

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

Minutes of the **11th Annual General Meeting (“11th AGM”)** of **Boilermech Holdings Berhad** held fully virtual meeting through **online meeting platform via TIIH online at <https://tiih.online> or <https://tiih.com.my>** (Domain registration number with MYNIC: **D1A282781**) on **Tuesday, 14 September 2021 at 10.00 a.m.**

CHAIRMAN : Dr. Chia Song Kun

PRESENT : Mr Leong Yew Cheong  
Mr Chia Lik Khai  
Mr Chia Seong Fatt  
Mr Gan Chih Soon  
Mr Tee Seng Chun  
Mr Ng Swee Weng  
Mr Adrian Chair Yong Huang  
Mr Ho Cheok Yuen  
Ms Rina Meileene Binti Adam

IN ATTENDANCE : Ms Tan Bee Hwee – Company Secretary

The attendance of shareholders, proxies, corporate representatives and invitees is as per the Summary of Attendance List via Remote Participation and Voting (“RPV”).

**ACTION**

**1. CHAIRMAN**

Dr. Chia Song Kun presided as Chairman of the meeting.

**2. NOTICE**

2.1 The Chairman highlighted that the Notice convening the 11th AGM of the Company had been delivered to all shareholders of the Company and published on the Company’s website on 16 August 2021, together with:-

- 2021 Annual Report;
- Corporate Government Report 2021;
- Circular to Shareholders dated 16 August 2021;
- Notice of the 11th AGM;
- Administrative Guide; and
- Proxy Form.

2.2 With the consent from the members present online, the Notice convening the Meeting, having been circulated within the prescribed period, was taken as read.

**3. PRELIMINARY**

3.1 In view that the meeting was conducted fully virtual, the Chairman informed that Mr Ng Swee Weng would take over the chair of the meeting if his Internet connection became unstable.

**ACTION**

**4. WELCOME ADDRESS**

- 4.1 The Chairman welcomed all present virtually to the 11th AGM of Boilermech Holdings Berhad (“Boilermech” or “the Company”), and thanked all shareholders, proxies, authorised representatives of corporate shareholders and invited guests for participating remotely from various locations through live streaming via the online meeting platform at TIIH online provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Share Registrars” or “TIIH”).
- 4.2 The Chairman informed that the 11th AGM of the Company was conducted on a fully virtual basis through the said online meeting platform in adherence to the latest Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers (“Guidance Note”) revised by Securities Commission Malaysia (“SC”) issued on 16 July 2021, to curb the spread of Coronavirus disease (“COVID-19”).
- 4.3 With reference to the latest SC Guidance Note, the Chairman of the meeting, board members, senior management and shareholders were required to participate in the meeting online. Physical gatherings were strictly prohibited during this period. Hence, all Directors, Senior Management, the Company Secretary, the representatives from Crowe Malaysia PLT and KPMG PLT, including the Chairman, were all participating in the 11th AGM remotely.
- 4.4 The Chairman introduced the members of the Board of Directors (“Board”), the Company Secretary and representatives from Crowe Malaysia PLT and KPMG PLT who were participating remotely via video conference.

**5. QUORUM**

- 5.1 The Secretary confirmed that a quorum was present for the meeting.
- 5.2 There being a quorum, the Chairman called the meeting to order at 10.06 a.m.

**6. CORPORATE VIDEO**

Before proceeding with the agenda items, the Chairman informed that a corporate video followed by an update on the corporate and operational developments of the Group will be presented by the Joint Managing Director, Mr Chia Lik Khai.

**7. SLIDE PRESENTATION ON THE GROUP’S DEVELOPMENT**

- 7.1 Mr Chia Lik Khai presented on the Group’s business and outlook among others, performance review, key developments and financial achievement for FYE2021 as well as overall outlook for FYE2022.

**ACTION**

- 7.2 After the presentation by Mr Chia Lik Khai, the Chairman welcomed questions from the shareholders in relation to the corporate and operational matters and informed that the Company would respond to them at the Question and Answer (“Q&A”) session later.

