



MINORITY SHAREHOLDER WATCHDOG GROUP
Shareholder Activism and Protection of Minority Interest

6 December 2016

BY FAX/HAND

(Fax No.: 603-3392 9198)

The Chairman and
Board of Directors
Hiap Teck Venture Berhad
Lot 6096, Jalan Haji Abdul Manan
Batu 51/2, Off Jalan Meru
41050 Klang
Selangor Darul Ehsan.

Attention: Ng Yim Kong
Company Secretary

**Re: Twentieth (20th) Annual General Meeting (AGM) of Hiap Teck Venture Berhad
("the Company or the Group")**

MSWG received Notice of Hiap Teck Venture Berhad's upcoming AGM to be held on Thursday, 15 December 2016 at 2.30 p.m.

In the interest of minority shareholders and all other stakeholders of the Group, we would like to raise the following:

Strategy/Financials

- 1) During the year under review, the Group recorded a bottom-line loss of RM42.2 million which mainly due from loss of RM99.2 million incurred by the jointly controlled entity ("JCE"). The JCE had suspended its trial production in 2015.

What is the Group's business prospect for the next 12 months and how would the Board strategise further especially for JCE amid the challenge with intense competition from cheap imports from China which reached 3.4 million MT in 2015?

- 2) On 31 October 2016, the Company announced that it had entered into a Cooperation Agreement with An Steel International Co., Limited ("Ansteel"); (2) Orient Steel Investment Pte. Ltd. ("Orient Steel"); (3) Chinaco Investment Pte. Ltd. ("Chinaco"); and (4) Eastern Steel Sdn. Bhd. ("ESSB"). According to the agreement (on page 2), Ansteel shall hold 55% of the enlarged issued and paid share capital of ESSB.

How would this new development benefit ESSB and in overall the Group's future strategy as well as turnaround the company? Please explain.

- 3) In the Chairman's Statement, it is mentioned that the Group will continue to focus on strict cost monitoring, efficient procurement strategies and working capital management, expansion of product range and improvements in quality and delivery of our products to drive market share and profitability. Please enlighten shareholders on these initiatives and the results.

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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We would appreciate if the Board could present the points raised here, and their related answers, for the shareholders present at the forthcoming AGM. At the same time, we await a written reply as soon as possible for our records, and for posting on our website for the benefit of all stakeholders.

Thank you.

Yours sincerely



Quah Ban Aik
Head
Corporate Monitoring

QBA/nhs