		(833,820)	(678,059)	(232,924)	(304,956)
Write-back of impairment losses on trade receivables		(771,771)	(1,143,247)	-	-
Operating profit/(loss) before working capital changes		31,293,108	24,483,838	(820,932)	(827,594)
Decrease/(Increase) in amount owing by contract customers		8,254,219	(6,877,770)	-	-
Increase in inventories		(2,583,169)	(6,842,668)	-	-
Increase in trade and other receivables		(20,196,475)	(16,390,132)	(21,038)	(13,000)
Increase/(Decrease) in trade and other payables		6,045,171	41,076	62,560	(858,115)
Increase in amount owing to contract customers		11,402,747	12,922,717	-	-
CASH FROM/(FOR) OPERATIONS		34,215,601	7,337,061	(779,410)	(1,698,709)
Interest paid		(64,313)	(138,570)	-	-
Income tax paid		(5,645,615)	(3,884,111)	(3,113)	(4,000)
NET CASH FROM/(FOR) OPERATING ACTIVITIES		28,505,673	3,314,380	(782,523)	(1,702,709)
BALANCE CARRIED FORWARD		28,505,673	3,314,380	(782,523)	(1,702,709)

The annexed notes form an integral part of these financial statements.

	Note	The Group 1.5.2012 to 31.3.2013 RM	The Group 1.5.2011 to 30.4.2012 RM	The Company 1.5.2012 to 31.3.2013 RM	The Company 1.5.2011 to 30.4.2012 RM
BALANCE BROUGHT FORWARD		28,505,673	3,314,380	(782,523)	(1,702,709)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries		-	-	-	(4)
Advances to subsidiaries		-	-	(20,194,353)	(7,206)
Proceeds from disposal of equipment		243,063	76,910	-	-
Purchase of property, plant and equipment		(23,460,100)	(1,280,871)	-	-
Dividends received		-	-	19,000,000	6,000,000
Interest received		833,820	678,059	232,924	304,956
Proceeds from disposal of other investment		19,606	-	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(22,363,611)	(525,902)	(961,429)	6,297,746
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares		-	11,517,000	-	11,517,000
Repayment of hire purchase obligations		-	(333,696)	-	-
Repayment of term loan		(370,070)	(2,863,155)	-	-
Repayment to a subsidiary		-	-	-	(1,060,750)
Advances from a related company		12,000	1,200	-	-
Dividend paid		(3,870,000)	(3,225,000)	(3,870,000)	(3,225,000)
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(4,228,070)	5,096,349	(3,870,000)	7,231,250
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,913,992	7,884,827	(5,613,952)	11,826,287
Effect of foreign exchange in cash and cash equivalents		50,517	76,095	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR		38,178,354	30,217,432	11,826,289	2
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	30	40,142,863	38,178,354	6,212,337	11,826,289

The annexed notes form an integral part of these financial statements.

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan.
Principal place of business	:	Lot 875 Jalan Subang 8, Taman Perindustrian Subang, 47620 Subang Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 8 July 2013.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 These are the Group's first set of financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the previous financial year, the financial statements of the Group were prepared in accordance with Financial Reporting Standards ("FRSs"). The financial impacts on the transition from FRSs to MFRSs are disclosed in Note 39 to the financial statements.

3. **BASIS OF PREPARATION (continued)**

3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

3. BASIS OF PREPARATION (continued)

3.2 The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no material impact on the financial statements of the Group upon its initial application.

MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. There will be no material impact on the financial statements of the Group upon its initial application.

MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and the disclosure requirements in this standard are more extensive than those in the current standards. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

The amendments to MFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There will be no financial impact on the financial statements of the Group upon its initial application.

The amendments to MFRS 10, MFRS 12 and MFRS 127 require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them. The Company is an investment entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Accordingly, the Group will deconsolidate its subsidiaries upon the initial application of these amendments and to fair value the investments in accordance with MFRS 139. There will be no financial impact on the financial statements of the Group and of the Company upon its initial application.

The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Group upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.

3. BASIS OF PREPARATION (continued)

3.2 The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:- (continued)

The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There will be no financial impact on the financial statements of the Group upon its initial application.

The Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

d) Construction Contracts

Construction contracts accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

- Contract Revenue

  Construction contracts accounting requires that variation claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

- Contract Costs

  Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

(e) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(f) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment loss. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(g) Impairment of Available-for-Sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is “significant’ or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(h) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(i) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair values of these assets and liabilities would affect profit and/or equity.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

(i) Merger accounting for common control business combinations

The acquisitions resulted in a business combination involving common control entities, and accordingly the accounting treatment is outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common control business combinations.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial year.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 BASIS OF CONSOLIDATION (continued)

(a) Business Combinations (continued)

(i) Merger accounting for common control business combinations (continued)

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

(ii) Acquisition method of accounting for non-common control business combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 BASIS OF CONSOLIDATION (continued)

(c) Acquisitions of Non-controlling Interests

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(d) Loss of Control

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

As part of its transition to MFRSs, the Group elected not to restate those business combinations that occurred before the date of transition 1 May 2011. Such business combinations and the related goodwill and fair value adjustments have been carried forward from the previous FRS framework as at the date of transition.

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognise the inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

(ii) Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

As at the end of the reporting period, there were no financial assets classified under this category.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 FINANCIAL INSTRUMENTS (continued)

a) Financial Assets (continued)

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(b) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognise the inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 FINANCIAL INSTRUMENTS (continued)

(d) Hedge Activities

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks.

The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

(i) Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

(ii) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the statement of comprehensive income relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(iii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 FINANCIAL INSTRUMENTS (continued)

(d) Hedge Activities (continued)

(iii) Cash flow hedges (continued)

comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss.

Hedge accounting is discontinued prospectively when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or it no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land	Over the lease period
Buildings	2.85 - 3.33%
Computers	20%
Furniture, fittings and office equipment	10% - 20%
Machinery	20%
Motor vehicles	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 PROPERTY, PLANT AND EQUIPMENT (continued)

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

4.7 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 IMPAIRMENT (continued)

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.8 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and first-in-first-out basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items. The Group writes down its obsolete or slow moving inventories based on assessment of the condition and the future demand for the inventories. These inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recovered.

4.9 AMOUNTS OWING BY/TO CONTRACT CUSTOMERS

The amounts owing by/to contract customers are stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost includes direct materials, labour and applicable overheads.

4.10 INCOME TAXES

Income taxes for the period comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 INCOME TAXES (continued)

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.12 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 RELATED PARTIES

A party is related to an entity (referred to as the “reporting entity”) if:-

(a) A person or a close member of that person’s family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

4.14 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.15 REVENUE RECOGNITION

(a) Sale of Goods

Revenue is recognised upon delivery of goods and customers’ acceptance and where applicable, net of returns and trade discounts.

(b) Services

Revenue is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 REVENUE RECOGNITION (continued)

(c) Construction Contracts

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

(d) Interest Income

Interest income is recognised based on effective interest method.

(e) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

4.16 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.17 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	31.3.2013 RM	30.4.2012 RM
Unquoted shares in Malaysia, at cost		
At 1.5.2012/1.5.2011	22,310,002	22,309,998
Addition during the financial period/year	-	4
At 31.3.2013/30.4.2012	22,310,002	22,310,002

5. **INVESTMENTS IN SUBSIDIARIES (continued)**

The details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest 31.3.2013	30.4.2012	Principal Activities
Boilermech Sdn. Bhd. ("BSB")	Malaysia	100%	100%	Engaged in the business of manufacturing, repairing and servicing of boilers.
Boilermech Cleantech Sdn. Bhd. ("BCSB") (formerly known as Nautical Icon Sdn. Bhd.)	Malaysia	100%	100%	Dormant.
Zenith Index Sdn. Bhd. ("ZISB")	Malaysia	100%	100%	Engaged in the business of biomass renewable energy system.

6. **PROPERTY, PLANT AND EQUIPMENT**

The Group	**At 1.5.2012 RM**	**Additions RM**	**Disposals RM**	**Written Off RM**	**Depreciation Charge RM**	**At 31.3.2013 RM**
Net Book Value						
Leasehold land	10,683,908	11,654,922	-	-	(214,320)	22,124,510
Buildings	5,548,810	9,303,491	-	-	(237,457)	14,614,844
Computers	289,221	251,754	-	-	(106,640)	434,335
Furniture, fittings and office equipment	215,309	39,401	(5,063)	(357)	(41,997)	207,293
Machinery	1,233,064	1,464,131	(20,000)	(3,667)	(553,903)	2,119,625
Motor vehicles	985,430	672,866	(89,567)	-	(416,380)	1,152,349
Construction work-in-progress	-	73,535	-	-	-	73,535
	18,955,742	23,460,100	(114,630)	(4,024)	(1,570,697)	40,726,491

6. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group	At 1.5.2011 RM	Additions RM	Disposals RM	Written Off RM	Depreciation Charge RM	At 30.4.2012 RM
Net Book Value						
Leasehold land	10,873,563	-	-	-	(189,655)	10,683,908
Building	5,759,524	-	-	-	(210,714)	5,548,810
Computers	90,180	287,015	-	(2,122)	(85,852)	289,221
Furniture, fittings and office equipment	191,287	72,341	(2,984)	-	(45,335)	215,309
Machinery	1,398,124	321,443	-	-	(486,503)	1,233,064
Motor vehicles	803,289	600,072	(24,814)	-	(393,117)	985,430
	19,115,967	1,280,871	(27,798)	(2,122)	(1,411,176)	18,955,742

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
At 31.3.2013			
Leasehold land	22,654,922	(530,412)	22,124,510
Buildings	15,203,491	(588,647)	14,614,844
Computers	823,393	(389,058)	434,335
Furniture, fittings and office equipment	389,908	(182,615)	207,293
Machinery	3,922,548	(1,802,923)	2,119,625
Motor vehicles	2,379,274	(1,226,925)	1,152,349
Construction work-in-progress	73,535	-	73,535
	45,447,071	(4,720,580)	40,726,491
At 30.4.2012			
Leasehold land	11,000,000	(316,092)	10,683,908
Building	5,900,000	(351,190)	5,548,810
Computers	571,639	(282,418)	289,221
Furniture, fittings and office equipment	359,324	(144,015)	215,309
Machinery	2,511,616	(1,278,552)	1,233,064
Motor vehicles	2,108,274	(1,122,844)	985,430
	22,450,853	(3,495,111)	18,955,742

One of the leasehold land and buildings of the Group of RM15,865,712 (30.4.2012 – RM16,232,718) have been pledged to a licensed bank as security for banking facilities granted to the Group.

7. OTHER INVESTMENT

	The Group	
	31.3.2013 RM	30.4.2012 RM
Quoted shares in Malaysia		
At 1.5.2012/2011	50,000	20,000
Reclassification from fair value reserve	-	30,000
Disposal during the financial period/year	(50,000)	-
At 31.3.2013/30.4.2012	-	50,000
Allowance for impairment loss:-		
At 1.5.2012/2011	(30,500)	-
Addition for the financial period/year	-	(30,500)
Disposal during the financial period/year	30,500	-
At 31.3.2013/30.4.2012	-	(30,500)
	-	19,500
Represented by:-		
At fair value	-	19,500
Market value of quoted shares	-	19,500

In the previous financial year, the Group designated its investment in quoted shares as available-for-sale financial assets and measured it at fair value.

8. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	31.3.2013	30.4.2012
	RM	RM
Non-current portion:		
- receivable between one year to two years	1,763,725	-
- receivable between two to five years	5,676,560	-
- receivable more than five years	10,856,566	-
	18,296,851	-
Current portion:		
- receivable within one year	1,904,708	7,206
	20,201,559	7,206

a) The amount owing of RM201,559 is non-trade in nature, unsecured, interest-free and repayable on demand;

b) The amount owing of RM20 million is non-trade in nature, unsecured and bore an interest of 3.5% (30.4.2012 - nil) per annum; and

c) The amounts owing are to be settled in cash.

9. INVENTORIES

	The Group	
	31.3.2013	30.4.2012
	RM	RM
Raw Materials:-		
At cost	18,840,229	15,781,006
At net realisable value	475,425	810,192
	19,315,654	16,591,198

10. AMOUNTS OWING BY/(TO) CONTRACT CUSTOMERS

	The Group	
	31.3.2013 RM	30.4.2012 RM
Costs incurred on contracts to date	148,300,861	113,335,596
Attributable profits	37,745,938	23,219,877
	186,046,799	136,555,473
Progress billings	(239,491,449)	(170,343,157)
	(53,444,650)	(33,787,684)
The amounts owing comprise the following:-		
Amount owing by contract customers	9,877,809	18,132,028
Amount owing to contract customers	(63,322,459)	(51,919,712)
	(53,444,650)	(33,787,684)

11. TRADE RECEIVABLES

	The Group	
	31.3.2013 RM	30.4.2012 RM
Trade receivables	62,928,102	43,362,355
Retention receivables	2,364,928	1,710,551
	65,293,030	45,072,906
Allowance for impairment losses	(3,571,267)	(2,807,360)
	61,721,763	42,265,546
Allowance for impairment losses:-		
At 1.5.2012/2011	(2,807,360)	(2,140,108)
Addition for the financial period/year	(1,535,678)	(1,810,499)
Write-back during the financial period/year	771,771	1,143,247
At 31.3.2013/30.4.2012	(3,571,267)	(2,807,360)

(a) The Group's normal trade credit terms range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

(b) Included in the trade receivables is a total amount of RM2,056,350 (30.4.2012 – RM574,693) owing by related companies.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	31.3.2013 RM	30.4.2012 RM	31.3.2013 RM	30.4.2012 RM
Other receivables	154,672	43,155	-	-
Deposits	3,491,333	3,434,514	1,000	1,000
Prepayments	1,509,598	1,441,873	33,038	12,000
	5,155,603	4,919,542	34,038	13,000

13. DERIVATIVE ASSETS/(LIABILITIES)

	The Group			
	Contract/Notional Amount		(Liabilities)/Assets	
	31.3.2013 RM	30.4.2012 RM	31.3.2013 RM	30.4.2012 RM
Forward foreign currency contracts				
- Cash flow hedge	25,880,094	24,348,823	(54,367)	801,447
- Fair value through profit or loss	31,326,766	23,160,212	(68,520)	33,923
	57,206,860	47,509,035	(122,887)	835,370

(a) Cash Flow Hedge

At the end of the reporting period, the Group held forward currency contracts designated as hedges of expected future sales denominated in United States Dollar to customers for which the Group has firm commitments over the next 12 months.