**8. VOTING PROCEDURES**

- 8.1 The Chairman informed that all resolutions as set out in the Notice of 11th AGM would be put to vote by way of poll pursuant to Listing Requirements of Bursa Malaysia Securities Berhad.
- 8.2 He also informed that TIIH had been appointed as the poll administrator to conduct the poll by way of electronic voting (“e-Voting”), whilst Coopers Professional Scrutineers Sdn. Bhd. had been appointed as the poll scrutineer to validate the votes cast and verify the poll results. The poll would be conducted at the end of the meeting to facilitate the smooth running of the meeting.
- 8.3 The Chairman informed that the Board and Management would attempt to answer as many questions as possible during the 30-minute Q&A session allocated by the Company.
- 8.4 The Chairman informed that questions raised would be addressed once all the agenda items had been presented.
- 8.5 He further informed that poll voting would be conducted electronically via the Remote Participation and Electronic Voting (“RPV”) facilities provided by the Share Registrars after all the agenda items as set out in the Notice of 11th AGM had been dealt with. If there is equality of votes, he would then exercise his casting vote provided under Clause 62 of the Company’s Constitution.
- 8.6 The Chairman invited TIIH to explain the on the voting procedures on RPV and voting application via a short video presentation.
- 8.7 The Chairman then presented the agenda of the 11th AGM as follows:-

**9. TO RECEIVE THE STATUTORY FINANCIAL STATEMENTS AND REPORTS OF THE DIRECTORS AND AUDITORS THEREON FOR THE FINANCIAL YEAR ENDED (“FYE”) 31 MARCH 2021**

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- 9.1 The Chairman dealt with the first agenda item, which was to receive the Statutory Financial Statements for the FYE 31 March 2021, together with the Reports of the Directors and Auditors thereon.
- 9.2 The Chairman explained that the agenda item was meant for discussion only as the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016 (“CA 2016”) do not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this agenda item was not put forward for voting.

**ACTION**

9.3 The Chairman declared that the Statutory Financial Statements for the FYE 31 March 2021, together with the Reports of the Directors and Auditors thereon, had, in accordance with the CA 2016, been properly laid and received.

**10. TO APPROVE THE PAYMENT OF A FINAL SINGLE TIER DIVIDEND OF 1.75 SEN PER ORDINARY SHARE AMOUNTING TO RM9,030,000 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

10.1 The Chairman tabled Ordinary Resolution 1 on the agenda pertaining to the approval for payment of a final single tier dividend of 1.75 sen per ordinary share amounting to RM9,030,000 for the financial year ended 31 March 2021.

10.2 He informed that the Board would address any questions on this motion during the Q&A session later. He proceeded to the next agenda item as set out in the Notice of the 11th AGM.

**11. TO RE-ELECT THE FOLLOWING DIRECTORS WHO RETIRED PURSUANT TO THE COMPANY'S CONSTITUTION AND BEING ELIGIBLE, HAVE OFFERED THEMSELVES FOR RE-ELECTION**

**11.1 Re-election of Dr. Chia Song Kun**

11.1.1 The Independent Non-Executive Director, namely Mr Ng Swee Weng ("Mr Ng"), took the chair as the Chairman was interested in the proposed resolution.

11.1.2 Mr Ng tabled Ordinary Resolution 2 on the agenda pertaining to the re-election of Dr. Chia Song Kun, who was retiring pursuant to Clause 76(3) of the Constitution of the Company and being eligible, had offered himself for re-election. He informed that the Board would address any questions on this motion during the Q&A session later.

11.1.3 Mr Ng handed the chair back to the Chairman to proceed with the next agenda item as set out in the Notice of the 11th AGM.

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

11.2.1 The Chairman tabled Ordinary Resolution 3 on the agenda pertaining to the re-election of Leong Yew Cheong, who was retiring pursuant to Clause 76(3) of the Constitution of the Company and being eligible, had offered himself for re-election.

11.2.2 He informed that the Board would address any questions on this motion during the Q&A session later. He then proceeded to the next agenda item as set out in the Notice of the 11th AGM.

