HTVB

HIAP TECK VENTURE BERHAD

Registration No. 199701005844 (421340-U)

2023 ANNUAL REPORT

OUR VISION

- To be the Leading Steel Company in the region

OUR MISSION

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

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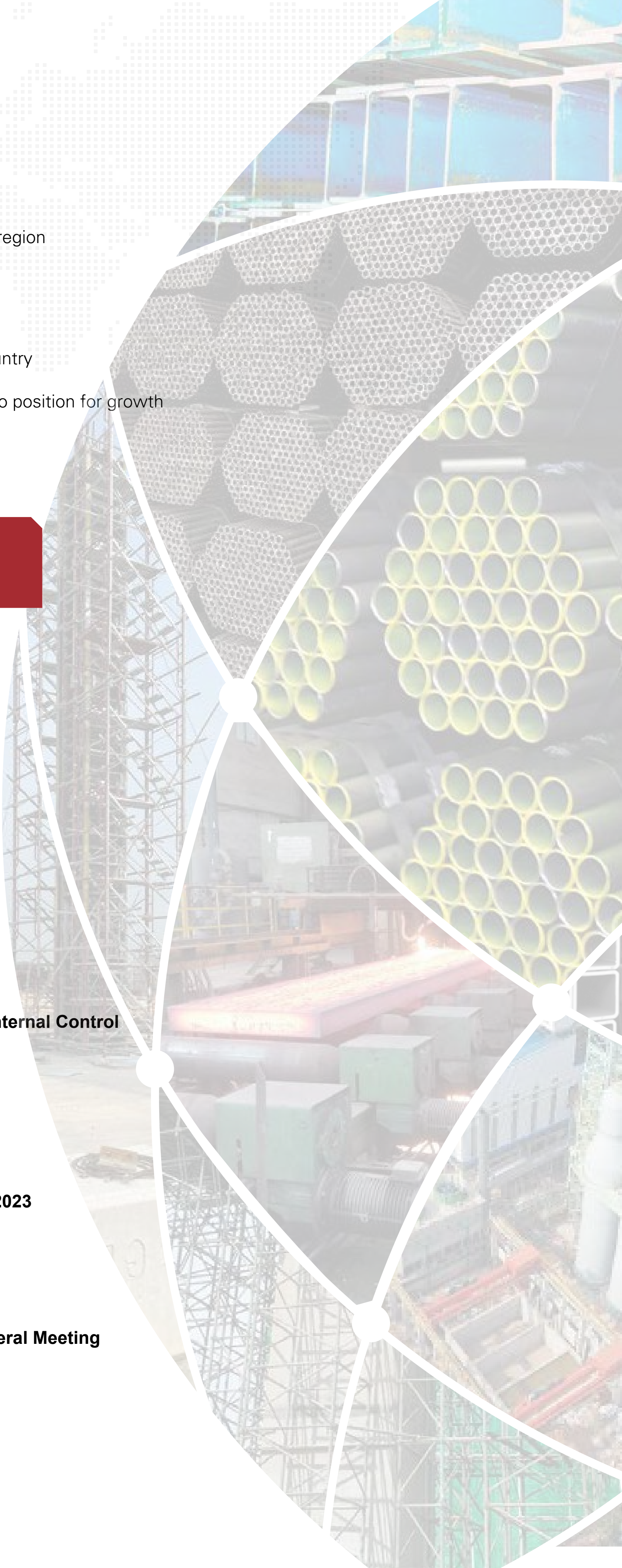


CORPORATE STRUCTURE

HTVB

HIAP TECK VENTURE BERHAD

Registration No. 199701005844 (421340-U)

- **100% Hiap Teck Hardware Sdn. Bhd.** 199301021598 (276336-A) — Importer, exporter, general dealer and lessor of steel products, hardware and building materials
- **100% Huatraco Scaffold Sdn. Bhd.** 199201009007 (240510-T) — Manufacturing, selling, renting and transporting of scaffolding equipment and range of steel products
  - **100% Huatraco Contracts Sdn. Bhd.** 199301027982 (282720-D) — Dormant
  - **100% Huatraco Investment Pte. Ltd.** (201102260E) — Investment holding
    - **100% Huatraco Singapore Pte. Ltd.** (201103457N) — Scaffolding works and wholesale of industrial, construction and related machinery and equipment
  - **100% Huatraco Scaffold (Sabah) Sdn. Bhd.** 202001007460 (1363780-P) — Dormant
- **100% Alpine Pipe Manufacturing Sdn. Bhd.** 199301013106 (267844-V) — Manufacturing and selling of pipes, hollow sections and other steel products
  - **49% Jetama Alpine Pipe (Sabah) Sdn. Bhd.** 202001025950 (1382270-T) — Dormant
- **27.3% Eastern Steel Sdn. Bhd.** 200101021275 (557033-V) — Manufacturing, selling and dealing in a range of steel products using blast furnace plant
  - **49% Eastern Power Resources Sdn. Bhd.**
- **100% Hiap Teck Resources Sdn. Bhd.** 199601037570 (409923-P) — Investment holding
  - **55% Vista Mining Sdn. Bhd.** 201301006933 (1036773-K) — Exploring, contracting and all activities related to the mining, processing and sale of iron ore
- **100% Tiek Hong Hardware (B'worth) Sdn. Bhd.** 199301023740 (278478-T) — Dormant
- **100% Briliant Decade Transport Agency Sdn. Bhd.** 199301015521 (270261-D) — Provision of transportation services
- **100% Nexus Pacific Property Sdn. Bhd.** 199401027602 (313284-V) — Dormant
- **51% Eastern Power Resources Sdn. Bhd.** 202101035573 (1435873-T) — Sale of excess electricity generated by Eastern Steel Sdn. Bhd. to the grid.
- **65% Geopintar E&C Sdn. Bhd.** 201601039476 (1210417-T) — Contractor specialising in geotechnical and civil engineering work including special foundations, underground works, group improvements, pollution treatments and control

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN/INDEPENDENT NON-EXECUTIVE DIRECTOR
- Tan Sri Dato' Sri Mohamad Fuzi Bin Harun

EXECUTIVE DEPUTY CHAIRMAN
- Tan Sri Dato' Seri Law Tien Seng

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR
- Mr. Lee Ching Kion

INDEPENDENT NON-EXECUTIVE DIRECTORS
- Mr. Sherman Lam Yuen Suen
- Mr. Chen Thien Yin
- Dato' Ooi Lay See

EXECUTIVE DIRECTORS
- Mr. Foo Kok Siew
- Mr. Tan Shau Ming
- Mr. Law Wai Cheong

AUDIT COMMITTEE

CHAIRMAN
- Mr. Sherman Lam Yuen Suen

MEMBERS
- Mr. Lee Ching Kion
- Mr. Chen Thien Yin

REMUNERATION COMMITTEE

CHAIRMAN
- Mr. Sherman Lam Yuen Suen

MEMBERS
- Mr. Lee Ching Kion
- Mr. Chen Thien Yin

NOMINATING COMMITTEE

CHAIRMAN
- Mr. Lee Ching Kion

MEMBERS
- Mr. Sherman Lam Yuen Suen
- Mr. Chen Thien Yin
- Dato' Ooi Lay See

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

CHAIRMAN
- Mr. Lee Ching Kion

MEMBERS
- Mr. Foo Kok Siew
- Mr. Sherman Lam Yuen Suen
- Mr. Chen Thien Yin

COMPANY SECRETARY

- Ng Yim Kong (MACS 00305)
  (SSM PC No. 202080000309)
  c/o Strategy Corporate Secretariat Sdn. Bhd.
  Unit 07-02, Level 7, Persoft Tower
  6B, Persiaran Tropicana
  47410 Petaling Jaya
  Selangor Darul Ehsan, Malaysia
  Tel No .: (6)03-7804 5929
  Fax No.: (6)03-7805 2559

REGISTRAR

- Boardroom Share Registrars Sdn. Bhd.
  199601006647 (378993-D)
  11th Floor, Menara Symphony
  No. 5, Jalan Prof. Khoo Kay Kim
  Seksyen 13
  46200 Petaling Jaya
  Selangor Darul Ehsan, Malaysia
  Tel No. : (6)03-7890 4700
  Fax No. : (6)03-7890 4670

EXTERNAL AUDITORS

- KPMG PLT (LLP0010081-LCA & AF 0758)
  Chartered Accountants
  Level 10, KPMG Tower
  8, First Avenue, Bandar Utama
  47800 Petaling Jaya
  Selangor Darul Ehsan, Malaysia

HEAD OFFICE & REGISTERED OFFICE

- Lot 6096, Jalan Haji Abdul Manan
  Batu 5½, Off Jalan Meru
  41050 Klang
  Selangor Darul Ehsan, Malaysia
  Tel No. : (6)03-3377 8888
  Fax No.: (6)03-3392 9198
  Website: www.htgrp.com.my

PRINCIPAL BANKERS

- AmBank (M) Berhad
- Alliance Bank Malaysia Berhad
- Malayan Banking Berhad
- Maybank Islamic Berhad
- HSBC Bank Malaysia Berhad
- Hong Leong Bank Berhad
- Al Rajhi Banking & Investment Corporation (Malaysia) Bhd

STOCK EXCHANGE

- Bursa Malaysia Securities Berhad
  (Main Market)
  Stock code: 5072

DIRECTOR'S PROFILE

TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN

Chairman/ Independent Non-Executive Director
Malaysian, age 64

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun was appointed to the Board of the Company as Chairman and Independent Non-Executive Director on 22 March 2023.

Tan Sri Dato' Sri Mohamad Fuzi is a retired Inspector-General of the Royal Malaysia Police (IGP) who had served the Police Force for 35 years.

Tan Sri Dato' Sri Mohamad Fuzi graduated with a Bachelor of Arts (Honours) degree from Universiti Malaya in 1983, obtained his Master in Anthropology and Sociology from Universiti Kebangsaan Malaysia in 1991 and completed the Advance Management and Leadership Programme from the SAID Business School at Oxford University, UK in 2014.

Tan Sri Dato' Sri Mohamad Fuzi joined the Royal Malaysia Police in 1984. After completion of the basic police training, he was attached to the Special Branch Department from 1986 to 2014 and served in various capacities, including Deputy Director of the Special Branch and Director of Special Task Force on operation and counter terrorism. He had also served as the Director of the Management Department for more than a year and was subsequently promoted as the Director of the Special Branch in July 2015.

In September 2017, he was further promoted as the IGP, the highest ranking position in the Royal Malaysia Police, until his retirement in May 2019.

Currently, Tan Sri Dato' Sri Mohamad Fuzi is the Chairman and Independent Non-Executive Director of Jaya Tiasa Holdings Berhad, Tropicana Corporation Berhad and SIAB Holdings Berhad and an Independent Non-Executive Director of Ancom Nylex Berhad. Tan Sri Dato' Sri Mohamad Fuzi also holds directorships in several private limited companies.

Tan Sri Dato' Sri Mohamad Fuzi has no family relationship with any Directors and/or Major Shareholders of the Company, nor any conflict of Interest with the Company. He has no conviction for any offence over the past ten years.

He has attended 2 board meetings of HTVB held during the financial year ended 31 July 2023 from date of appointment.

TAN SRI DATO' SERI LAW TIEN SENG

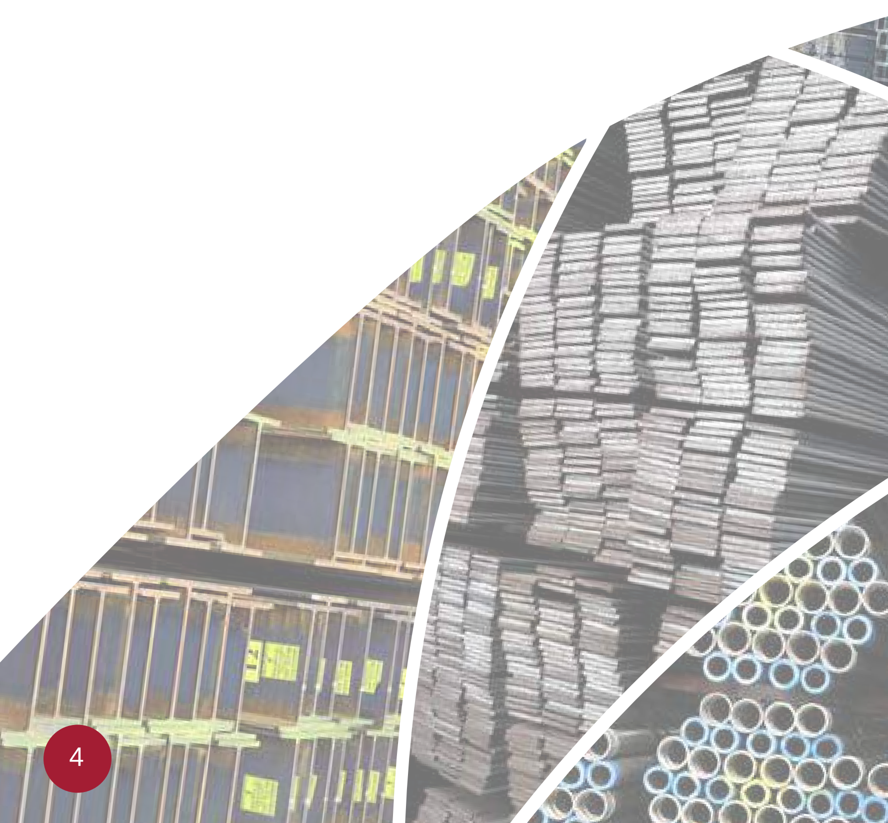
Executive Deputy Chairman
Malaysia, age 70

Tan Sri Dato' Seri Law Tien Seng was appointed to our Board as the Deputy Chairman and Non-Independent Non-Executive Director on 1 June 2010. He was re-designated as Executive Deputy Chairman on 3 August 2011.

Tan Sri Dato' Seri Law is an entrepreneur and he founded the TS Law Group more than 30 years ago. The TS Law Group is engaged in a diversified portfolio of businesses encompassing steel production and distribution, mining, property development and investments in Malaysia, China, Australia and the United Kingdom. He currently serves on the board of several private limited companies in Malaysia.

Tan Sri Dato' Seri Law is the father of Mr. Law Wai Cheong, an Executive Director of HTVB and Mr. Law Wai Ho, the Deputy Chief Operating Officer of HTVB. He is deemed to have interest in HTVB via his indirect interest in TS Law Investments Limited, a major shareholder of HTVB. He has no conflict of interest with the Company and has no conviction for any offence over the past ten years.

He has attended all the 4 board meetings of HTVB held during the financial year ended 31 July 2023.



LEE CHING KION

Senior Independent Non-Executive Director
Malaysian, age 69

- **Chairman of the Nominating Committee**
- **Chairman of the Sustainability and Risk Management Committee**
- **Member of the Audit Committee**
- **Member of the Remuneration Committee**

Mr. Lee Ching Kion was appointed to our Board as the Executive Director and Group Chief Operating Officer on 1 June 2010. Mr. Lee was then re-designated as Non-Independent Non-Executive Director on 29 March 2012 and on 26 September 2014, he was re-designated as Independent Non-Executive Director.

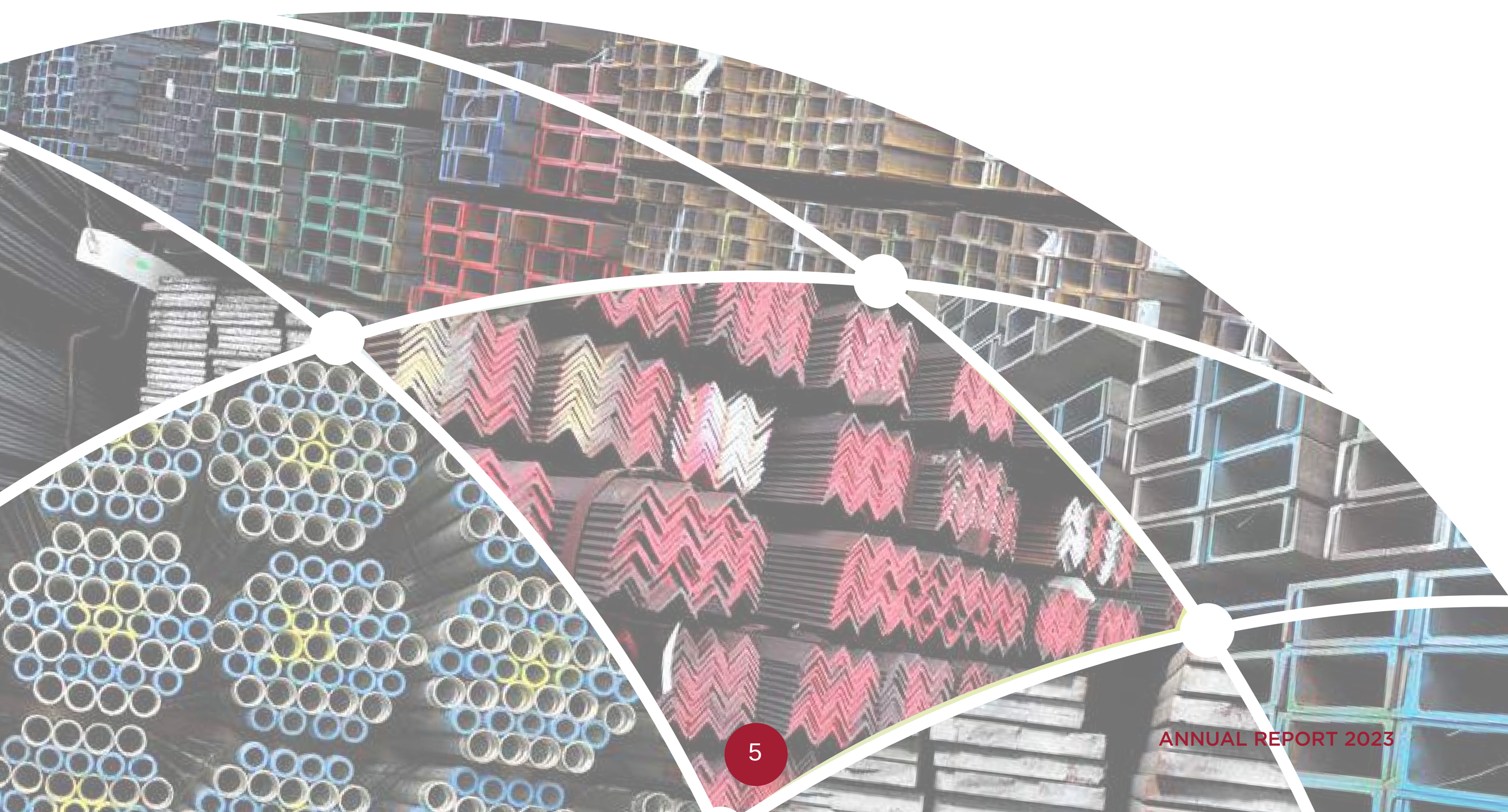
Mr Lee obtained his Bachelor of Science Degree with Honours in Metallurgy and Materials Science from University of Nottingham, England. He was with Yodoshi Malleble (M) Sdn. Bhd. from 1979 to 1981. He then joined Jebsen-Jessen Engineering Sdn. Bhd. as Degussa Sales Engineer in 1981. In 1983, he left to join Amsteel Mills Sdn. Bhd. as Sales Engineer and later as Head of Research & Development and Quality Control Department. He was there for seven (7) years. He joined Wuthelam Holding (M) Group of Companies as General Manager in 1990 and was later appointed as a Director in 1991 until he left in 1997.

Subsequently, he was with DNP Holdings Berhad as Head of Property/Business Division from 1997 to 2001. From 2001 to 2003, he was concurrently the Managing Director of Posim Berhad, the Chief Executive Officer of Bright Steel Sdn. Bhd. and the Commercial Director of Steel Division, all within the Lion Group. He resigned from all his positions within the Lion Group in June 2003. He was also the Director of Malayawata Steel Berhad, Magna Prima Berhad, Melewar Industrial Group Berhad, Hua Joo Seng Enterprise Berhad and Mid West Ltd, an Australian company.

He currently serves on the board of several private limited companies.

Mr. Lee has no family relationship with any Directors and/or Major Shareholders of the Company, nor any conflict of interest with the Company. He has no conviction for any offence over the past ten years.

He has attended all the 4 board meetings of HTVB held during the financial year ended 31 July 2023.



SHERMAN LAM YUEN SUEN
Independent Non-Executive Director
Malaysian, age 50

- **Chairman of the Remuneration Committee**
- **Chairman of the Audit Committee**
- **Member of the Nominating Committee**
- **Member of the Sustainability and Risk Management Committee**

Mr. Sherman Lam Yuen Suen was appointed to the Board of the Company as Independent Non-Executive Director on 21 December 2020.

Mr. Lam holds a Master's degree in Business Administration (Finance) from Charles Sturt University, Australia. He is a Chartered Accountant of the Malaysian Institute of Accountants, a Fellow of the Chartered Institute of Management Accountants, United Kingdom, a Fellow of CPA Australia, a Chartered Member of the Institute of Internal Auditors of Malaysia, a Member of the Institute of Corporate Directors Malaysia and a CFP™ Certified Member of the Financial Planning Association, Malaysia.

Mr. Lam started his career with Fulton Prebon (M) Sdn. Bhd., a financial services subsidiary of Seacorp (a PNB company) in 1994. He then joined Utama Merchant Bank Berhad, (an investment bank jointly owned by Utama Banking Group Berhad and HSBC Investment Bank Asia Ltd) in 1997, as its Chief Dealer and Treasury Manager.

Thereafter in mid-2000, he joined Nikkei Pacific Corporate Advisors, then a leading regional corporate finance advisory firm as an Associate Director where he advised on several large corporate restructuring and capital raising exercises in Indonesia and Malaysia.

Since mid-2002, Mr. Lam has been the Managing Director of Cirrus Ventures group, a regional private equity/venture capital investments and corporate strategic consulting services firm. He has more than 25 years of demonstrated, broad-based senior management experience in corporate advisory, treasury management, capital markets, corporate finance and investments with financial institutions as well as corporate board experience in listed public and privately held entities in Malaysia, Singapore, Indonesia and China. Sherman is also the Managing Partner of Sherman Lam & Co, a Chartered Accountant firm and the current Deputy Secretary-General of the China-ASEAN (Malaysia) Entrepreneurs Association.

Mr. Lam currently serves as an Independent Non-Executive Director on the Board of Directors of Gadang Holdings Berhad. He has previously served on the Board of Directors of Bintai Kinden Corporation Berhad from 2010 to 2013 and Asian Pac Holdings Berhad from 2019 to 2023, as an Independent Non-Executive Director.

Mr. Lam has no family relationship with any Directors and/or Major Shareholders of the Company, nor any conflict of interest with the Company. He has no conviction for any offence over the past ten years.

He has attended all the 4 board meetings of HTVB held during the financial year ended 31 July 2023.

CHEN THIEN YIN

Independent Non-Executive Director

Malaysian, age 56

- **Member of the Remuneration Committee**
- **Member of the Audit Committee**
- **Member of the Nominating Committee**
- **Member of the Sustainability and Risk Management Committee**

Mr. Chen Thien Yin was appointed to the Board of the Company as Independent Non-Executive Director on 3 January 2023.

Mr. Chen holds a Degree in Finance and Management Information Systems from Syracuse University, USA. He is a seasoned banking professional with more than 30 years' experience working in major International Financial institutions in Retail, Corporate and Investment banking in Malaysia, Singapore and Vietnam. He has a proven track record in leading team of diverse cultures and geography.

Mr. Chen has well rounded experiences in Strategic Planning, Risk Management (compliance, credit, market and operational), Client Engagement (Large Local Corporate, Commercial Banking, Government Linked Corporates, Financial Institutions and Public Sector), Products (Financing, Transaction Banking – Cash Management and Trade Solutions, Global Markets and Investment Banking), and Banking Operations in both Conventional and Islamic Banking Institutions.

Mr. Chen has vast experience in Retail, Global Markets, Corporate and Investment banking in growth markets of Malaysia, Singapore and Vietnam. He has held senior positions in Hong Leong Bank, Standard Chartered, Royal Bank of Scotland, JP Morgan and Al Rajhi Bank Malaysia.

Mr. Chen has no family relationship with any Directors and/or Major Shareholders of the Company, nor any conflict of Interest with the Company. He has no conviction for any offence over the past ten years.

He has attended 2 board meetings of HTVB held during the financial year ended 31 July 2023 from date of appointment.

DATO' OOI LAY SEE

Independent Non-Executive Director

Malaysian, age 63

- **Member of the Nominating Committee**

Dato' Ooi Lay See ("Dato' Daisy Ooi") was appointed to the Board of the Company as Independent Non-Executive Director on 1 June 2023.

Dato' Daisy Ooi has more than 30 years of hands-on experience in the property development, construction and property investment and management industry in Malaysia. Throughout her 30 years career she has served as Executive Director and Managing Director in various companies in the property development, construction and property investment and management industry in Malaysia including a public company formerly listed on Bursa Malaysia. Dato' Daisy Ooi was also the CEO at Law Developments Sdn. Bhd. from June 2015 to June 2020.

She has spearheaded various areas of the property development, construction and property investment and management industry ranging from business planning, management and strategies, sales and marketing both domestically and in international markets, technical and regulatory compliance and governmental affairs contributing to the overall success of the various companies that she had positions in.

Dato' Daisy Ooi attended the General Management Programme by the Wharton School, University of Pennsylvania at the Singapore Management University in 2001.

Dato' Daisy Ooi was also an active participant in several industry organisations to advocate and promote the overall interests of the property development, construction and property investment and management industry especially in the northern state of Penang. She served as the President of FIABCI Malaysia Chapter, Penang branch from 2010 to 2012 and was subsequently re-elected to serve a second term from 2012 to 2014. She was also a Committee Member of REHDA Penang Branch. In addition, Dato Daisy Ooi also served as an active Member of Industry Advisory Panel of Taylors College, School of Pre-University Studies from 2018 to 2020. Since 2014 she has been an active member of the Selections Committee of the Penang Future Foundation which manages the Penang State Governments scholarship program for deserving students.

Dato' Daisy Ooi has no family relationship with any Directors and/or Major Shareholders of the Company, nor any conflict of interest with the Company. She has no conviction for any offence over the past ten years.

She has attended 1 board meeting of HTVB held during the financial year ended 31 July 2023 from date of appointment.

FOO KOK SIEW
Executive Director
Malaysian, age 62

- **Member of the Sustainability and Risk Management Committee**

Mr. Foo Kok Siew was appointed to our Board as Independent Non-Executive Director on 24 February 2010. He was re-designated as Executive Director on 1 January 2013.

Mr. Foo holds a Bachelor of Economics Degree from Monash University, Melbourne. He started his career at the Chase Manhattan Bank, Kuala Lumpur in 1985 and since then, he has held senior positions with various corporations including Carr Indosuez Asia Limited, Hong Kong, Insas Berhad, HLG Capital Berhad and Kejora Harta Berhad. He was the Chief Executive Director of Alliance Investment Bank Berhad (2004 to 2006). He also sits on the board of several other private limited companies.

Mr. Foo has no family relationship with any Directors and/or Major Shareholders of the Company, nor any conflict of interest with the Company. He has no conviction for any offence over the past ten years.

He has attended all the 4 board meetings of HTVB held during the financial year ended 31 July 2023.

TAN SHAU MING
Executive Director
Malaysian, age 60

Mr. Tan Shau Ming joined Alpine Pipe Manufacturing Sdn. Bhd., a wholly-owned subsidiary of our Company, as Chief Production Officer in March 2012 and was subsequently appointed to our Board as Executive Director on 26 September 2014.

Mr. Tan was an Executive Director at TAP Resources Berhad from 1999 until 2004, and he was also a member of its Remuneration Committee. His responsibilities in the company included property development, human resources and administration. Thereafter, he joined Ji Kang Dimensi Sdn. Bhd., a Hot Rolled Steel Plate manufacturing company based in Gebeng, Kuantan as Executive Director until 2012. His responsibilities in the company included factory operations, logistics and transportation.

Mr. Tan has no family relationship with any Directors and/or Major Shareholders of the Company nor any conflict of interest with the Company. He has no conviction for any offence over the past ten years.

He has attended all the 4 board meetings of HTVB held during the financial year ended 31 July 2023.

LAW WAI CHEONG
Executive Director
Malaysian, age 37

Mr. Law Wai Cheong was appointed as Executive Director of HTVB on 3 January 2017.

Mr. Law holds a LLB (Hons) Cardiff, United Kingdom; Barrister-at-law, Lincoln's Inn; and Msc in Management (Merit) London, United Kingdom. Mr. Law started his career with Hong Leong Investment Bank Berhad (HLIB). While in HLIB, he focused on areas of corporate finance and corporate advisory. Subsequently, Mr. Law chambered at the Law Office of KK Chong for 9 months.

Mr. Law is a Director of TS Law Group, a diversified group of companies engaged in steel production, mining and property development and investments in Malaysia, China, Australia and the United Kingdom.

Mr. Law is the son of Tan Sri Dato' Seri Law Tien Seng, a major shareholder and the Executive Deputy Chairman of HTVB and the sibling of Mr. Law Wai Ho, the Deputy Chief Operating Officer of HTVB. He has no conviction for any offence over the past ten years.

He has attended all 4 board meetings of HTVB held during the financial year ended 31 July 2023.

KEY MANAGEMENT PROFILE

PHANG CHIN KHIONG
Group Chief Operating Officer ("COO")
Malaysian, age 54

Mr. Phang Chin Khiong was appointed as the Group's COO in August 2017. Prior to that, Mr. Phang was the Chief Commercial Officer of Alpine Pipe Manufacturing Sdn. Bhd. and Hiap Teck Hardware Sdn. Bhd..

Mr. Phang was with Wing Tiek Steel Pipes Sdn. Bhd. as Assistant Sales Manager before he left to pursue a career in the steel industry with Alpine Pipe Manufacturing Sdn. Bhd.. He was appointed as Executive Director of HTVB in June 2007, after serving the Board for more than 2 years he then resigned from his Director position in August 2009 to fully focus on his sales and marketing role. With more than 30 years of experience in the industry, he has accumulated invaluable experience and knowledge in the sale and marketing of iron and steel products.

LAW WAI HO
Group Deputy Chief Operating Officer
Malaysian, age 27

Mr. Law Wai Ho was appointed as the Group's Deputy Chief Operating Officer in August 2022.

Mr. Law holds a Master Degree in Civil Engineering from Imperial College London, United Kingdom. He started his career with Huatraco Scaffold Sdn. Bhd. as Director – Business Development in July 2020.

HOO WENG KEONG, RAYMOND
Group Chief Financial Officer ("CFO")
Malaysian, age 55

Mr. Hoo Weng Keong was appointed as Director of Finance on 15 October 2021 and was re-designated as Group CFO in January 2022.

Mr. Hoo holds a Bachelor Degree in Accounting from University of Malaya, Malaysia. He is a member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.

He began his career with the Lion Group in 1993 and subsequently held various positions in a number of its listed subsidiaries within the group in Malaysia whose business activities spanned over manufacturing, trading and property development. He then moved to a listed group engaged in manufacturing and trading of industrial electrical products in 1997 as Senior Accountant heading the finance function of few subsidiaries.

In 1998, he joined Metrod Holdings Berhad, a listed company involving in manufacturing and trading of copper products. His last position with Metrod was Senior General Manager- Finance.

He has 30 years of post-qualification experience in spearheading corporate and financial planning initiatives and strategy in accounts, finance, auditing, taxation, treasury management, supply chain management and MIS reporting.

TAN YUEN HONG, ALEX
Chief Commercial Officer
Malaysian, age 57

Mr. Tan Yuen Hong was re-appointed as Chief Commercial Officer for the Project Division of Hiap Teck Hardware Sdn. Bhd. ("HTH") in January 2022. Prior to that, Mr. Tan was Chief Commercial Officer of Huatraco Scaffold Sdn. Bhd. from July 2017 to December 2021. He was Chief Commercial Official for Project Division of HTH from 2011 to July 2017.

Mr. Tan started his career in 1985 when he joined the sales department of Wing Tiek Holdings Bhd. He spent 8 years in Wing Tiek Holdings Berhad before joining HTH, a wholly-owned subsidiary of HTVB in 1993. His more than 30 years of experience in marketing has accorded him familiarity with the hardware trading business.

SEH KWANG WEOI, MICHAEL
Chief Commercial Officer
Malaysian, age 55

Mr. Seh Kwang Weoi was appointed as Chief Procurement Officer for both the Manufacturing and Trading divisions of the Group in 2011. In August 2017, his role was expanded to include the position of Chief Commercial Officer for Hiap Teck Hardware Sdn. Bhd..

Mr. Seh holds a Bachelor of Commerce Degree and a Master of Business Administration from Pittsburgh State University, United States of America.

He started his career in 1994 as Personal Assistant to General Manager of Bright Steel Sdn. Bhd., a company under Lion Group acting as steel service centre supplying hot-rolled and cold rolled steel sheets and other related steel products. Mr. Seh was delegated to be in charge of purchasing steel material as well as marketing of the company's steel products. In 1998, he was transferred to Megasteel Sdn. Bhd. as Senior Marketing Officer.

In 2001, he joined Solid Hope Sdn. Bhd. as the Marketing Manager overseeing the operation of the Company as well as the marketing of the Company's steel products. He was with Solid Hope Sdn. Bhd. from 2001 to 2004. With more than 20 years of experience in the industry, he has accumulated invaluable experience and knowledge in iron and steel products.

1. Family Relationship with Director and / or major shareholder

Mr. Law Wai Ho is the son of Tan Sri Dato' Seri Law Tien Seng, a major shareholder and the Executive Deputy Chairman of HTVB and the sibling of Mr. Law Wai Cheong.

2. Conviction of Offences

All key senior management officers have not been convicted of any offences over the past ten years.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Hiap Teck Venture Berhad ("HTVB") and its subsidiaries ("the Group") for the financial year ended 31 July 2023.

GDP Growth 2023
Global : 3.0%
Malaysia : 4.0% to 5.0%

Apparent Steel Consumption 2023
World : 1,814.5 million MT
Malaysia : 7.8 million MT

WORLD ECONOMY

In the World Economic Report released in October 2023, the International Monetary Fund (IMF) had forecasted global economic growth to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024. Advanced economies are expected to slow from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024 as policy tightening starts to bite. Emerging market and developing economies are projected to have a modest decline in growth from 4.1% in 2022 to 4.0% in 2023 and 2024. The global economic landscape is confronted by formidable challenges arising from a confluence of factors. These include the ongoing repercussions of the pandemic, the impact of higher interest rates aimed at combating elevated inflation levels, the conflict between Russia and Ukraine, and now faces a new uncertainty from the war in the Middle East.

These multifaceted challenges are expected to lead to a deceleration in global economic growth in the latter part of the current year, with a continuation of this subdued pace anticipated into 2024. The persistence of inflationary pressures and the implementation of stringent monetary measures are expected to exert substantial constraints on economic activities.

Furthermore, recent strains witnessed in the banking sectors of advanced economies are likely to result in more restrictive lending conditions, further dampening economic activities. If these banking challenges escalate and monetary policies become even more restrictive, it could exacerbate the global growth slowdown. Additionally, the escalating borrowing costs in advanced economies may disrupt financial stability in vulnerable emerging market and developing economies.

WORLD STEEL DEMAND

According to the October 2023 Short Range Outlook (SRO) released by the World Steel Association, global steel demand is poised for a rebound of 1.8% in 2023 to reach a total of 1,814.5 million metric tons (MT) after contracting 3.3% in 2022. The report also anticipates a growth of 1.9% in 2024, resulting in a total global steel demand of 1,849.1 million MT. The resurgence in steel demand is expected to be primarily driven by the manufacturing sector, although the persistent high interest rates are expected to exert a dampening effect on steel demand. Looking ahead to 2024, growth is predicted to gain momentum in most regions, while the outlook for China remains uncertain depending on the policy directions to tackle the current economic difficulties.

MALAYSIA ECONOMY

In 2022, the Malaysian economy achieved a robust annual growth, surging at an impressive year-on-year rate of 8.7%, surpassing the previous estimate of 6.5% to 7.0% made in October 2022. This marked the fastest annual GDP growth since the year 2000. The relaxation of COVID-19 restrictions in early 2022 played a pivotal role in driving a resurgence in private consumption. Furthermore, the export sector exhibited substantial growth, benefiting from surging global commodity prices and robust expansion in manufacturing exports.

However, the momentum of Malaysia's economic growth is expected to noticeably ease in 2023 due to several challenges. These challenges include the influence of high base year effects and a slowdown in export growth. An encouraging factor is the anticipated gradual recovery in international tourism visits from regions such as Asia, the Middle East, and Europe. In the face of a challenging global environment, Bank Negara Malaysia has maintained the country's GDP growth outlook at between 4.0% and 5.0% for 2023, supported by macroeconomic stability, firm domestic demand, tourism sector recovery and ongoing multi-year infrastructure projects. The World Bank's East Asia and Pacific (EAP) Economic Update released in October 2023, stated that Malaysia's economic growth is expected to moderate to 3.9% in 2023 from an earlier projection of 4.3% in April this year amid a substantial deceleration of external demand. However, domestic demand would continue to support Malaysia's economic resilience this year while a limited fiscal space remained a key challenge for the economy.

In the construction sector, the value of completed projects increased by 8.8% in 2022, reversing a two-year declining trend. This upturn can be primarily attributed to the favourable performance of non-residential buildings and specialised construction activities subsectors. This sector is expected to experience a 6.1% growth in 2023, supported by the initiation of new projects such as the Klang Valley Double Track (KDVT) Phase 2 upgrade and the acceleration of ongoing projects like the East Coast Rail Link and the rollout of the 5G network, particularly benefiting the civil engineering subsector.

MALAYSIA STEEL DEMAND

The Malaysian Iron and Steel Industry Federation ("MISIF") has projected the domestic steel demand to continue its gradual recovery throughout 2023, although it is expected to remain below the levels observed before the onset of the COVID-19 pandemic. In 2022, Apparent Steel Consumption (ASC) in Malaysia saw a notable increase, rising by 6.9% to reach 7.5 million MT. Looking ahead, it is anticipated that ASC will grow 4.1% in 2023, reaching 7.8 million MT, and further expand by another 4.1% to reach 8.1 million MT in 2024.

CORPORATE DEVELOPMENT

The Group's 27.3%-owned joint venture company, Eastern Steel Sdn. Bhd. (ESSB), has successfully ignited its newly completed 1,380 m3 Blast Furnace Plant on 1 August 2023, and commenced first production on 8 October 2023.