The terms of the forward currency contracts have been negotiated to match the terms of the commitments. There were no highly probable transactions for which hedge accounting had previously been used, which are no longer expected to occur. No amount was recognised for ineffectiveness in other expenses in the profit or loss for the current financial period.

The cash flow hedge of the expected future transactions was assessed to be highly effective and the related net unrealised loss of RM855,814 (30.4.2012 – gain of RM309,676) was included in other comprehensive income in respect of these contracts.

(b) Fair Value Through Profit or Loss

The Group uses forward currency contracts to manage some of the Group's sales denominated in United States Dollar. These forward currency contracts are not designated as cash flow hedge and are entered into for periods consistent with the currency transaction exposure.

During the financial period, the Group recognised a loss of RM102,443 (30.4.2012 – RM473,716) arising from fair value changes of its forward currency contracts.

The method and assumptions applied in determining the fair value of these derivatives are disclosed in Note 37.4(iii) to the financial statements.

14. LIQUID INVESTMENTS

The liquid investments are short-term money market funds, the withdrawal proceeds of which can be received on the following day after the notice of withdrawal.

The liquid investments bore effective interest rates ranging from 2.95% to 3.05% (30.4.2012 – 2.86% to 3.16%) per annum at the end of the reporting period.

15. SHARE CAPITAL

	The Company			
	31.3.2013	30.4.2012	31.3.2013	30.4.2012
	Number Of Shares		RM	RM
Ordinary Shares Of RM0.10 Each:-				
Authorised	500,000,000	500,000,000	50,000,000	50,000,000
Issued and fully paid-up	258,000,000	258,000,000	25,800,000	25,800,000

16. SHARE PREMIUM

The share premium is not distributable by way of cash dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965 in Malaysia.

17. CASH FLOW HEDGE RESERVE

This reserve comprises the effective portion of the cumulative gains and losses on the hedging instrument deemed effective in a cash flow hedge.

	The Group	
	31.3.2013 RM	30.4.2012 RM
At 1.5.2012/2011	801,447	491,771
(Loss)/Gain on cash flow hedge	(855,814)	309,676
At 31.3.2013/30.4.2012	(54,367)	801,447

18. MERGER DEFICIT

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of a subsidiary upon consolidation under the merger accounting principles.

19. RETAINED PROFITS

At the end of the reporting period, the Company will be able to distribute its entire retained profits under the single tier tax system.

20. TERM LOAN

	The Group	
	31.3.2013	30.4.2012
	RM	RM
Non-current portion:		
- repayable between one year to two years	463,596	442,405
- repayable between two to five years	219,740	631,162
	683,336	1,073,567
Current portion:		
- repayable within one year	439,778	419,617
	1,123,114	1,493,184

The term loan is repayable in 180 monthly instalments of RM40,722 each commencing February 2009.

The term loan bore an effective interest rate of 5.30% (30.4.2012 - 5.30%) per annum at the end of the reporting period and is secured by:-

(a) a first legal charge over the leasehold land and building as disclosed in Note 6 to the financial statements;

(b) a fixed and floating charge over the assets of the Group, both present and future; and

(c) a joint and several guarantee of certain directors of the Group.

21. DEFERRED TAX LIABILITIES

	The Group	
	31.3.2013	30.4.2012
	RM	RM
At 1.5.2012/2011	700,456	1,595,737
Recognised in profit or loss (Note 27)	112,824	(895,281)
At 31.3.2013/30.4.2012	813,280	700,456

The deferred tax liabilities are attributable to the following:-

	The Group	
	31.3.2013	30.4.2012
	RM	RM
Accelerated capital allowances	754,188	416,220
Fair value gain on property	1,524,280	1,558,456
Other temporary differences	(1,465,188)	(1,274,220)
	813,280	700,456

22. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days.

23. AMOUNT OWING TO A RELATED COMPANY

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

24. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share is calculated based on the net assets value of the Group at the end of the reporting period of RM78,712,335 (30.4.2012 - RM59,702,401) divided by the number of ordinary shares of RM0.10 each in issue at the end of the reporting period of 258,000,000 (30.4.2012 - 258,000,000).

25. REVENUE

	The Group		The Company	
	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
Trading and services	3,360,709	3,134,058	-	-
Contract revenue	162,473,749	146,522,819	-	-
Dividend income	-	-	15,000,000	10,000,000
	165,834,458	149,656,877	15,000,000	10,000,000

26. PROFIT BEFORE TAXATION

	The Group		The Company	
	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
Profit before taxation is arrived at after charging/(crediting):-				
Audit fee:				
- statutory	62,200	61,000	28,000	28,000
- non-statutory	29,000	58,000	29,000	58,000
Bad debts written off	-	45,502	-	-
Depreciation of property, plant and equipment	1,570,697	1,411,176	-	-
Directors' fee	225,500	246,000	214,500	234,000
Directors' non-fee emoluments	1,393,385	1,210,921	-	-

26. PROFIT BEFORE TAXATION (continued)

	The Group		The Company	
	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
Profit before taxation is arrived at after charging/(crediting):-				
Fair value loss on derivatives	102,443	473,716	-	-
Equipment written off	4,024	2,122	-	-
Impairment losses on other investment	-	30,500	-	-
Impairment losses on trade receivables	1,535,678	1,810,499	-	-
Interest expense:				
- hire purchase	-	23,786	-	-
- letters of credit	-	2,835	-	-
- term loan	64,313	111,949	-	-
Inventories written (back)/ down	(141,287)	347,225	-	-
Rental expense:				
- factory	164,355	-	-	-
- forklifts	16,720	16,435	-	-
- motor vehicles	-	3,723	-	-
- premises	13,688	2,500	-	-
Staff costs:				
- salaries, wages, bonuses and allowances	5,272,129	4,521,191	-	-
- defined contribution plan	632,447	510,666	-	-
- other benefits	512,719	377,721	-	-
Gain on disposal of equipment	(128,433)	(49,112)	-	-
Gain on disposal of other investment	(106)	-	-	-
Gain on foreign exchange:				
- realised	(920,967)	(875,898)	-	-
- unrealised	(301,920)	(142,044)	-	-
Dividend income	-	-	(15,000,000)	(10,000,000)
Interest income	(833,820)	(678,059)	(232,924)	(304,956)
Write-back of impairment losses on trade receivables	(771,771)	(1,143,247)	-	-

The estimated monetary value of non-cash benefits provided to certain directors of the Group during the financial period amounted to RM34,800 (2012 - RM34,800).