**ACTION**

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

11.3.1 The Chairman tabled Ordinary Resolution 4 on the agenda pertaining to the re-election of Chia Lik Khai, who was retiring pursuant to Clause 76(3) of the Constitution of the Company and being eligible, had offered himself for re-election.

11.3.2 He informed that the Board would address any questions on this motion during the Q&A session later. He then proceeded to the next agenda item as set out in the Notice of the 11th AGM.

12. **TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF THE FOLLOWING DIRECTORS FOR THE PERIOD COMMENCING FROM THE CONCLUSION OF THE 11TH AGM UNTIL THE NEXT AGM OF THE COMPANY**

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12.1 **Director's Fee of Dr. Chia Song Kun amounting to RM9,000 per month**

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12.1.1 The Chairman tabled Ordinary Resolution 5 on the agenda pertaining to the approval of payment of Director's Fee amounting to RM9,000 per month to him for the period commencing from the conclusion of 11th AGM until the next AGM of the Company. Mr Ng took the chair as the Chairman was interested in the proposed resolution.

12.1.2 Mr Ng put the motion of Ordinary Resolution 5 to the meeting for consideration. He informed that the Board would address any questions on this motion during the Q&A session later.

12.1.3 Mr Ng passed the chair back to the Chairman.

12.1.4 The Chairman proceeded to the next agenda item as set out in the Notice of 11th AGM.

12.2 **Director's Fee of Mr Ng Swee Weng amounting to RM8,000 per month**

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12.2.1 The Chairman tabled Ordinary Resolution 6 on the agenda pertaining to the approval of payment of Director's Fee amounting to RM8,000 per month to Mr Ng Swee Weng for the period commencing from the conclusion of 11th AGM until the next AGM of the Company.

12.2.2 He informed that the Board would address any questions on this motion during the Q&A session later. He proceeded to the next agenda item as set out in the Notice of the 11th AGM.

**ACTION**

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

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12.3.1 The Chairman tabled Ordinary Resolution 7 on the agenda pertaining to the approval of payment of Director's Fee amounting to RM7,000 per month to Mr Adrian Chair Yong Huang for the period commencing from the conclusion of 11th AGM until the next AGM of the Company.

12.3.2 He informed that the Board would address any questions on this motion during the Q&A session later. He proceeded to the next agenda item as set out in the Notice of the 11th AGM.

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

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12.4.1 The Chairman tabled Ordinary Resolution 8 on the agenda pertaining to the approval of payment of Director's Fee amounting to SGD2,500 and Board Committee's fee of RM1,000 per month to Mr Ho Cheok Yuen for the period commencing from the conclusion of 11th AGM until the next AGM of the Company.

12.4.2 He informed that the Board would address any questions on this motion during the Q&A session later. He proceeded to the next agenda item as set out in the Notice of the 11th AGM.

**12.5 Director's Fee of Cik Rina Meileene Binti Adam amounting to RM7,000 per month**

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12.5.1 The Chairman tabled Ordinary Resolution 9 on the agenda pertaining to the approval of payment of Director's Fee amounting to RM7,000 per month to Cik Rina Meileene Binti Adam for the period commencing from the conclusion of 11th AGM until the next AGM of the Company.

12.5.2 He informed that the Board would address any questions on this motion during the Q&A session later. He proceeded to the next agenda item as set out in the Notice of the 11th AGM.

**12.6 Director's Fee of Mr Chia Seong Fatt amounting to RM3,000 per month**

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12.6.1 The Chairman tabled Ordinary Resolution 10 on the agenda pertaining to the approval of payment of Director's Fee amounting to RM3,000 per month to Mr Chia Seong Fatt for the period commencing from the conclusion of 11th AGM until the next AGM of the Company.

12.6.2 He informed that the Board would address any questions on this motion during the Q&A session later. He proceeded to the next agenda item as set out in the Notice of the 11th AGM.

**ACTION**

**13. TO APPROVE DIRECTORS' BENEFITS FOR THE NON-EXECUTIVE DIRECTORS OF THE COMPANY FOR THE PERIOD COMMENCING FROM THE CONCLUSION OF THE 11TH AGM UNTIL THE NEXT AGM OF THE COMPANY**

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13.1 The Chairman informed that Ordinary Resolution 11 was to approve the payment of Director's benefits comprising meeting allowances of RM2,000 per Malaysian Non-Executive Director ("NED") and SGD1,800 per Singaporean NED per meeting day for the period commencing from the conclusion of the 11th AGM until the next AGM of the Company.

13.2 He informed that the Board would address any questions on this motion during the Q&A session later. He proceeded to the next agenda item as set out in the Notice of the 11th AGM.

**14. TO APPOINT KPMG PLT AS AUDITORS OF THE COMPANY IN PLACE OF THE RETIRING AUDITORS, CROWE MALAYSIA PLT AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

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14.1 The Chairman tabled Ordinary Resolution 12 on the agenda pertaining to the appointment of KPMG PLT as Auditors of the Company in place of the retiring Auditors, Crowe Malaysia PLT, at a remuneration to be determined by the Board of Directors.

14.2 He informed that the Board would address any questions on this motion during the Q&A session later. He then proceeded to the next agenda item as set out in the Notice of the 11th AGM.

**SPECIAL BUSINESS:**

**ORDINARY RESOLUTION 13**

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

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15.1 The Chairman tabled Ordinary Resolution 13, under Special Business of the agenda in respect of the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.

15.2 "THAT, subject to the Companies Act 2016, the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad and other relevant government/regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot shares in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of the issued shares (excluding treasury shares) for the time being AND THAT the Directors of the

**ACTION**

Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

- 15.3 He informed that the Board would address any questions on this motion during the Q&A session later. He proceeded to the next agenda item as set out in the Notice of the 11th AGM.

**ORDINARY RESOLUTION 14**

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

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- 16.1 As the Chairman was an interested party in the above proposed motion, Mr Ng took over the chair to table the above motion.

- 16.2 Mr Ng tabled Ordinary Resolution 14, under Special Business of the agenda in respect of the proposed renewal of shareholders’ mandate and proposed new shareholders’ mandate for recurrent related party transactions of a revenue or trading nature.

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

- 16.4 “THAT subject to the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), approval be and is hereby given to the Company and its subsidiary(ies) to enter into recurrent related party transactions of a revenue or trading nature with the related parties (“Recurrent Related Party Transactions”) as set out in Sections 2.2 and 2.3 of the Circular to the Shareholders dated 16 August 2021 (“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:



**ACTION**

- (a) the type of Recurrent Related Party Transactions made; and
- (b) the names of the related parties involved in each type of Recurrent Related Party Transactions made and their relationship with the Company;
- (iii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:
  - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM, at which this shareholders' mandate will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
  - (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Recurrent Related Party Transactions contemplated and/ or authorised by this Ordinary Resolution;

AND THAT, the estimates given to the Recurrent Related Party Transactions specified in Sections 2.2 and 2.3 of the Circular being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.5 of the Circular."

16.5 Mr Ng informed that the Board would address any questions on this motion during the Q&A session later and handed the Chair back to Dr. Chia Song Kun.

16.6 The Chairman proceeded to the next Agenda item as set out in the Notice of 11th AGM.

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

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17.1 The Chairman informed that the Company had not received any notice to deal with any other business for which due notice was required to be given, pursuant to the Companies Act 2016. The Chairman allocated 30 minutes for the Q&A session.

**ACTION**

**18. QUESTION AND ANSWER (“Q&A”) AND VOTING SESSIONS**

- 18.1 The Chairman informed the meeting that the Company would first address the questions received from shareholders via the online RPV facilities before the 11th AGM, followed by the live questions submitted by members via the RPV facilities during the meeting.
- 18.2 In addressing the questions submitted by shareholders prior to the cut-off date on 12 September 2021, the Chairman shared with shareholders the questions posted and the corresponding Company’s responses. The questions and responses were recorded in “**Appendix A**”.
- 18.3 The Chairman invited Mr Chia Lik Khai to respond to the questions raised during the meeting.
- 18.4 After answering the second part of a question posed by a shareholder, the Chairman ended the Q&A session.
- 18.5 The Chairman announced that the online remote voting, which had been opened for voting since the start of the meeting, would be closed after 5 minutes.
- 18.6 Due to some technical issues and after taking into consideration the overwhelming response from the shareholders, the Chairman announced that the Q&A session would be resumed. Mr Chia Lik Khai continued to respond to the questions raised during the meeting. The questions and responses were recorded as “**Appendix B**”.
- 18.7 For those questions which remained unanswered during the allocated time, the Company would either publish the responses on the Company’s website or email to the respective shareholders.
- 18.8 The Chairman ended the Q&A session.

