

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

Minutes of the **Sixth Annual General Meeting** of **Boilermech Holdings Berhad** held at **Throne, Empire Hotel Subang, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Selangor Darul Ehsan** on **Thursday, 18 August 2016** at **10.00 a.m.**

PRESENT : As per Attendance List

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

ACTION

1. CHAIRMAN

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

2. QUORUM

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

2.2 The Secretary further informed that 21 proxy forms were received within the prescribed period for the 6th AGM, which represented a total of 216,906,536 shares or 42.04% of the issued and paid-up share capital of the Company.

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

3. NOTICE

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

4. SLIDE PRESENTATION ON THE COMPANY’S DEVELOPMENT

4.1 Before proceeding with the agenda items, Mr Chia Lik Khai, the Deputy Managing Director, presented an overview and slide presentation on the Company’s corporate and operational developments.

5.0 PROCEEDINGS OF THE 6TH AGM

5.1 After the presentation by Mr Chia Lik Khai, the Chairman informed the meeting on the voting proceedings for the AGM. He explained that in line with the recent amendments to Bursa Malaysia Securities Berhad’s Listing Requirements, voting for all the resolutions to be tabled at the 6th AGM would be conducted by way of poll.

5.2 To facilitate the smooth running of the meeting, the poll voting for all the resolutions tabled were conducted at the end of the meeting after all the resolutions as set out in the Agenda had been duly tabled.

ACTION

6. TO RECEIVE THE STATUTORY FINANCIAL STATEMENTS AND REPORTS OF THE DIRECTORS AND AUDITORS THEREON FOR THE FINANCIAL YEAR ENDED (“FYE”) 31 MARCH 2016

6.1 The Chairman welcomed questions from the floor with regards to the Statutory Financial Statements and Reports for FYE 31 March 2016.

6.2 Encik Ahmad Bin Ibrahim, a shareholder, enquired about “Other Expenses” of the Group and the reasons for its increase from RM11.6 million in FYE 2015 to RM25.7 million in FYE 2016. Mr Chong Tuck Wai, the Audit Partner from Messrs Crowe Horwath, provided the relevant explanation and referred the shareholders to Note 28 of the Statutory Financial Statements FYE 31 March 2016 on page 79 of the Annual Report. He further explained that some of the increase was due to the impact of foreign exchange and provision for doubtful debt.

6.3 There were no further questions raised by the shareholders thereafter. The Statutory Financial Statements were not put forward for voting as the provision of Section 169(1) of the Companies Act, 1965 does not require the formal approval from the shareholders.

6.4 With that, the Chairman declared the Statutory Financial Statements of the Company and the Group for the financial year ended 31 March 2016 together with the Reports of the Directors and Auditors thereon as properly laid and received.

7. APPROVAL OF DIRECTORS’ FEES AMOUNTING TO RM384,000 AND SGD30,000 FOR THE FINANCIAL YEAR ENDING 31 MARCH 2017

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

“THAT the payment of Directors’ fees amounting to RM384,000 and SGD30,000 for the financial year ending 31 March 2017 be hereby approved.”

8. RE-ELECTION OF DIRECTORS

8.1 Re-election of Dr Chia Song Kun

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

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

ACTION

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

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

8.2 Re-election of Encik Mohd Yusof Bin Hussian

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

“THAT Encik Mohd Yusof Bin Hussian retiring pursuant to Article 78 of the Company’s Articles of Association be and is hereby re-elected as a Director of the Company.”

8.3 Re-election of Mr Chia Lik Khai

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

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

9. APPROVAL OF FINAL SINGLE TIER DIVIDEND

9.1 Encik Ahmad Bin Ibrahim, a shareholder, enquired about the decrease in dividend rate from 1.75 sen per ordinary share in FYE 2015 to 1.50 sen per ordinary share as proposed in FYE 2016.

9.2 Mr Chia Lik Khai explained that although the dividend rate had reduced, the dividend yield had in fact increased due to the Company’s enlarged capital after the issuance of the bonus shares. Dr Chia Song Kun added that the proposed dividend rate was arrived at after taking into consideration the current market environment and the Company’s financial results.

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

“THAT the payment of a final single tier dividend of 1.50 sen per ordinary share of RM0.10 each amounting to RM7,740,000 for the financial year ended 31 March 2016 be and is hereby approved for payment.”

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

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

“THAT Messrs. Crowe Horwath be and are hereby re-appointed as Auditors of the Company at a fee to be agreed upon with the Directors of the Company and they shall hold office until the conclusion of the next Annual General Meeting.”

11. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

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

“THAT, subject to the Companies Act, 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”.

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

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

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

“THAT subject to the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), approval be and is hereby given to the Company and its subsidiary(ies) to enter into recurrent related party transactions of a revenue or trading nature with the related parties (“Recurrent Related Party Transactions”) as set out in Section 2.2 of the Circular to the Shareholders dated 27 July 2016 (“the Circular”), subject further to the following:

ACTION

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

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

13. PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

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

“THAT the proposed amendment to the existing Article 136 of the Company’s Articles of Association in the following form and manner be hereby approved:

Existing Articles 136

The Director shall from time to time in accordance with Section 169 of the Act and the Listing Requirements, cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and reports as are referred to in the said section and the Listing Requirements. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the Directors’ and Auditors’ report shall not exceed four (4) months. A copy of the annual report including such document in printed form or in CD-Rom or other electronic form permitted under the Listing Requirements or any combination thereof shall not be less than twenty-one (21) days before the date of the meeting, provided always that it shall not exceed six (6) months from the close of a financial year of the Company be sent to every Member of, and to every holder of debentures of the Company under the provisions of the Act or of these Articles. The requisite number of copies of each of such document as may be required by Bursa Securities or such stock exchange, if any, upon which the Company’s securities may be listed, shall at the same time be likewise sent to Bursa Securities and such stock exchange, if any, provided that these Articles shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Registered Office.

Proposed Amended Article 136

The Director shall from time to time in accordance with Section 169 of the Act and the Listing Requirements, cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and reports as are referred to in the said section and the Listing Requirements. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the Directors’ and Auditors’ report shall not exceed four (4) months. A copy of the annual report including such document in printed form or in CD-Rom or other electronic form permitted under the Listing Requirements or any combination thereof shall not be less than twenty-one (21) days before the date of the meeting, provided always that it shall not exceed ~~six (6)~~ **four (4)** months from the close of a financial year of the Company be sent to every Member of, and to every holder of debentures of the Company under the provisions of the ~~Act~~ **Listing Requirements** or of these Articles. ~~The requisite number of copies of each of such document as may be required by Bursa Securities or such stock exchange, if any, upon which the Company’s securities may be listed, shall at the same time be likewise sent to Bursa Securities and such stock exchange, if any, provided that.~~ These Articles shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Registered Office.

ACTION

14. CONDUCT OF POLL

- 14.1 The meeting was adjourned at 11.15 a.m. for the conduct of the poll and was re-convened at 11.40 a.m. after the votes had been counted and verified by the Official Scrutineers, Messrs Coopers Professional Scrutineers Sdn Bhd.

15. ANNOUNCEMENT OF POLL RESULTS

- 15.1 With the report from the Official Scrutineers in hand, the Chairman announced that all the resolutions tabled at the Company's 6th AGM had been unanimously approved by all the shareholders and proxies present and thereby declared all the resolutions tabled as carried.

16. CLOSURE OF MEETING

- 16.1 There being no further business, the meeting was closed at 11.45 a.m. with a vote of thanks to the Chairman.

CONFIRMED AS A CORRECT RECORD

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CHAIRMAN

Dated: