

CONTENTS

TABLE OF CONTENTS

2	Corporate Structure
3	Corporate Information
4	Profile of the Board of Directors
6	Chairman's Statement
8	Financial Highlights
9	Corporate Governance Statement
12	Statement on Internal Control
13	Statement on Directors' Responsibility
14	Audit Committee Report
17	Financial Statements
55	Properties of the Group
56	Analysis of Shareholdings
59	Notice of Annual General Meeting
62	Statement Accompanying Notice of Annual General Meeting
	Form of Proxy

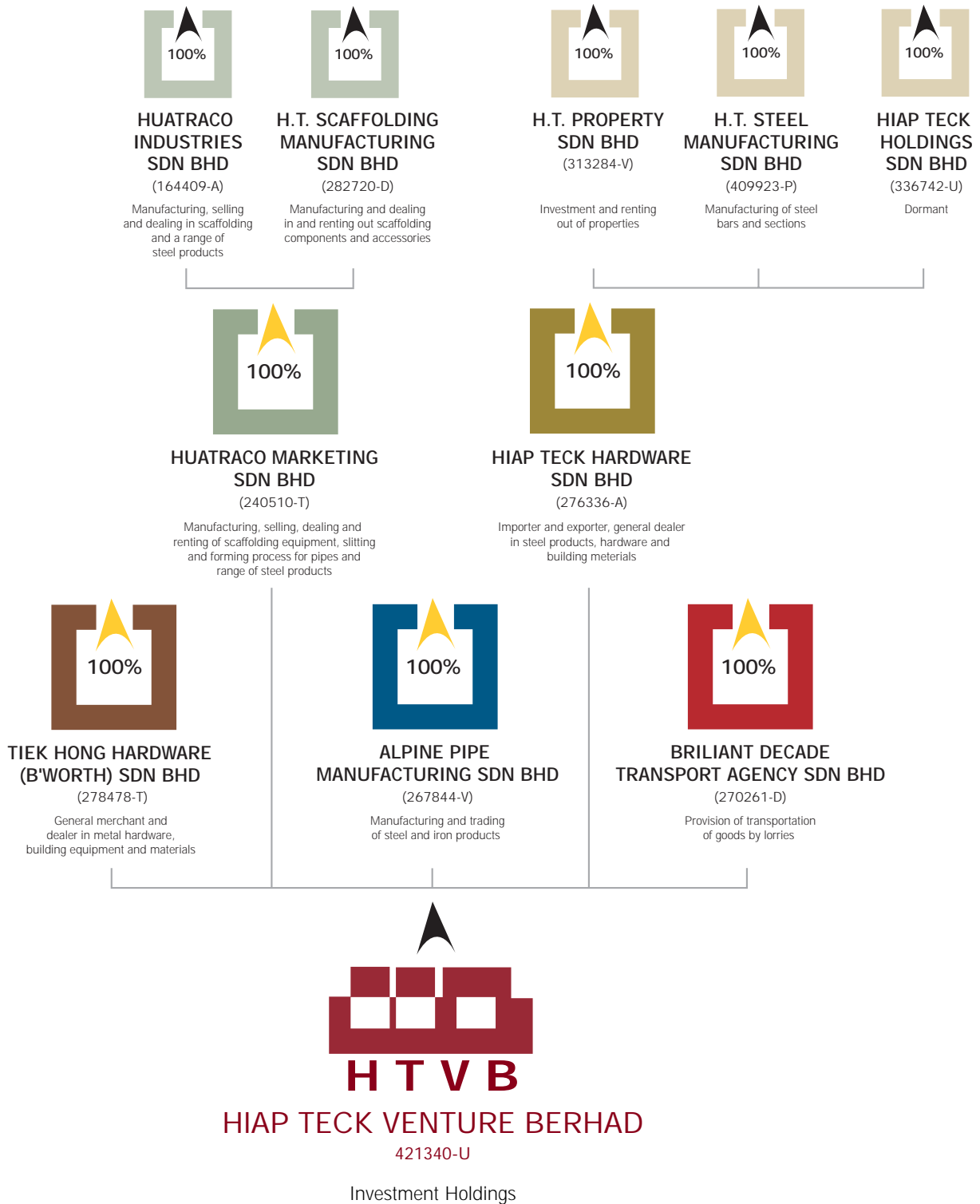
To be the leading steel company ◀

OUR VISION

OUR MISSION ▶

- Build value for shareholders
- Participate in the development of the country
- Total customer satisfaction
- Enhancement of existing core business to position for growth
- One stop steel centre
- Continuously develop human asset

CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Alwi bin Jantan
Chairman

Kua Hock Lai
Managing Director

Mohamed Nizam bin Abdul Razak
Independent Non-Executive Director

Ong Eng Choon
Independent Non-Executive Director

Yeoh Chong Keat
Independent Non-Executive Director

Yoong Kah Yin
Independent Non-Executive Director

Cheah Shu Boon
Non-Independent Non-Executive Director

Toh Su Lin
(Alternate Director to Cheah Shu Boon)

Law Sook Teng
Executive Director

Kua Swee Leong
Executive Director

Tee Tuang Siong
Executive Director

AUDIT COMMITTEE

Chairman
Yeoh Chong Keat

Members
Kua Hock Lai
Ong Eng Choon

REMUNERATION COMMITTEE

Chairman
Tan Sri Dato' Alwi bin Jantan

Members
Kua Hock Lai
Yeoh Chong Keat
Cheah Shu Boon

NOMINATION COMMITTEE

Chairman
Tan Sri Dato' Alwi bin Jantan

Members
Cheah Shu Boon
Mohamed Nizam bin Abdul Razak

COMPANY SECRETARIES

Lim Phooi Kee (MIA 2759)
Leong Oi Wah (MAICSA 7023802)

HEAD OFFICE & REGISTERED OFFICE

Lot 6096, Jalan Haji Abdul Manan
Batu 5-1/2, Off Jalan Meru
41050 Klang
Selangor Darul Ehsan
Tel No. : 03-3392-8888
E-mail address :
admin@htgrp.com.my

REGISTRAR

Symphony Share Registrars
Sdn Bhd (378993-D)
(formerly known as Malaysian Share
Registration Services Sdn Bhd)
Level 26, Menara Multi Purpose
Capital Square
No.8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel No. : 03-2721-2222
E-mail address :
ssrs@symphony.com.my

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
(88103-W)
Hong Leong Bank Berhad
(97141-X)
RHB Bank Berhad (6171-M)

AUDITORS

Ernst & Young (AF : 0039)
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

SOLICITORS

S.B. Cheah & Associate
Unit 8-16-2
Menara Mutiara Bangsar
Jalan Liku, Off Jalan Riong
Bangsar, 59100 Kuala Lumpur

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Board)

PROFILE OF THE BOARD OF DIRECTORS

Tan Sri Dato' Alwi bin Jantan

Aged 69, a Malaysian, is the Independent Non-Executive Chairman of Hiap Teck Venture Berhad ("HTVB"). He was appointed to the Board of HTVB on 6 June 2003.

He obtained his Bachelor of Arts (Honours) degree from the University of Malaya in Singapore in 1958 and also attended the Advanced Management Program at Harvard University in 1980. He held various positions in the Malayan Civil Service and was the Director General of Public Service, Malaysia prior to his retirement in April 1990.

Tan Sri Dato' Alwi currently serves as the Chairman of the Remuneration Committee and Nomination Committee of HTVB. He currently sits on the boards of Genting Golf Course Bhd, Genting Highlands Berhad, Resorts World Berhad, Guinness Anchor Berhad and several other private companies.

Tan Sri Dato' Alwi attended all the Board meetings of HTVB held during the financial year ended 31 July 2004.

Tan Sri Dato' Alwi has no family relationship with any Directors and/or substantial shareholders of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past 10 years.

Kua Hock Lai

Aged 56, a Malaysian, is the Managing Director of HTVB. He was appointed to the Board of HTVB on 6 June 2003.

Mr. Kua Hock Lai is a businessman by profession and has over 30 years of experience in the steel and building materials industry. The overall management and day-to-day affairs of the HTVB Group are managed by him with the assistance of his able and dedicated management team. He is responsible for formulating business strategies within the Group to enhance profitability and for the continuous growth of the Group. With his long and in-depth experience, he plays an important role in guiding the Group's direction and future growth.

Mr. Kua is currently a member of the Audit Committee and Remuneration Committee of HTVB. He also sits on the boards of several subsidiary companies of HTVB and other private limited companies.

Mr. Kua attended all the Board meetings of HTVB held during the financial year ended 31 July 2004.

Mr. Kua is the father of Mr. Kua Swee Leong, an Executive Director of HTVB and the spouse of Madam Lim Ah Eng, a substantial shareholder of HTVB. He has no conviction for offences within the past 10 years.

Mohamed Nizam bin Abdul Razak

Aged 46, a Malaysian, is an Independent Non-Executive Director of HTVB. He was appointed to the Board of HTVB on 6 June 2003.

En. Mohamed Nizam bin Abdul Razak graduated in Politics, Philosophy and Economics from Oxford University, United Kingdom, in 1980. He began his career in 1981 when he joined the Corporate Finance Department in Bumiputera Merchant Bankers Berhad. In 1984, he joined GP Securities Sdn Bhd (now known as PB Securities Sdn Bhd) as general manager. He became the Chief Executive Officer in 1992 and held the position until his retirement in 1998.

En. Nizam is a member of the Nomination Committee of HTVB. He currently sits on the boards of Mamee Double-Decker (Malaysia) Berhad, Dolomite Corporation Berhad, Delloyd Ventures Berhad, Tamco Corporate Holdings Bhd, Yeo Hiap Seng (Malaysia) Berhad, Deutsche Bank (Malaysia) Berhad, Synergy Track Berhad and several private companies. He is also a trustee on several charitable foundations such as the Noah Foundation, the Hong Leong Foundation and the National Children Welfare Foundation.

En. Nizam attended 6 out of the 7 Board meetings of HTVB held during the financial year ended 31 July 2004.

En. Nizam has no family relationship with any Directors and/or substantial shareholders of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past 10 years.

Ong Eng Choon

Aged 52, a Malaysian, is an Independent Non-Executive Director of HTVB. He was appointed to the Board of HTVB on 6 June 2003.

He graduated from the Tunku Abdul Rahman College, Kuala Lumpur with the Diploma of Business Administration and has 24 years of tax experience of which 3 years were spent with the Inland

Revenue Board, 10 years with one of the top four international accounting firms before becoming Managing Director of Taxnet Consultants Sdn Bhd. He is a Chartered Accountant (Malaysia), a Fellow of the Chartered Association of Certified Accountants (FCCA), an Associate member of the Institute of Chartered Secretaries and Administrators (ICSA) and an Associate Member of the Malaysian Institute of Taxation.

Mr. Ong currently serves as an Independent Non-Executive Member of the Audit Committee of HTVB. He is also a director of Chinwell Holdings Berhad, a company listed on the Bursa Malaysia Securities Berhad.

Mr. Ong attended 6 out of the 7 Board meetings of HTVB held during the financial year ended 31 July 2004.

Mr. Ong has no family relationship with any Directors and/or substantial shareholders of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past 10 years.

Yeoh Chong Keat

Aged 46, a Malaysian, is an Independent Non-Executive Director of HTVB. He was appointed to the Board of HTVB on 6 June 2003.

He did his foundation course in accountancy in Birmingham Polytechnic, UK and is a Fellow of the Institute of Chartered Accountants in England and Wales, Chartered Accountant (Malaysia), Fellow of the Malaysian Institute of Taxation and Member of the Malaysian Institute of Certified Public Accountants.

Mr. Yeoh trained and qualified as a Chartered Accountant with the firm now known as PricewaterhouseCoopers, UK. He was also formerly the Head of the Corporate Services Division of a 'Big Four' accounting firm in Kuala Lumpur.

Currently, Mr Yeoh is a member of the MIA Company Law Practice Board Committee and also sits on the board of directors of Lien Hoe Corporation Berhad.

Mr. Yeoh is the Chairman of the Audit Committee and a Member of the Remuneration Committee of HTVB.

Mr. Yeoh attended all the Board meetings of HTVB held during the financial year ended 31 July 2004.

Mr. Yeoh has no family relationship with any Directors and/or substantial shareholders of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past 10 years.

Cheah Shu Boon

Aged 44, a Malaysian, is a Non-Independent and Non-Executive Director of HTVB. He was appointed to the Board of HTVB on 20 March 1997.

He holds a Bachelor of Arts in Law (Honours) and a Master of Laws from the London School of Economics, University of London. He is also a Barrister-at-Law from Gray's Inn, England. He is a practising advocate and solicitor of the High Court of Malaya.

He is well experienced in a wide scope of legal work which include civil litigation, conveyancing, corporate matters and joint ventures. He has provided extensive advice in the negotiation and finalisation of various joint ventures and privatisation projects. In addition, he has undertaken property development projects and currently sits on the boards of three private property development and investment holding companies.

Mr. Cheah is also a Member of the Board Nomination and Remuneration Committee of HTVB.

Mr. Cheah attended all the Board meetings of HTVB held during the financial year ended 31 July 2004.

Mr. Cheah has no family relationship with any Directors and/or substantial shareholders of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past 10 years.