**19. ANNOUNCEMENT OF POLL RESULTS**

- 19.1 The Chairman thanked the shareholders for staying back for the extended Q&A session and poll results. He then announced the poll results.
- 19.2 Based on the poll results duly verified by the Scrutineer for the respective resolutions, the Chairman announced that all the resolutions tabled at the Company’s 11th AGM were approved by the shareholders and proxies present, and he declared all the following resolutions carried:

Resolution(s)	Vote For		Vote Against		Results
	No. of Units	%	No. of Units	%	
Ordinary Resolution 1	347,062,300	99.9999	501	0.0001	Carried

**BOILERMECH HOLDINGS BERHAD [Registration No. 201001013463 (897694-T)]**  
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**ACTION**

Resolution(s)	Vote For		Vote Against		Results
	No. of Units	%	No. of Units	%	
Ordinary Resolution 2	347,060,199	99.9993	2,602	0.0007	Carried
Ordinary Resolution 3	347,055,199	99.9978	7,602	0.0022	Carried
Ordinary Resolution 4	347,062,199	99.9998	602	0.0002	Carried
Ordinary Resolution 5	85,187,593	99.9707	25,002	0.0293	Carried
Ordinary Resolution 6	347,020,599	99.9878	42,202	0.0122	Carried
Ordinary Resolution 7	346,620,599	99.9907	32,202	0.0093	Carried
Ordinary Resolution 8	347,027,399	99.9898	35,402	0.0102	Carried
Ordinary Resolution 9	347,029,399	99.9904	33,402	0.0096	Carried
Ordinary Resolution 10	85,209,393	99.9962	3,202	0.0038	Carried
Ordinary Resolution 11	345,517,399	99.9898	35,402	0.0102	Carried
Ordinary Resolution 12	347,028,899	99.9902	33,902	0.0098	Carried
Ordinary Resolution 13	347,060,599	99.9994	2,202	0.0006	Carried
Ordinary Resolution 14	85,201,793	99.9991	802	0.0009	Carried

**20. CLOSURE OF MEETING**

There being no further business to be transacted, the meeting ended at 11.50 a.m. with a vote of thanks to the Chair.

CONFIRMED AS A CORRECT RECORD

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 CHAIRMAN

Dated:

## Boilermech Holdings Berhad – 11th AGM held on 14 September 2021

## Responses to Questions Submitted Prior to AGM

No.	Question(s)	Response(s)
1	Any plan strategy to bring up profit margin rate?	<p>We maintained our PBT margin at approximately 14% for FY2020 and FY2021. During Q1FY2022 and Q1FY2021, PBT margin dropped to 10.5% range due to MCO in both period, where revenue and gross margin dropped while fixed cost maintained.</p> <p>In current financial year, due to the rising commodity prices (e.g. steel and metal products), it is challenging to increase PBT margin for full financial year FY2022, we strive to maintain PBT margin for FY2022.</p>
2	Any plan to increase dividend payout rate?	<p>Over the years, Boilermech has increased the dividend per share from 1.5 cent to 1.75 cent. Our payout ratio has grown steadily from 25% in FY2016, 33% FY2017 and average of 40% for past 4 financial years.</p> <p>The current proposed dividend of 1.75 cent is at 40.2% payout ratio.</p> <p>The board and management will continue to balance the company's capital requirement for growth and maximize dividend payout to shareholders</p>
3	Dear directors, hope that company will kindly consider to provide a token of e-wallet to shareholders attending this virtual AGM.	<p>Sorry, at this moment, we do not have a practice or policy of providing token of e-wallet. However, we note the request of our shareholder.</p>