ESSB is principally involved in the manufacturing, selling and dealing in a range of steel products using the blast furnace. With the successful ignition of the new blast furnace, ESSB's production capacity will increase from the current 700,000 MT of steel slabs and billets per annum to a total of 2,700,000 MT per annum. ESSB's production is targeted to be sold locally to satisfy domestic demand and also exported to neighbouring countries principally in Southeast Asia and North Asia.

The completion of ESSB's new blast furnace plant will lead to multi-folds increase in ESSB's revenue with significant cost savings arising from greater economies of scale. The Board looks forward to greater contributions from ESSB.

FINANCIAL PERFORMANCE

Despite signs of economic and construction sector recovery, the market has remained challenging due to several disruptive factors which include a sharp decline in steel prices, highly volatile foreign exchange environment and rapid interest rate hikes.

In the face of a challenging and unpredictable market environment, our financial year (FY) 2023 concluded with the Group reporting a sharp drop in net profit attributable to shareholders at RM30.91 million as compared to the RM156.01 million achieved in the previous financial year. This figure included the share of the JV entity's net profit, which stood at RM44.52 million in FY2023 (compared to RM52.70 million in FY2022). Our downstream subsidiaries suffered a loss before tax of RM14.05 million, as contrast to the profit before tax of RM137.20 million recorded in the preceding financial year.

For the full FY2023, Group's revenue improved marginally to RM1,585.21 million from RM1,583.28 million recorded in the preceding financial year. This nominal growth was attributed to a 25% increase in sales volumes offset by a significant decline in average selling prices during the period. However, the Group's operating profit fell 97% to RM4.25 million in FY2023 from the RM147.99 million registered in the preceding financial year due primarily to the elevated cost of inventories brought forward, resulting in a considerable reduction in profit margins.

The Group's JV entity, ESSB, continued to show outstanding performance in FY2023. ESSB achieved a remarkable revenue of RM2.24 billion for the financial year and reported a profit after tax of RM163.06 million. This represents an improvement compared to the RM192.23 million in the preceding financial year, which included an impairment loss write-back of RM100 million. ESSB's sustained growth in FY2023 can largely be attributed to two key factors: the completion of its 55 MW power plant in October 2019 and the addition of a 50 MW power plant during the financial year. Furthermore, the completion of the 700,000 MT coke oven plants by August 2023 is expected to yield further cost savings. In FY2023, the Group recorded a share of profit amounting to RM44.52 million from ESSB, a decrease from RM52.70 million in the previous financial year. During FY2023, ESSB achieved a record-high production level of 808,865 MT of steel products, compared to 808,445 MT in FY2022. This production comprised 495,399 MT of slabs and 313,466 MT of billets, all of which were successfully sold in both Malaysia and exported to neighbouring markets such as Indonesia, Thailand, Vietnam, India, South Korea, and the Philippines. Additionally, ESSB expanded its market reach by venturing into new markets like Turkey and Mexico.

the Group's net profit
RM30.91
million

As at end of FY2023, the Group's total borrowings amounted to RM539.08 million, while its cash and cash equivalents totaled RM134.32 million. Shareholders' funds amounted to RM1.29 billion with a Net Assets per Share of RM0.74.

BOARD COMPOSITION AND CORPORATE GOVERNANCE

Our Board comprises individuals with a wide range of skills, experience, and expertise, and I am confident that it offers a well-balanced mix that can greatly enhance the Board's effectiveness. In order to foster sustainable growth, it is crucial that our governance framework remains adaptable to the rapidly evolving market landscape. The Board is dedicated to ensuring that risk management is carried out transparently and effectively across all our business ventures. I have full faith in our Board's capability to achieve this, and we are unwavering in our commitment to upholding the highest standards of corporate governance.

REWARDING SHAREHOLDERS

The Board of Directors are pleased to recommend for shareholders' approval at the forthcoming Annual General Meeting ("AGM") a first and final single tier dividend of 0.5 sen per ordinary share for the financial year ended 31 July 2023. If approved by shareholders at the AGM to be held on 15 December 2023, the dividend will be paid on 19 January 2024.

IN APPRECIATION

FY2023 has been a year with considerable challenges and changes for the Group, and it is with deep gratitude that we acknowledge how these challenges were surmounted through the unwavering dedication of our exceptional team and the support of numerous stakeholders.

First of all, on behalf of the Board, I wish to express our sincere appreciation for the remarkable service of our former Chairman and Independent Non-Executive Director (INED), Tan Sri Abd Rahman bin Mamat, as well as our former INED, Mr. Leow Hoi Loong @ Liow Hoi Loong. Their contributions to the Company have been invaluable.

We take this opportunity to extend our heartfelt welcome to our new esteemed directors Mr. Chen Thien Yin and Dato' Ooi Lay See whom joined the Board in the current financial year. I am also deeply honoured to be appointed Chairman, following the exemplary work of my predecessor. I am committed to upholding and building upon his outstanding legacy. We also proudly welcome Dato' Ooi as our first woman director. Her leadership will bring a fresh perspective and together we will embark on the journey to lead the Group to greater heights.

We also like to thank our shareholders, customers, suppliers, business partners, financiers, and regulatory authorities for their steadfast support, invaluable guidance, and belief in our Group.

Our management team and employees have been the foundation of our accomplishments, consistently displaying unwavering dedication to their roles. We deeply appreciate their commitment, sacrifices, hard work, and diligence, particularly during these testing times.

Finally, our gratitude extends to our JV partner in ESSB, the Beijing Jianlong Group, for their exceptional contributions, technical support, and ongoing cost-saving measures that have greatly contributed to ESSB's outstanding performance in FY2023. We are committed to giving our best efforts and have confidence that together, ESSB and the Group will emerge from all the challenges even stronger and more resilient than before. To all our stakeholders, we wish you continued health and safety, even as we move past the pandemic.

TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN
Chairman

31 October 2023

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

Hiap Teck Venture Berhad ("HTVB" or "the Company") is a holding company engaged in investment and property holdings, and the provision of management services to its subsidiaries. Through its subsidiaries (collectively referred as "the Group"), the Group is principally engaged in the manufacturing of pipe, hollow sections and scaffolding equipment, trading of all types of steel and steel-related products, mining of iron ore and a transportation arm that solely supports internal requirements. HTVB's head-office and its subsidiaries are collectively located on a land area of approximately 70 acres at Meru, Selangor. The entire group complex is strategically located and geographically positioned within close proximity to Malaysia's premier port, Port Klang, essentially permitting significant logistical support coverage and economical advantage on movement of goods and services.

The Group is one of the leading steel companies in Malaysia with thirty years (30) of extensive industry experience. The Group offers a one-stop solution for steel applications to a diverse customer base both domestic and international in multiple sectors. The Group's steel products and certifications have a broad range of industrial and consumer applications for various sectors including building and construction, manufacturing, engineering, water transmission and oil and gas.

The Group's 27.3% equity-owned joint venture ("JV") entity, Eastern Steel Sdn. Bhd. ("ESSB"), operates a fully integrated steel plant in Terengganu with a 600 m3 blast furnace and a rated capacity of 700,000 MT per annum, currently producing slabs and billets. ESSB has consistently been producing above its rated capacity since resuming production in July 2018. It has commissioned a 55MW power plant in October 2019 resulted in substantial saving in energy costs. During the financial year, a new 50MW power plant was commissioned which has contributed to further savings of energy costs. Furthermore, the completion of the 700,000MT coke oven plants till date is also expected to yield further potential cost savings. With the successful ignition of its newly completed 1,380 m3 Blast Furnace Plant on 1 August 2023 and first production on 8 October 2023, ESSB's production capacity has increased from the current 700,000 MT of steel slabs and billets per annum to 2,700,000 MT per annum. ESSB's production is targeted to be sold locally to satisfy domestic demand and also exported to neighbouring countries principally in Southeast Asia and North Asia.

PERFORMANCE REVIEW BY SEGMENT

Despite signs of economic recovery especially in the construction sector during the financial year under review, the market has remained challenging due to several disruptive factors:

1. **Sharp Decline in Steel Prices**: Steel prices saw a significant spike in March 2022 due to news related to the Ukraine War. However, this increase was short-lived, and prices fell 41% by November 2022. While there was a 22% rebound in steel prices till March 2023 on news of the United States peaked inflation and China's opening, it was not sustained, and the trend reversed due to China's lacklustre economic growth.
2. **Highly Volatile Foreign Exchange**: The foreign exchange market has been highly volatile, mainly due to factors such as a flight to safety, elevated inflation, and aggressive interest rate hikes in the United States. The Malaysian Ringgit (RM) weakened by 13.7%, going from RM4.17 at the beginning of the year to RM4.74 by early November 2022. Although the RM briefly strengthened to RM4.25 at end of January 2023, it has since weakened again to RM4.50 as at end of financial year.
3. **Rapid Interest Rate Hikes**: Following the hawkish stance of the Federal Reserve on interest rates in the United States, Bank Negara Malaysia raised the Overnight Policy Rate (OPR) by a substantial 71%, increasing it from 1.75% per annum to the current rate of 3.0% per annum.

Against this backdrop, the Group segments' contributions are summarised below. The detailed segmental performance is disclosed in Note 26 of the financial statements.

Group's revenue improved marginally to RM1,585.21 million from RM1,583.28 million recorded in the preceding financial year. This nominal growth was attributed to the significant decline in average selling prices despite a 25% increase in sales volumes. The Group's Profit from Operations dropped significantly by 97.1% to RM4.25 million from RM147.99 million in the previous financial year. This was primarily driven by the elevated cost of inventories brought forward, resulting in a considerable reduction in profit margins. The Group has also incurred higher finance costs mainly due to rising interest rate. For the financial year under review, the Group posted a sixth consecutive year of profit to achieve a profit after tax of RM31.83 million albeit a reduction of 79.6% as compared to RM156.36 million in the preceding financial year. ESSB contributed RM44.52 million to the Group's profits, reduced by 15.5% from RM52.70 million which included a reversal of RM100 million impairment loss (at ESSB level) in the previous financial year.

At the end of FY2023, inventories have decreased from RM641.70 million to RM444.11 million, representing a drop of 30.8% mainly due to higher arrival of stocks towards the end of preceding financial year and normalisation of stock holding levels. Whereas, receivables stood at RM358.87 million, a nominal 1.8% lower from RM365.63 million as at previous financial year end. Group's net borrowings (net of cash) as at end of FY2023 were lowered to RM404.76 million from RM458.42 million in the preceding financial year. Net gearing ratio remained at a healthy level of 0.32 as at end of FY2023 (FY2022: 0.36). The Group's borrowings comprise mainly of short-term trade facilities to finance its raw material purchases and other working capital requirements.

Manufacturing Segment

The manufacturing segment is comprised of manufacturing and distribution of steel pipes, hollow sections, scaffolding equipment and accessories, and other steel products. The Group's pipe manufacturing activities under Alpine Pipe Manufacturing Sdn. Bhd. ("Alpine") is the largest structural pipe and hollow sections manufacturer in Malaysia. The product certifications secured such as BS EN, MS EN, SPAN, JIS, and AS provide Alpine with strong competitive advantage to supply to various projects and industries. Huatraco Scaffold Sdn. Bhd. ("Huatraco") has been engaged in the scaffolding business for almost thirty years. Huatraco is one of the pioneers in the scaffolding industry and is the first producer in Malaysia to obtain MS1462 certification, exemplifying the superior quality of its products. Huatraco's wealth of experience and expertise have led to its existing position as one of the most reliable and best quality scaffold equipment providers in both the domestic and regional markets.

For the financial year under review, the manufacturing segment recorded revenue of RM609.36 million (FY2022: RM734.58 million) with a reported segment loss of RM27.69 million (FY2022: segment profit of 89.85 million). The sluggish performance was principally due to high cost of inventories brought forward coupled with lower steel prices despite higher sales volumes and stringent costs control. The Group will remain focus and continue to be efficient in cost management, continuous enhancements in quality, strategic procurement and distribution, and timely respond to the challenging market conditions.

Other initiatives taken by the Group are:

Capital investment in technology advancement and automation, and clear Key Performance Indicators ("KPIs") and incentives to further improve efficiency, productivity and continuous costs saving.

Further enhancement of product quality and certification for the export markets. Explore new products, market segments and to further expand presence in Southeast Asia and beyond.

Trading Segment

The Group's trading business is one of the largest in Malaysia and is involved in the importation and sale of various types of steel products to both hardware companies and project end users in multiple sectors. It combines synergistically with the manufacturing segment to become a one-stop steel solution provider for all major infrastructure and construction projects.

The trading segment registered a revenue of RM964.77 million in FY2023 as compared to RM849.25 million in the previous financial year, representing a jump of 13.6%. Despite the higher revenue, the trading segment reported a much reduced profit of RM1.76 million in FY2023, compared to RM43.76 million recorded in the previous financial year due to distortions in margin despite higher volumes.

Property and Investment Segment

The property and investment segment solely supports the Group's wholly-owned subsidiaries as almost all the factory buildings, warehouses, offices and lands are housed under property holdings. For the financial year under review, the segment reported a segment profit of RM7.40 million as compared to RM1.15 million registered in the previous financial year. The rental income during the financial year included the rental adjustment made to align with market value and there is no discount given on rental to the subsidiaries to cushion the impact of the COVID-19 pandemic as given in FY2021 and FY2022.

Transportation Segment

The transportation segment is engaged in the provision of transport services by trucks or trailers that solely support the transportation requirements within the Group. This ensures timely delivery of materials to customers with the objective of serving our customers better. During the financial year, the Group continue to focus on increasing the number of trips or deliveries captured to further develop efficiency of this segment that will directly lead to lower transportation cost, better services and timely delivery of products to our customers.

Mining and Exploration Segment

The mining and exploration segment is engaged in exploring, contracting and activities related to mining, processing and the sale of iron ore. This segment commenced activities in May 2018 mainly to support the iron ore requirements of ESSB. This segment registered revenue of RM3.13 million in FY2023, representing a decrease of 19.7% over the revenue of RM3.90 million achieved in FY2022 mainly due to lower production volume. With the decline in revenue, the segment profit has decreased to RM1.92 million as compared to RM2.46 million in FY2022.

Selling of Electricity Segment

In October 2021, Eastern Power Resources Sdn. Bhd. ("EPR"), in which HTVB holds 51% and balance 49% by ESSB, was incorporated with the objective of selling surplus electricity generated by ESSB to the grid. During FY2023, EPR successfully sold a total of 115,113,804 kilowatt-hours (kWh) of electricity to the grid, resulting in revenue totaling RM28.31 million and recorded a segment profit of RM2.77 million.

Eastern Steel Sdn. Bhd.

For the financial year under review, ESSB's revenue decreased 12.5% to RM2.24 billion from RM2.56 billion reported in the preceding financial year. This decline was primarily attributed to lower steel prices, despite an increase in sales volumes. The sales growth was driven by strong demand and acceptance of ESSB's products in both domestics and international markets including Turkey, Indonesia, Thailand, Mexico, India, Korea and Philippines. Malaysia and the South East Asian markets are net importer of slabs and billets.

During FY2023, ESSB produced a total of 808,865 MT of steel products comprising 495,399 MT in slabs and 313,466 MT in billets. In the same financial year, the company sold a total of 808,350 MT of steel products comprising 488,110 MT of slabs and 320,240 MT of billets. Domestic sales accounted for 29% of the total sales volume, amounting to 231,727 MT, while export sales contributed to 71%, totalling 576,623 MT.

As of the end of the 2023 financial year, ESSB's shareholders' funds amounted to RM2.18 billion, with bank borrowings totalling RM893.19 million. These borrowings primarily consisted of term loans for capital expenditures and partly for short-term trade facilities.

This remarkable achievement underscores the Group's dedication, in partnership with our JV partner, Beijing Jianlong Group, to elevate ESSB's operations to global standards and drive the company toward its next phase of growth.

MARKET REVIEW

According to the October 2023 Short Range Outlook (SRO) published by the World Steel Association, there is a positive outlook for global steel demand. In 2023, it is expected to rebound by 1.8%, reaching a total of 1,814.5 million metric tons (MT). The following year, 2024, is projected to witness a growth rate of 1.9%, resulting in a total global steel demand of 1,849.1 million MT. This resurgence in steel demand is primarily attributed to the manufacturing sector, although it is worth noting that persistently high interest rates may exert a moderating influence on steel demand. Looking further into 2024, growth is expected to accelerate in most regions, although there is an anticipated slowdown in China.

On a domestic level, the Malaysian Iron and Steel Industry Federation ("MISIF") in its latest projection, indicating that domestic steel demand will continue to recover gradually throughout 2023. However, it is expected to remain below the levels observed before the onset of the COVID-19 pandemic. In 2022, Malaysia's Apparent Steel Consumption ("ASC") saw a significant increase, rising by 6.9% to reach 7.5 million MT. Looking ahead, it is anticipated that ASC will experience a 4.1% growth in 2023, reaching 7.8 million MT, and further expand by another 4.1% in 2024, reaching 8.1 million MT.

BUSINESS OUTLOOK

Malaysia's economic growth moderated to 2.9% in Q2 2023 from 5.6% in Q1. As the global environment continues to pose challenges, Bank Negara Malaysia has maintained the country's GDP growth outlook at between 4.0% and 5.0% for 2023, supported by macroeconomic stability, firm domestic demand, tourism sector recovery and ongoing multi-year infrastructure projects.

The Mid-Term Review (MTR) of the 12th Malaysia Plan (12MP) was tabled and introduced bold measures covering various strategies and initiatives that will serve as the main catalyst in accelerating the efforts to reform the socioeconomic development of the nation. In the 12MP MTR, the government has increased Development Expenditure (DE) by an additional RM15 billion from RM400 billion to RM415 billion to boost construction activities. With RM136 billion already spent, this implies another RM279 billion to be spent for the remaining 3 years of the 12MP, or RM90 billion per year from 2023 to 2025. Eleven major infrastructure projects were highlighted including: Sabah Pan Borneo Highway, Penang LRT, Upgrading of Penang International Airport and Subang Airport, and development of Carey Port. These projects will have a positive impact on the construction sector.

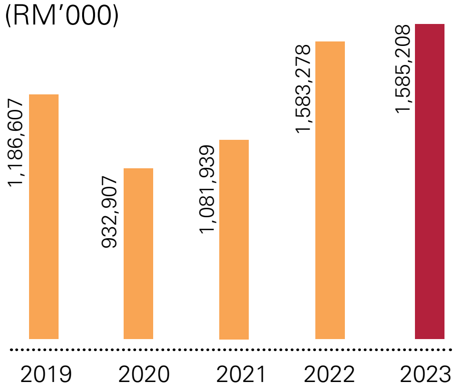
The Group takes cognisance of the stable economic outlook and prospects but remains cautious of the development on both the domestic and external fronts particularly the challenges and heightened volatility in steel prices, financial markets and geo-political tensions. Management will continue to adopt prudent procurement strategies and inventory management to optimise financial performance and preserve balance sheet strength in order to stay vigilant and navigate through this challenging period.

With the successful ignition of the new 2.0 million MT blast furnace in August 2023 and first production in October 2023, the JV entity's steel production capacity has increased from 0.70 million MT to 2.7 million MT per annum. This expansion in capacity, together with the progressive completion of the plant's auxiliary facilities, will lead to multi-folds increase in the JV entity's revenue with significant costs saving arising from the greater economy of scale. The Group looks forward to greater contributions from the JV entity.

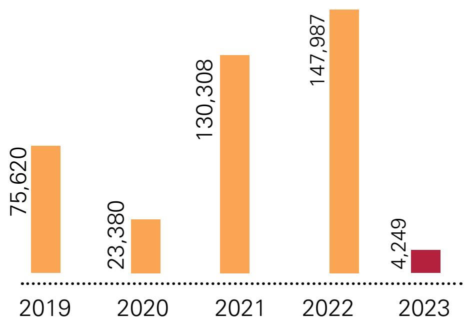
FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

	2019	2020	2021	2022	2023
Revenue (RM'000)	1,186,607	932,907	1,081,939	1,583,278	**1,585,208**
Profit From Operations (RM'000)	75,620	23,380	130,308	147,987	**4,249**
EBITDA (RM'000)	75,140	43,776	221,368	216,533	**66,001**
Profit Before Tax (RM'000)	39,150	8,689	194,590	189,903	**30,464**
Profit After Tax (RM'000)	24,818	4,601	163,517	156,364	**31,830**
Shareholders' Funds (RM'000)	861,792	861,110	1,125,881	1,272,111	**1,286,012**
NTA Per Share (RM)	0.64	0.64	0.65	0.73	**0.74**
Earnings Per Share (sen)	1.89	0.32	11.55	9.00	**1.77**
Dividend (sen)	0.50	0.30	1.00	1.00	**0.50**
Borrowings (RM'000)	626,066	506,261	411,101	608,483	**539,076**
Cash and cash equivalents (RM'000)	178,921	145,197	158,531	150,061	**134,315**

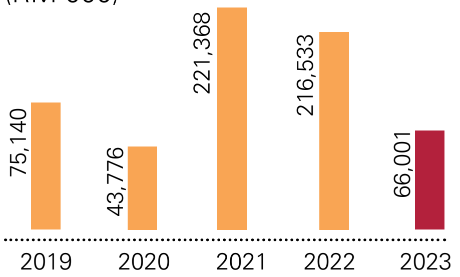
REVENUE
(RM'000)



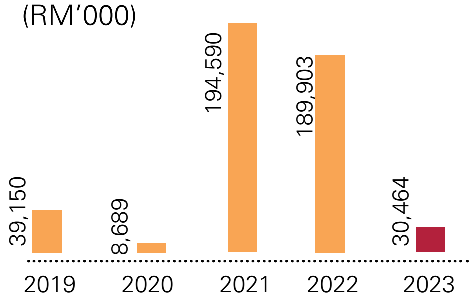
PROFIT FROM OPERATIONS
(RM'000)



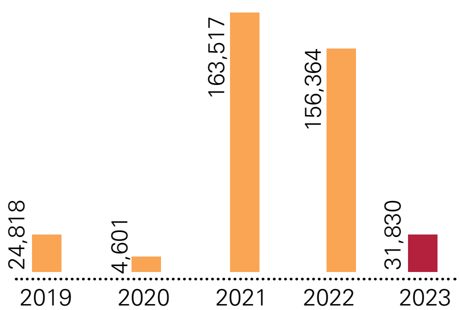
EBITDA
(RM'000)



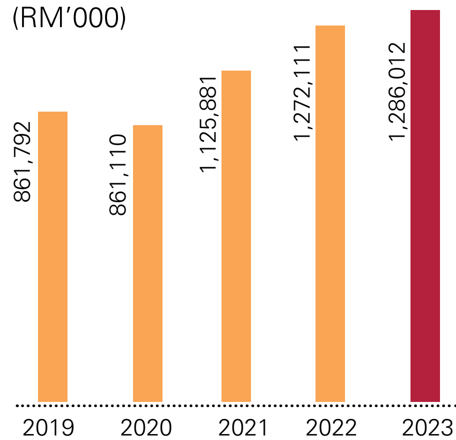
PROFIT BEFORE TAX
(RM'000)



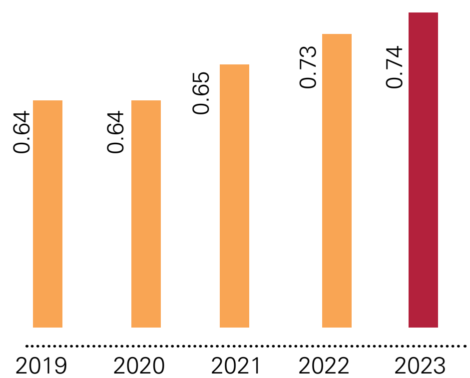
PROFIT AFTER TAX
(RM'000)



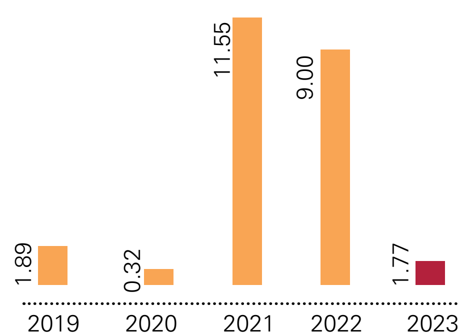
SHAREHOLDERS' FUNDS
(RM'000)



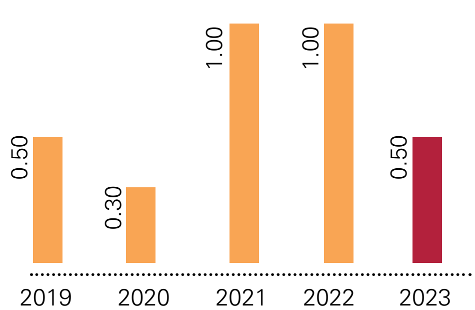
NTA PER SHARE
(RM)



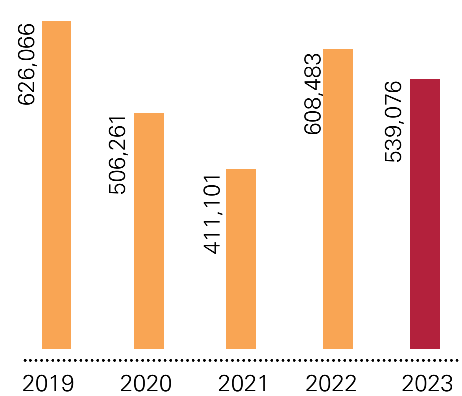
EARNINGS PER SHARE
(SEN)



DIVIDEND
(SEN)



BORROWING
(RM'000)



The Board of Hiap Teck Venture Berhad ("HTVB") fully supports the recommendations of the Malaysian Code on Corporate Governance 2021 ("the Code") issued by the Securities Commission and the corporate governance requirements of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") which set out the broad principles and recommendations for good corporate governance and best practices for listed companies.

The Board is committed to apply to the best of its ability the recommendations and principles of the Code in ensuring and maintaining that good corporate governance is practised throughout the Group to effectively discharge its responsibilities to protect the Group assets, promote sustainable activities and results and enhance shareholders' value and those of the other stakeholders.

The Board of Directors is, therefore, pleased to report that this statement sets out the extent of the Group's compliance with the recommendations of the Code for the financial year ended 31 July 2023. The detailed disclosure on how the Group has applied the principles and practices as laid out in the Code throughout out the current financial year can be found in the Corporate Governance Report at the Company's website: www.htgrp.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Company is led by a proactive Board which collectively is primarily responsible for determining the strategic direction and sustainable goals of the Company and its subsidiaries, maintaining effective oversight over management, monitoring the overall conduct and performance of the Group's businesses and promoting ethical practices throughout the Group. In setting the Group's overall strategy and governance, and in pursuit of its objectives, the Board takes into account the interests of stakeholders in the decision making so as to ensure that the Group's objectives in creating long term shareholder value are met. It also reviews corporate strategies, budgets, risk management, operations and the performance of the business segments and brings to bear independent judgment on issues relating to conflict of interests, strategy, risk management, performance, resources, governance and code of conduct and ethics to ensure that decisions made and actions taken will promote transparency, accountability and sustainability of the Group. The Board as a whole is dedicated to practice clear demarcation of duties, responsibilities and authority within the Company. The Board recognises the importance of good corporate governance and applies the Practices as set out in the Code and the MMLR to enhance business prosperity and maximise shareholders' wealth.

The Board is committed to ensure a high standard of corporate governance is maintained throughout the Group and to effectively discharge its responsibilities with integrity, transparency and professionalism to protect and enhance shareholders' value and those of the other stakeholders.

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company, the Board has amongst others adopted the following measures from Guidance 1.1 of the Code:

- Together with senior management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- Review, challenge and decide on management's proposals for the Company, and monitor its implementation by management;
- Ensure that the strategic plan of the Company supports long-term value creation and includes strategies on environmental, social and governance ("ESG") considerations underpinning sustainability;
- Supervise and assess management performance to determine whether the business is being properly managed;
- Ensure there is a sound framework for internal controls and risk management;
- Understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- Set the risk appetite within which the board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- Ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management;
- Ensure that the Company has in place procedures to enable effective communication with stakeholders; and
- Ensure the integrity of the Company's financial and non-financial reporting.

Regular matters tabled for the Board's information and deliberation for the year include business performance updates, unaudited quarterly results, reports from operations, business plan and budget, board assessment and evaluation, continuing education programme (training) of Directors, human resource related updates, new business developments and potential business amongst other non-regular items which comprised corporate proposals and projects.

Hence, the Board will continue to play a critical role in setting the appropriate tone at the top, providing leadership and promoting good governance and ethical conduct and practices throughout the Group.

Key Responsibilities of the Chairman

The Board is led by a competent Chairman who is an Independent Non-Executive Director and is primarily responsible for effective operation and performance of the Board and instilling good corporate governance practices, leadership and effectiveness of the Board. The Chairman of the Board is not a member of any of the Board Committees and this is in compliance with Practice 1.4 of the Code. He does not participate in the Board Committee Meeting even by invitation. Tan Sri Abd Rahman Bin Mamat retired as Chairman and Independent Non-Executive Director of the Company with effect from 16 December 2022 after more than eleven years with the Board since 28 January 2011. He was succeeded as Chairman by Tan Sri Dato' Sri Mohamad Fuzi Bin Harun who was appointed as Independent Non-Executive Chairman of the Company on 22 March 2023. His profile may be viewed on Page 4 of the Annual Report 2023.

Key responsibilities of the Chairman as set out in Guidance 1.2 of the Code have been adopted by the Company to be the duties and responsibilities of the Chairman of the Company:

- Provides leadership for the board so that the board may perform its responsibilities effectively;
- Sets the board agenda and ensures that board members receive complete and accurate information in a timely manner;
- Leads board meetings and discussions;
- Encourages active participation and allows different views to be freely expressed;
- Manages the interface between board and management;
- Ensures appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole; and
- Leads the board in establishing and monitoring good corporate governance practices in the Company.

Separation of Positions of the Chairman and Executive Deputy Chairman

In order to promote accountability, transparency, independence and to ensure the balance of power and authority, there is a clear demarcation of duty, responsibility, authority and roles between the Independent Non-Executive Chairman and the Executive Deputy Chairman which are clearly set out in the Board Charter.

The positions of Independent Non-Executive Chairman and Executive Deputy Chairman are held by two different individuals in such manner that no one individual can influence the Board's discussions and decision making. The Board has complied with Practice 1.3 of the Code.

The Chairman provides leadership to the board and ensures that the Board and Board Committees function effectively. He sets the agenda for the Board meetings in consultation with the Executive Deputy Chairman and the Company Secretary and looks into effective shareholders' engagements. The Chairman's main responsibility is to ensure effective conduct of the Board and Board meetings and unrestricted and timely access by all Directors to all relevant information necessary for decision making. The Chairman leads discussion on strategies and policies recommended by the Management and leads the Board on its collective oversight of management. The Chairman of the Company was Tan Sri Abd Rahman Bin Mamat. He retired as Chairman and Independent Non-Executive Director of the Company with effect from 16 December 2022 after more than eleven years with the Board since 28 January 2011. He was succeeded as Chairman by Tan Sri Dato' Sri Mohamad Fuzi Bin Harun who was appointed as Independent Non-Executive Chairman of the Company on 22 March 2023. His profile may be viewed on Page 4 of the Annual Report 2023.

The Executive Deputy Chairman who is assisted by the three (3) Executive Directors focus on the day-to-day management of the Company and is responsible for the implementation of the Board's policies and decisions as well as supervising the operation of the Group and developing and implementing business strategies. The Executive Deputy Chairman is Tan Sri Dato' Seri Law Tien Seng.

Company Secretary

The Board is supported by an experienced and competent Company Secretary who provides sound governance advice, ensures adherence to rules and procedures and advocates adoption of corporate governance best practices. The Board is, therefore, in compliance with Practice 1.5 of the Code. The Company Secretary through the Chairman plays an important role in good governance by helping the Board and its committees function effectively and in accordance with their terms of reference and best practices.

The Company Secretary of Hiap Teck Venture Berhad, Mr. Ng Yim Kong, is a Fellow Member of the Malaysian Association of Company Secretaries and holds a practicing license issued by the Registrar of Companies. The Company Secretary provides support to the Chairman of the Company to ensure the effective functioning of the Board.

The Company Secretary and his representatives also organise and attend all Board Meetings and Board Committees' Meetings ensuring accurate and proper recording of issues discussed, decisions made and conclusions taken, and facilitate Board communication. He also manages the processes of the Annual General Meeting and Extraordinary General Meeting (if any). All scheduled meetings held during the year were preceded by formal agenda issued by the Company Secretary in consultation with the Chairman. Prior to the meetings, appropriate documents which include agenda and reports relevant to the issues of the meetings are circulated to all the Directors at least seven (7) days prior to the meeting. All the Directors have sufficient time to appreciate the issues to be deliberated at the meetings which in turn enhances the decision-making process. Further details or supplementary information may be provided at the request of the Directors.

The Company Secretary maintains all secretarial and statutory records of the Company. The Board has unrestricted access to the advice and service of the Company Secretary who is responsible to provide the Directors with the Board papers and related matters required for the Board and Board Committees' meetings.

The Company Secretary updates the Board of Directors regularly on amendments to the Malaysian Code on Corporate Governance and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), practice and guidance notes or circulars issued by Bursa Securities from time to time and on the development of or amendments to the Companies Act 2016. The Company Secretary also circulates to the Directors notices of talks, seminars or conferences organised by Bursa Malaysia Securities Berhad, Companies Commission of Malaysia or outside training and professional development providers to enable the Directors to select and attend the trainings or updates of their choice. Overall, the Company Secretary advises the Board on the corporate disclosures and compliances with the Companies Act 2016 and securities regulations and listing requirements. In addition, the Company Secretary serves notices to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares in accordance with Chapter 14 of the MMLR. He also ensures that all appointments and resignations of Directors are in accordance with the relevant legislation and coordinates the annual assessment of the Board and Board Committees, the Independent Directors, External Auditors and outsourced Internal Auditors.

The Board of Directors is supplied with and has unrestricted access to information pertaining to the Group's businesses and affairs to enable them to discharge their duties effectively. This information includes both verbal and written details.

Board Charter

The Board Charter was adopted by the Board to emphasise its commitment to good corporate governance practices of the Code. The Board Charter sets out, amongst others, the responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, the relationship between the Board and management and the shareholders of the Company as well as issues and decisions reserved for the Board. More importantly, the Board Charter sets out the key values, principles and ethos of the Company as policies and strategy development are based on these considerations.

The Board Charter is periodically reviewed and updated by the Board to ensure that it remains relevant and consistent with the Board's objectives and responsibilities. The Board Charter is available at the Company's website www.htgrp.com.my. This is in compliance with Practice 2.1 of the Code.

Code of Conduct and Ethics for Directors, Anti-Bribery and Corruption Policy and Directors' Fit and Proper Policy

The Company has adopted a Code of Conduct and Ethics for Directors to focus on areas of ethical risk, managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering, and to provide guidance to Directors to assist them to recognise and deal with unethical conduct and to help to foster a culture of honesty, trust, and responsibility. This is in compliance with Practice 3.1 of the Code. The Code of Conduct and Ethics is a part of the Company's commitment to integrity, accountability, transparency and self-regulation. It is a set of acceptable practices to guide the behaviour of the Directors, Management and employees.

The Code of Conduct and Ethics is available at the Company's website www.htgrp.com.my. and is reviewed periodically.

With the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2018 ("MACC Act 2018") which established the principle that a commercial organisation has a criminal liability ("Corporate Liability") for the corrupt activities of its employees and/or persons associated with the commercial organisation where such corrupt activities are carried out for the commercial organisation's benefits or advantages, it re-enforces the Group' zero-tolerance policy against all forms of bribery and corruption. The Group is committed to conduct businesses professionally, fairly and with integrity and transparency in compliance with all applicable anti-bribery and corruption laws in all jurisdictions in which we operate.

The Anti-Bribery and Corruption Policy is available at the Company's website www.htgrp.com.my.

The Company has adopted the Directors' Fit and Proper Policy to address board quality, integrity and transparency for appointment, election and re-election of Directors of the Company and its subsidiaries.

The Directors' Fit and Proper Policy is available at the Company's website www.htgrp.com.my since 1 July 2022.

Whistleblowing

A formal and written policy and procedure on whistleblowing has been established and adopted on 27 June 2019. The Whistleblowing Policy can be found at the Company's website at www.htgrp.com.my. The Whistleblowing Policy is intended to support the Company's Core Values, Code of Ethics and Governance, and is in compliance with Practice 3.2 of the Code.

II. BOARD COMPOSITION

Board Balance

The Board comprises nine (9) members; four (4) of whom are Executive Directors and five (5) are Independent Non-Executive Directors. The Board is therefore, in compliance with Paragraph 15.02 of the MMLR of Bursa Securities, which requires that at least two (2) directors or one-third (1/3) of the board of directors of a listed issuer, whichever is the higher, are independent directors and is also in compliance with Practice 5.2 of the Code which recommended at least half the Board to comprise independent directors. A brief profile of the Board members is set out on pages 4 to 8 of this Annual Report.

Tenure of Independent Director

It is the present policy of the Company that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, the Independent Director will have to resign unless he is retained by the Board as a non-independent director. This is in compliance with practice 5.3 of the Code. However, the Board may, in exceptional cases and subject to the assessment of the Nominating Committee ("NC") on an annual basis, recommend for an Independent Director who had served for a consecutive or cumulative term of more than nine (9) years to remain as an Independent Director subject to Shareholders' approval with justification given.

For the financial year ended 31 July 2023, Tan Sri Abd Rahman Bin Mamat (appointed on 28 January 2011) and Mr. Leow Hoi Loong @ Liow Hoi Loong (appointed on 13 December 2012) who were both Independent Directors of the Company for more than nine years had individually expressed their intention not to seek re-election at the 26th Annual General Meeting held on 16 December 2022 and had remained in office until conclusion of the 26th Annual General Meeting.

Mr. Lee Ching Kion who was appointed as an Independent Director on 26 September 2014 will exceed the term limit of his tenure of nine years as Independent Director by the 27th AGM on 15 December 2023. The NC has recommended that the re-appointment of Mr. Lee Ching Kion as an Independent Director subject to shareholders' approval via a two tier voting process will be in the best interest of the Company on the following grounds:

(a) He fulfilled the criteria under the definition of Independent Director as stated in the MMLR of Bursa Securities and are able to offer impartial judgment and independent advice to the Board.
(b) He has vast experience in his respective industries which could provide the Board with a diverse set of experience, skill and independent assessment.
(c) He devoted sufficient time and attention to his responsibilities as Independent Director of the Company.
(d) He understands the workings of the Group's business in a comprehensive manner, and are able to give advice in support of the Group's strategies and goals.
(e) He has exercised due care during his tenures as Independent Director of the Company and carried out his duties to the best interest of the Company and Shareholders of the Company.

