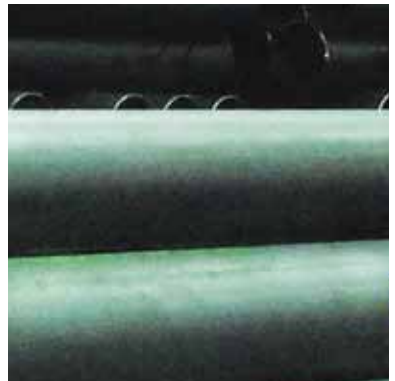
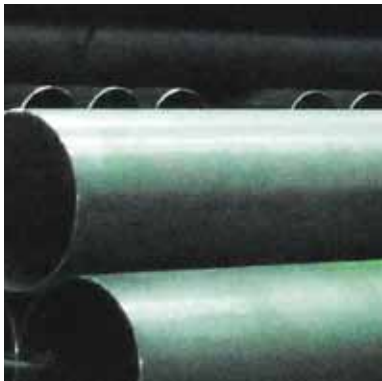
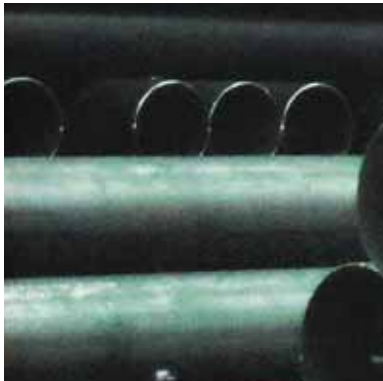
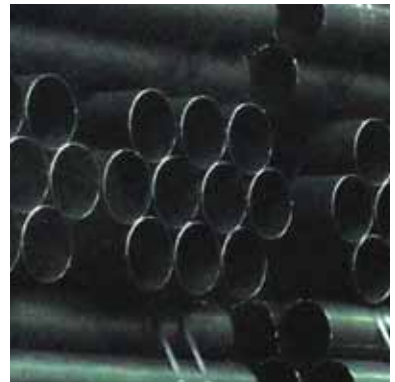


*Annual Report* **2009**



**HTVB**

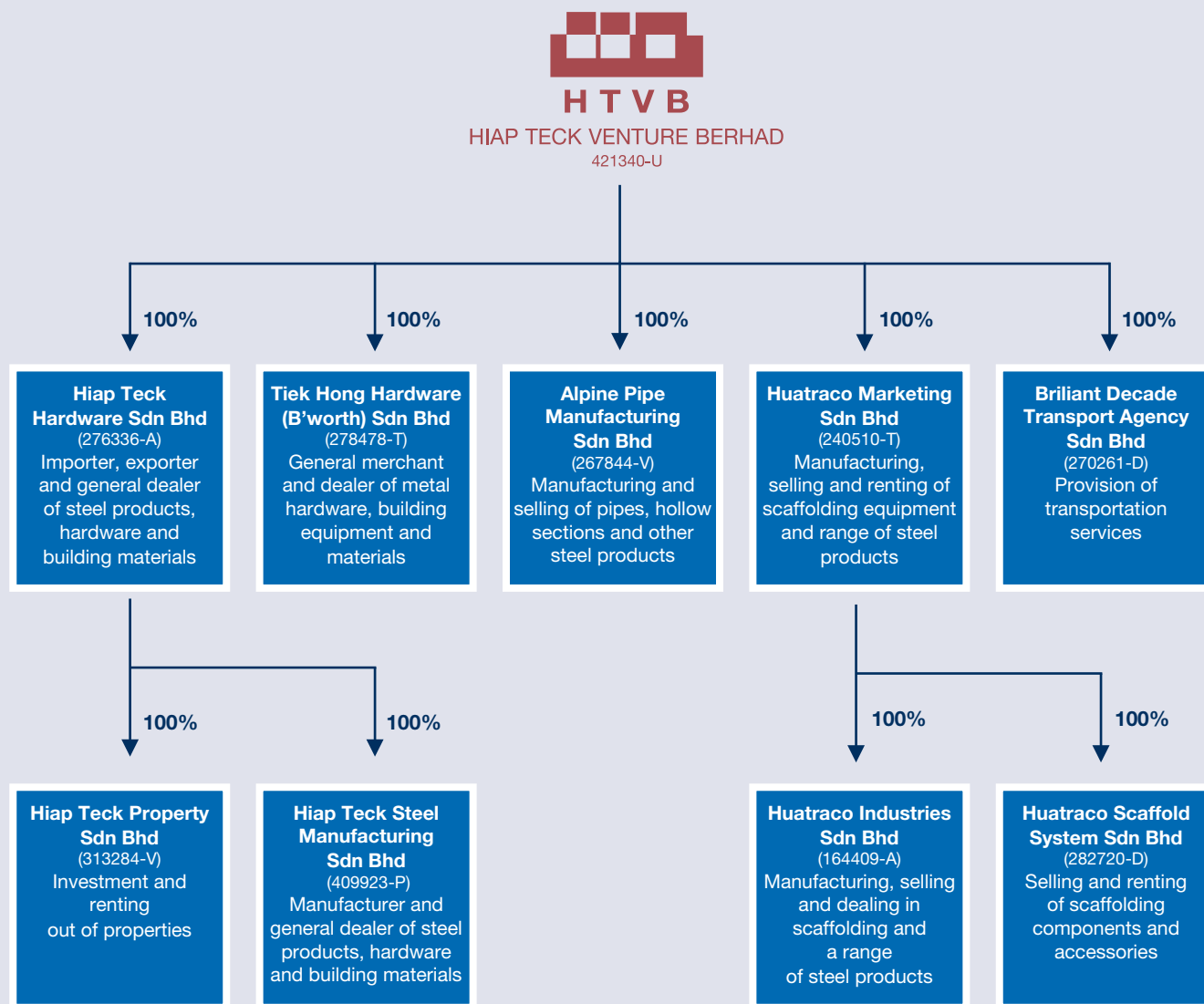
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## CONTENTS

2	Corporate Structure
3	Corporate Information
4	Profile of the Board of Directors
10	Chairman's Statement
13	Financial Highlights
15	Statement on Corporate Governance
25	Statement of Directors' Responsibility in Relation to the Financial Statements
26	Statement on Internal Control
27	Audit Committee Report
32	Corporate Social Responsibility Statement
33	Financial Statements
89	Properties of the Group
90	Analysis of Shareholdings
94	Notice of Thirteenth Annual General Meeting
99	Statement Accompanying Notice of Thirteenth Annual General Meeting
	Form of Proxy



## Corporate Structure



**BOARD OF DIRECTORS**

**CHAIRMAN**

Tan Sri Dato' Alwi Jantan

**MANAGING DIRECTOR**

Mr. Kua Hock Lai

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

Dato' Mohamed Nizam bin Abdul Razak

Mr. Cheah Shu Boon

Mr. Ng Soon Lai @ Ng Siek Chuan

**EXECUTIVE DIRECTORS**

Mr. Kua Swee Leong

Mr. Kua Swee Kiat

Ms. Law Sook Teng

Ms. Ooi Ai Leng

Mr. Teh Swee See

**AUDIT COMMITTEE**

**CHAIRMAN**

Dato' Mohamed Nizam bin Abdul Razak

**MEMBERS**

Mr. Cheah Shu Boon

Mr. Ng Soon Lai @ Ng Siek Chuan

**REMUNERATION COMMITTEE**

**CHAIRMAN**

Tan Sri Dato' Alwi Jantan

**MEMBERS**

Mr. Kua Hock Lai

Mr. Cheah Shu Boon

**NOMINATION COMMITTEE**

**CHAIRMAN**

Tan Sri Dato' Alwi Jantan

**MEMBERS**

Dato' Mohamed Nizam bin Abdul Razak

Mr. Cheah Shu Boon

**INVESTMENT COMMITTEE**

**CHAIRMAN**

Tan Sri Dato' Alwi Jantan

**MEMBERS**

Mr. Kua Hock Lai

Dato' Mohamed Nizam bin Abdul Razak

**COMPANY SECRETARY**

Ng Yim Kong (LS 0009297)

**HEAD OFFICE & REGISTERED OFFICE**

Lot 6096, Jalan Haji Abdul Manan

Batu 5 ½, Off Jalan Meru

41050 Klang

Selangor Darul Ehsan.

Tel No.: (6)03-33928888 Fax No.: (6)03-33929135

website: www.htgrp.com.my

**REGISTRAR**

Symphony Share Registrars Sdn Bhd (378993-D)

Level 26, Menara Multi-Purpose

Capital Square

No. 8, Jalan Munshi Abdullah

50100 Kuala Lumpur

Tel No. : (6)03-27212222 Fax No. : (6)03-27212530

**PRINCIPAL BANKERS**

Alliance Bank Malaysia Berhad (88103-W)

Hong Leong Bank Berhad (97141-X)

Malayan Banking Berhad (3813-K)

RHB Bank Berhad (6171-M)

**AUDITORS**

Ernst & Young (AF : 0039)

Chartered Accountants

Level 23A, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

**SOLICITOR**

S.B. Cheah & Associate

Unit 8-16-2, Menara Mutiara Bangsar

Jalan Liku, Off Jalan Riong

Bangsar, 59100 Kuala Lumpur

**STOCK EXCHANGE**

Bursa Malaysia Securities Berhad

Main Market

(Listed since 2 September 2003)

Stock Code: 5072

## Profile of the Board of Directors

**TAN SRI DATO' ALWI JANTAN**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN**  
 (74 years of age – Malaysian)

Tan Sri Dato' Alwi Jantan is an Independent Non-Executive Director and Chairman of Hiap Teck Venture Berhad ("HTVB" or "the Company"). He was appointed to the Board of Directors of HTVB on 6 June 2003. Tan Sri Dato' Alwi also serves as Chairman of the Remuneration Committee, Nomination Committee and Investment Committee of HTVB.

He holds a Bachelor of Arts (Honours) degree from the University of Malaya in Singapore and also attended the Advanced Management Program at Harvard Business School in 1980. He held various positions in the Malaysian civil service and was the Director General of Public Service, Malaysia before retiring in April 1990.

Tan Sri Dato' Alwi currently sits on the boards of Genting Malaysia Berhad (previously known as Resorts World Berhad) and United Overseas Australia Ltd. He is also a director of several other private companies.

He has no family relationship with any other directors and/or major shareholders of the Company and has no conflict of interest with the Company. He has not been convicted of any offence within the past 10 years.

Tan Sri Dato' Alwi has attended all of the 4 Board Meetings of HTVB held during the financial year ended 31 July 2009.

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**KUA HOCK LAI**  
**MANAGING DIRECTOR**  
 (61 years of age – Malaysian)

Mr. Kua Hock Lai is the Managing Director of HTVB. He was appointed as Managing Director of HTVB on 6 June 2003. Mr. Kua is a member of the Remuneration Committee and Investment Committee of HTVB.

Mr. Kua is a businessman by profession and has extensive experience in the steel and building materials business through his involvement in the industry for the past 40 years. He is responsible for formulating business strategies within the Group to enhance profitability and for the continuous growth of the Group. Under his stewardship, the Group has grown to be one of the leading steel company in Malaysia.

He is also a director of several subsidiary companies of HTVB and other private limited companies.

He is the father of Mr. Kua Swee Leong and Mr. Kua Swee Kiat, both of whom are Executive Directors of HTVB. His spouse, Madam Lim Ah Eng is a major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past 10 years.

Mr. Kua has attended all of the 4 Board Meetings of HTVB held during the financial year ended 31 July 2009.



## Profile of the Board of Directors (Cont'd)

**DATO' MOHAMED NIZAM BIN ABDUL RAZAK**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**  
 (51 years of age – Malaysian)

Dato' Mohamed Nizam bin Abdul Razak is an Independent Non-Executive Director of HTVB. He was appointed to the Board of Directors of HTVB on 6 June 2003. Dato' Nizam is Chairman of the Audit Committee and a member of the Nomination Committee and Investment Committee of HTVB.

He holds a Bachelor of Arts (Oxon) degree in Politics, Philosophy and Economics from Oxford University, United Kingdom. He was with Bumiputra Merchant Bankers Berhad from 1981 to 1984. He then joined GP Securities Sdn Bhd (now known as PB Securities Sdn Bhd) as General Manager and became the Chief Executive Officer in 1992 and held the position until his retirement in 1998.

Dato' Nizam currently sits on the Boards of Mamee Double-Decker (Malaysia) Bhd, Delloyd Ventures Berhad, Yeo Hiap Seng (Malaysia) Bhd, Synergy Track Berhad, Deutsche Bank (Malaysia) Berhad and several other private companies. He is also a Trustee on several charitable foundations such as Noah Foundation, Hong Leong Foundation, the National Children Welfare Foundation, Yayasan Rahah and Yayasan Wah Seong.

He has no family relationship with any other directors and/or major shareholders of the Company and has no conflict of interest with the Company. He has not been convicted of any offence within the past 10 years.

Dato' Nizam has attended 3 out of the 4 Board Meetings of HTVB held during the financial year ended 31 July 2009.

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**CHEAH SHU BOON**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**  
 (49 years of age – Malaysian)

Mr. Cheah Shu Boon is an Independent Non-Executive Director of HTVB. He was appointed to the Board of Directors of HTVB on 20 March 1997. Mr. Cheah serves as a member of the Audit Committee, Nomination Committee and Remuneration Committee of HTVB.

Mr. Cheah is a practising advocate and solicitor of the High Court of Malaya. 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 has vast experience in legal work 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.

Mr. Cheah currently sits on the boards of several private limited companies.

He has no family relationship with any other directors and/or major shareholders of the Company and has no conflict of interest with the Company. He has not been convicted of any offence within the past 10 years.

Mr. Cheah has attended all of the 4 Board Meetings of HTVB held during the financial year ended 31 July 2009.

## Profile of the Board of Directors (Cont'd)

**NG SOON LAI @ NG SIEK CHUAN**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**  
 (55 years of age – Malaysian)

Mr. Ng Soon Lai @ Ng Siek Chuan is an Independent Non-Executive Director of HTVB. He was appointed to the Board of Directors of HTVB on 18 August 2009. Mr. Ng also serves as a member of the Audit Committee of HTVB.

He is a member of the Institute of Chartered Accountants in England & Wales since 1977. He gained his accounting experience with Coopers & Lybrand in London and Kuala Lumpur. He was in the audit and accounting profession before moving to the financial sector.

Mr. Ng had served in various positions in a leading local merchant bank and a finance company before joining Alliance Bank Malaysia Berhad in 1991. He was appointed the Chief Executive Director of Alliance Bank Malaysia Berhad on 21 January 1994 and to the Board of Alliance Merchant Bank Berhad on 22 July 2002 until his resignation on 31 August 2005.

He also sits on the Boards of Deutsche Bank (Malaysia) Berhad, S P Setia Berhad and Unico-Desa Plantations Berhad. He is also a director of several other private companies.

He has no family relationship with any other directors and/or major shareholders of the Company and has no conflict of interest with the Company. He has not been convicted of any offence within the past 10 years.

Mr. Ng has not attended any of the Board Meetings of HTVB held during the financial year ended 31 July 2009, the meetings were held prior to his appointment.

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**KUA SWEE LEONG**  
**EXECUTIVE DIRECTOR**  
 (35 years of age – Malaysian)

Mr. Kua Swee Leong is the Executive Director of HTVB. He was appointed to the Board of Directors of HTVB on 12 November 2003. Mr. Kua does not sit on any committee of HTVB.

He graduated in 1995 from University of Kansas, U.S.A. with a Bachelor degree of Business Administration and Management. He has been with the Company since graduating from university. Currently, he is responsible for the management and the daily operations of the Group.

He is also a director of several subsidiary companies of HTVB and other private limited companies.

Mr. Kua Swee Leong is the son of Mr. Kua Hock Lai, the Managing Director and Madam Lim Ah Eng, a major shareholder of the Company. He is also the brother of Mr. Kua Swee Kiat, the Executive Director of HTVB. He has no conflict of interest with the Company and has not been convicted of any offence within the past 10 years.

Mr. Kua has attended all of the 4 Board Meetings of HTVB held during the financial year ended 31 July 2009.

## Profile of the Board of Directors (Cont'd)

### **KUA SWEE KIAT** **EXECUTIVE DIRECTOR**

(34 years of age – Malaysian)

Mr. Kua Swee Kiat is the Executive Director of HTVB. He was appointed to the Board of Directors of HTVB on 4 January 2006. He does not sit on any committee of HTVB.

Mr. Kua graduated with a Bachelor of Commerce, majoring in Accounting and Finance from Curtin University of Technology of Perth, Western Australia. He has spent 3 years with Ernst & Young's Assurance and Advisory Business Division. He joined Alpine Pipe Manufacturing Sdn Bhd ("APM"), a wholly owned subsidiary of HTVB in 2005, overseeing the finance and operation of APM.

He is also a director of several subsidiary companies of HTVB and other private limited companies.

Mr. Kua Swee Kiat is the son of Mr. Kua Hock Lai, the Managing Director and Madam Lim Ah Eng, a major shareholder of the Company. He is also the brother of Mr. Kua Swee Leong, the Executive Director of HTVB. He has no conflict of interest with the Company and has not been convicted of any offence within the past 10 years.

Mr. Kua has attended all of the 4 Board Meetings of HTVB held during the financial year ended 31 July 2009.

### **LAW SOOK TENG** **EXECUTIVE DIRECTOR**

(41 years of age – Malaysian)

Ms. Law Sook Teng is the Executive Director of HTVB. She was appointed to the Board of Directors of HTVB on 6 June 2003. Ms. Law does not sit on any committee of HTVB. She is also a director of APM.

Ms. Law holds a Bachelor degree in Economics from University Malaya. She joined APM in 1994 as the Sales Manager, and was appointed to the Board of APM on the same year. She is responsible for the overall management, sales and marketing of APM.

Ms. Law has no family relationship with any other directors and/or major shareholders of the Company and has no conflict of interest with the Company. She has not been convicted of any offence within the past 10 years.

Ms Law has attended all of the 4 Board Meetings of HTVB held during the financial year ended 31 July 2009.