27. INCOME TAX EXPENSE

	The Group		The Company	
	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
Current tax expense:				
- for the financial period/year	6,703,326	4,131,967	2,000	4,000
- overprovision in the previous financial year	(358,608)	(276,131)	(165)	-
	6,344,718	3,855,836	1,835	4,000
Deferred tax expense (Note 21):				
- relating to origination and reversal of temporary differences	110,000	(549,000)	-	-
- under/(over)provision in the previous financial year	37,000	(309,000)	-	-
- reversal of deferred tax liability arising from revaluation reserve	(34,176)	(37,281)	-	-
	112,824	(895,281)	-	-
	6,457,542	2,960,555	1,835	4,000

27. INCOME TAX EXPENSE (continued)

A reconciliation of income tax expense applicable to profit before taxation at the statutory tax rates to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
Profit before taxation	30,193,290	22,236,990	14,411,992	9,477,362
Tax at the statutory tax rate of 25%	7,548,323	5,559,248	3,602,998	2,369,341
Tax effects of:-				
Non-taxable income	(214,854)	(140,616)	(3,806,271)	(2,571,791)
Non-deductible expenses	553,337	484,845	205,273	206,450
Effect of tax incentive	(1,073,480)	(2,320,510)	-	-
Reversal of deferred tax liability arising from revaluation reserve	(34,176)	(37,281)	-	-
(Over)/Underprovision in the previous financial year:				
- current tax	(358,608)	(276,131)	(165)	-
- deferred tax	37,000	(309,000)	-	-
Income tax expense for the financial period/year	6,457,542	2,960,555	1,835	4,000

28. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit attributable to shareholders of RM23,735,748 (2012 - RM19,276,435) by the number of ordinary shares in issue during the financial period/ year of 258,000,000 (30.4.2012 - 258,000,000).

	The Group	
	31.3.2013 RM	30.4.2012 RM
Profit attributable to owners of the Company	23,735,748	19,276,435
Number of ordinary shares at 31 March 2013/ 30 April 2012	258,000,000	258,000,000
Basic earnings per share (sen)	9.20	7.47

The disclosure of diluted earnings per share was not applicable as there were no potentially dilutive ordinary shares outstanding at the end of the reporting period.

29. DIVIDEND

	The Group	
	31.3.2013 RM	30.4.2012 RM
In respect of the financial year ended 30 April 2012:-		
Paid:		
- final single tier dividend of 1.5 sen per ordinary share	3,870,000	-
- first interim single tier dividend of 1.25 sen per ordinary share	-	3,225,000
	3,870,000	3,225,000

30. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
Liquid investments	27,034,613	30,934,250	5,262,248	11,787,165
Cash and bank balances	13,108,250	7,244,104	950,089	39,124
	40,142,863	38,178,354	6,212,337	11,826,289

31. DIRECTORS' REMUNERATION

(a) The aggregate amount of emoluments received and receivable by Directors of the Group and of the Company during the financial period/year is as follows:-

	The Group		The Company	
	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
Executive directors:				
- fee	88,000	96,000	77,000	84,000
- non-fee emoluments	1,233,082	1,077,574	-	-
- contribution to Employees' Provident Fund ("EPF")	160,303	133,347	-	-
	1,481,385	1,306,921	77,000	84,000
Non-executive directors:				
- fee	137,500	150,000	137,500	150,000
	1,618,885	1,456,921	214,500	234,000
Benefits-in-kind	34,800	34,800	-	-

31. DIRECTORS' REMUNERATION (continued)

(b) The details of emoluments for the directors of the Group and the Company received/receivable for the financial period/year in bands of RM50,000 are as follows:-

	The Group		The Company	
	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
Executive directors:-				
Below RM50,000	1	1	4	4
RM150,001 – RM200,000	-	1	-	-
RM200,001 – RM250,000	1	-	-	-
RM450,001 – RM500,000	-	1	-	-
RM500,001 – RM550,000	1	-	-	-
RM650,001 – RM700,000	-	1	-	-
RM700,001 – RM750,000	1	-	-	-
Non-executive directors:-				
Below RM50,000	2	2	2	2
RM50,000 – RM100,000	1	1	1	1
	7	7	7	7

32. RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

32. **RELATED PARTY DISCLOSURES (continued)**

(b) Other than those detailed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial period/year:-

	The Group		The Company	
	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
Purchase of equipment from:				
- Eita Electric Sdn. Bhd.*	76,150	63,150	-	-
Sales to:				
- QL Endau Fishmeal Sdn. Bhd. #	13,540	35,420	-	-
- QL Endau Marine Products Sdn. Bhd. #	-	42,500	-	-
- QL Foods Sdn. Bhd. #	2,500	230,000	-	-
- QL Marine Products Sdn. Bhd. #	2,800	7,443	-	-
- QL Plantation Sdn. Bhd. #	14,040	553,011	-	-
- QL Tawau Palm Pellet Sdn. Bhd. #	-	33,870	-	-
- PT Pipit Mutiara Indah #	-	932,126	-	-
- QL ESCO Sdn. Bhd. #	417,722	-	-	-
- QL Ansan Poultry Farm Sdn. Bhd. #	1,942,510	-	-	-
Management fee charged by:				
- QL Resources Berhad Δ	132,000	130,800	-	-
Dividend income from a subsidiary:				
- Boilermech Sdn. Bhd.	-	-	15,000,000	10,000,000

* A company in which a substantial shareholder is connected to certain Directors of the Company.

\# A company in which a corporate shareholder has a substantial financial interest.

Δ A corporate shareholder which has a substantial financial interest.

32. RELATED PARTY DISCLOSURES (continued)

(c) Key management personnel compensation:-

	The Group		The Company	
	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
Short-term employee benefits:				
- salaries, allowances and bonuses	2,739,202	2,488,674	214,500	234,000
- defined contribution plan	326,058	272,734	-	-
- others	34,800	34,800	-	-
	3,100,060	2,796,208	214,500	234,000

33. OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 2 main business segments as follows:-

(i)	Bio-renewable energy systems	Manufacturing and repair of bio-renewable energy systems and trading of related part and accessories.
(ii)	Others	Investment holding.

The management assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

33. OPERATING SEGMENTS (continued)

BUSINESS SEGMENTS

1.5.2012 to 31.3.2013	Bio-Renewable Energy Systems RM	Others RM	Group RM
Revenue			
External revenue	165,834,458	-	165,834,458
Inter-segment revenue	-	15,000,000	15,000,000
	165,834,458	15,000,000	180,834,458
Adjustments and eliminations			(15,000,000)
Consolidated revenue			165,834,458
Results			
Segment results	32,459,777	(864,643)	31,595,134
Interest income	600,896	232,924	833,820
Other material items of income	1,041,491	-	1,041,491
Depreciation of property, plant and equipment	(1,557,197)	(13,500)	(1,570,697)
Other material items of expenses	(1,642,145)	-	(1,642,145)
	30,902,822	(645,219)	30,257,603
Finance costs			(64,313)
Income tax expense			(6,457,542)
Consolidated profit after taxation			23,735,748

33. OPERATING SEGMENTS (continued)

BUSINESS SEGMENTS (continued)

	Bio-Renewable Energy Systems RM	Others RM	Group RM
31.3.2013			
Assets			
Segment assets	170,560,006	6,380,177	176,940,183
Tax refundable			57,278
Consolidated total assets			176,997,461
Liabilities			
Segment liabilities	96,971,900	115,598	97,087,498
Deferred taxation			813,280
Provision for taxation			384,348
Consolidated total liabilities			98,285,126
Other segment items			
Addition to non-current assets other than financial instruments:			
- property, plant and equipment	23,325,100	135,000	23,460,100

33. **OPERATING SEGMENTS (continued)**

BUSINESS SEGMENTS (continued)