Toh Su Lin

Aged 33, a Malaysian, is the alternate Director of HTVB to Mr. Cheah Shu Boon. She was appointed to the Board of HTVB on 20 March 1997 and subsequently resigned and was appointed as the alternate Director to Mr. Cheah Shu Boon on 12 June 2003.

Ms. Toh holds a Bachelor of Laws (Honours) degree from the University of Leeds, England and holds the Certificate of Legal Practice. She is a practising advocate and solicitor of the High Court of Malaya.

Ms. Toh has no family relationship with any Directors and/or substantial shareholders of the Company and has no conflict of interest with the Company. She has no conviction for offences within the past 10 years.

Law Sook Teng

Aged 36, a Malaysian, is an Executive Director of HTVB. She was appointed to the Board of HTVB on 6 June 2003.

She graduated with a Bachelor of Economics degree from Universiti Malaya in 1992. Prior to joining Alpine Pipe Manufacturing Sdn Bhd ("APM"), presently a wholly owned subsidiary of HTVB, in 1994 as the sales manager, she was the assistant sales manager of Wing Tiek Steel Pipes Sdn Bhd from 1992 to 1994. She is responsible for the overall production, sales and administrative functions of APM.

Ms. Law does not sit on any committee of HTVB. She is also a Director of APM.

Ms. Law attended all the Board meetings of HTVB held during the financial year ended 31 July 2004.

Ms. Law has no family relationship with any Directors and/or substantial shareholders of the Company and has no conflict of interest with the Company. She has no conviction for offences within the past 10 years.

Tee Tuang Siong

Aged 46, a Malaysian, is an Executive Director of HTVB. He was appointed to the Board of HTVB on 6 June 2003.

Mr. Tee obtained his Diploma of Marketing from the Malaysian Institute of Training and Development, and Marketing Confederation of Australia in 1993. He joined Tiek Hong Hardware (B'worth) Sdn Bhd ("THH"), presently a wholly owned subsidiary of HTVB, as general manager in 1994. His experience in the marketing capacity has accorded him familiarity with the hardware trading business in the northern region.

Mr. Tee does not sit on any committee of HTVB. He is also a Director of THH.

Mr. Tee attended 6 out of 7 of the Board meetings of HTVB held during the financial year ended 31 July 2004.

Mr. Tee has no family relationship with any Directors and/or substantial shareholders of the Company and has no

conflict of interest with the Company. He has no conviction for offences within the past 10 years.

Kua Swee Leong

Aged 30, a Malaysian, is an Executive Director of HTVB. He was appointed to the Board of HTVB on 12 November 2003.

Mr. Kua graduated with a Bachelor of Business Administration and Management degree from University of Kansas, U.S.A. in 1995. Since graduating from university, he has been actively involved in the marketing and general administration of the Group's affairs. He sits on the boards of several private limited companies.

Mr. Kua attended all the 4 Board meetings of HTVB held during his office as Director for the financial year ended 31 July 2004.

Mr. Kua Swee Leong is the son of Mr. Kua Hock Lai, the Managing Director and substantial shareholder and Madam Lim Ah Eng, a substantial shareholder of the Company. He has no conviction for offences within the past 10 years and he has no conflict of interest with the Company.

Yoong Kah Yin

Aged 45, a Malaysian, is an Independent Non-Executive Director of HTVB. He was appointed to the Board of HTVB on 9 June 2004.

Mr. Yoong has an MBA from City University, London. He worked in the corporate banking division of a foreign bank in 1984. In 1990, he joined SJ Securities as manager. He moved on to PB Securities as senior manager, institutional sales in 1993. He was co-head of institutional sales at SBB Securities from 1997 to 1998. Mr. Yoong currently co-heads one of the three teams in CIMB Securities that specialises in structured equity products and placements.

Mr. Yoong attended one out of one of the Board meeting of HTVB held during his office as Director for the financial year ended 31 July 2004.

Mr. Yoong has no family relationship with any Directors and/or substantial shareholders of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past 10 years.

CHAIRMAN'S STATEMENT



On behalf of the Board of Directors, I am pleased to present the annual report and the financial statements of the Company and the Group for the financial year ended 31 July 2004.

Financial Performance

For the financial year under review, the Group achieved a turnover of RM685.848 million, representing a 43.42% increase over the RM478.203 million recorded previously. More significantly, net profit improved almost double to RM41.346 million from last year of RM20.622 million.

The commendable performance was attributable to higher sales volume due to strong market demand and the effect of the Group's effort to broaden its market shares both internationally and at home. The increase in the prices of steel products has also contributed to our better performance.

Dividends

In view of the Group's impressive performance, the Board of Directors is pleased to recommend a tax exempt final dividend of 3% for the financial year 2004, subject to shareholders' approval at the forthcoming Annual General Meeting.

During the year, an interim dividend of 2% less Malaysian Tax at 28% has been declared and paid on 15 July 2004.

ISO Accreditation

The Company recognises the importance of global recognition for the quality management system adopted by member companies as it raises the Group's efficiency and competitiveness. Towards this end, Alpine Pipe Manufacturing Sdn Bhd ("APM"), a wholly owned subsidiary of the Company, is the first company in the Group, to have obtained its ISO9001-2000 certification in August 2004. Going forward, more companies within the Group will work towards complying with international standard and gain recognition.

Corporate Development

With a view to achieving greater synergy amongst all operating units, the Group has consolidated and streamlined the operations of scaffolding division. Heavy duty scaffolding operations have been relocated to the conventional scaffolding plant. This will enhance efficiency and cost saving, thus increase competitiveness.

➤ THE GROUP IS WELL POSITIONED TO REAP THE GOVERNMENT'S EXPENDITURE IN THE WATER RELATED INDUSTRY AS OUR CAPACITY WILL BE DOUBLED ONCE OUR NEW PIPE MILL COMMENCES OPERATIONS.

Operations Review

Manufacturing division contributed the majority of the Group's revenue and profit for financial year 2004 with steel pipes and related products being the main contributors. The performance of the trading division has improved during the financial year under review mainly attributable to the rising steel prices.

Higher selling prices coupled with our effective procurement and inventory measures have driven the increase in profit. In addition, management experience and expertise in the steel industry are the added factors to the better performance for the financial year 2004.

Prospects

The Group will place more emphasis on the manufacturing division that can add on more value on the products and give higher margin. On the other hand, trading division will not be left out as its products will complement our own manufactured products, making the Group a "One Stop Steel Centre".

As part of the Group's plan to expand its manufacturing division, the Group has invested approximately RM45 Million to set up a new pipe mill to produce wider range of steel products with bigger diameter that can be used in a wide spectrum of industries. The new plant has the first mover advantage as it is the first in Malaysia and

South East Asia producing pipes and hollow sections with diameter up to 18" and 16mm in thickness using Electric Resistant Welding (ERW) technology.

The Group is well positioned to reap the government's expenditure in the water related industry as our capacity will be doubled once our new pipe mill commences operations.

Acknowledgement

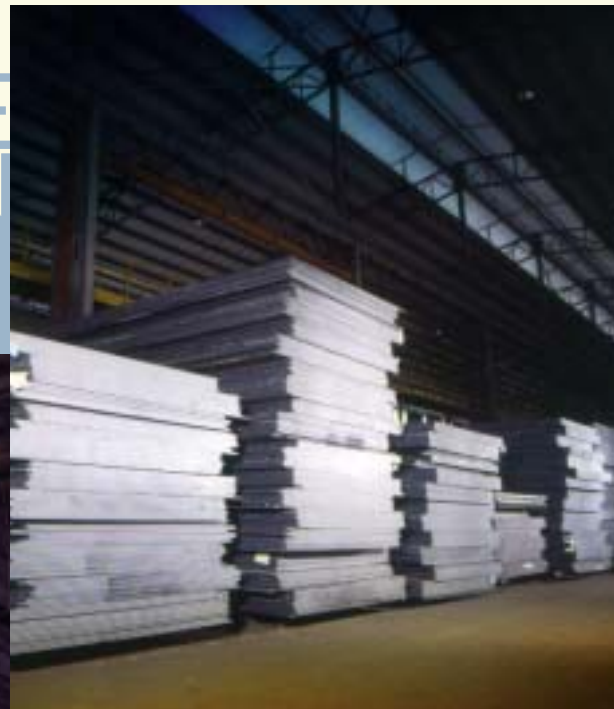
On behalf of the Board, I would like to thank our valued customers, suppliers, bankers, business partners and shareholders for their continuing support and confidence in us, without which, our success would not be achievable. We look forward to strengthening our relationships and upholding your faith in us.

I would like to take this opportunity to extend my sincere appreciation to the Board of Directors, the management and all staff for their work and effort in making the year a successful one.

I would like also to extend a warm welcome to Mr. Yoong Kah Yin as a new member of the Board.

Tan Sri Dato' Alwi bin Jantan
Chairman

VALUE CREATION



FINANCIAL HIGHLIGHTS

Revenue (RM'000)

2000	428,819
2001	424,761
2002	534,692
2003	478,203
2004	685,848

Shareholders' Funds (RM'000)

2000	*96,049
2001	*109,688
2002	*123,029
2003	# 225,564
2004	** 284,906

Profit Before Taxation (RM'000)

2000	17,062
2001	16,627
2002	20,633
2003	29,288
2004	57,628

NTA Per Share (RM'000)

2000	*0.63
2001	*0.72
2002	*0.80
2003	# 0.95
2004	** 0.87

Profit After Taxation (RM'000)

2000	13,012
2001	13,639
2002	14,259
2003	20,622
2004	41,346

Earnings Per Share (Sen)

2000	*8.59
2001	*9.00
2002	*9.41
2003	# 8.73
2004	** 12.63

* This is based on 151,547,812 shares, assuming the acquisition of subsidiaries have been implemented and the Group has been in existence throughout the financial years under review.

This is based on 236,200,000 shares upon completion of the acquisition of subsidiaries and properties.

^^ Based on 327,400,000 shares.

CORPORATE GOVERNANCE STATEMENT

The Board of Hiap Teck Venture Berhad acknowledges the importance of maintaining good corporate governance in the Group. To achieve this objective, the Board has initiated moves to ensure that the principles of corporate governance are being applied. During the year under review, the Board has complied with most of the best practices as set out under Part 2 of the Malaysian Code on Corporate Governance (“the Code”) and is pleased to present its report on the extent of its compliance with the Code.

The Board of Directors

The Company is led and controlled by an effective board comprising a balanced mix of directors with both professional and business experience. The Board comprises of 4 Executive Directors, 5 Independent Non-Executive Directors, a Non-Independent Non-Executive Director and an alternate Director.

The role of the Chairman and the Managing Director is separate to ensure a balance of power. Currently, the Board is chaired by Tan Sri Dato’ Alwi bin Jantan, an Independent Non-Executive Director whereas Mr Kua Hock Lai, the Managing Director, leads the management in the operation and implementation of Board policies and decisions.

The Board is provided with sufficient and timely information to enable it to discharge its duties effectively. This information includes both verbal and written details. Senior management would be invited to be present at the Board and Audit Committee meetings, as and when required, to provide further explanation and representation to the Board. Strategic issues such as acquisition and disposal of Group’s investments or assets; announcement to regulators; corporate and restructuring exercises are presented to the Board for its decision to ensure that the direction and control of the Group is firmly in the Board’s control.

All Directors have access to further information which they may require in discharging their duties including seeking independent professional advice, if necessary, at the Company’s expense. They also have access to the advice and services of the Company Secretary, whose removal may only be made with the approval of the Board.

There were 7 Board of Directors’ Meetings held during the financial year ended 31 July 2004.

Details of the Board of Directors’ Meetings and their attendance at these meetings are shown in page 62 of this report.

Directors’ Training

Orientation will be provided to new Directors and training needs for each Director are identified to enable Directors to attain the appropriate skills and knowledge to contribute effectively for the achievement of the aims and aspiration of the Company.

Appointment to the Board

The Board formed a Nomination Committee on 24 September 2003 comprising exclusively of non-executive directors. The members of the Nomination Committee are as shown below.

The Nomination Committee is responsible for proposing new nominees for the Board and for assessing directors as an on-going basis. Nevertheless, the actual decision as to who shall be nominated remains the responsibility of the full Board after considering the recommendation of the Nomination Committee. The Nomination Committee ensures an assessment on the effectiveness of the Board, Committee and the contribution of each Director will be carried out once a year.

Nomination Committee

NAME	DESIGNATION	DIRECTORSHIP
Tan Sri Dato’ Alwi bin Jantan	Chairman	Independent Non-Executive Director
Mohamed Nizam bin Abdul Razak	Member	Independent Non-Executive Director
Cheah Shu Boon	Member	Non-Independent Non-Executive Director

The Company's Articles of Association provides that all directors are required to submit themselves for re-election at least once every three years.

The Company is entitled to the service of the Company Secretary to ensure the appointment of each of its Director is properly made.

Mr. Yeoh Chong Keat has been appointed the Senior Independent Non-Executive Director of the Board to whom concerns from the shareholders relating to the Company may be conveyed.

Directors' Remuneration

The Board formed a Remuneration Committee on 24 September 2003. The members of the Remuneration Committee are as shown below.

The Remuneration Committee is responsible for recommending to the Board the remuneration packages of the Executive Directors, whilst the Board as a whole

determines the remuneration of the Non-Executive Directors. The individual Director concerned does not participate in the discussion of his or her own remuneration.