## Profile of the Board of Directors (Cont'd)

**TEH SWEE SEE**  
**EXECUTIVE DIRECTOR**  
 (48 years of age – Malaysian)

Mr. Teh Swee See is the Executive Director of HTVB. He was appointed to the Board of Directors of HTVB on 18 August 2009. Mr. Teh does not sit on any committee of HTVB. He sits on the boards of several subsidiary companies of HTVB.

Mr. Teh holds a Bachelor degree in Business Administration from Memphis State University. He started his career in the area of credit control as a collection agent for a credit card company. He then embarked his career path in the steel industry in 1991. He is the General Manager of Huatraco Marketing Sdn Bhd, a wholly owned subsidiary of HTVB, specialize in the manufacturing of scaffolding equipments and accessories.

He has no family relationship with any other directors and/or major shareholders of the Company and has no conflict of interest with the Company. He has not been convicted of any offence within the past 10 years.

Mr. Teh has not attended any of the Board Meetings of HTVB held during the financial year ended 31 July 2009, the meetings were held prior to his appointment.

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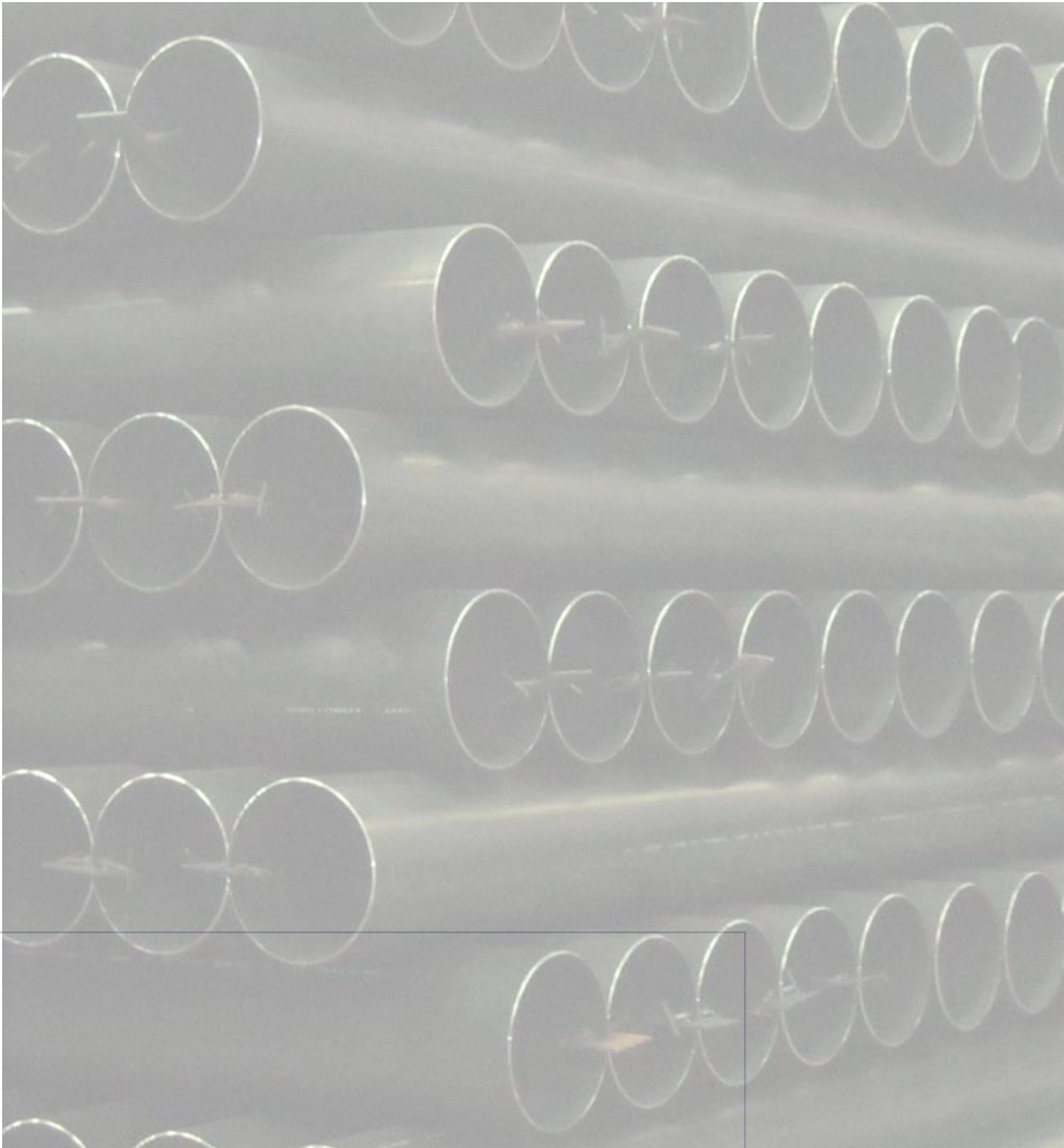
**OOI AI LENG**  
**EXECUTIVE DIRECTOR**  
 (43 years of age – Malaysian)

Ms. Ooi Ai Leng is the Executive Director of HTVB. She was appointed to the Board of Directors of HTVB on 18 August 2009. Ms. Ooi does not sit on any committee of HTVB.

Ms. Ooi graduated from University Malaya with a Bachelor degree in Accounting in 1991. An accountant by profession, she is a member of the Malaysian Institute of Accountants. Ms. Ooi has several years of experience in the area of financial management, accounting, tax, secretarial and corporate function. She is the Group Financial Controller of HTVB, overseeing the financial and corporate management of the Group.

She has no family relationship with any other directors and/or major shareholders of the Company and has no conflict of interest with the Company. She has not been convicted of any offence within the past 10 years.

Ms. Ooi has been invited to attend all the 4 Board Meetings of HTVB held during the financial year ended 31 July 2009.



## Chairman's Statement

**On behalf of the Board of Directors of Hiap Teck Venture Berhad ("HTVB"), I am pleased to present the Annual Report and Financial Statements of the Company and the Group for the financial year ended 31st July 2009.**

### FINANCIAL PERFORMANCE

Notwithstanding the global financial turmoil and economic uncertainty, I am pleased to report that HTVB Group achieved another year of billion Ringgit turnover.

The Group posted revenue of RM1.159 billion in the financial year under review, 30% lower than previous year's turnover of RM1.662 billion. The dropped in top line was mainly due to unfavourable steel prices during the financial year coupled with weak market demand both in the international market and the domestic front. Following that, the Group's net profit has reduced from RM154.278 million to RM43.361 million, decreased by 72%.

### DIVIDENDS

The Board of Directors is pleased to recommend a single tier final dividend of 1.5 sen per share for the financial year 2009, subject to shareholders' approval at the forthcoming Annual General Meeting.

### OPERATIONS REVIEW

A sharp downturn in economic activities that was sparked off by the sub-prime mortgage crisis in the US led to a huge mismatch between the prevailing market demand and stock in hand. Many months of de-stocking activities in both the domestic and export market affected the Group's performance.

During the financial year under review, the Group experienced a tough and challenging business environment; unfavourable selling prices, poor market demand and higher cost of sales have badly affected the operating margins. On a positive note, proceeds from exports sales have earned foreign exchange gain for the Group.

### CORPORATE DEVELOPMENT

During the year under review, the Group's wholly owned subsidiary, Alpine Pipe Manufacturing Sdn Bhd ("APM") has completed the acquisition of property known as Lot 54959, Mukim of Kapar, District of Klang, Selangor Darul Ehsan from K. H. L. Sdn Bhd, a major shareholder of HTVB with a purchase consideration of RM71 million. The acquired property is located in between the existing factories currently owned by the Group and was previously rented by APM.



The purchase consideration was funded by internal generated cash of RM11 million and the balance of RM60 million was financed by a 5 years term loan from Hong Leong Islamic Bank Berhad.

The acquisition has been approved by shareholders during the Company's Extraordinary General Meeting held on 3rd December 2008.

## Chairman's Statement (Cont'd)

### PROSPECTS

Despite recent development of tentative signs of economic stabilisation in several countries, the major advanced countries remain in severe recession. The market condition for the coming financial year is expected to remain highly competitive and challenging.

The Group is acutely aware of the increasing competition and has put greater effort to increase yields and reduce costs through improvements in operational efficiency. Moving forward, the Group will continue to explore new ventures and markets, look into higher value products and to improve quality as well as prudent cost management in order to remain competitive in the industry.

### CORPORATE SOCIAL RESPONSIBILITY

The Board acknowledges the importance of corporate social responsibility. The Group has and will continue to look after the environment and respond to those in need, as well as support causes related to education and personal development of the young and under-privileged. During the financial year under review, the Group has made donations to a number of charitable organisations.

### ACKNOWLEDGEMENT

On behalf of the Board, I wish to convey my sincere thanks to our valued customers, suppliers, bankers, business associates 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.

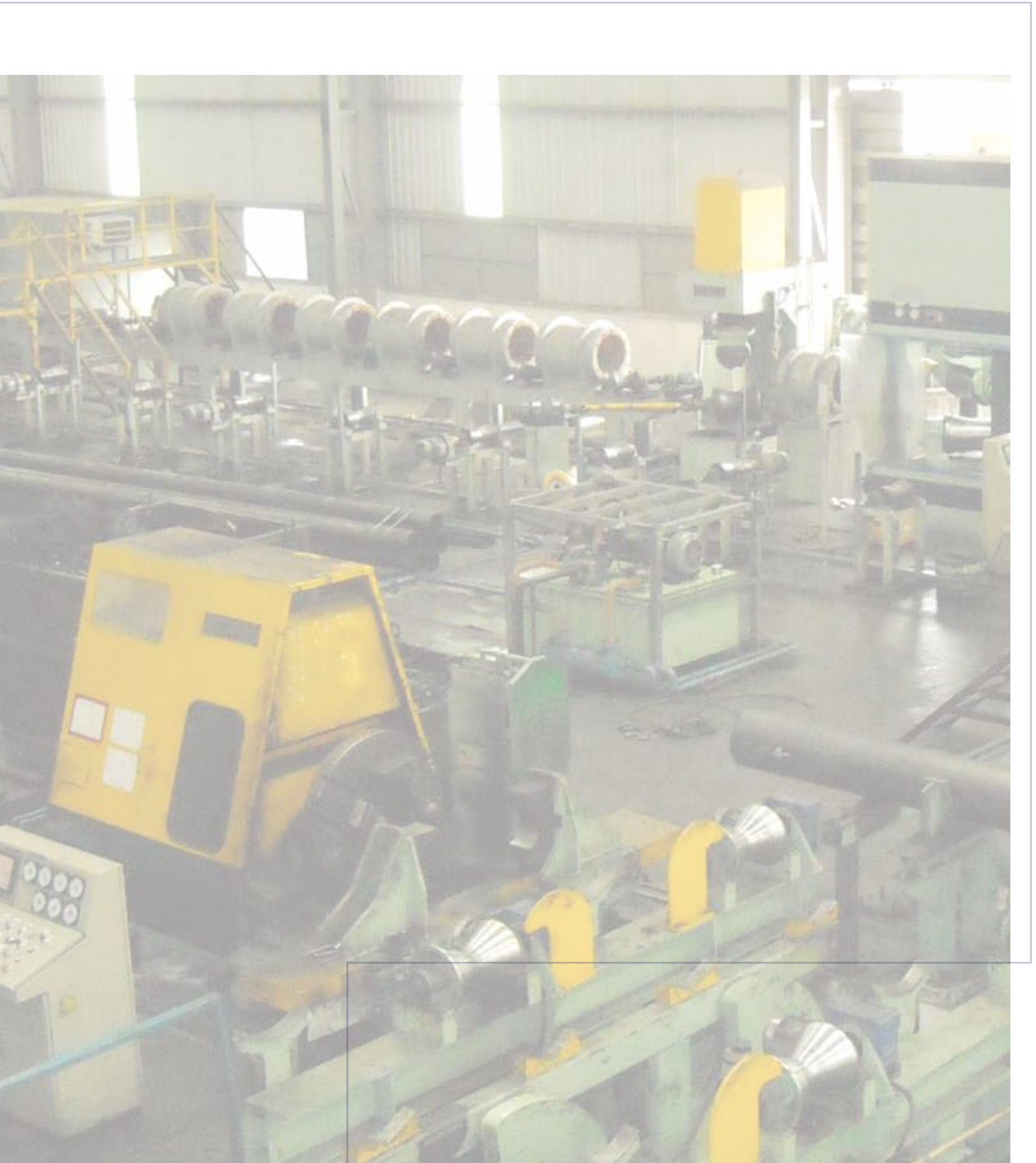
To my colleagues on the Board, I would like to extend my gratitude for their contributions and guidance during the year. I would like to express the Board's appreciation to Mr. Yeoh Chong Keat, Mr. Phang Chin Khiong and Mr. Teoh Peir Song for their invaluable contribution and counsel during their time with us. I also wish to take this opportunity to welcome Mr. Ng Soon Lai @ Ng Siek Chuan, Mr. Teh Swee See and Ms. Ooi Ai Leng who joined the Board recently. Finally, I take this opportunity to thank the management and staff at all level for their support and contributions during this difficult period.

### TAN SRI DATO' ALWI JANTAN

Chairman

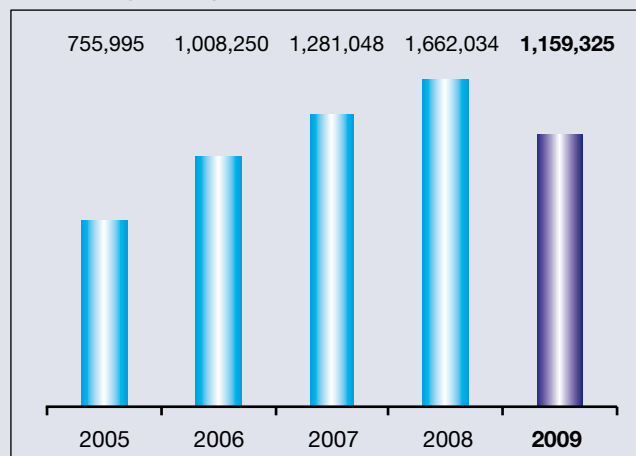




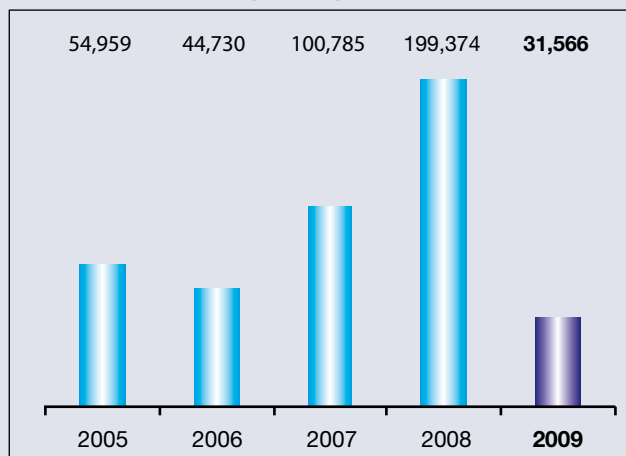


## Financial Highlights

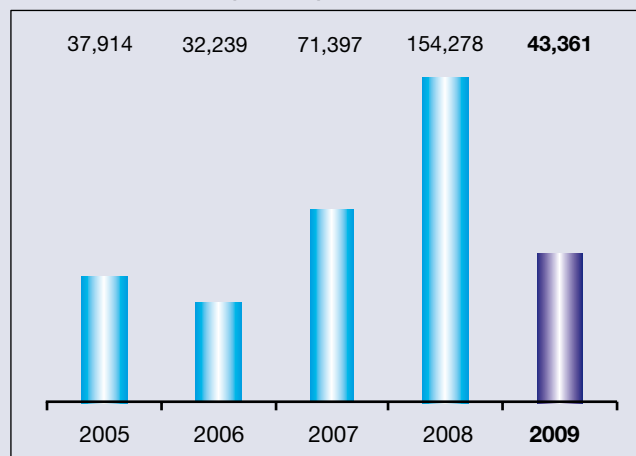
### REVENUE (RM'000)



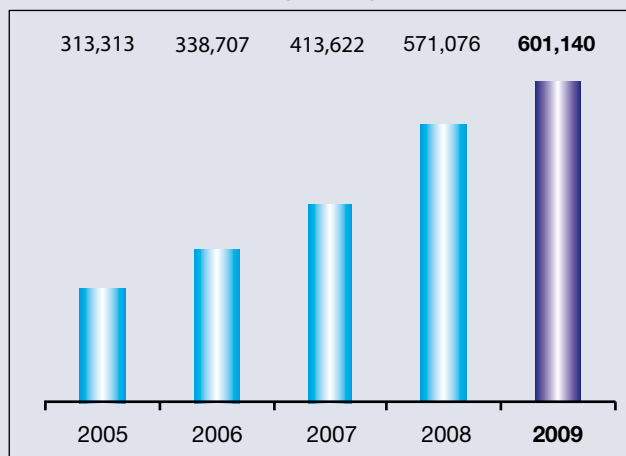
### PROFIT BEFORE TAX (RM'000)



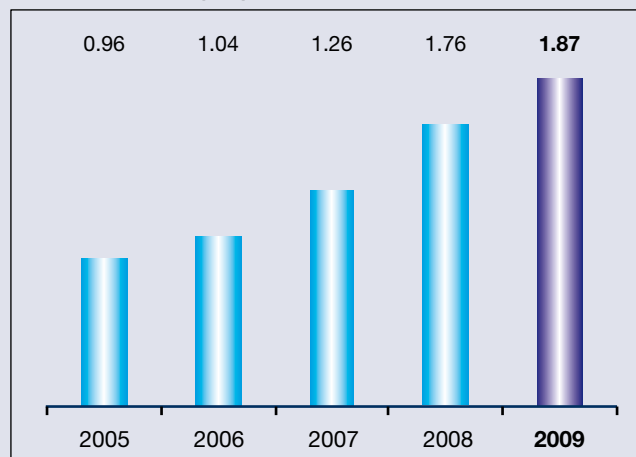
### PROFIT AFTER TAX (RM'000)



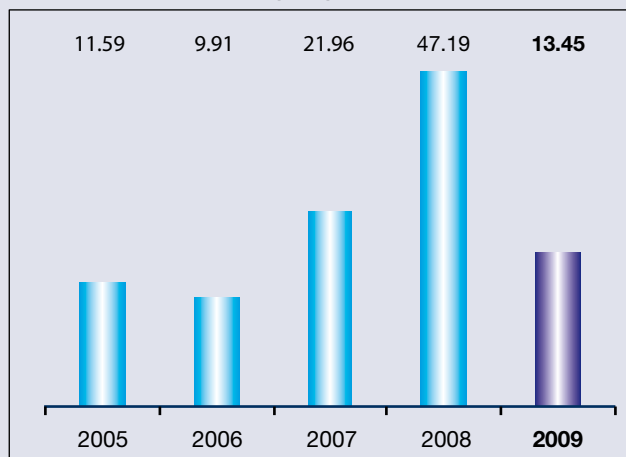
### SHAREHOLDERS' FUND (RM'000)



### NTA PER SHARE (RM)



### EARNINGS PER SHARE (SEN)







## Statement On Corporate Governance

The Board of Hiap Teck Venture Berhad recognises the importance of maintaining good corporate governance in the Group. The Board is fully committed to apply the principles and best practices as set out in Part 1 and 2 of the Malaysian Code on Corporate Governance (“the Code”) to ensure that the highest standards of corporate governance are practised throughout the Group.

The Board is pleased to provide the following statements which outline the main corporate governance practices that were in place throughout the financial year ended 31 July 2009.

### A. BOARD OF DIRECTORS

#### i. The Board

The Board recognises that there is value in each Board member’s knowledge and experience in providing oversight for the Company. The Board is primarily responsible for determining the strategic direction of the Group, monitoring and overseeing the performance of the Group’s business. The Board as a whole is dedicated to practise clear demarcation of duties, responsibilities and authority within the Company.

#### Meetings

The Board of Directors meets on a quarterly basis with additional meetings convened as and when necessary. During the financial year ended 31 July 2009, four (4) board meetings were held.

Details of the Board of Directors’ Meetings and their attendance at these meetings are set out below. All Directors in office during the said period have complied with the minimum 50% meeting attendance’s requirement under the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

Name of Directors	Total Meetings Attended by Directors	% of Attendance
Tan Sri Dato’ Alwi Jantan (Chairman, Independent Non-Executive Director)	4/4	100
Mr. Kua Hock Lai (Managing Director)	4/4	100
Dato’ Mohamed Nizam bin Abdul Razak (Independent Non-Executive Director)	3/4	75
Mr. Cheah Shu Boon (Independent Non-Executive Director)	4/4	100
Mr. Kua Swee Leong (Executive Director)	4/4	100
Mr. Kua Swee Kiat (Executive Director)	4/4	100

## Statement On Corporate Governance (Cont'd)

Name of Directors	Total Meetings Attended by Directors	% of Attendance
Ms. Law Sook Teng (Executive Director)	4/4	100
Mr. Ng Soon Lai @ Ng Siek Chuan (Independent Non-Executive Director) (appointed on 18 August 2009)	N/A	N/A
Ms. Ooi Ai Leng (Executive Director) (appointed on 18 August 2009)	N/A	N/A
Mr. Teh Swee See (Executive Director) (appointed on 18 August 2009)	N/A	N/A
Mr. Yeoh Chong Keat (Independent Non-Executive Director) (resigned on 17 July 2009)	4/4	100
Mr. Phang Chin Khiong (Executive Director) (resigned on 18 August 2009)	4/4	100
Mr. Teoh Peir Song (Executive Director) (resigned on 18 August 2009)	4/4	100

### Board Committees

The following Committees have been established to assist the Board to discharge its duties and responsibilities. The functions and terms of reference of the Committees as well as authority delegated by the Board to these Committees are clearly defined.

#### a. Audit Committee

The Audit Committee, comprises exclusively of Independent Non-Executive Directors, is responsible for reviewing and monitoring the work of the Group's internal audit function as well as ensuring that an objective professional relationship is maintained with the External Auditors. Further details of the Audit Committee are contained in the Audit Committee's Report on pages 27 to 31 of this Annual Report.

## Statement On Corporate Governance (Cont'd)

### b. Nomination Committee

The Nomination Committee comprises exclusively of Independent Non-Executive Directors.

The members of the Nomination Committee are:

Name	Designation	Directorship
Tan Sri Dato' Alwi Jantan	Chairman	Independent Non-Executive Director
Dato' Mohamed Nizam bin Abdul Razak	Member	Independent Non-Executive Director
Mr. Cheah Shu Boon	Member	Independent Non-Executive Director

The Nomination Committee is responsible for identifying, selecting and recommending new candidates to the Board. However, the actual decision as to who shall be appointed remains the responsibility of the full Board after considering the recommendation of the Nomination Committee.

The Nomination Committee serves to ensure that the Company has an effective Board comprising Directors of required mix of skill, experience and other qualities including core competencies which Non-Executive Directors should bring to the Board. The Nomination Committee assesses annually the effectiveness of the Board, its Committees and the contribution of each individual Director including Independent Non-Executive Directors.

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

The Nomination Committee has met twice during the financial year ended 31 July 2009.

### c. Remuneration Committee

The Board formed a Remuneration Committee on 24 September 2003. The members of the Remuneration Committee are:

Name	Designation	Directorship
Tan Sri Dato' Alwi Jantan	Chairman	Independent Non-Executive Director
Mr. Kua Hock Lai	Member	Managing Director
Mr. Cheah Shu Boon	Member	Independent Non-Executive Director
Mr. Yeoh Chong Keat (resigned on 17 July 2009)	Member	Independent Non-Executive Director

The Remuneration Committee is responsible for recommending to the Board the remuneration packages of the Executive Directors and Senior Management, whilst the Board as a whole determines the remuneration of the Non-Executive Directors. The individual Directors concerned abstain from decision in respect of their individual remuneration.

## Statement On Corporate Governance (Cont'd)

The remuneration of Directors is determined based on the responsibility, contribution and performance of each Director. It is the Company's policy to link the Executive Directors' rewards to individual and corporate performance whilst the remuneration of the Non-Executive Directors including the Non-Executive Chairman is determined in accordance with their experience and the level of responsibilities assumed. Fees payable to all Non-Executive Directors are proposed at the Annual General Meeting for the shareholders' approval.

The members of the Remuneration Committee have met once during the financial year to review and discuss the remuneration of the Executive Directors and Senior Management.

### d. Investment Committee

The Board set up an Investment Committee on 25 June 2008. The members of the Investment Committee are:

Name	Designation	Directorship
Tan Sri Dato' Alwi Jantan	Chairman	Independent Non-Executive Director
Mr. Kua Hock Lai	Member	Managing Director
Dato' Mohamed Nizam bin Abdul Razak	Member	Independent Non-Executive Director
Mr. Yeoh Chong Keat (resigned on 17 July 2009)	Member	Independent Non-Executive Director

The Investment Committee shall provide advice to the Board in establishing policies to investments and making recommendations thereon to the Board for approval. The Investment Committee shall carry out annual review on the performance/return of the Group's investments. The Investment Committee also reviews the share price performance of the Company and recommends to the Board the appropriate time to buy-back its own shares. The Board as a whole decides on the number of units and price to be transacted.

During the financial year, the Investment Committee had set the maximum number of shares and the maximum share price for the Company to exercise share buy-back.

### ii. Board Balance

The Board consists of ten (10) Directors of which six (6) are Executive Directors and four (4) are Independent Non-Executive Directors.

The concept of independence adopted by the Board is in line with the definition of an Independent Director of the Bursa Securities' Listing Requirements. The key elements of fulfilling the criteria are the appointment of Directors who are not members of management (Non-Executive Directors) and who are free of any relationship which could interfere with the exercise of independent judgment or the ability to act in the interests of the Company. The Board complies with the Bursa Securities' Listing Requirements, which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is higher, are Independent Directors.

The composition of the Board is well balanced and the Group is led and controlled by an experienced Board with different background and specialisation. Collectively, they bring with them a wide range of experience in areas such as legal, finance, corporate affairs, marketing and operations. This mix of skills and experience is essential for the successful attainment of the corporate plans and objectives of the Group. A brief profile of each Director is presented on pages 4 to 8 of this Annual Report.

## Statement On Corporate Governance (Cont'd)

There is a clear demarcation of responsibility between the Independent Non-Executive Chairman and the Managing Director to ensure the balance of power and authority. The Board is chaired by Tan Sri Dato' Alwi Jantan, an Independent Non-Executive Director and he is primarily responsible for the Board effectiveness and conduct. The Managing Director, Mr. Kua Hock Lai is responsible for managing and supervising the day-to-day business of the Group and the development and implementation of strategy.

The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the daily operations as well as business development of the Group. The Independent Non-Executive Directors offer unbiased independent view, advice and judgment in the best interest, not only for the Group but also of shareholders, employees and communities in which the Group conducts its business.

### iii. Supply of Information

The Directors have unrestricted access to information pertaining to the Group's business and affairs to enable them to discharge their 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 the Group's investments or assets; announcements 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. Besides Board Meeting, the Board also exercises control on matters that require Board's approval through circulation of Directors' resolutions.

All scheduled meetings held during the year were preceded by a formal agenda issued by the Company Secretary in consultation with the Chairman. Prior to meetings, appropriate documents which include the agenda and reports relevant to the issues of the meetings are circulated to all members. All Directors have full and timely access to information with Board papers distributed in advance of meetings. This ensures that Directors have sufficient time to appreciate issues deliberated at meetings which in turn enhances the decision making process.

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 appointment and removal may only be made with the approval of the Board.

### iv. Appointment to the Board

There is a formal and transparent procedure which has been approved for the appointment of new Directors to the Board. The Nomination Committee recommends new candidates for all directorships to be filled by the Board. The Board is constantly reviewing the performance of its existing Directors as well as appointing new Directors to the Board whenever the need arises.

### v. Re-election

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors or if their number is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors shall retire from office once at least in every three (3) years, but shall be eligible for re-election.

Directors over seventy (70) years of age shall hold office until the next Annual General Meeting but shall be eligible for re-appointment in accordance with Section 129(6) of the Companies Act, 1965.



## Statement On Corporate Governance (Cont'd)

### vi. Directors' Training

Directors are encouraged to attend seminars and/or conferences organised by relevant regulatory authorities and professional bodies to keep abreast with development in the market place.

During the year, the Company had arranged two in-house seminars for the Directors and management, namely "Latest Tax Update and Rules" and "Managing Time, Stress and Personal Effectiveness". On top of these, the Directors had during the financial year ended 31 July 2009, evaluated their own training needs and attended additional seminars, conferences and forums. Append below are some of the other training/seminars attended by the Directors:

<u>Topic</u>	<u>Organiser</u>
1. Financing for Trade in OIC Market	Matrade
2. Economic Outlook and Treasury Products Updates	RHB Bank Berhad

### B. DIRECTORS' REMUNERATION

The remuneration policy of the Company for the Managing Director and the Executive Directors are structured to link rewards to corporate and individual performance in order to retain Directors with the relevant skills and experience to meet the challenges of the Group.

The Non-Executive Directors' remuneration comprises only fees and allowances. Determination of the said remuneration is balanced with their roles and responsibilities.

The following are the remuneration bands of the Directors:

Remuneration Bands	Executive Directors	Non-Executive Directors
RM50,001 – RM100,000	-	4
RM350,001 – RM400,000	1	-
RM450,001 – RM500,000	2	-
RM500,001 – RM550,000	1	-
RM550,001 – RM600,000	1	-
RM5,950,001 – RM6,000,000	1	-

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

	Fees (RM)	Salaries & Other Emoluments (RM)	Benefits -in-kind (RM)	Total (RM)
Executive Directors	-	8,311,001	127,725	8,438,726
Non-Executive Directors	215,000	12,000	-	227,000

## Statement On Corporate Governance (Cont'd)

### C. SHAREHOLDERS COMMUNICATION AND INVESTORS RELATIONS

The Board recognises the importance of effective communication with shareholders and the investment community. Thus, 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 Bursa Securities which includes the quarterly reports, annual report and press releases. The Company's website at [www.htgrp.com.my](http://www.htgrp.com.my) provides shareholders and investors the overview information of the Group's business and the latest updates of the Company. Shareholders and investors may post questions on the Company's website or may contact the persons identify in the website to enquire more about the Company and the Group.

The Company conducts briefings and dialogues with financial analysts to give them an overview of the Group's performance and operations. The Company also participates in marketing roadshows, hosting teleconferences, responding to email enquiries, catering to the numerous request for private meetings for investors and analysts and organising trips for factory visits. Through these channels, the Company has the opportunity to directly address, explain or clarify issues that investors and analysts may have regarding the business, operations and prospects of the Group.

The Annual General Meeting serves as a principal forum for dialogue with all shareholders. 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. Extraordinary General Meetings are held as and when required. The Chairman of the meeting will facilitate the discussion with the shareholders and provide further information in response to shareholders' queries.

### D. ACCOUNTABILITY AND AUDIT

#### i. Financial Reporting

The Board is responsible for ensuring that the financial statements of the Company and of the Group are made out in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The Board also ensures 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 accounting period. The Board through the review by 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 shareholders, investors and regulatory authorities.

#### ii. Internal Control

The Board acknowledges the importance of maintaining a sound system of internal control to safeguard shareholders' interest and the Group's assets. An internal audit function was established to assist the Audit Committee in reviewing the state of internal control of the Group and to highlight areas for Management's improvement.

The state of internal control of the Group is explained in greater detail in the enclosed Statement on Internal Control.

#### iii. Relationship with Auditors

The Group has established a formal, transparent and professional relationship with its External Auditors. The Audit Committee reviews the audit plans, scope of audit and audit report as well as their professional fees and appointment. The appointment of the External Auditors is subject to the approval of the shareholders at the General Meeting of the Company.

## Statement On Corporate Governance (Cont'd)

The External Auditors are invited to attend Audit Committee meetings when necessary. The External Auditors present their audit plans, report their findings to the Audit Committee and discuss with the Board of Directors on matters that necessitate the Board's attention.

The Audit Committee had met with the External Auditors on 29 September 2008 and 30 June 2009 without the presence of the Executive Directors and the Management.

### ADDITIONAL INFORMATION

#### 1. SHARE BUY-BACK

Detail of shares buy-back during the financial year ended 31 July 2009 are as follows:

Month	No. of Shares Buy-Back	Lowest Price (RM)	Highest Price (RM)	Average Price (RM)	Total Consideration (RM)
Aug '08	882,600	1.34	1.58	1.4478	1,277,809.14
Sept '08	1,800,000	0.95	1.33	1.1627	2,092,863.97
Nov '08	200,000	0.66	0.67	0.6654	133,070.25
Dec '08	200,000	0.61	0.62	0.6169	123,378.91
July '09	10,000	0.91	0.91	0.9167	9,167.33
Total	3,092,600			1.1758	3,636,289.60

As at end of the financial year:

- a. A total of 5,410,000 buy-back shares were held as treasury shares and carried at cost; and
- b. No shares had been cancelled.

#### 2. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities exercised during the financial year ended 31 July 2009.

#### 3. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme during the financial year ended 31 July 2009.

#### 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 2009.

## Statement On Corporate Governance (Cont'd)

### 5. NON-AUDIT FEES

A non-audit fees of RM10,000.00 was incurred for services rendered to HTVB or its subsidiaries for the financial year ended 31 July 2009 by the External Auditors or a firm or company affiliated to the External Auditors.

### 6. VARIATION IN RESULTS

There was no material variance between the results for the financial year ended 31 July 2009 and the unaudited quarterly results previously announced.

### 7. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year.

### 8. UTILISATION OF PROCEEDS

There were no proceeds raised by the Group from any corporate proposals during the financial year.

### 9. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Alpine Pipe Manufacturing Sdn Bhd, a wholly owned subsidiary of the Company, had on 23rd October 2008 entered into a Sale and Purchase Agreement with K. H. L. Sdn Bhd, a major shareholder of the Company, for the acquisition of a property held under GRN 127471, Lot 54959 (previously known as H.S. (D) 97150, Lot No. PT 40530), Mukim of Kapar, District of Klang, Selangor Darul Ehsan, for a total cash consideration of RM71 million. The acquisition had been completed during the financial year under review.

Save as disclosed above and those disclosed as recurrent related party transactions of revenue or trading nature or related party transactions, there were no other material contracts entered into by the Company and/or its subsidiaries involving Directors' and major shareholders' interests as at 31 July 2009.

### 10. REVALUATON POLICY

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

### 11. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

On 3 December 2008, the Company sought approval for a shareholders' mandate for the Group to enter into recurrent related party transactions of revenue or trading nature.

## Statement On Corporate Governance (Cont'd)

The aggregate value of recurrent related party transactions conducted during the financial year ended 31 July 2009 in accordance with the shareholders' mandate obtained in the last Annual General Meeting were as follows:

Related Parties involved with HTVB and/or its subsidiaries	Nature of Transaction	Relationship and Nature of Interest	Value of Transactions (RM'000)
Power Concord Sdn Bhd ("PC")	i) Sales of steel products  ii) Provision of transportation by lorries	i) Mr. Kua Swee Kiat and Ms. Kua Siu Hui are directors and shareholders of PC.  ii) Mr. Kua Swee Leong, Mr. Kua Swee Kiat and Ms. Kua Siu Hui are the children of Mr. Kua Hock Lai and Madam Lim Ah Eng.  iii) Mr. Kua Swee Kiat is directly interested in PC by virtue of him being the director and shareholder of PC.  iv) Mr. Kua Hock Lai and Madam Lim Ah Eng are deemed interested in PC by virtue of their children Mr. Kua Swee Kiat's and Ms. Kua Siu Hui's direct interest in PC.  v) Mr. Kua Swee Leong is deemed interested by virtue of him being the brother of Mr. Kua Swee Kiat and Ms. Kua Siu Hui.	315  -
S.B. Cheah & Associates ("SBCA")	Provisions of legal services	Mr. Cheah Shu Boon is directly interested in SBCA by virtue of him being the partner of SBCA.	277
K. H. L. Sdn Bhd ("K.H.L.")	Rental expense	i) Mr. Kua Hock Lai and Madam Lim Ah Eng are directly interested in K.H.L. by virtue of them being the directors, and major shareholders of K.H.L.  ii) Mr. Kua Swee Leong and Mr. Kua Swee Kiat are deemed interested in K.H.L. by virtue of them being the sons of Mr. Kua Hock Lai and Madam Lim Ah Eng.  iii) United Coconut Fibre Products Sdn Bhd is deemed to be indirectly interested in K.H.L. by virtue of it being the major shareholder of HTVB and a person connected to Director and/or major shareholders of HTVB.	3,677
Macro Resources Sdn Bhd ("MRSB")	Renting of scaffolding equipment and sales of steel products	Mr. Yeoh Chong Keat is deemed interested in MRSB by virtue of him being a director of Lien Hoe Corporation Berhad ("LHCB") (MRSB is a subsidiary of LHCB).	207
United Overseas Australia Ltd ("UOA") Group of Companies	Renting of scaffolding equipment and sales of steel products	Tan Sri Dato' Alwi Jantan is deemed interested in UOA by virtue of him being a director and a shareholder of UOA.	-

## Statement of Directors' Responsibility in Relation to the Financial Statements

The Companies Act, 1965 requires the Directors to prepare the financial statements for each financial year which made out in accordance with applicable financial reporting standards in Malaysia and give a true and fair view of the state of affairs of the Company and the Group at the financial year end and of the results and cash flows of the Company and the Group for the financial year.