1.5.2011 to 30.4.2012	Bio-Renewable Energy Systems RM	Others RM	Group RM
Revenue			
External revenue	149,656,877	-	149,656,877
Inter-segment revenue	-	10,000,000	10,000,000
	149,656,877	10,000,000	159,656,877
Adjustments and eliminations			(10,000,000)
Consolidated revenue			149,656,877
Results			
Segment results	25,488,721	(862,839)	24,625,882
Interest income	373,103	304,956	678,059
Other material items of income	1,192,359	-	1,192,359
Depreciation of property, plant and equipment	(1,411,176)	-	(1,411,176)
Other material items of expenses	(2,709,564)	-	(2,709,564)
	22,933,443	(557,883)	22,375,560
Finance costs			(138,570)
Income tax expense			(2,960,555)
Consolidated profit after taxation			19,276,435

33. OPERATING SEGMENTS (continued)

BUSINESS SEGMENTS (continued)

30.4.2012	Bio-Renewable Energy Systems RM	Others RM	Group RM
Assets			
Segment assets	128,054,787	11,842,493	139,897,280
Tax refundable			372,033
Consolidated total assets			140,269,313
Liabilities			
Segment liabilities	79,817,856	48,600	79,866,456
Deferred taxation			700,456
Consolidated total liabilities			80,566,912
Other segment items			
Addition to non-current assets other than financial instruments:			
- property, plant and equipment	1,280,871	-	1,280,871

(a) Other material items of income consist of the following:-

	The Group 1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
Gain on disposal of equipment	128,433	49,112
Write-back of impairment losses on trade receivables	771,771	1,143,247
Write-back of inventories	141,287	-
	1,041,491	1,192,359

33. OPERATING SEGMENTS (continued)

BUSINESS SEGMENTS (continued)

(b) Other material items of expenses consist of the following:-

	The Group	
	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
Bad debts written off	-	45,502
Equipment written off	4,024	2,122
Fair value loss on derivatives	102,443	473,716
Impairment losses on other investment	-	30,500
Impairment losses on trade receivables	1,535,678	1,810,499
Inventories written down	-	347,225
	1,642,145	2,709,564

GEOGRAPHICAL INFORMATION

	Revenue	
	1.5.2012 to 31.3.2013 RM	1.5.2011 to 30.4.2012 RM
Local	80,122,311	55,942,633
Overseas	85,712,147	93,714,244
	165,834,458	149,656,877

MAJOR CUSTOMERS

There is no customer with revenue equal to or more than 10% of the Group's revenue.

34. CAPITAL COMMITMENTS

	The Group		The Company	
	31.3.2013 RM	30.4.2012 RM	31.3.2013 RM	30.4.2012 RM
Investment in a foreign subsidiary:				
- approved but not contracted for	-	-	928,000	-
Purchase of property, plant and equipment:				
- approved but not contracted for	600,000	-	-	-
- approved and contracted for	4,364,150	247,800	-	-
	4,964,150	247,800	928,000	-

35. CONTINGENT LIABILITY

	The Company	
	31.3.2013 RM	30.4.2012 RM
Corporate guarantee given to licensed bank for credit facilities granted to a subsidiary	12,000,000	12,000,000

36. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the end of the reporting period are as follows:-

	The Group	
	31.3.2013 RM	30.4.2012 RM
United States Dollar	3.0935	3.0200
Indonesian Rupiah	0.0003	0.0003

37. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

37.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risks

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currency giving rise to this risk is primarily United States Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk as disclosed in Note 13 to the financial statements.

37. FINANCIAL INSTRUMENTS (continued)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(a) Market Risks (Continued)

(i) Foreign Currency Risk (Continued)

The Group's exposure to foreign currency is as follows:-

The Group	Indonesian Rupiah RM	United States Dollar RM	Ringgit Malaysia RM	Total RM
31.3.2013				
Financial assets				
Trade receivables	-	21,857,631	39,864,132	61,721,763
Other receivables and deposits	-	-	3,646,005	3,646,005
Liquid investments	-	-	27,034,613	27,034,613
Cash and bank balances	-	10,688,928	2,419,322	13,108,250
	-	32,546,559	72,964,072	105,510,631
Financial liabilities				
Trade payables	187,173	1,408,433	27,030,886	28,626,492
Other payables and accruals	-	566,944	3,301,602	3,868,546
Amount owing to a related company	-	-	24,000	24,000
Term loan	-	-	1,123,114	1,123,114
Derivative liabilities	-	-	122,887	122,887
	187,173	1,975,377	31,602,489	33,765,039
Net financial (liabilities)/assets	(187,173)	30,571,182	41,361,583	71,745,592
Less: Forward foreign currency contracts (contracted notional principal)	-	(31,326,766)	-	(31,326,766)
Less: Net financial assets denominated in the entity's functional currencies	-	-	(41,361,583)	(41,361,583)
Currency exposure	(187,173)	(755,584)	-	(942,757)

37. FINANCIAL INSTRUMENTS (continued)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(a) Market Risks (Continued)

(i) Foreign Currency Risk (Continued)

The Group	Indonesian Rupiah RM	United States Dollar RM	Ringgit Malaysia RM	Total RM
30.4.2012				
Financial assets				
Other investment	-	-	19,500	19,500
Trade receivables	-	24,702,129	17,563,417	42,265,546
Other receivables and deposits	-	-	3,477,669	3,477,669
Derivative assets	-	-	835,370	835,370
Liquid investments	-	-	30,934,250	30,934,250
Cash and bank balances	-	3,990,847	3,253,257	7,244,104
	-	28,692,976	56,083,463	84,776,439
Financial liabilities				
Trade payables	214,060	622,555	22,717,725	23,554,340
Other payables and accruals	-	254,192	2,633,028	2,887,220
Amount owing to a related company	-	-	12,000	12,000
Term loan	-	-	1,493,184	1,493,184
	214,060	876,747	26,855,937	27,946,744
Net financial (liabilities)/assets	(214,060)	27,816,229	29,227,526	56,829,695
Less: Forward foreign currency contracts (contracted notional principal)	-	(23,160,212)	-	(23,160,212)
Less: Net financial assets denominated in the entity's functional currencies	-	-	(29,227,526)	(29,227,526)
Currency exposure	(214,060)	4,656,017	-	4,441,957

37. FINANCIAL INSTRUMENTS (continued)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(a) Market Risks (Continued)

(i) Foreign Currency Risk (Continued)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	31.3.2013 Increase/ (Decrease) RM	**30.4.2012 Increase/ (Decrease) RM**
Effects on profit after taxation		
Indonesian Rupiah		
- strengthened by 10%	(14,038)	(16,055)
- weakened by 10%	14,038	16,055
United States Dollar		
- strengthened by 10%	(56,669)	349,201
- weakened by 10%	56,669	(349,201)
Effects on equity		
Indonesian Rupiah		
- strengthened by 10%	(14,038)	(16,055)
- weakened by 10%	14,038	16,055
United States Dollar		
- strengthened by 10%	(56,669)	349,201
- weakened by 10%	56,669	(349,201)

37. FINANCIAL INSTRUMENTS (continued)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(a) Market Risks (Continued)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 37.1(c) to the financial statements.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	31.3.2013 Increase/ (Decrease) RM	30.4.2012 Increase/ (Decrease) RM	31.3.2013 Increase/ (Decrease) RM	30.4.2012 Increase/ (Decrease) RM
Effects on profit after taxation				
Increase of 25 basis points (bp)	65,481	74,536	13,156	29,468
Decrease of 25 bp	(65,481)	(74,536)	(13,156)	(29,468)
Effects on equity				
Increase of 25 bp	65,481	74,536	13,156	29,468
Decrease of 25 bp	(65,481)	(74,536)	(13,156)	(29,468)

37. FINANCIAL INSTRUMENTS (continued)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(a) Market Risks (Continued)

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risks by maintaining a portfolio of equities with different risk profiles.