Boilermech Holdings Berhad – 11th AGM held on 14 September 2021

Responses to Questions Received During the AGM

No.	Question(s)	Response(s)
1	What is the growth projection for the next three (3) years?	Under the current Covid-19 situation, the business operating environment has become very volatile and it is difficult to provide meaningful projections for a period of three (3) years. Prior to the pandemic, we made a projection flow target at the minimum of 10% in the top line every year. That is the growth target that we set for the group. However, with the challenges that we are facing now, such as the Delta variant and different variances that are emerging, it has become increasingly difficult to make projections. Therefore, under a normal operating environment where operations, sales and marketing activities are allowed to continue, we will aim for double-digit growth for both top and bottom lines. Hopefully, we can have more meaningful projections when the situation normalizes.
2	<p>(a) What is the impact of the significant increase in raw material prices in the Solar Segment? What are the mitigation measures? What is the margin now after imputing the margin compression?</p> <p>(b) Can this increase in cost be passed on to clients?</p>	The raw material prices for solar panels had increased approximately by 20% since the beginning of the year, whereas the total cost contribution of the solar panels is about 60%. Copper cable costs have also increased by approximately 30% and its cost contribution to the total cost is about 5%. So, the total cost base for raw materials has increased by 12% to 14% from the beginning of this year. The impact is considered high for those projects that were secured last year but which have yet to materialize. However, currently the prices have eased and most new projects will be able to incorporate the increase as this is affecting every player in the market. So, the quotations for new projects include the higher cost prices. In addition, under the Movement Control Order (“MCO”), no activities were allowed for Solar Segment, but fixed cost continues to be incurred for all the facilities. The margin for the solar business has been affected this year. We recorded 19% Profit Before Tax (“PBT”) margin in the year FY 2021. We do expect the PBT margin to decline by between 12% and 15% due to the twin impact of the increased raw material prices and the MCO’s impact on business activities.
3	(a) What is status of solar business growth outside Malaysia?	For the solar business outside Malaysia, we have started exploring new markets, such as Vietnam and Indonesia, where Boilermech and QL Group of Companies have operational bases. In Vietnam, the solar business landscape is more mature than Indonesia, which is still in the developing stage. We are closely monitoring both market developments and looking at ways to leverage our footprints in Indonesia and Vietnam to establish our solar business in the future. However, we do not have a concrete business plan for both businesses at this moment.

Boilermech Holdings Berhad – 11th AGM held on 14 September 2021

Responses to Questions Received During the AGM

No.	Question(s)	Response(s)
3	(b) The Covid-19 outbreak has had a big impact on the solar segment. Does Management see the solar business picking up and getting back to the pre-Covid-19 level within the next 6 months?	The solar business has been impacted by the MCO in the past two months, coupled with the price increase at the beginning of this year. However, we are optimistic about the solar business in the medium term because of the favourable demand for this business in Malaysia.
4	May I know when the boiler and solar business will resume in Q2 after MCO 3.0?	<p>Our solar business only started operation after we achieved the required vaccination rate, based on the new guidelines.</p> <p>For the boiler business, we were not allowed to operate during the Enhanced Movement Control Order (“EMCO”) period. However, after the EMCO and achieving the required vaccination rate, we were allowed by the Ministry of International Trade and Industry (“MITI”) to operate at 60% capacity. With the increasing vaccination rate, we will be able to resume operations to 80% or 100% capacity gradually.</p>
5	<p>The following questions were posted to the Chairman:</p> <p>(a) Post pandemic, what is your strategic roadmap to uplift the revenue/PBT of the water treatment and solar energy segments to achieve a strong mix of business growth, to mitigate the heavy reliance on a single industry? Thank you.</p>	<p>On behalf of the Chairman, Mr Chia Lik Khai responded that the Company started diversifying into various sustainable environmental engineering solutions in 2016 and we have now achieved a PBT contribution of close to 30% from the water treatment and solar energy segments. Going forward, we will continue to invest in sales &amp; marketing and project management resources in both the water treatment and solar energy segments to accelerate their growth so that they can contribute revenue and profit to the Group. He passed the next question to the Chairman.</p>