The Directors, in preparing the financial statements, have adopted and applied consistently suitable accounting policies and made judgments and estimates that are reasonable and prudent. The Directors also ensured that all applicable financial reporting standards have been followed and the financial statements are prepared on a going concern basis as the Directors have reasonable expectation, having made enquiries, that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

The Directors have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 29 September 2009.



## Statement on Internal Control

The Board of Directors of Hiap Teck Venture Berhad acknowledges the importance of the system of internal control and recognises that it is their responsibility to maintain a sound system of internal control to safeguard the Group's interests. In this respect, the Board is responsible for identifying the principal business risks, ensuring the implementation of appropriate systems to manage these risks and reviewing the adequacy and integrity of the Group's system of internal control. Broadly, the experience of the directors and the management team, the independent review mechanism established in the organisation and the operational procedures form the basis of the risk management and internal control frameworks in the Group.

### Risk Management

The Group has an on-going process for identifying, evaluating and managing significant risks faced by the organisation. This function is embedded and carried out as part of the Group's operating and business management processes. During the financial year, the management had established a Management Risk Committee. The Committee is led by an Executive Director and comprises of head of department from the various functions in the Group. Risk and action plan identified were documented for periodic management review. When necessary, external and relevant professionals are drawn on from time to time to assist and to advise the Board.

### Review Mechanism

Independent review of the system of internal control is essential in providing an objective assurance to the Board. Currently, this review mechanism is undertaken by the Audit Committee. The presence of the internal audit function complements this review mechanism and enhances the effectiveness of the Audit Committee. The independent review mechanism also covers the review of financial data and information. In this respect, the Audit Committee in consultation with the management and External Auditors deliberates the integrity of the financial results, annual report and audited financial statements before recommending to the Board to be presented to the shareholders and public investors.

### Key Elements of Internal Control

The fundamental elements of internal controls that have been ingrained in the Group are:

- i. Organisation structure that defines the management responsibilities and its hierarchy structure of reporting lines and accountability;
- ii. Authority limits and approval processes that facilitate the delegation of authority and management succession;
- iii. Centralised enterprise resource planning information system that provides real-time information for decision making. Additionally, this system enables periodic performance reports to be produced for management monitoring purposes;
- iv. Certification by ISO 9001:2000 Quality Management System and accreditation by American Petroleum Institutes ("API") to a key subsidiary of the Group. This quality management system forms a major part of the operation procedures in that subsidiary. Furthermore, internal quality audits are carried out and annual surveillance audits are conducted by external certification body to provide assurance of compliance with the ISO requirements. Additionally, the API accreditation acknowledges and signifies the international standard of quality of the principal business processes of the Group. Both certificates provide a reference point to the management of other subsidiaries in furthering improvements to the current operating procedures; and
- v. Performance reports to the Managing Director that are intended to assure that the business operations of the Group are in progress in accordance with desirable objectives and targets of the Group.

The Board is satisfied that the operating procedures and the process of review, evaluation and monitoring of risks and the system of internal control are reasonably effective. Nonetheless, the Board will continue to assess the adequacy of the Group's systems of internal control along with the development changes in its business. It shall also be noted that risk management systems and systems of internal control are only designed to manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems can only provide reasonable but not absolute assurance against material misstatements, fraud and losses.

The Audit Committee was established on 17 July 2003.

## COMPOSITION

Members of the Audit Committee:

### Chairman

Dato' Mohamed Nizam bin Abdul Razak  
(Independent Non-Executive Director)  
(re-designated as Chairman of Audit Committee on 18 August 2009)

### Members

Mr. Cheah Shu Boon  
(Independent Non-Executive Director)

Mr. Ng Soon Lai @ Ng Siek Chuan  
(Independent Non-Executive Director)  
(appointed on 18 August 2009)

Mr. Yeoh Chong Keat  
(Independent Non-Executive Director)  
(resigned on 17 July 2009)

## TERMS OF REFERENCE OF THE COMMITTEE

### 1. Appointment/Composition:

1.1 The members of the Audit Committee shall be appointed by the Board.

1.2 The Audit Committee shall consist of not less than three (3) members of whom:

- a) all the Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors;
- b) at least one (1) member of the Audit 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

## Audit Committee Report (Cont'd)

- 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.
- (iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

1.3 No Alternate Director shall be appointed as a member of the Audit Committee.

1.4 A quorum shall be two (2) members and composed of a majority of Independent Directors.

1.5 The Chairman of the Audit Committee shall be appointed by the members of the Audit Committee among their number who shall be an Independent Director.

1.6 The Board must review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether such Audit 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 Audit Committee if a request is made by any Audit Committee member, the Company's Chairman or the Internal or External Auditors if they consider it necessary.

2.2 Meetings will be attended by the members of the Audit 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 Audit 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 Audit Committee to discharge its duties.

3.2 The Audit 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;

- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

**4. Functions and Responsibilities:**

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

- 4.1 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;
- 4.2 to review the assistance given by employees of the Group to the External Auditors;
- 4.3 to review the External Auditors' management letter and management's response;
- 4.4 to do the following in relation to the internal audit function:
  - to review the adequacy of the scope, functions, competency 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;
  - to review any appraisal or assessment of the performance of members of the internal audit function;
  - to approve any appointment or termination of senior staff members of the internal audit function; and
  - to take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
- 4.5 to review quarterly reports 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;
- 4.6 to review any related party transactions and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- 4.7 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;
- 4.8 to make recommendations concerning the appointment of the External Auditors and their remuneration to the Board;
- 4.9 prompt reporting to Bursa Securities on any matter reported by the Audit Committee to the Board which has not been satisfactorily resolved resulting in a breach of the Bursa Securities' Listing Requirements.

The reports of the Audit Committee and the External and Internal Auditors and corrective action taken shall be tabled for discussion by the Board of Directors.

## Audit Committee Report (Cont'd)

### 5. Minutes:

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

### 6. Audit Committee Report:

The Audit Committee shall ensure that an Audit Committee report is prepared at the end of each financial year that complies with subparagraph (6.1) and (6.2) 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 Audit 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 Audit Committee;
- (c) the number of Audit Committee meetings held during the financial year end and details of attendance of each member;
- (d) a summary of activities of the Audit 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 Audit 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 2009, the Audit Committee convened a total of four (4) meetings. The details of attendance at the Audit Committee meetings held in financial year 2009 are as follows:

Name of Members	Attendance
1. Dato' Mohamed Nizam bin Abdul Razak	3/4
2. Mr. Cheah Shu Boon	4/4
3. Mr. Ng Soon Lai @ Ng Siek Chuan (appointed on 18 August 2009)	N/A
4. Mr. Yeoh Chong Keat (resigned on 17 July 2009)	4/4

The Group Financial Controller and Internal Auditors are usually present at the meetings. Representative of the External Auditors attended meetings where matters relating to the audit of the statutory accounts were discussed. Other Board members may attend meeting upon the invitation of the Audit Committee. The Company Secretary was the secretary at the Audit Committee meetings.

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

- Reviewed the quarterly financial results 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 consideration of the findings and recommendations 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 and Recurrent Related Party Transactions of the Group.
- Reviewed and approved the internal audit plan, strategy and scope of work.
- Reviewed the external audit plans/audit planning memorandum for financial year ended 2009.
- Reviewed the Statement on Internal Control prior to its inclusion in the Annual Report.
- Meeting with the External Auditors in the absence of the Executive Directors and management.

The Audit Committee has met with the External Auditors on 29 September 2008 and 30 June 2009 without the presence of the Executives Directors and management.

#### INTERNAL AUDIT FUNCTION

The Audit Committee is supported by an internal audit function which is undertaken by a professional service firm at an annual fees of RM55,000.00. The internal audit function is independent of all operating units. The principal role of the internal audit function is to undertake regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such system continues to operate satisfactory and effectively and to minimise risks area. The internal audit function is carried out with impartiality, proficiently and due professional care. It provides the Audit Committee with independent and objectives 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.

During the financial year, the internal auditors undertook audit review based on the annual audit plan which was approved by the Audit Committee. Below are the main activities carried out during the financial year:

- i) Credit Control Review  
The objective of the review is to assess the effectiveness of the management monitoring and procedures on credit controls.
- ii) Review of Major Customers and Suppliers  
To ensure transactions were carried out in normal and usual manner and were reasonably controlled and supported with documents.
- iii) Reviewed of Recurrent Related Party Transactions  
To ensure there were sufficient control procedures that were reasonable in monitoring the transactions.
- iv) Follow-up Audit Report  
To ascertain management's implementation status on the past internal audit recommendations.

Further details of the activities of the internal audit function are set out in the Statement on Internal Control on page 26 of this Annual Report.



## Corporate Social Responsibility Statement

The Group recognises the importance of its social obligations to the society in which it operates in whilst striving to achieve a balanced approach to fulfill its key business objectives and the expectations of its stakeholders.

### The Workplace

The Group values its employees by providing a safe working environment. The Group has set up an Occupational Safety and Health Committee to develop policies and guidelines to provide and maintain a safe and healthy workplace for all its employees, contractors and visitors. Frequent safety checks at the workplace are conducted to ensure that all safety requirements and precautions are strictly observed. The Group ensures that information and instruction on safety measures are always clear and communicated to all employees.

The Group recognises that it has responsibilities to its employees, the core of its success and growth. The Group provides training programs for its employees to ensure that they are equipped with appropriate skills and knowledge to grow and prosper together with the Company they work for. The Group organises in-house training, arranges experts from other countries to conduct training and even extend its training beyond Malaysia. In addition, the Group also provides scholarship to the employees and their children; giving them the opportunities and encouragement to improve themselves in education and life-long learning.

As part of its annual employee welfare programme, the Group elevates its employees' financial burden by giving cash to its eligible employees, to subsidise the purchase of school bags, uniforms and shoes for their children.

### The Environment

The Group has and will always consider environmental factors in all its operating decisions and will continuously explore and develop feasible and safe processes and procedures to minimise any adverse impact from all its operations on the environment. All industrial wastes from the Group's operations are properly treated and disposed of in safe and environmental friendly ways. The Group observes strict compliance with all environmental regulations and laws of our country at all times.

### The Community

Our focus on people, social engagement and support for the needy forms the cornerstone of our social responsibility. The Group has been answering the calls for assistance, either financially or in-kinds from various non-profit organisations, schools and individuals in our local community.

The Group believes strongly that education is the foundation to one's personal development and growth. Over the years, the Group has participated in various fund raising activities organised by schools in the local community.

### The Market Place

In maintaining transparency and accountability to its shareholders, the Group ensures that it provides clear, transparent and timely information to the market place. Also accessible in the public domain, corporate information is updated on the Groups' website at [www.htgrp.com.my](http://www.htgrp.com.my).

As a good corporate citizen, the Group is very conscious of its responsibilities and often engages local communities in the areas of its business operations.

## Financial Statements

34	Directors' Report
38	Statement by Directors
38	Statutory Declaration
39	Independent Auditors' Report
41	Income Statements
42	Balance Sheets
44	Consolidated Statement of Changes in Equity
45	Company Statement of Changes in Equity
46	Cash Flow Statements
48	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 2009.

### 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 14 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

### RESULTS

	Group RM'000	Company RM'000
Profit for the year	43,361	8,679

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

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

The amount of dividends paid by the Company since 31 July 2008 were as follows:

	RM'000
In respect of the financial year ended 31 July 2008 as reported in the directors' report of that year:	
Single tier final dividend of 3.0 sen per share on 322,000,000 ordinary shares, approved in the Annual General Meeting on 3 December 2008 and paid on 26 February 2009	9,660

At the forthcoming Annual General Meeting, a single tier final dividend in respect of the financial year ended 31 July 2009, of 1.5 sen per share on 321,990,000 ordinary shares, amounting to a dividend payable of RM4,829,850 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 2010.

## Directors' Report (Cont'd)

### 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 Jantan	
Kua Hock Lai	
Dato' Mohamed Nizam bin Abdul Razak	
Cheah Shu Boon	
Law Sook Teng (f)	
Kua Swee Leong	
Kua Swee Kiat	
Ng Soon Lai @ Ng Siek Chuan	(appointed on 18 August 2009)
Ooi Ai Leng (f)	(appointed on 18 August 2009)
Teh Swee See	(appointed on 18 August 2009)
Yeoh Chong Keat	(resigned on 17 July 2009)
Teoh Peir Song	(resigned on 18 August 2009)
Phang Chin Khiong	(resigned on 18 August 2009)
Toh Su Lin (f)	(resigned on 3 December 2008)

### 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 the 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 7 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 31 to the financial statements.

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, required to be kept under Section 134 of the Companies Act, 1965, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of Ordinary Shares of RM0.50 Each			
	As at 1.8.2008	Acquired	Sold	As at 31.7.2009
<b>The Company</b>				
<b>Direct Interest:</b>				
Tan Sri Dato' Alwi Jantan	1,467,000	-	-	1,467,000
Kua Hock Lai	200,000	-	-	200,000
Dato' Mohamed Nizam bin Abdul Razak	7,171,147	-	(1,300,000)	5,871,147
Cheah Shu Boon	66,000	-	-	66,000
Law Sook Teng (f)	450,015	-	-	450,015

## Directors' Report (Cont'd)

### DIRECTORS' INTERESTS (CONT'D)

According to the register of directors' shareholdings, required to be kept under Section 134 of the Companies Act, 1965, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows: (Cont'd)

	Number of Ordinary Shares of RM0.50 Each			
	As at 1.8.2008	Acquired	Sold	As at 31.7.2009
<b>The Company (Cont'd)</b>				
<b>Direct Interest: (Cont'd)</b>				
Kua Swee Leong	757	-	-	757
Kua Swee Kiat	15,757	-	-	15,757
Teoh Peir Song	826,515	-	-	826,515
Phang Chin Khiong	114,615	-	-	114,615
<b>Indirect Interest:</b>				
Kua Hock Lai	124,099,485	-	-	124,099,485

By virtue of his shareholdings in the Company, Mr. Kua Hock Lai is also deemed to be interested in shares in all the subsidiaries of the Company.

### TREASURY SHARES

During the financial year, the Company repurchased 3,092,600 of its issued ordinary shares from the open market at an average price of approximately RM1.18 per share. The total consideration paid for the repurchases including transaction costs was RM3,636,289.

The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 and further relevant details are disclosed in Note 23 to the financial statements.

### OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets 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 values 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 these financial statements inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in these financial statements misleading.

**OTHER STATUTORY INFORMATION (CONT'D)**

- (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.
- (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 as and 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.

**SIGNIFICANT EVENT**

Details of the significant event are disclosed in Note 35 to the financial statements.

**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 dated 28 October 2009.

KUA HOCK LAI

LAW SOOK TENG

## 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 41 to 88 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2009 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 dated 28 October 2009.

KUA HOCK LAI

LAW SOOK TENG

## Statutory Declaration (Pursuant To Section 169(16) Of The Companies Act, 1965)

I, OOI AI LENG, being the director 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 41 to 88 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 28 October 2009

OOI AI LENG

Before me,

**R. Vasugi Ammal, PJK**  
Commissioner for Oaths  
(No. W480)



## Independent Auditors' Report

### To The Members Of Hiap Teck Venture Berhad (Incorporated in Malaysia)

#### Report on the financial statements

We have audited the financial statements of Hiap Teck Venture Berhad, which comprise the balance sheets as at 31 July 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 41 to 88.

#### *Directors' responsibility for the financial statements*

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditors' responsibility*

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

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

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

#### *Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2009 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

## Independent Auditors' Report (Cont'd)

### To The Members Of Hiap Teck Venture Berhad (Incorporated in Malaysia)

#### Report on other legal and regulatory requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts 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.
- (c) The auditors' reports on the accounts 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.