Equity price sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments at the end of the reporting period, with all other variables held constant:-

	The Group	
	31.3.2013 Increase/ (Decrease)	**30.4.2012 Increase/ (Decrease)**
	RM	**RM**
Effects on profit after taxation		
Increase of 5%	-	975
Decrease of 5%	-	(975)
Effects on equity		
Increase of 5%	-	975
Decrease of 5%	-	(975)

37. FINANCIAL INSTRUMENTS (continued)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimies credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

(i) Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group	
	31.3.2013 RM	30.4.2012 RM
Overseas	29,778,513	11,802,611
Local	31,943,250	30,462,935
	61,721,763	42,265,546

37. FINANCIAL INSTRUMENTS (Continued)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (ContInued)

(b) Credit Risk (Continued)

(iii) Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
31.3.2013				
Not past due	37,796,945	-	-	37,796,945
Past due 0 - 30 days	4,897,995	-	-	4,897,995
Past due more than 30 days	22,598,090	(3,571,267)	-	19,026,823
	65,293,030	(3,571,267)	-	61,721,763
30.4.2012				
Not past due	27,076,738	-	-	27,076,738
Past due 0 - 30 days	5,980,168	-	-	5,980,168
Past due more than 30 days	12,016,000	(2,807,360)	-	9,208,640
	45,072,906	(2,807,360)	-	42,265,546

At the end of the reporting period, trade receivables that are individually impaired were those who have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

37. FINANCIAL INSTRUMENTS (Continued)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (ContInued)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
31.3.2013						
Trade payables	-	28,626,492	28,626,492	28,626,492	-	-
Other payables and accruals	-	3,868,546	3,868,546	3,868,546	-	-
Amount owing to a related company	-	24,000	24,000	24,000	-	-
Term loan	5.30	1,123,114	1,200,233	488,660	711,573	-
		33,642,152	33,719,271	33,007,698	711,573	-
30.4.2012						
Trade payables	-	23,554,340	23,554,340	23,554,340	-	-
Other payables and accruals	-	2,887,220	2,887,220	2,887,220	-	-
Amount owing to a related company	-	12,000	12,000	12,000	-	-
Term loan	5.30	1,493,184	1,632,576	488,660	1,143,916	-
		27,946,744	28,086,136	26,942,220	1,143,916	-

37. FINANCIAL INSTRUMENTS (Continued)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (Continued)

(c) Liquidity Risk (ContInued)

The Company	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
31.3.2013						
Other payables and accruals	-	108,160	108,160	108,160	-	-
30.4.2012						
Other payables and accruals	-	45,600	45,600	45,600	-	-

37.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

As the Group has insignificant net debt, the debt-to-equity ratio is not presented as it does not provide a meaningful indicator of the risk of borrowings.

Under the requirement of Bursa Malaysia Guidance Note No. 3/2006, the Company is required to maintain its shareholders' equity equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) of the Company. The Company has complied with this requirement.

37. FINANCIAL INSTRUMENTS (Continued)

37.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	31.3.2013 RM	30.4.2012 RM	31.3.2013 RM	30.4.2012 RM
Financial Assets				
Available-for-sale financial asset				
Other investment, at fair value	-	19,500	-	-
Fair value through profit or loss				
Derivative assets	-	33,923	-	-
Loans and receivables financial assets				
Trade receivables	61,721,763	42,265,546	-	-
Other receivables and deposits	3,646,005	3,477,669	1,000	1,000
Amount owing by subsidiaries	-	-	20,201,559	7,206
Dividend receivable	-	-	-	4,000,000
Liquid investments	27,034,613	30,934,250	5,262,248	11,787,165
Cash and bank balances	13,108,250	7,244,104	950,089	39,124
	105,510,631	83,921,569	26,414,896	15,834,495
Others				
Derivative assets - cash flow hedge	-	801,447	-	-
Financial Liabilities				
Other financial liabilities				
Term loan	1,123,114	1,493,184	-	-
Trade payables	28,626,492	23,554,340	-	-
Other payables and accruals	3,868,546	2,887,220	108,160	45,600
Amount owing to a related company	24,000	12,000	-	-
Derivative liabilities	122,887	-	-	-
	33,765,039	27,946,744	108,160	45,600

37. FINANCIAL INSTRUMENTS (Continued)

37.4 FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The carrying amounts of the term loan approximated their fair values as these are floating rate instruments that are repriced to market interest rates on or near the reporting date.

(iii) The fair value of forward foreign currency contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

37.5 FAIR VALUE HIERARCHY

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:-

Level 1 : Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

37. FINANCIAL INSTRUMENTS (Continued)

37.5 FAIR VALUE HIERARCHY (continued)

Fair value hierarchy analysis

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
The Group				
31.3.2013				
Financial asset				
Liquid investments	27,034,613	-	-	27,034,613
Financial liability				
Derivative liabilities	-	122,887	-	122,887
30.4.2012				
Financial assets				
Other investment	19,500	-	-	19,500
Liquid investments	30,934,250	-	-	30,934,250
Derivative assets	-	835,370	-	835,370
	30,953,750	835,370	-	31,789,120
The Company				
31.3.2013				
Financial asset				
Liquid investments	5,262,248	-	-	5,262,248
30.4.2012				
Financial asset				
Liquid investments	11,787,165	-	-	11,787,165

38. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

On 20 March 2013, the Company incorporated a private company limited by shares in Indonesia known as PT Boilermech. As at the end of the reporting period, no capital injection has been effected into PT Boilermech. PT Boilermech is presently a dormant company.

39. TRANSITION TO THE MFRS FRAMEWORK

As stated in Note 3.1 to the financial statements, these are the first financial statements of the Group and the Company prepared in accordance with MFRSs. The accounting policies in Note 4 to the financial statements have been applied to all financial information covered under this set of financial statements.

In preparing the opening MFRS statements of financial position at 1 May 2011 (date of transition), the Group has adjusted amounts reported previously in financial statements prepared in accordance with FRSs. The financial impacts on the transition are as below:-

RECONCILIATION OF FINANCIAL POSITION

	1.5.2011			30.4.2012		
	FRSs RM	Transition Effects RM	MFRSs RM	FRSs RM	Transition Effects RM	MFRSs RM
Revaluation reserve	4,861,772	(4,861,772)	-	4,861,772	(4,861,772)	-
Retained profits	26,378,085	4,861,772	31,239,857	42,429,520	4,861,772	47,291,292

RECONCILIATION OF COMPREHENSIVE INCOME AND CASH FLOWS

There are no material differences between the statements of comprehensive income and cash flows presented under FRSs and MFRSs.

NOTES TO RECONCILIATIONS

Property, Plant and Equipment – Deemed Cost Exemption

Under FRSs, the Group measured its land and building at valuation. The last valuation was carried out on 31 August 2010. Upon transition to MFRSs, the Group elected to use the previous revaluation as deemed cost under MFRSs. There was no impact to the carrying of this asset. However, the revaluation reserve at 1 May 2011 and 30 April 2012 were transferred to retained profits.

The aggregate fair value of the land and building at 1 May 2011 was determined to be RM16,900,000 compared to the then carrying amount of RM16,633,087 under FRSs.

40. COMPARATIVE FIGURES

The Group and the Company changed their financial year end from 30 April to 31 March. Accordingly, the financial statements of the Group and the Company for the financial period ended 31 March 2013 cover a 11-month period from 1 May 2012 to 31 March 2013 as compared to the 12-month period from 1 May 2011 to 30 April 2012.

41. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and of the Company at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	31.3.2013 RM	30.4.2012 RM	31.3.2013 RM	30.4.2012 RM
Total retained profits:				
- realised	66,518,640	46,705,369	15,231,394	4,691,237
- unrealised	638,400	585,923	-	-
At 31.3.2013/30.4.2012	67,157,040	47,291,292	15,231,394	4,691,237

List of Properties

The Group owns two pieces of properties via its wholly owned subsidiary, Boilermech Sdn Bhd.

Location	Tenure of lease	Land area/built up area	Approximate age of buildings	Net book value 31 March 2013 RM'000	Date of last revaluation
Lot 875, Jalan Subang 8 Taman Perindustrian Subang, 47620 Subang Jaya Selangor Darul Eshan[1]	99 years, expiring on 2 September 2068	Land area: 20,407 square meters Built up area: 7200 square meters	16 years	15,866	30 August 2010
Lot 873, Jalan Subang 8 Taman Perindustrian Subang, 47620 Subang Jaya Selangor Darul Eshan[2]	99 years, expiring on 12 October 2061	Land area: 14,163 square meters Built up area: 9304 square meters	16 years	20,874	6 September 2012

[1] The property comprises two units of single storey detached factory with one being annexed to a three storey office building and a guard house. The Group's corporate and administrative office and the production facilities are sited on the said property.

[2] The property comprises one unit of single storey detached factory annexed to a three storey office building and a guard house. The premises houses part of the Group's production and warehousing facilities.

Shareholders' Analysis Report

as at 1 July 2013

Authorised share capital	**:**	**RM50,000,000**
Issued and paid-up capital	**:**	**RM25,800,000**
Types of shares	**:**	**Ordinary shares of RM0.10 each**
Voting rights	**:**	**One vote per ordinary share**

SHAREHOLDERS BY SIZE OF HOLDINGS

Holdings	No. of Holders	Total Holdings	%
Less than 100	5	142	0.00
100 – 1,000	85	57,700	0.02
1,001 – 10,000	670	3,912,400	1.52
10,001 – 100,000	496	19,054,900	7.39
100,001 to less than 5% of issued shares	126	85,381,543	33.09
5% and above of issued shares	3	149,593,315	57.98
	1,385	258,000,000	100.00

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct	%	Indirect	%
Dr. Chia Song Kun	200,000	0.08	101,023,118[1]	39.16
Leong Yew Cheong	37,675,412	14.60	-	-
Wong Wee Voo	21,536,085	8.35	-	-
Chia Lik Khai	200,000	0.08	-	-
Chia Seong Fatt	100,000	0.04	101,023,118[2]	39.16
Low Teng Lum	200,000	0.08	280,000[3]	0.11
Mohd Yusof bin Hussian	200,000	0.08	20,000[3]	0.01

Notes:

[1] Deemed interest by virtue of shares held by QL Green Resources Sdn Bhd via his and his spouse's shareholdings of more than 15% in CBG Holdings Sdn Bhd, which is a major shareholder of QL Resources Berhad ("QL"). QL holds 100% shares in QL Green Resources Sdn Bhd.

[2] Deemed interest by virtue of shares held by QL Green Resources Sdn Bhd via his and his spouse's shareholdings of more than 15% in Farsathy Sdn Bhd, which is a major shareholder of QL. QL holds 100% shares in QL Green Resources Sdn Bhd.

[3] Deemed interest via his spouse's shareholdings in the Company.

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct	%	Indirect	%
QL Green Resources Sdn Bhd	101,023,118	39.16	-	-
Leong Yew Cheong	37,675,412	14.60	-	-
Wong Wee Voo	21,536,085	8.35	-	-
Dr. Chia Song Kun	200,000	0.08	101,023,118 (1)	39.16
Chia Seong Fatt	100,000	0.04	101,023,118 (2)	39.16
QL	-	-	101,023,118 (3)	39.16
CBG Holdings Sdn Bhd	-	-	101,023,118 (4)	39.16
Farsathy Holdings Sdn Bhd	-	-	101,023,118 (4)	39.16

Notes:

(1) Deemed interest by virtue of shares held by QL Green Resources Sdn Bhd via his and his spouse's shareholdings of more than 15% in CBG Holdings Sdn Bhd, which is a major shareholder of QL. QL holds 100% shares in QL Green Resources Sdn Bhd.

(2) Deemed interest by virtue of shares held by QL Green Resources Sdn Bhd via his and his spouse's shareholdings of more than 15% in Farsathy Sdn Bhd, which is a major shareholder of QL. QL holds 100% shares in QL Green Resources Sdn Bhd.

(3) Deemed interest by virtue of its substantial shareholdings in QL Green Resources Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

(4) Deemed interested by virtue of its substantial shareholdings in QL pursuant to Section 6A of the Companies Act, 1965.

TOP THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	Shareholdings	%
1.	QL Green Resources Sdn Bhd	90,381,818	35.03
2.	Leong Yew Cheong	37,675,412	14.60
3.	Wong Wee Voo	21,536,085	8.35
4.	QL Green Resources Sdn Bhd	10,641,300	4.12
5.	Gan Chih Soon	10,047,070	3.89
6.	Tee Seng Chun	9,116,370	3.53
7.	Lai Yee Kein	5,360,115	2.08
8.	Law Chee Wong	3,700,000	1.43
9.	Wong Poon Han	3,150,186	1.22
10.	Loh Foo	3,085,002	1.20
11.	Hong Yuet Ngan	2,000,000	0.78
12.	Tan Lik Houe	1,908,000	0.74
13.	Nahoorammah a/p Sithamparam	1,600,000	0.62
14.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged securities account for Yoong Fui Kien)	1,515,000	0.59
15.	Liu Fui Moy	1,420,000	0.55
16.	Lee Fah On	1,353,000	0.52
17.	Heng Chin Choo	1,094,800	0.42
18.	Ng Chew Kee	1,056,000	0.41

TOP THIRTY (30) LARGEST SHAREHOLDERS (continued)

No.	Name of Shareholders	Shareholdings	%
19.	Hoe Wei Ying	926,000	0.36
20.	Ong Keng Seng	920,900	0.36
21.	Khoo Hock Leong	751,800	0.29
22.	Chaw Moi @ Chaw Yet Moi	623,600	0.24
23.	Liu Tze Yee	562,700	0.22
24.	They Heng Chong @ Teh Chong Fay	542,800	0.21
25.	Yong Yew San	500,000	0.19
26.	Chua Lee Guan	485,000	0.19
27.	Public Nominees (Tempatan) Sdn Bhd (Pledged securities account for Yeo Kiah Yoo)	472,000	0.18
28.	Eng Siew Yong	466,500	0.18
29.	Tan Thean Hock	458,000	0.18
30.	Chia Get Kiau	450,000	0.17
		213,799,458	82.87

Notice Of Annual General Meeting

BOILERMECH HOLDINGS BERHAD (Company No. 897694-T)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting of the Company will be held at Emperor Ballroom, Empire Hotel Subang, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 21 August 2013 at 10.00 a.m.