It is the policy of the Committee to structure the remuneration of the Executive Directors so as to link his rewards to the Group's performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed. Fees payable to all Directors are proposed at the Annual General Meeting for the shareholders' approval.

Subsequent to the establishment of the Remuneration Committee, the members of the Remuneration Committee have met once to review and discuss on the remuneration of the Directors. The Committee, having determined on the respective remuneration of the Executive and Non-Executive Directors, recommended its proposals to the Board for approval.

Remuneration Committee

NAME	DESIGNATION	DIRECTORSHIP
Tan Sri Dato' Alwi bin Jantan	Chairman	Independent Non-Executive Director
Cheah Shu Boon	Member	Non-Independent Non-Executive Director
Kua Hock Lai	Member	Managing Director
Yeoh Chong Keat	Member	Independent Non-Executive Director

The following are the remuneration bands of the Directors:

REMUNERATION BANDS	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
RM50,000 and below	-	7*
RM200,001 – RM250,000	3	-
RM3,450,001 – RM3,500,000	1	-

* Inclusive of fees paid to an alternate Director during her office as Director for the Financial Year ended 31 July 2003.

The aggregate remuneration paid/payable to all Directors of the Company are further categorised into the following components:

	FEES (RM)	SALARIES & OTHER EMOLUMENTS (RM)	BENEFITS- IN-KIND (RM)	TOTAL (RM)
Executive Directors	-	4,200,105	51,300	4,251,405
Non-Executive Directors	189,000	-	-	189,000

Shareholders

The Board provides timely and accurate disclosure of all material information of the Group to the shareholders and investors. Information is disseminated through various disclosures and announcements made to the Bursa Malaysia Securities Berhad which includes the quarterly reports, annual report and press releases. Where applicable, the Board is prepared to enter into a dialogue with institutional shareholders.

The Annual General Meeting is used as a principal forum for dialogue with all shareholders. Extraordinary General Meetings are held as and when required. At the General Meetings, the Board provides opportunities for shareholders to raise questions on the business activities of the Group, agenda of the meetings and its proposed resolutions. The Chairman of the meeting will facilitate the discussion with the shareholders and provide further information in response to shareholders' queries.

Accountability and Audit

The Board through the review of the Audit Committee and in consultation with the external Auditors, presents a balanced and understandable assessment of the Group's financial position and prospect to the public in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

The Audit Committee of the Company consists of 2 Independent Non-Executive Directors (one of whom is the Chairman) and the Managing Director.

The current composition of the Audit Committee is in compliance with the requirement of paragraph 15.10 (b) of the Listing Requirements that is a majority of the members should be Independent Directors. The Audit Committee Report is set out in pages 14 to 16 of this report.

An internal audit function was established on 1 November 2003 to assist the Audit Committee in reviewing the state of internal control of the Group and to highlight areas for management improvement. The state of internal control of the Group is explained in greater details in the enclosed Statement on Internal Control.

The Board maintains formal and transparent relationships with its external Auditors through the review of their audit plans, scope of audit and audit report as well as their professional fees and appointment by the Audit Committee. The external Auditors are expected to report their findings to the Audit Committee and to discuss with the Board of Directors on matters that necessitate the Board's attention.

Relationship of the Board to the Management

The Board recognises the importance for the Company to maintain a dynamic nature of relationship between the Board and the management. The Board as a whole is dedicated to practice clear demarcation of duties, responsibilities and authority within the Company.

STATEMENT ON INTERNAL CONTROL

The Board of Directors of Hiap Teck Venture Berhad acknowledges the importance of the systems of internal control and affirms that it is their responsibility to maintain a sound system of internal control including review of its adequacy and integrity in order to safeguard the shareholders' investment and the Group's assets. In this respect, the Board assumes its responsibility for identifying principal risks, ensuring the implementation of appropriate systems to manage these risks and reviewing the adequacy and integrity of the Group's internal control system. However, it should be noted that such system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. Therefore these systems can only provide reasonable but not absolute assurance against material misstatements or losses.

The following summarises the processes used by the Board on its reviews of system of internal controls. These processes were carried out on an on-going basis and were accorded with the Guidance on Statement on Internal Control.

The process of identifying, evaluating and managing significant risks faced by the Group was dealt with as part of the operation management. Meetings are held regularly at the management level to monitor changes in the business environment and their impact on the operations. Significant corporate matters are brought to the attention of the Board for further deliberation to ensure that risks are appropriately considered and reasonably addressed. At this level, business strategies are considered by the Board to ensure that strategies are in-line with the corporate objective and direction.

In order to assist the Board in reviewing the internal control system of the Group, the Audit Committee is tasked with the review of compliance, control and audit issues with the assistance of statutory and internal Auditors. Issues and findings are then reported by the Audit Committee to the Board. Annual budget is also used as a yardstick of measurement of the Group performance and risks are insured when appropriate to mitigate financial exposures to the Group.

To further strengthen the current risk management practices in the Group, Internal Auditor was tasked to facilitate the management in risk documentation exercise. This risk documentation exercise aims to supplement management risk awareness and to provide inputs for the risks discussion at the management level. In addition, to ensure the quality control of services and production, the management has successfully initiated an ISO program during the financial year for one of its major production plants in the Group.

Other key control practices in the Group include definition of management reporting structure, segregation of duties and generation of financial information for Audit Committee's review and Board approval.

STATEMENT ON DIRECTORS' RESPONSIBILITY

Pursuant to paragraph 15.17(a) of the Listing Requirements of the Bursa Malaysia Securities Berhad, the Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flow for the year then ended. The Directors have ensured the financial statements are drawn up to comply with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

In preparing the financial statements, the Directors have adopted and applied consistently appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The Directors have a general responsibility for ensuring that the Company and the Group keeps accounting records and financial statements, which discloses with reasonable accuracy the financial position of the Company and the Group.

The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group and the Company, and taking reasonable steps for the prevention and detection of fraud and other irregularities.

ADDITIONAL COMPLIANCE STATEMENT

The following information is provided in compliance with the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements:

1. SHARE BUYBACKS

There was no share buyback during the financial year ended 31 July 2004.

2. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities exercised during the financial year ended 31 July 2004.

3. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

The Company did not sponsor any ADR or GDR programme during the financial year ended 31 July 2004.

4. IMPOSITION OF SANCTIONS/PENALTIES

There were no public sanctions and/or public penalties imposed on the Company and its subsidiaries, directors or management by relevant regulatory bodies during the financial year ended 31 July 2004.

5. VARIATION IN RESULTS

The audited consolidated profit after tax for the Group for financial year ended 31 July 2004 was 51% higher than the forecasted profit after tax previously included in the prospectus issued on 29 July 2003 in conjunction with the Company's listing on the Main Board of the Bursa Malaysia Securities Berhad.

The higher profit was attributable to higher sales volume due to strong market demand both in the domestic market and in the international market. The increase in world steel prices has also contributed to the better profit.

6. PROFIT GUARANTEE

The Company did not issue any profit guarantee for the financial year under review.

7. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts entered into by the Company and/or its subsidiaries involving Directors and major shareholders' interests as at 31 July 2004 except for those disclosed as recurrent related party transactions of revenue or trading nature or related party transactions.

8. REVALUATION POLICY

The Group's revaluation policy is stated in the summary of significant Accounting Policies in the financial statement.

9. RELATED PARTY TRANSACTIONS AND RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The Company proposes to seek shareholders' mandate in respect of recurrent related party transactions of revenue or trading nature during the forthcoming Annual General Meeting.

AUDIT COMMITTEE REPORT

The Audit Committee was established on 17 July 2003.

MEMBERSHIP

The members of the Committee are:

NAME	DESIGNATION	DIRECTORSHIP
Yeoh Chong Keat	Chairman	Independent Non-Executive Director
Kua Hock Lai	Member	Managing Director
Ong Eng Choon	Member	Independent Non-Executive Director

TERMS OF REFERENCE OF THE COMMITTEE

1. Appointment/Composition

- 1.1 The members of the Committee shall be appointed by the Board.
- 1.2 The Audit Committee shall consist of not less than three (3) members of whom:
 - a) a majority shall be Independent Directors;
 - b) at least one (1) member of the Committee:
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants,
 - a) he must have at least three (3) years' working experience; and
 - he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
 - he must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
 - b) he must have a degree/masters/ doctorate in accounting or finance and at least three (3) years' post qualification experience in accounting or finance; or
 - c) he must have at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

- 1.3 No alternate Director shall be appointed as a member of the Committee.
- 1.4 A quorum shall be two (2) members and composed of a majority of Independent Directors.
- 1.5 The Chairman of the Committee shall be appointed by the members of the Committee among their number who is an Independent Director.
- 1.6 The Board must review the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.
- 1.7 The Board shall, within three (3) months of a vacancy occurring in the Audit Committee which result in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.

2. Meetings

- 2.1 Meetings shall be held not less than four (4) times in a year. In addition, the Chairman may call a meeting of the Committee if a request is made by any Committee members, the Company's Executive Chairman/CEO or the internal or external Auditors if they consider it necessary.
- 2.2 Meeting will be attended by the members of the Committee and the Company Secretary or his/her representative who shall act as the Secretary.
- 2.3 Participants may be invited from time to time to attend the meeting depending on the nature of the subject under review. These participants

may include the Directors, General Managers, Division Heads, representatives from the Finance and Internal Audit Departments and external Auditors.

3. Authority

3.1 The Committee is authorised by the Board to carry out the duties mentioned below and the Board and Management shall give all assistance that is necessary to enable the Committee to discharge its duties.

3.2 The Committee shall, whenever necessary and reasonable for the performance of its duties and in accordance with a procedure to be determined by the Board and at the Company's cost:

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) have direct communication channels with the external Auditors and person(s) carrying out the internal audit function or activity (if any);
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the external Auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

4. Functions and Responsibilities

The functions and responsibilities of the Committee shall include the following:

- (a) to discuss and liaise with the external Auditors to ensure the smooth implementation of the audit plan, review and forward the evaluation of the system of internal controls and audit report to the Board;
- (b) to review the assistance given by employees of the Group to the external Auditors;

(c) to review the external Auditor's management letter and management's response;

(d) to do the following where an internal audit function exists:-

- to review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- to review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;

(e) to review quarterly report and annual financial statements prior to the approval of the Board, focusing particularly on:

- (i) changes in or implementation of major accounting policy changes;
- (ii) significant and unusual events; and
- (iii) compliance with accounting standards and other legal requirements;

(f) to review any related party transactions and conflict of interest situation that may rise within the Company and the Group including any transaction, procedure or course of conduct that raise questions of management integrity;

(g) to review and report the same to the Board any letter of resignation from the external Auditors of the Company as well as whether there is any reason (supported by grounds) to believe that the Company's external Auditors are not suitable for re-appointment;

(h) to make recommendations concerning the appointment of the external Auditors and their remuneration to the Board;

The reports of the Committee and the external and internal Auditors and corrective action taken shall be tabled for discussion by the Board of Directors.

5. Minutes

The Secretary shall maintain minutes of the proceedings of the meetings and circulate such minutes to all members of the Committee and the Board of Directors.

6. Audit Committee Report

The Committee shall ensure that an audit committee report is prepared at the end of each financial year that complies with subparagraph (7.1) and (7.2) below:

- 6.1 The audit committee report shall be clearly set out in the Annual Report of the Company;
- 6.2 The audit committee report shall include the following:
 - (a) the composition of the Committee, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the Directors are independent or otherwise);
 - (b) the terms of reference of the Committee;
 - (c) the number of Committee meetings held during the financial year end and details of attendance of each member;
 - (d) a summary of activities of the Committee in the discharge of its functions and duties for that financial year of the Company; and
 - (e) the existence of an internal audit function or activity and where there is such a function or activity, a summary of the activities of the function or activity. Where such a function or activity does not exist, an explanation of the mechanism that exist to enable the Committee to discharge its functions effectively.

SUMMARY OF ACTIVITIES

The Audit Committee carried out its duties in accordance with its terms of reference during the year.

During the financial year ended 31 July 2004, The Audit Committee convened a total of five (5) meetings. All members of the Audit Committee attended the meetings.

The main activities undertaken by the Committee were as follows:

- Reviewed the quarterly and annual financial statements of the Company and the Group prior to submission to the Board of Directors for their consideration and approval.
- Reviewed the internal audit reports and considered the findings and management's responses thereto.
- Reviewed and discussed with external Auditors the issues arising from the statutory audit, the audit report and the management letters including management's responses.
- Reviewed the Related Party Transactions of the Group.

INTERNAL AUDIT FUNCTION

The Board acknowledges its responsibility and the importance of maintaining a sound system of internal controls.

The internal audit function of the Group is outsourced to a professional service firm and its function is independent of the activities or operations of other operating units. The principal role of the internal audit function is to undertake independent, regular and systematic reviews of the internal control systems of the Group in order to provide a reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the internal audit function to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units of the Group. The internal audit reports are reviewed by the Audit Committee and the Management is responsible for ensuring that corrective actions on reported weaknesses are taken within the required time frame. In this regards, the Audit Committee is pleased to report that there were no significant adverse finding during the financial year ended 31 July 2004 that adversely affect the Group's reputation or financial position.

RESULTS

FINANCIAL STATEMENTS

18	Directors' Report
22	Statement by Directors
22	Statutory Declaration
23	Report of the Auditors
24	Balance Sheets
25	Income Statements
26	Consolidated Statement of Changes in Equity
27	Statement of Changes in Equity
28	Cash Flow Statements
30	Notes to the Financial Statements

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2004.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment and property holdings and the provision of management services.