#### Other matters

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

ERNST & YOUNG  
No. AF:0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
28 October 2009

Loke Siew Heng  
No. 2871/07/11(J)  
Chartered Accountant

## Income Statements For The Year Ended 31 July 2009

		Group		Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	3	1,159,325	1,662,034	16,464	21,234
Cost of sales	4	(1,080,992)	(1,403,990)	-	-
Gross profit		78,333	258,044	16,464	21,234
Other operating income		19,101	17,051	32	28
Operating costs in respect of income generating investment properties		(168)	(167)	(1,380)	(1,414)
Administrative expenses		(26,457)	(25,991)	(6,022)	(7,321)
Selling and marketing expenses		(21,333)	(25,047)	-	-
Other operating expenses		(484)	(2,712)	-	-
Profit from operations	5	48,992	221,178	9,094	12,527
Finance costs	8	(17,426)	(21,804)	-	-
Profit before tax		31,566	199,374	9,094	12,527
Income tax expense	9	11,795	(45,096)	(415)	(1,954)
Profit for the year		43,361	154,278	8,679	10,573
Earnings per share (sen):					
Basic	10	13.45	47.19		

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

## Balance Sheets As At 31 July 2009

	Note	Group 2009 RM'000	2008 RM'000	Company 2009 RM'000	2008 RM'000
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	11	334,546	267,823	-	182
Investment properties	12	5,849	5,954	59,456	60,234
Prepaid land lease payments	13	3,640	3,713	-	-
Investment in subsidiaries	14	-	-	91,570	81,570
Other investments	15	208	208	-	-
Deferred tax assets	16	3,460	983	283	698
		347,703	278,681	151,309	142,684
<b>CURRENT ASSETS</b>					
Inventories	17	268,087	423,428	-	-
Trade receivables	18	193,710	355,486	-	-
Other receivables	19	59,977	37,735	71	76
Due from subsidiaries	20	-	-	32,563	49,824
Tax recoverable		11,305	4,460	1,097	812
Short term investment	21	83,030	83,838	887	375
Cash and bank balances	22	88,149	24,474	347	22
		704,258	929,421	34,965	51,109
<b>TOTAL ASSETS</b>		1,051,961	1,208,102	186,274	193,793
<b>FINANCED BY:</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	23	163,700	163,700	163,700	163,700
Share premium	23	25,341	25,341	25,341	25,341
Treasury shares	23	(7,430)	(3,793)	(7,430)	(3,793)
Revaluation reserve	24(a)	31,635	31,635	-	-
Retained profits	24(b)	387,894	354,193	56	1,037
		601,140	571,076	181,667	186,285

## Balance Sheets As At 31 July 2009 (Cont'd)

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	25	62,242	22,406	-	-
Deferred tax liabilities	16	8,132	13,540	-	-
		70,374	35,946	-	-
<b>CURRENT LIABILITIES</b>					
Borrowings	25	331,086	522,282	-	-
Trade payables	26	26,055	35,001	-	-
Other payables	27	23,146	31,024	2,175	3,900
Due to a subsidiary	20	-	-	2,432	-
Tax payable		160	9,165	-	-
Dividend payable		-	3,608	-	3,608
		380,447	601,080	4,607	7,508
<b>TOTAL LIABILITIES</b>		450,821	637,026	4,607	7,508
<b>TOTAL EQUITY AND LIABILITIES</b>		1,051,961	1,208,102	186,274	193,793

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

## Consolidated Statement Of Changes In Equity For The Year Ended 31 July 2009

	Note	Share Capital RM'000	Non-Distributable		Revaluation Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000
			Share Premium RM'000	Treasury Shares RM'000			
<b>At 1 August 2007</b>		163,700	25,341	-	15,001	209,580	413,622
Purchase of treasury shares	23	-	-	(3,778)	-	-	(3,778)
Transaction costs	23	-	-	(15)	-	-	(15)
Revaluation surplus on:							
Freehold land		-	-	-	5,230	-	5,230
Buildings		-	-	-	15,071	-	15,071
Tax effect on revaluation of buildings		-	-	-	(3,768)	-	(3,768)
Decrease in deferred taxation previously recognised on revaluation		-	-	-	101	-	101
Dividends	28	-	-	-	-	(9,665)	(9,665)
Profit for the year		-	-	-	-	154,278	154,278
<b>At 31 July 2008</b>		163,700	25,341	(3,793)	31,635	354,193	571,076
Purchase of treasury shares	23	-	-	(3,621)	-	-	(3,621)
Transaction costs	23	-	-	(16)	-	-	(16)
Dividends	28	-	-	-	-	(9,660)	(9,660)
Profit for the year		-	-	-	-	43,361	43,361
<b>At 31 July 2009</b>		163,700	25,341	(7,430)	31,635	387,894	601,140

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



## Company Statement Of Changes In Equity For The Year Ended 31 July 2009

		Share Capital	Non-Distributable Share Premium	Treasury Shares	Distributable Retained Profits	Total
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 August 2007</b>		163,700	25,341	-	129	189,170
Purchase of treasury shares	23	-	-	(3,778)	-	(3,778)
Transaction costs	23	-	-	(15)	-	(15)
Dividends	28	-	-	-	(9,665)	(9,665)
Profit for the year		-	-	-	10,573	10,573
<b>At 31 July 2008</b>		163,700	25,341	(3,793)	1,037	186,285
Purchase of treasury shares	23	-	-	(3,621)	-	(3,621)
Transaction costs	23	-	-	(16)	-	(16)
Dividends	28	-	-	-	(9,660)	(9,660)
Profit for the year		-	-	-	8,679	8,679
<b>At 31 July 2009</b>		163,700	25,341	(7,430)	56	181,667

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

## Cash Flow Statements For The Year Ended 31 July 2009

		Group		Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		31,566	199,374	9,094	12,527
Adjustments for:					
Loss on disposal of other investments	5	-	16	-	-
Net unrealised foreign exchange gains	5	(4,108)	(2,792)	-	-
Provision for doubtful debts	5	676	51	-	-
Impairment loss of:					
Property, plant and equipment	5	-	457	-	-
Investment properties	5	-	826	-	-
Prepaid land lease payments	5	-	1,070	-	-
Doubtful debts recovered	5	(114)	(79)	-	-
Depreciation of property, plant and equipment	5	18,924	17,313	182	182
Depreciation of investment properties	5	105	117	778	778
Amortisation of prepaid land lease payments	5	73	93	-	-
Inventories written off/down	5	5,338	1,465	-	-
Property, plant and equipment written off	5	150	-	-	-
Interest expense		17,163	21,518	-	-
Interest income:					
Deposits	5	(1,638)	(422)	-	(20)
Short term investment	5	(2,159)	(538)	(32)	(8)
Net overdue interest (income)/expense	5	(529)	196	-	-
Gross dividends income	5	-	-	(9,480)	(14,220)
Loss/(gain) on disposals of property, plant and equipment	5	333	(7,028)	-	-
Operating profit/(loss) before working capital changes		65,780	231,637	542	(761)
Changes in working capital:					
Inventories		150,003	4,221	-	-
Receivables		139,637	(120,424)	5	23
Payables		(16,824)	16,692	(1,725)	672
Net change in intercompanies indebtedness		-	-	3,373	2,833
Cash generated from operations		338,596	132,126	2,195	2,767
Interest paid		(17,163)	(21,518)	-	-
Net overdue interest income received		529	90	-	-
Taxes paid, net of taxes refunded		(11,940)	(36,868)	(285)	247
Net cash generated from operating activities		310,022	73,830	1,910	3,014

## Cash Flow Statements For The Year Ended 31 July 2009 (Cont'd)

		Group		Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from disposal of other investments		-	12	-	-
Net dividends received		-	-	15,800	6,634
Proceeds from disposals of property, plant and equipment		4,951	10,022	-	-
Interest received:					
Deposits		1,638	422	-	20
Short term investment		2,159	538	32	8
Purchase of property, plant and equipment	11(e)	(31,081)	(19,693)	-	-
Purchase of investment properties	12	-	(4,314)	-	-
Prepayment of land lease	13	-	(2,400)	-	-
Net short term investment		808	(83,838)	(512)	(375)
Net cash (used in)/generated from investing activities		(21,525)	(99,251)	15,320	6,287
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of term loans		(21,486)	(16,526)	-	-
(Repayment)/drawdown of bankers' acceptances		(189,508)	72,706	-	-
Purchase of treasury shares	23	(3,637)	(3,793)	(3,637)	(3,793)
Dividends paid		(13,268)	(6,057)	(13,268)	(6,057)
Net cash (used in)/generated from financing activities		(227,899)	46,330	(16,905)	(9,850)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
		60,598	20,909	325	(549)
<b>EFFECT OF EXCHANGE RATE CHANGES CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>					
		24,108	3,199	22	571
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>					
	22	88,149	24,108	347	22

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

# Notes To The Financial Statements 31 July 2009

## 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 14 to the financial statements. There have been no significant changes in the nature of the 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 registered office of the Company is located at Lot 6096, Jalan Haji Abdul Manan, Batu 5½, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 October 2009.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

The financial statements of the Group and of the Company have also been prepared on a historical basis, except for land and buildings included within property, plant and equipment that have been measured at their revaluation values.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

### 2.2 Summary of Significant Accounting Policies

#### (a) Subsidiaries and Basis of Consolidation

##### (i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, 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 included in profit or loss.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.2 Summary of Significant Accounting Policies (Cont'd)

##### (a) Subsidiaries and Basis of Consolidation (Cont'd)

##### (ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

##### (b) Property, Plant and Equipment, and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised.

A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

# Notes To The Financial Statements 31 July 2009 (Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Summary of Significant Accounting Policies (Cont'd)

#### (b) Property, Plant and Equipment, and Depreciation (Cont'd)

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress is also not depreciated. 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 - 20%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

#### (c) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of buildings 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 annual rate of 2% per annum.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

#### (d) Impairment of Non-financial Assets

The carrying amounts of assets, other than investment properties, inventories, deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.2 Summary of Significant Accounting Policies (Cont'd)

##### (d) Impairment of Non-financial Assets (Cont'd)

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

##### (e) Inventories

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

Cost is determined using 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 costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

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 complete the sale.

##### (f) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become 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 in 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) 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.



# Notes To The Financial Statements 31 July 2009 (Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Summary of Significant Accounting Policies (Cont'd)

#### (f) Financial Instruments (Cont'd)

##### (ii) Other Non-current and Short Term Investment

Non-current and short term investment other than investments in subsidiaries and investment properties 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 profit or loss.

##### (iii) Trade Receivables

Trade 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.

##### (iv) Trade Payables

Trade payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

##### (v) Interest Bearing Borrowings

All borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using the effective interest method.

##### (vi) Equity Instruments

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

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

##### (vii) Derivative Financial Instruments

The Group uses derivative financial instruments, including forward foreign exchange contracts, to hedge its exposure to foreign exchange arising from operational activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are not recognised in the financial statements.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.2 Summary of Significant Accounting Policies (Cont'd)

##### (g) Leases

##### (i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating lease, with the following exception:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (Note 2.2 (c)).

##### (ii) Finance Leases - the Group as Lessee

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. Any initial direct costs are also added to the carrying amount of such assets.

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 in the profit or loss 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 2.2 (b).

##### (iii) Operating Leases - the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

# Notes To The Financial Statements 31 July 2009 (Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Summary of Significant Accounting Policies (Cont'd)

#### (g) Leases (Cont'd)

##### (iv) Operating Leases - the Group as Lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note 2.2(m)(iii)). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### (h) Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

#### (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. 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 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 as income or an expense and included in the profit or loss for the period, 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.

#### (j) Provisions

Provisions 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, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.2 Summary of 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. 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 Plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred.

As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

##### (l) Foreign Currencies

###### (i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

###### (ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rate prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

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

	2009 RM	2008 RM
One (1) New Zealand Dollar	2.2520	2.4018
One (1) Euro	4.9110	5.0813
One (1) United States Dollar	3.5210	3.2545
One (1) Singapore Dollar	2.4416	2.3787
One (1) Australian Dollar	2.9105	3.0791

# Notes To The Financial Statements 31 July 2009 (Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Summary of Significant Accounting Policies (Cont'd)

#### (m) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following criteria must also be met before revenue is recognised:

##### (i) Sale of Goods

Revenue is recognised net of sales taxes and discounts upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

##### (ii) Transport Charges

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

##### (iii) Rental Income

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

##### (iv) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

##### (v) Dividend Income

Dividend income is recognised when the Group's 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 Fees

Management fees are recognised when services are rendered.

### 2.3 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following FRSs were issued but not yet effective and have not been applied by the Group and the Company:

	Effective for financial periods beginning on or after
FRS 4: Insurance Contracts	1 January 2010
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.4 Significant Accounting Estimates and Judgement

##### (a) Critical Judgement Made in Applying Accounting Policies

The following is the judgement made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

##### **Classification between investment properties and property, plant and equipment**

The Group has developed certain criteria based on FRS 140 - Investment Properties, in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portion could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

##### (b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (i) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances, unabsorbed industrial building allowances and reinvestment allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. As at 31 July 2009, the total carrying values of recognised tax losses, capital allowances, industrial building allowances and reinvestment allowances of the Group and of the Company were RM62,516,000 and RM528,000 (2008: RM596,000 and RM136,000) respectively. The unrecognised tax losses, capital allowances and other deductible temporary differences of the Group and of the Company were RM7,946,000 and RMNil (2008: RM6,074,000 and RMNil) respectively.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 2.4 Significant Accounting Estimates and Judgement (Cont'd)

##### (b) Key Sources of Estimation Uncertainty (Cont'd)

##### (ii) Quantity Discounts Receivable

Included in sundry receivables of the Group are quantity discounts receivable from a supplier amounting to RM21,977,734 (2008: RM38,215,277). These quantity discounts have not been certified by the supplier as at the date of this report.

In assessing the recoverability of the quantity discounts, the Group has given due consideration to all pertinent information such as the recoverability rate of previous claims and the ability of the supplier to settle the debts. Notwithstanding that the quantity discounts have not been certified, the management is confident that the actual amount certified by the supplier will not materially differ from the amount claimed by the Group and therefore recoverable from the supplier. Accordingly, no provision for doubtful recovery has been made in the financial statements.

### 3. REVENUE

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Sale of goods	1,152,986	1,655,052	-	-
Rental of scaffolding equipment	6,263	6,927	-	-
Transportation services	76	45	-	-
Slitting and forming charges	-	10	-	-
Dividends income	-	-	9,480	14,220
Rental of properties	-	-	4,680	4,710
Management fees	-	-	2,304	2,304
	1,159,325	1,662,034	16,464	21,234

### 4. COST OF SALES

	Group	
	2009 RM'000	2008 RM'000
Cost of inventories sold	1,074,436	1,397,300
Depreciation of scaffolding equipment for hire	3,581	3,867
Cost of transportation services rendered	2,975	2,823
	1,080,992	1,403,990



## Notes To The Financial Statements 31 July 2009 (Cont'd)

## 5. PROFIT FROM OPERATIONS

The following amounts have been included in arriving at profit from operations:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Employee benefits expense (Note 6)	21,314	20,670	-	42
Executive directors' remuneration (Note 7)	9,367	10,587	5,151	6,451
Non-executive directors' remuneration (Note 7)	227	193	227	193
Auditors' remuneration:				
Statutory audits				
- current year	195	165	48	40
- under provision in prior year	30	20	8	-
Other services	10	10	5	5
Minimum lease payments recognised as operating lease expense for:				
Land and buildings	3,768	4,270	-	-
Office equipment	9	10	-	-
Gas tank	15	11	-	-
Depreciation of property, plant and equipment (Note 11)	18,924	17,313	182	182
Depreciation of investment properties (Note 12)	105	117	778	778
Amortisation of prepaid land lease payments (Note 13)	73	93	-	-
Property, plant and equipment written off	150	-	-	-
Provision for doubtful debts	676	51	-	-
Impairment loss of:				
Property, plant and equipment	-	457	-	-
Investment properties	-	826	-	-
Prepaid land lease payments	-	1,070	-	-
Inventories written off/down	5,338	1,465	-	-
Doubtful debts recovered	(114)	(79)	-	-
Loss on disposal of other investments	-	16	-	-
Loss/(gain) on disposals of property, plant and equipment	333	(7,028)	-	-
Rental income from investment properties	(690)	(577)	-	-
Gross dividends income	-	-	(9,480)	(14,220)
Net foreign exchange gains:				
Realised	(9,767)	(1,136)	-	-
Unrealised	(4,108)	(2,792)	-	-
Interest income:				
Deposits	(1,638)	(422)	-	(20)
Short term investment	(2,159)	(538)	(32)	(8)
Net overdue interest (income)/expense	(529)	196	-	-

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	16,755	16,776	-	35
Bonus	2,371	1,849	-	-
Defined contribution plans	1,988	1,796	-	4
Social security contributions	216	215	-	1
Short term accumulating compensated absences	(16)	34	-	2
	21,314	20,670	-	42

### 7. DIRECTORS' REMUNERATION

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b>Directors of the Company:</b>				
Executive:				
Salaries and other emoluments	3,820	3,449	2,584	2,351
Bonus	3,442	4,740	1,860	3,330
Defined contribution plans	821	917	482	616
Social security contributions	3	3	-	-
Short term accumulating compensated absences	225	191	225	154
Benefits-in-kind	128	121	35	35
	8,439	9,421	5,186	6,486
Non-executive:				
Fees	215	175	215	175
Other emoluments	12	18	12	18
	227	193	227	193
	8,666	9,614	5,413	6,679
<b>Directors of Subsidiaries:</b>				
Executive:				
Salaries and other emoluments	716	612	-	-
Bonus	231	535	-	-
Defined contribution plans	109	137	-	-
Social security contributions	1	1	-	-
Short term accumulating compensated absences	(1)	2	-	-
Benefits-in-kind	41	44	-	-
	1,097	1,331	-	-
<b>Total</b>	<b>9,763</b>	<b>10,945</b>	<b>5,413</b>	<b>6,679</b>

## Notes To The Financial Statements 31 July 2009 (Cont'd)

## 7. DIRECTORS' REMUNERATION (CONT'D)

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b>Analysis excluding benefits-in-kind:</b>				
Total executive directors' remuneration excluding benefits-in-kind (Note 5)	9,367	10,587	5,151	6,451
Total non-executive directors' remuneration (Note 5)	227	193	227	193
Total directors' remuneration excluding benefits-in-kind	9,594	10,780	5,378	6,644

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	
	2009	2008
Executive directors:		
RM300,001 - RM350,000	-	1
RM350,001 - RM400,000	1	-
RM450,001 - RM500,000	2	1
RM500,001 - RM550,000	1	-
RM550,001 - RM600,000	1	2
RM600,001 - RM650,000	-	1
RM5,950,001 - RM6,000,000	1	-
RM6,800,001 - RM6,850,000	-	1
Non-executive directors:		
RMNil - RM50,000	-	3
RM50,001 - RM100,000	4	1

## 8. FINANCE COSTS

	Group	
	2009	2008
	RM'000	RM'000
Interest expense on:		
Bank overdrafts	111	555
Bankers' acceptances	14,872	18,249
Term loans	2,180	2,714
Finance charges	263	286
	17,426	21,804

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 9. INCOME TAX EXPENSE

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Income tax				
Malaysian income tax	5,832	42,043	-	2,346
(Over)/under provision in prior years	(9,742)	(91)	-	32
	(3,910)	41,952	-	2,378
Deferred tax (Note 16):				
Relating to origination and reversal of temporary differences	833	3,478	399	(452)
Relating to changes in tax rates	-	(230)	-	28
(Over)/under provision in prior years	(8,718)	(104)	16	-
	(7,885)	3,144	415	(424)
	(11,795)	45,096	415	1,954

	Group	
	2009	2008
	RM'000	RM'000
<b>Statement of changes in equity</b>		
Deferred income tax related to items charged or credited directly to equity:		
Tax effect on revaluation of buildings	-	3,768
Decrease in deferred taxation previously recognised on revaluation	-	(101)
	-	3,667

The over provision of income tax in prior years was mainly due to the surrendering of a Special Tax Incentive granted to a subsidiary, Alpine Pipe Manufacturing Sdn Bhd ("APM"), which was approved by the Malaysian Industrial Development Authority ("MIDA") during the current financial year. The Special Tax Incentive entitled APM tax exemption on income generated from the production of certain structural pipes. With the surrender of the Special Tax Incentive, APM has claimed capital allowances and reinvestment allowances on qualifying capital expenditures previously not claimed under the Special Tax Incentive period. This resulted in the over provision of income tax in prior years.

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year. In the prior year, certain subsidiaries of the Company being Malaysian resident companies with paid-up capital of RM2.5 million or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM500,000 of chargeable income : 20%  
In excess of RM500,000 of chargeable income : 26%

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act, 1967 that was introduced with effect from the year of assessment 2009, these subsidiaries no longer qualify for the above preferential tax rates.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

**9. INCOME TAX EXPENSE (CONT'D)**

A reconciliation of income tax expense applicable to profit before tax 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:

	2009 RM'000	2008 RM'000
<b>Group</b>		
Profit before tax	31,566	199,374
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	7,892	51,837
Different tax rate for small and medium scale companies	-	(180)
Effect of changes in tax rates on opening balance of deferred tax	-	(106)
Deferred tax recognised at different tax rates	-	(124)
Income not subject to tax	(1,315)	(693)
Expenses not deductible for tax purposes	726	3,205
Double deduction expenses	(75)	(73)
Utilisation of reinvestment allowance	-	(3,634)
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	-	(1,905)
Deferred tax assets not recognised in respect of unabsorbed capital allowances	74	-
Deferred tax assets not recognised in respect of unused tax losses	355	-
Deferred tax assets not recognised in respect of other deductible temporary differences	39	-
Deferred tax recognised on reinvestment allowances	(1,031)	-
Deductible temporary differences relating to previously non qualifying assets	-	(3,036)
Over provision of deferred tax in prior years	(8,718)	(104)
Over provision of income tax expense in prior years	(9,742)	(91)
Income tax expense for the year	(11,795)	45,096
<b>Company</b>		
Profit before tax	9,094	12,527
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	2,274	3,257
Effect of changes in tax rates on opening balance of deferred tax	-	11
Deferred tax recognised at different tax rates	-	17
Income not subject to tax	(2,378)	(1,650)
Expenses not deductible for tax purposes	240	287
Group relief	263	-
Under provision of deferred tax in prior years	16	-
Under provision of income tax expense in prior year	-	32
Income tax expense for the year	415	1,954

**10. EARNINGS PER SHARE****Basic**

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	2009	2008
Profit for the year (RM'000)	43,361	154,278
Weighted average number of ordinary shares in issue ('000)	322,370	326,961
Basic earnings per share (sen)	13.45	47.19

# Notes To The Financial Statements 31 July 2009 (Cont'd)

## 11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land RM'000	Buildings RM'000	Plant and Machinery RM'000	Capital in Progress RM'000	Motor Vehicles RM'000	Other Assets RM'000	Total RM'000
<b>At 31 July 2009</b>							
<b>Cost/Valuation</b>							
At 1 August 2008	48,900	82,931	193,122	6,064	7,662	36,582	375,261
Additions	20,658	55,203	2,454	4,399	290	8,077	91,081
Disposals	-	-	(336)	-	(168)	(9,070)	(9,574)
Written off	-	-	(790)	-	-	-	(790)
Transfers	-	-	5,242	(5,242)	-	-	-
At 31 July 2009	69,558	138,134	199,692	5,221	7,784	35,589	455,978
Representing:							
At cost	-	-	199,692	5,221	7,784	35,589	248,286
At valuation	69,558	138,134	-	-	-	-	207,692
At 31 July 2009	69,558	138,134	199,692	5,221	7,784	35,589	455,978
<b>Accumulated Depreciation and Impairment</b>							
At 1 August 2008	-	8,951	76,372	-	4,805	17,310	107,438
Charge for the year	-	1,747	11,529	-	801	4,847	18,924
Disposals	-	-	(190)	-	(134)	(3,966)	(4,290)
Written off	-	-	(640)	-	-	-	(640)
At 31 July 2009	-	10,698	87,071	-	5,472	18,191	121,432
Representing:							
Accumulated depreciation	-	10,241	87,071	-	5,472	18,191	120,975
Accumulated impairment	-	457	-	-	-	-	457
At 31 July 2009	-	10,698	87,071	-	5,472	18,191	121,432
<b>Net Carrying Amount</b>							
At cost	-	-	112,621	5,221	2,312	17,398	137,552
At valuation	69,558	127,436	-	-	-	-	196,994
At 31 July 2009	69,558	127,436	112,621	5,221	2,312	17,398	334,546

## Notes To The Financial Statements 31 July 2009 (Cont'd)

## 11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold Land RM'000	Buildings RM'000	Plant and Machinery RM'000	Capital in Progress RM'000	Motor Vehicles RM'000	Other Assets RM'000	Total RM'000
<b>At 31 July 2008</b>							
<b>Cost/Valuation</b>							
At 1 August 2007	43,670	67,860	185,840	1,157	7,036	41,015	346,578
Additions	-	-	23,553	5,472	626	4,715	34,366
Disposals	-	-	(13,378)	-	-	(9,321)	(22,699)
Written off	-	-	(3,285)	-	-	-	(3,285)
Revaluation surplus	5,230	15,071	-	-	-	-	20,301
Transfers	-	-	392	(565)	-	173	-
At 31 July 2008	48,900	82,931	193,122	6,064	7,662	36,582	375,261
Representing:							
At cost	-	-	193,122	6,064	7,662	36,582	243,430
At valuation	48,900	82,931	-	-	-	-	131,831
At 31 July 2008	48,900	82,931	193,122	6,064	7,662	36,582	375,261
<b>Accumulated Depreciation and Impairment</b>							
At 1 August 2007	-	7,137	83,037	-	4,020	18,464	112,658
Charge for the year	-	1,357	9,998	-	785	5,173	17,313
Impairment loss	-	457	-	-	-	-	457
Disposals	-	-	(13,378)	-	-	(6,327)	(19,705)
Written off	-	-	(3,285)	-	-	-	(3,285)
At 31 July 2008	-	8,951	76,372	-	4,805	17,310	107,438
Representing:							
Accumulated depreciation	-	8,494	76,372	-	4,805	17,310	106,981
Accumulated impairment	-	457	-	-	-	-	457
At 31 July 2008	-	8,951	76,372	-	4,805	17,310	107,438
<b>Net Carrying Amount</b>							
At cost	-	-	116,750	6,064	2,857	19,272	144,943
At valuation	48,900	73,980	-	-	-	-	122,880
At 31 July 2008	48,900	73,980	116,750	6,064	2,857	19,272	267,823

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

<b>Company</b>	<b>Motor Vehicles RM'000</b>
<b>At 31 July 2009</b>	
<b>Cost</b>	
At 1 August 2008/31 July 2009	910
<b>Accumulated Depreciation</b>	
At 1 August 2008	728
Charge for the year	182
At 31 July 2009	910
<b>Net Carrying Amount</b>	-
<b>At 31 July 2008</b>	
<b>Cost</b>	
At 1 August 2007/31 July 2008	910
<b>Accumulated Depreciation</b>	
At 1 August 2007	546
Charge for the year	182
At 31 July 2008	728
<b>Net Carrying Amount</b>	182

- (a) Other assets of the Group comprise equipment for hire, office renovations, furniture and fittings, heavy equipment, office equipment, tools, carpet, computer software, electrical installation, forklift, dies and jigs and container.



## Notes To The Financial Statements 31 July 2009 (Cont'd)

## 11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (b) Had the revalued properties been carried under the cost model, the carrying amounts of each class of property that would have been included in the financial statements of the Group as at 31 July 2009 would be as follows:

	Freehold Land RM'000	Buildings RM'000	Total RM'000
<b>As at 31 July 2009</b>			
Cost	58,737	110,253	168,990
Accumulated depreciation	-	(9,958)	(9,958)
Net carrying amount	58,737	100,295	159,032
<b>As at 31 July 2008</b>			
Cost	38,079	55,050	93,129
Accumulated depreciation	-	(8,589)	(8,589)
Net carrying amount	38,079	46,461	84,540

- (c) The freehold land and buildings were revalued in July 2008 by Regroup Associates Sdn Bhd, an independent professional valuer. The Cost Method of Valuation supported by the Comparison Method were used in arriving at the value of those properties.
- (d) The Group's property, plant and equipment (including those mentioned in note (e) below) with net book values of RM156,743,000 (2008: RM92,112,000) are pledged for borrowings as disclosed in Note 25.
- (e) During the financial year, the Group acquired property, plant and equipment at aggregate costs of RM91,081,000 (2008: RM34,366,000) of which RM60,000,000 (2008: RM14,673,000) were acquired by means of term loan arrangements. Net book values of property, plant and equipment held under term loan arrangements are as follows:

	Group 2009 RM'000	2008 RM'000
Freehold land and building	59,784	-
Plant and machinery	60,173	63,871
Capital in progress	-	2,564
	119,957	66,435

- (f) The Group's plant and equipment with carrying amount of RM11,040,000 (2008: RM11,735,000) are on lease to generate rental income.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 12. INVESTMENT PROPERTIES

	Freehold Land RM'000	Buildings RM'000	Total RM'000
<b>Group</b>			
<b>At 31 July 2009</b>			
<b>Cost</b>			
At 1 August 2008/31 July 2009	485	6,429	6,914
<b>Accumulated Depreciation and Impairment</b>			
At 1 August 2008	-	960	960
Charge for the year	-	105	105
At 31 July 2009	-	1,065	1,065
<b>Net Carrying Amount</b>	485	5,364	5,849
<b>At 31 July 2008</b>			
<b>Cost</b>			
At 1 August 2007	485	2,115	2,600
Additions	-	4,314	4,314
At 31 July 2008	485	6,429	6,914
<b>Accumulated Depreciation and Impairment</b>			
At 1 August 2007	-	17	17
Charge for the year	-	117	117
Impairment loss	-	826	826
At 31 July 2008	-	960	960
<b>Net Carrying Amount</b>	485	5,469	5,954

## Notes To The Financial Statements 31 July 2009 (Cont'd)

## 12. INVESTMENT PROPERTIES (CONT'D)

Company	Freehold Land RM'000	Buildings RM'000	Total RM'000
<b>At 31 July 2009</b>			
<b>Cost</b>			
At 1 August 2008/31 July 2009	26,002	38,900	64,902
<b>Accumulated Depreciation</b>			
At 1 August 2008	-	4,668	4,668
Charge for the year	-	778	778
At 31 July 2009	-	5,446	5,446
<b>Net Carrying Amount</b>	26,002	33,454	59,456
<b>At 31 July 2008</b>			
<b>Cost</b>			
At 1 August 2007/31 July 2008	26,002	38,900	64,902
<b>Accumulated Depreciation</b>			
At 1 August 2007	-	3,890	3,890
Charge for the year	-	778	778
At 31 July 2008	-	4,668	4,668
<b>Net Carrying Amount</b>	26,002	34,232	60,234

The estimated fair value of investment properties of the Group and of the Company are RM6,197,000 and RM76,900,000 (2008: RM6,192,000 and RM74,600,000) respectively.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 13. PREPAID LAND LEASE PAYMENTS

	Group	
	2009 RM'000	2008 RM'000
At 1 August	3,713	2,476
Additions	-	2,400
Amortisation for the year	(73)	(93)
Impairment loss	-	(1,070)
At 31 July	3,640	3,713

### 14. INVESTMENT IN SUBSIDIARIES

	Company	
	2009 RM'000	2008 RM'000
Unquoted shares at cost	91,570	81,570

During the financial year, the Company subscribed for an additional 10,000,000 shares of RM1 each in Alpine Pipe Manufacturing Sdn Bhd ("APM") via the capitalisation of the amount due to the Company. APM remains as a wholly owned subsidiary of the Company.

Details of the subsidiaries are as follows:

Name of Subsidiaries	Country of Incorporation	Equity Interest Held (%)		Principal Activities
		2009	2008	
Hiap Teck Hardware Sdn Bhd	Malaysia	100	100	Importer, exporter and general dealer of steel products, hardware and building materials
Tiek Hong Hardware (B'worth) Sdn Bhd	Malaysia	100	100	General merchant and dealer of metal hardware, building equipment and materials
Alpine Pipe Manufacturing Sdn Bhd	Malaysia	100	100	Manufacturing and selling of pipes, hollow sections and other steel products
Briliant Decade Transport Agency Sdn Bhd	Malaysia	100	100	Provision of transportation services
Huatraco Marketing Sdn Bhd	Malaysia	100	100	Manufacturing, selling and renting of scaffolding equipment and range of steel products

## Notes To The Financial Statements 31 July 2009 (Cont'd)

## 14. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (Cont'd):

Name of Subsidiaries	Country of Incorporation	Equity Interest Held (%)		Principal Activities
		2009	2008	
Subsidiaries of Huatraco Marketing Sdn Bhd				
Huatraco Scaffold System Sdn Bhd	Malaysia	100	100	Selling and renting of scaffolding components and accessories
Huatraco Industries Sdn Bhd	Malaysia	100	100	Manufacturing, selling and dealing in scaffolding and a range of steel products
Subsidiaries of Hiap Teck Hardware Sdn Bhd				
Hiap Teck Property Sdn Bhd	Malaysia	100	100	Investment and renting out of properties
Hiap Teck Steel Manufacturing Sdn Bhd	Malaysia	100	100	Manufacturer and general dealer of steel products, hardware and building materials

## 15. OTHER INVESTMENTS

	Group	
	2009 RM'000	2008 RM'000
<b>Cost:</b>		
Club memberships	186	186
Other investments	22	22
	208	208

## 16. DEFERRED TAX

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 August	12,557	5,746	(698)	(274)
Recognised in income statement (Note 9)	(7,885)	3,144	415	(424)
Recognised in equity	-	3,667	-	-
At 31 July	4,672	12,557	(283)	(698)

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 16. DEFERRED TAX (CONT'D)

#### Deferred Tax (Assets)/Liabilities of the Group:

	2009 RM'000	2008 RM'000
<b>Presented after appropriate offsetting as follows:</b>		
Deferred tax assets	(3,460)	(983)
Deferred tax liabilities	8,132	13,540
	4,672	12,557

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

	Capital Allowances/ Industrial Building Allowances RM'000	Other Payables RM'000	Tax Losses RM'000	Reinvestment Allowance RM'000	Revaluation Reserve RM'000	Property, Plant and Equipment RM'000	Investment Properties RM'000	Others RM'000	Total RM'000
At 1 August 2007	-	(1,522)	-	-	3,178	3,810	107	173	5,746
Recognised in the income statement	(149)	(381)	-	-	(52)	3,335	(133)	524	3,144
Recognised in equity	-	-	-	-	3,667	-	-	-	3,667
At 31 July 2008	(149)	(1,903)	-	-	6,793	7,145	(26)	697	12,557
Recognised in the income statement	(2,502)	(1,039)	(245)	(12,733)	(98)	8,382	20	330	(7,885)
At 31 July 2009	(2,651)	(2,942)	(245)	(12,733)	6,695	15,527	(6)	1,027	4,672

#### Deferred Tax (Assets)/Liabilities of the Company:

	2009 RM'000	2008 RM'000
<b>Presented after appropriate offsetting as follows:</b>		
Deferred tax assets	(283)	(698)
Deferred tax liabilities	-	-
	(283)	(698)

## Notes To The Financial Statements 31 July 2009 (Cont'd)

## 16. DEFERRED TAX (CONT'D)

	Capital Allowances RM'000	Other Payables RM'000	Tax Losses RM'000	Dividend Receivable RM'000	Property, Plant and Equipment RM'000	Investment Properties RM'000	Total RM'000
At 1 August 2007	-	(748)	-	281	2	191	(274)
Recognised in the income statement	(34)	(138)	-	(281)	-	29	(424)
At 31 July 2008	(34)	(886)	-	-	2	220	(698)
Recognised in the income statement	31	478	(129)	-	(2)	37	415
At 31 July 2009	(3)	(408)	(129)	-	-	257	(283)

Deferred tax assets have not been recognised in respect of the following items:

	Group 2009 RM'000	2008 RM'000
Unabsorbed capital allowances	6,371	6,074
Unused tax losses	1,419	-
Other deductible temporary differences	156	-

The unabsorbed capital allowances, unused tax losses and other deductible temporary differences are available indefinitely for offset against future taxable profits of the subsidiary in which those items arose. Deferred tax assets have not been recognised in respect of these items due to its recent history of losses in the subsidiary concerned.

## 17. INVENTORIES

	Group 2009 RM'000	2008 RM'000
Raw materials	26,977	93,105
Work-in-progress	9,164	25,563
Finished goods	69,091	100,366
Merchandise goods	138,766	202,158
Goods in transit	24,089	2,236
	268,087	423,428

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 18. TRADE RECEIVABLES

	Group	
	2009 RM'000	2008 RM'000
Trade receivables	198,712	360,228
Less: Provision for doubtful debts	(5,002)	(4,742)
	193,710	355,486

The Group's normal trade credit term ranges from 14 to 90 (2008: 14 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

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

Included in trade receivables of the Group is an amount of RM31,955 (2008: RM153,393) owing from companies in which certain directors of the Company have significant interests.

The movements in provision for doubtful debts are as follows:

	Group	
	2009 RM'000	2008 RM'000
At 1 August	4,742	4,770
Provision for doubtful debts	625	51
Doubtful debts recovered	(114)	(79)
Bad debts written off	(251)	-
At 31 July	5,002	4,742

### 19. OTHER RECEIVABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Sundry receivables	54,662	26,577	-	5
Less: Provision for doubtful debts	(51)	-	-	-
	54,611	26,577	-	5
Deposits	2,775	6,047	30	30
Prepayments	2,591	5,111	41	41
	59,977	37,735	71	76



## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 19. OTHER RECEIVABLES (CONT'D)

Included in deposits of the Group are an amount of RMNil (2008: RM5,000,000) being deposits placed with a major supplier of a subsidiary.

Included in sundry receivables of the Group are quantity discounts receivable from a supplier amounting to RM21,977,734 (2008: RM38,215,277). These discounts have not been certified by the supplier as at the date of this report. In assessing the recoverability of the quantity discounts, the Group has given due consideration to all pertinent information such as the recoverability rate of previous claims and the ability of the supplier to settle the debts. Notwithstanding that the quantity discounts have not been certified, the management is confident that the actual amount certified by the supplier will not materially differ from the amount claimed by the Group and therefore recoverable from the supplier. Accordingly, no provision for doubtful recovery has been made in the financial statements.

The Group has concentration of credit risk in the form of sundry receivables due from a major supplier of a subsidiary representing 76% (2008: 82%) of total other receivables.

### 20. DUE FROM/(TO) SUBSIDIARIES

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

### 21. SHORT TERM INVESTMENT

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b>Cost:</b>				
Unit trust fund in licensed financial institution within Malaysia	83,030	83,838	887	375
Market value of investment as at:				
- 31 July	82,995	83,717	882	372
- 30 October	-	83,750	-	372
- 28 October	83,055	-	882	-

### 22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	83,404	22,501	347	13
Deposits with licensed banks	4,745	1,973	-	9
Cash and bank balances	88,149	24,474	347	22
Bank overdrafts (Note 25)	-	(366)	-	-
Total cash and cash equivalents	88,149	24,108	347	22

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 22. CASH AND CASH EQUIVALENTS (CONT'D)

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

	Group	
	2009 %	2008 %
Deposits with licensed banks	1.44	2.73

The average maturity of deposits as at the end of the financial year were 8 (2008: 20) days.

### 23. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of Ordinary Shares of RM0.50 Each		Amount		
	Share Capital (Issued and Fully Paid) '000	Treasury Shares '000	Share Capital (Issued and Fully Paid) RM'000	Share Premium RM'000	Treasury Shares RM'000
At 1 August 2007	327,400	-	163,700	25,341	-
Purchase of treasury shares	-	(2,317)	-	-	(3,778)
Transaction costs	-	-	-	-	(15)
At 31 July 2008	327,400	(2,317)	163,700	25,341	(3,793)
Purchase of treasury shares	-	(3,093)	-	-	(3,621)
Transaction costs	-	-	-	-	(16)
At 31 July 2009	327,400	(5,410)	163,700	25,341	(7,430)

	Number of Ordinary Shares of RM0.50 Each		Amount	
	2009 '000	2008 '000	2009 RM'000	2008 RM'000
<b>Authorised share capital</b>				
At 1 August/31 July	400,000	400,000	200,000	200,000

#### (a) Ordinary Shares Issued for Cash

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

#### (b) Treasury Shares

During the financial year, the Company repurchased 3,092,600 of its issued ordinary shares from the open market at an average price of approximately RM1.18 per share. The total consideration paid for the repurchases including transaction costs was RM3,636,289. The repurchase transactions were financed from internally generated funds.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

**24. RESERVES****(a) Revaluation Reserve**

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

	<b>Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 August	31,635	15,001
Revaluation surplus on:		
Freehold land	-	5,230
Buildings	-	15,071
Tax effect on revaluation of buildings	-	(3,768)
Decrease in deferred tax previously recognised on revaluation	-	101
At 31 July	31,635	31,635

**(b) Retained Profits**

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company has elected for the irrevocable option to disregard the Section 108 balance as at 31 December 2007. Hence, the Company will be able distribute dividends out of its entire retained earnings under the single tier system.

**25. BORROWINGS**

	<b>Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short Term Borrowings</b>		
Secured:		
Term loans	18,047	19,369
Unsecured:		
Bank overdrafts	-	366
Bankers' acceptances	313,039	502,547
	313,039	502,913
	331,086	522,282

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 25. BORROWINGS (CONT'D)

	Group	
	2009	2008
	RM'000	RM'000
<b>Long Term Borrowings</b>		
Secured:		
Term loans	62,242	22,406
<b>Total Borrowings</b>		
Bank overdrafts	-	366
Bankers' acceptances	313,039	502,547
Term loans	80,289	41,775
	393,328	544,688
<b>Maturity of borrowings:</b>		
Within one year	331,086	522,282
More than 1 year and less than 2 years	15,732	16,096
More than 2 years and less than 5 years	46,510	6,310
	393,328	544,688

The average interest rates during the financial year for borrowings were as follows:

	Group	
	2009	2008
	%	%
Bank overdrafts	6.05 - 7.50	7.25 - 7.75
Bankers' acceptances	2.54 - 4.47	3.88 - 4.46
Term loans	4.30 - 6.00	4.85 - 6.00

The term loans are secured by the following:

- (a) First legal charge over certain mills and property of a subsidiary as disclosed in Note 11(d); and
- (b) Corporate guarantees by the Company, as disclosed in Note 30.

### 26. TRADE PAYABLES

The normal trade credit terms granted to the Group ranges from 14 to 90 (2008: 14 to 90) days.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

## 27. OTHER PAYABLES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Sundry payables	11,267	13,128	-	-
Accruals	9,870	16,392	2,175	3,900
Deposits received	2,009	1,504	-	-
	23,146	31,024	2,175	3,900

## 28. DIVIDENDS

	Dividends in Respect of Year		Dividends Recognised in Year	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b>Recognised during the year:</b>				
Interim dividend for 2008:				
Single tier of 2.22%, in respect of the year ended 31 July 2008 (1.11 sen per ordinary share)	-	3,608	-	3,608
<b>Proposed for approval at AGM (not recognised as at 31 July):</b>				
Final dividend for 2007:				
5% less 26% taxation, in respect of the year ended 31 July 2007 (2.5 sen per ordinary share)	-	-	-	6,057
Final dividend for 2008:				
Single tier of 6%, in respect of the year ended 31 July 2008 (3.0 sen per ordinary share)	-	9,660	9,660	-
Final dividend for 2009:				
Single tier of 3%, in respect of the year ended 31 July 2009 (1.5 sen per ordinary share)	4,830	-	-	-
	4,830	13,268	9,660	9,665

At the forthcoming Annual General Meeting, a single tier final dividend in respect of the financial year ended 31 July 2009, of 1.5 sen per share on 321,990,000 ordinary shares, amounting to a dividend payable of RM4,829,850 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 2010.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 29. OPERATING LEASE ARRANGEMENTS

#### (a) The Group as Lessee

Operating lease payments represent rentals payables by the Group for use of buildings and gas tank.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as liabilities are as follows:

	<b>Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Not later than 1 year	96	4,910
Later than 1 year and not later than 5 years	101	9,890
	<b>197</b>	<b>14,800</b>

The lease payments recognised in profit or loss during the financial year are disclosed in Note 5.

#### (b) The Group as Lessor

Operating lease receipts represent rentals receivable by the Group for buildings rented out.

The future aggregate minimum lease payments receivables under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as receivables are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Not later than 1 year	702	435	4,680	4,680
Later than 1 year and not later than 5 years	1,148	-	14,040	14,040
	<b>1,850</b>	<b>435</b>	<b>18,720</b>	<b>18,720</b>

Investment properties rental income recognised in profit or loss during the financial year are disclosed in Note 5.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

## 30. CONTINGENT LIABILITIES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Unsecured:</b>				
In respect of indemnity provided for bank guarantees issued	16,349	995	-	-
Corporate guarantees provided to secure banking facilities granted to subsidiaries	-	-	393,000	545,000
In respect of guarantees issued in favour of Royal Customs and Excise Department	6,000	6,000	-	-
	22,349	6,995	393,000	545,000

## 31. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	2009 RM'000	2008 RM'000
<b>Group</b>		
Sales of steel products to a company in which certain directors of the Company have significant interests:		
Power Concord Sdn Bhd	315	3,706
Rental expense to a company in which a director of the Company has significant interests:		
K.H.L. Sdn Bhd	3,677	4,200
Legal fee paid to a company in which certain directors of the Company have significant interests:		
S.B. Cheah & Associates	277	50
Renting of scaffolding equipment to a company in which a director of the Company has significant interests:		
Macro Resources Sdn Bhd	207	325

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 mutually agreed between the parties.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 31. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

	2009 RM'000	2008 RM'000
<b>Company</b>		
Rental income from subsidiaries:		
Alpine Pipe Manufacturing Sdn Bhd	3,120	3,120
Huatraco Marketing Sdn Bhd	1,560	1,590
Management fees from subsidiaries:		
Hiap Teck Hardware Sdn Bhd	864	864
Alpine Pipe Manufacturing Sdn Bhd	984	984
Huatraco Marketing Sdn Bhd	456	456
Gross dividends income from subsidiaries:		
Hiap Teck Hardware Sdn Bhd	3,600	5,400
Alpine Pipe Manufacturing Sdn Bhd	3,000	4,500
Huatraco Marketing Sdn Bhd	1,800	2,700
Tiek Hong Hardware (B'worth) Sdn Bhd	720	1,080
Briliant Decade Transport Agency Sdn Bhd	360	540

#### (b) Compensation of key management personnel

The compensation of key management personnel who are the directors of the Group and of the Company are detailed in Note 7.

### 32. 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 risk, liquidity risk, credit risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

#### (b) Interest Rate Risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because changes in market interest rates. As the Group's investment in financial assets are mainly short term in nature and they are not held for speculative purposes, the Group's income and operating cash flow are substantially independent of changes in market interest rates. The Group's primary interest rate risk relates to interest-bearing debts.

The Group manages its interest rate exposure by maintaining a fixed and floating rate borrowings. The Group reviews its debt portfolio, taking into account the investment holding period and nature of its assets.



## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 32. FINANCIAL INSTRUMENTS (CONT'D)

#### (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. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position.

#### (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.

The Group has concentration of credit risk in the form of sundry receivables due from a major supplier of a subsidiary representing 76% (2008: 82%) of total other receivables.

#### (e) Foreign Currency Risk

The Group is mainly exposed to New Zealand Dollars, Euro, United States Dollars, Singapore Dollars and Australian 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 other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

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

Functional Currency of the Group	New Zealand Dollars RM'000	Euro RM'000	United States Dollars RM'000	Singapore Dollars RM'000	Australian Dollars RM'000	Total RM'000
<b>31 July 2009</b>						
Trade receivables	-	426	587	19,122	8,153	28,288
Cash and cash equivalents	1,410	-	6	384	60,353	62,153
	1,410	426	593	19,506	68,506	90,441
<b>31 July 2008</b>						
Trade receivables	-	-	804	20,823	33,073	54,700
Cash and cash equivalents	-	-	3	1,177	-	1,180
	-	-	807	22,000	33,073	55,880

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 32. FINANCIAL INSTRUMENTS (CONT'D)

#### (e) Foreign Currency Risk (Cont'd)

As at balance sheet date, the Group had entered into forward foreign exchange contracts with the following notional amounts and maturities:

	Currency	Mature within 1 year RM'000	Net fair value RM'000
<b>31 July 2009</b>			
Forward used to hedge trade receivables	Singapore Dollars	10,683	(304)
<b>31 July 2008</b>			
Forward used to hedge trade receivables	United States Dollars	32,087	(160)
	Australian Dollars	31,752	(579)
		63,839	(739)

#### (f) Fair Value

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amounts of term loans which are mainly variable rate borrowings, are considered to be reasonable estimate of their fair values as the borrowings will be repriced immediately in the event of any changes to the market interest rates.

It is not practicable to determine the fair value of amounts due from/(to) subsidiary companies due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs. However, the Group and the Company do not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

The fair values of all other financial assets and liabilities of the Group and of the Company as at 31 July 2009 are not materially different from their carrying values.

### 33. CAPITAL COMMITMENTS

	Group 2009 RM'000	2008 RM'000
Capital expenditure:		
Approved and contracted for:		
Property, plant and equipment	10,200	1,800

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 34. SEGMENTAL INFORMATION

#### (a) Business Segments

The Group comprises the following main 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 equipment 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 predominantly in Malaysia.

The directors are of the opinion that all inter-segment transactions 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.

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 34. SEGMENTAL INFORMATION (CONT'D)

The following tables provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

#### Business Segments

	Trading RM'000	Manufacturing RM'000	Property and Investment RM'000	Transportation RM'000	Elimination RM'000	Consolidated RM'000
<b>31 July 2009</b>						
<b>Revenue</b>						
Sales to external customers	571,608	587,641	-	76	-	1,159,325
Inter-segment sales	17,591	49,516	18,864	3,824	(89,795)	-
Total revenue	589,199	637,157	18,864	3,900	(89,795)	1,159,325
<b>Results</b>						
Operating profit	18,830	28,041	10,909	692	(9,480)	48,992
Finance costs						(17,426)
Profit before tax						31,566
Income tax expense						11,795
Profit for the year						43,361
<b>Assets</b>						
Segment assets	337,294	597,558	156,826	4,557	(59,039)	1,037,196
Unallocated assets						14,765
Total assets						1,051,961
<b>Liabilities</b>						
Segment liabilities	205,762	275,745	19,650	411	(59,039)	442,529
Unallocated liabilities						8,292
Total liabilities						450,821
<b>Other segment information</b>						
Capital expenditure	8,941	79,615	2,525	-	-	91,081
Depreciation and amortisation	4,495	12,955	1,634	18	-	19,102
Non-cash expenses other than depreciation	1,998	4,166	-	-	-	6,164

# Notes To The Financial Statements 31 July 2009 (Cont'd)

## 34. SEGMENTAL INFORMATION (CONT'D)

### Business Segments (Cont'd)

	Trading RM'000	Manufacturing RM'000	Property and Investment RM'000	Transportation RM'000	Elimination RM'000	Consolidated RM'000
<b>31 July 2008</b>						
<b>Revenue</b>						
Sales to external customers	960,178	701,811	-	45	-	1,662,034
Inter-segment sales	20,243	166,932	23,634	4,112	(214,921)	-
Total revenue	980,421	868,743	23,634	4,157	(214,921)	1,662,034
<b>Results</b>						
Operating profit	113,855	106,467	13,976	1,100	(14,220)	221,178
Finance costs						(21,804)
Profit before tax						199,374
Income tax expense						(45,096)
Profit for the year						154,278
<b>Assets</b>						
Segment assets	449,790	692,278	172,313	4,517	(116,239)	1,202,659
Unallocated assets						5,443
Total assets						1,208,102
<b>Liabilities</b>						
Segment liabilities	289,300	418,661	21,979	620	(116,239)	614,321
Unallocated liabilities						22,705
Total liabilities						637,026
<b>Other segment information</b>						
Capital expenditure	12,218	28,808	-	54	-	41,080
Depreciation and amortisation	4,818	11,197	1,497	11	-	17,523
Impairment losses	2,353	-	-	-	-	2,353
Non-cash expenses other than depreciation	34	1,482	-	-	-	1,516

## Notes To The Financial Statements 31 July 2009 (Cont'd)

### 35. SIGNIFICANT EVENT

On 23 October 2008, a subsidiary of the Company, Alpine Pipe Manufacturing Sdn Bhd ("APM") entered into a Sales and Purchase Agreement with K.H.L. Sdn Bhd to acquire a piece of property held under GRN 127471, Lot No. 54959 (previously known as HS (D) 97150, Lot No. PT40530), Mukim of Kapar, District of Klang, Selangor Darul Ehsan measuring approximately 72,880 square metres (approximately 784,480.30 square feet or 18.0 acres) together with a single storey factory cum a double storey office premises erected thereon for a total cash consideration of RM71,000,000.

The acquisition was completed in May 2009 and the said property has been accounted for as property, plant and equipment during the current financial year.

### 36. COMPARATIVES

Certain comparatives have been reclassified to be consistent with current year's presentation.