However, Mr. Lee Ching Kion had declined to be re-appointed as an Independent Director because he wishes to keep to the tenure of 9 years as recommended by the said Practice 5.3 and the present policy of the Company and also because of his own business and personal commitments.

Diversity

The Company is led and managed by an experienced Board comprising members with the appropriate mix of skill, diversity, qualification, knowledge and experience in the relevant fields such as finance, law, accounting, metallurgy, material science, management, economics, corporate affairs, entrepreneurship and management. Collectively, the Directors bring a broad range of skills, expertise, knowledge and independent judgement to successfully direct and supervise the attainment of the Group's corporate strategy, business and financial oversight.

Although the Company has no specific policy or target on gender diversity, the Board acknowledges the importance of gender diversity in the Group's workforce and on the Board, and the positive impact gender diversity can have on the Board's decision-making process and Group's performance. For the financial year ended 31 July 2023, one out of nine Directors (or 11%) on the Board of the Company is a woman Director. The Board has met the requirement of the Amendment to the Main Market Listing Requirements dated 19 January 2022 which requires the Company to have at least one woman Director by 1 June 2023, but is still a departure from Practice 5.9 which requires the Board to comprise at least 30% women directors. The Board will, however, continue to address the need to appoint female Directors to the Board based on the potential candidate's skill, experience, core competences and other qualities.

Presently, the selection of candidates is solely based on recommendations made by existing Board members, management or major shareholder but may include sourcing from a directors' registry and open advertisement or the use of independent search in future if suitable candidates are not readily available.

Board Meetings

The Board of Directors meets on a quarterly basis with additional meetings convened as and when necessary, to inter-alia approve quarterly financial results, business plans, budgets, governance matters and other business development activities. Special Board meetings may be convened to consider urgent proposal or matters which require the expeditious review or consideration by the Board. Senior Management is invited to attend the Board meetings to advise on relevant agenda to enable the Board to arrive at a considered decision. 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 with the Board. Besides Board Meetings, the Board also exercises control on matters that require Board's approval through circulation of Directors' resolutions.

Board meetings for the ensuing financial year are scheduled in advance to facilitate the Directors to plan ahead. All meetings are furnished with proper agenda with due notice issued and board papers and reports prepared by the Management which provide updates on financial, operational, legal matters and circulated prior to the meetings to all Directors with sufficient time to review them to ensure for effective discussions and decision making during the meetings.

During the financial year ended 31 July 2023, four (4) board meetings were held. Details of the Board of Directors' Meetings and their attendances at these meetings are set out below. All Directors in office during the said period have attended 100% of all the Board Meetings held. Overall, all the Directors complied with the minimum 50% meeting attendance's requirement under the MMLR of Bursa Securities.

All the Board Meetings have been held at corporate office at TS Law Tower except the Board of Directors' meeting held on 29 March 2023 in the premises of the Company's registered office during the period from 1 August 2022 until the financial year ended 31 July 2023.

Details of the Board of Directors' Meeting held during the financial year ended 31 July 2023:

Name of Directors	Date of Meeting				Total Meetings Attended by Directors	Percentage of Attendance
	29/09/2022	15/12/2022	29/03/2023	28/06/2023		
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun (Independent Non-Executive Chairman) (Appointed on 22/03/2023)	-	-	✓	✓	2/2	100%
Tan Sri Dato' Seri Law Tien Seng (Executive Deputy Chairman)	✓	✓	✓	✓	4/4	100%
Mr. Foo Kok Siew (Executive Director)	✓	✓	✓	✓	4/4	100%
Mr. Tan Shau Ming (Executive Director)	✓	✓	✓	✓	4/4	100%
Mr. Law Wai Cheong (Executive Director)	✓	✓	✓	✓	4/4	100%
Mr. Lee Ching Kion (Senior Independent Non-Executive Director)	✓	✓	✓	✓	4/4	100%
Mr. Sherman Lam Yuen Suen (Independent Non-Executive Director)	✓	✓	✓	✓	4/4	100%

Name of Directors	Date of Meeting				Total Meetings Attended by Directors	Percentage of Attendance
	29/09/2022	15/12/2022	29/03/2023	28/06/2023		
Mr. Chen Thien Yin (Independent Non-Executive Director) (Appointed on 03/01/2023)	-	-	✓	✓	2/2	100%
Dato' Ooi Lay See (Appointed on 01/06/2023)	-	-	-	✓	1/1	100%
Tan Sri Abd Rahman Bin Mamat (Retired on 16/12/2022)	✓	✓	-	-	2/2	100%
Mr. Leow Hoi Loong @ Liow Hoi Loong (Retired on 16/12/2022)	✓	✓	-	-	2/2	100%

Appointment to the Board

To facilitate appointments to the Board, the Company had set up the Nominating Committee to provide a formal and transparent procedure for appointment of new Directors to the Board. The Nominating Committee shall be primarily responsible for identifying and recommending to the Board new candidates to be appointed as Directors to the Board and also recommending Directors to fill the seats on Board Committees.

For the financial year ended 31 July 2023, the Board through the Nominating Committee, had assessed the effectiveness of the Board as a whole and the Board Committees; contribution and performance of each individual Director; independence of Independent Directors and training courses required by the Directors on an ongoing basis. The Nominating Committee also reviewed the required mix of skills, experiences and other qualities including core competencies which Non-Executive Directors should bring to the Board.

The annual evaluation to determine the effectiveness of the Board, its Committees and each individual Director is carried out using a Director's Performance Evaluation ("DPE") Form which comprises a set of questionnaires aimed at assessing the contribution, participation and performance of each individual Director.

For the financial year ended 31 July 2023, the NC had reviewed the DPE Form and included in the DPE Form a segment for the purpose of assessing whether a Director meets the Fit and Proper criteria of the Company's Fit and Proper Policy. Other segments of the DPE Form include the evaluation of the Board Structure, Board Roles and Responsibilities, Integrity and Ethics, Time Commitment, Judgement, Decision Making and Leadership.

The DPE Form is a Self and Peer Evaluation Form which is approved by the Board and is required to be completed by each individual Director. Upon completion, the DPE Form is returned to the Company Secretary who coordinated the whole DPE exercise.

Upon receipt of all the completed DPE Form; the Company Secretary compiled the results and the comments given by the Directors according to each segment of the DPE Form and analysing this information into a summary for the NC's deliberation. Where appropriate, the NC Chairman will bring the salient matters arising from the DPE to the attention of the Board of Directors for notation or implementation of the Director's recommendation for improvement of the effectiveness of the Board, the Board Committees and each individual Director.

The overall result of the DPE for the financial year ended 31 July 2023 was Good.

Retirement and Re-election

In accordance with the Company's Constitution, 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. Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing number of Directors, shall hold office until the next Annual General Meeting and shall then be eligible for re-election.

Any Director who is retiring, and is eligible for re-election, is required to confirm in writing to the Board if he is or is not offering himself for re-election at the 27th Annual General Meeting where he is due for retirement. The following Directors who are retiring at the 27th AGM have individually confirm in writing to the Board offering themselves for re-election:-

	Clause No.
• Mr. Foo Kok Siew	92
• Mr. Law Wai Cheong	92
• Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	97
• Mr. Chen Thien Yin	97
• Dato' Ooi Lay See	97

Mr. Lee Ching Kion whose tenure of office as Independent Director will be 9 years 2 months as at 15 December 2023 (the date of the 27th AGM) will retire in accordance with Clause 92 of the Company's Constitution and has expressed his intention not to seek re-election because he wishes to keep to the tenure of 9 years as recommended by the said Practice 5.3 and the present policy of the Company and also because of his own business and personal commitments. Hence, he will retain office until the close of the 27th AGM.

The profile of the above Directors who are retiring by rotation are available on pages 4 to 8 of the Annual Report 2023.

Board Committees

Clause 124 of the Company's Constitution provides the Board with the discretion to delegate their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed in the exercise of the powers so delegated by the Board shall conform to any regulations that may be imposed on it by the Board and by the Listing Requirements.

The Company had formed four (4) main Board Committees, namely Audit Committee, Nominating Committee, Remuneration Committee and Sustainability and Risk Management Committee.

Audit Committee

Audit Committee is positioned to assist the Board to rigorously challenge and ask probing questions on the Company's financial reporting process, internal controls, risk management and governance. The Internal Audit function reports directly to the Audit Committee.

The composition, summary of activities and attendance of members at the Audit Committee Meetings can be found in the Audit Committee Report on pages 38 to 40 of the Annual Report 2023. The details of the Internal Audit function and activities are set out in the Statement of Risk Management and Internal Controls on pages 35 to 37 of the Annual Report 2023. The Chairman of the Audit Committee is not the Chairman of the Board. The Audit Committee of the Company comprises solely of Independent Directors. The Chairman of the Board of Directors is not a member of the Audit Committee.

The Term of Reference of the Audit Committee is available on the Company's website at www.htgrp.com.my.

The Audit Committee has a policy that requires a former partner of the external audit firm to observe a cooling off period of at least three years before being appointed as a member of the Audit Committee. To date, no former partner of the external audit firm has been appointed as a member of the Audit Committee.

The composition, summary of activities and attendance at the Audit Committee Meetings can be found in the Audit Committee Report on Pages 38 to 40 of the Annual Report 2023.

Nominating Committee

The Nominating Committee of the Company was set up with written terms of reference approved by the Board, and tasked with the responsibility to oversee the selection and assessment of directors for appointment, re-election or re-appointment to the Board and Board Committees. The Company has applied Practice 1.4 of the Code where the Nominating Committee is chaired by an Independent Non-Executive Director, Mr. Lee Ching Kion. The Chairman of the Board of Directors is not a member of the Nominating Committee.

The terms of reference of the Nominating Committee is available on the Company's website at www.htgrp.com.my.

The composition, summary of activities and attendance at the Nominating Committee Meetings can be found in the Nominating Committee Statement on Pages 41 to 43 of the Annual Report 2023.

The Chairman of the Nominating Committee will amongst others:

- Lead the discussion on succession planning and appointment of Board members including women director, future Chairman and Chief Executive Officer; and
- Lead the annual review of Board effectiveness ensuring that the performance of each individual director is independently assessed.
- Lead the review of the continuous professional development of Directors particularly the Audit Committee members to keep themselves abreast of relevant developments in accounting record and auditing standards, practices and rules.

Annual Assessment of Directors

The Board with assistance of the Nominating Committee will carry out the annual assessment of the effectiveness of the Board as a whole, including Independent Non-Executive Directors and consider whether the Independent Director can continue to bring independent and objective judgement to the Board's deliberations. The assessments are designed to improve the Board's effectiveness as a whole as well as to draw the Board's attention to key areas that needs to be addressed in order to maintain cohesion to the Board.

Any Director who considers that he has or may have a conflict or a material personal interest or a direct or indirect interest or relationship that could reasonably be considered to influence in a material way the Director's decision in any matter concerning the Company is required to immediately disclose to the Board of such an interest and to abstain from participating in any discussion or voting on the matter concerned.

For the financial year ended 31 July 2023, the Board through the Nominating Committee had assessed the effectiveness of the Board as a whole and the Board Committees; contribution and performance of each individual Director; independence of Independent Directors and training courses attended by the Directors on an ongoing basis. The Board also reviewed the required mix of skills, experiences and other qualities including core competencies, which Non-Executive Directors should bring to the Board.

For the financial year ended 31 July 2023, the Board has assessed the independence of its Independent Non-Executive Directors based on the criteria set out in the MMLR of Bursa Securities. The Board is satisfied with the level of independence and time commitment demonstrated by all the Independent Directors and their ability to act in the best interest of the Company. All the Independent Directors have given written confirmation declaring their independence to the Board.

Nominating Committee Meetings

Details of the Nominating Committee Meeting held during the financial year ended 31 July 2023:

Name of Directors	Date of Meeting			Total Meetings Attended by Directors	Percentage of Attendance
	29/09/2022	30/05/2023	28/06/2023		
Mr. Lee Ching Kion	✓	✓	✓	3/3	100%
Mr. Sherman Lam Yuen Suen	✓	✓	✓	3/3	100%
Mr. Chen Thien Yin	-	X	✓	1/2	50%
Dato' Ooi Lay See	-	-	✓	1/1	100%
Mr. Leow Hoi Loong @ Liow Hoi Loong (Retired on 16/12/2022)	✓	-	-	1/1	100%

Directors' Training

Directors are encouraged to attend seminars and/or conferences to keep abreast with development in the industry and market place. All members of the Board have attended the Mandatory Accreditation Programme as required by Bursa Securities in relation to a Director's roles, duties, and liabilities.

Pursuant to the Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to Sustainability Training for Directors dated 6 June 2023, all existing Directors of the Company who were appointed prior to 1 August 2023 will be required to attend MAP Part II in relation to sustainability and the related roles of a Director on or before 1 August 2025.

During the financial year, the Directors were updated by the Company's External Auditors on the accounting standards adopted by the Company, and by the Company Secretary on updates and/or amendments of the Main Market Listing Requirements and related notifications by Bursa Malaysia Securities Berhad.

The Directors had during the financial year ended 31 July 2023, evaluated their own training needs and attended seminars, conferences and forums which they considered as relevant and useful and would strengthen their contribution to the Group. Append below are the training/seminars attended by the Directors:-

	Name of Directors	Trainings or Seminars Attended	Dates of Attendance
1.	Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	1. A Dialogue with Bursa Malaysia - FTSE4Good ESG Rating 2. Amendments to the Main Market Listing Requirement in relation to Sustainability Training for Directors by Company Secretary. 3. Amendments to the Exchange's MMLR in relation to Conflict of Interest ("COI") and Other Areas by Company Secretary.	14/4/23 28/6/23 28/6/23
2.	Tan Sri Dato' Seri Law Tien Seng	1. Environmental, Social and Governance ("ESG"), Climate Change and Sustainability Reporting and the disclosure requirements issued by Bursa Securities by Tricor Excelasia. 2. Amendments to the Main Market Listing Requirement in relation to Sustainability Training for Directors by Company Secretary. 3. Amendments to the Exchange's MMLR in relation to Conflict of Interest ("COI") and Other Areas by Company Secretary.	29/9/22 28/6/23 28/6/23
3.	Mr. Foo Kok Siew	1. Environmental, Social and Governance ("ESG"), Climate Change and Sustainability Reporting and the disclosure requirements issued by Bursa Securities by Tricor Excelasia. 2. Amendments to the Main Market Listing Requirement in relation to Sustainability Training for Directors by Company Secretary. 3. Amendments to the Exchange's MMLR in relation to Conflict of Interest ("COI") and Other Areas by Company Secretary.	29/9/22 28/6/23 28/6/23
4.	Mr. Law Wai Cheong	1. Environmental, Social and Governance ("ESG"), Climate Change and Sustainability Reporting and the disclosure requirements issued by Bursa Securities by Tricor Excelasia. 2. Amendments to the Main Market Listing Requirement in relation to Sustainability Training for Directors by Company Secretary. 3. Amendments to the Exchange's MMLR in relation to Conflict of Interest ("COI") and Other Areas by Company Secretary.	29/9/22 28/6/23 28/6/23
5.	Mr. Tan Shau Ming	1. Environmental, Social and Governance ("ESG"), Climate Change and Sustainability Reporting and the disclosure requirements issued by Bursa Securities by Tricor Excelasia. 2. Amendments to the Main Market Listing Requirement in relation to Sustainability Training for Directors by Company Secretary. 3. Amendments to the Exchange's MMLR in relation to Conflict of Interest ("COI") and Other Areas by Company Secretary.	29/9/22 28/6/23 28/6/23

	Name of Directors	Trainings or Seminars Attended	Dates of Attendance
6.	Mr. Lee Ching Kion	1. Environmental, Social and Governance ("ESG"), Climate Change and Sustainability Reporting and the disclosure requirements issued by Bursa Securities by Tricor Excelasia. 2. Amendments to the Main Market Listing Requirement in relation to Sustainability Training for Directors by Company Secretary. 3. Amendments to the Exchange's MMLR in relation to Conflict of Interest ("COI") and Other Areas by Company Secretary	29/9/22 28/6/23 28/6/23
7.	Mr. Sherman Lam Yuen Suen	1. Environmental, Social and Governance ("ESG"), Climate Change and Sustainability Reporting and the disclosure requirements issued by Bursa Securities by Tricor Excelasia. 2. Australia Stock Exchange: CEO Connect 3. CIMA: Engage Asia Pacific 2022 4. Bursa Malaysia Immersive Session: The Board "Agender" 5. ICDM: Future-Focused Risk Management Committee 6. CPA Australia: Strategic Communication and Influence 7. ICDM: Crisis Management For Boards 8. CIMA: Management Accountant's Role in Sustainable Finance 9. Financial Times: Distressed Restructuring and Rescue M&A 10. CIMA: Building The ESG Framework 11. Amendments to the Main Market Listing Requirement in relation to Sustainability Training for Directors by Company Secretary. 12. Amendments to the Exchange's MMLR in relation to Conflict of Interest ("COI") and Other Areas by Company Secretary.	29/9/22 11/10/22 1/11/22 30/11/22 1/12/22 10/2/23 22/3/23 12/4/23 21/4/23 12/6/23 28/6/23 28/6/23
8.	Mr. Chen Thien Yin	1. Amendments to the Main Market Listing Requirement in relation to Sustainability Training for Directors by Company Secretary. 2. Amendments to the Exchange's MMLR in relation to Conflict of Interest ("COI") and Other Areas by Company Secretary.	28/6/23 28/6/23
9.	Dato' Ooi Lay See	1. Amendments to the Main Market Listing Requirement in relation to Sustainability Training for Directors by Company Secretary. 2. Amendments to the Exchange's MMLR in relation to Conflict of Interest ("COI") and Other Areas by Company Secretary.	28/6/23 28/6/23

III. REMUNERATION

Remuneration Committee

The Company has a Remuneration Committee that assists the Board by recommending the remuneration packages of each individual Executive Director, Independent Non-Executive Director and Senior Management. The Remuneration Committee is entrusted with the following responsibilities:

- To recommend to the Board the framework of Executive Directors' and Senior Management's remuneration and the remuneration package for each Executive Director, drawing from outside advice as necessary taking into account the Company's desire to attract and retain the right talent in the Board and Senior Management to achieve the Company's long term objectives.
- To recommend to the Board, guidelines for determining remuneration of Independent Non-Executive Directors.
- To recommend to the Board any performance related pay schemes for Executive Directors.
- To review and where appropriate, to recommend revision of Executive Directors' scope and terms of service contracts.

- To consider the appointment of the service of such advisers or consultants as it deems necessary to fulfill its functions.
- To review periodically the policies and procedures to determine the remuneration of Directors and Senior Management which takes into account the demands, complexity and performance of the Company as well as skill and experience required.

The terms of reference of the Remuneration Committee are made available on the Company's website at www.htgrp.com.my.

The members of the Remuneration Committee are as follows:

Name	Designation	Directorship
Mr. Sherman Lam Yuen Suen	Chairman	Independent Non-Executive Director
Mr. Lee Ching Kion	Member	Senior Independent Non-Executive Director
Mr. Chen Thien Yin (Appointed on 03/01/2023)	Member	Independent Non-Executive Director
Mr. Leow Hoi Loong @ Liow Hoi Loong (Retired on 16/12/2022)	Member	Independent Non-Executive Director

For the financial year ended 31 July 2023, the Remuneration Committee held two meetings on 15 December 2022 and 28 June 2023 and have deliberated on the following matters in respect of the FYE 31 July 2023:

- Bonus for Executive Directors and Senior Management;
- Fees for Independent Non-Executive Directors;
- Annual increment for Executive Directors and Senior Management.

Directors' Remuneration

The Company has specific remuneration policies and procedures to determine the remuneration of Directors and Senior Management. For the financial year ended 31 July 2023, the Remuneration Committee recommended to the Board for approval the remuneration packages of the Executive Directors and Senior Management and fees of the Independent Non-Executive Directors. The Individual Directors concerned abstain from decision in respect of their individual remuneration.

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 Independent Non-Executive Directors including the Non-Executive Chairman is determined in accordance with their experience, contribution and the level of responsibilities assumed.

The details of the remuneration of Directors of the Company in respect of the financial year ended 31 July 2023 were disclosed on page 40 of Corporate Governance Report 2023 with detailed disclosure on named basis for the remuneration of the individual Directors. The remuneration breakdown of individual Directors includes fees, salary, bonus, benefit-in-kind and other emoluments. The Board has complied with Practice 8.1 of the Code.

Remuneration of the Top Five Senior Management

The Board is of the opinion that the disclosure on a named basis the Top Five Senior Management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000 would not be beneficial to the Company and to the individual Senior Management's interest due to the following reasons:-

1. Confidentiality and sensitivity of personal information of Senior Management.
2. Will give rise to breach of personal data protection.
3. Security concerns for the staff including their family members.
4. Can potentially create friction among the Senior Management staff.
5. Encourage staff pinching or poaching of executives in the industry.
6. Detrimental to the Company's continuous effort to attract and retain its scarce human assets/talents.

The Board ensures that the remuneration of Senior Management commensurate with the performance of the Company, with due consideration to attracting, retaining and motivating Senior Management to lead and run the Company successfully.

The Company acknowledges that the non-disclosure of the remuneration of the Top Five Senior Management is a departure from Practice 8.2 of the Code but nevertheless it will consider the application of Practice 8.2 when the Company is satisfied that there are adequate rules and regulations set in place by the authorities to protect the Company from losing its invaluable human assets/ talents.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Practice 9.4 – Step-Up of the Code recommending the Audit Committee to comprise solely of Independent Directors is adopted. The Audit Committee which comprises Directors, all of whom are Independent Non-Executive Directors is responsible for reviewing and monitoring the Group's internal control processes, its external auditors and of the integrity of the Group's financial statements.

The Company applied Practice 9.5 of the Code. All the Audit Committee members who are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting processes, carried out their duties in accordance with the terms of reference of the Audit Committee which are available on the Company's website at www.htgrp.com.my. All the Audit Committee members undertake continuous professional development and training to ensure that they keep abreast of the relevant development in accounting and auditing standards, practices and rules.

The Chairman of the Audit Committee is not the Chairman of the Board. The Company has applied Practice 9.1 of the Code. The Audit Committee has the policy that requires a former key audit partner of the Group audit to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. The Company has applied Practice 9.2 of the Code. Currently, no former key audit partner is appointed as a member of the Audit Committee.

The Audit Committee also has the policy that no alternate director shall be appointed as a member of the Audit Committee.

The Audit Committee in applying Practice 9.3 has during the year under review assessed the suitability, objectivity and independence of the external auditors to safeguard the quality and reliability of the audited financial statements at the Audit Committee Meeting held on 27 September 2023.

The status of Audit Committee of the Company is explained in greater detail in the Audit Committee Report on page 38 to 40 of the Annual Report 2023.

Financial Reporting

The Board upholds integrity in financial reporting by ensuring that shareholders are provided with reliable information of the Company's financial performance, its financial position and future prospects in the Annual Audited Financial Statements and quarterly financial reports.

The Board is also 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 2016. 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.

Independence of External Auditors

The Audit Committee is responsible for approving audit and non-audit services provided by the external auditors. In the process, the Audit Committee will ensure that the independence and objectivity of the external auditors are not compromised.

Moreover, the Engagement Partner of the External Auditors will retire every seven (7) years as a matter of the External Auditors' internal policy. The External Auditors have also confirmed that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Statement of Directors' Responsibility in Relation to the Financial Statements

The Board of Directors is required under Paragraph 15.26(a) of Bursa Securities' MMLR to issue a statement explaining their responsibility in the preparation of the annual financial statements. The Directors are also required by the Companies Act 2016 to prepare financial statements for each financial year, which have been made out in accordance with the approved accounting standards and to give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year.

The Directors are responsible for keeping proper accounting records, which are capable to disclosed with reasonable accuracy at any time the financial position of the Company and the Group to enable them to ensure that the financial statements comply with the Companies Act 2016 and applicable approved accounting standards in Malaysia.

In preparing these financial statements, the Directors have:-

- Selected appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensured that all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group has adequate resources to continue in operational existence for the foreseeable future.

Relationship with External 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 report as well as their professional fees, performance and appointment. The re-appointment of the External Auditors is subject to the approval of the shareholders at the Annual General Meeting of the Company.

The External Auditors are invited to attend Audit Committee meetings as and 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.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its overall responsibility for reviewing the adequacy and integrity of the Group's systems of risk management, identifying principal risks and opportunities and establishing an appropriate control environment and framework to manage risks and take advantage of opportunities. The key risk categories of the Group are financial risk associated to corporate funding and gearing, foreign exchange risk, supply chain risk, regulatory risk, market risk, credit risk, inventory risk, corruption risk, cyber security risk and business continuity, which are satisfactorily under control.

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

The details of the Company's risk management and internal control framework are contained in the Statement on Risk Management and Internal Control on pages 35 to 37.

Sustainability and Risk Management Committee

The Company has adopted Practice 10.3 – Step-Up where the Company is recommended to establish a Risk Management Committee, which comprises a majority of independent directors to oversee the Company's risk management framework and policies.

The Company has on 30 March 2010 established a Risk Management Committee which has been delegated by the Board to assume responsibility for the Group's risk oversight and internal control framework. The Risk Management Committee provides oversight, direction and counsel to the Group risk management process and considers any matter relating to the identification, assessment, monitoring and management of any risk associated with the Group that it deems appropriate. Through the Risk Management Committee, therefore, the Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed. The outsourced internal audit function assists the Board in ensuring that the risk management and internal control framework is effective and robust.

On 1 July 2022, the Board of Directors of the Company had announced to Bursa Malaysia Securities Berhad that the name of the Board's Risk Management Committee ("RMC") has been changed to Sustainability and Risk Management Committee ("SRMC"). The RMC is now renamed as SRMC to include sustainability and supports the Board in fulfilling its oversight responsibilities in relation to the HTVB Group's sustainability strategies and initiatives covering Environmental, Social and Governance ("ESG") and integrating such policies and practice into the Group's business and decision-making process.

The members of the Sustainability and Risk Management Committee are as follows:

Name	Designation	Directorship
Mr. Lee Ching Kion	Chairman	Senior Independent Non-Executive Director
Mr. Foo Kok Siew	Member	Executive Director
Mr. Sherman Lam Yuen Suen	Member	Independent Non-Executive Director
Mr. Chen Thien Yin (Appointed on 03/01/2023)	Member	Independent Non-Executive Director
Mr. Leow Hoi Loong @ Liow Hoi Loong (Retired on 16/12/2022)	Member	Independent Non-Executive Director

In line with the Practice 4.5 of Malaysian Code on Corporate Governance 2021, the Board has identified and nominated Mr. Tan Shau Ming, an Executive Director of the Company, to be the person within management to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the HTVB Group of companies.

The terms of reference of the Sustainability and Risk Management Committee are available on the Company's website at www.htgrp.com.my.

Internal Audit Function

The internal audit function of the Company is currently outsourced to Tricor Axcelasia Sdn. Bhd. ("Tricor Axcelasia") ("the Internal Auditors") which reports directly to the Audit Committee at an annual fee of RM175,000. The Internal Auditors is headed by Mr. Chang Ming Chew, an Executive Director of Tricor Axcelasia. Mr Chang holds the certifications of Certified Information Systems Auditor, Certified Internal Auditor, and Certification in Risk Management Assurance. He is a member of the Institute of Internal Auditors Malaysia, the Association of Certified Accountants (UK) and the Malaysia Institute of Accountants. The Board has complied with Practice 11.2 of the Code.

The Internal Audit function is effective and independent. To the best of the Board's knowledge, the outsourced internal audit personnel are free from any relationship or conflict of interest which could impair their objectivity and independence. Audit Committee has taken the necessary steps to ensure that the internal audit function is effective and able to function effectively in applying Practice 11.1 of the Code.

The internal audit function is responsible to assist the Audit Committee in discharging its duties and responsibilities, and performs its work as guided by a recognised framework, such as the International Professional Practices Framework issued by the Institute of Internal Auditors.

Further details of the internal audit function are contained in the Audit Committee Report on pages 38 to 40 in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of effective, transparent and regular ongoing engagement communication with its stakeholders to facilitate mutual understanding of each other's objectives and expectations and to enable the stakeholders to make informed decisions with respect to the business of the Company, governance, the environment and social responsibility.

Information is disseminated through various disclosures and announcements made to Bursa Securities which includes financial results and corporate developments. The Company's website at www.htgrp.com.my provides shareholders and investors with the overview information of the Group's business, the latest updates of the Company and the announcement of the quarterly financial results made via Bursa Link. Shareholders and investors may contact the persons identified in the website to enquire more about the Company and the Group.

The Company meets financial analysts regularly to brief them on the Group's performance and operations. 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 is the principal forum for dialogue with all shareholders. Shareholders are notified of the meeting and provided with a copy of the Company's Annual Report before the meeting.

At the start of the last year's Annual General Meeting held on 15 December 2022, the Board's reply to the Minority Shareholders' Working Group's ("MSWG") query Letter dated 2 December 2022 was read out to the Shareholders present at the Meeting. A copy of this reply to MSWG can be found at the Company's website at www.htgrp.com.my.

In view of the above, the Board has applied Practice 12.1 of the Code in respect of effective, transparent and regular communication with its stakeholders.

II. CONDUCT OF GENERAL MEETINGS

According to Clause 60(a) of the Company's Constitution, notice of Annual General Meeting shall be circulated at least twenty-one (21) days before the date of the meeting to enable shareholders sufficient time to peruse the Annual Report and papers supporting the resolutions proposed. The 21 days' notice is within the requirement stipulated by the Companies Act 2016 under Section 316 and Paragraph 9.19 of the MMLR of Bursa Securities. The Board is aware that Practice 13.1 of the Code encourages the Company to send out Notice for its 27th Annual General Meeting to the shareholders at least 28 days prior to the meeting. Since the Notice of the Annual General Meeting will be sent on 15 November 2023 while its AGM will only be held on 15 December 2023, i.e. more than 28 days prior to Annual General Meeting, the Company complies with Practice 13.1 of the Code.

At the Annual General Meetings of the Company, the Board welcomes shareholders' participation by providing opportunities for shareholders to raise questions on the business activities of the Group, agenda of the meetings and its proposed resolutions. The Directors and the Chair of Board Committees are always present in the Annual General Meeting to answer questions and consider suggestions. This is in compliance with Practice 13.2 of the Code. The External Auditors are also present to provide their professional and independent clarification on issues of concern raised by the shareholders, if any.

Based on the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission on 18 April 2020 (Revised on 16 July 2021), the Twenty-Sixth Annual General Meeting of the Company which was held on Friday, 16 December 2022 ("26th AGM") was conducted for the third time fully virtual with the Broadcast Venue in Auditorium, Level 3A Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The Chairman, the Executive Deputy Chairman, the Executive Directors and Independent Non-Executive Directors (including the Chair of all the Board Committees) were present at the Broadcast Venue besides the Group's Chief Financial Officer, the Company Secretary, the External Auditors and the Scrutineer ("Strategy Corporate House Sdn. Bhd."). The Members participated in the 26th AGM remotely via the online platform Boardroom Smart Investor Portal website at https://boardroomlimited.my.

Shareholders, proxies, attorneys or authorised representatives were not allowed to attend the 26th AGM in persons at the Broadcast Venue on the day of the meeting, but eligible shareholders, proxies, attorneys and authorised representatives ("collectively referred to as shareholders thereafter") were able to attend the 26th AGM via Remote Participation And Electronic Voting Facilities ("RPEV") at Boardroom Smart Investor Portal website including exercising their rights to speak and vote. Shareholders were provided with a dedicated contact number and/or email to submit queries or request for technical assistance to participate in the fully virtual general meeting. Questions or remarks posted by shareholders during the 26th AGM were meaningfully responded to by the Board, and such questions and remarks were made visible to all the participants of the meeting. All the resolutions were tabled at the 26th AGM. The meeting proceedings and resolutions passed at the 26th AGM were posted on the Company's website at www.htgrp.com.my. All the resolutions tabled at the 26th AGM were voted by poll. Voting on all the resolutions commenced at any time after the 26th AGM started and ended with the Chairman's announcement that the voting was closed. Following the end of voting, the Scrutineer verified the poll results before giving to the Chairman to declare whether the resolutions were passed and carried. The 26th AGM and remote participation ended with the Chairman's announcement of the closure of the 26th AGM.

Poll Voting

According to Paragraph 8.29A (1) of the MMLR, all resolutions set out in the notice of a general meeting should be put to vote by poll. Hence, the resolutions tabled at the Company's 26th AGM convened on 16 December 2022 were by poll voting. The Company had appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting (e-voting). Independent Scrutineer was appointed to observe the polling process and to verify the favour and against the resolution. The Chairman of the Company announced the result of the poll. Shareholders are entitled to appoint proxy/proxies or corporate representative where the shareholder is a corporation to vote on his/its behalf at general meeting.

Shareholders/proxies/corporate representatives/attorneys can proceed to vote on the resolutions at any time from the commencement of the Twenty-Sixth AGM at 10:00 a.m. on Friday, 16 December 2022 but before the end of the voting session which will be announced by the Chairman of the meeting.

Proxy

As the 26th AGM was a virtual AGM, shareholders attended, spoke (in the form of real time submission of typed texts) and voted (collectively, "participate") remotely at the 26th AGM using Remote Participation and Electronic Voting Facilities ("RPEV") provided by Boardroom Share Registrars Sdn. Bhd. via its Boardroom Smart Investor Portal website at https://boardroomlimited.my

Shareholders who appointed proxies, corporate representatives or power of attorneys via RPEV in Twenty-Sixth AGM ensured that the duly executed proxy forms, original certificate of appointment of corporate representatives or the power of attorneys respectively were deposited with Boardroom Share Registrars Sdn. Bhd. not later than Wednesday, 14 December 2022 at 10:00 a.m. to participate via RPEV in the AGM.

ADDITIONAL INFORMATION

1. SHARE BUY-BACK

A total number of shares purchased and retained as treasury shares during the financial year ended 31 July 2023 was Nil.

As at end of the financial year:

a. There was no shares bought back in the financial year ended 31 July 2023;
b. A total of 5,492,000 shares bought back were held as treasury shares and carried at cost; and
c. No shares had been cancelled.

2. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme during the financial year ended 31 July 2023.

3. 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 2023.

4. NON-AUDIT FEES

Non-audit fees of RM23,000 were incurred for services rendered to the Group for the financial year ended 31 July 2023 by the External Auditors or a firm or company affiliated to the External Auditors.

5. VARIATION IN RESULTS

There was no material variance between the results for the financial year ended 31 July 2023 and the unaudited quarterly results previously announced.

6. PROFIT GUARANTEE

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

7. UTILISATION OF PROCEEDS

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

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

There were no material contracts by the Company and/or its subsidiaries involving Directors' and major shareholders' interest.

9. REVALUATION POLICY

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

10. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The Company has on its Annual General Meeting held on 16 December 2022 sought approval for a shareholders' mandate for the Group to enter into recurrent related party transactions of revenue or trading nature.

The aggregate value of recurrent related party transactions conducted during the financial year ended 31 July 2023 in accordance with the shareholders' mandate obtained in the last Annual General Meeting were as follows:

Related Parties involved with HTVB Group	Nature of Transaction	Relationship and Nature of Interest	Value of Transactions (RM'000)
JK Ji Seng Sdn. Bhd. ("JKJS")	Purchase of prime Hot Rolled Steel Plates	Tan Sri Dato' Seri Law Tien Seng is deemed interested in JKJS by virtue of him being a Director and Shareholder of T.S.Law Holdings Sdn. Bhd. ("TS Law") which in turn is the major shareholder of JKJS.	405,180
Pedoman Cekap Sdn. Bhd.	Renting of office space	Tan Sri Dato' Seri Law Tien Seng, Puan Sri Datin Seri Saw Geok Ngor and Law Wai Cheong.	996

This Statement was approved by the Board on 27 September 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2021 specify that the Board of Directors of public listed companies should establish a sound risk management framework and internal control system to safeguard shareholders' investment and Group's assets. The Board of Directors ("the Board') is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 July 2023. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements. It covers all of the Group's operations, excluding associate companies and joint venture entities, as guided by the latest "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" ("the Guidelines") endorsed by the Bursa Malaysia Securities Berhad ("BMSB").

BOARD'S COMMITMENT AND RESPONSIBILITY

Given the dynamic nature of business environment in which the Group operates, it is imperative to have a sound risk management and internal control system in place to support the achievement of Group's business goals. Therefore, the Board remains committed towards maintaining a sound system of risk management and internal control and believes that a balanced achievement of its business objectives and operational efficiency can be attained.

In accordance with the Guidelines for risk governance, the Board's primary responsibilities are:

- Embedding risk management in all aspects of the Group's activities, which also encompasses subsidiaries of the Company;
- Assessing the Group's acceptable risk appetite; and
- Reviewing risk management framework, processes, responsibilities and assessing whether the existing policies and systems provide reasonable assurance that risks are being managed appropriately.

The Board understands the principal risks of the business that the Group is engaged in and accepts that business decisions require the balancing of risk and return in order to reward the shareholders.

The Board delegates the responsibility of reviewing the effectiveness of risk management to the Sustainability and Risk Management Committee ("SRMC"). The primary role of SRMC is to review and report to the Board the risks faced by the Group and the effectiveness of management measures in identification and assessment of risks as well as the design, management and monitoring of internal controls to mitigate risks.

The present composition of the SRMC is as follows:

(i)	Mr. Lee Ching Kion	-	Senior Independent Non-Executive Director (Chairman)
(ii)	Mr. Foo Kok Siew	-	Executive Director
(iii)	Mr. Sherman Lam Yuen Suen	-	Independent Non-Executive Director
(iv)	Mr. Chen Thien Yin	-	Independent Non-Executive Director

The SRMC meets at least once every quarter.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its overall responsibility for reviewing the adequacy and integrity of the Group's systems of risk management and internal control, identifying principal risks and establishing an appropriate control environment and framework to manage risks. The key risk categories of the Group are financial risk associated with corporate funding and gearing, foreign exchange risk, supply chain risk, regulatory risk, market risk, credit risk, inventory risk, corruption risk, cyber security risk and business continuity.

The SRMC is assisted by the Risk Management Working Committee ("RMWC"), which is represented by the heads of the various departments of the Group. The primary responsibilities of RMWC encompass the identification, measurement, prioritisation, and periodic re-evaluation of risks. It ensures that appropriate and timely attention and focus is given to managing risks in alignment with their perceived significance and anticipated impact. On a quarterly basis, the RMWC conducts reassessment and compiles summaries of the emerging risks and their profiles and reports to the SRMC for review and discussion. The status of key risks and corresponding management actions are further presented by the SRMC to the Board for consideration and deliberation.