## Boilermech Holdings Berhad – 11th AGM held on 14 September 2021

## Responses to Questions Received During the AGM

No.	Question(s)	Response(s)
5	(b) Apart from succession planning /strengthening management line-up, what is the rationale for having certain redundant positions, i.e. Joint Managing Director and Executive Directors? Thank you.	The Chairman replied that the two Joint Managing Directors and Executive Directors was aimed at facilitating the smooth transition of leadership and also senior executive team ensure key representation of these Executive Directors in the Board.
6	What is the reason for having two Joint Managing Directors in Boilermech? Can Mr Chia Lik Khai share with us how he is going to manage his new responsibilities in Boilermech in view that he is already holding key responsibilities in QL Resources Berhad?	The reason for having two Joint Managing Directors is to ease the transition of leadership, to give the senior management team time to strengthen their skills and prepare for their leadership roles. Mr Leong is currently their mentor while I will be taking on more operational responsibilities.
7	What keeps the CEO and Chairman awake at night thinking about the next few months in such unusual and unprecedented times?	<p>We believe one of the key topics that most people talk about is the post-Covid-19 business and the relevance of the various businesses after the pandemic. We have been thinking about how to prepare ourselves for the future and post-pandemic environment to ensure our business is still relevant and sustainable in the long run.</p> <p>We have closely reviewed our business model, organization, capabilities, people and skill sets to ensure that we can continue to be relevant in the new normal.</p>
8	(a) What is the Company's future outlook?	We believe that while the short term is challenging due to the governmental restrictions to curb the Covid-19 spread. However, the medium- and long-term outlook for Boilermech is bright because our business focuses on Environmental, Social, and Governance (“ESG”) and Environmental Sustainability. We are well positioned to serve the industry and provide solutions that take care of Environment Sustainability, especially in energy and water.

Boilermech Holdings Berhad – 11th AGM held on 14 September 2021

Responses to Questions Received During the AGM

No.	Question(s)	Response(s)
8	<p>(b) How has the MCO impacted the Company?</p> <p>(c) How much is the cost saving for this virtual Annual General Meeting (“AGM”) compared with the physical AGM?</p> <p>(d) Will the Board consider giving door gifts such as e-voucher or e-wallet for those participating in this AGM?</p>	<p>With the operations capacity at 60%, restricted interstate movement and ban on international travel to Indonesia or other markets, the MCO has affected 30% to 40% of our business activities. Therefore, we believe we can increase our business by 30% to 40% when the restrictions are lifted and we resume full operations.</p> <p>The cost of this virtual AGM is higher by a few thousand ringgit than that of a physical meeting.</p> <p>We do not have a policy or practice of giving e-wallet and e-voucher to the participants in the AGM. We note your request and will consider this for future AGMs.</p>
9	<p>Boilermech is now part of the QL Group of Companies. Can the Board/Management provide shareholders with information on how it intends to leverage the synergy within the enlarged QL vast operations in South-east Asia for Boilermech to grow together with the QL Group?</p>	<p>There are a few opportunities that we have started to work on between the Boilermech Group and the QL Group.</p> <p>Firstly, the integration and consolidation under the QL Group has enabled Boilermech Group to leverage the established QL brand name because QL is part of the Morgan Stanley Capital International (“MSCI”) global index and among the top 30 companies in Malaysia. The association and consolidation lend credibility to the Boilermech Group, especially with corporate customers.</p> <p>Secondly, the business network of QL is also part of the new sales channel that Boilermech can tap on, especially for internal sales as well as cross-selling to QL. These are examples of sales-related opportunities.</p> <p>On the management perspective, QL is also able to share more internal group policies as well as infrastructures, such as sustainability, information technology, human resources and the best practices in each of these areas.</p>



