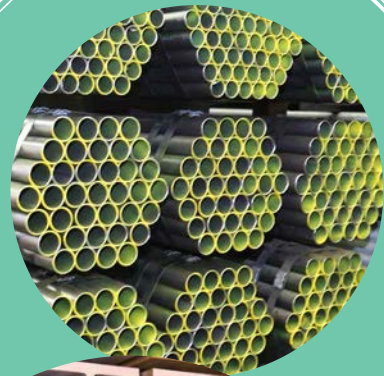




**H T V B**

**HIAP TECK VENTURE BERHAD**

Registration No. 199701005844 (421340-U)



# **A N N U A L R E P O R T 2 0 2 4**



## 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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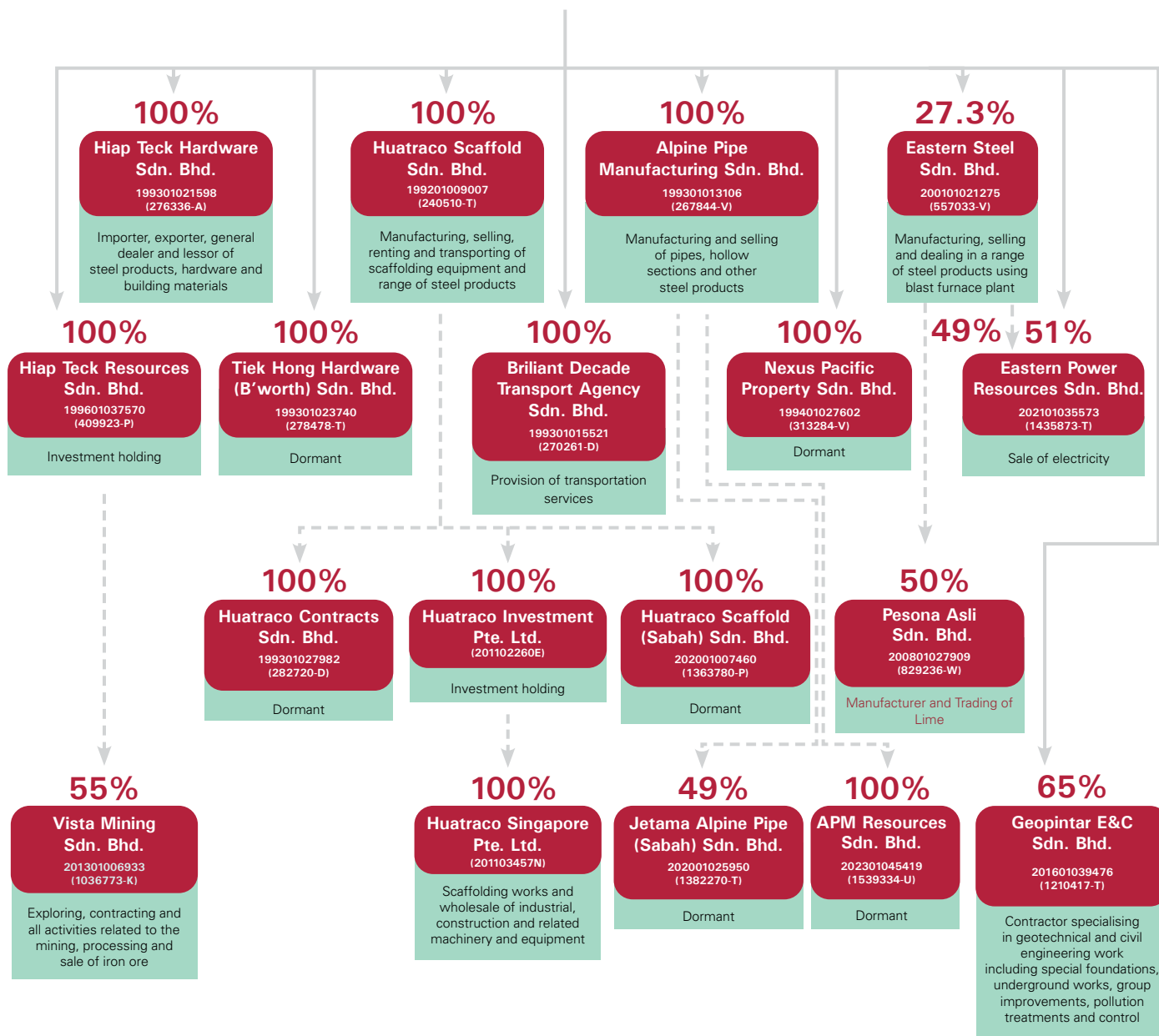
# CORPORATE STRUCTURE



**H T V B**

**HIAP TECK VENTURE BERHAD**

Registration No. 199701005844 (421340-U)



# 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. Sherman Lam Yuen Suen

### INDEPENDENT NON-EXECUTIVE DIRECTORS

- 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. Chen Thien Yin
- Dato' Ooi Lay See

## NOMINATION AND REMUNERATION COMMITTEE

### CHAIRMAN

- Dato' Ooi Lay See

### MEMBERS

- Mr. Sherman Lam Yuen Suen
- Mr. Chen Thien Yin

## SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

### CHAIRMAN

- Mr. Chen Thien Yin

### MEMBERS

- Mr. Sherman Lam Yuen Suen
- Dato' Ooi Lay See
- Mr. Foo Kok Siew

## COMPANY SECRETARY

- Ng Yim Kong (MACS 00305)  
(SSM PC No. 20208000309)  
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)  
11<sup>th</sup> 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](http://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 65**

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 Taghill Holdings Berhad (formerly known as 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 all the 5 board meetings of HTVB held during the financial year ended 31 July 2024 from date of appointment.

## **TAN SRI DATO' SERI LAW TIEN SENG**

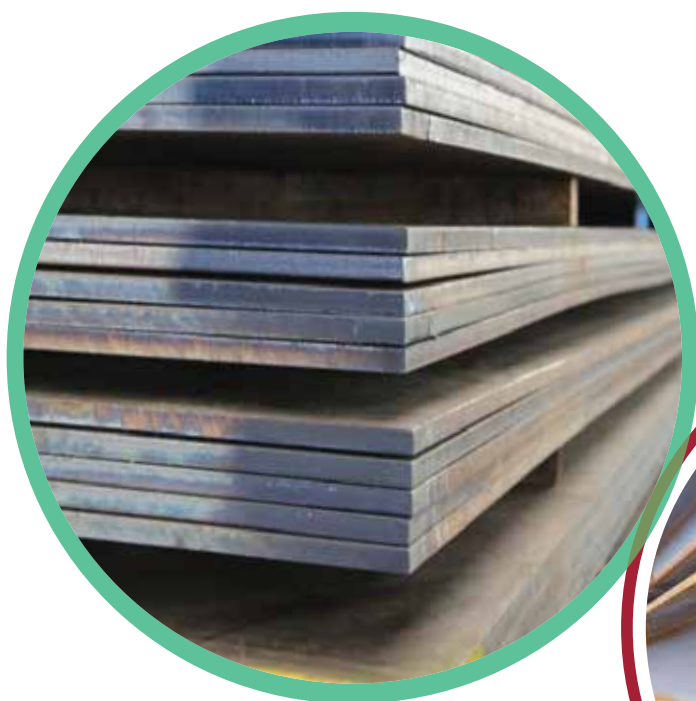
**Executive Deputy Chairman  
Malaysia, age 71**

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 5 board meetings of HTVB held during the financial year ended 31 July 2024.





## DIRECTOR'S PROFILE (Cont'd)

**SHERMAN LAM YUEN SUEN**  
Senior Independent Non-Executive Director  
Malaysian, age 51

- Chairman of the Audit Committee
- Member of the Nomination and Remuneration 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 and redesignated as Senior Independent Non-Executive Director on 15 December 2023.

Mr. Lam holds a Master's degree in Business Administration (Finance) from Charles Sturt University, Australia and he completed the ESG & Sustainable Financial Strategy program by Said Business School, Oxford University, UK. 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.

From 2002 till 2022, Mr. Lam was 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. Currently, 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 5 board meetings of HTVB held during the financial year ended 31 July 2024.



## DIRECTOR'S PROFILE (Cont'd)

### CHEN THIEN YIN

Independent Non-Executive Director  
Malaysian, age 57

- Chairman of the Sustainability and Risk Management Committee
- Member of the Audit Committee
- Member of the Nomination and Remuneration 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 currently serves as an Independent Non-Executive Director on the Board of Directors of Hextar Capital Berhad.

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 all the 5 board meetings of HTVB held during the financial year ended 31 July 2024.

### DATO' OOI LAY SEE

Independent Non-Executive Director  
Malaysian, age 64

- Chairman of the Nomination and Remuneration Committee
- Member of Audit Committee
- Member of Sustainability and Risk Management 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 all the 5 board meetings of HTVB held during the financial year ended 31 July 2024.

## DIRECTOR'S PROFILE (Cont'd)

### FOO KOK SIEW

Executive Director  
Malaysian, age 63

- 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 5 board meetings of HTVB held during the financial year ended 31 July 2024.

### LAW WAI CHEONG

Executive Director  
Malaysian, age 38

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 the 5 board meetings of HTVB held during the financial year ended 31 July 2024.

### TAN SHAU MING

Executive Director  
Malaysian, age 61

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 5 board meetings of HTVB held during the financial year ended 31 July 2024.





# KEY MANAGEMENT PROFILE

## PHANG CHIN KHIONG

Group Chief Operating Officer ("COO")  
Malaysian, age 55

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 28

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.

## SEH KWANG WEOI, MICHAEL

Chief Commercial Officer  
Malaysian, age 56

Mr. Seh Kwang Woei 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.

## HOO WENG KEONG, RAYMOND

Group Chief Financial Officer ("CFO")  
Malaysian, age 56

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

He holds a Bachelor's Degree in Accounting from the University of Malaya, Malaysia, and is a member of both the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA).

Mr. Hoo began his career with the Lion Group in 1993, where he held various positions across its listed subsidiaries in Malaysia, covering sectors such as manufacturing, trading, and property development. In 1997, he joined a listed company involved in the manufacturing and trading of industrial electrical products as Senior Accountant, overseeing the finance function of several subsidiaries.

In 1998, Mr. Hoo moved to Metrod Holdings Berhad, a listed company specialising in the manufacturing and trading of copper products. His last role there was Senior General Manager – Finance.

With 30 years of post-qualification experience, Mr. Hoo has led corporate and financial planning initiatives, covering areas such as accounts, finance, auditing, taxation, treasury management, supply chain management, and management information systems (MIS) reporting.

## TAN YUEN HONG, ALEX

Chief Commercial Officer  
Malaysian, age 58

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 Officer 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.

### 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 2024.

”



**GDP Growth 2024**  
Global : 3.2%  
Malaysia : 4.8% to 5.3%



**Apparent Steel Consumption 2024**  
World : 1,751 million MT  
Malaysia : 8.3 million MT to 9 million MT

## WORLD ECONOMY

In 2023, global GDP grew by 3.1%, constrained by persistent inflation, aggressive monetary tightening, and geopolitical tensions, including the Russia-Ukraine conflict and instability in the Middle East. Advanced economies expanded modestly at 1.5%, while emerging markets showed resilience with 4.0% growth, driven by strong domestic demand.

The IMF’s October 2024 World Economic Outlook projects global growth to stabilise at 3.2% in 2024 and 2025, supported by easing inflationary pressures, stabilised supply chains, and the U.S. Federal Reserve’s recent rate cuts. Advanced economies are expected to grow by 1.6%, with emerging markets gaining momentum, particularly in technology sectors like AI-enhanced manufacturing in Asia.

However, considerable risks could still impact growth. Ongoing geopolitical conflicts, rising trade tensions, upcoming elections, and potential leadership changes across major economies contribute to heightened uncertainty. Financial market volatility, possible commodity price surges, and persistent challenges in China’s real estate sector add further strain. A deeper contraction in China’s property market could undermine consumer confidence and international trade, while geopolitical disruptions may hinder disinflation efforts.

## WORLD STEEL DEMAND

Global steel demand reached 1,767 million metric tons (MT) in 2023, reflecting a slight decrease due to weak consumer purchasing power, restrictive monetary policies, and ongoing geopolitical pressures. According to the World Steel Association’s October 2024 Short Range Outlook, demand is forecast to drop by an additional 0.9% in 2024, reaching 1,751 million MT. This continued decline is driven by high interest rates, China’s struggling real estate sector, and subdued manufacturing across major economies.

A moderate recovery is expected in 2025, with global demand projected to grow by 1.2% to 1,772 million MT. This improvement will likely be supported by the stabilisation of China’s property market, improved financing conditions, and increased infrastructure investments focused on decarbonisation and digital transformation.

## CHAIRMAN'S STATEMENT (Cont'd)

### MALAYSIA ECONOMY

In 2023, Malaysia's economy grew by 3.7%, supported by robust domestic demand and consumption amidst easing inflation. The GDP growth for 2023 was in line with the projection, with a slight moderation expected to 4.8%-5.3% for 2024, down from 8.7% in 2022. This moderation is attributed to softening external demand and slower growth in key trading partners.