In term of the key controls of the business processes, the Group has currently put in place the following control measures and operational procedures:

i. **Procurement Committee** : Responsible for evaluating, overseeing, and granting approval for purchases;
ii. **Budgetary Control** : Involves the assessment and approval of the annual budget as well as ongoing monitoring and analysis of variances between actual results and the budget during the monthly Group Management Committee Meetings;
iii. **Organisation Structure** : Defines the management hierarchy, outlines the structure of reporting lines and establishes accountability;
iv. **Authority Limits and Approval Processes** : Facilitate the delegation of authority within the organisation;
v. **Centralised Enterprise Resource Planning (ERP) Information System** : Provides timely information and generates periodic performance reports for management's monitoring purposes;
vi. **Quality Management System**: Includes compliance with ISO 9001:2015 Quality Management System and EC Certification for Factory Production Control in the Group's manufacturing operations. The Group conducts internal quality audits and undergoes annual surveillance audits by external certification body to provide assurance of compliance with the ISO requirements and standards.

BOARD AND MANAGEMENT REVIEW MECHANISM

Whilst the SRMC oversees risk management with operational support from the RMWC, various management review meetings took place throughout the year. Currently, the management conducts weekly Senior Management Meetings, periodic Credit Committee Meetings, monthly Group Management Committee Meetings and monthly Operation Meetings within key subsidiaries. These meetings serve the purposes of communicating and ensuring that the policies, decisions and operational performance targets set by the top executives are effectively conveyed, understood and executed by the line management. Simultaneously, these meetings reinforce monitoring and supervisory controls at the line management levels.

In order to ensure the objectivity of the internal control system review within the Group, the Board has instituted an Audit Committee with the specific responsibility of undertaking this role. In performing its review, the Audit Committee is assisted by the Internal Auditors who provide quarterly report to the Audit Committee regarding the state of control within the audited functions. During the financial year under review, the Internal Auditors identified areas of implementation lapses in internal control and opportunities for process improvement all of which were promptly addressed by the Management. Additionally, the Audit Committee gathers feedback from the External Auditors on the risk and control issues that they have identified during their statutory audit process.

Furthermore, when presenting their quarterly financial performance and results to the Audit Committee, the Management supplements the Audit Committee review on risk-related matters. In collaboration with the management, the Audit Committee engages in discussions regarding the integrity of the quarterly financial results, annual report and audited financial statements before making recommendations to the Board for presentation to the shareholders and public investors.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Guidelines, Management bears the responsibility of reporting to the Board by:

- Continuously identifying, assessing, and managing risks that are pertinent to the business in the pursuit of the Group's objectives and implementation of its strategies;

- Formulating, executing, and overseeing the risk management framework, aligning it with the Group's strategic vision and overall risk appetite; and

- Identifying any alterations in risk profiles or emergence of new risks, taking suitable action and promptly notifying the Board about the changes.

The Board has received assurance from the Executive Directors and Group Chief Financial Officer that, based on the Group's risk management and internal control systems, they are operating in an effective and adequate manner in all material aspects.

BOARD ASSURANCE AND LIMITATION

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks encountered by the Group during the financial year under review and up to the date of this Statement's approval for inclusion in the Annual Report. The Board is satisfied that the existing internal control and risk management systems are both adequate and effective in facilitating the Group's attainment of its business objectives and there have been no material losses attributed to significant control weaknesses during the financial year under review.

While it is important to emphasise that the Board acknowledges the need for continual enhancement of these risk management and internal control systems to align with the evolving landscape of business development. It's essential to recognise that while these risk management and internal control systems play a crucial role in mitigating risks, they cannot entirely eliminate the possibility of failure to achieve business objectives. Therefore, these systems of internal control and risk management within the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

ANTI-BRIBERY AND CORRUPTION POLICY

With the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2007, it has been established that a commercial organisation has a criminal liability ("Corporate Liability") for the corrupt activities of its employees and/or persons associated with the commercial organisation where such corrupt activities are carried out for the commercial organisation's benefits or advantages.

In connection to this, the Group firmly upholds a zero-tolerance stance against any forms of bribery and corruption. The Group is dedicated to conducting its business operations in a professional, equitable and morally upright manner, ensuring transparency and integrity in compliance with all relevant anti-bribery and corruption legislations within the various jurisdictions where we conduct business.

Violation of the Anti-Bribery and Corruption Policy or any relevant local law may lead to disciplinary action, which could include dismissal and/or the termination of the business relationships. In case where the Group's reputation or interests are adversely affected due to non-compliance and/or misconduct further legal actions may also be pursued.

The Anti-Bribery and Corruption Policy is available at the Company's website www.htgrp.com.my.

REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 31 July 2023. Their review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the External Auditors to consider whether this statement covers all risks and controls or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

This Statement was approved by the Board on 27 September 2023.

AUDIT COMMITTEE REPORT

The Board of Directors of Hiap Teck Venture Berhad is pleased to present the Audit Committee Report for the financial year ended 31 July 2023 in compliance with Paragraph 15.15 of the Main Market Listing Requirements.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee was established on 17 July 2003 to fulfill the principles of accountability, integrity and good corporate governance in assisting the Board to discharge its responsibilities of reviewing and monitoring the Group's financial process, audit process, statutory and regulatory compliance.

The Terms of Reference of the Audit Committee may be viewed at the Company's website at www.htgrp.com.my.

The Audit Committee members who are appointed from amongst the Directors are all Independent Non-Executive Directors. No alternate director is appointed as a member of the Audit Committee. The Chairman of the Audit Committee, Mr. Sherman Lam Yuen Suen is a Chartered Accountant of the Malaysian Institute of Accountants, a Fellow of the Chartered Institute of Management Accountants, United Kingdom, a Fellow of CPA Australia, and a Chartered Member of the Institute of Internal Auditors of Malaysia. The Chairman of the Audit Committee is not the Chairman of the Board. The Audit Committee has complied with Practice 9.1 and 9.4 of the Code.

Members of the Audit Committee	Designation	Directorship
Mr. Sherman Lam Yuen Suen (Appointed as Chairman on 29/03/2023)	Chairman/Member	Independent Non-Executive Director
Mr. Lee Ching Kion	Member	Senior Independent Non-Executive Director
Mr. Chen Thien Yin (Appointed on 03/01/2023)	Member	Independent Non-Executive Director
Mr. Leow Hoi Loong @ Liow Hoi Loong (Resigned on 16/12/2022)	Chairman/Member	Independent Non-Executive Director

MEETING AND ATTENDANCE

During the financial year ended 31 July 2023, the Audit Committee convened a total of four (4) meetings.

The details of the attendance of the Audit Committee meetings were as follows:-

Members	Date of Meeting				Total Meetings Attended	Percentage of Attendance
	29/09/2022	15/12/2022	29/03/2023	28/06/2023		
Mr. Sherman Lam Yuen Suen	✓	✓	✓	✓	4/4	100%
Mr. Lee Ching Kion	✓	✓	✓	✓	4/4	100%
Mr. Chen Thien Yin (Appointed on 03/01/2023)	-	-	✓	✓	2/2	100%
Mr. Leow Hoi Loong @ Liow Hoi Loong (Resigned on 16/12/2022)	✓	✓	-	-	2/2	100%

SUMMARY OF ACTIVITIES

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

The following is a summary of the activities of the Audit Committee in the discharge of its functions and duties for the financial year ended 31 July 2023 and how it has met its responsibilities.

The Executive Director, Mr. Foo Kok Siew and the Group Chief Financial Officer, Mr. Raymond Hoo Weng Keong attended the Audit Committee meetings by invitation during the financial year ended 31 July 2023. The Internal Auditors attended all the scheduled quarterly Audit Committee meetings. Representatives of the External Auditors were invited to present the Audit Plan and Audit Status for the year ending 31 July 2023 to the Audit Committee and attended meetings where matters relating to the audit of the statutory accounts were discussed. Other Board members may attend the Audit Committee Meetings at the request and invitation of the Audit Committee. The Company Secretary and his representatives attended all the Audit Committee meetings.

The main activities undertaken by the Audit Committee during the financial year ended 31 July 2023 were as follows:

- Reviewed and confirmed the Minutes of the previous AC Meeting and dealt with the matter(s) arising therefrom, if any.
- Reviewed and recommended the unaudited quarterly financial results of the Company and the Group to the Board of Directors for their consideration and approval prior to its release to Bursa Malaysia Securities Berhad ("Bursa Securities").
- Reviewed and recommended to the Board for approval, the Group's audited financial statements and the audit report on the financial statements.
- Reviewed and approved the internal audit plan, strategy and scope of work.
- Reviewed the internal audit reports and follow-up audit reports and consider the findings and recommendations and management's responses thereto.
- Reviewed quarterly the recurrent related party transactions ("RRPT") and the conflict of interest situations that may arise within the Company or the Group including any transaction, procedures or course of conduct that raised questions of management integrity.
- Reviewed the External Auditors' Audit Plan which covers the scope of the statutory audit and the audit plan prior to the commencement of audit of the Group's financial statements highlighting the Audit Focus Areas (i.e. Potential Key Audit Matters and Other Significant Audit Matters).
- Noted KPMG PLT's written assurance in their "Briefing to the Audit Committee" confirming that KPMG are and have been, independent throughout the conduct of their audit engagement in accordance with the terms of all relevant professional and regulatory requirements.
- Met with KPMG PLT in the absence of the Executive Directors and Management.
- Reviewed the audit and non-audit fees of the External Auditors and recommended these fees to the Board of Directors' for consideration and approval.
- Reviewed and discussed with the External Auditors the issues (e.g. Key Audit Matters and other Significant Audit Matters) arising from the statutory audit, the audit report and the management letters including management's responses.
- Reviewed and approved the Non-Assurance Services to be provided by KPMG PLT.
- Reviewed the Statement on Risk Management and Internal Control, Audit Committee Report and Audit Committee Statement prior to its inclusion in the Annual Report and Circular to Shareholders in relation to RRPT.
- Reviewed the suitability, objectivity and independence of the External Auditors and recommended them for their re-appointment.
- Reviewed and satisfied themselves of the guidelines and procedures of RRPT and satisfied themselves that the said guidelines and procedures are adequate.
- Reviewed and kept up to date of the status of Tax Audit YA 2013-YA 2019 from LHDN. The Tax Audit was finalised and settled on 14 March 2023.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to Tricor Axelasia Sdn. Bhd., an independent professional services firm for an annual fee of RM175,000 (2022 – RM175,000). Independence is essential to the effectiveness of the internal audit function. The outsourced Internal Auditors report directly to the Audit Committee and the Audit Committee has full and direct access to the Internal Auditors.

The internal audit function is established to assist the Audit Committee in discharging its duties and responsibilities. The principal role of the internal audit function is to review the Group's operations, evaluating their efficiency, effectiveness and compliance with corporate policies, procedures, laws and regulations.

The internal audit function is carried out with impartiality, proficiency and due professional care. It provides the Audit Committee with information, appraisals, recommendations and counsel regarding the activities examined and other significant issues. The internal audit reports are reviewed by the Audit Committee and the Management is responsible for ensuring that recommendations and corrective actions on reported weaknesses are taken within the required time frame.

During the financial year ended 31 July 2023, the Internal Auditors executed the approved audit plan. Their scope of work was limited to the assessment of internal controls used to manage the key risks associated with the operating processes.

The following is a summary of the activities of the internal audit function:

The Internal Audit Function has focus on the assessment of the following key risks during the financial year under review:

- o Inventory Quantity Management of Alpine Pipe Manufacturing Sdn. Bhd. (ACM 29.09.2022)
- o Facility Management of Alpine Pipe Manufacturing Sdn. Bhd. (ACM 29.09.2022)
- o Hiap Teck Venture Berhad and its active subsidiaries' Internal Audit Strategy Document (ACM 29.09.2022)
- o Recurrent Related Party Transaction for Hiap Teck Venture Berhad; (ACM 15.12.2022)
- o Transport Booking of Alpine Pipe Manufacturing Sdn. Bhd. and Huatraco Scaffold Sdn. Bhd. (ACM 29.03.2023)
- o Operation Resilience of Alpine Pipe Manufacturing Sdn. Bhd. (ACM 29.03.2023)
- o Anti-Bribery Management System for Hiap Teck Venture Berhad (ACM 29.03.2023)
- o Information Technology General Control- Manage Security (ACM 28.06.2023)

and thereafter discussed the summary of observations and implementation priority with the Audit Committee.

The Internal Audit Function also performed Follow-Up Review on Previous Findings on the following key risks:

- o Enterprise Risk Management (Cycle 5, Year 2021)
- o Production Planning (Cycle 3, Year 2022)
- o IT Governance Framework (Cycle 5 FY2022)
- o Compliance with Act 446 (Cycle 6 FY2022)
- o Business Continuity Management (Cycle 7 FY2022)
- o Inventory Quantity Management (Cycle 8 FY2022)
- o Follow-up on Facility Management (Cycle 10 FY2022)

to assist the Audit Committee by independently evaluating and improving the effectiveness of the system of internal controls and discussed audit findings with the Audit Committee subsequently.

During the year under review, the Audit Committee has met with the Internal Auditors four (4) times to carry out its responsibility to review the internal audit function and to assure itself on the soundness of internal control system.

This Statement was approved by the Board on 27 September 2023.

NOMINATING COMMITTEE STATEMENT

The Nominating Committee of the Company was established on 16 October 2003 with written Terms of Reference approved by the Board, dealing with its authority and duties which include developing, maintaining and reviewing the criteria for recruitment and annual assessment of Directors.

The Terms of Reference of the Nominating Committee is available on the Company's website at www.htgrp.com.my.

In this regard, the NC key responsibilities are as follows:

- Reviewing the Board composition and ensuring that it is refreshed periodically.
- Reviewing the tenure of each Director and ensuring that the annual re-election of a Director is contingent on the satisfactory evaluation of the Director's performance and contribution to the Board.
- Recommending new nominees who are able to devote the required time to serve the Board effectively and who do not have any conflict of interests, position or relationship that might influence, or reasonably be perceived to influence their independent judge or to act in the best interest of the Company.
- Assessing the effectiveness of the Board, the Committee and the contribution of each Director every year, taking into consideration the required mix of skills, knowledge, expertise and experience, and any other requisite qualities, including core competencies for Non-Executive Directors. All assessments and evaluations are documented to identify key strengths and/or weaknesses, steps or enhancement proposed to be undertaken to mitigate or address the weaknesses identified and the impact of the evaluation on the Board composition.

COMPOSITION OF NOMINATING COMMITTEE

The Nominating Committee ("NC") comprises four (4) Non-Executive Directors, all of whom are Independent Directors. The members of NC are as follows:

Nominating Committee Members	Designation	Directorship
Mr. Lee Ching Kion	Chairman	Senior Independent Non-Executive Director
Mr. Sherman Lam Yuen Suen	Member	Independent Non-Executive Director
Mr. Chen Thien Yin (Appointed on 03/01/2023)	Member	Independent Non-Executive Director
Dato' Ooi Lay See (Appointed on 01/06/2023)	Member	Independent Non-Executive Director
Mr. Leow Hoi Loong @ Liow Hoi Loong (Resigned on 16/12/2022)	Member	Independent Non-Executive Director

MEETING AND ATTENDANCE

During the financial year ended 31 July 2023, the NC convened a total of four (4) meetings with details of the attendance by the NC members as follows:-

Members	Date of Meeting				Total Meetings Attended	Percentage of Attendance
	29/09/2022	15/12/2022	30/05/2023	28/06/2023		
Mr. Lee Ching Kion	✓	✓	✓	✓	4/4	100%
Mr. Sherman Lam Yuen Suen	✓	✓	✓	✓	4/4	100%
Mr. Chen Thien Yin (Appointed 03/01/2023)	-	-	X	✓	1/2	50%
Dato' Ooi Lay See (Appointed on 01/06/2023)	-	-	-	✓	1/1	100%

Members	Date of Meeting				Total Meetings Attended	Percentage of Attendance
	29/09/2022	15/12/2022	30/05/2023	28/06/2023		
Mr. Leow Hoi Loong @ Liow Hoi Loong (Resigned on 16.12.2022)	✓	✓	-	-	2/2	100%

SUMMARY OF ACTIVITIES

The NC had carried out the following activities during the financial year ended 31 July 2023:-

(a) Conducted an annual performance evaluation of the Directors, the Board as a whole and the Board Committees for the financial year ended 31 July 2023 as follows:

- The Board Evaluation Form was reviewed including specifically the Fit and Proper criteria as part of the evaluation and assessment of Directors before it was recommended to the Board of Directors for approval and release to the Directors for their completion.

- The evaluation was on the contribution and performance of each individual Director, independence of Independent Directors, the mix of skills, experience and other qualities of the Directors including but not limited to the core competencies and time commitment which Non- Executive Directors should bring to the Board.

- The Directors were required to answer questions related to the following segments in the Board Evaluation Form: Board Structure, Board Operation, Management Relationship, Board Roles and Responsibilities, Board Chairman's Roles and Responsibilities, Integrity and Ethic, Fit and Proper, Contribution/ Interaction/ Performance, Knowledge, Time Commitment, Judgement and Decision Making, Caliber of Personality and Leadership.

- The Board Evaluation Form which is a self and peer evaluation and assessment questionnaire was circulated to each Director for his completion. Each Director will rate his own and that of his peer's conduct, commitment and performance against a set of ratings given. Upon return of the completed questionnaires, the Company Secretary compiled the results of the evaluation based on the information and views/ observations completed in the questionnaires and tabled the summary of the results for the Nominating Committee's deliberation. The results compiled included comments made by the Directors which will be deliberated by the NC before it makes any recommendation to the Board for improvement or further action. The overall results of the current evaluation concluded that the Directors, the Board and the Board Committees are in compliance with good corporate governance practices and adhere to existing laws and regulations. All Directors agreed that there is full compliance and quality in the Directorate of the Company.

(b) Reviewed the retirement by rotation at the 26th Annual General Meeting of the Company in accordance with Clause 92 of the Company's Constitution, and recommended the re-election of Tan Sri Dato' Seri Law Tien Seng and Mr. Tan Shau Ming who being eligible to be re-elected, have consented to be re-elected. However, the NC noted that Tan Sri Abd Rahman Mamat who is also retiring in accordance with Clause 92 of the Company's Constitution has expressed his intention not to seek re-election and he will remain in office until the completion of the 26th Annual General Meeting.

(c) Reviewed the Diversity Policy notably in respect of the gender policy of the Company, and its target of at least one woman director by 1 June 2023 in accordance to the Amendments to the Main Market Listing Requirements ("MMLR") dated 19 January 2022.

(d) Reviewed the curriculum vitae of Mr. Chen Thien Yin ("Mr. Chen") to determine if he is suitable to be appointed as Independent Non-Executive Director ("INED") of the Company. The NC had met Mr. Chen earlier. Based on the profile and experience of Mr. Chen and found Mr. Chen to be qualified and fit and proper to be appointed as an Independent Director of the Company in accordance with Chapter 1 of MMLR of Bursa Malaysia. NC had recommended to the Board of Directors the appointment of Mr. Chen as an INED on 3 January 2023 and as a Member of the following Board Committees:
- Nominating Committee;
- Remuneration Committee; and
- Sustainability and Risk Management Committee.

(e) Reviewed the curriculum vitae of Tan Sri Dato' Sri Mohamad Fuzi Bin Harun ("Tan Sri Fuzi") to determine if he is suitable to be appointed as INED and Non-Executive Chairman of the Company. The NC met Tan Sri Fuzi earlier. Based on the profile and experience of Tan Sri Fuzi, NC found Tan Sri Fuzi to be qualified and fit and proper to be appointed as INED and Non-Executive Chairman of the Company in accordance with Chapter 1 of MMLR of Bursa Malaysia. NC had recommended to the Board of Directors the appointment of Tan Sri Fuzi as an INED and Non-Executive Chairman of the Company on 22 March 2023.

(f) Reviewed the curriculum vitae of Dato' Ooi Lay See ("Dato' Ooi") to determine if she is suitable to be appointed as INED of the Company in compliance with the MMLR of Bursa Malaysia which requires the Company to have at least one woman director on or before 1 June 2023. The NC met Dato' Ooi earlier. Based on the profile and experience of Dato' Ooi, NC found her to be qualified and fit and proper to be appointed as INED of the Company in accordance with Chapter 1 of MMLR of Bursa Malaysia. NC had recommended to the Board of Directors the appointment of Dato' Ooi as an INED on 1 June 2023 and a Member of the NC.

(g) The NC noted the timeframe for Directors to comply with MAP II requirement. All the current Directors of the Company who have been appointed before 1 August 2023 have until 1st August 2025 to attend the MAP Part II training.

(h) Conducted on 27 September 2023 an evaluation of the term of office and performance of the Audit Committee ("AC") for the financial year ended 31 July 2023, and reviewed and assessed the composition and quality; understanding of the business including risks; process and procedures; oversight of the financial reporting process, including internal controls; oversight of audit functions; ethics and compliance; and monitoring activities. Following the evaluation, the Nominating Committee concluded that the AC and its Members had been effective in discharging their responsibilities to ensure the quality, integrity and appropriateness in financial accounting and reporting, and have carried out their duties in accordance with their terms of reference.

(i) Reviewed and recommended to the Board that the re-appointment of Mr. Lee Ching Kion as Independent Director ("ID"), will be in the best interest of the Company on the following grounds that he:

    (a) He fulfilled the criteria under the definition of ID as stated in the MMLR of Bursa Securities and are able to offer impartial judgment and independent advice to the Board.
    (b) He has vast experience in his respective industries which could provide the Board with a diverse set of experience, skill and independent assessment.
    (c) He devoted sufficient time and attention to his responsibilities as ID of the Company.
    (d) He understands the workings of the Group's business in a comprehensive manner, and are able to give advice in support of the Group's strategies and goals.
    (e) He has exercised due care during his tenures as ID of the Company and carried out his duties to the best interest of the Company and Shareholders of the Company.

    The proposed re-appointment of Mr. Lee Ching Kion as ID whose tenure will exceed 9 years by the forthcoming 27th AGM on 15 December 2023 will be subject to the two-tier voting process in compliance with Practice 5.3 of the Malaysian Code on Corporate Governance 2021 ("the Said Practice 5.3").

    However, Mr. Lee Ching Kion had declined to be re-appointed as an ID because he wishes to keep to the tenure of 9 years as recommended by the Said Practice 5.3 and the present policy of the Company and also because of his own business and personnel commitments.

(j) Reviewed the continuous professional development of members of the AC to ensure that they keep abreast of relevant developments in accounting and auditing practices and rules and that they shall be financially literate and are able to understand matters under purview of the AC including the financial reporting process.

(k) Reviewed the training attended by Directors in respect of the financial year under review.

(l) Reviewed the time commitment of the Directors to ensure that they devote the required time to serve the Board effectively.

This statement was approved by the Board on 27 September 2023.

SUSTAINABILITY STATEMENT

OVERVIEW

Hiap Teck Venture Berhad aims to generate enduring value for stakeholders through our business endeavors. In addition to creating sustainable returns for shareholders, we acknowledge our responsibility to other stakeholders, including employees, the community, the environment, and our supply chain within our operational context.

The Board of HTVB presents this Sustainability Statement ("this Statement") which emphasises the approaches, targets, and accomplishments related to the handling of sustainability concerns by HTVB Group's management, including the Economic, Environmental, Social and Governance ("EESG") risks and opportunities, and governance aspects, of HTVB Group for the FY2023.

This statement covers ESG historical data between 1 August 2022 to 31 July 2023 ("FY2023"), referring to major operating subsidiaries: Alpine Pipe Manufacturing Sdn. Bhd., Brilliant Decade Agency Sdn. Bhd., Huatraco Scaffold Sdn. Bhd., Hiap Teck Hardware Sdn. Bhd.. These four subsidiaries have business operations in Meru, Malaysia and possess substantial magnitude revenue contribution or impact to Group.

This report has been crafted in accordance with the relevant disclosure requisites of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and it considers other established reporting methodologies, including those put forth by the Sustainability Reporting Guide – 3rd Edition and its associated Toolkits published by Bursa. Additionally, Global Reporting Initiatives (GRI) has been considered as a reference when crafting this report.

The content of this Report has been reviewed by HTVB's Board and Sustainability and Risk Management Committee ("SRMC") to determine relevance to the Group's business to ensure that current and material issues are addressed. We are setting up process for internal auditor to provide assurance from next year.

SUSTAINABILITY GOVERNANCE

HTVB has implemented a robust governance structure to drive sustainability across the Group. This structure ensures that economic, environmental, social, and governance (EESG) matters receive strategic oversight to effectively manage and mitigate risks while progressively integrating EESG principles into our business model and processes. Emphasising sustainability as a core aspect of our operations, we remain determined in our dedication to respecting human rights, supporting local communities, and minimizing environmental impact.

The governance structure begins with the Board of Directors, the highest decision-making body in the Group. The Board then delegates certain responsibilities to the Sustainability and Risk Management Committee (SRMC) which is responsible for formulating the Group's comprehensive sustainability strategy and management system. To execute these plans, Sustainability Working Committee (SWC) and relevant departments are tasked with day-to-day implementation.

BOARD OF DIRECTORS

The Board of Directors assumes a crucial role in overseeing the highest level of sustainability governance. They hold ultimate accountability for the Group's sustainability strategy and performance, setting the direction for sustainability initiatives across the entire organisation. This includes integral matters like anti-corruption measures, the code of conduct, occupational health and safety, talent management, and risk management.

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE (SRMC)

Regarding strategic management, SRMC, led by an independent non-executive director as the Chairman, plays a vital role in supporting the development of sustainability policies and monitoring the implementation progress. Moreover, SRMC assesses overall risks and opportunities during their quarterly meetings, relying on reports from SWC.

SUSTAINABILITY WORKING COMMITTEE (SWC)

The SWC is composed of four pillars: Economic, Environmental, Social, and Governance. This committee takes responsibility for executing the sustainability policies and practices in alignment with the Board-approved strategies, integrating them into HTVB Group's business strategy, goals, and decision-making.

The Core Values are integrated into the Group's corporate governance framework and operational processes and are managed and monitored as part of the internal control procedures with clear Key Performance Indicators ("KPI").

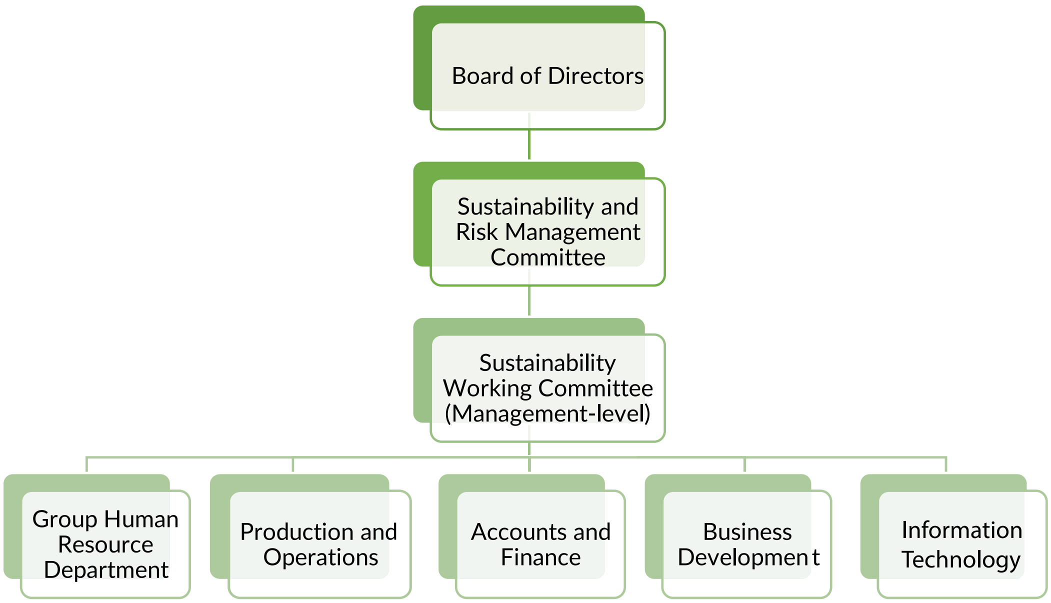


Fig 1. Sustainability Governance Structure

STAKEHOLDER ENGAGEMENT

Interacting with our different stakeholders is a crucial part of enhancing and sustaining effective operations at HTVB. These stakeholders encompass anyone or any group that could be influenced by our business model and approaches, and conversely, could potentially impact how we operate.

HTVB is resolute in building closer relationships with our diverse stakeholders to recognise their significance in shaping and devising strategies to enhance EESG management. This is achieved through regular and timely engagements.

Engagement with stakeholders occurs through diverse communication channels like online platforms, meetings, seminars, and face-to-face interactions. Our key stakeholders and their engagement details are presented in the stakeholder engagement table below:

Stakeholders Group	Engagement Channel	Frequency of Meeting	Interest/Concern	Response
Shareholders	• Corporate website • Quarterly Results Announcement • Material Matters Announcement • Annual Report • Annual General Meeting • Extraordinary General Meeting • Regular Analysts Briefings	• Quarterly • Annually	• Corporate governance practices • Risk management practices • Sustainable return and growth	• We are committed to delivering economic value to our capital providers through an established corporate governance structure as well as a sustainability and risk management framework.

Stakeholders Group	Engagement Channel	Frequency of Meeting	Interest/Concern	Response
Regulatory Bodies	• Forum and dialogues/ meetings • Networking events • Seminar • Briefing and consultation	• Periodically	• Update on human capital development • Health and safety compliance • Environment and social compliance • Industry regulatory development	• We have established sustainability governance to manage risk, ensure compliance and operate with integrity at all times.
Trade Associations	• Forum and dialogues/ meetings • Networking events • Seminar • Briefing and consultation	• Periodically	• Update on industry and business trend • Discuss and conclude on impacts of government policies	• We are actively participating and collaborating with key industry players and other stakeholders to continue making the greatest possible difference for the industry.
Customers	• Regulatory Site Visits and Audits • Quality Certification Audits • Marketing Events • Meetings and site visits • Hotline and Company website	• Daily	• Receive feedback on products quality, product knowledge and customer service standards • Enable bi-lateral communications • Provide products and services updates • Receive and respond to feedback	• By sharing a common goal across the organisation, we give customers a value-added experience using our products/ services.
Business Partner (Suppliers, Distributors, Contractors)	• Trade fairs • Site/ Plant visits • New and Periodical Performance Evaluation • Company website	• Daily	• Assess business needs • Provide Company information • Provide and receive product and service specifications	• Supplier relationships are governed by our standard operating procedures.
Employees	• Daily morning briefings • Weekly management meetings • Monthly operation meetings • Safety meetings • Seminars and trainings • Performance appraisals	• Daily	• Communicate safe work procedures • Highlight risk, hazards incident • Discuss key concerns • Allow questions from floor and provide answers • Ensure follow up actions with resolution	• Employees are our key assets. They drive success and we are committed to being a good employer.
Community	• COVID-19 vaccination Programme • Blood Donation • Donation • Annual Gotong Royong • Education funds	• Periodically • Annually	• Protection against COVID-19 viruses • Improve Blood bank stock • Provide assistance to the needy • Environment cleanliness • Provide rewards for high school achievers	• We strive to be a good partner and a positive force in our local communities.

Materiality Assessment

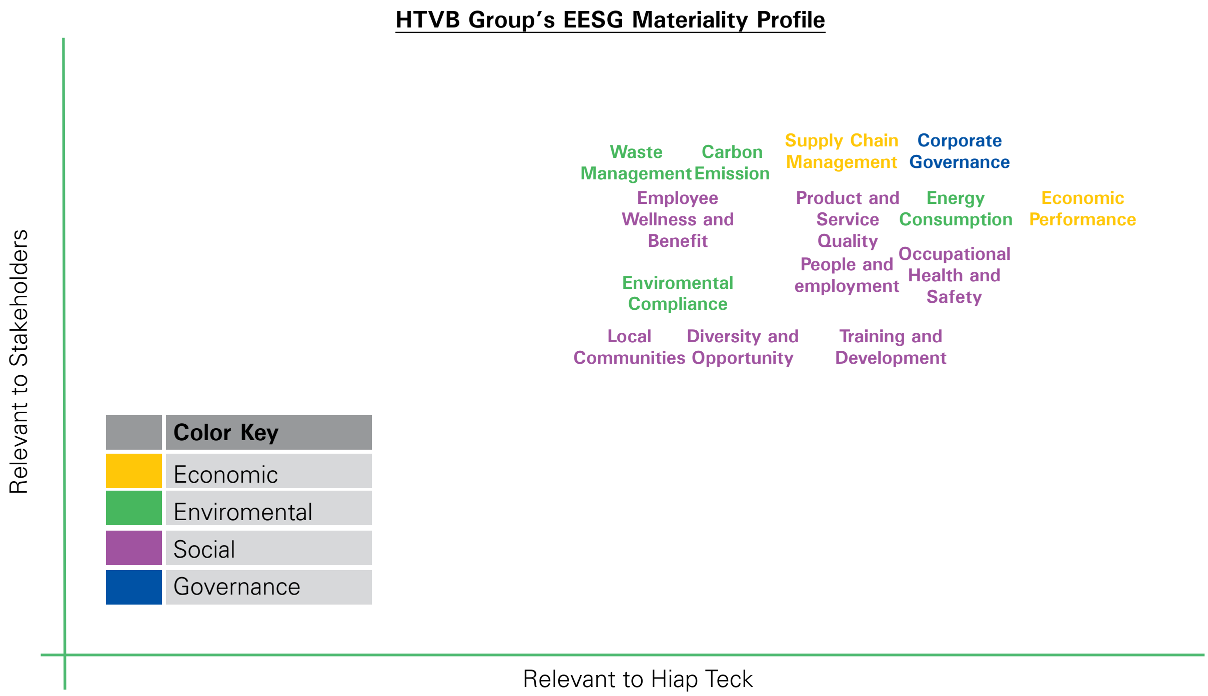
HTVB Group annually carries out a comprehensive materiality assessment and stakeholder engagement to evaluate our most important sustainability issues. The evaluation of materiality involved referring to GRI standards and the latest Bursa's guidance on sustainability reporting, which included measuring the effects on both the Group and our stakeholders. This was done by comparing the outcomes to determined impact criteria and a materiality matrix. Finally, the review and validation for the material sustainability issues will be conducted by the board of directors.

The following summary outlines the Top 14 Material Sustainability Matters, categorised based on their significance to the Group's EESG performance and their importance to stakeholders:

Pillars	Material Topic	Key Risks / Opportunities	Key Internal Controls
Economic	Economic Performance (Sustainable Profit and Growth)	• Operational and financial performance • Cash flow and Treasury management • Inventory management • Risk management • Future expansion plan	• Daily, weekly, and monthly sales and collection report • Weekly Senior Management Meeting • Monthly Management Meeting • Quarterly Risk Management review • Quarterly internal process audit • Annual external audit
	Supply Chain Management	• Supply chain breakdown/ disruption • Increase in raw material costs	• Effective sourcing strategy • Maintain good business relationship with suppliers
	Product Service and Quality	• Quality of Products and Services • Mandatory Compliance to Standards of Operating Procedures ("SOP") • Mandatory Compliance to Regulations	• Customers satisfaction surveys • Certification audits • Regulatory site visits and audit • Supplier engagements • Continuous research and improvements
Enviromental	Waste Management	• High waste be produced during production	• Effective operation schedule to organise market demand
	Carbon Emission	• High Carbon Emission release during peak hours	• Effective operation schedule to organise market demand
	Energy Consumption	• High energy consumption at manufacturing during peak hours	• Effective production scheduling and management of order to optimise energy consumption without compromising customer demand
	Environmental Compliance	• Environmental pollution incl. air, water and sound	• Strict monitoring and reporting on handling hazardous waste
Social	Employee Wellness and Benefit	• Workplace safety and health training	• Workplace meeting and employees briefing
	People and Employment	• Remuneration and benefits • Low retention rates	• Annual Appraisal based on KPI • Increase engagement sessions
	Local Communities	• Branding and reputation • Socioeconomic considerations • Product service and quality	• Announcements • Company Website
	Diversity and Opportunity	• Diversity and equal opportunity	• Enhanced HR recruitment policy
	Training and Development	• Training and personnel development	• Knowledge gap analysis with minimum training hours
	Occupational Health and Safety	• COVID-19 SOPs by MOH • Workplace safety • Unsafe act and condition • Appropriate use of personal protective equipment • COVID-19 Vaccination	• COVID-19 Committee and Enforcement Team • Daily toolbox briefing • Safety bulletins, trainings, campaigns

Pillars	Material Topic	Key Risks / Opportunities	Key Internal Controls
Governance	Corporate Governance (incl. Anti-bribery and Anti-corruption)	• Business conduct and ethics • Interested related party • Internal control • Whistle blowing • Integrity of business dealings	• Code of conduct and ethics • Mandated RRPT • Internal Audit report directly to Audit Committee • Risk Management Policy • Adoption of Anti-Bribery and Corruption • Policies and practices

As of FY2023, no material changes were made to the materiality of sustainability matters and the materiality matrix, which is shown below:



MEMBERSHIP OF ASSOCIATIONS

The Group engages with relevant industry associations through membership. HTVB is a member of the following associations:

Association	Company	Type of Membership	Position at Association
Building Materials Distributors Association of Malaysia (BMDAM)	Huatraco Scaffold Sdn. Bhd.	Ordinary Member	
Master Builders Association Malaysia (MBAM)	Huatraco Scaffold Sdn. Bhd.	Ordinary Member	
Malaysia External Trade Development Corporation (MATRADE)	Huatraco Scaffold Sdn. Bhd.	Ordinary Member	
Malaysian Iron and Steel Industry Federation (MISIF)	Alpine Pipe Manufacturing Sdn. Bhd.	Ordinary Member	Vice President III Chairman of Steel Pipes Group
	Huatraco Scaffold Sdn. Bhd.	Ordinary Member	Council Member Deputy Chairman of Scaffolding Group
	Eastern Steel Sdn. Bhd.	Ordinary Member	
Malaysian Photovoltaic Industry Association (MPIA)	Huatraco Scaffold Sdn. Bhd.	Ordinary Member	Committee Member
Malaysia Steel and Metal Distributors Association (MSMDA)	Hiap Teck Hardware Sdn. Bhd.	Ordinary Member	
Malaysia Steel Institute (MSI)	Hiap Teck Venture Berhad	Ordinary Member	Council Member
Malaysian Structural Steel Association (MSSA)	Hiap Teck Hardware Sdn. Bhd.	Ordinary Member	ASEAN Iron and Steel Councils (AISC) Committee Member
South East Iron and Steel Institute (SEAISI)	Alpine Pipe Manufacturing Sdn. Bhd.	Ordinary Member	
	Huatraco Scaffold Sdn. Bhd.	Ordinary Member	
	Eastern Steel Sdn. Bhd.	Ordinary Member	

CORPORATE GOVERNANCE

Code of Ethics and Anti-Corruption

HTVB maintains a commitment to honesty and professionalism in how we conduct our business operations, and we encourage our staff to embrace these principles in their everyday interactions. Furthermore, we anticipate our business associates and suppliers to engage in transparent and accountable business practices. The employee handbook now encompasses the Code of Conduct and Ethics, as well as the Anti-Bribery and Corruption Policy ("ABC"), ensuring that all employees are familiar with the company's values and are always acting in the company's best interests, while also avoiding potential conflicts of interest. The ABC Policy has been endorsed and is accessible on the company's website, and training sessions have been conducted to inform all employees about the guidelines and necessary protocols. The Code of Conduct stipulates the Company's expectations with regard to, amongst others:

- Compliance with laws, rules, and regulations;
- Conflict of interest – including examples of various types of conflict-of-interest situations and procedures to notify the Company's Management on conflict-of-interest matters;
- Competition and fair dealing;
- Anti-corruption – including the prohibition of the use of bribes, payments to government officials, and guidance of the gift and entertainment practices;
- Anti-discrimination and anti-harassment;
- Health, security, safety, and environment;
- Information confidentiality and protection of assets; and
- Fair, accurate, and timely corporate disclosures.

The company has embraced a strict policy of completely rejecting any type of bribery and corruption, demonstrating a firm and resolute stance against such behaviors. The Anti-Bribery and Corruption (ABC) policy outlines the fundamental principles and provides instructions for addressing inappropriate solicitations, bribery, and other deceitful actions that could arise in the course of business operations. A copy of the ABC policy can be accessed on our official website at www.htgrp.com.my.

Throughout the past 3 years, no reports concerning incidents of bribery and corruption were received.

Confirmed incidents of corruption and action taken			
	FY2021	FY2022	FY2023
Number of confirmed incidents	0	0	0

Ethical business practices along the supply chain

As a responsible enterprise, our dedication to ethical business conduct, encompassing ESG considerations, extends beyond our internal workforce and activities. We also expect the same principles to be upheld by individuals and entities working on behalf of the HTVB Group, including representatives and contractors.

Furthermore, contractors who hold significant roles within Group's operations are obligated, as stipulated in our service contracts, to adhere to specific business ethics, standards, and legal regulations. These encompass various domains such as anti-corruption measures, environmental preservation, ensuring workplace safety and health, as well as labor practices.

ECONOMIC PERFORMANCE

HTVB Group primarily serves the local market, and our ongoing effort involves expanding our market presence and venturing into new markets. We consistently enhance our competitive edge by improving the efficiency of our raw material sourcing and boosting productivity. In this year, we plan to modernise its production methods through the refurbishment and acquisition of new machinery and equipment. On the technological front, we are currently in the process of upgrading our Enterprise Resource Planning system, aiming to provide more precise real-time data to facilitate timely strategic decision-making.

For sustainable growth and performance, our Business Development team is dedicated to exploring potential new markets within the region and delving into new steel-related business opportunities. A key performance indicator for the Business Development team is establishing collaborations and partnerships with organisations such as CIDB, IEM, JKR, MBAM, MITI, Matrade, and actively participating in exhibitions across the country and Southeast Asia (SEA) to promote our products, educate stakeholders, and gather feedback for ongoing enhancements in product quality and processes.

Throughout the year, we conducted regular meetings to closely analyse our financial performance, budgets, and forecasts. This approach enables us to gain actionable insights and make prompt decisions in alignment with our performance objectives. The decrease in after-tax profits can be attributed primarily to a significant shift in market prices, particularly affecting specific inventory batches that were acquired at a higher cost. For further details, please refer to the provided financial statements.

Revenue and net profit				
	Unit	FY2021	FY2022	FY2023
Revenue	RM'000	1,081,939	1,583,278	1,585,208
Profit After Tax	RM'000	163,517	156,364	31,830

SUPPLY CHAIN MANAGEMENT

We acquire the necessary resources for our business activities from dependable global steel suppliers, and our finalised steel goods are manufactured using rigorous processes and quality checks in accordance with our ISO certifications.

In order to achieve our objectives related to sustainability and adhere to our sustainability strategies, we place significant emphasis on maintain effective sourcing and good business relationships with suppliers. HTVB has put in place a transparent procedure for sourcing raw materials, and prices are accurately compared, bargained for, and regularly assessed within the established framework. This concept and policy contribute to robust and enduring business relationships founded on trust and punctual delivery with our main suppliers.

The assessment of suppliers is consistently carried out through sustainability assessments, market input, yearly assessments. Furthermore, we try our best to include local suppliers in the scope of procurement to improve the local economy and reduce carbon emissions caused by long-distance transportation of products.

In order to support the local community and economy, we set a target of 70% local sourcing for spare parts and consumable item by FY2025 once our joint venture entity produce HRC in Malaysia.

Proportion of spending on local suppliers				
	Unit	FY2021	FY2022	FY2023
Proportion of spending on local suppliers	Percentage	51%	49%	57%

** Local suppliers refer to companies or persons that provide products or services to the reporting company, and that is based in the same geographic market as the reporting company (that is, no transnational payments are made to a local supplier).*
** The geographic definition of 'local' can include the community surrounding operations, a region within a country or a country.*

PRODUCT AND SERVICE QUALITY

Quality Management System ("QMS") Committee

To live up to our "quality first" commitment at all times, we establish A Quality Management System ("QMS") Committee to ensure consumers receive top-notch quality and service, which is headed by the Senior Management, QMS Chairman and consists of key personnel from across the Departments. QMS monitors the product quality via implementation such as customers satisfaction surveys, regulatory site visits, continuous research, etc. to achieve our ultimate goal of being a zero-defect producer.

Internationally recognised Certifications

Additionally, HTVB rigorously ensures the safety and quality of its products and materials in accordance with internationally recognised standards and protocols through the use of quality management systems and certification align with our sustainability and improvement agenda.

The ISO 9001:2015 certifications have been granted to our manufacturing divisions, Alpine Pipe Manufacturing Sdn. Bhd. ("Alpine") and Huatraco Scaffold Sdn. Bhd. ("Huatraco"), to ensure that our products adhere to both the quality standards and the legal requirements anticipated by our customers.

Alpine is responsible for producing an extensive range of circular pipes and hollow sections within the nation, spanning from 1.27 cm to 1.6 meters in diameter. The Group's possession of product certifications such as BS EN, EN, SPAN, JIS, and AS provides us with a stronger competitive edge, enabling us to supply a variety of projects and industries more effectively.

Huatraco, the Group's scaffolding facility, holds a pioneering status in the industry and is the initial factory in the country to acquire the MS1462 certification. This certification attests to the exceptional quality of Huatraco's products and equipment.

The following table lists relevant certification acquired:

Entity Name	Product/Service	Certification	Certified Body
Alpine Pipe Manufacture Sdn. Bhd.	Iron & Steel	CIDB ACT 520	CIDB
	Steel Pipes and Hollow Sections	BS EN39/10219, JIS G 3444/3452, MS 863, ASTM A500	IKRAM
	Mild Steel Cement Lined Pipes	00614MB, 00617MB, 01717MB, 02118MB etc	IKRAM
	Steel Pipes and Hollow Sections	0255-2004, MS EN 10219-1&2	SIRIM
	Steel Pipes and Hollow Sections	ISO 9001 – 2015 (MALAYSIA) ISO 9001 – 2015 (UKAS) 17025SAMM	ISO
	Mild Steel Cement Lined Pipes -ERW & SAW	SPAN TS 21827	SPAN
	Steel Pipes and Hollow Sections	AS NZS 1163 – BMP 696421	BSI
Huatraco Scaffold Sdn. Bhd.	Iron & Steel	MS 1462	CIDB
	Iron & Steel	MS 1462	SIRIM
	Scaffolding & framework	ISO 9001-2015	ISO

OCCUPATIONAL HEALTH AND SAFETY

The primary responsibility of a company is to guarantee the well-being and security of all individuals engaged with or present around HTVB. Our objective, aligned with our Safety and Health Policy, revolves around achieving a record of zero fatalities for our employees, contractors, and the communities in which we function.

Occupational Safety and Health Committee (OSH)

Each main operating subsidiary establishes an Occupational Safety and Health (OSH) Committee as required by OSHA 1994. This committee comprises representatives from both employers and employees across various departments, including corporate offices, production, material control, maintenance, and quality assurance. Additional sub-committees such as the Environmental Performance Monitoring Committee, Emergency Response Team, and Hazardous Material Team are also established.

The OSH Committee's pivotal role involves fostering a safety-oriented mindset among all employees. They are dedicated to conducting safety briefings, training sessions, and roadshows to instill correct safety protocols and achieve the objective of an accident-free workplace. The OSH Committee's key functions encompass:

- Assist in development of safety and health rules and safe systems of work;
- Review the effectiveness of safety and health programmes;
- Carry out studies on the trends of accident, near-miss accident, dangerous occurrence, occupational poisoning or occupational disease which occurs at the place of work, and shall report to the employer of any unsafe or unhealthy condition or practices at the place of work together with recommendations for corrective actions; and
- Review the safety and health policies at the place of work and make recommendations to the employer for any revision of such policies.

In addition, during the COVID-19 period, we have established a COVID-19 Committee and Enforcement Team to minimise the impact of infectious diseases on employees.

OSH TRAINING

We have allocated a significant portion of our budget to provide on-site training for our safety officers. These training programs aim to instill a deep understanding of the significance of workplace safety, particularly within our industry and environment. Ensuring a high level of safety is a paramount concern for our company, as it is essential to protect all employees from potential harm or hazards while performing their duties. Furthermore, all newly hired employees are obligated to finish an HSE induction program that underscores the importance of workplace safety and protective measures. Our internal and external training includes:

- **First Aid, CPR & AED Competency Practice**
- **Safety Awareness**
- **Daily Safety Briefing / Toolbox Session with Production Team**
- **Safety Briefing / Toolbox Talk with Contractors**

Details of the internal safety and health trainings conducted by Group for its employees are:

Number of employees trained on health and safety standards			
	FY2021	FY2022	FY2023
Employees trained on health and safety standards	0	95	97

OSH PERFORMANCE

We monitor workplace accidents and address each occurrence using suitable corrective actions. During our monthly managerial gathering, the Occupational Safety and Health (OSH) leaders will deliberate and introduce the safety enhancement strategy. Additionally, we consistently examine unsafe actions and conditions, conducting monthly safety-related audits as well. We put considerable effort to diminish the occurrence of accidents and maintain a record of no fatalities over the years by cultivating a strong commitment to HSE procedures.

Number of work-related fatalities			
	FY2021	FY2022	FY2023
Number of work-related fatalities	0	0	0

We also follow Bursa's common indicator to utilise the Lost Time Incident Rate (LTIR) to track the rate of work-related injuries. There were 18 instances of lost time injury and the LTIR is 2.1.

Lost time incident rate			
	FY2021	FY2022	FY2023
a. Number of lost time injuries in the reporting period	19	7	18
b.Total number of hours worked by all employees in the reporting period	1,354,928	1,586,848	1,706,000
c.LTIR (=a/b *200,000)	2.8	0.9	2.1

* *LTIR is calculated as a rate, where the number of lost time incidents during the reporting period are expressed per the total number of hours worked as at the end of the reporting period.*

* *The value of 200,000 represents a standardised value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks (100 x 40 x 50 = 200,000).*

PEOPLE AND EMPLOYMENT

Basic Approach

We believe employees are our key assets to drive the Group's success; therefore, we deeply value our personnel as essential contributors to HTVB's ongoing achievements, and we are committed to becoming the organisation where skilled and driven individuals consistently excel and make significant contributions. We also aspire to become one of the top five employers in the steel industry. Our basic approach of personal management lies on following principle:

Respecting individual human rights:
- ► We accept the individual characteristics and differences of our associates and respect their willingness and initiative.
- ► We will always respect each individual's basic human rights and will not allow forced labour or child labour.

No discrimination:
- ► Based on the principle that all human beings should have equal employment opportunities, we will strive to create opportunities for free and fair competition.
- ► We will not tolerate discrimination or harassment of any form in the workplace on the basis of an Individual's race, ethnicity, national origin, religion, gender or age, among other characteristics.

Creating an environment of free, open-minded dialogue:
- ► The associates and the Company will respect each other's views and endeavor to promote mutual understanding.
- ► Respecting freedom of association, or not to associate, and collective bargaining, the Company will attempt to resolve any and all issues in line with the laws, conventions and usages of each respective country and region.

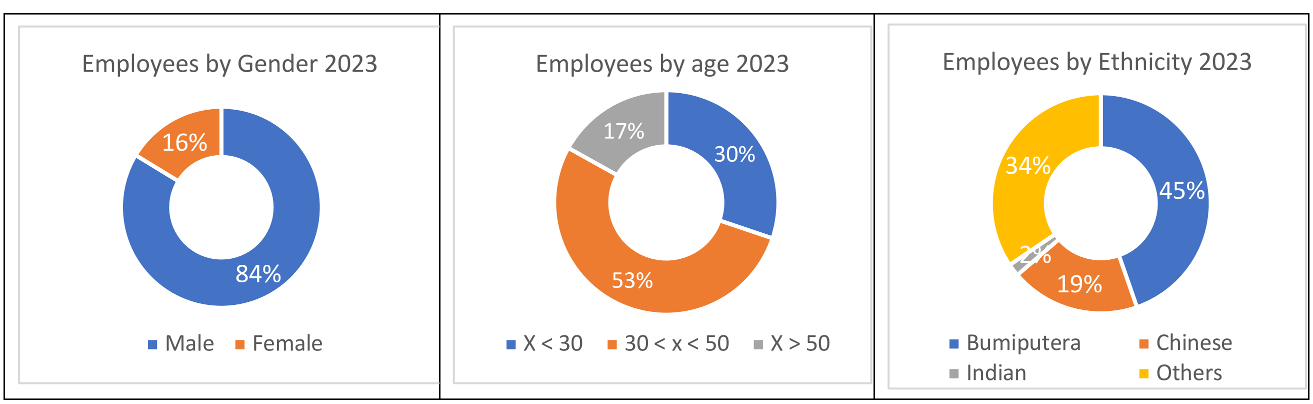
Enhancing employee engagement
- ► We organise social gatherings for festivals, annual dinner, birthday parties, etc.
- ► Team building represents an annual event to foster bonding and teamwork among employees from various departments within our Group.

We are also pleased to report that in past years, there has been no substantiated complaints concerning human rights violations.

DIVERSITY AND OPPORTUNITY

We are committed to providing equal opportunities and a fair working environment for all employees. Our commitment to promoting gender equality within the workforce is tangible at all levels of employment. We believe that the diversity of our employees is crucial in providing us with additional strengths and local knowledge, as we serve diverse markets and customers who use our products to enhance and enrich their lives. The Group strives to manage diversity and inclusivity across a range of factors such as age, gender, race, nationality, sexual orientation, cultural background or other personal attributes.

Below is the work force composition of Group' for FY2023:



Employees by gender			
	FY2021	FY2022	FY2023
Male	484	484	549
	81%	82%	84%
Female	116	107	107
	19%	18%	16%
Employees by age			
X < 30	196	174	198
	33%	29%	30%
30 < x < 50	301	307	347
	50%	52%	53%
X > 50	103	110	111
	17%	19%	17%
Employees by ethnicity			
	FY2021	FY2022	FY2023
Bumiputera	282	282	293
	47%	48%	45%
Chinese	139	133	125
	23%	22%	19%
Indian	14	12	12
	2%	2%	2%
Others	165	164	226
	28%	28%	34%
Total	600	591	656

Due to the nature of HTVB's industry, our workforce has traditionally consisted mainly of male employees. However, we are actively committed to increasing the number of female employees in the coming years to achieve a more balanced gender representation. In terms of ethnicity, our workforce, excluding foreign workers, generally reflects the ethnic diversity of the country. This also holds true for the distribution of our employees across different age groups.

Fostering Youth Employees

In 2023, the total number of employees increased by 65, reaching a total of 656 individuals. This outcome is attributed to the company's expanding operations and business recovery in our operational regions in the post-COVID, requiring more talent to contribute to production efforts. The new hire rate has also risen from 12.86% in 2022 to 24.24%. Among the newly hired employees, a significant portion falls within the age range of below 30 and between 30 to 50 years old. In terms of gender distribution, male employees remain the primary target for recruitment because many of the tasks on HTVB's production line require male workers.

New Hire Rate by Age Group (X = age)				
		FY2021	FY2022	FY2023
X < 30	New Hires	32	46	82
	New Hire Rate	5.33%	7.78%	12.5%
30 <x < 50	New Hires	12	22	74
	New Hire Rate	2%	3.72%	11.28%
X > 50	New Hires	3	8	3
	New Hire Rate	0.5%	1.35%	0.45%
Total	New Hires	47	76	159
	No. of employees	600	591	656
	New Hire Rate	7.83%	12.86%	24.24%

*New hire rate for each category = No. of new hires / Total No. of employees at the end of reporting period.

New Hire Rate by Gender				
		FY2021	FY2022	FY2023
Male	New Hires	42	70	149
	New Hire Rate	7%	11.84%	22.71%
Female	New Hires	5	6	10
	New Hire Rate	0.83%	1.02%	1.52%

Employee Turnover

Employee retention is one of the key factors that HTVB manages seriously. We regularly obtain feedback from former employees and consider parameters such as economy, regional changes, age, and mental health. This year's total turnover rate is 14.33%, which is consistent with previous years or even slightly lower. The number of employee turnover is as follows:

Employee turnover			
	FY2021	FY2022	FY2023
No. of Turnover	96	85	94
Total No. of employees	600	591	656
Turnover Rate	16.00%	14.38%	14.33%

TRAINING AND DEVELOPMENT

Extensive Training

To stay competitive in a dynamic business environment, we provide our employees with opportunities for professional growth, including training, networking, and personal development. Our company mandates a minimum of 1 hour of training per year for all employees, covering topics like orientation, customer service, and product training. Additionally, we conduct annual Quality Assurance (QA) training to ensure our staff understands how to maintain high-quality standards in our services or products, especially in production. Due to our emphasis on training, the average training time for each employee has shown an increasing trend over the past three years, reaching 6 hours this year.

Average hours of training (all employee)				
Total	Hours of training	376	1192	3979
	No. of employees	600	591	656
	Average training hours	0.63	2.02	6.07

The list of relevant training activities is as follows:

No.	Training Title	Training Date
1	Enviromental, Social And Governance (''ESG''), Climate Change And Sustainability Reporting And The Disclosure Requirements Issued By Bursa Malaysia Securities Berhad (''Bursa Malaysia'')	09/08/2022
2	Ergonomic Risk Assessment Training For Ergonomic Trained Person (Level 2 Advanced)	17/08/2022 – 18/08/2022
3	23rd Conference And Exhibition On Occupational Safety And Health	29/08/2022 – 30/08/2022
4	Abb Invertor	07/09/2022
5	Human Factors And Ergonomics Seminar	28/09/2022 – 29/09/2022

No.	Training Title	Training Date
6	Enviromental, Social And Governance (''ESG''), Climate Change And Sustainability Reporting And The Disclosure Requirements Issued By Bursa Malaysia Securities Berhad (''Bursa Malaysia'')	29/09/2022
7	Seminar Matlamat Pembangunan Mampan	01/10/2022
8	4u For You	01/10/2022 – 03/10/2022
9	Program Pendigitalan Jabatan Alam Sekitar	05/10/2022 – 06/10/2022
10	Osh Awareness For Workplace	13/10/2022
11	Malaysian Industrial Hygiene Association International Conference & Exhibition (Miha-Ice)	19/10/2022 – 20/10/2022
12	Ultrasonic Testing Level II	08/11/2022 – 12/11/2022
13	Measurement Uncertainty	22/11/2022 – 24/11/2022
14	Dye Panetrant Level II	08/12/2022 – 09/12/2022
15	The Employment Act 1955 (Amendment 2022) Industrial Relation Act 1967, And Other Legislation Related To Employment	14/12/2022 – 15/12/2022
16	Osh Awareness For Production Workers Training	06/01/2023
17	ISO/IEC 17025:2017 Understanding & Implementing	15/02/2023 – 16/02/2023
18	3rd Annual Conference Virtual Conference 2023	06/03/2023 – 07/03/2023
19	1st Digital Construction Summit	14/03/2023 – 15/03/2023
20	Webinar Pengurusan Buangan Terjadual	15/03/2023
21	Simposium Pematuhan Akta Kualiti Alam Sekeliling 1974 & Pemantauan Kualiti Alam Sekitar	15/03/2023 – 16/03/2023
22	OSH Awareness For Production Workers Training	14/04/2023
23	Overhead Crane, Hoist Safetyy & Certificate Training	25/05/2023
24	Visual Testing Level 1	31/05/2023 – 01/06/2023
25	Ultrasonic Testing Level 1	06/06/2023 – 10/06/2023
26	Building Up A Future Towards Sustainable Risk Assessment & Safety Development – (Aroshe 2023)	07/06/2023 – 08/06/2023
27	Seminar Online Orang Yang Berwibawa (OYB) Ke Arah Pematuhan Berterusan	10/06/2023
28	Negotiation Skills The Psychology Of Persuasion & Negotiation For Manager & Leader Using Nlp	20/06/2023 – 21/06/2023
29	Effective & Simple Planning For Contingencies For Facilities Of Scheduled Waste, Iets, Scrubber, Bag Filter, Sewage For Legal Compliance 3/2023 : Ke Arah Pematuhan Yang Berterusan.	21/06/2023 – 22/06/2023
30	Visual Testing Level 1	21/06/2023 – 24/06/2023
31	Total Productive Maintenance	22/06/2023 – 23/06/2023
32	Kl Bim Day 2023 – Bim & Beyond	11/07/2023 – 13/07/2023
33	ISO/IEC 17025:2017 Understanding & Implementing	12/07/2023 – 13/07/2023
34	OSH Explorace	13/07/2023
35	Webinar Pematuhan Peraturan-Peraturan Kualiti Alam Sekeliling (Udara Bersih) 2014 : Keperluan Notifikasi Dan Pengisytiharan Bertulis Bagi Cerobong, Alat Pembakaran Bahanapi (Apb) Serta Alat Kawalan Pencemaran Udara (Akpu)	18/07/2023

Upskilling and Reskilling

HTVB will continue to encourage each and every employee to enhance their skills and expertise in their respective fields. Through investing in these efforts, we aim to propel ourselves and our employees to greater heights, ensuring that we are actively building a world-class team with a high level of capability. This not only contributes to our business but also supports our position as the preferred employer.

EMPLOYEE WELLNESS AND BENEFIT

We believe employees are our key assets to drive the Group's success, and we uphold our dedication to the well-being of our employees within the context of Work-life Balance priorities. Our practices aim to cultivate a workplace culture characterised by empathy, commitment, engagement, and unity among employees. We have introduced the subsequent benefits to encourage a sense of work-life balance among our workforce.

For all employees within the group, in addition to providing basic benefits such as accident insurance and hospitalisation surgical insurance, health care, and disability and Invalidity coverage, we offer support for professional membership subscriptions to different organisations, along with personal allowances such as car allowance, meal allowance, attendance allowance, travel allowance, night shift allowance for employees working shifts, and various other allowances.

In order to foster a balanced work-life balance and a caring, peaceful, and cohesive work environment. We regularly host sporting events and physical fitness programs, including badminton matches, futsal, football, bowling tournament and sepak takraw, which have been organised by a committee that has been established to consistently promote participation.

LOCAL COMMUNITY

We strive to be a good partner and a positive force in our local communities. We improve the communities in which we operate through volunteer service and donations. HTVB also provides financial support to charitable organisations through donations and sponsorships. We consistently encourage our employees and their families to enhance themselves through continuing education, and we offer annual education allowances for employees' children to purchase books and other educational materials. Additionally, in 2022 and 2023, we provided flood relief, with a total donation of RM 221,700 over two years, benefiting over two thousand people.

DATA SECURITY

HTVB remains committed to upholding robust privacy and cybersecurity protocols to safeguard the extensive data of our clients, customers, and internal teams. Our adherence to the Personal Data Protection Act ("PDPA") is unwavering. In the fiscal year 2023, there were no reported data breaches, and no verified complaints related to customer data loss or privacy breaches.

PROTECTING ENVIRONMENT

Energy Consumption & Carbon Emissions

For a manufacturing firm, it is critical to monitor air emissions and energy consumption, as they stem from our operations and are a key contributor to pollution. Therefore, we practice sustainability in our daily business operations as well as align with Malaysia's aspirations to reach climate neutrality by 2050.

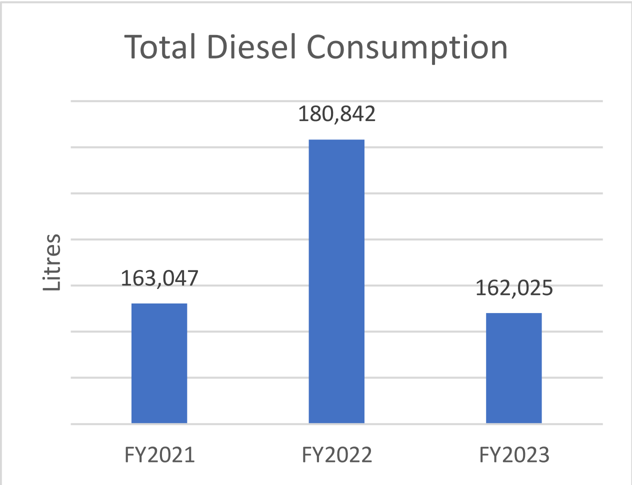
In order to reduce the impact, we are implementing fume scrubbers alongside air emission control systems and monitoring mechanisms stands as an instance of the continuous endeavors toward carbon management. We will also strive to achieve the target of reducing emission intensity (carbon emission/revenue) by 5% per annum. Additionally, regarding energy consumption, we set the goal of annually decreasing energy consumption by 10%.

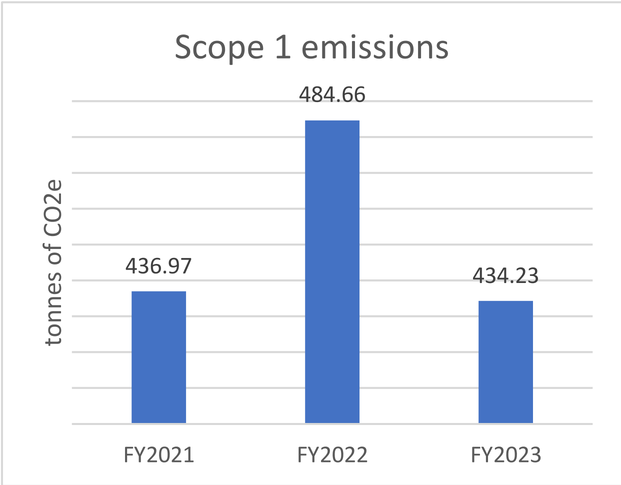
Greenhouse Gas Emissions

We calculated our greenhouse gas (GHG) emissions for Scope 1 and Scope 2 during this reporting period and integrated our discoveries into this declaration. Scope 1 covers emissions that originate directly from sources owned or managed by us. Scope 2 encompasses emissions indirectly produced through the generation of purchased electricity, steam, heating, and cooling that we utilise. In order to calculate Scope 1 and 2 emissions, we adopted GHG protocol.

Scope 1 Emission

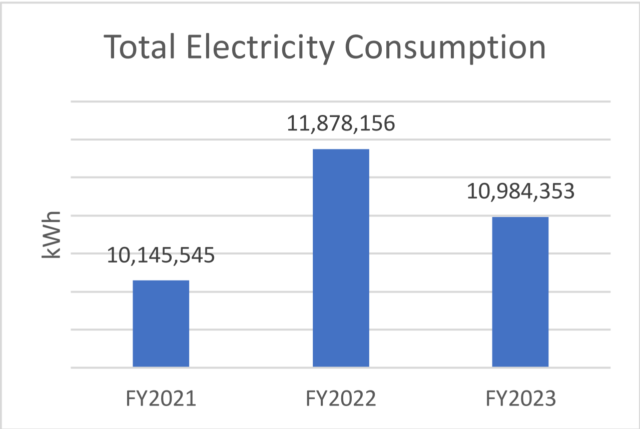
Scope 1 emissions refer to the direct GHG emissions generated by the Group's fuel consumption. This year, we recorded total 162,025 litres diesel consumption mainly from subsidiaries Alpine Pipe Manufacturing Sdn. Bhd. and Brilliant Decade Transport Agency Sdn. Bhd., that decreased by 10.40% compared with 180,842 litres of FY2022.* Converting to Scope 1 emissions, this corresponds to approximately 434.23 tonnes of CO2 equivalent. As a result, we achieved carbon emission reduction around 50 tonnes of CO2 equivalent in 2023 compared to 2022. We have significantly reduced our diesel usage, consequently leading to a decrease in Scope 1 emissions.

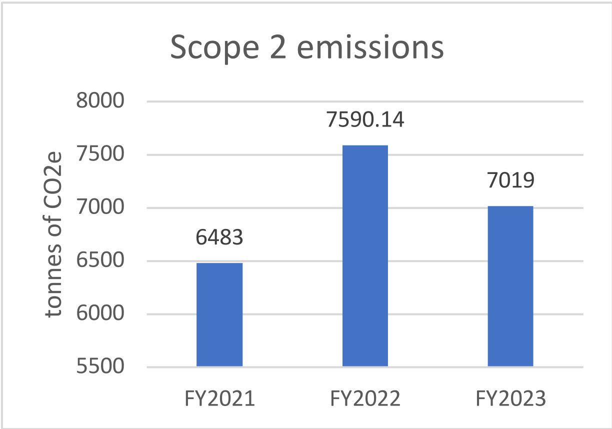




*We have restated total diesel consumption for FY2021 and 2022 due to the inclusion of data from subsidiary Brilliant Decade Transport Agency Sdn. Bhd. (Previous total diesel consumption disclosures: FY2021: 48,388 litres; FY2022: 39,063 litres). Furthermore, we restated the Scope 1 emissions based on the new diesel consumption numbers of FY2021 and 2022 (Previous Scope 1 emission disclosures: FY2021: 129.68 tCO2e; FY2022: 104.689 tCO2e).

Scope 2 Emission





*We have restated energy consumption for FY2022 as a computation error was discovered in the data reported last year, we restated the total electricity consumption from 11,963,917 to 11,878,156 kWh; also, we restated the Scope 2 emission based on the new electricity number of FY2022 (earlier it was 7,644.94 tCO2e).

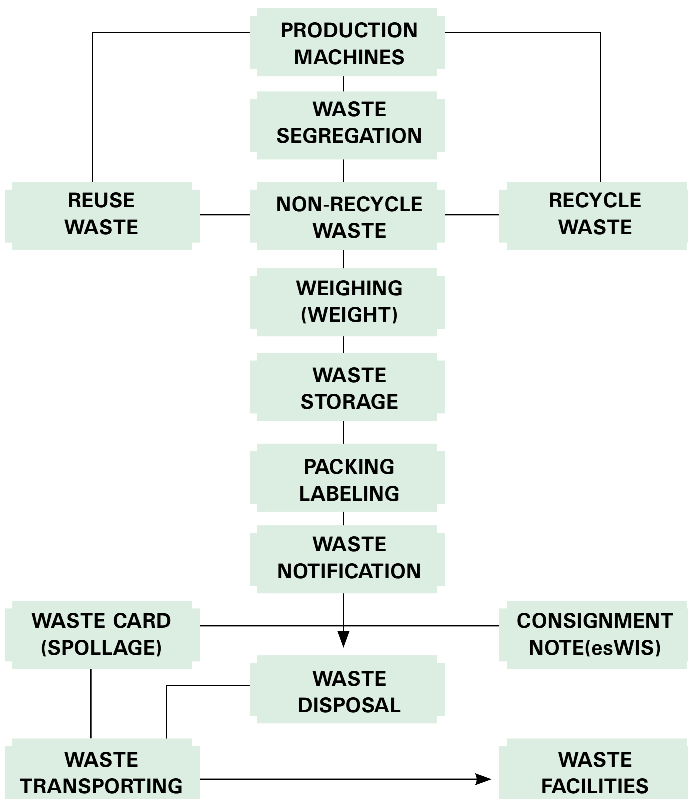
The carbon emission intensity (Scope 1 + Scope 2 emissions / Total revenue) in 2023 was 4.70 (tonnes of CO2 equivalent / Revenue in RM'000), showing a slight improvement from last year's 5.10.

Energy Management

HTVB implements effective production scheduling and management of order to optimise energy consumption without compromising customer demand. Furthermore, we replace the current spotlights and fluorescent light tubes with Light-Emitting Diode ("LED") tubes across factory premises, offices, and streets representing a fraction of the continuous endeavors in energy preservation, aimed at fostering a more environmentally conscious setting. Replacement of spotlights and streetlights with LEDs results in an annual cost reduction. Additionally, we have started the process of installing roof top solar PV system in our buildings, scheduled to be finished by next year. It has total estimated capacity of 4,681 kWp and can generate more than 6 million kWh electricity per year.

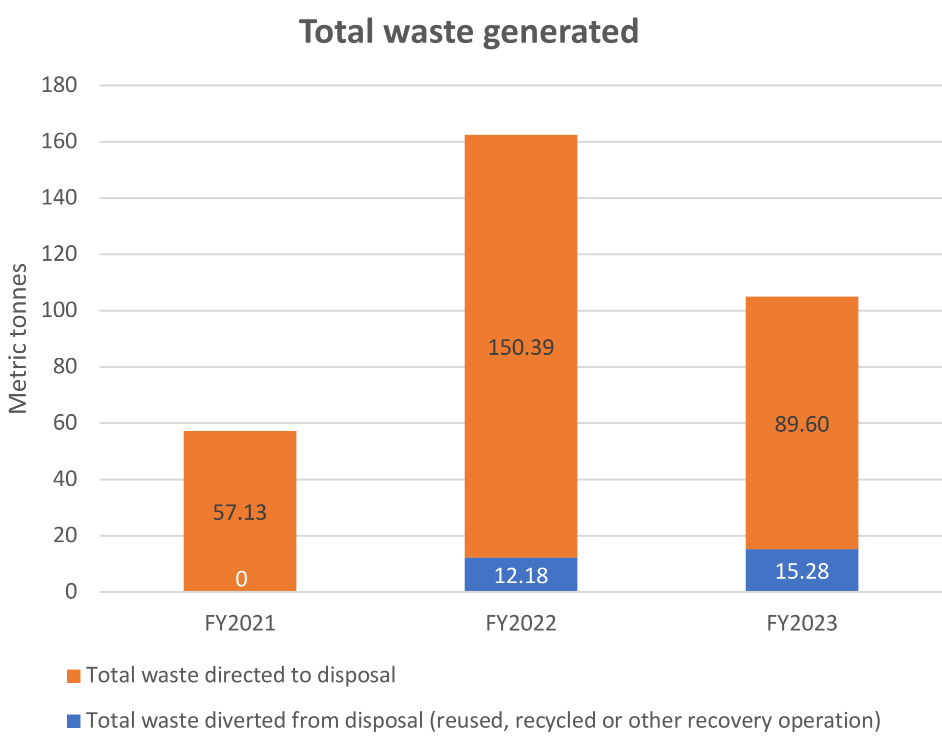
Waste Management

We are dedicated to following the regulations stipulated in the Environmental Quality Act of 1974 (EQA 1974) in relation to the handling and elimination of scheduled waste. To align with this commitment, we have established a waste management framework that effectively oversees the proper treatment and disposal of various types of waste. During the process, we hire qualified waste disposal contractors to reduce any potential environmental risks with appropriate reporting to the Department of Environment. Waste management process flow to disposal as depicted in the flowchart below:



We are currently putting forth our effort to minimise waste and are progressively integrating recycling concepts across our supply chains. This involves finding ways to reuse, repurpose, and recycle materials, which in turn adds significance to the reutilisation of resources and alleviates the pressure on the Earth's resources. We have set a target to reduce total waste generated to 120 metric tonnes for next year.

Total waste generated (Bursa C10a; GRI 306)				
	FY2021	FY2022	FY2023	Unit
Total waste diverted from disposal (reused, recycled or other recovery operation) (a)	0	12.18	15.28	Metric tonnes
Total waste directed to disposal (b)	57.13	150.39	89.60	Metric tonnes
Total waste generated (a+b)	57.13	162.57	104.88	Metric tonnes



Water Consumption

Considering that steel production involves a significant volume of water usage, especially during processes like chilling and descaling, we recognises the importance of efficient water management in our operations. Consequently, we consistently track water consumption at each subsidiary and assess processes and equipment that exhibit unusually high water usage.

We have gradually reduced water consumption and intensity over the past three years. Our initial approach to reduce water consumption is of introducing rainwater harvesting to storage tanks utilising to certain substantial high water consumption processes.

Total volume of water used				
	Unit	FY2021	FY2022	FY2023
Total volume of water used	Megalitres	54.898	51.825	45.911
Water consumption intensity	Total Water Used / Revenue (RM mil)	0.051	0.033	0.029

Environmental Compliance

The Group guarantees adherence to pertinent environmental laws and regulations in Malaysia. The management team holds the responsibility of assessing the Group's policies and procedures regarding environmental mandates. Any identified incidents necessitate prompt corrective action and investigation by management in case of non-compliance, with reports submitted to the Board of Directors.

During the fiscal year 2023, 2022, and 2021, the Group didn't receive any communications or notices indicating failure to comply with environmental regulations set by government authorities or regulatory bodies.

MOVING FORWARD

HTVB recognises the global warming and various environmental issues, and the world's efforts to mitigate climate change by aiming to limit the increase in the global average temperature to less than 2 degrees Celsius above pre-industrial levels. Our board of directors acknowledges that as a company, we bear significant responsibility. In appropriate circumstances, we will incorporate climate change strategies into the group's business strategies and establish relevant goals for reducing our carbon footprint, aligning our business value creation with a low-carbon economy and complying with national environmental policy guidelines.

DATA TABLE

Economic

Revenue and net profit (GRI 201)				
	FY2021	FY2022	FY2023	Unit
Revenue	1,081,939	1,583,278	1,585,208	RM'000
Profit After Tax	163,517	156,364	31,830	RM'000
Proportion of spending on local suppliers (Bursa C7a; GRI 204)				
	FY2021	FY2022	FY2023	Unit
Spending on local suppliers	51%	49%	57%	Percentage

Environmental

Electricity consumption (Bursa C4a; GRI 302-1a, 302-1b;)				
	FY2021	FY2022*	FY2023	Unit
Total Electricity Consumption	10,145,545	11,878,156	10,984,353	Kwh
Consumption of fuel (GRI 302-1a, 302-1b)				
Gasoline	FY2021	FY2022	FY2023	Unit
Petrol	0	0	0	Litres
Diesel Consumption*	48,388	39,063	27,882	Litres
Energy intensity (GRI 302-3)				
	FY2021	FY2022	FY2023	Unit
Total Electricity intensity	33.76	27.01	24.95	GJ/ Revenue (RM mil)
Total volume of water used (Bursa C9a; GRI 303-1)				
	FY2021	FY2022	FY2023	Unit
Total volume of water used	54.898	51.825	45.911	Megalitres
Water intensity	0.051	0.033	0.029	Total Water Used/ Revenue (RM mil)

GHG Scope 1, 2, 3 emissions* (Bursa C11a, C11b; GRI 305-1, 305-2)				
	FY2021	FY2022	FY2023	Unit
Scope 1 emissions	436.97	484.66	434.23	tonnes of CO2e
Scope 2 emissions	6,483.00	7,590.14	7,019.00	tonnes of CO2e
Total Emissions	6,612.68	8,074.80	7,453.23	tonnes of CO2e
GHG Intensity (GRI 305-4)				
	FY2021	FY2022	FY2023	Unit
Total Emission Intensity	6.40	5.10	4.70	tonnes of CO2e/ Revenue (RM mil)
Total waste generated (Bursa C10a; GRI 306)				
	FY2021	FY2022	FY2023	Unit
Total waste diverted from disposal (reused, recycled or other recovery operation) (a)	0	12.18	15.28	Metric tonnes
Total waste directed to disposal (b)	57.13	150.39	89.60	Metric tonnes
Total waste generated (a+b)	57.13	162.57	104.88	Metric tonnes
Confirmed incidents of violation against environmental compliance				
	FY2021	FY2022	FY2023	Unit
Number of cases against environmental regulations	0	0	0	Number

*We have restated total diesel consumption for FY2021 and 2022 due to the inclusion of data from subsidiary Brilliant Decade Transport Agency Sdn. Bhd. (Previous total diesel consumption disclosures: FY2021: 48,388 litres; FY2022: 39,063 litres). Furthermore, we restated the Scope 1 emission based on the new total diesel consumption numbers of FY2021 and 2022. (Previous Scope 1 emission disclosures: FY2021: 129.68 tCO2e; FY2022: 104.689 tCO2e).

*We have restated energy consumption for FY2022 as a computation error was discovered in the data reported last year, we restated the total electricity consumption from 11,963,917 to 11,878,156 kWh; also, we restated the Scope 2 emission based on the new electricity number of FY2022 (earlier it was 7,644.94 tCO2e).

Employee Profile

Employee profile by gender (Bursa C3a)				
Senior management				
	FY2021	FY2022	FY2023	Unit
Total	12	11	12	Headcount
Male	11	11	12	Headcount
	92%	100%	100%	Percentage
Female	1	0	0	Headcount
	8%	0%	0%	Percentage

Middle management				
	FY2021	FY2022	FY2023	Unit
Total	62	61	63	Headcount
Male	41 66%	41 67%	42 67%	Headcount Percentage
Female	21 34%	20 33%	21 33%	Headcount Percentage
Other employees				
Total	526	519	581	Headcount
Male	432 82%	432 83%	495 85%	Headcount Percentage
Female	94 18%	87 17%	86 15%	Headcount Percentage
Employee profile by age (X=age)				
Senior management				
Total	12	11	12	Headcount
X < 30	0 0%	0 0%	1 8%	Headcount Percentage
30 <= x <= 50	2 17%	2 18%	1 8%	Headcount Percentage
X > 50	10 83%	9 82%	10 83%	Headcount Percentage

Middle management				
	FY2021	FY2022	FY2023	Unit
Total	62	61	63	Headcount
X < 30	4	2	1	Headcount
	6%	3%	2%	Percentage
30 <= x <= 50	41	42	43	Headcount
	66%	69%	68%	Percentage
X > 50	17	17	19	Headcount
	27%	28%	30%	Percentage
Other employees				
Total	526	519	581	Headcount
X < 30	192	172	196	Headcount
	37%	33%	34%	Percentage
30 <= x <= 50	258	263	303	Headcount
	49%	51%	52%	Percentage
X > 50	76	84	82	Headcount
	14%	16%	14%	Percentage

Percentage of employees that are contractors or temporary staff (Bursa C6b; GRI 401)				
	FY2021	FY2022	FY2023	Unit
Permanent employees	578	566	636	Headcount
	96.3%	95.77%	96.95%	Percentage
Temporary/Contract employees	22	25	20	Headcount
	3.7%	4.23%	3.05%	Percentage

Employee profile by ethnicity				
	FY2021	FY2022	FY2023	Unit
Bumiputera	282	282	293	Headcount
	47%	48%	45%	Percentage
Chinese	139	133	125	Headcount
	23%	23%	19%	Percentage
Indian	14	12	12	Headcount
	2%	2%	2%	Percentage
Others	165	164	226	Headcount
	28%	28%	34%	Percentage
Total	600	591	656	Headcount

Percentage of executive directors by gender (Bursa C3b; GRI 405-1a)	FY2021	FY2022	FY2023	Unit
Total	4	4	4	Headcount
Male	4 100%	4 100%	4 100%	Headcount Percentage
Female	0 0%	0 0%	0 0%	Headcount Percentage

Percentage of executive directors by age group (X=age) (GRI 405-1a)	FY2021	FY2022	FY2023	Unit
Total	3	3	3	Headcount
X<30	0 0	0 0	0 0	Headcount Percentage
30≦X≦50	1 33%	1 33%	1 33%	Headcount Percentage
X>50	3 67%	3 67%	3 67%	Headcount Percentage

New Hire and Turnover

New hire rate by age (X=age) (GRI 401-1a)		FY2021	FY2022	FY2023	Unit
X < 30	New Hires Total No. of employees (X < 30) New Hire Rate	32 196 5.33%	46 174 7.78%	82 198 12.5%	Headcount Headcount Percentage
30 <= x <= 50	New Hires Total No. of employees (30 to 50) New Hire Rate	12 301 2%	22 307 3.72%	74 347 11.28%	Headcount Headcount Percentage
X > 50	New Hires Total No. of employees (X>50) New Hire Rate	3 103 0.5%	8 110 1.35%	3 111 0.45%	Headcount Headcount Percentage
Total	New Hires Total No. of employees New Hire Rate	47 600 7.83%	76 591 12.86%	159 656 24.24%	Headcount Headcount Percentage

New hire rate by gender (GRI 401-1a)		FY2021	FY2022	FY2023	Unit
Male	New Hires Total No. of employees (Male) New Hire Rate	42 484 7%	70 484 11.84%	149 549 22.71%	Headcount Headcount Percentage
Female	New Hires Total No. of employees (Female) New Hire Rate	5 116 0.83%	6 107 1.02%	10 107 1.52%	Headcount Headcount Percentage

Total number of employee turnover by employee category (Bursa C6c)					
		FY2021	FY2022	FY2023	Unit
Senior Management	No. of Turnover	0	1	0	Headcount
	Total No. of of Senior Managers	12	11	12	Headcount
	Turnover Rate	0.00%	9.09%	0.00%	Percentage
Middle Management	No. of Turnover	3	3	2	Headcount
	Total No. of of Middle Managers	62	61	63	Headcount
	Turnover Rate	4.84%	4.92%	3.17%	Percentage
Other Employees	No. of Turnover	93	81	92	Headcount
	Total No. of of Other Employees	526	519	581	Headcount
	Turnover Rate	17.68%	15.61%	15.83%	Percentage

Employee turnover by age (X=age) (GRI 401-1b)					
		FY2021	FY2022	FY2023	Unit
X < 30	No. of Turnover	37	32	43	Headcount
	Total No. of employees (X < 30)	196	174	198	Headcount
	Turnover Rate	6.16%	5.41%	6.55%	Percentage
30 <= x <= 50	No. of Turnover	48	39	40	Headcount
	Total No. of employees (30-50)	301	307	347	Headcount
	Turnover Rate	8%	6.59%	6.09%	Percentage
X > 50	No. of Turnover	11	14	11	Headcount
	Total No. of employees (X>50)	103	110	111	Headcount
	Turnover Rate	1.83%	2.36%	1.67%	Percentage
Total	No. of Turnover	96	85	94	Headcount
	Total No. of employees	600	591	656	Headcount
	Turnover Rate	16.00%	14.38%	14.33%	Percentage

Employee turnover by gender (GRI 401-1b)					
		FY2021	FY2022	FY2023	Unit
Male	No. of Turnover	85	70	84	Headcount
	Total No. of employees (Male)	484	484	549	Headcount
	Turnover Rate	14.17%	11.84%	12.8%	Percentage
Female	No. of Turnover	11	15	10	Headcount
	Total No. of employees (Female)	116	107	107	Headcount
	Turnover Rate	19.33%	2.53%	1.52%	Percentage

Occupational Health and Safety

Number of work-related fatalities (Bursa C5a; GRI 403-9)				
	FY2021	FY2022	FY2023	Unit
Number of work-related fatalities	0	0	0	Number

Lost time incident rate (Bursa C5b)				
	FY2021	FY2022	FY2023	Unit
a. Number of lost time injuries in the reporting period b. Total number of hours worked by all employees in the reporting period	19 1,354,928	7 1,586,848	18 1,706,000	Number Hours
c. LTIR (=a/b *200,000)	2.8	0.9	2.1	Number

Number of employees trained on health and safety standards (Bursa C5c)				
	FY2021	FY2022	FY2023	Unit
Number of employees trained on health and safety standards	0	95	97	Number

Other Social Indicators

Total hours of training by employee category (Bursa C6a; GRI 404)					
		FY2021	FY2022	FY2023	Unit
Senior Management	Total hours of training Total no. of senior managers Average Training hours	0 12 0.00	16 11 1.45	144 12 12.00	Hours Headcount Hours
Middle Management	Total hours of training Total no. of middle managers Average Training hours	16 62 0.26	128 61 2.10	1035 63 16.43	Hours Headcount Hours
Other Employees	Total hours of training Total no. of other employees Average Training hours	360 526 0.68	1,048 519 2.02	2,800 581 4.82	Hours Headcount Hours
Total	Total hours of training Total no. of employees Average Training hours	376 600 0.63	1,192 591 2.02	3,979 656 6.07	Hours Headcount Hours

Number of substantiated complaints concerning data security (Bursa C8a; GRI 418)				
	FY2021	FY2022	FY2023	Unit
Number of substantiated complaints	0	0	0	Number

Number of substantiated complaints concerning human rights violations (Bursa C6d)				
	FY2021	FY2022	FY2023	Unit
Number of substantiated complaints	0	0	0	Number

Anti-corruption

Percentage of employees who have received training on anti-corruption by employee category (Bursa C1a; GRI 205-2e)					
		FY2021	FY2022	FY2023	Unit
Senior Management	Number of received	0	0	0	Headcount
	Total no. of senior managers	12	11	12	Headcount
	Percentage	0%	0%	0%	Percentage
Middle Management	Number of received	0	0	0	Headcount
	Total no. of middle managers	62	61	63	Headcount
	Percentage	0%	0%	0%	Percentage
Other Employees	Number of received	50	0	0	Headcount
	Total no. of other employees	526	519	581	Headcount
	Percentage	10%	0%	0%	Percentage

Confirmed incidents of corruption and action taken (Bursa C1c; GRI 205-3a)				
	FY2021	FY2022	FY2023	Unit
Number of confirmed incidents	0	0	0	Number

GRI Content Index

Hiap Teck Venture Berhad has reported the information cited in the GRI content index for the period from 1 August 2022 to 31 July 2023 with reference to the GRI Standards.

GRI Standards	Disclosure	Page
	Universal Standards	
GRI 2: General Disclosures 2021	2-2: Entities included in the organisation's sustainability reporting	44
	2-3: Reporting period, frequency and contact point	44
	2-7: Employees	63,64
	2-12: Role of the highest governance body in overseeing the management of impacts	44,45
	2-13: Delegation of responsibility for managing impacts	43,44
	2-14: Role of the highest governance body in sustainability reporting	43,44
	2-28: Membership associations	49
	2-29: Approach to stakeholder engagement	45,46
GRI 3: Material Topics 2021	3-1: Process to determine material topics	47,48
	3-2: List of material topics	47,48
	3-3: Management of material topics	50-62
	200 series (Economic topics)	
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed	50,51
GRI 205: Anti-corruption 2016	205-1: Operations assessed for risks related to corruption	50
	205-2: Communication and training about anti-corruption policies and procedures	50
	205-3: Confirmed incidents of corruption and actions taken	50

	300 series (Environmental topics)	
GRI 302: Energy 2016	302-1: Energy consumption within the organisation 302-3: Energy intensity	58-60 58-60
GRI 303: Water and Effluents 2018	303-5: Water consumption	61
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions 305-2: Energy indirect (Scope 2) GHG emissions 305-4: GHG emissions intensity	58-60 58-60 58-60
GRI 306: Waste 2020	306-3: Waste generated	60,61
	400 series (Social topics)	
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	56,57,66,67
GRI 403: Occupational Health and Safety 2018	403-9: Work-related injuries	52,53
GRI 404: Training and Education	404-1: Average hours of training per year per employee	56
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	54,55
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	58

FINANCIAL STATEMENTS

for the financial year ended 31 July 2023

OUR VISION
- To be the Leading Steel Company in the region

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

CONTENTS

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2023.

Principal activities

The Company is principally engaged in investment and property holdings and the provision of management services whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	30,911	9,326
Non-controlling interests	919	-
	31,830	9,326

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid a single tier final dividend of 1.0 sen per ordinary share totaling RM17,422,300 in respect of financial year ended 31 July 2022 on 20 January 2023.

The first and final single tier dividend recommended by the Directors in respect of the financial year ended 31 July 2023 is 0.5 sen per ordinary share estimated at approximately RM8,711,150. This dividend will be recognised in subsequent financial period upon approval by the shareholders of the Company at the forthcoming Annual General Meeting.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Tan Sri Dato' Seri Law Tien Seng
Lee Ching Kion
Foo Kok Siew
Tan Shau Ming
Law Wai Cheong
Sherman Lam Yuen Suen
Chen Thien Yin (Appointed on 3 January 2023)
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun (Appointed on 22 March 2023)
Dato' Ooi Lay See (Appointed on 1 June 2023)
Tan Sri Abd Rahman Bin Mamat (Retired on 16 December 2022)
Leow Hoi Loong @ Liow Hoi Loong (Retired on 16 December 2022)

Directors of the Company's subsidiaries

Directors who served in the Company's subsidiaries that are not Directors in the Company during the financial year until the date of this report are:

Chew Sow Yong
Ng Kian Hin
Tan Yuen Hong
Hoo Weng Keong
Law Wai Ho
Tang Chee Yoon
Chan Kong Ming
Wang Shenghua

Directors' interests in shares

The interests and deemed interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.8.2022	**Bought**	**Sold**	**At 31.7.2023**
Deemed interests in the Company:				
Tan Sri Dato' Seri Law Tien Seng				
– own	492,713,324	-	-	492,713,324
Lee Ching Kion				
– other*	45,354	-	-	45,354
Tan Shau Ming				
– own	400,000	-	-	400,000
– other*	968,000	-	-	968,000

**Interest in shares held by Director's spouse pursuant to Section 59(11)(c) of the Companies Act 2016.*

By virtue of his interests in the shares of the Company, Tan Sri Dato' Seri Law Tien Seng and Tan Shau Ming are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Hiap Teck Venture Berhad has an interest.

The other Directors holding office at 31 July 2023 does not have any interest in the shares and options over shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the 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.

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 July 2023 are as follows:

	From the Company RM'000	**From subsidiary companies RM'000**
Directors of the Company:		
Fees	406	36
Remuneration	11,798	506
Other short-term employee benefits	1,429	61
Trading between companies in which certain Directors who have substantial financial interests and certain companies in the Group in the ordinary course of business	*996*	*405,180*
	14,629	*405,783*

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

Treasury shares

As at 31 July 2023, a total of 5,492,000 buy-back shares were held as treasury shares and carried at cost.

The shares repurchased are being held as treasury shares in accordance with Section 127 (4)(b) of the Companies Act 2016.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

During the financial year, Directors and Officers of Hiap Teck Venture Berhad, together with its subsidiaries are covered under the Directors' and Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Group subject to the terms of the policy. The total amount of Directors' and Officers' Liability Insurance effected for the Directors and Officers of the Group was RM20 million. The total amount of premium paid for the Directors' and Officers' Liability Insurance by the Group and the Company was RM23,100.

There were no indemnity and insurance effected for auditors of the Group during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

Other statutory information (Cont'd)

No contingent liability or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 July 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the financial year are RM453,000 and RM170,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....
Tan Sri Dato' Seri Law Tien Seng
Director

....
Foo Kok Siew
Director

Kuala Lumpur

Date: 31 October 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Assets					
Property, plant and equipment	3	280,153	257,217	4,076	4,382
Right-of-use assets	4	4,160	5,067	4,160	5,067
Investment properties	5	10,655	10,190	91,906	93,034
Investments in subsidiaries	6	-	-	94,212	94,212
Interest in equity accounted investments	7	594,352	549,837	508,964	508,964
Other investments	8	996	778	-	-
Other receivables	9	41,635	26,737	-	-
Deferred tax assets	14	4,740	2,853	-	-
Total non-current assets		936,691	852,679	703,318	705,659
Inventories	10	444,106	641,703	-	-
Current tax assets		14,367	6,103	3,016	5,338
Trade and other receivables	9	358,865	365,630	25,329	51,644
Other investments	8	3,644	11,922	2,232	10,553
Derivative financial assets	11	420	-	-	-
Cash and cash equivalents	12	134,315	150,061	546	4,972
Total current assets		955,717	1,175,419	31,123	72,507
Total assets		1,892,408	2,028,098	734,441	778,166
Equity					
Share capital	13	872,654	872,654	872,654	872,654
Reserves	13	413,617	399,900	(148,453)	(140,357)
Total equity attributable to owners of the Company		1,286,271	1,272,554	724,201	732,297
Non-controlling interests	6.1	(259)	(443)	-	-
Total equity		1,286,012	1,272,111	724,201	732,297
Liabilities					
Lease liabilities		3,366	4,239	3,366	4,239
Deferred tax liabilities	14	9,914	15,908	2,320	1,025
Total non-current liabilities		13,280	20,147	5,686	5,264
Loans and borrowings	15	539,076	608,483	-	-
Lease liabilities		873	845	873	845
Trade and other payables	16	48,810	115,204	3,681	39,760
Contract liabilities	17	1,307	1,129	-	-
Derivative financial liabilities	11	2,506	3	-	-
Current tax liabilities		544	10,176	-	-
Total current liabilities		593,116	735,840	4,554	40,605
Total liabilities		606,396	755,987	10,240	45,869
Total equity and liabilities		1,892,408	2,028,098	734,441	778,166

The notes set out on pages 84 to 144 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Revenue	18	1,585,208	1,583,278	37,161	40,733
Cost of sales	19	(1,535,944)	(1,396,517)	-	-
Gross profit		49,264	186,761	37,161	40,733
Other operating income		8,884	7,811	446	1,322
Operating costs in respect of income generating investment properties		(322)	(288)	(1,348)	(1,348)
Administrative expenses		(33,447)	(29,037)	(21,858)	(18,005)
Selling and marketing expenses		(15,900)	(17,063)	-	-
Other operating expenses		(3,063)	(132)	-	-
Net loss on impairment of trade receivables		(1,167)	(65)	-	-
Results from operating activities		4,249	147,987	14,401	22,702
Finance income		2,373	2,599	231	576
Finance costs	20	(20,673)	(13,383)	(208)	(1,110)
Net finance (costs)/income		(18,300)	(10,784)	23	(534)
Share of profit of equity-accounted investees, net of tax	7	44,515	52,700	-	-
Profit before tax		30,464	189,903	14,424	22,168
Tax expense	21	1,366	(33,539)	(5,098)	(640)
Profit for the year	22	31,830	156,364	9,326	21,528
Other comprehensive income/(loss), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Fair value gain/(loss) on other investments designated at fair value through other comprehensive income		218	(6)	-	-
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		10	43	-	-
Other comprehensive income for the year, net of tax		228	37	-	-
Total comprehensive income for the year		32,058	156,401	9,326	21,528
Profit for the year attributable to:					
Owners of the Company		30,911	156,013	9,326	21,528
Non-controlling interests	6	919	351	-	-
Profit for the year		31,830	156,364	9,326	21,528
Total comprehensive income attributable to:					
Owners of the Company		31,139	156,050	9,326	21,528
Non-controlling interests	6	919	351	-	-
Total comprehensive income for the year		32,058	156,401	9,326	21,528
Earnings per ordinary share (sen):					
Basic	24	1.77	9.00		
Diluted	24	1.77	8.96		

The notes set out on pages 84 to 144 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2023

	Note	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Share option reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		/------- *Attributable to owners of the Company* -------/							
		/------ *Non - distributable* ----------------/				*Distributable*			
Group									
At 1 August 2021		865,088	(7,499)	(2,195)	6,407	264,923	1,126,724	(843)	1,125,881
Foreign currency translation differences for foreign operations		-	-	43	-	-	43	-	43
Fair value loss on other investments		-	-	(6)	-	-	(6)	-	(6)
Total other comprehensive income		-	-	37	-	-	37	-	37
Profit for the year		-	-	-	-	156,013	156,013	351	156,364
Total comprehensive income for the year		-	-	37	-	156,013	156,050	351	156,401
Exercise ESOS	13	7,566	-	-	(476)	-	7,090	-	7,090
Expired of ESOS		-	-	-	(5,931)	5,931	-	-	-
Minority interest on acquisition of a subsidiary		-	-	-	-	-	-	49	49
Dividends to owners of the Company	25	-	-	-	-	(17,310)	(17,310)	-	(17,310)
Total transactions with owners of the Company		7,566	-	-	(6,407)	(11,379)	(10,220)	49	(10,171)
At 31 July 2022		872,654	(7,499)	(2,158)	-	409,557	1,272,554	(443)	1,272,111

/-------------- Note 13 ------------------/

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2023 (Cont'd)

		Attributable to owners of the Company						
		Non - distributable			Distributable			
	Note	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group								
At 1 August 2022		872,654	(7,499)	(2,158)	409,557	1,272,554	(443)	1,272,111
Foreign currency translation differences for foreign operations		-	-	10	-	10	-	10
Fair value gain on other investments		-	-	218	-	218	-	218
Total other comprehensive income		-	-	228	-	228	-	228
Profit for the year		-	-	-	30,911	30,911	919	31,830
Total comprehensive income for the year		-	-	228	30,911	31,139	919	32,058
Dividends to owners of the Company	25	-	-	-	(17,422)	(17,422)	-	(17,422)
Total transactions with owners of the Company		-	-	-	(17,422)	(17,422)	-	(17,422)
Dividend to non-controlling interests		-	-	-	-	-	(735)	(735)
At 31 July 2023		872,654	(7,499)	(1,930)	423,046	1,286,271	(259)	1,286,012
		Note 13						

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2023

	Note	Share capital RM'000	Treasury shares RM'000	Share option reserves RM'000	Accumulated losses RM'000	Total equity RM'000
		Attributable to owners of the Company				
		Non - distributable				
Company						
At 1 August 2021		865,088	(7,499)	6,407	(143,007)	720,989
Profit and total comprehensive income for the year		-	-	-	21,528	21,528
Exercise ESOS	13	7,566	-	(476)	-	7,090
Expired of ESOS		-	-	(5,931)	5,931	-
Dividends to owners of the Company	25	-	-	-	(17,310)	(17,310)
Total transactions with owners of the Company		7,566	-	(6,407)	(11,379)	(10,220)
At 31 July 2022/1 August 2022		872,654	(7,499)	-	(132,858)	732,297
Profit and total comprehensive income for the year					9,326	9,326
Dividends to owners of the Company	25	-	-	-	(17,422)	(17,422)
Total transactions with owners of the Company		-	-	-	(17,422)	(17,422)
At 31 July 2023		872,654	(7,499)	-	(140,954)	724,201
		Note 13				

The notes set out on pages 84 to 144 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash flows from operating activities					
Profit before tax		30,464	189,903	14,424	22,168
Adjustments for:					
Net loss on impairment of trade receivables		1,167	65	-	-
Bad debts recovered		-	(104)	-	-
Depreciation of investment properties	5	255	217	1,348	1,348
Depreciation of property, plant and equipment	3	13,703	12,753	655	165
Depreciation of right-of-use assets	4	907	277	907	109
Dividend income		(93)	(33)	(6,565)	(20,620)
Fair value loss on foreign exchange derivative		2,086	72	-	-
Finance costs	20	20,673	13,383	208	1,110
Finance income:					
Amount due from subsidiaries		-	-	(149)	(1,056)
Other investments		(268)	(25)	(214)	-
Deposits with licensed banks		(2,155)	(2,574)	(51)	(576)
Gain on disposal of property, plant and equipment		(5,137)	(2,773)	-	-
Net overdue interest income		(945)	(560)	-	-
Net unrealised foreign exchange loss/(gain)		903	(365)	-	-
Property, plant and equipment written off		44	93	-	-
Reversal of impairment for investment properties		-	(1,896)	-	-
Share of profit of equity-accounted joint venture, net of tax	7	(44,515)	(52,700)	-	-
(Reversal)/Write-down of inventories to net realisable value	10	(6,352)	25,236	-	-
Allowance for slow moving stock	10	565	3,667	-	-
Operating profit before changes in working capital		11,302	184,636	10,563	2,648
Changes in working capital:					
Inventories		203,674	(220,189)	-	-
Trade and other receivables		(10,391)	(181,974)	20,712	41,972
Trade and other payables		(66,398)	63,328	(7,728)	1,630
Contract liabilities		178	347	-	-
Cash generated from/(used in) operations		138,365	(153,852)	23,547	46,250
Interest paid		(20,523)	(13,355)	(58)	(1,082)
Net overdue interest income		945	560	-	-
Net income tax paid		(24,411)	(30,666)	(1,481)	(108)
Net cash generated from/(used in) operating activities		94,376	(197,313)	22,008	45,060
Cash flows from investing activities					
Dividends received		93	33	15,120	200
Finance income:					
Amount due from subsidiaries		-	-	149	1,056
Other investments		268	25	214	-
Deposits with licensed banks		2,155	2,574	51	576
Decrease in other investments		8,060	6,178	8,321	5,747
Investment in subsidiaries		-	-	-	(91)
Proceeds from disposal of property, plant and equipment		5,852	3,868	-	-
Purchase of property, plant and equipment	3	(38,406)	(10,959)	(569)	(4,016)
Net cash (used in)/generated from investing activities		(21,978)	1,719	23,286	3,472
Cash flows from financing activities					
Advances to subsidiaries		-	-	(31,307)	(67,653)
Repayment from/(Advances to) joint venture		-	-	4	(9)
Dividends paid to owners of the Company	25	(17,422)	(17,310)	(17,422)	(17,310)
Equity injected by non-controlling interests		-	49	-	-
Issuance of shares from exercise of ESOS		-	7,090	-	7,090
Net (Repayment)/Drawdown of borrowings		(69,407)	197,382	-	-
Payment of lease liabilities		(995)	(303)	(995)	(119)
Net cash (used in)/generated from financing activities		(87,824)	186,908	(49,720)	(78,001)

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Net decrease in cash and cash equivalents		(15,426)	(8,686)	(4,426)	(29,469)
Effect of exchange rate fluctuations on cash held		(320)	216	-	-
Cash and cash equivalents at beginning of year		150,061	158,531	4,972	34,441
Cash and cash equivalents at end of year	12	134,315	150,061	546	4,972

Cash outflows for leases as a lessee

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Included in net cash from operating activities					
Payment relating to short-term leases	22	743	240	-	-
Payment relating to leases of low-value assets	22	18	19	-	-
Included in net cash from financing activities					
Payment of lease liabilities		995	303	995	119
Interest paid in relation to lease liabilities	20	150	38	150	28
Total cash outflows for leases		1,906	600	1,145	147

Dividend income from subsidiaries

During the financial year, the dividend receivable from subsidiaries amounting to RM5,500,000 (2022: RM41,200,000) were settled against balances due to the subsidiaries.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 August 2021 RM'000	Acquisition of new lease RM'000	Net changes from financing cash flows RM'000	Other changes RM'000	At 31 July/1 August 2022 RM'000	Net changes from financing cash flows RM'000	Other changes RM'000	At 31 July 2023 RM'000
Group								
Bankers' acceptances	220,606	-	69,220	-	289,826	27,961	-	317,787
Promissory notes	-	-	-	-	-	33,153	-	33,153
Post shipment buyer loan	58,373	-	60,742	-	119,115	(84,720)	-	34,395
Accepted bills	102,122	-	67,420	-	169,542	(38,787)	-	130,755
Revolving credit	30,000	-	-	-	30,000	(7,014)	-	22,986
Lease liabilities	315	5,176	(303)	(104)	5,084	(995)	150	4,239
Total liabilities from financing activities	411,416	5,176	197,079	(104)	613,567	(70,402)	150	543,315
Company								
Lease liability	-	5,176	(119)	27	5,084	(995)	150	4,239
Total liability from financing activity	-	5,176	(119)	27	5,084	(995)	150	4,239

The notes set out on pages 84 to 144 are an integral part of these financial statements.

Hiap Teck Venture Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

Principal place of business and registered office
Lot 6096, Jalan Haji Abdul Manan
Batu 5½, Off Jalan Meru
41050 Klang
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 July 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in joint venture and associate. The financial statements of the Company as at and for the financial year ended 31 July 2023 do not include other entities.

The Company is principally engaged in investment and property holdings and the provision of management services, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 31 October 2023.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023
- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024
- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to *MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed
- Amendments to MFRS 10, *Consolidated Financial Statements and* MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 August 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Group and the Company; and

- from the annual period beginning on 1 August 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024; and

- from the annual period beginning on 1 August 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4 – Extension options and incremental borrowing rate in relation to leases
- Note 5 – Valuation of investment properties
- Note 10 – Valuation of inventories
- Note 27 – Measurement of expected credit loss ("ECL") and fair value

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto power* over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

2. Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution (or included in a disposal group that is classified as held for sale or distribution). The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vi) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investment in joint venture is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity owners of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

2. Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting period, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2. Significant accounting policies (Cont'd)

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(j)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

2. **Significant accounting policies (Cont'd)**

(c) **Financial instruments (Cont'd)**

(ii) **Financial instrument categories and subsequent measurement (Cont'd)**

Financial assets (Cont'd)

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(j)(i)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

2. Significant accounting policies (Cont'd)

(c) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial liabilities (Cont'd)

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers.*

Liabilities arising from financial guarantees are presented together with other provisions.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. Significant accounting policies (Cont'd)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other operating income" and "other operating expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Capital-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

- Buildings 50 years
- Plant and machinery 5 - 12 years
- Rental equipment 5 - 10 years
- Motor vehicles 5 years
- Other assets 3 - 10 years

Amortisation of mining assets is based on the unit of production method.

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

2. Significant accounting policies (Cont'd)

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. Significant accounting policies (Cont'd)

(e) Leases (Cont'd)

(ii) Recognition and initial measurement (Cont'd)

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, *Financial Instruments* (see Note 2(j)(i)).

2. Significant accounting policies (Cont'd)

(f) Investment properties

Investment properties at cost

Investment properties are properties which are owned or right-of-use asset held under lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is depreciated over the lease term of 60 years.

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 of 50 years.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production 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 make the sale.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(i) Contract asset/Contract liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(j)(i)).

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

2. Significant accounting policies (Cont'd)

(j) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

2. Significant accounting policies (Cont'd)

(j) Impairment (Cont'd)

(ii) Other assets (Cont'd)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the other assets in the cash-generating unit (or a group of cash-generating units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(k) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(l) Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component.

The proceeds are first allocated to the liability component, determined based on the fair value of a similar liability that does not have a conversion feature or similar associated equity component. The residual amount is allocated as the equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest and losses and gains relating to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

2. Significant accounting policies (Cont'd)

(m) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the employee share options is measured using a binomial lattice model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(o) Revenue and other income

(i) Goods sold and services rendered

Revenue from the sale of goods and services rendered in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount, volume rebates and sales taxes. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue when the sale of goods and services rendered are recognised.

The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

2. Significant accounting policies (Cont'd)

(o) Revenue and other income (Cont'd)

(i) Goods sold and services rendered (Cont'd)

The Group or the Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(iii) Finance income

Finance income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iv) Rental income

Rental income related to rental of properties and equipment for hire are recognised over the period of tenancy or usage, as appropriate. Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

(p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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.

2. Significant accounting policies (Cont'd)

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowances, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(r) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise warrants.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision makers, which in this case are the Executive Director and Chief Operating Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(t) Contingencies

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. Significant accounting policies (Cont'd)

(u) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Rental equipment RM'000	Motor vehicles RM'000	Others assets RM'000	Capital-in-progress RM'000	Mining assets RM'000	Total RM'000
Group									
Cost									
At 1 August 2021	76,417	142,366	219,037	36,418	4,957	24,165	1,551	22,094	527,005
Additions	-	110	922	1,426	-	3,979	4,522	-	10,959
Disposals	-	-	(52)	(3,185)	(41)	-	-	-	(3,278)
Written off	-	-	-	(309)	-	-	-	-	(309)
Transfers	-	286	771	-	-	112	(1,169)	-	-
Transfer to inventories	-	-	-	(314)	-	-	-	-	(314)
At 31 July 2022/ 1 August 2022	76,417	142,762	220,678	34,036	4,916	28,256	4,904	22,094	534,063
Additions	-	262	1,926	25,441	-	1,721	9,056	-	38,406
Disposals	-	-	-	(3,555)	(4)	-	-	-	(3,559)
Written off	-	-	-	(276)	-	-	-	-	(276)
Transfers	-	298	10,929	-	-	411	(11,638)	-	-
Transfer to investment properties	-	-	-	-	-	-	(720)	-	(720)
Transfer to inventories	-	-	-	(936)	-	-	-	-	(936)
At 31 July 2023	76,417	143,322	233,533	54,710	4,912	30,388	1,602	22,094	566,978

3. **Property, plant and equipment (Cont'd)**

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Rental equipment RM'000	Motor vehicles RM'000	Others assets RM'000	Capital-in-progress RM'000	Mining assets RM'000	Total RM'000
Group									
Accumulated depreciation									
At 1 August 2021	-	43,827	171,448	21,733	3,895	23,129	-	2,495	266,527
Charge for the year	-	2,888	2,506	4,910	523	792	-	1,134	12,753
Disposals	-	-	(44)	(2,101)	(38)	-	-	-	(2,183)
Written off	-	-	-	(216)	-	-	-	-	(216)
Transfer to inventories	-	-	-	(35)	-	-	-	-	(35)
At 31 July 2022/ 1 August 2022	-	46,715	173,910	24,291	4,380	23,921	-	3,629	276,846
Charge for the year	-	2,898	2,600	5,625	413	1,256	-	911	13,703
Disposals	-	-	-	(2,840)	(4)	-	-	-	(2,844)
Written off	-	-	-	(232)	-	-	-	-	(232)
Transfer to inventories	-	-	-	(648)	-	-	-	-	(648)
At 31 July 2023	-	49,613	176,510	26,196	4,789	25,177	-	4,540	286,825
Carrying amounts									
At 1 August 2021	76,417	98,539	47,589	14,685	1,062	1,036	1,551	19,599	260,478
At 31 July 2022/ 1 August 2022	76,417	96,047	46,768	9,745	536	4,335	4,904	18,465	257,217
At 31 July 2023	76,417	93,709	57,023	28,514	123	5,211	1,602	17,554	280,153

Other assets of the Group comprise office renovations, furniture and fittings, heavy equipment, office equipment, site tools, computer software, electrical installation, forklift, dies and jigs and containers.

3. Property, plant and equipment (Cont'd)

Company	Motor vehicles RM'000	Office renovations RM'000	Office equipment RM'000	Furniture and fittings RM'000	Capital-in-progress RM'000	Total RM'000
Cost						
At 1 August 2021	407	657	229	-	388	1,681
Additions	-	1,801	848	970	397	4,016
At 31 July 2022/ 1 August 2022	407	2,458	1,077	970	785	5,697
Additions	-	3	157	-	409	569
Transfers	-	-	168	-	(168)	-
Transfer to investment properties	-	-	-	-	(220)	(220)
At 31 July 2023	407	2,461	1,402	970	806	6,046
Accumulated depreciation						
At 1 August 2021	326	657	167	-	-	1,150
Charge for the year	81	31	45	8	-	165
At 31 July 2022/ 1 August 2022	407	688	212	8	-	1,315
Charge for the year	-	361	206	88	-	655
At 31 July 2023	407	1,049	418	96	-	1,970
Carrying amounts						
At 1 August 2021	81	-	62	-	388	531
At 31 July 2022/ 1 August 2022	-	1,770	865	962	785	4,382
At 31 July 2023	-	1,412	984	874	806	4,076

3.1 Rental equipment

The Group leases their equipment to third parties. Each of the leases contains an initial non-cancellable period of 1 to 6 months. Subsequent renewals are negotiated and agreed with the lessees.

The Group generally does not require a financial guarantee on the lease arrangement. Nevertheless, the Group requires 3 months of advance rental as normal payments from the lessees. These leases do not include residual value guarantees.

The following are recognised in profit or loss:

Group	2023 RM'000	2022 RM'000
Lease income	20,192	13,759

The operating lease payments to be received are as follows:

Group	2023 RM'000	2022 RM'000
Less than one year	10,629	8,667
More than one year	909	-
Total undiscounted lease payments	11,538	8,667

4. Right-of-use assets

Group	Buildings RM'000	Plant and equipment RM'000	Total RM'000
At 1 August 2021	293	7	300
Additions	5,176	-	5,176
Depreciation	(270)	(7)	(277)
Derecognition	(132)	-	(132)
At 31 July 2022/1 August 2022	5,067	-	5,067
Depreciation	(907)	-	(907)
At 31 July 2023	4,160	-	4,160

Company	Buildings RM'000	Total RM'000
At 1 August 2021	-	-
Additions	5,176	5,176
Depreciation	(109)	(109)
At 31 July 2022/1 August 2022	5,067	5,067
Depreciation	(907)	(907)
At 31 July 2023	4,160	4,160

The Group and the Company lease 2 office units that run for two years, with an option to renew the lease after that date.