	As previously stated RM'000	Reclassifi- cations RM'000	As restated RM'000
<b>Group</b>			
Trade payables	34,739	262	35,001
Other payables	31,286	(262)	31,024

## Properties Of The Group As At 31 July 2009

Location	Description and Existing Usage	Tenure	Approximate Age of Building (years)	Approximate Land Area (acres)	Build Up Area (sq. metres)	Net Carrying Amount as at 31 July 2009 (RM)	Date of Acquisition	Date of Last Revaluation
Lot 6085, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory with a 2 storey office	Freehold	11.5	9	19,005	24,982,000	29-May-03	4-Jul-08
Lot 6088, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory with a 2 storey office	Freehold	11.5	9	18,732	23,316,000	29-May-03	4-Jul-08
Lot 6089, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory/warehouse	Freehold	10.5	9	18,516	25,374,000	29-May-03	4-Jul-08
Lot 6095, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory/warehouse	Freehold	10	10.013	22,341	28,994,034	5-Jul-96	4-Jul-08
Lot 6096, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory/warehouse with 4 storey office building	Freehold	10	9.483	12,179	19,706,742	5-Jan-95	4-Jul-08
Lot 54959 (formerly PT40530) Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey detached factory with a double storey office building	Freehold	3	18.0	53,243	73,072,042	23-Oct-08	23-Oct-08
51-C, Tingkat Dua Jalan BRP 6/10 Bukit Rahman Putra Seksyen U20 40160 Shah Alam	Shop office	Freehold	9	-	144.929	157,288	20-Aug-99	-
Lot 14175 (1st Floor) Putri Town Ctr Kulai Taman Putri Kulai Johor Darul Takzim	Shop office apartment	Freehold	11	-	143.07	101,226	2-Aug-99	-
No 8, Jalan Firma 3 Tebrau IV Industrial Estate 81100 Johor Bahru Johor Darul Takzim	Single storey detached factory building	Leasehold (60 years) expiring 31-Jan-2060	6	1	2,536.30	2,450,635	27-Feb-07	18-Jun-08
No 6, Jalan Firma 3 Tebrau IV Industrial Estate 81100 Johor Bahru Johor Darul Takzim	Single storey factory with a 2 storey office	Leasehold (60 years) expiring 31-Jan-2060	7	1.554	3,995.76	5,390,990	6-Jun-07	18-Jun-08
Lot 169, Mukim of Plentong District of Johor Bahru Johor Darul Takzim	Vacant agricultural land	Freehold	-	5.1	-	484,968	9-Jun-95	10-Jul-08
Lot 296, Mukim 13 District of Seberang Perai Tengah, Pulau Pinang	Single storey warehouse with 2 storey office	Leasehold (66 years) expiring 10-Mar-2058	3	2.241	2,453	2,452,366	6-Jul-96	16-Jun-08

## Analysis Of Shareholdings As At 20 October 2009

Authorised Share Capital	: RM200,000,000.00
Issued and Fully Paid-Up Share Capital	: RM163,700,000.00 (327,400,000 Ordinary Shares of RM0.50 each) *
Class of shares	: Ordinary Shares of RM0.50 each
Voting right	: One vote per Ordinary Share held

\* Includes treasury shares of 5,410,000 Ordinary Shares of RM0.50 each

### Analysis By Size Of Shareholdings As At 20 October 2009

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	13	0.27	485	0.00
100 - 1,000	865	17.79	814,239	0.25
1,001 - 10,000	2,911	59.89	14,512,344	4.51
10,001 - 100,000	876	18.02	29,163,821	9.06
100,001 to less than 5% of issued shares	192	3.95	128,472,671	39.90
5% and above of issued shares	4	0.08	149,026,440	46.28
Total	4,861	100.00	321,990,000	100.00

### List Of Thirty (30) Largest Shareholders As At 20 October 2009

No.	Names	No. of Shares	Percentage (%)
1.	K. H. L. Sdn Bhd	64,457,096	20.02
2.	United Coconut Fibre Products Sdn Bhd	35,173,644	10.92
3.	Lembaga Tabung Haji	29,395,700	9.13
4.	K. H. L. Sdn Bhd	20,000,000	6.21
5.	Alliancegroup Nominees (Tempatan) Sdn Bhd PHEIM Asset Management Sdn Bhd for Employees Provident Fund	12,705,300	3.95
6.	HSBC Nominees (Asing) Sdn Bhd BNY Brussels for Mirae Asset Asia Pacific Infra Sector Equity Investment Trust 1	10,555,100	3.28
7.	HSBC Nominees (Asing) Sdn Bhd Exempt An for JPMorgan Chase Bank, National Association (Norges BK Lend)	8,807,400	2.74
8.	Lim Ah Eng	4,468,745	1.39
9.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Dato' Mohamed Nizam bin Abdul Razak (PB)	4,144,165	1.29



## Analysis Of Shareholdings As At 20 October 2009 (Cont'd)

### List Of Thirty (30) Largest Shareholders As At 20 October 2009 (Cont'd)

No.	Names	No. of Shares	Percentage (%)
10.	Amanah Raya Nominees (Tempatan) Sdn Bhd Public Islamic Opportunities Fund	4,140,100	1.29
11.	Yap Ah Fatt	4,020,000	1.25
12.	Yap Kim Pin	3,900,000	1.21
13.	Cartaban Nominees (Asing) Sdn Bhd RBC Dexia Investor Services Bank for Comgest Growth Gem Promising Companies (Comgest GR PLC)	3,500,000	1.09
14.	Tan Chun Tik	3,000,000	0.93
15.	Amsec Nominees (Tempatan) Sdn Bhd Amtrustee Berhad for Pacific Pearl Fund (UT-PM-PPF)	2,378,700	0.74
16.	Amanah Raya Nominees (Tempatan) Sdn Bhd Public Islamic Dividend Fund	2,074,000	0.64
17.	Amanah Raya Nominees (Tempatan) Sdn Bhd Public Islamic Equity Fund	2,047,000	0.64
18.	Mary Ang Poh Chan	2,000,000	0.62
19.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (Malaysia) Trustee Berhad for Amanah Saham Sarawak	2,000,000	0.62
20.	Dato' Mohamed Nizam bin Abdul Razak	1,646,982	0.51
21.	Amanah Raya Nominees (Tempatan) Sdn Bhd Public Dividend Select Fund	1,540,000	0.48
22.	Kam Loong Mining Sdn Bhd	1,520,000	0.47
23.	Equity Trust (Malaysia) Berhad ABJ-Trust	1,467,000	0.46
24.	HSBC Nominees (Asing) Sdn Bhd Morgan Stanley & Co. International PLC (Firm A/C)	1,413,600	0.44
25.	Cartaban Nominees (Asing) Sdn Bhd Svenska Handelsbanken Stockholm	1,274,800	0.40
26.	Loo Chee Lain	1,171,900	0.36

## Analysis Of Shareholdings As At 20 October 2009 (Cont'd)

### List Of Thirty (30) Largest Shareholders As At 20 October 2009 (Cont'd)

No.	Names	No. of Shares	Percentage (%)
27.	Amsec Nominees (Tempatan) Sdn Bhd Amtrustee Berhad for Apex Dana Al-Sofi-I (UT-Apex-Sofi)	1,092,700	0.34
28.	Citigroup Nominees (Asing) Sdn Bhd Goldman Sachs International	1,067,300	0.33
29.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LSF)	1,041,700	0.32
30.	Helen Constantia Lee Hie Ling	1,005,000	0.31
<b>Total</b>		<b>233,007,932</b>	<b>72.38</b>

### Directors' Shareholdings As At 20 October 2009

(As per the Register of Directors' Shareholdings of the Company)

Names	<----- Direct ----->		<----- Indirect ----->	
	No. of Shares	%	No. of Shares	%
1. Tan Sri Dato' Alwi Jantan	1,467,000	0.46	-	-
2. Mr. Kua Hock Lai	200,000	0.06	124,115,999 <sup>(a)</sup>	38.55
3. Dato' Mohamed Nizam bin Abdul Razak	5,871,147	1.82	-	-
4. Ms. Law Sook Teng	450,015	0.14	-	-
5. Mr. Cheah Shu Boon	66,000	0.02	-	-
6. Mr. Kua Swee Leong	757	0.00	-	-
7. Mr. Kua Swee Kiat	15,757	0.00	-	-
8. Mr. Ng Soon Lai @ Ng Siek Chuan	-	-	-	-
9. Ms. Ooi Ai Leng	-	-	-	-
10. Mr. Teh Swee See	60,000	0.02	-	-

#### Notes:

- (a) Deemed interest by virtue of his substantial shareholdings in K. H. L. Sdn Bhd and United Coconut Fibre Products Sdn Bhd, and his spouse, Madam Lim Ah Eng's and his sons, Mr. Kua Swee Leong's and Mr. Kua Swee Kiat's direct shareholdings in the Company.

## Analysis Of Shareholdings As At 20 October 2009 (Cont'd)

### Substantial Shareholdings As At 20 October 2009

(As per the Register of Substantial Shareholders of the Company)

Names	<----- Direct ----->		<----- Indirect ----->	
	No. of Shares	%	No. of Shares	%
Mr. Kua Hock Lai	200,000	0.06	124,115,999 <sup>(a)</sup>	38.55
Madam Lim Ah Eng	4,468,745	1.39	119,830,740 <sup>(b)</sup>	37.22
K. H. L. Sdn Bhd	84,457,096	26.23	35,173,644 <sup>(c)</sup>	10.92
United Coconut Fibre Products Sdn Bhd	35,173,644	10.92	-	-
Lembaga Tabung Haji	29,395,700	9.13	-	-

Notes:

- (a) Deemed interest by virtue of his substantial shareholdings in K. H. L. Sdn Bhd and United Coconut Fibre Products Sdn Bhd, and his spouse, Madam Lim Ah Eng's and his sons, Mr. Kua Swee Leong's and Mr. Kua Swee Kiat's direct shareholdings in the Company.
- (b) Deemed interest by virtue of her substantial shareholdings in K. H. L. Sdn Bhd and United Coconut Fibre Products Sdn Bhd and her spouse, Mr. Kua Hock Lai's direct shareholdings in the Company.
- (c) Deemed interest by virtue of its substantial shareholdings in United Coconut Fibre Products Sdn Bhd.

## Notice Of Thirteenth Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Thirteenth Annual General Meeting of the Company will be held at Wisma Hiap Teck, Lot 6096, Jalan Haji Abdul Manan, Batu 5 ½, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan on Wednesday, 16 December 2009 at 12.00 noon for the following purposes:

### AGENDA

#### ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the year ended 31 July 2009 together with the Directors' and Auditors' Reports attached thereon.
2. To approve the payment of Directors' fees of RM215,000 for the year ended 31 July 2009. **Ordinary Resolution 1**
3. To approve a Single Tier Final Dividend of 1.5 sen per share for the year ended 31 July 2009. **Ordinary Resolution 2**
4. To re-elect the following Directors who are retiring in accordance with Article 79 of the Company's Articles of Association:
  - 4.1 Mr. Kua Hock Lai **Ordinary Resolution 3**
  - 4.2 Mr. Kua Swee Kiat **Ordinary Resolution 4**
5. To re-elect the following Directors who are retiring in accordance with Article 84 of the Company's Articles of Association:
  - 5.1 Mr. Ng Soon Lai @ Ng Siek Chuan **Ordinary Resolution 5**
  - 5.2 Mr. Teh Swee See **Ordinary Resolution 6**
  - 5.3 Ms. Ooi Ai Leng **Ordinary Resolution 7**
6. To re-appoint Messrs Ernst & Young as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 8**
7. **AS SPECIAL BUSINESS:**

To consider and, if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions:

  - 7.1 **Re-appointment of Director Pursuant to Section 129 of the Companies Act, 1965** **Ordinary Resolution 9**

**"THAT** pursuant to Section 129 of the Companies Act, 1965, Tan Sri Dato' Alwi Jantan who is over 70 years of age, be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

## Notice Of Thirteenth Annual General Meeting (Cont'd)

### 7.2 Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965

### Ordinary Resolution 10

**“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 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 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.”

### 7.3 Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Renewal of Shareholders’ Mandate”)

### Ordinary Resolution 11

**“THAT** the Company and/or its subsidiaries be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature as specified in Section 2.3.2 of the Circular to Shareholders dated 23 November 2009, 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 and on prices and 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** the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) 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.

**AND FURTHER THAT** such authority shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such Proposed Renewal of Shareholders’ Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“the Act”) (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier.”

## Notice Of Thirteenth Annual General Meeting (Cont'd)

### 7.4 Proposed Renewal of Shareholders' Mandate for Share Buy-Back

### Ordinary Resolution 12

**“THAT** subject to the Companies Act, 1965, the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant regulatory authorities, the Company be and is hereby authorised to renew the approval granted by the shareholders of the Company at Twelfth Annual General Meeting of the Company held on 3 December 2008, authorising the Company to purchase and/or hold up to ten percent (10%) of the issued and paid-up share capital of the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit and expedient in the interest of the Company and an amount not exceeding the retained profits and share premium reserves of the Company, be allocated by the Company for the Proposed Share Buy-Back. The retained profits and share premium reserves of the Company stood at RM56,613.85 and RM25,341,494.11 respectively for the financial year ended 31 July 2009.

**AND THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to cancel such shares or retain such shares as the Treasury Shares or a combination of both. The Directors of the Company are further authorised to resell the Treasury Shares on Bursa Securities or distribute the Treasury Shares as dividends to the shareholders of the Company or subsequently cancel the Treasury Shares or any combination of the three (3).

**AND FURTHER THAT** the Directors of the Company be and are hereby authorised to carry out the Proposed Share Buy-Back immediately upon the passing of this resolution until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the authority shall lapse, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occur first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors of the Company deem fit and expedient in the interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, amendments and/or variations as may be imposed by the relevant authorities.”

- 8. To transact any other business of the Company of which due notice shall be given in accordance with the Company’s Articles of Association and the Companies Act, 1965.

## Notice Of Thirteenth Annual General Meeting (Cont'd)

### NOTICE OF DIVIDEND ENTITLEMENT

**NOTICE IS HEREBY GIVEN THAT** a Single Tier Final Dividend of 1.5 sen per share in respect of the financial year ended 31 July 2009 will be payable on 3 February 2010 to Depositors registered in the Record of Depositors at the close of business on 18 January 2010.

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 18 January 2010 in respect of transfers;
- b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD  
**HIAP TECK VENTURE BERHAD**

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**Ng Yim Kong** (LS 0009297)  
Company Secretary

Selangor Darul Ehsan

23 November 2009

### 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 proportion of his (her) holdings to be represented by each Proxy.
3. The Form of Proxy shall be signed by the appointer or of his (her) attorney duly authorised in writing or, if the appointer 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 ½, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for the Meeting or at any adjournment thereof.

## Notice Of Thirteenth Annual General Meeting (Cont'd)

### EXPLANATORY NOTES ON SPECIAL BUSINESS OF THE AGENDA

#### (a) Re-appointment of Director Pursuant to Section 129 of the Companies Act, 1965

The Proposed Ordinary Resolution 9 under item 7.1 above, is in accordance with Section 129(6) of the Companies Act, 1965 which requires that a separate resolution be passed to re-appoint Tan Sri Dato' Alwi Jantan who is over 70 years of age as Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company. This Resolution must be passed by a majority of not less than three-fourths (3/4) of such members of the Company as being entitled to vote in person or where Proxies are allowed, by Proxy at the Annual General Meeting of the Company.

#### (b) Resolution pursuant to the Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965

The Proposed Ordinary Resolution 10 under item 7.2 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 of not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company and also to empower Directors to obtain approval from Bursa Malaysia Securities Berhad for the listing of and quotation for additional shares issued. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

This is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the Previous Mandate"). No proceeds were raised from the Previous Mandate.

#### (c) Resolution pursuant to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Proposed Ordinary Resolution 11 under item 7.3 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 2.3.2 of the Circular to Shareholders dated 23 November 2009 with the specified classes of the Related Parties mentioned therein which are necessary for the Group's day-to-day operations. For further information on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature, please refer to the Circular to Shareholders dated 23 November 2009 enclosed together with the Company's 2009 Annual Report.

#### (d) Resolution pursuant to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back

The Proposed Ordinary Resolution 12 under item 7.4 above, is to seek the renewal of authority for the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company on Bursa Malaysia Securities Berhad. For further information on the Proposed Renewal of Shareholders' Mandate for Share Buy-Back, please refer to the Circular to Shareholders dated 23 November 2009 enclosed together with the Company's 2009 Annual Report.



## Statement Accompanying Notice Of Thirteenth Annual General Meeting

Details of Directors who are standing for re-election in accordance with Article 79 of the Company's Articles of Association in Agenda 4.1 (Mr. Kua Hock Lai) and Agenda 4.2 (Mr. Kua Swee Kiat) of the Notice of the Thirteenth Annual General Meeting are laid out in the Directors' Profile appearing in pages 4 and 7 of this Annual Report.

Details of Directors who are standing for re-election in accordance with Article 84 of the Company's Articles of Association in Agenda 5.1 (Mr. Ng Soon Lai @ Ng Siek Chuan), Agenda 5.2 (Mr. Teh Swee See) and Agenda 5.3 (Ms. Ooi Ai Leng) of the Notice of the Thirteenth Annual General Meeting are laid out in the Directors' Profile appearing in pages 6 and 8 of this Annual Report.

Details of Director who is standing for re-appointment in accordance with Section 129 of the Companies Act, 1965 in Agenda 7.1 (Tan Sri Dato' Alwi Jantan) of the Notice of the Thirteenth Annual General Meeting are laid out in the Directors' Profile appearing in page 4 of this Annual Report.

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# 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(ies) to vote for \*me/\*us and on \*my/\*our behalf at the Thirteenth Annual General Meeting of the Company to be held at the Wisma Hiap Teck, Lot 6096, Jalan Haji Abdul Manan, Batu 5 ½, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan on Wednesday, 16 December 2009 at 12.00 noon and at any adjournment thereof for or against the resolution(s) to be proposed thereat.

\*My/\*Our Proxy(ies) \*is/\*are to vote on the Ordinary Resolutions as indicated below:

No.	Resolutions	For	Against
1.	To approve the payment of Directors' fees of RM215,000 for the year ended 31 July 2009. <b>Ordinary Resolution 1</b>		
2.	To approve a Single Tier Final Dividend of 1.5 sen per share for the year ended 31 July 2009. <b>Ordinary Resolution 2</b>		
3.	To re-elect the following Directors who are retiring in accordance with Article 79 of the Company's Articles of Association: 3.1 Mr. Kua Hock Lai 3.2 Mr. Kua Swee Kiat <b>Ordinary Resolution 3</b> <b>Ordinary Resolution 4</b>		
4.	To re-elect the following Directors who are retiring in accordance with Article 84 of the Company's Articles of Association: 4.1 Mr. Ng Soon Lai @ Ng Siek Chuan 4.2 Mr. Teh Swee See 4.3 Ms. Ooi Ai Leng <b>Ordinary Resolution 5</b> <b>Ordinary Resolution 6</b> <b>Ordinary Resolution 7</b>		
5.	To re-appoint Messrs Ernst & Young as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration. <b>Ordinary Resolution 8</b>		
6.	<b>SPECIAL BUSINESS</b> 6.1 Re-appointment of Director Pursuant to Section 129 of the Companies Act, 1965. <b>Ordinary Resolution 9</b> 6.2 Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965. <b>Ordinary Resolution 10</b> 6.3 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. <b>Ordinary Resolution 11</b> 6.4 Proposed Renewal of Shareholders' Mandate for Share Buy-Back. <b>Ordinary Resolution 12</b>		

[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 \_\_\_\_\_ 2009

Number of Ordinary Shares held :	
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\_\_\_\_\_  
[Signature/Common Seal of Member]

\* Delete if not applicable

**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 proportion of his (her) holdings to be represented by each Proxy.
3. The Form of Proxy shall be signed by the appointer or of his (her) attorney duly authorised in writing or, if the appointer 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 ½, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for the Meeting or at any adjournment thereof.

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Affix  
STAMP

The Company Secretary  
**HIAP TECK VENTURE BERHAD** (421340-U)  
Lot 6096, Jalan Haji Abdul Manan  
Batu 5 ½, Off Jalan Meru  
41050 Klang  
Selangor Darul Ehsan

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**[www.htgrp.com.my](http://www.htgrp.com.my)**

HIAP TECK VENTURE BERHAD (421340-U)  
Lot 6096, Jalan Haji Abdul Manan  
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          [admin2@htgrp.com.my](mailto:admin2@htgrp.com.my)  
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