In the first half of 2024, Malaysia's economy expanded by 5.0%, reflecting continued resilience despite external headwinds. The accommodative monetary policy by Bank Negara Malaysia, alongside government initiatives such as the New Industrial Master Plan 2030, supports ongoing economic activity and infrastructure investments. The World Bank has recently upgraded its forecast to 4.9%, reflecting stronger-than-expected global conditions and domestic factors such as rising political stability and a conducive policy environment that boosts investments.

### MALAYSIA STEEL DEMAND

The Malaysian Iron and Steel Industry Federation (MISIF) reported in July 2024 that domestic steel consumption in Malaysia reached 7.9 million metric tons (MT) in 2023, reflecting a 5.3% increase from 7.5 million MT in 2022. This growth is primarily driven by a rebound in construction and infrastructure projects, particularly investments in data centers and the semiconductor industry.

For 2024, steel consumption is projected to rise to between 8.3 million MT and 9 million MT, mainly due to the construction of data centres and other infrastructure initiatives.

### CORPORATE DEVELOPMENT

In connection with our announcement dated 6 December 2023, the Group subscribed proportionately to 54,600,000 new ordinary shares in Eastern Steel Sdn. Bhd. ("ESSB") at a total subscription amount of RM53.235 million. The total Rights Issue of ESSB amounted to RM195 million. The purpose of this Rights Issue is to strengthen ESSB's capital base. The gross proceeds will be utilised for capital expenditure, including the 1,450 mm Hot Rolling Mill, and for working capital requirements.

We are pleased to report that ESSB's 1,380 m<sup>3</sup> Blast Furnace Plant commenced production in October 2023, enhancing its production capacity to 2.7 million MT per annum. This expansion is expected to significantly contribute to ESSB's revenue, leveraging economies of scale to meet both domestic and regional demand.

### FINANCIAL PERFORMANCE

For the financial year ended 31 July 2024, the Group recorded a 6% increase in revenue to RM1.68 billion, compared to RM1.59 billion in the previous year. This growth was driven by higher sales volumes, despite a decline in average selling prices.

Profit from operations surged to RM62.50 million from RM4.25 million, supported by stable steel prices during the second and third financial quarters.

Profit before tax (PBT) increased by 285% to RM117.39 million, driven by higher contributions from the joint venture ESSB, which benefited from its expanded production capacity. The downstream division also showed recovery, with a PBT of RM40.11 million compared to a loss of RM14.05 million in the previous year.

### PROSPECTS

The global steel market is expected to face continued pressure from falling prices, particularly from China. However, Malaysia's domestic steel consumption is projected to grow steadily, driven by key infrastructure projects and increasing industrial activity. The Group is well-positioned to capitalise on these developments, especially through its upstream JV, ESSB.

The upcoming completion of the Hot Rolled Coil (HRC) plant by December 2024 will further enhance the Group's product offerings. Despite potential profitability challenges in the trading division due to the steel price downtrend, the Group remains committed to operational efficiencies and cost optimisation. Contributions from downstream manufacturing, scaffolding businesses, and the upstream JV are expected to contribute positively to the overall performance of the Group in the coming financial year.

## CHAIRMAN'S STATEMENT (Cont'd)

### ESG MILESTONES AND SUSTAINABILITY INITIATIVES

At HTVB, we recognise the importance of addressing global environmental challenges and are fully committed to supporting international climate goals, particularly the aim of limiting global temperature increases to below 2 degrees Celsius above pre-industrial levels. Our Board of Directors has embedded climate-conscious strategies into our business operations, setting clear objectives to reduce our carbon footprint.

A key milestone in our Environmental, Social, and Governance (ESG) journey is the installation of a rooftop solar photovoltaic (PV) system across our facilities. Completed in September 2024, this system boasts a total capacity of 4,681 kWp and is expected to generate over 6 million kWh of electricity annually. Following the approval from the Energy Commission in October 2024, the system is now fully operational. This initiative reflects our commitment to energy efficiency and reducing carbon emissions, with a projected 40-50% reduction in Scope 2 emissions.

With the recent Budget 2025 announcement of a carbon tax, expected to impact the iron, steel, and energy sectors from 2026, HTVB is well-prepared to respond. We are proactively assessing the potential impact on production costs and developing strategies to maintain our market competitiveness.

Our focus remains on balancing regulatory compliance with sustainable business practices to ensure continued growth and value creation for stakeholders. The Board is committed to implementing the necessary adjustments to position HTVB for success in this evolving regulatory landscape.

### IN APPRECIATION

On behalf of the Board, I extend our deepest gratitude to our shareholders, customers, business partners, and employees for their unwavering support and commitment throughout the year. We also wish to express our sincere appreciation to our former Senior Independent Non-Executive Director, Mr. Lee Ching Kion. His retirement in December 2023 concludes a decade of exemplary service since joining the Board in 2012. His leadership and invaluable contributions have greatly benefited the Board and the Company.

We remain dedicated to delivering long-term value to our shareholders and anticipate another year of sustainable growth.

**TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN**

Chairman

30 October 2024



# 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 to as "the Group"), the Group is primarily involved in the manufacturing of pipes, hollow sections, and scaffolding equipment, as well as the trading of a wide range of steel and steel-related products, iron ore mining, and operating a dedicated transportation arm for internal logistics. HTVB's head office and its subsidiaries are located on approximately 74 acres of land in Meru, Selangor. This strategic location near Malaysia's premier port, Port Klang, provides significant logistical advantages, enhancing the efficiency of goods and service movement.

With over 30 years of extensive industry experience, the Group is one of Malaysia's leading steel companies, offering a comprehensive one-stop solution for steel applications across multiple sectors. The Group serves a diverse domestic and international customer base, and its steel products are certified for a broad range of industrial and consumer applications, including building and construction, manufacturing, engineering, water transmission, and the oil and gas industries.

The Group holds a 27.3% equity stake in its joint venture entity, Eastern Steel Sdn. Bhd. ("ESSB"), which operates a fully integrated steel plant in Terengganu. ESSB's 600 m<sup>3</sup> blast furnace, originally rated for 700,000 metric tonnes (MT) of steel slabs and billets annually, has consistently exceeded this capacity since production resumed in July 2018. As of October 2023, ESSB completed the expansion of its steel production capacity to 2.7 million MT per annum with the completion of a new 1,380 m<sup>3</sup> blast furnace. Over recent years, ESSB has commissioned several key projects, including a 55MW power plant in October 2019 and an additional two 50MW power plants, increasing the total capacity to 155MW, and contributing to significant energy cost savings.

Furthermore, the commissioning of an 800,000MT capacity coke oven has enhanced cost efficiencies. A newly completed 8km conveyance belt, connecting Kemaman Port to ESSB's stockyard, has improved the operational efficiency and environmental sustainability of raw material deliveries. The increased capacity and infrastructures are expected to support both local and regional steel demand, with a focus on exports to Europe, Southeast Asia and North Asia.

## PERFORMANCE REVIEW BY SEGMENT

Despite the challenging market conditions, including volatile steel prices, foreign exchange fluctuations, and interest rates staying higher for longer, the Group achieved a commendable performance in the financial year. Revenue increased by 6% to RM1.68 billion, up from RM1.59 billion in the previous year. This growth was driven by higher sales volumes, which helped mitigate the impact of lower average steel prices.

The Group's profit before tax (PBT) surged by 285% to RM117.39 million, compared to RM30.46 million in the prior financial year. This significant increase was largely due to enhanced operational efficiencies and stronger contributions from both upstream and downstream segments.

The downstream segment saw a notable recovery, with pre-tax profit rising to RM40.11 million from a pre-tax loss of RM14.05 million in the previous year. This improvement was primarily supported by the manufacturing units and the scaffolding business, which benefited from higher demand and operational efficiencies. Additionally, stable steel prices during the middle of the financial year positively impacted the downstream segment's results.

ESSB, the Group's joint venture, was a key driver of the Group's performance. ESSB's production capacity was expanded to 2.7 million MT per annum following the successful commencement of the 1,380 m<sup>3</sup> Blast Furnace Plant in October 2023. This capacity increase, along with improved margins from economies of scale, contributed significantly to ESSB's performance. ESSB also completed critical auxiliary facilities, including two 50MW power plants and 800,000MT coke ovens, which enhanced operational efficiency. ESSB's primary export market remained Turkey, benefiting from stable regional demand. For FY2024, ESSB's contribution to the Group rose to RM77.28 million, up from RM44.52 million in the prior year, bolstered by higher production volumes and positive foreign exchange translation impacts, particularly towards the last quarter of the financial year.

As of the end of FY2024, the Group's balance sheet remains strong. Inventories increased to RM492.07 million, up from RM444.11 million at the end of FY2023, mainly due to higher stock levels resulting from significant raw material shipments in transit. Receivables expanded to RM412.57 million, compared to RM358.87 million previously, driven by higher sales towards the financial year-end. Net borrowings (after deducting cash) rose to RM471.62 million, up from RM404.76 million, largely reflecting higher short-term borrowings to support working capital requirements. As a result, the net gearing ratio saw a slight adjustment to 0.34x, compared to 0.32x in FY2023. Despite this increase, the Group continues to maintain a solid balance sheet, with healthy cash and short-term deposits amounting to RM93.88 million.

## MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

### Manufacturing Segment

The Manufacturing segment comprises the production and distribution of steel pipes, hollow sections, scaffolding equipment and accessories, as well as other steel products. The Group's pipe manufacturing arm, Alpine Pipe Manufacturing Sdn. Bhd. ("Alpine"), is Malaysia's largest manufacturer of structural pipes and hollow sections. Alpine's range of product certifications, including BS EN, MS EN, SPAN, JIS, and AS, gives it a strong competitive edge across various industries and projects. Huatraco Scaffold Sdn. Bhd. ("Huatraco") has been a key player in the scaffolding industry for nearly three decades. As one of the pioneers in the field, Huatraco was the first company in Malaysia to achieve the MS1462 certification, a testament to the superior quality of its products. With its extensive experience and expertise, Huatraco has established itself as one of the most reliable providers of high-quality scaffolding equipment in both domestic and regional markets.

For the financial year under review, the Manufacturing segment recorded revenue of RM789.66 million, up from RM609.36 million in FY2023, driven primarily by higher sales volumes. The segment achieved a profit of RM38.70 million, a notable recovery from the prior year's loss of RM27.69 million. This turnaround in profitability was supported by more stable steel prices in the second and third quarters, as well as strong contributions from the scaffolding equipment rental business, which saw increased demand due to private investment in warehouses and data centers, boosting construction activities.

The Group remains committed to rigorous cost management, enhancing product quality, and strategic procurement. It also continues to respond proactively to challenging market conditions. Initiatives include capital investments in technology advancement and automation, setting clear Key Performance Indicators (KPIs) and incentives to boost efficiency, productivity, and ongoing cost savings. Additionally, the Group is expanding its presence in Southeast Asia and beyond by exploring new products and market segments, further solidifying its competitive position.

### Trading Segment

The Group's trading business is one of the largest in Malaysia, specialising in the import and sale of a wide range of steel products to hardware companies and project end-users across various sectors. By working synergistically with the manufacturing segment, it positions the Group as a comprehensive one-stop steel solution provider, catering to all major infrastructure and construction projects.

For FY2024, the Trading segment registered revenue of RM899.58 million, a 6.8% decline compared to RM964.77 million in FY2023. Despite the higher sales volumes of 273,025 MT compared to 249,591 MT in the previous financial year, the segment reported a loss of RM10.54 million, a significant drop from the RM1.76 million profit recorded in FY2023. This downturn in profitability was largely due to the downtrend in steel prices, particularly towards the end of the financial year, which further led to a write-down of inventories to net realisable value amounting to RM2.94 million.

### Property and Investment Segment

The Property and Investment segment supports the Group's wholly-owned subsidiaries by housing factory buildings, warehouses, offices, and land. For the financial year under review, the segment reported a marginally higher profit of RM7.67 million compared to RM7.40 million in the previous year, reflecting stable rental income with no significant adjustments made during the year.

### Transportation Segment

The transportation segment plays a crucial role in supporting the Group's internal logistics by providing trucks and trailers that ensure timely delivery of materials and enhance customer service. In FY2024, the Group expanded its operations by increasing the number of trips and deliveries, which led to greater efficiency, reduced transportation costs, and improved delivery times. As part of our commitment to operational excellence, we invested in two new trucks to replace older units. This upgrade has significantly enhanced the segment's efficiency and reliability.

Despite the introduction of the Sales and Service Tax (SST) on logistics services, its impact on our operations has been minimal. Furthermore, the Group continues to be eligible for the diesel subsidy under the Fleet Card System, which has been instrumental in maintaining stable operational costs.

## MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

### Mining Exploration Segment

The mining and exploration segment, which commenced operations in May 2018, focuses on iron ore exploration, contracting, processing, and sales primarily to support ESSB's operations. For FY2024, the segment recorded revenue of RM4.15 million, a 32.6% increase from RM3.13 million in FY2023, mainly due to an increase in production volume. Consequently, segment profit rose to RM2.69 million from RM1.92 million in FY2023, driven by the higher revenue.