4.1 Significant judgements and assumptions in relation to lease

The Group and the Company assess at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group and the Company also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

5. Investment properties

Group	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost				
At 1 August 2021/31 July 2022/1 August 2022	5,020	485	8,532	14,037
Transfers from property, plant and equipment	-	-	720	720
At 31 July 2023	5,020	485	9,252	14,757
Accumulated depreciation and impairment loss				
At 1 August 2021				
Accumulated depreciation	1,182	-	1,991	3,173
Accumulated impairment	1,070	-	1,283	2,353
	2,252	-	3,274	5,526
Charge for the year	73	-	144	217
Reversal of impairment	(1,070)	-	(826)	(1,896)
At 31 July 2022/1 August 2022				
Accumulated depreciation	1,255	-	2,135	3,390
Accumulated impairment	-	-	457	457
	1,255	-	2,592	3,847
Charge for the year	94	-	161	255
At 31 July 2023				
Accumulated depreciation	1,349	-	2,296	3,645
Accumulated impairment	-	-	457	457
	1,349	-	2,753	4,102
Carrying amounts				
At 1 August 2021	2,768	485	5,258	8,511
At 31 July 2022/1 August 2022	3,765	485	5,940	10,190
At 31 July 2023	3,671	485	6,499	10,655

5. Investment properties (Cont'd)

	Freehold land RM'000	Buildings RM'000	Total RM'000
Company			
Cost			
At 1 August 2021/31 July 2022/1 August 2022	48,062	67,383	115,445
Transfers from property, plant and equipment	-	220	220
At 31 July 2023	48,062	67,603	115,665
Accumulated depreciation			
At 1 August 2021	-	21,063	21,063
Charge for the year	-	1,348	1,348
At 31 July 2022/1 August 2022	-	22,411	22,411
Charge for the year	-	1,348	1,348
At 31 July 2023	-	23,759	23,759
Carrying amounts			
At 1 August 2021	48,062	46,320	94,382
At 31 July 2022/1 August 2022	48,062	44,972	93,034
At 31 July 2023	48,062	43,844	91,906

Investment properties of the Group comprise of leasehold land and buildings which are being leased to third party. The estimated fair value of investment properties of the Group and of the Company are RM21,010,000 and RM226,300,000 (2022: RM21,010,000 and RM226,300,000) respectively. Investment properties are stated at amortised cost and are not revalued.

The following are recognised in profit or loss in respect of investment properties:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Rental income	984	959	10,426	5,567
Direct operating expenses:				
- income generating investment properties	(323)	(288)	(1,348)	(1,348)

5.1 Operating lease payments receivable

The operating lease payments to be received are as follows:

	2023 RM'000	2022 RM'000
Group		
Less than one year	997	568
Between one and five years	1,497	43
Total undiscounted lease payments	2,494	611

5. Investment properties (Cont'd)

5.2 Fair value information

Fair values of investment properties are categorised as follows:

2023	**Level 3 RM'000**
Group	
Freehold land	3,700
Leasehold land with unexpired lease period of more than 50 years	10,800
Buildings	6,510
	21,010
Company	
Freehold land	141,800
Buildings	84,500
	226,300

2022	**Level 3 RM'000**
Group	
Freehold land	3,700
Leasehold land with unexpired lease period of more than 50 years	10,800
Buildings	6,510
	21,010
Company	
Freehold land	141,800
Buildings	84,500
	226,300

Level 3 fair value

Level 3 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

6. Investment in subsidiaries

	Company 2023 RM'000	Company 2022 RM'000
At cost:		
Unquoted shares in Malaysia	94,212	94,212

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2023 %	Effective ownership interest 2022 %
Hiap Teck Hardware Sdn. Bhd.	Malaysia	Importer, exporter, general dealer and lessor of steel products, hardware and building materials	100	100
Tiek Hong Hardware (B'worth) Sdn. Bhd.	Malaysia	Dormant	100	100
Alpine Pipe Manufacturing Sdn. Bhd.	Malaysia	Manufacturing and selling of pipes, hollow sections and other steel products	100	100
Briliant Decade Transport Agency Sdn. Bhd.	Malaysia	Provision of transportation services	100	100
Huatraco Scaffold Sdn. Bhd.	Malaysia	Manufacturing, selling, renting, and transporting of scaffolding equipment and range of steel products	100	100
Hiap Teck Resources Sdn. Bhd.	Malaysia	Investment holding	100	100
Nexus Pacific Property Sdn. Bhd.	Malaysia	Dormant	100	100
Geopintar E&C Sdn. Bhd.#	Malaysia	Contractor specialising in geotechnical and civil engineering work including special foundations, underground works, group improvements, pollution treatments and control	65	65
Eastern Power Resources Sdn. Bhd.	Malaysia	Sales of excess electricity generated by Eastern Steel Sdn. Bhd. to the grid	51	51
Subsidiary of Hiap Teck Resources Sdn. Bhd.				
Vista Mining Sdn. Bhd.	Malaysia	Exploring, contracting and all activities related to the mining, processing and sale of iron ore	55	55
Subsidiaries of Huatraco Scaffold Sdn. Bhd.				
Huatraco Contracts Sdn. Bhd.	Malaysia	Dormant	100	100
Huatraco Investment Pte. Ltd.#	Singapore	Investment holding	100	100
Huatraco Scaffold (Sabah) Sdn. Bhd.	Malaysia	Dormant	100	100
Subsidiary of Huatraco Investment Pte. Ltd.				
Huatraco Singapore Pte. Ltd.#	Singapore	Scaffolding works and wholesale of industrial, construction and related machinery and equipment	100	100

Not audited by member firms of KPMG PLT.

6. Investment in subsidiaries (Cont'd)

6.1 Non-controlling interest in subsidiaries

The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

2023	Vista Mining Sdn. Bhd. RM'000	Geopintar E&C Sdn. Bhd. RM'000	Eastern Power Resources Sdn. Bhd. RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	45%	35%	49%	
Carrying amount of NCI	(622)	54	309	(259)
Dividend to NCI	-	-	(735)	(735)
(Loss)/Profit allocated to NCI	(144)	64	999	919
Summarised financial information before intra-group elimination				
As at 31 July				
Non-current assets	18,292	-	672	
Current assets	760	184	3,743	
Non-current liabilities	(91)	-	-	
Current liabilities	(20,345)	(27)	(3,785)	
Net (liabilities)/assets	(1,384)	157	630	
Year ended 31 July				
Revenue	3,130	1,285	28,305	
Profit for the year	307	52	2,037	
Cash flows from operating activities	2,816	107	2,326	
Cash flow used in investing activities	-	-	(724)	
Cash flows used in financing activities	(2,769)	-	-	
Net increase in cash and cash equivalents	47	107	1,602	
2022				
NCI percentage of ownership interest and voting interest	45%	35%	49%	
Carrying amount of NCI	(478)	(10)	45	(443)
Profit/(Loss) allocated to NCI	359	(4)	(4)	351
Summarised financial information before intra-group elimination				
As at 31 July				
Non-current assets	19,404	-	-	
Current assets	1,211	129	199	
Non-current liabilities	(95)	-	-	
Current liabilities	(22,211)	(25)	(105)	
Net (liabilities)/assets	(1,691)	104	94	
Year ended 31 July				
Revenue	3,900	525	-	
Profit/(Loss) for the year	797	(12)	(6)	
Cash flows from/(used in) operating activities	3,262	(167)	-	
Cash flows (used in)/from financing activities	(3,400)	-	199	
Net (decrease)/increase in cash and cash equivalents	(138)	(167)	199	

7. Interest in equity account investments

7.1 Investment in joint venture

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares in Malaysia at cost	717,840	717,840	717,840	717,840
Share of post-acquisition reserves	(123,488)	(168,003)	-	-
Less: Impairment loss	-	-	(208,876)	(208,876)
	594,352	549,837	508,964	508,964

Details of the joint venture are as follows:

Name of entity	Country of incorporation	Principal activities	Effective ownership interest 2023 %	Effective ownership interest 2022 %
Eastern Steel Sdn. Bhd.	Malaysia	Manufacturing, selling and dealing in a range of steel products using blast furnace plant	27.3	27.3

ESSB is structured as a separate vehicle and provides the Group rights to the net assets of the entity. Accordingly, the Group has classified the investment in ESSB as a joint venture.

The following tables summarise the financial information of ESSB. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in ESSB, which is accounted for using the equity method.

	2023 RM'000	2022 RM'000
Summarised financial information		
As at 31 July		
Non-current assets	4,776,844	2,710,873
Current assets	758,147	710,832
Cash and cash equivalents	60,705	113,355
Non-current liabilities	(1,482,022)	(131,629)
Current liabilities	(1,875,843)	(1,276,009)
Non-current financial liabilities (excluding trade and other payables and provisions)	(1,482,022)	(131,629)
Current financial liabilities (excluding trade and other payables and provisions)	(1,115,595)	(439,900)
Year ended 31 July		
Profit and total comprehensive income for the year	163,059	192,225
Included in the total comprehensive income are:		
Revenue	2,240,683	2,563,815
Depreciation	39,816	82,573
Interest income	814	162
Interest expense	(19,870)	(2,171)
Reconciliation of net assets to carrying amount as at 31 July		
Group's share of net assets	594,352	549,837
Carrying amount in the statement of financial position	594,352	549,837
Group's share of results for year ended 31 July		
Group's share of profit and total comprehensive income for the year	44,515	52,700

7. Interest in equity account investments (Cont'd)

7.2 Investment in associate

Name of entity	Country of incorporation	Principal activities	Effective ownership interest 2023 %	Effective ownership interest 2022 %
Jetama Alpine Pipe (Sabah) Sdn. Bhd.	Malaysia	Dormant	49	49

The wholly-owned subsidiary, Alpine Pipe Manufacturing Sdn. Bhd. subscribed for 49 ordinary shares at an issue price of RM1 per share, representing 49% equity interest, in the share capital of Jetama Alpine Pipe (Sabah) Sdn. Bhd. ("JAPS"), with the remaining 51% equity interest held by Jetama Sdn. Bhd., an indirect wholly-owned subsidiary of the State Government of Sabah. The investment in JAPS was for the Group to expand to East Malaysia for trading and supply of steel pipes, hollow sections and related products.

8. Other investments

	2023		2022	
	Carrying amount RM'000	Market value of quoted investments RM'000	Carrying amount RM'000	Market value of quoted investments RM'000
Group				
Non-current				
Fair value through other comprehensive income				
Club membership, unquoted	140	-	140	-
Equity instruments, quoted in Malaysia	856	856	638	638
	996		778	
Current				
Fair value through profit or loss				
Unit trust funds of licensed financial institutions within Malaysia	3,644	3,644	11,922	11,922
	4,640		12,700	
Company				
Current				
Fair value through profit or loss				
Unit trust funds of licensed financial institutions within Malaysia	2,232	2,232	10,553	10,553

9. Trade and other receivables

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current					
Non-trade					
Deposits	9.1	41,635	26,737	-	-
		41,635	26,737	-	-
Current					
Trade					
Trade receivables		327,286	301,843	-	-
Less: Allowance for impairment loss		(3,311)	(2,629)	-	-
		323,975	299,214	-	-
Amount due from joint venture	9.2	25,055	60,326	-	-
Amount due from a related party	9.2	169	-	-	-
		349,199	359,540	-	-
Non-trade					
Other receivables		3,951	1,260	44	54
Amount due from joint venture		5	8	5	8
Dividend receivables		-	-	6,565	20,620
Amount due from subsidiaries	9.3	-	-	17,611	29,777
		3,956	1,268	24,225	50,459
Deposits		1,064	1,169	404	485
Prepayments		4,646	3,653	700	700
		9,666	6,090	25,329	51,644
		358,865	365,630	25,329	51,644
		400,500	392,367	25,329	51,644

The Group's negotiated trade credit term ranges from 14 to 120 (2022: 14 to 120) days. Other credit terms are assessed and approved on a case-by-case basis.

9.1 Non-current deposits

The non-current deposits relate to acquisition of property, plant and equipment. The legal assignment of the property amounting to RM31,598,200 (2022: Nil) are used to secure banking facilities by financial institutions as disclosed in Note 15.

9.2 Current trade amounts due from joint venture and a related party

The trade amount due from joint venture and a related party are subject to negotiated terms.

9.3 Amount due from subsidiaries

The non-trade amount due from subsidiaries relates to payments on behalf, is interest-free and subject to 30 days credit term (2022: The non-trade amount due from subsidiaries relates to payments on behalf, is interest-free and subject to 30 days credit term except for RM21.8 million which is subject to interest at 6% and expected to be repayable over the next 12 months).

10. Inventories

	Group 2023 RM'000	Group 2022 RM'000
Raw materials	38,117	197,666
Work-in-progress	12,319	22,580
Finished goods	146,090	169,438
Merchandise goods	226,154	197,878
Goods in transit	18,397	51,272
Spare parts	3,029	2,869
	444,106	641,703
Recognised in profit or loss:		
Inventories recognised as cost of sales	1,533,114	1,359,531
(Reversal)/Write-down of inventories to net realisable value	(6,352)	25,236
Allowance for slow moving stock	565	3,667

The net realisable value ("NRV") of inventories was determined based on estimated selling price of the product less the estimated cost to make the sale.

11. Derivative financial assets/(liabilities)

	2023			2022	
Group	**Nominal value RM'000**	**Assets RM'000**	**Liabilities RM'000**	**Nominal value RM'000**	**Liabilities RM'000**
Derivatives at fair value through profit or loss					
- Forward exchange contracts	160,713	420	(2,506)	13,295	(3)
	160,713	420	(2,506)	13,295	(3)

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currencies of the Group entities. Most of the forward contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity.

12. Cash and cash equivalents

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Deposits placed with licensed banks	15,027	33,588	-	-
Cash and bank balances	119,288	116,473	546	4,972
	134,315	150,061	546	4,972

13. Capital and reserves

Share capital

	Group and Company Amount 2023 RM'000	Number of shares 2023 '000	Amount 2022 RM'000	Number of shares 2022 '000
Issued and fully paid shares classified as equity instruments:				
Ordinary shares				
At 1 August	872,654	1,747,722	865,088	1,730,177
Exercise of ESOS	-	-	7,566	17,545
At 31 July	872,654	1,747,722	872,654	1,747,722

Ordinary shares

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. In respect of the Company's treasury shares that are held by the Group (see Note 13.3), all rights are suspended until those shares are reissued.

Reserves	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Non-distributable:					
Other reserves					
Translation reserves	13.1.1	(316)	(326)	-	-
Fair value reserves	13.1.2	(1,614)	(1,832)	-	-
Share option reserves	13.2	-	-	-	-
Treasury shares	13.3	(7,499)	(7,499)	(7,499)	(7,499)
		(9,429)	(9,657)	(7,499)	(7,499)
Distributable:					
Retained earnings/ (Accumulated losses)		423,046	409,557	(140,954)	(132,858)
		413,617	399,900	(148,453)	(140,357)

13.1 Other reserves

13.1.1 Translation reserves

The translation reserves comprise all foreign currency differences arising from the translation of the financial statements of foreign operations.

13.1.2 Fair value reserves

The fair value reserves comprise the cumulative net change in the fair value of equity designated at fair value through other comprehensive income until the investments are derecognised or impaired.

13.2 Share option reserves

The share option reserves comprise the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserves is transferred to share capital. When the share options expire, the amount from the share option reserves is transferred to retained earnings. In previous financial year, 17,545,139 share options were exercised by the employees and 104,565,650 were forfeited as ESOS was expired on 11 April 2022.

13.3 Treasury shares

Treasury shares comprise cost of acquisition of the Company's own shares. At 31 July 2023, a total of 5,492,000 (2022: 5,492,000) buy-back shares were held as treasury shares and carried at cost.

14. Deferred tax assets/(liabilities)

Recognised deferred assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2023 RM'000	Assets 2022 RM'000	Liabilities 2023 RM'000	Liabilities 2022 RM'000	Net 2023 RM'000	Net 2022 RM'000
Property, plant and equipment	-	-	(24,417)	(21,699)	(24,417)	(21,699)
Investment properties	-	-	-	(496)	-	(496)
Other payables	5,789	9,080	(138)	(150)	5,651	8,930
Tax loss carry-forward	9,884	210		-	9,884	210
Unabsorbed capital allowances	1,861	-	-	-	1,861	-
Reinvestment allowances	1,847	-	-	-	1,847	-
Tax assets/(liabilities)	19,381	9,290	(24,555)	(22,345)	(5,174)	(13,055)
Set-off of tax	(14,641)	(6,437)	14,641	6,437	-	-
Net tax assets/ (liabilities)	4,740	2,853	(9,914)	(15,908)	(5,174)	(13,055)
Company						
Property, plant and equipment	-	-	(2,506)	(2,257)	(2,506)	(2,257)
Other payables	186	1,232	-	-	186	1,232
Tax assets/(liabilities)	186	1,232	(2,506)	(2,257)	(2,320)	(1,025)
Set-off of tax	(186)	(1,232)	186	1,232	-	-
Net tax liabilities	-	-	(2,320)	(1,025)	(2,320)	(1,025)

Movement in temporary differences during the year

Group	At 1.8.2021 RM'000	Recognised in profit or loss (Note 21) RM'000	At 31.7.2022/ 1.8.2022 RM'000	Recognised in profit or loss (Note 21) RM'000	At 31.7.2023 RM'000
Property, plant and equipment	(22,014)	315	(21,699)	(2,718)	(24,417)
Investment properties	-	(496)	(496)	496	-
Other payables	2,925	6,005	8,930	(3,279)	5,651
Tax loss carry-forward	1,439	(1,229)	210	9,674	9,884
Unabsorbed capital allowances	-	-	-	1,861	1,861
Reinvestment allowances	-	-	-	1,847	1,847
	(17,650)	4,595	(13,055)	7,881	(5,174)
Company					
Property, plant and equipment	(2,193)	(64)	(2,257)	(249)	(2,506)
Other payables	(19)	1,251	1,232	(1,046)	186
Tax loss carry-forward	1,439	(1,439)	-	-	-
	(773)	(252)	(1,025)	(1,295)	(2,320)

15. Loans and borrowings

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current					
Bankers' acceptances	15.1	317,787	289,826	-	-
Promissory notes	15.1	33,153	-	-	-
Post shipment buyer loan	15.1	34,395	119,115	-	-
Accepted bills	15.1	130,755	169,542	-	-
Revolving credit	15.1	22,986	30,000	-	-
		539,076	608,483	-	-

Note 15.1

The Company has extended corporate guarantees amounting to RM539,076,000 (2022: RM608,483,000) as at the reporting date to financial institutions for banking facilities granted to certain subsidiaries. The Directors have assessed the financial guarantee contracts and concluded that the financial impact of the guarantees is not material as the subsidiaries concerned are in positive financial standings to meet their obligations as and when they fall due.

Banking facilities of the Group require subsidiaries' debt to equity ratio not more than 2 to 3.5 times (2022: 2 to 3.5 times) as disclosed in Note 28.

Certain of revolving credit of the Group amounting to RM12,985,585 (2022: Nil) is secured by way of legal assignment of a property of the Group amounting to RM31,598,200 (2022: Nil) as disclosed in Note 9.

16. Trade and other payables

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current					
Trade					
Trade payables		20,188	38,522	-	-
Accruals		1,787	1,287	-	-
Amount due to a related party	16.1	-	20,341	-	-
		21,975	60,150	-	-
Non-trade					
Other payables		6,556	22,273	597	230
Accruals		12,720	25,707	3,078	11,178
Deposits received		7,553	7,074	-	-
Amount due to subsidiaries	16.2	-	-	-	28,352
Amount due to a related party		6	-	6	-
		26,835	55,054	3,681	39,760
		48,810	115,204	3,681	39,760

16.1 Trade amount due to a related party

The trade amount due to a related party is subject to negotiated trade terms.

16.2 Non-trade amount due to subsidiaries

In previous financial year, the non-trade amount due to subsidiaries is unsecured, subject to interest range 3% per annum and repayable in 2023.

17. Contract liabilities

	Group 2023 RM'000	Group 2022 RM'000
Contract liabilities	1,307	1,129

The contract liabilities primarily relate to the advance consideration received from customers for cash before delivery orders. The contract liabilities are expected to be recognised as revenue in the subsequent financial period.

18. Revenue

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers				
Sale of goods	1,533,489	1,565,603	-	-
Transportation services rendered	92	16	-	-
Selling of electricity	28,305	-	-	-
Rental of equipment for hire	20,192	13,759	-	-
Participation fees from sales of iron ore	3,130	3,900	-	-
Other revenue				
Rental of properties	-	-	10,426	5,567
Dividend income	-	-	6,565	20,620
Management fees	-	-	20,170	14,546
	1,585,208	1,583,278	37,161	40,733

Group	2023 RM'000	2022 RM'000
Timing of revenue recognition		
At a point in time	1,536,619	1,569,503
Over time	48,589	13,775
	1,585,208	1,583,278

18. Revenue (Cont'd)

18.1 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Trading, manufacturing and selling of pipes, hollow sections, scaffolding equipment, hardware, building materials and other steel products	Revenue is recognised when the goods are delivered and accepted by the customers at their premises or collected by customers from the Group's premises.	Credit period of 60 days from invoice date.	Early payment discounts are given to customers.	The Group allows returns within 7 days from the delivery date.	Not applicable.
Rental of equipment for hire	Revenue is recognised over time when equipment for hire services are rendered to customers using the output method.	Credit period of 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Selling of electricity	Revenue is recognised over time as the customer simultaneously received and consumed the electricity.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Transportation services rendered	Revenue is recognised over time when services are rendered to customers using the output method.	Credit period of 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Participation fees from sales of iron ore	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Credit period of 14 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

19. Cost of sales

	Group 2023 RM'000	Group 2022 RM'000
Cost of goods sold	1,529,409	1,390,473
Amortisation of mining assets	910	1,134
Depreciation of equipment for hire	5,625	4,910
	1,535,944	1,396,517
Included in the cost of goods sold are the following:		
Direct and indirect labour costs	19,784	24,685
Upkeep of property, plant and equipment	5,712	5,022
Depreciation of property, plant and equipment	4,925	5,170

20. Finance costs

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
Bank overdrafts	-	1	-	-
Bankers' acceptances	12,973	7,988	-	-
Promissory notes	-	49	-	-
Post shipment buyer loan	1,579	1,738	-	-
Accepted bills	5,188	2,868	-	-
Revolving credit	783	701	-	-
Lease liabilities	150	38	150	28
Amount due to subsidiaries	-	-	58	1,082
	20,673	13,383	208	1,110

21. Tax expense

Recognised in profit or loss

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense				
Current year	5,025	38,597	2,178	392
Under/(Over) provision in prior year	1,490	(463)	1,625	(4)
Total current tax recognised in profit or loss	6,515	38,134	3,803	388
Deferred tax expense				
Origination and reversal of temporary differences	(7,799)	(5,438)	141	267
(Over)/Under provision in prior year	(82)	843	1,154	(15)
Total deferred tax recognised in profit or loss	(7,881)	(4,595)	1,295	252
Total income tax expense	(1,366)	33,539	5,098	640

21. Tax expense (Cont'd)

Recognised in profit or loss (Cont'd)

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Reconciliation of tax expense				
Profit before tax	30,464	189,903	14,424	22,168
Share of profit after tax of equity accounted investees	(44,515)	(52,700)	-	-
	(14,051)	137,203	14,424	22,168
Income tax calculated using Malaysian tax rate of 24%	(3,372)	32,929	3,462	5,320
Effect of tax rate in foreign jurisdictions	5	(8)	-	-
Non-taxable income	(31)	(27)	(1,576)	(4,949)
Non-deductible expenses	2,471	129	433	288
Origination and reversal of temporary differences	-	361	-	-
Recognition of previously unrecognised deferred tax assets	-	(225)	-	-
Deferred tax assets recognised on the unutilised reinvestment allowances	(1,847)	-	-	-
(Over)/Under provision of deferred tax in prior year	(82)	843	1,154	(15)
Under/(Over) provision of current tax in prior year	1,490	(463)	1,625	(4)
	(1,366)	33,539	5,098	640

22. Profit for the year

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Profit for the year is arrived at after charging/(crediting):					
Auditors' remuneration					
- Audit fees					
KPMG PLT		453	435	170	165
Other auditors		19	19	-	-
- Non audit fees					
KPMG PLT		23	85	23	85
Material expenses/(income)					
Bad debts recovered		-	(104)	-	-
Depreciation of investment properties	5	255	217	1,348	1,348
Depreciation of property, plant and equipment	3	13,702	12,753	655	165
Depreciation of right-of-use assets	4	907	277	907	109
Dividend income		(93)	(33)	(6,565)	(20,620)
Fair value loss on foreign exchange derivative		2,086	72	-	-
Finance income:					
- Amount due from subsidiaries		-	-	(149)	(1,056)
- Other investments		(268)	(25)	(214)	-
- Deposits with licensed banks		(2,155)	(2,574)	(51)	(576)
Gain on disposal of property, plant and equipment		(5,137)	(2,773)	-	-
Net foreign exchange (gain)/loss					
- Realised		(1,450)	(965)	-	-
- Unrealised		903	(293)	-	-
Net overdue interest income		(945)	(560)	-	-
Property, plant and equipment written off		44	93	-	-
Personnel expenses (including key management personnel):					
- Contributions to state plans		4,346	4,885	1,803	1,502
- Salaries, wages and others		47,593	50,862	15,640	13,224
Rental income from investment properties		(984)	(959)	(10,426)	(5,567)
Reversal of impairment for investment properties		-	(1,896)	-	-
(Reversal)/Write-down of inventories to net realisable value	10	(6,352)	25,236	-	-
Allowance for slow moving stock	10	565	3,667	-	-

22. Profit for the year (Cont'd)

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Expenses arising from leases					
Expenses relating to short-term leases	a	743	240	-	-
Expenses relating to leases of low-value assets	a	18	19	-	-
Net loss on impairment of financial instruments					
Net loss on impairment of trade receivables		1,167	65	-	-

Note a

The Group leases land and buildings and office equipment with contract terms of 1 to 5 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

23. Key management personnel compensation

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Executive directors:				
- Remuneration	12,304	9,262	11,798	8,610
- Other short-term employee benefits	1,469	1,098	1,408	1,019
	13,773	10,360	13,206	9,629
Non-executive directors:				
- Fees	442	459	406	425
- Other emoluments	21	23	21	23
	463	482	427	448
	14,236	10,842	13,633	10,077

24. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at financial year end was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2023	**2022**
Profit attributable to ordinary shareholders (RM'000)	30,911	156,013
Weighted average number of ordinary shares at 31 July ('000)	1,742,230	1,733,872
Basic earnings per ordinary share (sen)	1.77	9.00

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at reporting date was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Profit attributable to ordinary shareholders (diluted)

Group	**2023 RM'000**	**2022 RM'000**
Profit attributable to ordinary shareholders (basic and diluted)	30,911	156,013

	Group	
	2023 '000	**2022 '000**
Weighted average number of ordinary shares at 31 July (basic)	1,742,230	1,733,872
Effect of conversion of ESOS	-	8,005
Weighted average number of ordinary shares at 31 July (diluted)	1,742,230	1,741,877
Diluted earnings per ordinary share (sen)	1.77	8.96

In the prior financial year, the average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

25. Dividends

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2023			
Final (single tier) in respect of financial year ended 31 July 2022	1.00	17,422	20 January 2023
2022			
Final (single tier) in respect of financial year ended 31 July 2021	1.00	17,310	21 January 2022

After the end of the reporting period, the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial period upon approval by the shareholders of the Company at the forthcoming Annual General Meeting.

	Sen per share	Total amount RM'000
First and final (single tier) in respect of financial year ended 31 July 2023	0.50	8,711

26. Operating segments

(a) Business segments

For management purposes, the Group is organised into business units based on their products and services, and has six reportable operating segments as follows:

(i) The trading segment is involved in importing, exporting, general dealing and leasing of steel products, hardware and building materials;

(ii) The manufacturing segment is involved in manufacturing, selling and renting of pipes, hollow sections, scaffolding equipment and other steel products;

(iii) The property and investment segment is involved in investment and property holdings;

(iv) The transportation segment is involved in provision of transportation services;

(v) The mining exploration segment is involved in exploring, contracting and all activities related to the mining, processing and sales of iron ore; and

(vi) The selling of electricity is involved in sales of excess electricity generated by Eastern Steel Sdn. Bhd. to the grid.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Group income taxes are managed on a group basis and are not allocated to operating segments.

(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 negotiated terms and conditions.

Performance is measured based on segment profit before tax, interest and depreciation as included in the internal management reports that are reviewed by the Executive Director and Chief Operating Officer. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

26. Operating segments (Cont'd)

Segment assets

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Executive Director and Chief Operating Officer. Segment total assets is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is included in the internal management reports and provided regularly to the Executive Director and Chief Operating Officer. Hence, disclosure is made on segment liabilities.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

Major customers

There is no single major customer with revenue equal or more than 10% (2022: 10%) of the Group's total revenue during the financial year except for sales to joint venture (refer to Note 30).

2023	Trading RM'000	Manufacturing RM'000	Property and investment RM'000	Transportation RM'000	Mining exploration RM'000	Selling of electricity RM'000	Others/ Eliminations RM'000	Total RM'000
Revenue								
External customers	964,772	588,909	-	92	3,130	28,305	-	1,585,208
Inter-segment	-	20,452	37,161	2,139	-	-	(59,752)	-
Total segment revenue	964,772	609,361	37,161	2,231	3,130	28,305	(59,752)	1,585,208
Results								
Segment profit/(loss)	1,755	(27,691)	7,403	(210)	1,921	2,771	44,515	30,464
Included in the measure of segment profit are:								
Finance income	999	1,116	215	43	-	-	-	2,373
Dividend income	-	-	93	-	-	-	-	93
Finance costs	(14,040)	(6,483)	(150)	-	-	-	-	(20,673)
Depreciation	(786)	(9,265)	(3,317)	(333)	(1,112)	(52)	-	(14,865)
Net loss on impairment of trade receivables	(99)	(1,068)	-	-	-	-	-	(1,167)
Share of profit of equity-accounted joint venture, net of tax	-	-	-	-	-	-	-	44,515
Assets								
Segment assets	593,666	620,133	725,966	2,652	18,983	4,414	(93,509)	1,872,305
Unallocated assets								20,103
Total assets								1,892,408
Liabilities								
Segment liabilities	468,853	207,499	4,408	309	56	1,759	(86,989)	595,895
Unallocated liabilities								10,501
Total liabilities								606,396
Other information								
Addition to non-current assets other than financial instruments and deferred tax assets	86	37,026	570	-	-	724	-	38,406
Property, plant and equipment written off	(7)	(37)	-	-	-	-	-	(44)

26. Operating segments (Cont'd)

2022	Trading RM'000	Manufacturing RM'000	Property and investment RM'000	Transportation RM'000	Mining exploration RM'000	Others/ Eliminations RM'000	Total RM'000
Revenue							
External customers	849,249	730,113	-	16	3,900	-	1,583,278
Inter-segment	-	4,469	40,733	2,333	-	(47,535)	-
Total segment revenue	849,249	734,582	40,733	2,349	3,900	(47,535)	1,583,278
Results							
Segment profit/(loss)	43,756	89,852	1,153	(21)	2,463	52,700	189,903
Included in the measure of segment profit are:							
Bad debts recovered	69	35	-	-	-	-	104
Finance income	656	1,340	578	25	-	-	2,599
Dividend income	-	-	33	-	-	-	33
Finance costs	(8,008)	(5,347)	(28)	-	-	-	(13,383)
Depreciation	(772)	(8,734)	(2,026)	(377)	(1,338)	-	(13,247)
Net loss on impairment of trade receivables	(65)	-	-	-	-	-	(65)
Share of profit of equity-accounted joint venture, net of tax	-	-	-	-	-	-	52,700
Assets							
Segment assets	597,682	815,638	685,164	2,911	20,615	(103,646)	2,018,364
Unallocated assets							9,734
Total assets							2,028,098
Liabilities							
Segment liabilities	461,546	326,568	23,844	282	21,943	(104,280)	729,903
Unallocated liabilities							26,084
Total liabilities							755,987
Other information							
Addition to non-current assets other than financial instruments and deferred tax assets	10	6,933	4,016	-	-	-	10,959
Property, plant and equipment written off	(7)	(86)	-	-	-	-	(93)

27. Financial instruments

27.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Fair value through profit or loss ("FVTPL")
- Mandatorily required by MFRS 9
(b) Amortised cost ("AC"); and
(c) Fair value through other comprehensive income ("FVOCI").

2023	Carrying amount RM'000	FVTPL RM'000	AC RM'000	FVOCI RM'000
Financial assets				
Group				
Other investments	4,640	3,644	-	996
Trade and other receivables (excluding prepayments)	354,219	-	354,219	-
Derivative financial assets	420	420	-	-
Cash and cash equivalents	134,315	-	134,315	-
	493,594	4,064	488,534	996
Company				
Other investments	2,232	2,232	-	-
Trade and other receivables (excluding prepayments)	24,629	-	24,629	-
Cash and cash equivalents	546	-	546	-
	27,407	2,232	25,175	-
Financial liabilities				
Group				
Loans and borrowings	(539,076)	-	(539,076)	-
Trade and other payables	(48,810)	-	(48,810)	-
Derivative financial liabilities	(2,506)	(2,506)	-	-
	(590,392)	(2,506)	(587,886)	-
Company				
Trade and other payables	(3,681)	-	(3,681)	-
	(3,681)	-	(3,681)	-

27. Financial instruments (Cont'd)

27.1 Categories of financial instruments (Cont'd)

2022	Carrying amount RM'000	FVTPL RM'000	AC RM'000	FVOCI RM'000
Financial assets				
Group				
Other investments	12,700	11,922	-	778
Trade and other receivables (excluding prepayments)	361,977	-	361,977	-
Cash and cash equivalents	150,061	-	150,061	-
	524,738	11,922	512,038	778
Company				
Other investments	10,553	10,553	-	-
Trade and other receivables (excluding prepayments)	50,944	-	50,944	-
Cash and cash equivalents	4,972	-	4,972	-
	66,469	10,553	55,916	-
Financial liabilities				
Group				
Loans and borrowings	(608,483)	-	(608,483)	-
Trade and other payables	(115,204)	-	(115,204)	-
Derivative financial liabilities	(3)	(3)	-	-
	(723,690)	(3)	(723,687)	-
Company				
Trade and other payables	(39,760)	-	(39,760)	-
	(39,760)	-	(39,760)	-

27.2 Net gains and losses arising from financial instruments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net (losses)/gains on:				
Financial assets at fair value through profit or loss	(1,839)	22	214	-
Financial assets measured at amortised cost	2,480	4,433	413	1,634
Equity instruments designated at fair value through other comprehensive income	87	27	-	-
Financial liabilities measured at amortised cost	(20,673)	(13,383)	(208)	(1,110)
	(19,945)	(8,901)	419	524

27. Financial instruments (Cont'd)

27.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

27.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from amount due from subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries and joint venture. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables is credit impaired.

The gross carrying amounts of credit impaired trade receivables is written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that is written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group	
	2023 RM'000	**2022 RM'000**
Domestic	316,542	336,607
Asia	32,657	22,933
	349,199	359,540

27. Financial instruments (Cont'd)

27.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days. The Group's debt recovery process is as follows:

a) Above 90 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales and credit control teams; and
b) Above 120 days past due, the Group will commence a legal proceeding against the customer.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 120 days will be considered as credit impaired.

Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to 120 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historical data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2023			
Current (not past due)	101,535	-	101,535
1 – 30 days past due	83,932	(96)	83,836
31 – 60 days past due	111,614	(116)	111,498
61 – 90 days past due	40,488	(147)	40,341
More than 90 days past due	14,941	(2,952)	11,989
	352,510	(3,311)	349,199
2022			
Current (not past due)	199,130	-	199,130
1 – 30 days past due	84,560	-	84,560
31 – 60 days past due	60,784	-	60,784
61 – 90 days past due	8,242	-	8,242
More than 90 days past due	9,453	(2,629)	6,824
	362,169	(2,629)	359,540

27. Financial instruments (Cont'd)

27.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The movements in the allowance for impairment losses in respect of trade receivables during the year are shown below.

	Trade receivables		
Group	**Lifetime ECL RM'000**	**Credit impaired RM'000**	**Total RM'000**
Balance at 1 August 2021	500	2,226	2,726
Net remeasurement of loss allowance	347	(282)	65
Written off	-	(162)	(162)
Balance at 31 July 2022/ 1 August 2022	847	1,782	2,629
Net remeasurement of loss allowance	-	1,167	1,167
Written off	-	(485)	(485)
Balance at 31 July 2023	847	2,464	3,311

Investments in financial assets

Risk management objectives, policies and processes for managing the risk

Investments in financial assets are allowed only in liquid securities. Transactions involving derivative financial instruments are with approved financial institutions.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations. The Group does not have overdue investments that have not been impaired.

The investments in financial assets are unsecured.

Impairment losses

As at the end of the reporting period, there was no indication that the investments in financial assets are not recoverable.

27. Financial instruments (Cont'd)

27.4 Credit risk (Cont'd)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and joint venture. The Company monitors on an ongoing basis the results and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM13,291,523 (2022: RM33,718,331) for the Group and RM558,872,558 (2022: RM649,066,130) for the Company representing the outstanding banking facilities of the subsidiaries and joint venture as at the end of the reporting period.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when the financial performance of a subsidiary or joint venture deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary or joint venture is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary or joint venture is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there was no indication that any subsidiaries or joint venture would default on repayment.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the results of these entities regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the significant exposure to credit risk in respect of the amount due from subsidiaries is disclosed in Note 9 to the financial statements.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers the subsidiaries' loans or advances to be credit impaired when:

- The subsidiaries are unlikely to repay their loans or advances to the Company in full;
- The subsidiaries' loan or advance is overdue for more than 365 days; or
- The subsidiaries are continuously loss making and are having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

27. Financial instruments (Cont'd)

27.4 Credit risk (Cont'd)

Inter-company balances (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances.