The principal activities of the subsidiaries are disclosed in Note 4 to the financial statements.

There were no significant changes in the nature of these principal activities during the financial year.

RESULTS

	<u>GROUP</u> RM'000	<u>COMPANY</u> RM'000
Profit for the year	41,346	7,537

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

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

DIVIDENDS

Dividends paid by the Company since 31 July 2003 were as follows:

	<u>RM'000</u>
Final dividend of 3% less 28% taxation in respect of the financial year ended 31 July 2003 as dealt with in the directors' report for that year	3,536
Interim dividend of 2% less 28% taxation in respect of the current financial year	2,357

At the forthcoming Annual General Meeting, a final 3% tax-exempt dividend in respect of the current financial year amounting to RM4,911,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 July 2005.

DIRECTORS

The directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Alwi bin Jantan	
Kua Hock Lai	
Mohamed Nizam bin Abdul Razak	
Ong Eng Choon	
Yeoh Chong Keat	
Cheah Shu Boon	
Law Sook Teng (f)	
Tee Tuang Siong	
Kua Swee Leong	(Appointed on 12 November 2003)
Yoong Kah Yin	(Appointed on 9 June 2004)
Toh Su Lin (f)	(Alternate director to Cheah Shu Boon)
Lu Kang Eing	(Resigned on 12 November 2003)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 23 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any 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 as disclosed in Note 30 to the financial statements.

DIRECTORS' INTERESTS

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

	← Number of Ordinary Shares of RM0.50 Each →			
	As at 1 August 2003	Acquired	Sold	As at 31 July 2004
The Company				
Direct interest:				
Tan Sri Dato' Alwi bin Jantan	26,788,464	80,000	(25,473,464)	1,395,000
Kua Hock Lai	13,904,566	80,004	-	13,984,570
Mohamed Nizam bin Abdul Razak	11,256,247	80,000	(1,810,000)	9,526,247
Ong Eng Choon	-	80,000	(40,000)	40,000
Yeoh Chong Keat	-	80,000	(18,000)	62,000
Cheah Shu Boon	-	80,000	-	80,000
Law Sook Teng (f)	1,587,615	685,000	(768,000)	1,504,615
Tee Tuang Siong	2,674,609	80,000	(70,000)	2,684,609
Kua Swee Leong	545,757	80,000	-	625,757
Toh Su Lin (f)	-	80,000	-	80,000
Indirect interest:				
Kua Hock Lai	135,017,485	82,000	-	135,099,485

By virtue of his shareholdings in the Company, Mr. Kua Hock Lai is deemed to be interested in shares in all the Company's subsidiaries. None of the other directors in office at the end of the financial year had any interest in shares in the Company or its subsidiaries during the financial year.

ISSUE OF SHARES AND INITIAL PUBLIC OFFERING

In conjunction with the listing of the Company's shares on the Main Board of Bursa Malaysia Securities Berhad (the "Exchange"), the Company increased its issued and paid-up ordinary share capital from RM118,100,000 to RM163,700,000 by way of the issuance of:

- (i) 10,000,000 ordinary shares of RM0.50 each through a public issue at an issue price of RM0.55 per ordinary share;
- (ii) 66,400,000 ordinary shares of RM0.50 each through a private placement at an issue price of RM0.55 per ordinary share; and
- (iii) 14,800,000 ordinary shares of RM0.50 each through a restricted issue at an issue price of RM0.55 per ordinary share.

The share premium arising of RM4,560,000 has been credited to the share premium account.

The new ordinary shares rank pari passu in all respects with the then existing ordinary shares of the Company. The entire issued and paid-up share capital of the Company comprising 327,400,000 ordinary shares of RM0.50 each were admitted to the Official List of the Exchange on 2 September 2003. The shares were granted quotation on the Main Board of the Exchange on the same date.

OTHER STATUTORY INFORMATION

- (a) Before the balance sheets and income statements of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

OTHER STATUTORY INFORMATION (CONT'D)

(f) In the opinion of the directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors.

Kua Hock Lai

Law Sook Teng

Selangor Darul Ehsan, Malaysia
21 October 2004

Statement by Directors Pursuant to Section 169(15) of the Companies Act, 1965

We, Kua Hock Lai and Law Sook Teng, being two of the directors of Hiap Teck Venture Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 24 to 54 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2004 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors.

Kua Hock Lai

Law Sook Teng

Selangor Darul Ehsan, Malaysia
21 October 2004

Statutory Declaration Pursuant to Section 169(16) of the Companies Act, 1965

I, Ooi Ai Leng, being the officer primarily responsible for the financial management of Hiap Teck Venture Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 24 to 54 are in my opinion 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
the abovenamed Ooi Ai Leng
at Kuala Lumpur in the
Federal Territory on 21 October 2004

Ooi Ai Leng

Before me,

Soh Ah Kau (W315)
Commissioner for Oaths

Report of the Auditors

to the members of Hiap Teck Venture Berhad

We have audited the accompanying financial statements set out on pages 24 to 54. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 July 2004 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.

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

The auditors' report on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Ernst & Young
AF: 0039
Chartered Accountants

See Huey Beng
No. 1495/03/05(J)
Partner

Kuala Lumpur, Malaysia
21 October 2004

Balance Sheets

as at 31 July 2004

	Note	GROUP		COMPANY	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	3	151,569	157,481	63,346	64,125
Investments in subsidiaries	4	-	-	81,570	75,474
Other investments	5	472	332	35	35
Goodwill on consolidation	6	839	891	-	-
Deferred tax assets	18	1,056	46	370	19
		153,936	158,750	145,321	139,653
CURRENT ASSETS					
Inventories	7	196,932	146,295	-	-
Trade receivables	8	143,005	110,258	-	-
Other receivables	9	19,585	4,379	22	1,347
Due from subsidiaries	10	-	-	41,520	-
Tax recoverable		948	1,450	-	-
Cash and bank balances	11	11,577	27,610	1,384	23,027
		372,047	289,992	42,926	24,374
CURRENT LIABILITIES					
Bank overdrafts	12	-	11,992	-	-
Borrowings	12	186,720	162,045	-	-
Trade payables	14	28,914	14,731	-	-
Other payables	15	10,357	7,469	1,448	670
Due to subsidiaries	10	-	-	-	2,143
Tax payable		6,777	3,424	63	11
		232,768	199,661	1,511	2,824
NET CURRENT ASSETS					
		139,279	90,331	41,415	21,550
		293,215	249,081	186,736	161,203
FINANCED BY:					
Share capital	16	163,700	118,100	163,700	118,100
Reserves	17	121,206	107,464	23,036	43,103
Shareholders' equity		284,906	225,564	186,736	161,203
NON-CURRENT LIABILITIES					
Borrowings	12	-	14,132	-	-
Deferred tax liabilities	18	8,309	9,385	-	-
		8,309	23,517	-	-
		293,215	249,081	186,736	161,203

The accompanying notes form an integral part of the financial statements.

Income Statements

for the year ended 31 July 2004

	Note	GROUP		COMPANY	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue	19	685,848	478,203	16,346	785
Cost of sales	20	(595,355)	(415,927)	-	-
Gross profit		90,493	62,276	16,346	785
Other operating income		7,047	4,777	164	41
Pre-operating cost		(242)	(27)	-	(27)
Property operating cost		(2,015)	(1,611)	(1,209)	(833)
Factory overhead cost		-	(458)	-	-
Administrative expenses		(17,553)	(12,222)	(4,448)	(20)
Selling and marketing expenses		(10,975)	(10,151)	-	-
Other operating expenses		(1,413)	(1,061)	-	-
Profit/(loss) from operations	21	65,342	41,523	10,853	(54)
Finance costs	24	(7,714)	(12,235)	-	-
Profit/(loss) before taxation		57,628	29,288	10,853	(54)
Taxation	25	(16,282)	(8,666)	(3,316)	8
Profit/(loss) for the year		41,346	20,622	7,537	(46)
Earnings per share (sen):					
Basic	26	12.93	31.71		
Dividends per share (sen):	27			1.80	1.80

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 July 2004

Note	Share Capital RM'000	Reserves			Revaluation Reserves RM'000	Distributable Retained Profits RM'000	Total RM'000
		Share Premium RM'000	Share Application RM'000	Non-Distributable			
At 1 August 2002	300	-	-	-	-	79,499	79,799
Acquisition of subsidiaries	75,474	-	-	-	-	-	75,474
Revaluation surplus on properties	-	-	-	18,737	-	-	18,737
Less: Deferred tax on revaluation surplus	-	-	-	(4,070)	-	-	(4,070)
	-	-	-	14,667	-	-	14,667
Merger deficit	-	-	-	-	(49,970) *	-	(49,970)
Acquisition of properties:							
- share issued in consideration	42,326	-	-	-	-	-	42,326
- premium on shares issued	-	20,574	-	-	-	-	20,574
Share application	-	-	22,990	-	-	-	22,990
Profit for the year	-	-	-	-	-	20,622	20,622
Dividends	27	-	-	-	-	(918)	(918)
At 31 July 2003	118,100	20,574	22,990	14,667	-	49,233	225,564
At 1 August 2003							
- As previously stated	118,100	20,574	22,990	17,845	-	49,233	228,742
- Prior year adjustment	28	-	-	(3,178)	-	-	(3,178)
- As restated	118,100	20,574	22,990	14,667	-	49,233	225,564
Issuance of ordinary shares:							
Issued for cash	45,600	4,560	(22,990)	-	-	-	27,170
Less: Share issue costs	-	(3,281)	-	-	-	-	(3,281)
	45,600	1,279	(22,990)	-	-	-	23,889
Dividends	27	-	-	-	-	(5,893)	(5,893)
Profit for the year	-	-	-	-	-	41,346	41,346
At 31 July 2004	163,700	21,853	-	14,667	-	84,686	284,906

* Merger deficit represents the excess of the nominal value of shares issued for the acquisitions of subsidiaries over the nominal value of shares of the subsidiaries acquired. The merger deficit has been written off against retained profit in the previous financial year.

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

for the year ended 31 July 2004

Note	Share Capital RM'000	Reserves		Distributable Retained Profits RM'000	Total RM'000
		Non-Distributable Share Premium RM'000	Share Application RM'000		
At 1 August 2002	300	-	-	(415)	(115)
Share issued for acquisition of subsidiaries	75,474	-	-	-	75,474
Acquisition of properties:					
- Share issued in consideration	42,326	-	-	-	42,326
- Premium on shares issued	-	20,574	-	-	20,574
Share application	-	-	22,990	-	22,990
Loss for the year	-	-	-	(46)	(46)
At 31 July 2003	118,100	20,574	22,990	(461)	161,203
Issuance of ordinary shares:					
Issued for cash	45,600	4,560	(22,990)	-	27,170
Less: Share issue costs	-	(3,281)	-	-	(3,281)
	45,600	1,279	(22,990)	-	23,889
Dividends	-	-	-	(5,893)	(5,893)
Profit for the year	-	-	-	7,537	7,537
At 31 July 2004	163,700	21,853	-	1,183	186,736

The accompanying notes form an integral part of the financial statements.

Cash Flow Statements

for the year ended 31 July 2004

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cash Flows From Operating Activities				
Profit/(loss) before taxation	57,628	29,288	10,853	(54)
Adjustments for:				
Bad debts written off	148	-	-	-
Loss on disposal of other investment	537	-	-	-
Provision for impairment in value on other investment	531	-	-	-
Plant and equipment written off	183	-	-	-
Other payable written off	(70)	-	-	-
Revaluation deficit on leasehold land	-	354	-	-
Share flotation expenses	-	(834)	-	(834)
Goodwill amortised	52	52	-	-
Unrealised foreign exchange loss/(gain)	1	(110)	-	-
Provision for doubtful debts	64	6,594	-	-
Doubtful debts recovered	(1,462)	-	-	-
Doubtful debts written back	-	(75)	-	-
Depreciation of property, plant and equipment	13,362	10,617	778	778
Interest expense	7,303	11,842	-	-
Fixed deposits interest income	(310)	(199)	(164)	(41)
Net overdue interest income written off	81	119	-	-
Gain on disposal of property, plant and equipment	(1,200)	(3,987)	-	-
Operating profit/(loss) before working capital changes	76,848	53,661	11,467	(151)
Changes in working capital				
Inventories	(50,637)	(28,874)	-	-
Receivables	(49,504)	24,803	(13)	(39)
Payables	17,141	8,367	778	666
Related companies	-	-	(49,759)	1,528
Cash (used in)/generated from operations	(6,152)	57,957	(37,527)	2,004
Interest paid	(7,303)	(11,510)	-	-
Overdue interest income received	(81)	(83)	-	-
Taxation paid	(14,513)	(6,711)	(3,615)	-
Net cash (used in)/generated from operating activities	(28,049)	39,653	(41,142)	2,004
Cash Flows From Investing Activities				
Refund of incidental cost on property	22	-	1	-
Proceeds from disposal of other investment	254	-	-	-
Proceeds from disposal of property, plant and equipment	1,276	4,235	-	-
Fixed deposits interest received	310	157	164	36
Cost incidental to disposal of property	-	(3)	-	-
Purchase of property, plant and equipment	(7,731)	(6,802)	-	(2,003)
Net cash (used in)/generated from investing activities	(5,869)	(2,413)	165	(1,967)

Cash Flow Statements (Cont'd)

for the year ended 31 July 2004

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cash Flows From Financing Activities				
Net proceeds from ordinary shares issued	25,227	-	25,227	-
Drawdown of other short term borrowings, net of repayment	11,101	(60,735)	-	-
Proceeds from term loans	-	20,000	-	-
Share applications	-	22,990	-	22,990
Repayment by former holding company	-	370	-	-
Repayment of hire purchase	(558)	(988)	-	-
Dividend paid	(5,893)	(918)	(5,893)	-
Net cash generated from/(used in) financing activities	29,877	(19,281)	19,334	22,990
Net (decrease)/increase in cash and cash equivalents	(4,041)	17,959	(21,643)	23,027
Effects of exchange rate changes	-	1	-	-
Cash and cash equivalents at beginning of year	15,618	(2,342)	23,027	-
Cash and cash equivalents at end of year (Note 11)	11,577	15,618	1,384	23,027

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

31 July 2004

1. CORPORATE INFORMATION

The principal activities of the Company are investment and property holdings and the provision of management services.

The principal activities of the subsidiaries are disclosed in Note 4 to the financial statements.

There were no significant changes in the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad (the "Exchange"). The registered office and the principal place of business of the Company is located at Lot 6096, Jalan Haji Abdul Manan, Batu 5 1/2, off Jalan Meru, 41050 Klang, Selangor Darul Ehsan.

The Group and the Company employs 529 (2003: 453) and 4 (2003: Nil) employees respectively at the end of the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 21 October 2004.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified to include revaluation of land and buildings included in property, plant and equipment. The financial statements comply with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia.

During the financial year ended 31 July 2004, the Group and the Company adopted MASB 28 - Discontinuing Operations and MASB 29 - Employee Benefits for the first time.

The adoptions of these Standards have not given rise to any adjustments to the opening balances of retained profits of the prior and current year or to changes in comparatives.

(b) Basis of Consolidation

Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated either using the merger method or the acquisition method of accounting. Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. In the consolidated financial statements, the cost of the merger is cancelled with the nominal values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve.

Results of subsidiaries which have been consolidated using the acquisition method of accounting, are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of the subsidiaries are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the subsidiary acquired.

Goodwill is stated at cost less accumulated amortisation and impairment losses.

Goodwill is amortised on a straight-line basis over its estimated useful life of 20 years.

(d) Investments in Subsidiaries

The Company's investments in subsidiaries are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

(e) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses.

Freehold land, leasehold land and buildings are stated at valuation less impairment losses. Revaluations are made at least once in every five years based on a valuation by an independent valuer on an open market value basis. Any revaluation increase is credited to equity as a revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is recognised in the income statement to the extent of the decrease previously recognised. A revaluation decrease is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised as an expense. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

Freehold land are not depreciated while leasehold land are depreciated over the period of respective leases.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2%
Plant and machinery	10 - 20%
Motor vehicles	20%
Other assets	10 - 40%

Upon the disposal of an asset, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

(f) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined on the weighted average basis. The cost of raw materials comprises costs of purchase plus costs incurred in bringing the inventories to their present locations and conditions. The costs of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and appropriate proportions of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at banks and deposits at call, net of outstanding bank overdrafts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(i) Income Tax

Income tax on the profit or loss for the year comprises 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 at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and 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 taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill 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 is 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 tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(j) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

(i) Finance leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2(e).

(ii) Operating leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

(l) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Sale of goods

Revenue relating to sale of goods is recognised net of sales taxes and discounts upon the transfer of risks and rewards.

(ii) Transport charges

Revenue from transport charges is recognised when the services have been performed.

(iii) Rental income

Rental income relates to rental of properties and scaffoldings are recognised over the period of tenancy, as appropriate.

(iv) Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

(v) Dividend income

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

(vi) Slitting and forming charges

Revenue from slitting and forming charges is recognised when the services have been performed.

(vii) Management fee

Management fee is recognised upon performance of service.

(m) Foreign Currencies

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the transaction dates. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Foreign Currencies (Cont'd)

All exchange rate differences are taken to the income statement.

The principal exchange rates for every unit of foreign currency ruling at balance sheet date are as follows:

	2004	2003
	RM	RM
United States Dollars	3.80	3.80
Singapore Dollars	2.20	2.16
Euro Dollars	4.58	4.32

(n) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

(o) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

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

(i) Other non-current investments

Non-current investments are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in income statement.

(ii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

(v) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared or approved.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Plant and Machinery RM'000	Motor Vehicles RM'000	Other Assets RM'000	Total RM'000
Cost/Valuation							
At 1 August 2003	44,521	2,720	65,791	79,257	5,730	18,549	216,568
Additions	-	-	-	3,080	306	4,345	7,731
Disposals	-	-	-	(2)	(494)	(1,307)	(1,803)
Written off	-	-	-	(178)	-	(332)	(510)
Reclassification	-	-	-	(884)	-	884	-
Refund on incidental costs	(1)	-	-	(21)	-	-	(22)
At 31 July 2004	44,520	2,720	65,791	81,252	5,542	22,139	221,964
Representing:							
At cost	26,002	-	39,159	81,252	5,542	22,139	174,094
At valuation	18,518	2,720	26,632	-	-	-	47,870
	44,520	2,720	65,791	81,252	5,542	22,139	221,964
Accumulated Depreciation							
At 1 August 2003	-	-	1,864	40,450	3,759	13,014	59,087
Charge for the year	-	-	1,310	7,551	644	3,857	13,362
Disposals	-	-	-	(2)	(494)	(1,231)	(1,727)
Written off	-	-	-	-	-	(327)	(327)
At 31 July 2004	-	-	3,174	47,999	3,909	15,313	70,395
Net Book Value							
At 31 July 2004							
At cost	26,002	-	37,603	33,253	1,633	6,826	105,317
At valuation	18,518	2,720	25,014	-	-	-	46,252
	44,520	2,720	62,617	33,253	1,633	6,826	151,569
At 31 July 2003							
At cost	26,003	-	38,381	38,807	1,971	5,535	110,697
At valuation	18,518	2,720	25,546	-	-	-	46,784
	44,521	2,720	63,927	38,807	1,971	5,535	157,481
Depreciation charge for 2003							
	-	-	1,310	5,683	609	3,015	10,617
Details at 1 August 2002							
Cost	13,418	4,713	14,080	78,947	5,240	17,531	133,929
Accumulated depreciation	-	-	(1,369)	(34,772)	(4,639)	(13,014)	(53,794)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Freehold Land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 August 2003	26,002	38,901	64,903
Refund on incidental cost	-	(1)	(1)
At 31 July 2004	26,002	38,900	64,902
Accumulated Depreciation			
At 1 August 2003	-	778	778
Charge for the year	-	778	778
At 31 July 2004	-	1,556	1,556
Net Book Value			
At 31 July 2004	26,002	37,344	63,346
At 31 July 2003	26,002	38,123	64,125
Depreciation charge for 2003	-	778	778

Other assets comprise equipment for hire, office renovations, furniture and fittings, heavy equipment, office equipment, tools and equipment, carpet, computer software, electrical installation, forklift, dies and jigs, containers, signboard and air-conditioners.

Net book value of motor vehicles of the Group held under hire purchase arrangements as at balance sheet date amounted to RM384,000 (2003: RM1,593,000).

In the previous year, certain properties of the Group with carrying value of RM84,917,000 were pledged as securities for borrowings facilities obtained.

The freehold land, leasehold land and buildings were revalued in 2003 by the directors based on independent professional valuations carried out by Mr. Elvin Fernandez, FISM, of Messrs Khong & Jaafar Sdn Bhd, a registered valuer located at 57-1, Jalan Telawi Tiga, Bangsar Baru, 59100 Kuala Lumpur. The Cost and Investment Method of Valuation were used in arriving at the value of those properties.

At 31 July 2004, had the revalued properties been carried at cost less accumulated depreciation, the carrying amounts of these properties would have been as follows:

	GROUP	
	2004 RM'000	2003 RM'000
Freehold land	13,418	13,418
Leasehold land	1,827	1,827
Buildings	11,900	12,177
	27,145	27,422

4. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2004 RM'000	2003 RM'000
Unquoted shares at cost	81,570	75,474

During the financial year, the Company subscribed for 6,095,998 new ordinary shares of RM1 each in Alpine Pipe Manufacturing Sdn Bhd by way of capitalisation of debts due from the said subsidiary.

Details of subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Percentage Interest Held (%)		Principal Activities
		2004	2003	
Hiap Teck Hardware Sdn Bhd	Malaysia	100	100	Importers and exporters and general dealer of steel products, hardware and building materials
Tiek Hong Hardware (B'worth) Sdn Bhd	Malaysia	100	100	General merchant and dealer in metal hardware, building equipment and materials
Alpine Pipe Manufacturing Sdn Bhd	Malaysia	100	100	Manufacturing and trading of steel and iron products
Brilliant Decade Transport Agency Sdn Bhd	Malaysia	100	100	Provision of transportation service
Huatraco Marketing Sdn Bhd	Malaysia	100	100	Manufacturing, selling, dealing and renting of scaffolding equipment, slitting and forming process for pipes and range of steel products
Subsidiaries of Huatraco Marketing Sdn Bhd				
H.T. Scaffolding Manufacturing Sdn Bhd	Malaysia	100	100	Manufacturer and distributor of multi-directional crab system scaffolding, metal form and framework accessories
Huatraco Industries Sdn Bhd	Malaysia	100	100	Manufacturing, selling and dealing in scaffolding and range of steel products
Subsidiaries of Hiap Teck Hardware Sdn Bhd				
H.T. Property Sdn Bhd	Malaysia	100	100	Investment properties
H.T. Steel Manufacturing Sdn Bhd	Malaysia	100	100	Manufacturing of steel bar and sections
Hiap Teck Holdings Sdn Bhd	Malaysia	100	100	Dormant

5. OTHER INVESTMENTS

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
At cost				
Quoted shares, outside Malaysia	671	-	-	-
Less: Impairment losses	(531)	-	-	-
	140	-	-	-
Unquoted shares, within Malaysia	22	22	-	-
Club memberships	310	310	35	35
	472	332	35	35
Market value of quoted shares	144	-	-	-

The movements in investment in quoted shares, outside Malaysia is as follows:

	Group 2004 RM'000
Shares assigned from trade receivables (Note 8)	1,462
Less: Disposal of other investment	(791)
At 31 July	671
Less: Impairment losses	(531)
	140

6. GOODWILL ON CONSOLIDATION

	GROUP	
	2004 RM'000	2003 RM'000
At cost less amortisation		
At 1 August	891	943
Less: Amortisation	(52)	(52)
At 31 July	839	891

7. INVENTORIES

	GROUP	
	2004 RM'000	2003 RM'000
At cost		
Raw materials	87,156	50,374
Work-in-progress	12,143	9,191
Finished goods	60,723	47,319
Merchandise goods	36,910	39,411
	196,932	146,295

8. TRADE RECEIVABLES

	GROUP	
	2004	2003
	RM'000	RM'000
Trade receivables	149,364	120,698
Less: Provision for doubtful debts	(6,359)	(10,440)
	143,005	110,258

The Group's normal trade credit term ranges from 14 days to 90 days (2003: 14 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The Group's has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors.

The movements in provision for doubtful debts is as follows:

	GROUP	
	2004	2003
	RM'000	RM'000
At 1 August	10,440	4,015
Transfer from income statement:		
Provision for doubtful debts	64	6,594
Doubtful debts recovered, via:		
- Cash	(2,683)	-
- Shares assignment, classified as other investment (Note 5)	(1,462)	-
	(4,145)	-
Doubtful debts written back	-	(75)
Doubtful debts written off	-	(94)
At 31 July	6,359	10,440

9. OTHER RECEIVABLES

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Deposits	18,200	62	22	9
Prepayments	1,210	1,147	-	-
Sundry receivables	175	1,832	-	-
Share issues expenses	-	1,338	-	1,338
	19,585	4,379	22	1,347

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Share issues expenses were written off against share premium arising from share issued during the financial year.

10. DUE FROM/(TO) SUBSIDIARIES

The amounts due from/(to) the subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

11. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cash on hand and at banks	9,108	24,079	1,384	23,027
Deposits with licensed banks	2,469	3,531	-	-
Cash and bank balances	11,577	27,610	1,384	23,027
Less: Bank overdrafts (Note 12)	-	(11,992)	-	-
Cash and cash equivalents	11,577	15,618	1,384	23,027

The average effective interest rates of deposits at the balance sheet date were as follows:

	GROUP	
	2004 %	2003 %
Deposits with licensed banks	3.00	3.00

The average maturities of deposits as at the end of the financial year were 30 days (2003: 19 days).

12. BORROWINGS

	GROUP	
	2004 RM'000	2003 RM'000
Short Term Borrowings		
Secured:		
Bank overdrafts	-	8,991
Revolving credit	-	3,000
Bankers' acceptances	-	94,760
Trust receipts	-	13,390
Term loans	-	5,825
Hire purchase payables (Note 13)	132	558
	132	126,524
Unsecured:		
Bank overdrafts	-	3,001
Bankers' acceptances	181,843	40,246
Trust receipts	-	4,266
On shore foreign currency loan	4,745	-
Total unsecured	186,588	47,513
Less: Bank overdrafts (Note 11)	-	(11,992)
	186,720	162,045
Long Term Borrowings		
Secured:		
Term loans	-	14,000
Hire purchase payables (Note 13)	-	132
	-	14,132

12. BORROWINGS (CONT'D)

	GROUP	
	2004	2003
	RM'000	RM'000
Total Borrowings		
Bank overdrafts	-	11,992
Revolving credit	-	3,000
Bankers' acceptances	181,843	135,006
Trust receipts	-	17,656
On shore foreign currency loan	4,745	-
Term loans	-	19,825
Hire purchase payables (Note 13)	132	690
	186,720	188,169
Maturity of borrowings (excluding hire purchase):		
Within one year	186,588	173,479
More than 1 year and less than 2 years	-	4,000
More than 2 years and less than 5 years	-	10,000
	186,588	187,479

The range interest rates for the borrowings, excluding hire purchase were as follows:

	GROUP	
	2004	2003
	%	%
Bank overdrafts	6.75 to 8.00	7.50 to 8.00
Revolving credit	5.30 to 8.00	7.50 to 8.00
Bankers' acceptances	3.48 to 5.32	3.76 to 5.05
Trust receipts	6.75 to 8.00	7.50 to 8.00
Term loans	8.00 to 8.90	7.50 to 8.90
On shore foreign currency loan	3.10 to 3.20	-

13. HIRE PURCHASE PAYABLES

	GROUP	
	2004	2003
	RM'000	RM'000
Minimum lease payments:		
Within one year	134	582
More than 1 year and not later than 2 years	-	134
	134	716
Less: Future finance charges	(2)	(26)
	132	690
Present value of finance lease liabilities:		
Within one year	132	558
More than 1 year and less than 2 years	-	132
	132	690

The hire purchase bore interest at a rate 3.80% (2003: 3.80% to 4.63%) per annum.

14. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 5 days to 90 days. (2003: 7 days to 90 days).

15. OTHER PAYABLES

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Sundry payables	5,037	3,760	-	-
Accruals	5,035	3,300	1,448	670
Deposits	285	409	-	-
	10,357	7,469	1,448	670

16. SHARE CAPITAL

Group/Company	Number of Ordinary Shares of RM0.50 Each		Amount	
	2004 '000	2003 '000	2004 RM'000	2003 RM'000
Authorised:				
At 1 August/31 July	400,000	400,000	200,000	200,000
Issued and fully paid:				
At 1 August	236,200	600	118,100	300
Issued during the year:				
Issued for cash	91,200	-	45,600	-
Acquisition of subsidiaries	-	150,948	-	75,474
Properties acquired	-	84,652	-	42,326
At 31 July	327,400	236,200	163,700	118,100

The new ordinary shares rank pari passu in all respects with the then existing ordinary shares of the Company. The entire issued and paid-up share capital of the Company comprising 327,400,000 ordinary shares of RM0.50 each were admitted to the Official List of the Exchange on 2 September 2003. The shares were granted quotation on the Main Board of the Exchange on the same date.

17. RESERVES

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Share premium	21,853	20,574	21,853	20,574
Share application monies	-	22,990	-	22,990
Revaluation reserves	14,667	14,667	-	-
Retained profits	84,686	49,233	1,183	(461)
	121,206	107,464	23,036	43,103

Revaluation reserves

This reserves includes the cumulative net change, net of deferred tax effects, arising from the revaluation of freehold land, leasehold land and buildings.

Retained profits

The Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 to frank the payment of dividends out of its entire retained profits as at 31 July 2004.

18. DEFERRED TAX

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
At 1 August				
- As previously stated	(6,161)	(4,813)	19	-
- Prior year adjustment	(3,178)	(3,178)	-	-
- As restated	(9,339)	(7,991)	19	-
Recognised in income statement (Note 25)	2,086	(456)	351	19
Recognised in equity	-	(892)	-	-
At 31 July	(7,253)	(9,339)	370	19
Presented after appropriate offsetting as follows:				
Deferred tax assets	1,056	46	370	19
Deferred tax liabilities				
Subject to income tax	(4,239)	(5,315)	-	-
Subject to capital gain tax	(4,070)	(4,070)	-	-
	(8,309)	(9,385)	-	-
At 31 July	(7,253)	(9,339)	370	19

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred Tax Assets of the Group

	Other Investment RM'000	Other Payables RM'000	Unabsorbed Reinvestment/ Capital Allowance RM'000	Total RM'000
At 1 August 2002	-	(98)	1,141	1,043
Recognised in the income statement	-	167	(1,032)	(865)
At 31 July 2003	-	69	109	178
Recognised in the income statement	149	760	1,935	2,844
At 31 July 2004	149	829	2,044	3,022

Deferred Tax Liabilities of the Group

	Revaluation Reserve RM'000	Property, Plant and Equipment RM'000	Total RM'000
At 1 August 2002	-	(5,856)	(5,856)
Recognised in the income statement	-	409	409
Recognised in equity	(892)	-	(892)
At 31 July 2003			
- As previously stated	(892)	(5,447)	(6,339)
- Prior year adjustment	(3,178)	-	(3,178)
- As restated	(4,070)	(5,447)	(9,517)
Recognised in the income statement	-	(758)	(758)
At 31 July 2004	(4,070)	(6,205)	(10,275)

18. DEFERRED TAX (CONT'D)

Deferred Tax Assets of the Company

	Other Payables RM'000	Unabsorbed Capital Allowance RM'000	Total RM'000
At 1 August 2003	-	-	-
Recognised in the income statement	329	123	452
At 31 July 2004	329	123	452

Deferred Tax Liabilities of the Company

	Property, Plant and Equipment RM'000
At 1 August 2002	-
Recognised in the income statement	19
At 31 July 2003	19
Recognised in the income statement	(101)
At 31 July 2004	(82)

19. REVENUE

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Sale of goods	681,214	475,064	-	-
Rental of scaffolding	4,076	2,867	-	-
Transport charges	462	272	-	-
Slitting and forming charges	96	-	-	-
Dividend income	-	-	9,176	-
Rental of properties	-	-	4,710	785
Management fee	-	-	2,460	-
	685,848	478,203	16,346	785

20. COST OF SALES

	GROUP	
	2004 RM'000	2003 RM'000
Cost of inventories sold	589,959	411,353
Cost of equipment for hire	3,290	2,683
Cost of services rendered	2,106	1,891
	595,355	415,927

21. PROFIT/(LOSS) FROM OPERATIONS

Profit/(loss) from operations is stated after charging/(crediting):

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Staff costs (Note 22)	20,364	12,896	3,985	-
Auditors' remuneration:				
Statutory audits				
- current year	85	124	15	4
- prior year's	(6)	(2)	-	-
Other services				
- current year	5	24	5	15
- prior year's	1	(2)	1	-
Rent expense	71	4,154	-	-
Depreciation of property, plant and equipment (Note 3)	13,362	10,617	778	778
Amortisation of goodwill	52	52	-	-
Provision for doubtful debts	64	6,594	-	-
Doubtful debts recovered	(4,145)	-	-	-
Doubtful debts written back	-	(75)	-	-
Bad debts recovered	(2)	(21)	-	-
Non-executive directors' remuneration (Note 23)	218	60	189	24
Loss on disposal of investment	537	-	-	-
Provision for impairment				
in value of investments	531	-	-	-
Gain on disposal of plant and equipment	(1,200)	(3,987)	-	-
Rental income	(180)	(312)	-	-
Net foreign exchange losses/(gains):				
Realised	(910)	(427)	-	-
Unrealised	1	(110)	-	-
Revaluation deficit on revaluation of leasehold land	-	(354)	-	-
Plant and equipment written off	183	-	-	-
Other payable written off	(70)	-	-	-
Fixed deposits interest income	(310)	(199)	(164)	(41)
Net overdue interest income written off	81	119	-	-
Bad debts written off	148	-	-	-

22. STAFF COSTS

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	13,664	10,709	1,256	-
Bonus	4,149	340	1,700	-
Social security costs	124	111	1	-
Pension costs				
- defined contribution plans	1,601	1,033	229	-
Other staff related expenses	826	703	799	-
	20,364	12,896	3,985	-

Included in staff costs of the Group and of the Company are executive directors' remuneration amounting to RM5,331,000 (2003: RM1,620,000) and RM3,985,000 (2003: RM Nil) respectively as further disclosed in Note 23.

23. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	1,464	701	1,256	-
Bonus	1,695	89	1,700	-
Social security costs	1	1	1	-
Pension costs				
- defined contribution plans	242	65	229	-
Annual leave compensation	799	-	799	-
Benefits-in-kind	51	45	-	-
	4,252	901	3,985	-
Non-Executive:				
Fees	189	60	189	24
	4,441	961	4,174	24
Directors of Subsidiaries				
Executive:				
Salaries and other emoluments	716	488	-	-
Fees	-	7	-	-
Bonus	287	175	-	-
Social security costs	2	2	-	-
Pension cost				
- defined contribution plan	117	92	-	-
Annual leave compensation	8	-	-	-
Benefits-in-kind	49	40	-	-
	1,179	804	-	-
Non-Executive:				
Fees	29	-	-	-
	1,208	804	-	-
Total	5,649	1,765	4,174	24
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 22)	5,331	1,620	3,985	-
Total non-executive directors' remuneration (Note 21)	218	60	189	24
Total directors' remuneration excluding benefits-in-kind	5,549	1,680	4,174	24

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2004	2003
Executive directors:		
RM100,001 - RM150,000	-	3
RM200,001 - RM250,000	3	-
RM300,001 - RM350,000	-	1
RM3,450,001 - RM3,500,000	1	-
Non-Executive directors:		
RM Nil - RM50,000	7	4

24. FINANCE COSTS

	GROUP	
	2004	2003
	RM'000	RM'000
Interest expense on:		
Hire purchase	23	58
Bankers' acceptances	6,754	7,211
Trust receipts	84	2,108
Term loan	160	1,152
Overdraft	221	855
Onshore foreign currency loan	30	-
Revolving credit	31	264
Finance and administration charges	411	587
	7,714	12,235

25. TAXATION

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Malaysian income tax	18,242	8,407	3,588	11
Under/(over)provided in prior years	126	(197)	79	-
	18,368	8,210	3,667	11
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	(1,905)	(703)	(411)	(19)
(Over)/underprovided in prior years	(181)	1,159	60	-
	(2,086)	456	(351)	(19)
	16,282	8,666	3,316	(8)

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2003: 28%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

Group	2004	2003
	RM'000	RM'000
Profit before taxation	57,628	29,288
Taxation at Malaysian statutory tax rate of 28% (2003: 28%)	16,136	8,201
Effect of different tax rate for small and medium scale companies	(141)	(42)
Effect of double deduction expenses	(66)	(52)
Effect of income not subject to tax	(25)	(100)
Effect of expenses not deductible for tax purposes	578	894
Effect of utilisation of reinvestment allowance	(145)	(1,224)
(Over)/underprovision of deferred tax in prior years:		
Company and subsidiaries	(181)	1,159
Under/(over)provision of tax expense in prior years:		
Company and subsidiaries	126	(197)
Tax on dividend out of pre-acquisition profit	-	27
Tax expense for the year	16,282	8,666

25. TAXATION (CONT'D)

Company	2004	2003
	RM'000	RM'000
Profit/(loss) before taxation	10,853	(54)
Taxation at Malaysian statutory tax rate of 28% (2003: 28%)	3,039	(15)
Effect of expenses not deductible for tax purposes	138	7
Underprovision of deferred tax in prior years	60	-
Underprovision of tax expense in prior years	79	-
Tax expense for the year	3,316	(8)

26. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year:

	2004	2003
Net profit for the year (RM'000)	41,346	20,622
Weighted average number of ordinary shares in issue ('000)	319,800	65,025
Basic earnings per share (sen)	12.93	31.71

27. DIVIDENDS

	Amount		Net Dividends per Ordinary Share	
	2004 RM'000	2003 RM'000	2004 Sen	2003 Sen
Final				
5% less 28% taxation, in respect of the year ended 31 July 2002	-	918	-	1.80
3% less 28% taxation, in respect of the year ended 31 July 2003 (Note)	3,536	-	1.08	-
Interim				
2% less 28% taxation, in respect of the year ended 31 July 2004	2,357	-	0.72	-
	5,893	918	1.80	1.80

Note:-

The additional dividends of RM 985,000 paid during the financial year is in respect of new ordinary shares issued subsequent to previous financial year but before book closure for dividend entitlement.

At the forthcoming Annual General Meeting, a final 3% tax-exempt dividend in respect of the current financial year amounting to RM4,911,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 July 2005.

28. PRIOR YEAR ADJUSTMENT

In the previous financial year, the Group had incorrectly accounted for the deferred tax effects on the fair value adjustment arising from the revaluation of buildings. The correction of this fundamental error has been accounted for retrospectively.

The effects of the correction are as follows:

	GROUP 2004 RM'000
Effect on revaluation reserve	
At 1 August 2003, as previously stated	17,845
Correction of fundamental error	(3,178)
At 1 August 2003, as restated	14,667
Effect on deferred tax liabilities	
At 1 August 2003, as previously stated	6,207
Correction of fundamental error	3,178
At 1 August 2003, as restated	9,385

Comparatives amounts as at 31 July 2003 have been restated as disclosed in Note 35 to the financial statements.

29. CONTINGENT LIABILITIES

	COMPANY	
	2004 RM'000	2003 RM'000
Guarantees provided to secure banking facilities granted to subsidiaries	187,000	80,000

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

	2004 RM'000	2003 RM'000
Group		
Sales of steel products to companies in which certain directors of the Company have significant interests:		
Hiap Wing Marketing Sdn Bhd	334	2,005
Hiap Wing Building Materials Sdn Bhd	764	60
Power Concord Sdn Bhd	1,142	873
Allied Engineering Construction Sdn Bhd	304	-
Purchases of steel products from companies in which certain directors of the Company have significant interests:		
Hiap Wing Marketing Sdn Bhd	116	270
Hiap Wing Building Materials Sdn Bhd	14	12
Rent paid to companies in which certain directors of the Company have significant interests:		
K.H.L. Sdn Bhd	-	2,655
United Coconut Fibre Products Sdn Bhd	-	1,300

30. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

	2004 RM'000	2003 RM'000
Group (Cont'd)		
Rental income received from companies in which certain directors of the Company have significant interests:		
Power Concord Sdn Bhd	180	180
Legal fee paid to companies in which certain directors of the Company have significant interests:		
S.B. Cheah & Associates	10	157
Company		
Legal fee paid to companies in which certain directors of the Company have significant interests:		
S.B. Cheah & Associates	-	134

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties. The relationships of the related parties are disclosed below:

- Mr Kua Hock Lai is a director and substantial shareholder of K.H.L. Sdn Bhd and United Coconut Fibre Products Sdn Bhd.
- Tan Sri Dato' Alwi bin Jantan is a director and shareholder of United Overseas Australia Ltd which owns Allied Engineering Construction Sdn Bhd.
- Mr Kua Lai Shon @ Kuah Ah Kok is a director and substantial shareholder of K.A.K. Sdn Bhd, which is a substantial shareholder of Hiap Wing Marketing Sdn Bhd and Hiap Wing Building Materials Sdn Bhd. He is an elder brother of Mr Kua Hock Lai.
- Power Concord Sdn Bhd is a company in which Mr Kua Hock Lai's children have substantial financial interests.
- Messrs S.B. Cheah & Associates is a firm in which a director of the Company, Mr Cheah Shu Boon is a partner.

31. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. It is the Group's policy not to engage in speculative transactions.

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt. The Group manages its interest rate exposure by securing borrowing facilities at attractive rates. The investment in financial assets are mainly short term in nature and they are not held for a speculative purposes.

(c) Liquidity Risk

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

31. FINANCIAL INSTRUMENTS (CONT'D)

(d) Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness.

(e) Foreign Exchange Risk

The Group is mainly exposed to United States Dollars and Singapore Dollars. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

Foreign exchange exposures in transactional currencies are kept to an acceptable level.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	US Dollars RM'000	Singapore Dollars RM'000	Euro Dollars RM'000	Total RM'000
Functional Currency				
At 31 July 2004:				
Trade receivables	11,320	17,814	-	29,134
Cash and cash equivalents	-	824	-	824
	11,320	18,638	-	29,958
At 31 July 2003:				
Trade receivables	7,952	13,716	-	21,668
Cash and cash equivalents	-	97	-	97
Trade payables	(360)	(44)	(49)	(453)
	7,592	13,769	(49)	21,312

(f) Fair Value

It is not practicable to determine the fair value of amounts due from/(to) subsidiaries due to principally lack of fixed repayment terms entered into by the parties involved and without incurring excessive costs.

The fair value of all other financial assets and financial liabilities approximate their carrying value due to the relatively short term nature of these financial instruments.

32. CAPITAL COMMITMENT

	GROUP	
	2004 RM'000	2003 RM'000
Capital expenditure:		
Approved and contracted for plant and equipment	36,000	-

33. SIGNIFICANT EVENTS

In conjunction with the listing of the Company's shares on the Main Board of Bursa Malaysia Securities Berhad (the "Exchange"), the Company increased its issued and paid-up ordinary share capital from RM118,100,000 to RM163,700,000 by way of the issuance of:

- (i) 10,000,000 ordinary shares of RM0.50 each through a public issue at an issue price of RM0.55 per ordinary share;
- (ii) 66,400,000 ordinary shares of RM0.50 each through a private placement at an issue price of RM0.55 per ordinary share; and
- (iii) 14,800,000 ordinary shares of RM0.50 each through a restricted issue at an issue price of RM0.55 per ordinary share.

The share premium arising of RM4,560,000 has been credited to the share premium account.

The new ordinary shares rank pari passu in all respects with the then existing ordinary shares of the Company. The entire issued and paid-up share capital of the Company comprising 327,400,000 ordinary shares of RM0.50 each were admitted to the official List of the Exchange on 2 September 2003. The shares were granted quotation on the Main Board of the Exchange on the same date.

34. SEGMENTAL INFORMATION

(a) Business Segments

The Group is organised on a worldwide basis into four major business segments:

- (i) Trading - Importers, exporters and general dealers in steel products, hardware and building materials;
- (ii) Manufacturing - Manufacturers and distributors of steel pipes, hollow sections, scaffolding equipments and accessories and other steel products;
- (iii) Property and investment - Investment in and renting out property and investment holding; and
- (iv) Transportation - Provision of transportation of goods by lorries.

(b) Geographical Segments

No segmental information is provided on a geographical basis as the activities of the Group are carried out pre dominantly in Malaysia.

34. SEGMENTAL INFORMATION (CONT'D)

	Trading	Manu- facturing	Property and investment	Trans- portation	Others	Elimi- nation	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 July 2004							
Business segment							
Revenue from external customers	293,026	392,360	-	462	-	-	685,848
Inter-segment revenue	33,974	67,429	17,546	2,421	-	(121,370)	-
Total revenue	327,000	459,789	17,546	2,883	-	(121,370)	685,848
Segment results							
Operating profit	21,807	40,852	2,116	484	83	-	65,342
Finance costs							(7,714)
Profit before taxation							57,628
Taxation							(16,282)
Net profit for the year							41,346
Segment assets	98,550	314,899	110,005	525	-	-	523,979
Unallocated assets							2,004
Total assets							525,983
Segment liabilities	14,379	23,150	1,467	275	-	-	39,271
Unallocated liabilities							201,806
Total liabilities							241,077
Capital expenditure	422	7,309	-	-	-	-	7,731
Depreciation	372	11,544	1,318	128	-	-	13,362
Non-cash expenses other than depreciation	595	330	-	3	-	-	928
31 July 2003							
Business segment							
Revenue from external customers	179,580	298,351	-	272	-	-	478,203
Inter-segment revenue	58,363	41,890	1,985	2,327	-	(104,565)	-
Total revenue	237,943	340,241	1,985	2,599	-	(104,565)	478,203
Segment results							
Operating profit/(loss)	11,278	30,489	(8)	497	(733)	-	41,523
Finance cost							(12,235)
Profit before taxation							29,288
Taxation							(8,666)
Net profit for the year							20,622

34. SEGMENTAL INFORMATION (CONT'D)

	Trading	Manu- facturing	Property and investment	Trans- portation	Others	Elimi- nation	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 July 2003							
Business segment							
Segment assets	76,649	215,773	135,787	603	18,434	-	447,246
Unallocated assets							1,496
Total assets							448,742
Segment liabilities	9,542	11,439	742	169	308	-	22,200
Unallocated liabilities							200,978
Total liabilities							223,178
Capital expenditure	1,235	4,921	64,903	80	174	-	71,313
Depreciation	295	8,820	1,317	146	39	-	10,617
Non-cash expenses other than depreciation	5,242	1,412	354	-	-	-	7,008

35. COMPARATIVES

The comparative figures were audited by another firm of chartered accountants.

The following comparatives figures of the financial statements and notes thereto as at 31 July 2003 have been restated as a results of prior year adjustment as disclosed in Note 28 and to conform with the current year's presentation.

	← GROUP →		
	As restated	Adjustments	As previously stated
	RM'000	RM'000	RM'000
Balance Sheets			
Expenditure carried forward	-	(1,338)	1,338
Other receivables	4,379	1,338	3,041
Bank overdrafts	(11,992)	(11,992)	-
Borrowings	(162,045)	11,992	(174,037)
Reserves	(107,464)	3,178	(110,642)
Deferred tax liabilities	(9,385)	(3,178)	(6,207)
Income Statements			
Administrative expenses	(12,222)	(6,266)	(5,956)
Other operating expenses	(1,061)	(354)	(707)
Financial cost	-	6,266	(6,266)
Exceptional items	-	354	(354)

Properties of the Group as at 31 July, 2004

Location	Description and Existing Usage	Tenure	Approximate Age of Building (Years)	Approximate Land Area (Acres)	Build up Area (sq. metres)	Net Book Value As At 31 July 2004 (RM)	Date of Acquisition	Date of Revaluation
Lot 6085, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory with a 2 storey office and a guard house	Freehold	6.5	9	19,005	21,242,893	29/05/03	-
Lot 6088, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory with a 2 storey office and a guard house	Freehold	6.5	9	18,732	19,957,732	29/05/03	-
Lot 6089, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory/warehouse and a guard house	Freehold	5.5	9	18,516	22,145,280	29/05/03	-
Lot 6095, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory & warehouse	Freehold	5	10.013	22,341	25,142,307	05/07/96	24/03/03
Lot 6096, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory & warehouse with 4 storey office building	Freehold	5	9.483	12,179	17,539,550	05/01/95	24/03/03
Lot 169, Mukim of Plentong District of Johor Bahru Johor Darul Takzim	Vacant agricultural land	Freehold	-	6.531	-	850,000	09/06/95	24/03/03
Lot 216, Mukim of Senai - Kulai, District of Johor Bahru Johor Darul Takzim	Vacant industrial land	Leasehold (60 years) (title not issued yet)	-	2.5	-	1,650,000	06/03/97	24/03/03
Lot 296, Mukim 13 District of Seberang Perai Tengah, Pulau Pinang	Vacant industrial land	Leasehold (66 years) (expiring 10.3.2058)	-	2.241	-	1,070,000	06/07/96	24/03/03
28635C, Block D, Phase 7E Jalan BRP 6/10 Bukit Rahman Putra Seksyen U20 40160 Shah Alam	Shop office	Freehold	4	-	144.929	157,288	20/08/99	-
Lot 14175 (1st Floor) Putri Town Ctr Kulai Taman Putri Kulai Johor	Shop office apartment	Freehold	6	-	143.07	101,226	02/08/99	-

Analysis of Shareholdings as at 15 October, 2004

Class of Share : Ordinary Shares of RM0.50 each
 Voting Rights : One Vote per Ordinary Share held

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	(%)	NO. OF SHARES	(%)
1 – 99	2	0.05	100	0.00
100 – 1,000	743	20.30	715,565	0.22
1,001 – 10,000	2,111	57.68	10,345,538	3.16
10,001 – 100,000	653	17.84	21,585,100	6.59
100,001 – 16,369,999 (*)	149	4.07	164,122,957	50.13
16,370,000 and above (**)	2	0.05	130,630,740	39.90
	3,660	100.00	327,400,000	100.00

NOTES:

* Less than 5% of the issued and paid-up share capital

** 5% and above of the issued and paid-up share capital

THIRTY (30) LARGEST SHAREHOLDERS as at 15 October, 2004

NAMES	NO. OF SHARES OF RM0.50 EACH	PERCENTAGE (%)
1. K.H.L. Sdn Bhd	84,457,096	25.80
2. United Coconut Fibre Products Sdn Bhd	46,173,644	14.10
3. Kua Hock Lai	13,984,570	4.27
4. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Prudential Dynamic Fund	10,019,500	3.06
5. BHLB Trustee Berhad Prugrowth Fund	6,884,200	2.10
6. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Mohamed Nizam bin Abdul Razak	5,694,165	1.74
7. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Prudential Dana Dinamik	5,379,000	1.64
8. HLG Nominee (Tempatan) Sdn Bhd PB Trustee Services Berhad for HLG Growth Fund	4,848,300	1.48
9. Lim Ah Eng	4,468,745	1.36
10. Allianz General Insurance Malaysia Berhad	4,300,900	1.31
11. Mayban Nominees (Tempatan) Sdn Bhd Malaysian Trustees Berhad for Mayban Smallcap Trust Fund	4,276,900	1.31
12. KAK Sdn Bhd	3,981,527	1.22
13. Mohamed Nizam bin Abdul Razak	3,752,082	1.15
14. Amsec Nominees (Asing) Sdn Bhd Kim Eng Securities Pte Ltd for Ang De Yu	3,732,000	1.14
15. Allianz Life Insurance Malaysia Berhad	3,560,000	1.09

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)
AS AT 15 October 2004

NAMES	NO. OF SHARES OF RM0.50 EACH	PERCENTAGE (%)
16. Allianz Life Insurance Malaysia Berhad	3,471,400	1.06
17. HSBC Nominees (Asing) Sdn Bhd DZ Bank Intl for Uni EM Fernost Treuhandkonto, Luxembourg	3,000,000	0.92
18. Citicorp Nominees (Asing) Sdn Bhd American International Assurance Company Limited (P Core)	3,000,000	0.92
19. Ang Thiam Chye	2,906,800	0.89
20. Mary Ang Poh Chan	2,839,000	0.87
21. BHLB Trustee Berhad Prusmall-Cap Fund	2,773,000	0.85
22. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Balanced Returns Fund	2,620,000	0.80
23. Tee Tuang Siong	2,584,609	0.79
24. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Hidden Treasures Fund	2,500,000	0.76
25. PB Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yoong Fui Kien	2,243,300	0.69
26. CIMB Nominees (Asing) Sdn Bhd Hsu Eng Thye	2,000,000	0.61
27. Kuala Lumpur City Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kok Kim Swee	1,900,000	0.58
28. DB (Malaysia) Nominee (Asing) Sdn Bhd UBS AG Singapore for Eurochina Limited	1,700,000	0.52
29. Lu Kang Eing	1,682,961	0.51
30. Pacific Strike Sdn Bhd	1,631,200	0.50
Total	242,364,899	74.03

DIRECTORS' SHAREHOLDING as at 15 October 2004

NAMES	DIRECT NO. OF SHARES	PERCENTAGE (%)	INDIRECT NO. OF SHARES	PERCENTAGE (%)
Tan Sri Dato' Alwi bin Jantan	1,395,000	0.43	-	-
Mohamed Nizam bin Abdul Razak	*9,526,247	2.91	-	-
Kua Hock Lai	13,984,570	4.27	**135,099,485	41.26
Cheah Shu Boon	80,000	0.02	-	-
Law Sook Teng	1,504,615	0.46	-	-
Tee Tuang Siong	2,614,609	0.80	-	-
Ong Eng Choon	40,000	0.01	-	-
Yeoh Chong Keat	62,000	0.02	-	-
Toh Su Lin (Alternate Director to Cheah Shu Boon)	70,000	0.02	-	-
Kua Swee Leong	625,757	0.19	-	-
Yoong Kah Yin	-	-	-	-

NOTES:

* Out of this block of shares, 5,694,165 ordinary shares of RM0.50 each are held by CIMSEC Nominees (Tempatan) Sdn Bhd as bare trustees for Encik Mohamed Nizam bin Abdul Razak.

** Deemed interest through his substantial shareholdings in KHL Sdn Bhd, United Coconut Fibre Products Sdn Bhd and his spouse, Madam Lim Ah Eng.

SUBSTANTIAL SHAREHOLDERS as at 15 October 2004

SUBSTANTIAL SHAREHOLDERS	DIRECT NO. OF SHARES	PERCENTAGE (%)	INDIRECT NO. OF SHARES	PERCENTAGE (%)
1. KHL Sdn Bhd	84,457,096	25.80	*46,173,644	14.10
2. United Coconut Fibre Products Sdn Bhd	46,173,644	14.10	-	-
3. Prudential Unit Trusts Berhad	**24,808,700	7.58	-	-
4. HSBC Holdings plc	***17,251,500	5.27	-	-
5. Kua Hock Lai	13,984,570	4.27	#135,099,485	41.26
6. Lim Ah Eng	4,468,745	1.36	##144,615,310	44.17

NOTES:

* Deemed interest through its substantial shareholdings in United Coconut Fibre Products Sdn Bhd.

** 9,410,200 and 15,398,500 ordinary shares of RM0.50 each are held by BHLB Trustee Berhad and HSBC Nominees (Tempatan) Sdn Bhd respectively.

*** All the shares held through HSBC (Malaysia) Trustee Berhad.

Deemed interest through his substantial shareholdings in KHL Sdn Bhd, United Coconut Fibre Products Sdn Bhd and his spouse, Madam Lim Ah Eng.

Deemed interest through her substantial shareholdings in KHL Sdn Bhd, United Coconut Fibre Products Sdn Bhd and her spouse, Mr. Kua Hock Lai.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of the Company will be held at Wisma Hiap Teck, Lot 6096, Jalan Haji Abdul Manan, Batu 5 1/2, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan on Tuesday, 14 December 2004 at 2.30 p.m. for the following purposes:-

A G E N D A

1. To receive the Audited Financial Statements for the year ended 31 July 2004 together with the Directors' and Auditors' Reports attached thereon. **Resolution 1**
2. To approve a Tax Exempt Final Dividend of 1.5 sen per share for the year ended 31 July 2004. **Resolution 2**
3. To re-elect the following Directors who are retiring in accordance with Article 79 of the Company's Articles of Association:
 - (a) Mr. Kua Swee Leong **Resolution 3**
 - (b) Mr. Cheah Shu Boon **Resolution 4**
4. To re-elect Mr. Yoong Kah Yin who is retiring in accordance with Article 84 of the Company's Articles of Association. **Resolution 5**
5. To re-appoint Messrs Ernst & Young, as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Board of Directors. **Resolution 6**
6. As Special Business:-

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

ORDINARY RESOLUTION 1

- **Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965**

"**THAT** subject always to the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued capital of the Company at the time of issue and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on the Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **Resolution 7**

ORDINARY RESOLUTION 2

- **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal Shareholders' Mandate")**

"**THAT** the Company and its subsidiaries be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature as specified in Section 2.3 of the Circular to the shareholders dated 19 November 2004, provided that such arrangements and/or transactions which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders of the Company **AND THAT** such authority shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting

whichever is the earlier.

AND THAT disclosure will be made in the Annual Report 2005 of the Company of the breakdown of the aggregate value of transactions contemplated pursuant to the Proposed Renewal of Shareholders' Mandate during the

financial year, amongst others, on the type of transactions made and the names of the Related Parties involved in each type of the transactions made and their relationship with the Company.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Renewal of Shareholders' Mandate." **Resolution 8**

ORDINARY RESOLUTION 3

• Proposed Share Buy-Back

"THAT subject to the requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.50 each in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through the Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution shall not exceed 32,740,000 ordinary shares of RM0.50 each representing ten per centum (10%) of the total issued and paid-up share capital of the Company as at 31 October 2004 and an amount not exceeding the total audited retained profits of the Company of RM1,182,939.86 and/or audited share premium reserves of the Company of RM84,686,216.33 as at 31 July 2004, be allocated by the Company for the Proposed Share Buy-Back **AND THAT** at the discretion of the Directors of the Company, the shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and distributed as dividends or resold on the Bursa Securities or subsequently cancelled **AND FURTHER THAT** the Directors of the Company be and are hereby empowered to do all acts and things to give effect to the Proposed Share Buy-Back **AND FURTHER THAT** such authority shall commence immediately upon passing of this ordinary resolution until:

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

whichever is earlier but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities or any other relevant authorities." **Resolution 9**

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT the Final Tax Exempt Dividend of 1.5 sen per share in respect of the financial year ended 31 July 2004 will be payable on 3 February 2005 to depositors registered in the Record of Depositors at the close of business on 20 January 2005.

A Depositor shall qualify for entitlement only in respect of:-

- a. Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 20 January 2005 in respect of ordinary transfers;
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD
HIAP TECK VENTURE BERHAD

Lim Phooi Kee
Leong Oi Wah
Company Secretaries

19 November 2004

DIRECTOR RETIRING AT EIGHTH ANNUAL GENERAL MEETING

The Directors retiring at the Eighth Annual General Meeting are Mr. Kua Swee Leong Mr. Cheah Shu Boon and Mr. Yoong Kah Yin.

Mr. Tee Tuang Siong has advised that he does not wish to seek for re-election at the Eighth Annual General Meeting.

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy or Proxies to attend and vote on his (her) behalf. A proxy may but need not be a member of the Company and the provisions of section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two (2) or more Proxies, the appointment shall be invalid unless he (she) specifies the proportions of his (her) holdings to be represented by each Proxy.
3. The Proxy Form shall be signed by the appointor or his (her) attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.
4. The instrument appointing a Proxy must be deposited at the Registered Office of the Company at Lot 6096, Jalan Haji Abdul Manan, Batu 5 1/2, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan not less than 48 hours before the time set for the meeting or at any adjournment thereof.

EXPLANATORY NOTES ON SPECIAL BUSINESS

- (a) Resolution Pursuant to the Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965

The proposed Ordinary Resolution No. 1 under item 6 above, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, authority to allot and issue shares in the Company up to an aggregate amount not exceeding in total 10% of the issued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority unless revoked or varied at a General Meeting will expire at the next Annual General Meeting.

- (b) Resolution Pursuant to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution No. 2 under item 6 above, if passed, will enable the Company and its subsidiaries ("the Group") to continue entering into the specified Recurrent Related Party Transactions as set out in Section 2.3 of the Circular to shareholders dated 19 November 2004 with the specified classes of the Related Parties mentioned therein which are necessary for the Group's day to day operations.

Statement Accompanying Notice of Annual General Meeting

1. Directors who are standing for re-election at the Eighth Annual General Meeting of Hiap Teck Venture Berhad.

- | | | |
|-----|--------------------|--------------|
| (a) | Mr. Kua Swee Leong | Resolution 3 |
| (b) | Mr. Cheah Shu Boon | Resolution 4 |
| (c) | Mr. Yoong Kah Yin | Resolution 5 |

Further details of the above Directors who are standing for re-election as Directors are presented in pages 4 and 5.

2. Details of attendance of Directors at the Board of Directors' Meetings.

There were seven (7) Board of Directors' Meetings held during the financial year ended 31 July 2004.

Details of the Board of Directors Meetings and Attendance of each Director in the Board of Directors' Meetings held during the financial year ended 31 July 2004 are shown below:

Board of Directors' Meeting:	26 August 2003
	24 September 2003
	16 October 2003
	15 December 2003
	24 February 2004
	30 March 2004
	15 June 2004

Name of Directors	Attendance	Date of Appointment
(i) Mr. Cheah Shu Boon	7/7	20 March 1997
(ii) Ms. Toh Su Lin (Alternate Director to Mr Cheah Shu Boon)	N/A	12 June 2003
(iii) Tan Sri Dato' Alwi bin Jantan	7/7	6 June 2003
(iv) Encik Mohamed Nizam bin Abdul Razak	6/7	6 June 2003
(v) Mr. Kua Hock Lai	7/7	6 June 2003
(vi) Ms. Law Sook Teng	7/7	6 June 2003
(vii) Mr. Lu Kang Eing	2/3*	6 June 2003
(viii) Mr. Tee Tuang Siong	6/7	6 June 2003
(ix) Mr. Ong Eng Choon	6/7	6 June 2003
(x) Mr. Yeoh Chong Keat	7/7	6 June 2003
(xi) Mr. Yoong Kah Yin	1/1	9 June 2004
(xii) Mr. Kua Swee Leong	4/4	12 November 2003

* Mr. Lu Kang Eing has resigned on 12 November 2003

3. Place, date and time of the Eighth Annual General Meeting.

Date of Meeting	Time of Meeting	Place of Meeting
14 December 2004	2.30 p.m.	Wisma HiapTeck Lot 6096 Jalan Haji Abdul Manan Batu 5 1/2, Off Jalan Meru 41050 Kang Selangor Darul Ehsan

Form of Proxy



I/We, _____ (NRIC No./Company No. _____)
(FULL NAME IN CAPITAL LETTERS)
of _____
(FULL ADDRESS)
being a member of **HIAP TECK VENTURE BERHAD** hereby appoint * the Chairman of the meeting or
_____ (NRIC No. _____) of
(FULL NAME)
_____ or
(FULL ADDRESS)
failing whom _____ (NRIC No. _____) of
(FULL NAME)
_____ as
(FULL ADDRESS)

my/our Proxy to vote for me/us and on my/our behalf at the Eighth Annual General Meeting of the Company to be held at Wisma Hiap Teck, Lot 6096, Jalan Haji Abdul Manan, Batu 5-1/2, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan on Tuesday, 14 December 2004 at 2.30 p.m. and at any adjournment thereof, in the manner indicated below:-

No.	Resolution	For	Against
1.	Resolution 1		
2.	Resolution 2		
3.	Resolution 3		
4.	Resolution 4		
5.	Resolution 5		
6.	Resolution 6		
7.	Resolution 7		
8.	Resolution 8		
9.	Resolution 9		

[Please indicate with (X) in the spaces provided above as to how you wish your vote to be casted. If no specific direction as to voting is given, the Proxy will vote or abstain at his(her) discretion]

Dated this _____ day of _____ 2004

Number of shares held : _____

[Signature of Member/Common Seal]

[* Delete if not applicable]

Notes:

1. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a Proxy or Proxies to attend and vote on his (her) behalf. A Proxy may but need not be a member of the Company and the provisions of section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two (2) or more Proxies, the appointment shall be invalid unless he (she) specifies the proportion of his (her) holdings to be represented by each Proxy.
3. The Proxy Form shall be signed by the appointor or of his (her) attorney duly authorised in writing or, if the appointor is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.
4. The instrument appointing a Proxy must be deposited at the Company's registered office at Lot 6096, Jalan Haji Abdul Manan, Batu 5¹/₂, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for the meeting or any adjournment thereof.

Company Secretaries
HIAP TECK VENTURE BERHAD (Company No : 421340-U)
Lot 6096, Jalan Haji Abdul Manan
Batu 5-1/2, Off Jalan Meru
41050 Klang
Selangor Darul Ehsan

AFFIX
STAMP

REGISTERED OFFICE

Lot 6096, Jalan Haji Abdul Manan, Batu 5-1/2, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan. Tel: 03-3392 8888 E-mail: admin@htgrp.com.my

www.htgrp.com.my