### Selling of Electricity Segment

In October 2021, Eastern Power Resources Sdn. Bhd. ("EPR"), a subsidiary in which HTVB holds 51% and the remaining 49% is owned by ESSB, was incorporated with the objective of selling electricity. During FY2024, EPR successfully sold a total of 80,900,725 kilowatt-hours (kWh) of electricity to the grid, generating revenue of RM17.20 million. This marks a decrease compared to FY2023, where EPR sold 115,113,804 kWh, generating RM28.31 million in revenue. As a result, segment profit declined to RM1.55 million in FY2024 from RM2.77 million in FY2023, primarily due to the lower volume of electricity sold.

### Eastern Steel Sdn. Bhd.

For the financial year under review, ESSB's revenue surged to RM5.08 billion, a substantial increase from RM2.24 billion reported in the previous financial year. This growth was primarily driven by higher sales volumes, which were supported by an expanded production capacity of 2 million MT, effective from October 2023. Despite the adverse effect of lower steel prices, the increase in revenue was fuelled by strong demand and acceptance of ESSB's products in both domestic and international markets, including Turkey, Indonesia, Thailand, Mexico, India, Korea, and the Philippines. Malaysia and Southeast Asian markets continue to be net importers of slabs and billets.

In FY2024, ESSB produced a total of 1,983,986 MT of steel products, consisting of 1,664,679 MT of slabs and 319,307 MT of billets. During the same period, the company sold 1,891,978 MT of steel products, including 1,597,679 MT of slabs and 294,299 MT of billets. Domestic sales accounted for 13% of the total sales volume, amounting to 243,547 MT, while export sales comprised 87%, totalling 1,648,430 MT.

As of the end of FY2024, ESSB's shareholders' funds stood at RM2.66 billion, with bank borrowings totalling RM2.23 billion. These borrowings mainly consist of term loans for capital expenditures and partly for short-term trade facilities.

This remarkable achievement highlights the Group's commitment, in collaboration with our joint venture partner, Beijing Jianlong Group, to enhance ESSB's operations to meet global standards and propel the company into its next phase of growth.

In FY2024, the Company recorded a RM208.88 million reversal of an impairment loss on its ESSB investment, reflecting improved financial performance driven by ESSB's significant revenue and profitability growth. This adjustment raised the carrying amount of the investment to RM771.08 million as of 31 July 2024, adding RM208.88 million to the Company's profits. This increase aligns the investment's value with ESSB's current and expected future performance, underscoring the Company's strong financial position and projecting continued benefits for shareholders.

## MARKET REVIEW

Global steel demand reached 1,767 million metric tons (MT) in 2023, experiencing a slight decrease due to weak consumer purchasing power, restrictive monetary policies, and geopolitical pressures. The World Steel Association's October 2024 Short Range Outlook forecasts a further decline of 0.9% in 2024, bringing demand down to 1,751 million MT. This decrease is attributed to high interest rates, challenges in China's real estate sector, and subdued manufacturing across major economies.

However, a moderate recovery is anticipated for 2025, with global demand projected to rise by 1.2% to 1,772 million MT, supported by the stabilisation of China's property market, improved financing conditions, and increased infrastructure investments aimed at decarbonisation and digital transformation.

In Malaysia, domestic steel consumption saw a 5.3% increase in 2023, reaching 7.9 million MT, driven by a rebound in construction and infrastructure projects. The Malaysian Iron and Steel Industry Federation (MISIF) projects consumption to rise between 8.3 million MT to 9 million MT in 2024, reflecting ongoing positive momentum in the local market.

## MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

### BUSINESS OUTLOOK

Malaysia's economic growth demonstrated resilience in 2024 with Q2 GDP expanding by 5.9%. Despite ongoing global challenges, the country's GDP is projected to grow between 4.8% to 5.3% for the full year, supported by robust domestic demand, the recovery of the tourism sector, and ongoing infrastructure projects.

The New Industrial Master Plan 2030 and the Ministry of International Trade and Industry's (MITI) two-year moratorium, effective from August 2023, are expected to further support local industrial growth, particularly in steel. Major infrastructure projects such as the Penang LRT, Subang Airport Regeneration Plan (SARP), MRT3, and Carey Island cargo port are anticipated to boost steel demand, offering positive prospects for the Group's scaffolding and manufacturing operations. Additionally, rising investments in data centers and logistics facilities are increasing construction activities, which will further drive steel consumption.

The Group anticipates significant contributions from its Joint Venture (JV) entity following the successful commissioning of the new 2.0 million MT blast furnace and the commencement of production in October 2023. This expansion has increased the JV's steel production capacity to 2.7 million MT annually. Operational efficiency has been markedly enhanced through the completion of the newly constructed 8km conveyance belt connecting Kemaman Port to ESSB's stockyard, as well as the installation of 800,000 MT capacity coke ovens and 155MW power plants. These improvements are expected to drive substantial cost savings from economies of scale, enhance operational efficiency, and support environmental sustainability.

However, the trading division faces challenges due to the prolonged downtrend in steel prices. To address this, the Group will focus on streamlining operations and optimising costs.

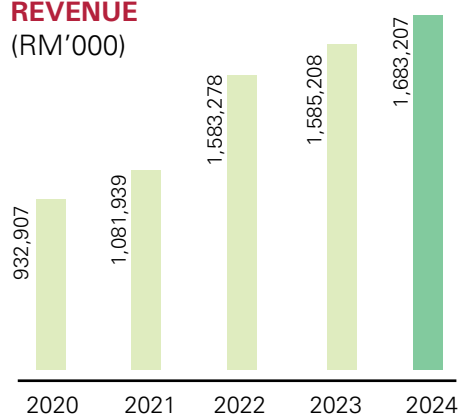
Despite these challenges, the Group remains optimistic about its downstream manufacturing and scaffolding businesses, which are expected to contribute positively alongside the JV entity's expanded production capacity. Looking ahead to 2025, the Group aims to leverage its increased capacity and operational improvements to seize growth opportunities in both domestic and international markets.



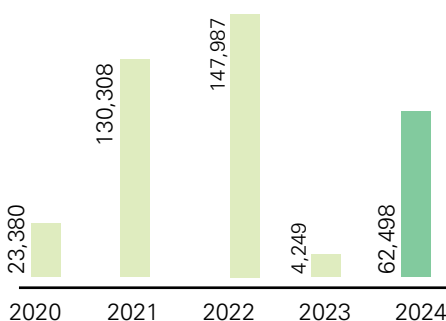
# FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

	2020	2021	2022	2023	2024
Revenue (RM'000)	932,907	1,081,939	1,583,278	1,585,208	<b>1,683,207</b>
Profit From Operations (RM'000)	23,380	130,308	147,987	4,249	<b>62,498</b>
EBITDA (RM'000)	43,776	221,368	216,533	66,001	<b>162,443</b>
Profit Before Tax (RM'000)	8,689	194,590	189,903	30,464	<b>117,390</b>
Profit After Tax (RM'000)	4,601	163,517	156,364	31,830	<b>107,359</b>
Shareholders' Funds (RM'000)	861,110	1,125,881	1,272,111	1,286,012	<b>1,384,663</b>
NTA Per Share (RM)	0.64	0.65	0.73	0.74	<b>0.79</b>
Earnings Per Share (sen)	0.32	11.55	9.00	1.77	<b>6.10</b>
Dividend (sen)	0.30	1.00	1.00	0.50	<b>0.50</b>
Borrowings (RM'000)	506,261	411,101	608,483	539,076	<b>565,501</b>
Cash and cash equivalents (RM'000)	145,197	158,531	150,061	134,315	<b>93,881</b>

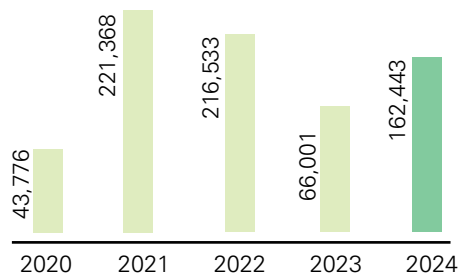
**REVENUE**  
(RM'000)



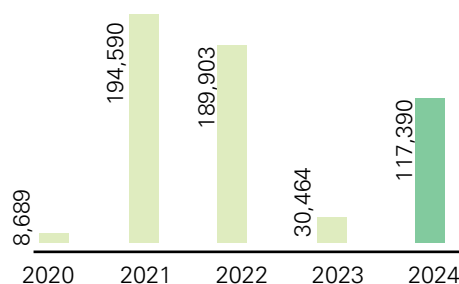
**PROFIT FROM OPERATIONS**  
(RM'000)



**EBITDA**  
(RM'000)



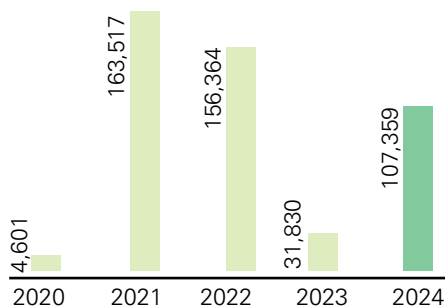
**PROFIT BEFORE TAX**  
(RM'000)



## FIVE YEARS GROUP FINANCIAL HIGHLIGHTS (Cont'd)

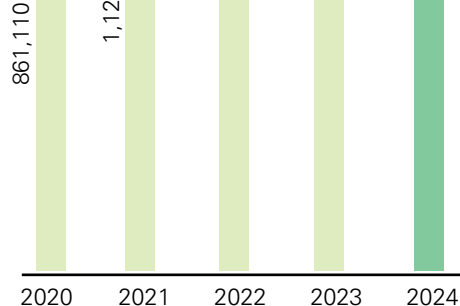
### PROFIT AFTER TAX

(RM'000)



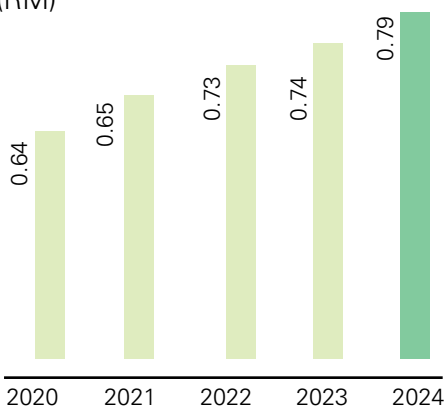
### SHAREHOLDERS' FUNDS

(RM'000)



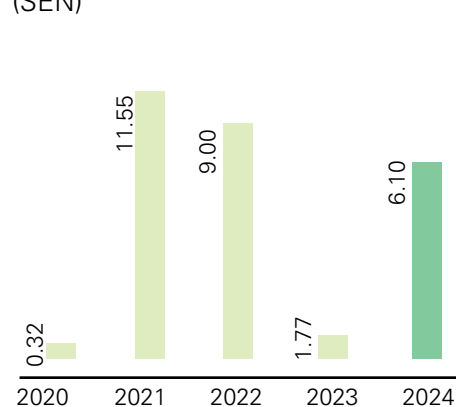
### NTA PER SHARE

(RM)



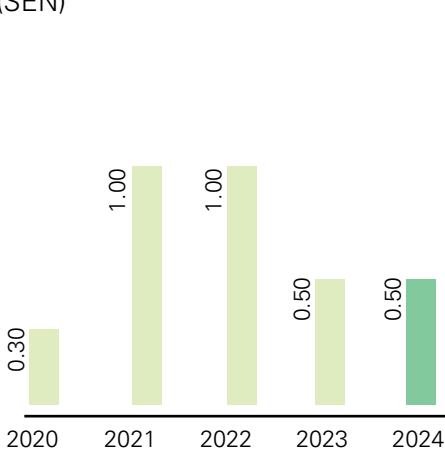
### EARNINGS PER SHARE

(SEN)



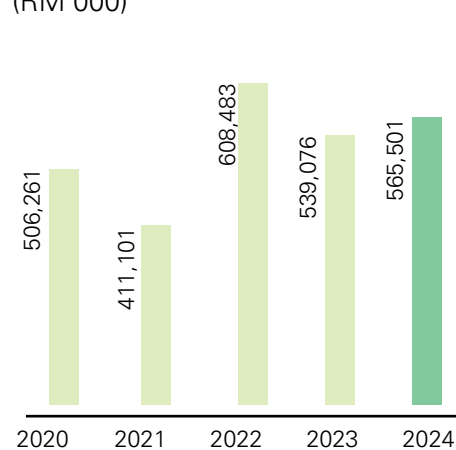
### DIVIDEND

(SEN)



### BORROWINGS

(RM'000)



# STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("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 2024. The detailed disclosure on how the Group has applied the principles and practices as laid out in the Code throughout the current financial year can be found in the Corporate Governance Report at the Company's website: [www.htgrp.com.my](http://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.

In discharging its responsibilities, the Board also addresses sustainability risks and opportunities and have oversight over the Group's material sustainability matters. Sustainability is prioritised and integrated in the Group's corporate strategy business plans, major plans of action, risk management and targets. The strategic management of material sustainability matters are driven by Senior Management. The Board ensures that the Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders. The Board is cognizant that it must stay abreast with sustainability issues relevant to the Group and its business including climate related risks and opportunities. The performance evaluation of the Board and Senior Management will going forward include a review of the Board and Senior Management in addressing the Group's material risks and opportunities. The Board has identified Mr. Tan Shau Ming, an Executive Director of the Company to be the person within Management to provide dedicated focus to manage the sustainability strategically, including the integration of sustainability considerations in the operations of the Group. This is in compliance with Practice 4.1, 4.2, 4.3. and a departure from Practice 4.4 of the Code.

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;

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

- 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. This is in compliance with Practice 1.2 of the Code.

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.

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 is Tan Sri Dato' Sri Mohamad Fuzi Bin Harun.

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.



## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 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](http://www.htgrp.com.my). This is in compliance with Practice 2.1 of the Code.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 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](http://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's 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](http://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](http://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](http://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 eight (8) members; four (4) of whom are Executive Directors and four (4) 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 7 of this Annual Report.

### Tenure of Independent Director

It is the present practice 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 Nomination and Remuneration Committee ("NRC") on an annual basis, recommend for an Independent Director who has served for a consecutive or cumulative term of nine (9) years or more to remain as an Independent Director subject to annual Shareholders' approval through a two-tier voting process but provided always that the limit of the tenure of that Independent Director shall not exceed a cumulative period of twelve (12) years from the date of his appointment as an Independent Director of the Company in compliance with Bursa Malaysia's Main Market Listing Requirements.

To justify retaining an independent director beyond the term limit of nine (9) years, NRC will undertake a rigorous review to determine whether the "independence" of the Director has been impaired. Findings from the NRC's review will be disclosed to the shareholders for them to make an informed decision.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 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, corporate finance advisory, private equity/ venture capital investment, corporate strategic consulting, banking, strategic planning, risk management, economics, corporate affairs, and entrepreneurship. 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 2024, one out of eight Directors (or 12.50%) 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 2024, five (5) 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 during the period from 1 August 2023 until the financial year ended 31 July 2024.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

Details of the Board of Directors' Meeting held during the financial year ended 31 July 2024:

Name of Directors	Date of Meeting					Total Meetings Attended by Directors	Percentage of Attendance
	27/09/2023	05/12/2023	14/12/2023	27/03/2024	28/06/2024		
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun (Independent Non-Executive Chairman)	✓	✓	✓	✓	✓	5/5	100%
Tan Sri Dato' Seri Law Tien Seng (Executive Deputy Chairman)	✓	✓	✓	✓	✓	5/5	100%
Mr. Foo Kok Siew (Executive Director)	✓	✓	✓	✓	✓	5/5	100%
Mr. Tan Shau Ming (Executive Director)	✓	✓	✓	✓	✓	5/5	100%
Mr. Law Wai Cheong (Executive Director)	✓	✓	✓	✓	✓	5/5	100%
Mr. Sherman Lam Yuen Suen (Senior Independent Non-Executive Director)	✓	✓	✓	✓	✓	5/5	100%
Mr. Chen Thien Yin (Independent Non-Executive Director)	✓	✓	✓	✓	✓	5/5	100%
Dato' Ooi Lay See (Independent Non-Executive Director)	✓	✓	✓	✓	✓	5/5	100%
Mr. Lee Ching Kion (Senior Independent Non-Executive Director) (Retired on 15/12/2023)	✓	✓	✓	-	-	3/3	100%

### Appointment to the Board

To facilitate appointments to the Board, the Nomination and Remuneration Committee has a set of formal and transparent procedure for the appointment of new Directors to the Board. The Nomination and Remuneration Committee is 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 2024, the Board through the Nomination and Remuneration 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 Nomination and Remuneration 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.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

For the financial year ended 31 July 2024, the NRC 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 NRC's deliberation. Where appropriate, the NRC 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 2024 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 28<sup>th</sup> Annual General Meeting where he is due for retirement. The following Directors who are retiring at the 28<sup>th</sup> AGM have individually confirm in writing to the Board offering themselves for re-election:-

	Clause No.
• Tan Sri Dato' Seri Law Tien Seng	92
• Mr. Tan Shau Ming	92
• Mr. Sherman Lam Yuen Suen	92

The profile of the above Directors who are retiring by rotation are available on pages 4 to 7 of the Annual Report 2024.

### 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 three (3) main Board Committees, namely Audit Committee, Nomination and 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 37 to 39 of the Annual Report 2024. The details of the Internal Audit function and activities are set out in the Statement of Risk Management and Internal Controls on pages 34 to 36 of the Annual Report 2024. 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 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 37 to 39 of the Annual Report 2024.

The Term of Reference of the Audit Committee is available on the Company's website at [www.htgrp.com.my](http://www.htgrp.com.my).



## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### Nomination and Remuneration Committee

The Nomination Committee and Remuneration Committee have been combined into one committee known as Nomination and Remuneration Committee ("NRC") with effect from 15 December 2023 for the purpose of facilitating the deliberation of common matters expediently and effectively. Prior to 15 December 2023, the committees were separated in two different committees which were Nomination Committee ("NC") and Remuneration Committee ("RC").

Notwithstanding that the NC and RC are combined to form NRC, NC will continue to carry out its responsibilities in accordance with its written terms of reference approved by the Board which tasked it 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 Chairman will amongst others:

- Lead the discussion on succession planning and appointment of Board members including women director, future Chairman and Chief Executive Officer;
- Lead the annual review of Board effectiveness ensuring that the performance of each individual director is independently assessed; and
- 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.

The NRC also assists the Board by recommending the remuneration packages of each individual Executive Director, Independent Non-Executive Director and Senior Management. The NRC 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 Company has applied Practice 5.8 of the Code where the Nomination and Remuneration Committee is chaired by an Independent Non-Executive Director, Dato' Ooi Lay See. The Chairman of the Board of Directors is not a member of the Nomination and Remuneration Committee. Practice 1.4 of the Code applied.

The terms of reference of the Nomination Committee and the Remuneration Committee are available separately on the Company's website at [www.htgrp.com.my](http://www.htgrp.com.my).

The composition, summary of activities and attendance at the Nomination Committee and Nomination and Remuneration Committee Meeting can be found in the Nomination Committee Statement on pages 40 to 42 of the Annual Report 2024.

The members of the Nomination and Remuneration Committee are as follows:

Name	Designation	Directorship
Dato' Ooi Lay See (Redesignation on 15/12/2023)	Chairman	Independent Non-Executive Director
Mr. Sherman Lam Yuen Suen	Member	Senior Independent Non-Executive Director
Mr. Chen Thien Yin	Member	Independent Non-Executive Director
Mr. Lee Ching Kion (Retired on 15/12/2023)	Member	Senior Independent Non-Executive Director

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### Annual Assessment of Directors

The Board with the assistance of the Nomination 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 2024, the Board through the Nomination 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 2024, 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.

### Nomination Committee Meetings

For details of the Nomination Committee Meeting held during the financial year ended 31 July 2024, please refer to the Nomination Committee Statement on page 40 to 42 of the Annual Report 2024.

### 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 ("MAP Part I") 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 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 2024, 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. Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	13.09.2023-14.09.2023
2.	Tan Sri Dato' Seri Law Tien Seng	1. Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	16.10.2023-17.10.2023
3.	Mr. Foo Kok Siew	1. What Amounts To A Conflict Of Interest By Directors? 2. Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	06.10.2023 16.10.2023-17.10.2023
4.	Mr. Tan Shau Ming	1. What Amounts To A Conflict Of Interest By Directors? 2. Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	06.10.2023 16.10.2023-17.10.2023
5.	Mr. Sherman Lam Yuen Suen	1. Advocacy Session for Directors and CEOs of Main Market Listed Issuers by Bursa Malaysia 2. Conflict of Interest by Tricor Training Academy 3. What Amounts To A Conflict Of Interest By Directors? 4. Mandatory Accreditation Programme Part II: Leading For Impact (LIP) 5. National Budget Discussion Forum by CIMA 6. CIMA-AICPA Roundtable Discussion with CIMA President 7. ESG & Sustainable Financial Strategy by Said Business School, Oxford University 8. MIA International Accountants Conference 2024	22.08.2023 11.10.2023 06.10.2023 16.10.2023-17.10.2023 12.01.2024 30.01.2024 10.04.2024-29.05.2024 11.06.2024-12.06.2024

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

Name of Directors		Trainings or Seminars Attended	Dates of Attendance
6.	Mr. Chen Thien Yin	1. What Amounts To A Conflict Of Interest By Directors? 2. Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	12.09.2023 16.10.2023 -17.10.2023
7.	Dato' Ooi Lay See	1. What Amounts To A Conflict Of Interest By Directors? 2. Mandatory Accreditation Programme Part I 3. Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	12.09.2023 20.11.2023 - 21.11.2023 6.5.2024 - 7.5.2024

### Remuneration Committee

For the financial year ended 31 July 2024, the Remuneration Committee which held one meeting on 14 December 2023 to deliberate on the Bonus for Executive Directors and Senior Management in respect of the FYE 31 July 2024 was combined with the Nomination Committee on 15 December 2023 to form the Nomination and Remuneration Committee. Following this, RC held another meeting under NRC on 28 June 2024 to consider the annual increment for Executive Directors and Senior Management and the fee for Independent Non-Executive Director.

### 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 2024, 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 2024 were disclosed on page 40 of Corporate Governance Report 2024 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 of 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.

# STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

## 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](http://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 26 September 2024.

The status of Audit Committee of the Company is explained in greater detail in the Audit Committee Report on page 37 to 39 of the Annual Report 2024.

### 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 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.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

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 34 to 36.

### 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. The Company has applied Practices 10.1 and 10.2.

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.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

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

Name	Designation	Directorship
Mr. Chen Thien Yin (Redesignation on 15/12/2023)	Chairman	Independent Non-Executive Director
Mr. Foo Kok Siew	Member	Executive Director
Mr. Sherman Lam Yuen Suen	Member	Senior Independent Non-Executive Director
Dato' Ooi Lay See (Appointed on 15/12/2023)	Member	Independent Non-Executive Director
Mr. Lee Ching Kion (Retired on 15/12/2023)	Member	Senior 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](http://www.htgrp.com.my).

### Internal Audit Function

The internal audit function of the Company for the financial year ended 31 July 2024 was 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 was headed by its Director, Mr. Chang Ming Chew, who has resigned in June 2024 and was replaced by Puan Noor Lilah Wati Binti Abdul Majid, who is the present Executive Director of Tricor Axcelasia Sdn. Bhd. and is an associate member of the Institute of Internal Auditors Malaysia, an Affiliate Member of Business Continuity Institute and holds a Bachelor Science of Honours in Economics and Social Studies, University of Wales, Aberystwyth, United Kingdom. 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 and the Internal Audit Plan approved by the Audit Committee prior to their commencement of work.

Further details of the internal audit function are contained in the Audit Committee Report on pages 37 to 39 in this Annual Report.



# STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

## 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](http://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 2023, the Board's reply to the Minority Shareholders' Working Group's ("MSWG") query Letter dated 21 November 2023 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](http://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 have 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 28<sup>th</sup> 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 2024 while its AGM will only be held on 13 December 2024, 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 Company Secretary and 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-Seventh Annual General Meeting of the Company which was held on Friday, 15 December 2023 ("27<sup>th</sup> AGM") was conducted for the fourth time fully virtual with the Broadcast Venue in Auditorium, Level 12 Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. In light of the announcement made by the Securities Commission Malaysia and Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 30 August 2024, all public listed companies on Bursa Malaysia will be required to conduct hybrid or physical general meetings starting from 1 March 2025.

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 27<sup>th</sup> 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 27<sup>th</sup> 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 27<sup>th</sup> 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 27<sup>th</sup> 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 27<sup>th</sup> AGM. The meeting proceedings and resolutions passed at the 27<sup>th</sup> AGM were posted on the Company's website at [www.htgrp.com.my](http://www.htgrp.com.my). All the resolutions tabled at the 27<sup>th</sup> AGM were voted by poll. Voting on all the resolutions commenced at any time after the 27<sup>th</sup> 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 27<sup>th</sup> AGM and remote participation ended with the Chairman's announcement of the closure of the 27<sup>th</sup> AGM.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 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 27<sup>th</sup> AGM convened on 15 December 2023 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/proxies/corporate representatives/attorneys can proceed to vote on the resolutions at any time from the commencement of the 27<sup>th</sup> AGM at 10:00 a.m. on Friday, 15 December 2023 but before the end of the voting session which will be announced by the Chairman of the meeting.

### Proxy

As the 27<sup>th</sup> 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 27<sup>th</sup> 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 27<sup>th</sup> 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, 13 December 2023 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 2024 was Nil.

As at end of the financial year:

- There was no shares bought back in the financial year ended 31 July 2024;
- A total of 5,492,000 shares bought back were held as treasury shares and carried at cost; and
- 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 2024.

#### 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 2024.

#### 4. NON-AUDIT FEES

Non-audit fees of RM15,000 were incurred for services rendered to the Group for the financial year ended 31 July 2024 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 2024 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.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 9. REVALUATION POLICY

The Group's revaluation policy is stated in the material accounting policy information in the notes of financial statements.

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

The Company has on its Annual General Meeting held on 15 December 2023 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 2024 in accordance with the shareholders' mandate obtained in the last Annual General Meeting were as follows:

Related Parties involved in 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	<ul style="list-style-type: none"> <li>Tan Sri Dato' Seri Law Tien Seng and Puan Sri Datin Seri Saw Geok Ngor are the shareholders of TS Law Holdings Sdn. Bhd. which holds 100% of the shareholding in JKJS.</li> <li>Tan Sri Dato' Seri Law Tien Seng, Puan Sri Datin Seri Saw Geok Ngor and Mr. Law Wai Cheong are the Directors of TS Law Holdings Sdn. Bhd. while Mr. Law Wai Cheong is the Director of JKJS.</li> </ul>	532,918
Pedoman Cekap Sdn. Bhd.	Renting of office space	<ul style="list-style-type: none"> <li>Pedoman Cekap Sdn. Bhd. is owned 100% by LTS Capital Sdn. Bhd. which is owned 100% by TS Law Land Holdings Sdn. Bhd. The shareholders of TS Law Land Holdings Sdn. Bhd. are Tan Sri Dato' Seri Law Tien Seng and Puan Sri Datin Seri Saw Geok Ngor.</li> <li>Tan Sri Dato' Seri Law Tien Seng and Mr. Law Wai Cheong are the Directors of TS Law Land Holdings Sdn. Bhd.</li> </ul>	996

This Statement was approved by the Board on 26 September 2024.

# 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 2024. 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. Chen Thien Yin (Redesignation on 15/12/2023)	-	Independent Non-Executive Director (Chairman)
(ii)	Mr. Foo Kok Siew	-	Executive Director
(iii)	Mr. Sherman Lam Yuen Suen	-	Senior Independent Non-Executive Director
(iv)	Dato' Ooi Lay See (Appointed on 15/12/2023)	-	Independent Non-Executive Director
(v)	Mr. Lee Ching Kion (Retired on 15/12/2023)	-	Senior 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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

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.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

### 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](http://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 2024. 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 26 September 2024.



# 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 2024 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](http://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	Chairman/ Member	Senior Independent Non-Executive Director
Mr. Chen Thien Yin	Member	Independent Non-Executive Director
Dato' Ooi Lay See (Appointed on 15/12/2023)	Member	Independent Non-Executive Director
Mr. Lee Ching Kion (Retired on 15/12/2023)	Member	Senior Independent Non-Executive Director

## MEETING AND ATTENDANCE

During the financial year ended 31 July 2024, 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
	27/09/2023	14/12/2023	27/03/2024	28/06/2024		
Mr. Sherman Lam Yuen Suen	✓	✓	✓	✓	4/4	100%
Mr. Chen Thien Yin	✓	✓	✓	✓	4/4	100%
Dato' Ooi Lay See (Appointed on 15/12/2023)	-	-	✓	✓	2/2	100%
Mr. Lee Ching Kion (Retired on 15/12/2023)	✓	✓	-	-	2/2	100%

## AUDIT COMMITTEE REPORT (Cont'd)

### 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 2024 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 2024. 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 2024 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 2024 were as follows:

- Reviewed and confirmed the Minutes of the previous AC Meeting and dealt with the matter(s) arising therefrom, if any.
- Reviewed the Group's Cash Flow.
- 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 on quarterly basis 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.

## AUDIT COMMITTEE REPORT (Cont'd)

### 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 (2023 – 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 2024, 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:

- Procurement of Direct Material and Slow-Moving Stock Management for Alpine Pipe Manufacturing Sdn. Bhd.;
- Foreign Currency Hedging Management Function for Hiap Teck Venture Berhad;
- Recurrent Related Party Transaction for Hiap Teck Venture Berhad;
- Production Cost Management for Alpine Pipe Manufacturing Sdn. Bhd.;
- Financial Management functions for Hiap Teck Venture Berhad;
- Health, Safety and Environmental Functions for Alpine Pipe Manufacturing Sdn. Bhd.;
- Sales and Credit Control Management for Alpine Pipe Manufacturing Sdn. Bhd.

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

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

- Transport Booking Function (Cycle 3 FY2023)
- Operational Resilience (Cycle 4 FY2023)
- Anti-Bribery Management System (Cycle 5 FY2023)

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 26 September 2024.

# NOMINATION COMMITTEE STATEMENT

The Nomination Committee ("NC") 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. On 15 December 2023, the Nomination Committee and Remuneration Committee ("RC") have been combined into one committee to be known as the Nomination and Remuneration Committee ("NRC") for the purpose of facilitating the deliberation of common matters of the NRC expediently and effectively.

## COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises three (3) Non-Executive Directors, all of whom are Independent Directors. The members of NRC are as follows:

Members of the Nomination and Remuneration Committee	Designation	Directorship
Dato' Ooi Lay See (Redesignated as Chairman on 15/12/2023)	Chairman	Independent Non-Executive Director
Mr. Sherman Lam Yuen Suen	Member	Senior Independent Non-Executive Director
Mr. Chen Thien Yin	Member	Independent Non-Executive Director
Mr. Lee Ching Kion (Retired on 15/12/2023)	Chairman	Senior Independent Non-Executive Director

The Terms of Reference of the Nomination Committee and Remuneration Committee are separately disclosed on the Company's website at [www.htgrp.com.my](http://www.htgrp.com.my).

The Nomination Committee Statement is prepared in accordance with the requirements of the MMLR. 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.

## NOMINATION COMMITTEE STATEMENT (Cont'd)

### NC MEETING AND ATTENDANCE

During the financial year ended 31 July 2024, the former Nomination Committee convened a total of two (2) meetings and the NRC convened one (1) meeting with details of the attendance of the members as follows:-

Members	Date of Meeting			Total Meetings Attended	Percentage of Attendance
	27/09/2023	14/12/2023	28/06/2024		
Dato' Ooi Lay See (Redesignated as NRC Chairman on 15.12.2023)	✓	✓	✓	3/3	100%
Mr. Sherman Lam Yuen Suen	✓	✓	✓	3/3	100%
Mr. Chen Thien Yin	✓	✓	✓	3/3	100%
Mr. Lee Ching Kion (Retired on 15.12.2023)	✓	✓	-	2/2	100%

### SUMMARY OF ACTIVITIES OF NC

The NC had carried out the following activities during the financial year ended 31 July 2024:-

- (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 2024 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 NC'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.

## NOMINATION COMMITTEE STATEMENT (Cont'd)

- (b) Reviewed the retirement by rotation at the 27<sup>th</sup> Annual General Meeting of the Company in accordance with Clause 92 of the Company's Constitution, and recommended the re-election of Mr. Foo Kok Siew and Mr. Law Wai Cheong who being eligible to be re-elected, have consented to be re-elected. However, the NC noted that Mr. Lee Ching Kion 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 27<sup>th</sup> Annual General Meeting.
- (c) Reviewed the retirement by rotation at the 27<sup>th</sup> Annual General Meeting of the Company in accordance with Clause 97 of the Company's Constitution, and recommended the re-election of Mr. Chen Thien Yin, Tan Sri Dato' Sri Mohamad Fuzi Bin Harun and Dato' Ooi Lay See who being eligible to be re-elected, have consented to be re-elected.
- (d) Reviewed the training attended by Directors in respect of the financial year under review for inclusion in the 2023 Annual Report.
- (e) Reviewed the time commitment of the Directors to ensure that they devote the required time to serve the Board effectively.
- (f) 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.
- (g) 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.
- (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 NC 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) Recommended the combination of the Nomination Committee and the Remuneration Committee to form the NRC and the appointment of Dato' Ooi Lay See as the Chairperson of the NRC to the Board of Directors for approval.
- (j) Recommended the appointment of additional members to Board Committees due to the vacancies in the Board Committees created by Mr. Lee Ching Kion's retirement on 15 December 2023 to the Board of Directors for approval.
- (k) Recommended the appointment of Mr. Sherman Lam Yuen Suen as the Senior Independent Non-Executive Director to fill the vacancy created by the retirement of Mr. Lee Ching Kion to the Board of Directors for approval.
- (l) Reviewed and confirmed that all the Directors had attended the MAP II during the financial year ended 31 July 2024 except for one Director who was unable to do. Management was requested to help to register the MAP II training for the Director to attend before 1 August 2025.

This statement was approved by the Board on 26 September 2024.



# SUSTAINABILITY STATEMENT

## OVERVIEW

Hiap Teck Venture Berhad (HTVB) is committed to generating enduring value for all stakeholders through our diverse business undertakings. Our approach goes beyond creating sustainable returns for shareholders as we equally recognise our responsibility to employees, the community, environment, and the entire supply chain.

The Board of HTVB presents this Sustainability Report, which highlights our strategies, targets, and achievements in managing sustainability issues, including the Economic, Environmental, Social, and Governance (EESG) risks and opportunities for the FY2024.

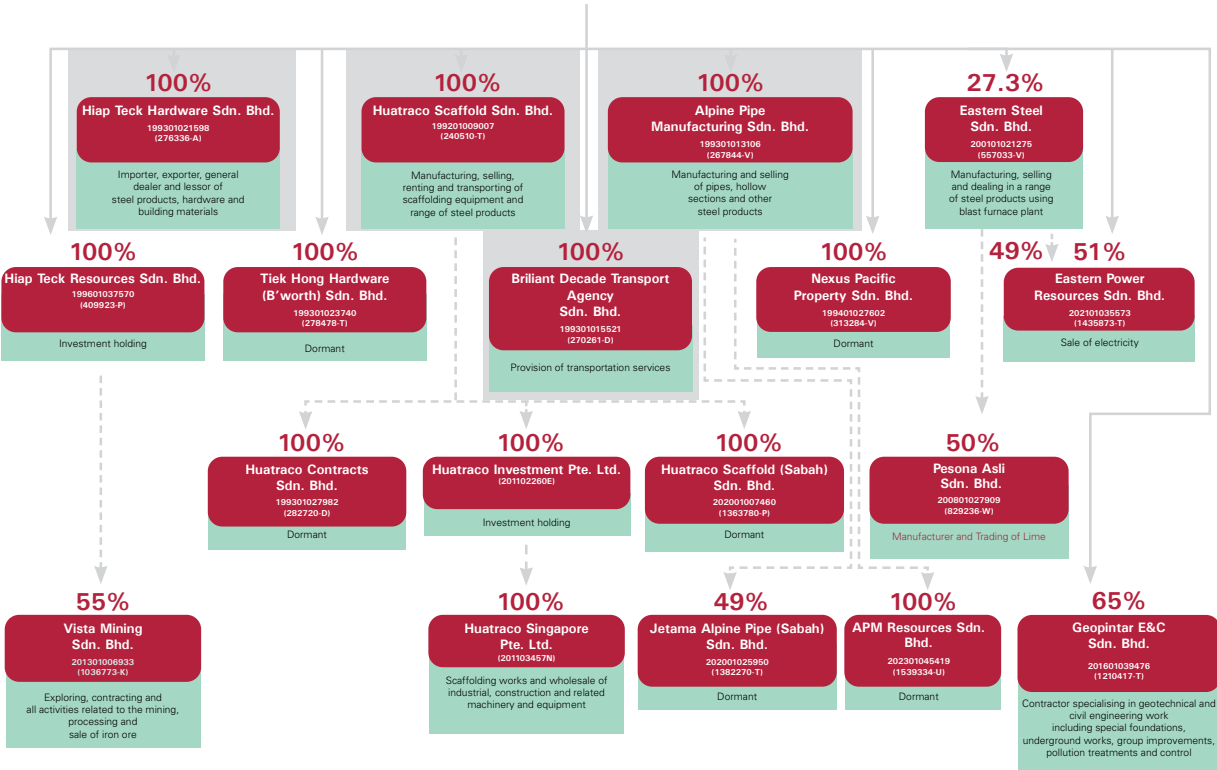
This report covers EESG data for the period between 1 August 2023 and 31 July 2024 (FY2024), focusing on our key operating subsidiaries: Alpine Pipe Manufacturing Sdn Bhd (Alpine), Hiap Teck Hardware Sdn Bhd (HT Hardware), Huatraco Scaffold Sdn Bhd (Huatraco), and Brilliant Decade Agency Sdn Bhd (Brilliant Decade). These subsidiaries, based in Meru, Malaysia, are pivotal to our operations and contribute significantly to the Group's revenue and impact.

Certain entities are excluded from this report for specific reasons. Vista Mining Sdn Bhd and Geopintar E&C Sdn Bhd are excluded as they either operate under third-party arrangements and/or have not generated significant revenue or profits during this reporting period, whilst Eastern Steel Sdn Bhd (ESSB) is a 27.3% owned joint venture entity. Other companies within the Group remain dormant and have no operational activities to report.

Included in the scope of sustainability report



**HTVB**  
**HIAP TECK VENTURE BERHAD**  
Registration No. 199701005844 (421340-U)



## SUSTAINABILITY STATEMENT (Cont'd)

This report is prepared in accordance with the disclosure requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and references established reporting frameworks, including the Sustainability Reporting Guide – 3rd Edition and its Toolkits by Bursa Malaysia. Additionally, the Global Reporting Initiative (GRI) standards have been considered to enhance the comprehensiveness of our disclosures. We have also begun incorporating climate-related disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), reflecting our commitment to transparency in addressing climate risks and opportunities that may impact our business.

The content of this Report has been reviewed by HTVB's Board and Sustainability and Risk Management Committee ("SRMC") to ensure it addresses the most current and material issues relevant to our business. In addition, we have engaged our internal auditor to conduct a review of our sustainability management processes. As part of our continuous improvement efforts, we are establishing a process for internal audit assurance, which will be implemented in the next reporting cycle.

### SUSTAINABILITY GOVERNANCE

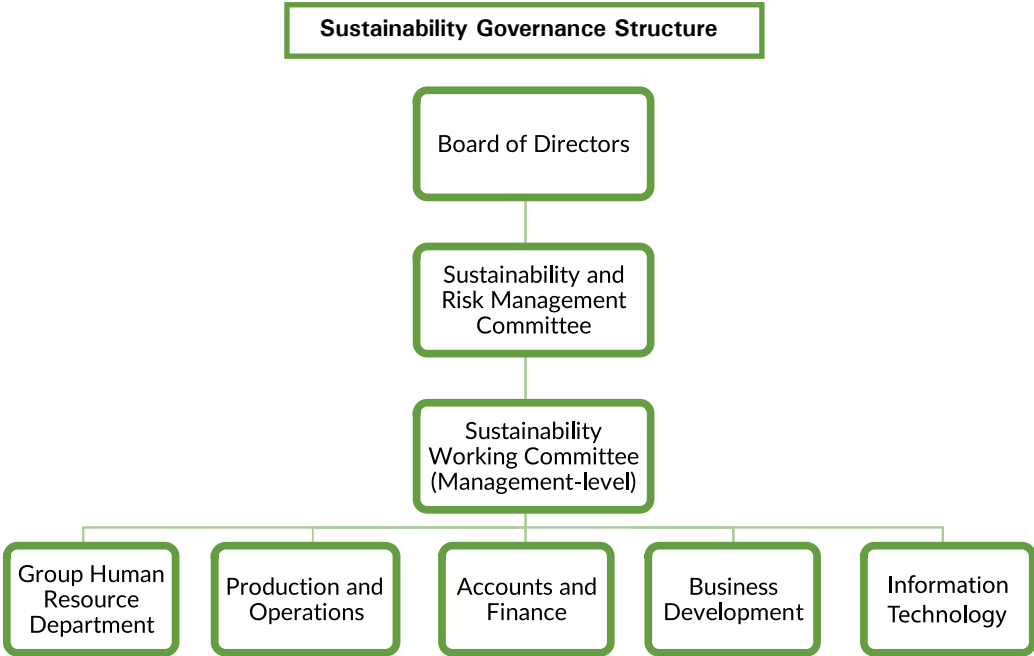
HTVB has established a robust governance framework to embed sustainability at the core of our operations. This governance structure is designed to ensure that Economic, Environmental, Social, and Governance (EESG) matters receive the necessary strategic oversight, enabling us to effectively manage risks while progressively integrating EESG principles into our business model and processes. Our commitment to sustainability drives our efforts to respect human rights, support local communities, and minimise our environmental footprint.

The Board of Directors remains the highest decision-making authority within HTVB and holds ultimate accountability for the Group's sustainability strategy and performance. The Board's role encompasses setting the direction for sustainability initiatives across the organisation and overseeing critical areas such as anti-corruption measures, the code of conduct, occupational health and safety, talent management, and risk management. By providing strategic guidance, the Board ensures that sustainability is an integral part of our long-term business success.

The Sustainability and Risk Management Committee (SRMC) is a Board-level committee that plays a critical role in supporting the Board's sustainability responsibilities, ensuring the effective integration of sustainability into our overall strategy. The SRMC is tasked with reviewing the Terms of Reference (TOR) for sustainability governance and making recommendations to the Board of Directors (BOD) for approval. Additionally, the SRMC receives reports from the Sustainability Working Committee (SWC), rigorously reviews and challenges these reports to ensure they meet the required standards. The SRMC is also responsible for providing regular updates and briefings to the Board on sustainability matters, ensuring continuous alignment with the Group's sustainability goals and objectives.

The SWC oversees the Group's sustainability framework, policies, and initiatives, ensuring integration into business operations and strategies. The SWC is responsible for executing sustainability practices and reporting progress to the Board of Directors, including submitting detailed activity reports and ensuring the sustainability statement is included in the annual report. The SWC is led by an Executive Director (ED) of HTVB as Chairman and is composed of a Secretary/Sustainability Coordinator and Sustainability Reporting Champions from the Group's Human Resources, Production & Operations, Accounting & Finance, Business Development and Information Technology. The SWC meets at least twice a year or as required and provides regular updates to the Sustainability and Risk Management Committee (SRMC) on the progress of sustainability initiatives and targets.

Our Core Values are deeply embedded within HTVB's corporate governance framework and operational processes. These values are managed and monitored as part of our internal control procedures, with clear Key Performance Indicators (KPIs) established to track progress and ensure accountability. By aligning our Core Values with our sustainability strategy, we reinforce our commitment to ethical practices, operational excellence, and continuous improvement.



STAKEHOLDER ENGAGEMENT

We actively engage with our internal and external stakeholders through various means of communication throughout the year. This allows us to gain insights from their viewpoints, needs and expectations on key topics of interest as they understand our business operation. 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. Our engagement efforts are facilitated through a variety of communication channels, including online platforms, meetings, seminars, and direct face-to-face interactions. The details of our key stakeholders and their engagement methods are outlined in the stakeholder engagement table below:

Stakeholders Group	Engagement Channel	Frequency of Meeting	Interest/Concern	Response
Shareholders	<ul style="list-style-type: none"><li>Corporate website</li><li>Quarterly Results Announcement</li><li>Material Matters Announcement</li><li>Annual Report</li><li>Annual General Meeting</li><li>Extraordinary General Meeting</li><li>Regular Analysts Briefings</li></ul>	<ul style="list-style-type: none"><li>Periodically</li><li>Quarterly</li><li>Annually</li></ul>	<ul style="list-style-type: none"><li>Corporate governance practices</li><li>Risk management practices</li><li>Sustainable return and growth</li></ul>	<ul style="list-style-type: none"><li>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.</li></ul>

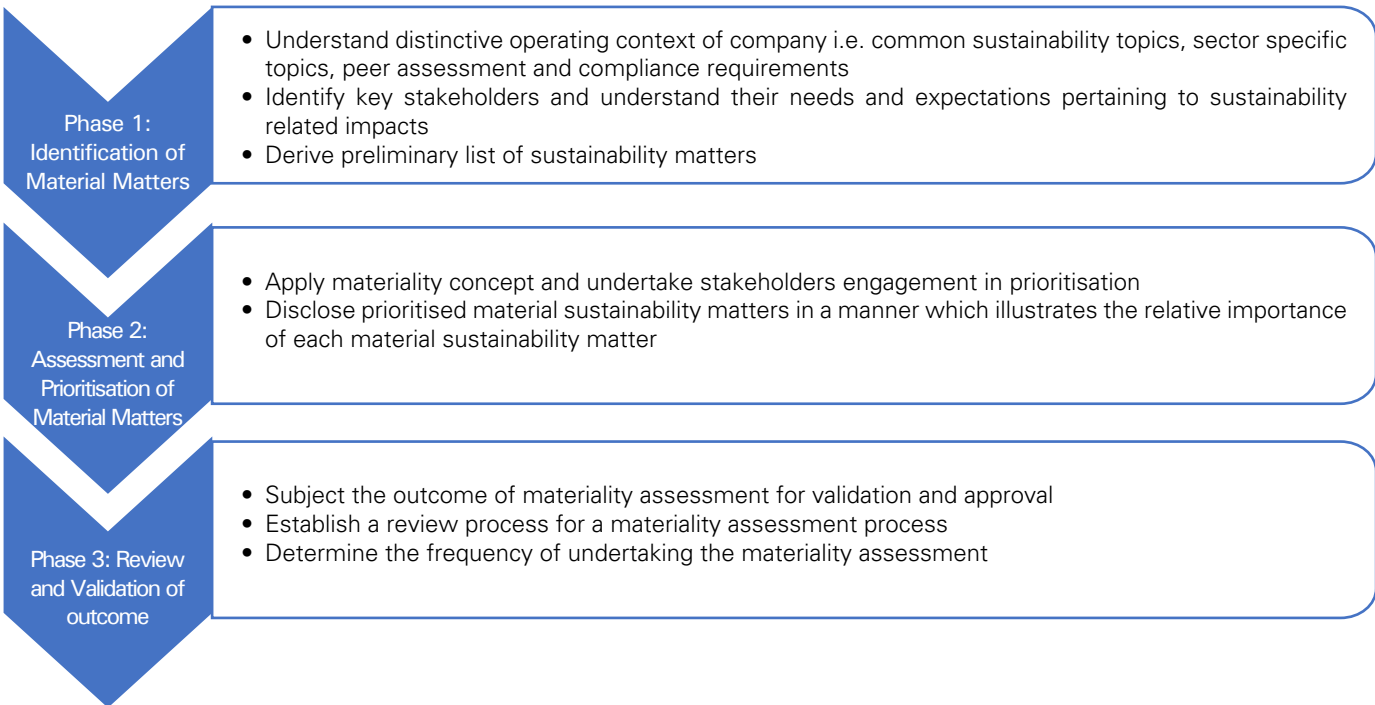
## SUSTAINABILITY STATEMENT (Cont'd)

Stakeholders Group	Engagement Channel	Frequency of Meeting	Interest/Concern	Response
<b>Regulatory Bodies</b>	<ul style="list-style-type: none"> <li>• Forum and dialogues/ meetings</li> <li>• Networking events</li> <li>• Seminar</li> <li>• Briefing and consultation</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically</li> </ul>	<ul style="list-style-type: none"> <li>• Update on human capital development</li> <li>• Health and safety compliance</li> <li>• Environment and social compliance</li> <li>• Industry regulatory development</li> </ul>	<ul style="list-style-type: none"> <li>• We have established sustainability governance to manage risk, ensure compliance and operate with integrity at all times.</li> </ul>
<b>Trade Associations</b>	<ul style="list-style-type: none"> <li>• Forum and dialogues/ meetings</li> <li>• Networking events</li> <li>• Seminar</li> <li>• Briefing and consultation</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically</li> </ul>	<ul style="list-style-type: none"> <li>• Update on industry and business trend</li> <li>• Discuss and conclude on impacts of government policies</li> </ul>	<ul style="list-style-type: none"> <li>• We are actively participating and collaborating with key industry players and other stakeholders to continue making the greatest possible difference for the industry.</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Regulatory Site Visits and Audits</li> <li>• Quality Certification Audits</li> <li>• Marketing Events</li> <li>• Meetings and site visits</li> <li>• Hotline and Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Daily</li> </ul>	<ul style="list-style-type: none"> <li>• Receive feedback on products quality, product knowledge and customer service standards</li> <li>• Enable bi-lateral communications</li> <li>• Provide products and services updates</li> <li>• Receive and respond to feedback</li> </ul>	<ul style="list-style-type: none"> <li>• By sharing a common goal across the organisation, we give customers a value-added experience using our products/ services.</li> </ul>
<b>Business Partner (Suppliers, Distributors, Contractors)</b>	<ul style="list-style-type: none"> <li>• Trade fairs</li> <li>• Site/ Plant visits</li> <li>• New and Periodical Performance Evaluation</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Daily</li> </ul>	<ul style="list-style-type: none"> <li>• Assess business needs</li> <li>• Provide Company information</li> <li>• Provide and receive product and service specifications</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier relationships are governed by our standard operating procedures.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Daily morning briefings</li> <li>• Weekly Senior management meetings</li> <li>• Monthly operation meetings</li> <li>• Safety meetings</li> <li>• Seminars and trainings</li> <li>• Performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>• Daily</li> </ul>	<ul style="list-style-type: none"> <li>• Communicate safe work procedures</li> <li>• Highlight risk, hazards incident</li> <li>• Discuss key concerns</li> <li>• Allow questions from floor and provide answers</li> <li>• Ensure follow up actions with resolution</li> </ul>	<ul style="list-style-type: none"> <li>• Employees are our key assets. They drive success and we are committed to being a good employer.</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Blood Donation</li> <li>• Education funds</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically</li> <li>• Annually</li> </ul>	<ul style="list-style-type: none"> <li>• Improve Blood bank stock</li> <li>• Provide rewards for high school achievers</li> </ul>	<ul style="list-style-type: none"> <li>• We strive to be a good partner and a positive force in our local communities.</li> </ul>

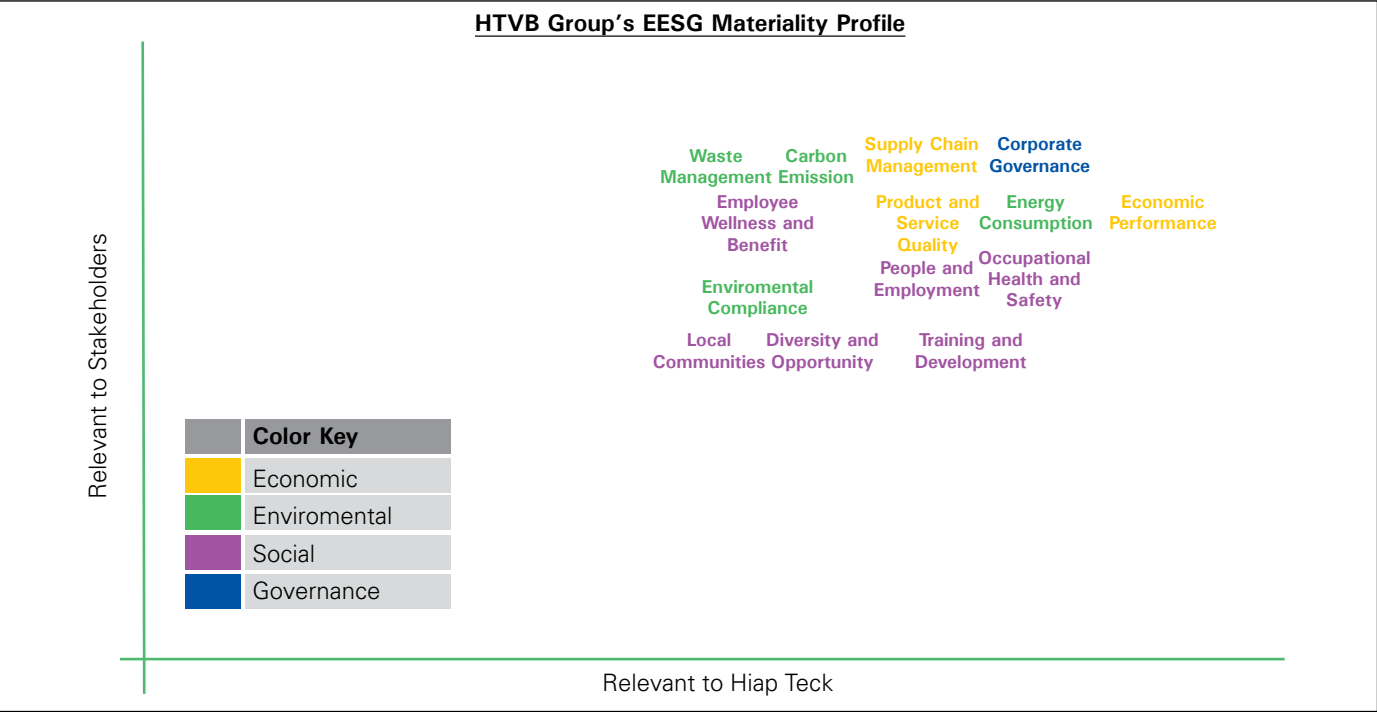
MATERIALITY ASSESSMENT

HTVB conducts an annual review of its material matters considering stakeholders’ concerns, company interests, emerging issues from the evolving business environment, and the latest regulatory requirements. This is conducted by including internal as well as external stakeholders. We include the Board of Directors, Senior Management, Department Heads, and major Customers and Suppliers in the consultation process.

The step-by-step methodology of our Materiality Assessment is illustrated below:



In FY2024, HTVB undertook a comprehensive review of its materiality assessment to ensure alignment with evolving stakeholder expectations and industry trends. This reassessment process was guided by rigorous stakeholder engagements and benchmarked against global sustainability standards. The results of the materiality assessment are being reviewed based on our strategic priorities and emerging economic, environmental, social, and governance (EESG) issues. Current topics and their priorities were carried over from the previous assessment. Once the review of the EESG issues is complete we will update these topics.



Details of HTVB’s material EESG factors are provided below:

Environment	Social	Economics
Energy Consumption Carbon Emission Waste Management Environmental Compliance	Occupational Health and Safety People and Employment Training and Development Diversity and Opportunity Local Communities Employee Wellness and Benefits	Economic Performance Supply Chain Management Product and Service Quality
Governance		
Corporate Governance		



## SUSTAINABILITY STATEMENT (Cont'd)

### 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	Council Member
	Huatraco Scaffold Sdn. Bhd.	Ordinary Member	
	Eastern Steel Sdn. Bhd.	Ordinary Member	Deputy President I
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 (SEASI)	Alpine Pipe Manufacturing Sdn. Bhd.	Ordinary Member	
	Huatraco Scaffold Sdn. Bhd.	Ordinary Member	
	Eastern Steel Sdn. Bhd.	Ordinary Member	

### ECONOMIC

#### Economic Performance

Economic performance is vital to HTVB's long-term sustainability, enabling us to deliver value to our stakeholders while driving growth and innovation. Maintaining a strong economic foundation is essential for supporting our strategic initiatives and ensuring the continued success of our operations.

HTVB Group primarily serves the local market, with ongoing efforts focused on expanding our market presence and venturing into new territories. To maintain and enhance our competitive edge, we are committed to improving the efficiency of our raw material sourcing and boosting overall productivity. This year, we plan to modernise our production methods through the refurbishment and acquisition of new machinery and equipment to further enhance our operational capabilities.

## SUSTAINABILITY STATEMENT (Cont'd)

On the technological front, we are in the process of transforming our Enterprise Resource Planning (ERP) system. This transformation is aimed at providing more precise real-time data, facilitating timely and informed strategic decision-making to support our business objectives.

To ensure sustainable growth and performance, our Business Development team is actively exploring potential new markets within the region and investigating new steel-related business opportunities. A key performance indicator for this team is the establishment of collaborations and partnerships with organisations such as CIDB, IEM, JKR, MBAM, MITI, and Matrade. Additionally, we are actively participating in exhibitions across the country and Southeast Asia to promote our products, educate stakeholders, and gather valuable feedback for continuous improvement in product quality and processes.

Throughout the year, we conducted regular meetings to closely monitor and analyse our financial performance, budgets, and forecasts. This approach allows us to gain actionable insights and make prompt decisions that align with our performance objectives, ensuring that we remain on track to achieve our economic goals. There are improvements in after tax profits driven by stabilising steel prices during the year which led to increased sales volumes, better profit margins and higher sharing of profits of the JV entity. For further details, please refer to the provided financial statements.

Revenue and net profit				
	Unit	FY2022	FY2023	FY2024
Revenue	RM'000	1,583,278	1,585,208	1,683,207
Profit After Tax	RM'000	156,364	31,830	107,359

### Supply Chain Management

Effective supply chain management is critical to the success of HTVB, ensuring that we meet our operational needs while upholding our commitment to sustainability and quality. Our approach to managing the supply chain is built on fostering strong relationships with reliable suppliers and maintaining rigorous standards throughout the procurement and production processes.

We source essential materials for our business activities from dependable global steel suppliers, ensuring that the raw materials we use meet our stringent quality requirements. Our finished steel products are manufactured using rigorous processes and undergo comprehensive quality checks in accordance with our ISO certifications. This ensures that every product we deliver meets the highest standards of excellence.

In alignment with our sustainability objectives, HTVB places significant emphasis on maintaining transparent and effective sourcing practices. We have implemented a well-defined procedure for sourcing raw materials, where prices are carefully compared, negotiated, and regularly assessed within an established framework. This approach not only supports our sustainability strategies but also contributes to the development of robust, long-term business relationships based on trust and timely delivery with our key suppliers.

To ensure that our supply chain aligns with our sustainability goals, we consistently assess our suppliers through sustainability assessments, market inputs, and annual evaluations. These assessments help us ensure that our suppliers adhere to the same high standards of environmental and social responsibility that we uphold within our own operations. We actively strive to include local suppliers in our procurement processes, which not only supports the local economy by mitigating the outflow of foreign exchange, preserving national reserves, and improving the balance of payments, but also reduces the carbon emissions associated with long-distance transportation of goods. By prioritising local suppliers, we also contribute to their growth and development, empowering them to enhance their capabilities and compete on a larger scale, ultimately uplifting local communities and fostering sustainable regional economic development.

Looking ahead, HTVB has set a target to achieve 70% local sourcing for spare parts and consumable items by FY2025, particularly once our joint venture entity begins producing Hot Rolled Coils (HRC) in Malaysia. This target reflects our commitment to supporting the local community and economy while furthering our sustainability agenda.

## SUSTAINABILITY STATEMENT (Cont'd)

Proportion of spending on local suppliers <sup>1</sup>				
	Unit	FY2022	FY2023	FY2024
Proportion of spending on local suppliers	Percentage	49%	57%	48%

### GOVERNANCE

#### Corporate Governance

At HTVB, upholding ethical standards is crucial for maintaining our reputation and ensuring sustainable business operations. We are committed to fostering a culture of integrity and transparency across all levels of the organisation, emphasising the importance of ethical conduct in every aspect of our business.

Percentage of directors by gender and age				
	Unit	FY2022	FY2023	FY2024
Total	Headcount	8	8	8
Male	Headcount	8	7	7
	Percentage	100%	87%	87%
Female	Headcount	0	1	1
	Percentage	0%	13%	13%
X<30	Headcount	0	0	0
	Percentage	0%	0%	0%
30 X 50	Headcount	1	1	1
	Percentage	13%	13%	13%
X>50	Headcount	7	7	7
	Percentage	87%	87%	87%

#### Code of Ethics and Anti-Corruption

HTVB is steadfast in its commitment to honesty and professionalism, embedding these principles into our business operations and encouraging employees to do the same in their daily activities. Our Code of Conduct and Ethics, Anti-Bribery and Corruption (ABC) and Whistle Blowing Policies, are integral components of our corporate governance framework. These guidelines are designed to ensure that all employees act in the company's best interests, avoid conflicts of interest, and uphold the highest standards of integrity.

The employee handbook now includes the Code of Conduct and Ethics, as well as the ABC Policy, ensuring comprehensive awareness of our ethical standards. These policies cover a wide range of topics, including compliance with laws, conflict of interest, competition and fair dealing, anti-discrimination and harassment, information confidentiality, and the prohibition of bribery and corruption. The ABC Policy, accessible on our website, outlines the procedures for handling inappropriate solicitations and other unethical actions. Training sessions have been conducted to familiarise all employees with these guidelines and the necessary protocols.

<sup>1</sup> 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.

## SUSTAINABILITY STATEMENT (Cont'd)

Percentage of employees who have received training on anti-corruption by employee category					
		Unit	FY2022	FY2023	FY2024
Senior Management	Total no. of trained employees	Headcount	0	0	8
	Total no. of senior managers	Headcount	11	12	11
	Percentage	Percentage	0%	0%	73%
Middle Management	Total no. of trained employees	Headcount	0	0	6
	Total no. of middle managers	Headcount	61	63	64
	Percentage	Percentage	0%	0%	9%
Other Employees	Total no. of trained employees	Headcount	0	0	17
	Total no. of other employees	Headcount	519	581	579
	Percentage	Percentage	0%	0%	3%

HTVB maintains a strict stance against bribery and corruption, fully rejecting any form of unethical behaviour. Over the past three years, we have received no reports of incidents related to bribery or corruption.

Anti-Corruption Performance			
	FY2022	FY2023	FY2024
Number of confirmed incidents of corruption and action taken	0	0	0
Percentage of operations assessed for corruption-related risks	0%	0%	0%

### Ethical business practices along the supply chain

HTVB's dedication to ethical business practices extends beyond our internal operations. We expect our business associates, suppliers, and contractors to adhere to the same high standards of integrity that we uphold. Contractors who play significant roles in our operations are required, through service contracts, to comply with specific ethical standards, including anti-corruption measures, environmental preservation, workplace safety, and labour practices.

Our approach to ethical conduct across the supply chain ensures that all parties involved in our business processes are aligned with our commitment to integrity, transparency, and responsible business practices.

## SUSTAINABILITY STATEMENT (Cont'd)

### SOCIAL

#### Product and Service Quality

At HTVB, delivering top-tier quality products and services is integral to our business ethos. Our unwavering commitment to quality is embodied in our structured Quality Management System (QMS), which is designed to ensure that our customers consistently receive superior products that meet or exceed their expectations.

#### Quality Management System (“QMS”) Committee

To uphold our “quality first” principle, HTVB has established a dedicated QMS Committee, spearheaded by Senior Management and the QMS Chairman. This committee includes key personnels from various departments, working collaboratively to monitor and enhance product quality. The QMS oversees a range of initiatives, including customer satisfaction surveys, regulatory site visits, and continuous research and development efforts, all aimed at achieving our ultimate objective of being a zero-defect producer. Through these measures, we ensure that quality is not just a goal, but a continuous practice within our operations.

#### Internationally recognised Certifications

HTVB is committed to maintaining the safety and quality of its products in line with internationally recognised standards and protocols. Our adherence to these standards is reinforced by quality management systems and certifications that align with our sustainability and continuous improvement agenda.

Our manufacturing divisions, Alpine and Huatraco, have both been awarded the ISO 9001:2015 certification. Alpine, a key subsidiary company in our Group, manufactures a wide range of circular pipes and hollow sections, with diameters ranging from 1.27 cm to 1.6 meters. The division's products are certified under various standards, including BS EN, EN, SPAN, JIS, and AS, which enhance our competitive advantage and enable us to effectively serve diverse projects and industries. Huatraco, our scaffolding division, holds a pioneering position in the industry, being the first factory in the country to achieve the MS1462 certification. This certification highlights the superior quality of Huatraco's scaffolding products and equipment, solidifying our reputation for excellence in the market.