Company	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
2023			
Low credit risk	17,611	-	17,611
2022			
Low credit risk	29,777	-	29,777

As at the end of the reporting period, there was no indication that the balance from its subsidiaries are not recoverable.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for office buildings and fixtures rented. These deposits will be received at the end of the lease terms. The Group manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

27. Financial instruments (Cont'd)

27.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000
Group						
2023						
Non-derivative financial liabilities						
Bank loans and facilities	539,076	3.51% - 4.69%	540,602	540,602	-	-
Lease liabilities	4,239	3.25%	4,564	996	996	2,572
Trade and other payables	48,810	-	48,810	48,810	-	-
Financial guarantee	-	-	13,292	13,292	-	-
	592,125		607,268	603,700	996	2,572
Derivative financial liabilities						
Forward exchange contracts (gross settled):						
Outflow	420	-	158,626	158,626	-	-
Inflow	(2,506)	-	(160,712)	(160,712)	-	-
	590,039		605,182	601,614	996	2,572

27. Financial instruments (Cont'd)

27.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
Group							
2022							
Non-derivative financial liabilities							
Bank loans and facilities	608,483	2.58% - 3.92%	610,950	610,950	-	-	-
Lease liabilities	5,084	3.25%	5,559	996	996	2,987	580
Trade and other payables	115,204	-	115,204	115,204	-	-	-
Financial guarantee	-	-	33,718	33,718	-	-	-
	728,771		765,431	760,868	996	2,987	580
Derivative financial liabilities							
Forward exchange contracts (gross settled):							
Outflow	3	-	13,295	13,295	-	-	-
Inflow	-	-	(13,292)	(13,292)	-	-	-
	728,774		765,434	760,871	996	2,987	580
Company							
2023							
Non-derivative financial liabilities							
Trade and other payables	3,681	-	3,681	3,681	-	-	-
Lease liabilities	4,239	3.25%	4,564	996	996	2,572	-
Financial guarantees	-	-	558,873	558,873	-	-	-
	7,920		567,118	563,550	996	2,572	-
2022							
Non-derivative financial liabilities							
Trade and other payables	39,760	-	39,760	39,760	-	-	-
Lease liabilities	5,084	3.25%	5,559	996	996	2,987	580
Financial guarantees	-	-	649,066	649,066	-	-	-
	44,844		694,385	689,822	996	2,987	580

27. Financial instruments (Cont'd)

27.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

27.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and cash and cash equivalents that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), and Singapore Dollar ("SGD").

Risk management objectives, policies and processes for managing the risk

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. The Group uses forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in	
Group	***USD***	***SGD***
2023	**RM'000**	**RM'000**
Trade receivables	3,281	29,375
Cash and cash equivalents	713	5,785
Total exposure	3,994	35,160
2022		
Trade receivables	1,273	21,660
Cash and cash equivalents	4,886	6,550
Total exposure	6,159	28,210

Currency risk sensitivity analysis

Foreign currency risk of the Group entities mainly arises from transactions dealing in the above currencies. The exposure to other currencies is not material and hence sensitivity analysis is not presented for other currencies.

A 10 % (2022: 10%) strengthening of the above currencies against the functional currency of the Group entities at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Equity/ Profit or loss	
	2023	**2022**
Group	**RM'000**	**RM'000**
SGD	2,672	2,144
USD	303	468

A 10% (2022: 10%) weakening of the above currencies against the functional currency of the Group entities at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

27. Financial instruments (Cont'd)

27.6 Market risk (Cont'd)

27.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities, other investments and short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

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

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Fixed rate instruments				
Financial assets				
Deposits placed with licensed banks	15,027	33,588	-	-
Financial liabilities				
Revolving credit	(22,986)	(30,000)	-	-
Bankers' acceptances	(317,787)	(289,826)	-	-
Post shipment buyer loan	(34,395)	(119,115)	-	-
Promissory notes	(33,153)	-	-	-
Accepted bills	(130,755)	(169,542)	-	-
	(539,076)	(608,483)	-	-

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group and the Company do not have exposure to interest rate risk arising from floating rate instruments, and hence, sensitivity analysis is not presented.

27. Financial instruments (Cont'd)

27.6 Market risk (Cont'd)

27.6.3 Other price risk

Equity price risk arises from the Group's investments in quoted equity securities and unit trust funds of licensed financial institutions within Malaysia.

The quoted equity securities are listed on the Bursa Malaysia Securities Berhad and are classified as measured at fair value through other comprehensive income.

The Group's investment in unit trust funds of licensed financial institutions within Malaysia is a fixed income fund which provides regular income stream and stable investment returns. The Group invested in the funds for cash management purpose. The instruments are classified as fair value through profit or loss.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on an individual basis and all buy and sell decisions are approved by the management.

Equity price risk sensitivity analysis

At the reporting date, if the equity price had been 5% (2022: 5%) higher/lower, with all other variables held constant, the Group's other reserves in equity would have been RM37,829 (2022: RM29,558) higher/lower, arising as a result of an increase/decrease in the fair value of the financial instruments classified as fair value through other comprehensive income and the Group's and the Company's profit and loss would have been RM138,472 (2022: RM453,029) and RM84,799 (2022: RM401,007) higher/lower respectively, arising as a result of an increase/decrease in the fair value of the financial instruments classified as fair value through profit or loss.

27.7 Fair value information

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

27. Financial instruments (Cont'd)

27.7 Fair value information (Cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

2023	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets										
Club membership, unquoted	-	-	140	140	-	-	-	-	140	140
Investment in quoted shares	856	-	-	856	-	-	-	-	856	856
Forward exchange contracts	-	420	-	420	-	-	-	-	420	420
Investment in unit trust funds	3,644	-	-	3,644	-	-	-	-	3,644	3,644
	4,500	420	140	5,060	-	-	-	-	5,060	5,060
Financial liabilities										
Forward exchange contracts	-	(2,506)	-	(2,506)	-	-	-	-	(2,506)	(2,506)
Company										
Financial assets										
Investment in unit trust funds	2,232	-	-	2,232	-	-	-	-	2,232	2,232
	2,232	-	-	2,232	-	-	-	-	2,232	2,232

27. Financial instruments (Cont'd)

27.7 Fair value information (Cont'd)

2022 Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Financial assets										
Club membership, unquoted	-	-	140	140	-	-	-	-	140	140
Investment in quoted shares	638	-	-	638	-	-	-	-	638	638
Investment in unit trust funds	11,922	-	-	11,922	-	-	-	-	11,922	11,922
	12,560	-	140	12,700	-	-	-	-	12,700	12,700
Financial liabilities										
Forward exchange contracts	-	(3)	-	(3)	-	-	-	-	(3)	(3)
Company										
Financial assets										
Investment in unit trust funds	10,553	-	-	10,553	-	-	-	-	10,553	10,553
	10,553	-	-	10,553	-	-	-	-	10,553	10,553

27. Financial instruments (Cont'd)

27.7 Fair value information (Cont'd)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2022: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

(a) Financial instruments carried at fair value

Type	Description of valuation technique and inputs used
Club membership, unquoted	Market comparison technique.

28. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with covenants and regulatory requirements.

28. Capital management (Cont'd)

During the financial year, the Group's strategy, unchanged from the previous financial year, is to maintain the debt-to-equity ratio of less than 1.0. The debt-to-equity ratios at 31 July 2023 and 31 July 2022 were as follows:

	Note	Group 2023 RM'000	Group 2022 RM'000
Total loans and borrowings	15	539,076	608,483
Lease liabilities		4,239	5,084
Less: Cash and cash equivalents	12	(134,315)	(150,061)
Less: Other investments - current	8	(3,644)	(11,922)
Net debt		405,356	451,584
Total equity		1,286,012	1,272,111
Debt-to-equity ratio		0.32	0.35

There was no change in the Group's approach to capital management during the financial year.

29. Contingent liabilities

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Unsecured				
In respect of Notices of Additional Assessment with penalties from Inland Revenue Board	-	13,432	-	13,432

On 29 September 2021, the Company received a Notice of Additional Assessments with penalties for the years of assessment from 2013 to 2019 totalling RM13,432,777 from Inland Revenue Board ("IRB"). Based on legal advice obtained, the Company has merits in maintaining its stand and has a strong basis to contend the notices issued by IRB.

Accordingly, the Company has initiated legal proceedings to challenge the basis and validity of the said notices and penalties imposed. The judicial review application lodged by the Company against the Minister of Finance ("MOF") before the KL High Court in October 2021.

On 9 February 2023, the Company has entered into a settlement with LHDN. The Settlement Agreement ("Agreement") dated 9 February 2023 was recorded before the Special Commissioners of Income Tax ("SCIT") on 13 February 2023. Pursuant to the Agreement, the LHDN has agreed to issue the Notices of Reduced Assessment ("Forms JR") for the YAs 2013, 2014, 2015, 2016, 2017, 2018 and 2019, in which the LHDN has agreed to reduce the total additional tax payable to RM1,653,843.22 including penalty following the recording of this Agreement and the issuance of the Deciding Order thereon by the SCIT.

Under the Agreement, the LHDN has also agreed to withdraw the appeal filed before the Court of Appeal and the Company has agreed to withdraw its application for judicial review before the High Court and the appeal before the SCIT. The Company had filed the Notice of Discontinuance with the KL High Court on 8 March 2023. Accordingly, the tax dispute between the Company and LHDN has been settled amicably.

30. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

30. Related parties (Cont'd)

Identity of related parties (Cont'd)

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with joint venture, associate, subsidiaries, key management personnel and companies in which certain directors have significant interests.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company, other than key management personnel compensation (see Note 23) are shown below. The balances related to the below transactions are shown in Notes 9 and 16.

	2023 RM'000	2022 RM'000
Group		
Purchases of steel products from a company in which certain directors of the Company have significant interests:		
JK Ji Seng Sdn. Bhd.	405,180	100,206
Sales of steel products to joint venture:		
Eastern Steel Sdn. Bhd.	(215,299)	(189,724)
Company		
Rental income from subsidiaries:		
Alpine Pipe Manufacturing Sdn. Bhd.	(5,026)	(2,947)
Huatraco Scaffold Sdn. Bhd.	(1,938)	(1,148)
Hiap Teck Hardware Sdn. Bhd.	(3,720)	(1,730)
Briliant Decade Transport Agency Sdn. Bhd.	(6)	(6)
Management fees from subsidiaries:		
Hiap Teck Hardware Sdn. Bhd.	(5,447)	(4,752)
Alpine Pipe Manufacturing Sdn. Bhd.	(8,995)	(6,572)
Huatraco Scaffold Sdn. Bhd.	(5,558)	(3,057)
Briliant Decade Transport Agency Sdn. Bhd.	(169)	(165)
Gross dividends income from subsidiaries:		
Hiap Teck Hardware Sdn. Bhd.	-	(5,000)
Alpine Pipe Manufacturing Sdn. Bhd.	-	(15,000)
Huatraco Scaffold Sdn. Bhd.	(5,000)	(500)
Briliant Decade Transport Agency Sdn. Bhd.	(800)	(120)
Eastern Power Resources Sdn. Bhd.	(765)	-
Finance income from a subsidiary:		
Vista Mining Sdn. Bhd.	(149)	(1,056)
Finance costs to subsidiaries:		
Hiap Teck Hardware Sdn. Bhd.	40	425
Alpine Pipe Manufacturing Sdn. Bhd.	-	546
Huatraco Scaffold Sdn. Bhd.	18	111
Rental expenses to a company in which certain directors of the Company have significant interests:		
Pedoman Cekap Sdn. Bhd.	996	119

32. Capital commitment

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Capital expenditure commitments				
Property, plant and equipment				
Contracted but not provided for	59,000	27,493	1,300	-

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 76 to 144 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 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 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

…………………………………………………………..
Tan Sri Dato' Seri Law Tien Seng
Director

…………………………………………………………..
Foo Kok Siew
Director

Kuala Lumpur

Date: 31 October 2023

STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Foo Kok Siew**, the Director primarily responsible for the financial management of Hiap Teck Venture Berhad, do solemnly and sincerely declare that the financial statements set out on pages 76 to 144 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Foo Kok Siew, NRIC: 610523-10-6663, at Kuala Lumpur in the Federal Territory on 31 October 2023

……………………….………..
Foo Kok Siew

Before me:

Rajeev Saigal A/L Ramlabaya Saigal
Comissioner for Oaths
(No. w681)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hiap Teck Venture Berhad, which comprise the statements of financial position as at 31 July 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 76 to 144.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements section* of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Cont'd)

1. Valuation of inventory

Refer to Note 2(g) – significant accounting policy: Inventories and Note 10 – Inventories.

The key audit matter	How the matter was addressed in our audit
The Group is exposed to potential risk of writing down inventories due to the subsequent selling price of the inventories being lower than the cost and aged inventories being unable to be realised. This is a key audit matter because it requires considerable amount in judgement. In accordance to MFRS 102 *Inventories* requires the entity to value its inventories at the lower of cost and net realisable value.	We performed the following audit procedures, among others: • performed testing on the accuracy of the inventories ageing report. • evaluated management's assessment of the net realisable value of inventories by comparing inventories costing to estimated selling price. • attended and observed the physical inventory count and noted for inventories that had signs of slow moving or obsolescence. • updated our understanding of management's process implemented including the Group's allowance for slow moving and obsolete inventories. • evaluated management's assessment in identifying slow moving inventories and assessed the adequacy of allowance for slow moving and obsolete inventories.

Key Audit Matters (Cont'd)

2. Valuation of trade receivables

Refer to Note 2(j)(i) – significant accounting policy: Impairment – Financial assets, Note 27 – Measurement of expected credit loss ("ECL").

The key audit matter	How the matter was addressed in our audit
The Group is exposed to risk of potential default by customers, particularly where trade receivables have been long outstanding. Valuation of trade receivables is identified as a key audit matter as the balance constitutes a significant portion of the Group's assets. There is also certain degree of estimation uncertainty in the measurement of recoverability of trade receivables.	We performed the following audit procedures, among others: • inquired with management on the methodology and assessment on impairment for trade receivables based on individual and collective assessment. • obtained understanding of the Group's credit control policy and management's review of expected credit losses. • verified the accuracy of the aging report. • compared past payment trends, historical bad debts record, subsequent receipts and agreed instalment payment plans for certain debtors.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, Statement on Risk Management and Internal Control, and Chairman's Statement (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chua See Guan
Approval Number: 03169/02/2025 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 31 October 2023

PROPERTIES OF THE GROUP
AS AT 31 JULY 2023

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 2023 (RM)	Date of Acquisition	Date of Last Revaluation	Amount of Last Revaluation
Company and its subsidiaries									
Lot 6085, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory with a 2 storey office	Freehold	26	9.0	19,005	16,224,170	29-May-03	15-Jul-20	43,800,000
Lot 6088, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory with a 2 storey office	Freehold	26	9.0	18,732	16,725,120	29-May-03	15-Jul-20	43,800,000
Lot 6089, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory/ warehouse	Freehold	25	9.0	18,516	16,891,655	29-May-03	15-Jul-20	45,600,000
Lot 6095, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory/ warehouse	Freehold	24	10.0	22,341	23,803,476	05-Jul-96	15-Jul-20	51,800,000
Lot 6096, Mukim of Kapar District of Klang Selangor Darul Ehsan	Single storey factory/ warehouse with 4 storey office building	Freehold	24	10.0	12,179	18,042,276	05-Jan-95	15-Jul-20	41,300,000
Lot 6097, Mukim of Kapar District of Klang Selangor Darul Ehsan	Industrial Land	Freehold	-	5.0	-	6,858,961	14-Jan-12	15-Jul-20	16,000,000
Lot 54959 (formerly PT40530), Mukim of Kapar, District of Klang, Selangor	Single storey detached factory with a double storey office building	Freehold	17	18.0	53,243	59,069,480	23-Oct-08	15-Jul-20	109,500,000
51-C, Tingkat Dua Jalan BRP 6/10 Bukit Rahman Putra Seksyen U20 40160 Shah Alam	Shop office	Freehold	23	-	145	131,073	20-Aug-99	28-Jul-20	190,000

PROPERTIES OF THE GROUP
AS AT 31 JULY 2023 (Cont'd)

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 2023 (RM)	Date of Acquisition	Date of Last Revaluation	Amount of Last Revaluation
Company and its subsidiaries (Cont'd)									
4727-01, Jalan Sri Putri 5/7 Taman Putri Kulai 81000 Kulai Johor Darul Takzim	Shop office apartment	Freehold	25	-	143	84,355	02-Aug-99	16-Aug-20	120,000
No.8, Jalan Firma 3, Tebrau IV Industrial Estate 81100 Johor Bahru Johor Darul Takzim	Single story detached factory building	Leasehold (60 years) expiring 31/01/2060	19	1.0	2,536	2,553,629	27-Feb-07	6-Aug-20	4,100,000
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 31/01/2060	21	1.6	3,996	4,929,909	06-Jun-07	06-Aug-20	6,700,000
Lot 169, Mukim of Plentong District of Johor Bahru Johor Darul Takzim	Vacant agricultural land	Freehold	-	6.2	-	670,000	09-Jun-95	06-Aug-20	3,700,000
Lot 296, Mukim 13 District of Seberang Perai Tengah, Pulau Pinang	Single storey warehouse with 2 storey office	Leasehold (60 years) expiring 10/03/2058	17	2.2	2,453	1,760,031	06-Jul-96	06-Aug-20	6,200,000
3A-20-16 Ara Sentral Lot 92275, Mukim Damansara, Daerah Petaling, Negeri Selangor.	Vacant condominium	Freehold	1	-	71	500,633	29-Sep-21	-	-

PROPERTIES OF THE GROUP
AS AT 31 JULY 2023 (Cont'd)

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 2023 (RM)	Date of Acquisition	Date of Last Revaluation	Amount of Last Revaluation
Jointly controlled entity									
Lot 6293 & Lot 6294 Mukim Teluk Kalung Kemaman, Terengganu	Blast furnance plant	Leasehold (60 years) expiring 01/04/2068	-	608.6	-	109,234,846	02-Apr-08	20-Oct-11	145,060,000
Lot 60129, 60130, 60131 Mukim Teluk Kalung Kemaman, Terengganu	Vacant industrial land	Leasehold (60 years) expiring 14/04/2073	-	600.0	-	4,425,687	03-Apr-13	-	-
Lot 50497 Mukim Teluk Kalung Kemaman, Terengganu	Staff housing	Leasehold (99 years) expiring 29/07/2111	-	50.0	-	467,556	28-May-12	-	-

ANALYSIS OF SHAREHOLDINGS
AS AT 20 OCTOBER 2023

Issued and Fully Paid-Up Share Capital : RM 872,653,869.50 (1,747,722,015 Ordinary Shares)

Class of Shares : Ordinary shares

Voting Right : One vote per Ordinary Share held

*Excludes treasury shares of 5,492,000 Ordinary Shares

Analysis by Size of Shareholdings as at 20 October 2023

Size of shareholdings	No. of Shareholders	Percentage (%)	No. of Shares*	Percentage (%)
1 to 99	170	1.39	5,421	0.00
100 to 1,000	1,091	8.94	693,442	0.04
1,001 to 10,000	5,244	42.98	31,777,047	1.82
10,001 to 100,000	4,710	38.61	161,815,295	9.29
100,001 to less than 5% of issued shares	982	8.05	1,016,579,428	58.35
5% and above of issued shares	3	0.03	531,359,382	30.50
Total	**12,200**	**100.00**	**1,742,230,015**	**100.00**

List of Thirty (30) Largest Shareholders as at 20 October 2023

No.	Names	No. of Shares	Percentage (%)
1.	CARTABAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE BRANCH (SG PVB CL AC)	293,713,324	16.86
2.	CIMSEC NOMINEES (ASING) SDN. BHD. CIMB FOR TS LAW INVESTMENTS LIMITED (PB)	135,000,000	7.75
3.	MAYBANK SECURITIES NOMINEES (ASING) SDN. BHD. MAYBANK SECURITIES PTE LTD FOR BLUEBAY INVESTMENTS GROUP CORPORATION	102,646,058	5.89
4.	HSBC NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	64,000,000	3.67
5.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG BALANCED FUND	63,600,000	3.65
6.	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	61,052,400	3.50
7.	MAYBANK SECURITIES NOMINEES (ASING) SDN. BHD. MAYBANK SECURITIES PTE LTD FOR LAVINGTON INTERNATIONAL LIMITED	38,167,800	2.19
8.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR AHAM SELECT OPPORTUNITY FUND	33,000,000	1.89
9.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	22,037,100	1.27
10.	TEH CHAK SEONG	18,700,000	1.07
11.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DANA MAKMUR	18,512,200	1.06

List of Thirty (30) Largest Shareholders as at 20 October 2022 (Cont'd)

No.	Names	No. of Shares	Percentage (%)
12.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	18,426,500	1.06
13.	TEH KHOON CHUAN TRADING CO. SDN. BHD.	15,572,800	0.89
14.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND (4579)	15,000,000	0.86
15.	YAP KIM FOONG	12,469,200	0.72
16.	CITIGROUP NOMINEES (ASING) SDN. BHD. CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	11,031,490	0.63
17.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR KENANGA SYARIAHEXTRA FUND (N14011960240)	8,685,200	0.50
18.	WONG AH WAH	8,000,000	0.46
19.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (KIB)	7,704,300	0.44
20.	TAN HOCK LOONG	7,700,000	0.44
21.	AMANAHRAYA TRUSTEES BERHAD AHAM TACTICAL FUND	7,000,000	0.40
22.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. HONG LEONG ASSET MANAGEMENT BHD FOR HONG LEONG FOUNDATION (ED100)	6,900,000	0.40
23.	TAN KIAN SER	6,813,000	0.39
24.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT AL-FAUZAN (5170)	6,811,800	0.39
25.	CITIGROUP NOMINEES (ASING) SDN. BHD. CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	6,737,400	0.39
26.	LIM JIT HAI	6,580,000	0.38
27.	HOI POH YENG	6,000,000	0.34
28.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHOR SEK CHOON	6,000,000	0.34
29.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR CHUA SENG SAM	5,700,000	0.33
30.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (KENANGAESG)	5,452,500	0.31
Total:		**1,019,013,072**	**58.47**

Directors' Shareholdings as at 20 October 2023
(As per the Register of Directors' Shareholdings of the Company)

Names	Direct		Indirect	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1. Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	-	-	-	-
2. Tan Sri Dato' Seri Law Tien Seng	-	-	492,713,324 [a]	28.28
3. Lee Ching Kion	-	-	45,354 [b]	0.00
4. Foo Kok Siew	-	-	-	-
5. Tan Shau Ming	400,000	0.02	968,000 [c]	0.05
6. Law Wai Cheong	-	-	-	-
7. Sherman Lam Yuen Suen	-	-	-	-
8. Chen Thien Yin	-	-	-	-
9. Dato' Ooi Lay See	-	-	-	-

Notes:
(a) Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of his shareholdings in Amardale Offshore Inc. which has a controlling interest in TS Law Investments Limited, a substantial shareholder in the Company.
(b) Deemed interest pursuant to Sections 59(11)(c) and 197 of the Companies Act 2016 by virtue of his spouse, Madam Mok Quee Hwa's direct shareholdings in the Company.
(c) Deemed interest pursuant to Sections 59(11)(c) and 197 of the Companies Act 2016 by virtue of his spouse, Madam Ng Siew Cho's direct shareholdings in the Company.

Substantial Shareholdings as at 20 October 2023
(As per the Register of Substantial Shareholders of the Company)

Names	Direct		Indirect	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
Tan Sri Dato' Seri Law Tien Seng	-	-	492,713,324 [a]	28.28
Amardale Offshore Inc.	-	-	492,713,324 [b]	28.28
TS Law Investments Limited	-	-	492,713,324	28.28
Bluebay Investments Group Corporation	-	-	102,646,058[d]	5.89
Cartaban Nominees (Asing) Sdn. Bhd.	293,713,324[c]	16.86	-	-
HSBC Nominees (Asing) Sdn. Bhd.	64,000,000[c]	3.67	-	-
CIMSEC Nominees (Asing) Sdn. Bhd.	135,000,000[c]	7.75	-	-
Maybank Securities Nominees (Asing) Sdn. Bhd.	102,646,058[e]	5.89	-	-

Notes:
(a) Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of his 100% shareholdings in Amardale Offshore Inc. which has controlling interest in TS Law Investments Limited, a substantial shareholder of HTVB.
(b) Deemed interest by virtue of its 100% shareholdings in TS Law Investments Limited which is a substantial shareholder of HTVB.
(c) Substantial Shareholding in HTVB of which TS Law Investments Limited is directly interested.
(d) Deemed interest by virtue of its shareholdings in Maybank Securities Nominees (Asing) Sdn. Bhd. which is a substantial shareholder of HTVB.
(e) Substantial Shareholding in HTVB of which Bluebay Investments Group Corporation is directly interested.

NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting of the Company will be held via virtual platform of the Broadcast Venue located at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 15 December 2023 at 10.00 a.m. for the following purposes:-

A G E N D A

ORDINARY BUSINESS:-

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 July 2023 together with the Directors' and Auditors' Reports attached thereon. — **Please refer to Note A on this Agenda**

2. To approve the Directors' fees of RM405,726.00 for the financial year ended 31 July 2023. — **Ordinary Resolution 1**

3. To approve the Directors' allowances and benefits payable of RM40,000.00 in respect of the period from 16 December 2023 up to the next Annual General Meeting of the Company to be held in 2024. — **Ordinary Resolution 2**

4. To approve a First and Final Single-Tier Dividend of 0.5 sen per share for the financial year ended 31 July 2023. — **Ordinary Resolution 3**

5. To re-elect the following Directors who are retiring in accordance with Clause 92 of the Company's Constitution:-
   (a) Mr. Foo Kok Siew; and — **Ordinary Resolution 4**
   (b) Mr. Law Wai Cheong. — **Ordinary Resolution 5**

   Mr. Lee Ching Kion whose tenure of office as Independent Director will be 9 years 2 months as at 15 December 2023 will retire in accordance with Clause 92 of the Company's Constitution and has expressed his intention not to seek re-election. Hence, no Ordinary Resolution will be tabled for the re-election of Mr. Lee Ching Kion. He will retain office until the close of the Twenty-Seventh Annual General Meeting.

6. To re-elect the following Directors who are retiring in accordance with Clause 97 of the Company's Constitution:-
   (a) Tan Sri Dato' Sri Mohamad Fuzi Bin Harun; — **Ordinary Resolution 6**
   (b) Mr. Chen Thien Yin; and — **Ordinary Resolution 7**
   (c) Dato' Ooi Lay See — **Ordinary Resolution 8**

7. To re-appoint Messrs. KPMG PLT as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 9**

8. AS SPECIAL BUSINESS:-

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

8.1 The Authority to Directors to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights — **Ordinary Resolution 10**

"**THAT** subject always to the approvals of the relevant authorities, the Directors be hereby authorised pursuant to Sections 75 and 76 of the Companies Act 2016 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 (excluding treasury shares) at the time of issue .

THAT pursuant to Section 85 of the Companies Act 2016, approval be and is hereby given to waive the statutory pre-emptive rights of the Shareholders of the Company to be offered new Shares of the Company ranking equally to the existing issued Shares of the Company arising from any issuance of new shares pursuant to Section 75 and 76 of the Companies Act 2016.

AND THAT the Directors be hereby 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 FURTHER THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

8.2 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of RRPT Mandate") **Ordinary Resolution 11**

"THAT the Company and/or its subsidiaries be hereby authorised to enter into recurrent related party transactions of a revenue or trading nature as specified in Section 2.3.3 of the Circular to Shareholders dated 15 November 2023, provided that such arrangements and/or transactions which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders of the Company.

AND THAT the Directors of the Company be 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 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) 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."

To transact any other business of the Company of which due notice shall be given in accordance with the Company's Constitution and the Companies Act 2016.

9. To transact any other business of the Company of which due notice shall be given in accordance with the Company's Constitution and the Companies Act 2016.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a First and Final Single-Tier Dividend of 0.5 sen per share in respect of the financial year ended 31 July 2023 shall be payable on 19 January 2024 to Depositors registered in the Record of Depositors at the close of business on 5 January 2024.

Depositors shall qualify for entitlement only in respect of:-

a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 5 January 2024 in respect of transfers; and

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

NG YIM KONG (MACS 00305)
SSM PC 202008000309
Company Secretary

Selangor Darul Ehsan

Date: 15 November 2023

EXPLANATORY NOTES ON THE ORDINARY AND SPECIAL BUSINESSES OF THE AGENDA.

(A) Audited Financial Statements for the Financial Year ended 31 July 2023

Agenda 1 item is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016, formal approval by members is not required to be obtained. Hence, this Agenda item will not be put forward for voting.

(B) Payment of Directors' Fees and Benefits Payable

Section 230(1) of the Act provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the shareholders' approval shall be sought at the 27th AGM for the Directors' fees for the financial year ended 31 July 2023 under Ordinary Resolution 1.

Under Ordinary Resolution 2, the allowances payable to the Directors have been reviewed by the Remuneration Committee ("RC") and the Board of Directors of the Company, and are payable for the period from 16 December 2023 up to the conclusion of the next 28th Annual General Meeting of the Company and are in the best interest of the Company. The Directors' allowances comprise meeting allowance only.

(C) Re-election of Directors

Clause 92 of the Constitution of the Company states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Clause 97 of the Constitution of the Company states that the Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, and shall hold office until the next following AGM when he shall be eligible for re-election.

Mr. Foo Kok Siew and Mr. Law Wai Cheong ("Retiring Directors"), who retire in accordance with Article 92 of the Constitution and being eligible, have offered themselves for re-election.

Mr. Lee Ching Kion, the Senior Independent Non-Executive Director who is due to retire by rotation in accordance with Clause 92 of the Company's Constitution, has expressed his intention not to seek for re-election. Hence, no Ordinary Resolution will be tabled for the re-election of Mr. Lee Ching Kion. He will retain office only until the close of the 27th AGM of the Company.

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun, Mr. Chen Thien Yin and Dato' Ooi Lay See ("Retiring Directors"), who retire in accordance with Article 97 of the Constitution and being eligible, have offered themselves for re-election.

In determining the eligibility of the Directors to stand for re-election at the forthcoming 27th AGM and in line with Practice 5.1 of the Malaysian Code on Corporate Governance 2021, the Nominating Committee ("NC") has reviewed the composition of the Board with the view that the Board is refreshed periodically and assessed the performance, time commitment and contribution of each of the Retiring Directors based on the Annual Performance Evaluation of the Board for the financial year ended 31 July 2023 except for Dato Ooi' Lay See who was appointed on 1 June 2023.

The NC has recommended the re-election of the Retiring Directors based on the following consideration:

(i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
(ii) met the fit and proper criteria of character, experience, integrity, competence and time commitment in discharging their roles as Directors of the Company;
(iii) level of independence and ability to act in the best interest of the Company.

The Board has approved the NC's recommendation for the Retiring Directors pursuant to Clause 92 and Clause 97 of the Constitution of the Company. All the Retiring Directors have consented to their re-election, and abstained from deliberation as well as decision on their own eligibility to stand for re-election at the relevant NC and Board meetings, where applicable.

The evaluation criteria adopted as well as the process of assessment by the Board have been duly elaborated in the Corporate Governance Overview Statement and NC statement in the Annual Report 2023 of the Company.

(D) Re-appointment of Auditors

The Audit Committee ("AC") has assessed the suitability and independence of the External Auditors and has recommended the re-appointment of KPMG PLT as External Auditors of the Company for the financial year ending 31 July 2024. The Board has in turn reviewed the recommendation of the AC and recommended the same to be tabled to the shareholders for approval at the forthcoming 27th AGM of the Company under Ordinary Resolution 9.

(E) The Authority to Directors to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights

The proposed Ordinary Resolution 10 under Agenda 8.1, if passed, will empower the Directors of the Company, from the date of the above 27th AGM, with the authority to allot and issue shares in the Company together with the waiver of the statutory pre-emptive rights of the Shareholders of the Company under Section 85 of the Companies Act 2016 up to an amount not exceeding in total 10% of the issued capital of the Company (excluding treasury shares) for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

The general mandate which seeks to grant authority to Directors to allot and issue shares is a renewal of the mandate that was approved by the shareholders at the 26th AGM held on 16 December 2022. The renewal of this general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

The Company has not issued any new share to date pursuant to Sections 75 and 76 of the Companies Act 2016 under the general mandate which was approved at the 26th AGM.

(F) The Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Proposed Ordinary Resolution 11 under Agenda 8.2, 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 15 November 2023 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 **15 November 2023** enclosed together with the Company's 2023 Annual Report.

NOTES ON APPOINTMENT OF PROXY:

1. Based on the Guidance and Frequently Asked Questions ("FAQs") on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 (revised on 16 July 2021), the 27th Annual General Meeting ("27th AGM") of the Company will be held on a fully virtual basis via online meeting platform using Remote Participation and Electronic Voting ("RPEV") facility which is available on Boardroom Share Investor Portal website at https://meeting.boardroomlimited.my.

NOTES ON APPOINTMENT OF PROXY: (Cont'd)

2. The main and only venue of the 27th AGM is the Broadcast Venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders/ proxies/ corporate representatives/ attorneys WILL NOT BE ALLOWED to attend the 27th AGM in person at the Broadcast Venue on the day of the meeting. Members shall attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively "participate") remotely at the 27th AGM via Remote Participation and Electronic Voting Facility ("RPEV") provided by Boardroom Share Registrars Sdn. Bhd. (the "Share Registrar") via https://meeting.boardroomlimited.my (Domain Registration No: with MYNIC-D6A357657). **Members are advised to read and follow the procedures provided in the Administrative Guide of the 27th AGM in order to participate remotely via RPEV.**

3. Where a Member, an authorised nominee or an exempt authorised nominee appoints more than one proxy, the appointment shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.

4. Where a Member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (Central Depositories Act), it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to credit of the said Securities Account.

5. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

6. A Member entitled to attend, participate, speak and vote at the 27th AGM is entitled to appoint a proxy or attorney or in case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote on his/ her behalf. A proxy may but need not be a member of the Company.

7. The Proxy Form shall be signed by the appointer or his/ her attorney duly authorised in writing or, if the Member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.

8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or via electronic means through the Boardroom Smart Investor portal at https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time appointed for holding the 27th AGM or adjourned meeting which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/ or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

9. The completed instrument of proxy once deposited will not preclude the Member from attending and voting in person at the 27th AGM should the Member subsequently wish to do so. A Member who is not resident in Malaysia or Singapore may by cable or other telegraphic communication appoint a proxy/proxies to vote for him/ her at any General Meeting of the Company PROVIDED:-

    (a) such cable or other telegraphic communication shall have been received by the Company Share Registrar not less than forty-eight (48) hours before the time for the holding of the 27th AGM or adjourned meeting as the case may be at which the person named in such cable or other telegraphic communication proposes to vote; and

    (b) the Directors are satisfied as to the genuineness of such cable or other telegraphic communication.

    ALL the particulars as required in the proxy form must be completed, signed and dated accordingly.

    Last date and time for lodging the proxy form is **Wednesday, 13 December 2023 at 10.00 a.m.**

10. For a corporate member who has appointed an authorised representative instead of a proxy to attend 27th AGM, please deposit the **original or duly certified certificate** of appointment of authorised representative with the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:

    (a) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

    (b) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

        (1) at least two (2) authorised officers, one (1) of whom shall be a director; or
        (2) any director and/ or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

NOTES ON APPOINTMENT OF PROXY: (Cont'd)

11. A member who has appointed a proxy or attorney or authorised representative to participate in the 27th AGM must request his/ her proxy or attorney or authorised representative to register himself/ herself for the RPEV at the Share Registrar's Boardroom Share Registrars Online website at https://investor.boardroomlimited.my.

12. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 27th AGM will be put to vote by way of poll.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall request Bursa Malaysia Depository Sdn Bhd in accordance with Clause 62(5) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 5 December 2023. Only a depositor whose name appears on the Record of Depositors as at 5 December 2023 shall be entitled to attend 27th AGM or appoint proxy/proxies to attend and/or vote in his stead.

Personal data privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

FORM OF PROXY

HTVB
HIAP TECK VENTURE BERHAD
Registration No. 199701005844 (421340-U)

HIAP TECK VENTURE BERHAD
Registration No. 199701005844 (421340-U)
TWENTY-SEVENTH ANNUAL GENERAL MEETING
FORM OF PROXY

I/We, ...(NRIC No./Passport No./Company No. ....)
(FULL NAME IN CAPITAL LETTERS)

of ....
(FULL ADDRESS)

being a member/members of **HIAP TECK VENTURE BERHAD** hereby appoint:

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone Number			

*and/or

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone Number			

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Twenty-Seventh Annual General Meeting of the Company to be held via virtual platform of the Broadcast Venue located at Level 12, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 15 December 2023 at 10.00 a.m. and at any adjournment thereof *for/*against the resolution(s) to be proposed thereat.

*My/*Our proxy(ies) *is/*are to vote on the Resolutions as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1	To approve the Directors' fees of RM405,726.00 for the financial year ended 31 July 2023.		
2	To approve the Directors' allowances and benefits payable of RM40,000.00 in respect of the period from 16 December 2023 up to the next Annual General Meeting of the Company to be held in 2024.		
3	To approve a First and Final Single-Tier Dividend of 0.5 sen per share for the financial year ended 31 July 2023.		
4	To re-elect Mr. Foo Kok Siew who is retiring in accordance with Clause 92 of the Company's Constitution.		
5	To re-elect Mr. Law Wai Cheong who is retiring in accordance with Clause 92 of the Company's Constitution.		
6	To re-elect Tan Sri Dato' Sri Mohamad Fuzi Bin Harun who is retiring in accordance with Clause 97 of the Company's Constitution.		
7	To re-elect Mr. Chen Thien Yin who is retiring in accordance with Clause 97 of the Company's Constitution.		
8	To re-elect Dato' Ooi Lay See who is retiring in accordance with Clause 97 of the Company's Constitution.		
9	To re-appoint Messrs. KPMG PLT as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration.		
10	To grant the authority to Directors to Allot Shares and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights		
11	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

[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 2023

Number of Ordinary shares held :	
CDS Account No.	

....

[Signature/Common Seal of Member]

* Delete if not applicable

Notes on Appointment of Proxy:

1. Based on the Guidance and Frequently Asked Questions ("FAQs") on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020 (revised on 16 July 2021), the 27th Annual General Meeting ("27th AGM") of the Company will be held on a fully virtual basis via online meeting platform using Remote Participation and Electronic Voting ("RPEV") facility which is available on Boardroom Share Investor Portal website at https://meeting.boardroomlimited.my.

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Affix
STAMP

The Company Secretary
HIAP TECK VENTURE BERHAD
199701005844 (421340-U)
c/o Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

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HIAP TECK VENTURE BERHAD
Registration No. 199701005844 (421340-U)

Lot 6096, Jalan Haji Abdul Manan
Batu 5 ½, Off Jalan Meru 41050 Klang
Selangor Darul Ehsan
Tel : 03-3377 8888
www.htgrp.com.my