## Boilermech Holdings Berhad – 11th AGM held on 14 September 2021

## Responses to Questions Received During the AGM

No.	Question(s)	Response(s)
10	Palm oil prices are at an all-time high. What is the impact of this on the boiler business in the next six (6) months?	The high palm oil prices are good for the boiler business for the next six (6) months. However, the business also depends on the Covid-19 restrictions and relaxation for sales-related activities as well as project execution.
11	<p>(a) What is the total amount invested so far in the Indonesian operations? Will there be further capex required in FY2022 and if yes, what is the amount? When is the Indonesia plant expected to be in full operations?</p> <p>(b) How much is the total investment for the Indonesia boiler plant and expected Return on Investment (“ROI”)? What is the potential revenue at optimal capacity?</p>	<p>We have spent a capex of approximately RM25 million on the Indonesian operations. The plant has been fully operating since this April.</p> <p>We expect the Indonesian plant to produce up to 20 to 25 boilers per year when it is fully operational. This will translate to approximately RM70 million revenue. As for ROI, we currently have more plants in both Malaysia and Indonesia. When we achieve a capacity of RM70 million in revenue, with a 10% in PBT, that should be RM7 million PBT.</p>
12	The management has acknowledged that the bulk of its business is in bio-energy and the Water Treatment customers are still from the oil palm industry. What are the plans for the Group to diversify its customer base beyond the oil palm industry customers and the target to achieve this in the next few years?	<p>One of the key initiatives in this area involves bio-energy, where we focus on the oil &amp; gas fired boiler as well as the IPP for biomass power plant and heat recovery steam generator products. This will diversify the Company’s business from the traditional palm industry.</p> <p>Next is the Company’s solar business, which focuses on commercial, residential and industrial customers. For 2021, the profit contribution from this business is in the range of 20%. We will continue to grow our solar business.</p>

## Boilermech Holdings Berhad – 11th AGM held on 14 September 2021

## Responses to Questions Received During the AGM

No.	Question(s)	Response(s)
13	Is there any upcoming acquisition or investment?	There is no firm target at this moment. However, we will continue to look for synergistic acquisitions or investment opportunities.
14	To measure success or failure, may I know who Boilermech is benchmarking against, and are they regional or local companies?	<p>Boilermech business comprises three different segments at this moment. There are no direct peers or companies that we can benchmark ourselves against. However, we benchmark ourselves against the players in each of the respective business segments.</p> <p>In the bio-energy segment, we compare with other players that are in the boiler spaces, especially in the biomass boiler spaces. We benchmark ourselves against the companies listed in the Indonesian market.</p> <p>In the water treatment business, there are currently no companies to benchmark against.</p> <p>In the solar business, we benchmark against other players that were recently listed in the stock exchange.</p>
15	<p>Firstly, I wish to thank the management for their efforts in FY2021.</p> <p>I am a shareholder, Mr Too. The following are my questions:</p> <p>(a) What aspect of the business is giving the Company the biggest problem now?</p>	<p>Like any other business, some of the challenges that we facing are related to the uncertainties arising from the pandemic, and coping with the various compliances and restrictions during this pandemic. In addition, there is the labour shortage, especially among our contractors, which have slowed down the work progress.</p>

## Boilermech Holdings Berhad – 11th AGM held on 14 September 2021

## Responses to Questions Received During the AGM

No.	Question(s)	Response(s)
15	<p>(b) What is the best use for the cash on the Company's balance sheet?</p> <p>(c) What is the growth strategy, moving forward? Will the Company be growing through increased orders from clients, or acquisitions or joint ventures?</p> <p>(d) What's the Company's main competitive advantage in each segment?</p>	<p>We are currently growing our new businesses and the cash in hand will enable us to become more aggressive in our trading terms so that we can provide more flexible payment solutions for strong credit-based customers. Meanwhile, with cash in hand, we have more bargaining power if there are any acquisition opportunities during this down cycle in the market.</p> <p>Our growth will be in three forms in the major ESG areas – bio-energy, clean water, and solar and renewable energy. We believe we can achieve a more robust and sustainable growth rate for the coming years as the three forms of business complement one another. Furthermore, we will not have to depend on one sole business. However, we will continue to look for acquisition opportunities.</p> <p>The main competitive advantage for the Company is an established engineering company with a dedicated management team that has been in the market since 2015. We have continued to deliver our promises and have a strong financial backing. On top of our core businesses, we will nurture the new business that will diversify into growth areas.</p>