AGENDA

As Ordinary Business

1.	To receive the Statutory Financial Statements for the financial period ended 31 March 2013 together with the Reports of the Directors and Auditors thereon.	**(Refer to Explanatory Note 1)**
2.	To approve the payment of the Directors' fees amounting to RM354,000 for the financial year ending 31 March 2014.	**Resolution 1**
3.	To re-elect the following directors who retire pursuant to the Company's Articles of Association and being eligible offer themselves for re-election: (a) Low Teng Lum (Article 78)	**Resolution 2**
	(b) Chia Lik Khai (Article 78)	**Resolution 3**
4.	To approve the payment of a final single tier dividend of 2 sen per ordinary share of RM0.10 each amounting to RM5,160,000 for the financial period ended 31 March 2013.	**Resolution 4**
5.	To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Resolution 5**

As Special Business

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

6. **APPROVAL FOR ISSUANCE OF NEW ORDINARY SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

Resolution 6

"THAT, subject to the Companies Act, 1965, 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 Section 132D of the Companies Act, 1965 to issue new ordinary shares of RM0.10 each 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 issued and paid-up share capital for the time being of the Company AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company".

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

Resolution 7

"THAT subject to the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and its subsidiary(ies) to enter into recurrent related party transactions of a revenue or trading nature with the related parties ("Recurrent Related Party Transactions") as set out in Section 2.2 of the Circular to the Shareholders dated 30 July 2013 ("the Circular"), subject further to the following:

(i) the Recurrent Related Party Transactions are entered into in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arms' length basis and are not to the detriment of the minority shareholders of the Company;

(ii) the disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year, amongst others, based on the following information:

(a) the type of Recurrent Related Party Transactions made; and

(b) the names of the related parties involved in each type of Recurrent Related Party Transaction made and their relationship with the Company;

NOTICE OF THIRD ANNUAL GENERAL MEETING (Continued)

(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 after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) 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."

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of Members at the Third Annual General Meeting of the Company to be held on 21 August 2013, a final single tier dividend of 2 sen per ordinary share, for the financial period ended 31 March 2013 will be paid on 18 September 2013 to Depositors whose names appear in the Record of Depositors on 26 August 2013.

A Depositor shall qualify for entitlement only in respect of:

(a) Securities transferred into the Depositor's securities account before 4:00 p.m. on 26 August 2013 in respect of ordinary transfers; and

(b) Securities bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

TAN BEE HWEE (MAICSA 7021024)
WONG WAI FOONG (MAICSA 7001358)
Company Secretaries

Dated: 30 July 2013

NOTES :

1. For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming Third Annual General Meeting of the Company, the Company shall be requesting the Record of Depositors as at 14 August 2013. Only a depositor whose name appears on the Record of Depositors as at 14 August 2013 shall be entitled to attend and vote at the meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.

2. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a Member of the Company and Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.

3. A Member may appoint not more than two (2) proxies to attend the same meeting. Where a Member of the Company is an authorised nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

4. Where a Member or the authorised nominee appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where an exempt authorised nominee appoints two (2) or more proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited by hand at or by facsimile transmission to the Company's Share Registrar, Bina Management (M) Sdn Bhd at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.

7. If this Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a Power of Attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in this Proxy Form.

Explanatory Notes on Ordinary Business/ Special Business :

1. **Item 1 of the Agenda**
   To receive the Statutory Financial Statements for the Financial Period Ended 31 March 2013

   This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Statutory Financial Statements. Hence, this Agenda item is not put forward for voting.

2. **Item 6 of the Agenda**
   Approval for Issuance of New Ordinary Shares pursuant to Section 132D of the Companies Act, 1965

   The Ordinary Resolution 6 is proposed to seek for a general authority pursuant to Section 132D of the Companies Act, 1965, if passed, it will give the Directors of the Company from the date of the above meeting, authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. The authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

   The general mandate for issue of shares is a renewal. As at the date of notice of meeting, no shares have been issued pursuant to the general mandate granted at the last Annual General Meeting of the Company.

   The general mandate sought will enable the Directors of the Company to issue and allot shares, including but not limited for further placing of shares for purpose of funding investment(s), working capital and/or acquisitions, at any time to such persons in their absolute discretion without convening a general meeting as it would be both costs and time-consuming to organize a general meeting.

3. **Item 7 of the Agenda**
   Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

   The Ordinary Resolution 7 is proposed and if passed, will enable the Company and/or its subsidiary company(ies) to enter into recurrent transactions involving the interest of Related Parties, which are necessary for the Group's day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

BOILERMECH HOLDINGS BERHAD (897694-T)

(Incorporated in Malaysia)

CDS Account No. of Authorised Nominee *

PROXY FORM

I/We ____________________ IC No. /Passport No./ Company No____________________

of ____________________

being a member of Boilermech Holdings Berhad, hereby appoint ____________________

____________________ IC No. /Passport No. ____________________

of ____________________

or failing him/her ____________________ IC No. /Passport No. ____________________

of ____________________

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the THIRD ANNUAL GENERAL MEETING of the Company to be held at Emperor Ballroom, Empire Hotel Subang, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 21 August 2013 at 10.00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

ITEM	AGENDA			
1	To receive the Statutory Financial Statements for the financial period ended 31 March 2013 together with the Reports of the Directors and Auditors thereon.			
	ORDINARY RESOLUTIONS	**RESOLUTION**	**FOR**	**AGAINST**
2	To approve the payment of Directors' fees amounting to RM354,000 for the financial year ending 31 March 2014.	1		
3	To re-elect the following Directors who retire in accordance with the Company's Articles of Association: (a) Low Teng Lum (Article 78)	2		
	(b) Chia Lik Khai (Article 78)	3		
4	To approve the payment of a final single tier dividend of 2 sen per ordinary share of RM0.10 each amounting to RM5,160,000 for the financial period ended 31 March 2013.	4		
5	To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.	5		
6	Approval for Issuance of New Ordinary Shares pursuant to Section 132D of the Companies Act, 1965.	6		
7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	7		

Please indicate with an "X" in the spaces as provided above how you wish to cast your votes. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

____

Signature/Common Seal

Number of shares held :

Date :

For appointment of two proxies, percentage of shareholdings to be represented by the proxies :

	No of shares	Percentage	
Proxy 1			%
Proxy 2			%
		100	%

Notes:

1. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a Member of the Company and Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.
2. A Member may appoint not more than two (2) proxies to attend the same meeting. Where a Member of the Company is an authorised nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
3. Where a Member or the authorised nominee appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where an exempt authorised nominee appoints two (2) or more proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited by hand at or by facsimile transmission to the Company's Share Registrar, Bina Management (M) Sdn Bhd at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.
6. If this Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a Power of Attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in this Proxy Form.

* applicable to shares held through nominee account

Fold this flap for sealing

Then fold here

Affix
stamp

The Share Registrar

BOILERMECH HOLDINGS BERHAD (897694-T)
Lot 10, The Highway Centre, Jalan 51/205
46050 Petaling Jaya
Selangor Darul Eshan

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Boilermech Holdings Berhad (897694-T)

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