To further demonstrate our commitment to quality, HTVB has acquired a series of relevant certifications across our manufacturing divisions, ensuring that our products meet the highest standards of quality and safety. The following table lists relevant certification acquired:

Entity Name	Product/Service	Certification	Certified Body
Alpine Pipe Manufacturing Sdn Bhd	Iron & Steel	CIDB ACT 520	CIDB
	Steel Pipes and Hollow Sections	BS EN39/10219-1&2, JIS G 3444/3452, MS 863, ASTM A500, MS EN 10219-1&2  SPAN TS 21827-2, MS 1462-2-1, MS1462-1	IKRAM
	Mild Steel Cement Lined Pipes Steel Fittings	SPAN TS 21827-1	IKRAM
	Steel Pipes and Hollow Sections	BS EN 10210-1, BS EN 10255	SIRIM
	Quality Management System	ISO 9001 - 2015 (MALAYSIA) ISO 9001 - 2015 (UKAS)	INTERTEK
	Competence of testing laboratory	MS ISO/IEC 17025	SAMM
	Mild Steel Cement Lined Pipes -ERW & SAW	SPAN TS 21827-1	SPAN
	Steel Pipes and Hollow Sections	AS NZS 1163	BSI

## SUSTAINABILITY STATEMENT (Cont'd)

Entity Name	Product/Service	Certification	Certified Body
Alpine Pipe Manufacturing Sdn Bhd	Lip & Plain Channel and Hollow Sections	(BC 1) FPC EN 10210-1, EN 10219-1, AS/NZS 1163, JIS G 3350	TUV
	Steel Pipes and Hollow Sections	(CE-MARK) FPC EN 10219-1	TUV
Huatraco Scaffold Sdn Bhd	Iron & Steel (Modular System Scaffolding & Formwork)	MS 1462-1, MS 1462-3-1	CIDB
	Iron & Steel (Modular System Scaffolding & Formwork) -TPIB Scheme	CIS-22, CIS-23	CIDB
	Steel Modular System Scaffolding (C25 & C60)	MS 1462-3-1	SIRIM
	Prefabricated Steel Frame Scaffolding	MS 1462-1	SIRIM
	Adjustable Steel Prop	MS EN 1065	SIRIM
	Scaffold Accessories & Component	MS 1462-1, MS 1462-4-1, MS 1462-2-3	SIRIM (Oversea Product Certification License)
	Couplers For Tubular Scaffolding	MS 1462-2-3	SIRIM (Oversea Product Certification License)
	Prefabricated Steel Modular System Scaffolding	MS 1462-3-1	CERTIBUILD (Oversea Product Certification License)
	Quality Management System	ISO 9001-2015	DQS

### Occupational Health and Safety

Ensuring the safety and well-being of everyone involved with HTVB is a fundamental responsibility that we take very seriously. Our commitment, aligned with our Safety and Health Policy, is focused on achieving a zero-fatality record for our employees, contractors, and the communities in which we operate. We recognise that a safe working environment is crucial not only for the protection of our workforce but also for the overall success of our business.

### Occupational Safety and Health Committee (OSH)

Each of HTVB's main operating subsidiaries has established an Occupational Safety and Health (OSH) Committee in compliance with the Occupational Safety and Health Act (OSHA) 1994. These committees are composed of representatives from both the employers and employees, spanning various departments such as corporate offices, production, material control, maintenance, and quality assurance. To further strengthen our safety initiatives, official committee members have been appointed for specialised sub-committees, including the Environmental Performance Monitoring Committee (EPMC), which meets quarterly, the Emergency Response Team (ERT), which conducts yearly training, and the Hazardous Material Team (HAZMAT), also conducting annual training. These sub-committees are dedicated to addressing specific safety and environmental concerns across the organisation.

The OSH Committee plays a critical role in cultivating a culture of safety among all employees. Through safety briefings, training sessions, and roadshows, the committee is dedicated to instilling correct safety protocols and striving toward an accident-free workplace. The key functions of the OSH Committee include:

- Assisting in the development of safety and health rules and safe systems of work.
- Reviewing the effectiveness of safety and health programs.
- Analysing trends related to accidents, near-misses, dangerous occurrences, occupational poisoning, or diseases, and reporting any unsafe or unhealthy conditions to the employer with recommendations for corrective actions.
- Reviewing and recommending updates to the safety and health policies at the workplace.



## SUSTAINABILITY STATEMENT (Cont'd)

### OSH Training

HTVB places a high priority on safety training, recognising that well-informed employees are essential to maintaining a safe workplace. A significant portion of our budget is allocated to on-site training for our safety officers, ensuring they are well-versed in workplace safety protocols. Newly hired employees are required to complete a Health, Safety, and Environment (HSE) induction program, which emphasises the importance of workplace safety and protective measures. Our comprehensive internal and external training programs include:

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			
	FY2022	FY2023	FY2024
Employees trained on health and safety standards	95	97	470

These training sessions are designed to equip our employees with the knowledge and skills needed to prevent accidents and respond effectively in case of emergencies.

### OSH Performance

HTVB actively monitors workplace accidents and implements corrective actions to address each incident. During monthly management meetings, OSH leaders review safety performance and introduce strategies for improvement. Regular safety audits are conducted to identify and mitigate unsafe actions and conditions. Our ongoing efforts to strengthen HSE procedures have resulted in a commendable safety record, including the maintenance of a zero-fatality rate over the years.

Number of employees trained on health and safety standards			
	FY2022	FY2023	FY2024
Number of work-related fatalities	0	0	0

To track the rate of work-related injuries, HTVB follows Bursa Malaysia's common indicator, the Lost Time Incident Rate (LTIR). In FY2024, there were 26 instances of lost time injury, it includes 11 first aid cases and 15 industrial high consequence incidents, resulting in an LTIR of 1.6. While this represents an increase from previous years, it reinforces our commitment to continually improving our safety performance. We target to keep zero work related fatalities and incident rate below 2.5 for the next year.

Lost time incident rate			
	FY2022	FY2023	FY2024
a. Number of lost time injuries (High Consequence in the reporting period)	7	19	15
b. Total number of hours worked by all employees in the reporting period	1,586,848	1,706,000	1,874,460
c. LTIR <sup>2</sup> (=a/b *200,000)	0.9	2.22	1.60

<sup>2</sup> LTIR is calculated as rate ("a/b \*200,000"), where the number of lost time incidents during the reporting period ("a") are expressed per the total number of hours worked as at the end of the reporting period ("b"). 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).

## SUSTAINABILITY STATEMENT (Cont'd)

### People and Employment

#### Basic Approach

At HTVB, we believe that our employees are the cornerstone of our success. Recognising them as our most valuable assets, we are dedicated to fostering an environment where skilled and motivated individuals can thrive, excel, and contribute significantly to our ongoing achievements. Our approach to personnel management is rooted in the following key principles:

Respecting Individual Human Rights	No Discrimination	Creating an Environment of Free, Open-minded Dialogue	Enhancing Employee Engagement
<ul style="list-style-type: none"> <li>We acknowledge and appreciate the unique characteristics and differences of our employees, respecting their willingness and initiative to contribute.</li> <li>We are committed to upholding each individual's basic human rights, and we strictly prohibit forced labor or child labor in any form.</li> </ul>	<ul style="list-style-type: none"> <li>Adhering to the principle that all individuals should have equal employment opportunities, we strive to create an environment that supports free and fair competition.</li> <li>Discrimination or harassment of any kind is not tolerated at HTVB, whether based on race, ethnicity, national origin, religion, gender, age, or other personal characteristics.</li> </ul>	<ul style="list-style-type: none"> <li>The associates and the Company will respect each other's views and endeavor to promote mutual understanding.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>We organise social gatherings for festivals, annual dinner, birthday parties, etc.</li> <li>Team building represents an annual event to foster bonding and teamwork among employees from various departments within our Group.</li> </ul>

We are also pleased to report that in FY2024, there has been no complaints concerning human rights violations.

#### Workforce and Talent Acquisition

In 2024, HTVB maintained its workforce at almost the same level with the total number of employees reducing marginally to 654 from 656 in FY2023. This growth reflects our expanding operations and the ongoing recovery of our business in the post-COVID era, which necessitated the recruitment of additional talent.

Percentage of employees that are contractors or temporary staff				
	Unit	FY2022	FY2023	FY2024
Permanent employees	Headcount	566	636	635
	Percentage	96%	97%	97%
Temporary/Contract employees	Headcount	25	20	19
	Percentage	4%	3%	3%

## SUSTAINABILITY STATEMENT (Cont'd)

Employee profile by gender				
	Unit	FY2022	FY2023	FY2024
Senior management				
Total	Headcount	11	12	11
Male	Headcount	11	12	11
	Percentage	100%	100%	100%
Female	Headcount	0	0	0
	Percentage	0%	0%	0%
Middle management				
Total	Headcount	61	63	64
Male	Headcount	41	42	42
	Percentage	67%	67%	66%
Female	Headcount	20	21	22
	Percentage	33%	33%	34%
Other employees				
Total	Headcount	519	581	579
Male	Headcount	432	495	504
	Percentage	83%	85%	87%
Female	Headcount	87	86	75
	Percentage	17%	15%	13%
Employee profile by age (X = age)				
	Unit	FY2022	FY2023	FY2024
Senior management				
Total	Headcount	11	12	11
X < 30	Headcount	0	1	1
	Percentage	0%	8%	9%
30 <= x <= 50	Headcount	2	1	1
	Percentage	18%	8%	9%
X > 50	Headcount	9	10	9
	Percentage	82%	83%	82%
Middle management				
Total	Headcount	61	63	64
X < 30	Headcount	2	1	2
	Percentage	3%	2%	3%
30 <= x <= 50	Headcount	42	43	44
	Percentage	69%	68%	69%
X > 50	Headcount	17	19	18
	Percentage	28%	30%	28%
Other employees				
Total	Headcount	519	581	579
X < 30	Headcount	172	196	182
	Percentage	33%	34%	31%
30 <= x <= 50	Headcount	263	303	317
	Percentage	51%	52%	55%
X > 50	Headcount	84	82	80
	Percentage	16%	14%	14%

## SUSTAINABILITY STATEMENT (Cont'd)

There were 98 new hires, at a new hire rate of 15%, with a considerable number of new employees being under 30 and between 30 and 50 years old. Our recruitment strategy remains focused on acquiring the necessary talent, particularly male employees, to meet the physical demands of our production lines.

New Hire Rate <sup>3</sup> by Gender				
		FY2022	FY2023	FY2024
Male	New Hires	70	149	86
	New Hire Rate	14%	27%	15%
Female	New Hires	6	10	12
	New Hire Rate	6%	9%	12%
New Hire Rate <sup>3</sup> by Age Group				
		FY2022	FY2023	FY2024
Age < 30	New Hires	46	82	64
	New Hire Rate	26%	41%	35%
30 < Age < 50	New Hires	22	74	28
	New Hire Rate	7%	2%	8%
Age > 50	New Hires	8	3	6
	New Hire Rate	7%	3%	6%
Total	New Hires	76	159	98
	No. of employees	591	656	654
	New Hire Rate	13%	24%	15%

### Employee Retention and Turnover Management

Employee retention is a critical aspect of HTVB's human resource strategy. We continuously monitor turnover rates, taking into account factors such as economic conditions, regional changes, age demographics, and mental health. This year, our total turnover rate was 15%, slightly higher than previous years. We regularly seek feedback from former employees to understand and address the reasons behind their departure, allowing us to refine our retention strategies and maintain a stable and committed workforce.

Employee turnover			
	FY2022	FY2023	FY2024
No. of Turnover	85	94	100
Total No. of employees	591	656	654
Turnover Rate <sup>4</sup>	14%	14%	15%

Total number of employee turnover <sup>4</sup> by employee category (Bursa C6c)					
		Unit	FY2022	FY2023	FY2024
Senior Management	No. of Turnover	Headcount	1	0	1
	Turnover Rate	Percentage	9%	0%	9%
Middle Management	No. of Turnover	Headcount	3	2	8
	Turnover Rate	Percentage	5%	3%	13%
Other Employees	No. of Turnover	Headcount	81	92	91
	Turnover Rate	Percentage	16%	16%	16%

<sup>3</sup> In 2024, we have changed the methodology to calculate new hire rate. New hire rate for each category = No. of new hires in the category/ Total no. of employees in the category at the end of reporting period.

<sup>4</sup> In 2024, we have changed the methodology to calculate turnover rate. Turnover rate for each category = No. of employee turnover in the category/ Total No. of employees in the category at the end of reporting period.

## SUSTAINABILITY STATEMENT (Cont'd)

### 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, equity and inclusivity across a range of factors such as age, gender, race, nationality, sexual orientation, cultural background or other personal attributes.

Employees by Gender, Age and Ethnicity			
	FY2022	FY2023	FY2024
Employees by gender			
Male	484	549	557
	82%	84%	85%
Female	107	107	97
	18%	16%	15%
Employees by age			
X < 30	174	198	185
	29%	30%	28%
30 < x < 50	307	347	362
	52%	53%	55%
X > 50	110	111	107
	19%	17%	17%
Employees by ethnicity			
Bumiputera	282	293	291
	48%	45%	45%
Chinese	133	125	127
	22%	19%	19%
Indian	12	12	12
	2%	2%	2%
Others	164	226	224
	28%	34%	34%
Total	591	656	654

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.

### 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.

# SUSTAINABILITY STATEMENT (Cont'd)

## Total hours of training by employee category (Bursa C6a; GRI 404)

		Unit	FY2022	FY2023	FY2024
Senior Management	Total hours of training	Hours	16	144	616
	Average Training hours	Hours	1.45	12.00	56.00
Middle Management	Total hours of training	Hours	128	1,035	1,227
	Average Training hours	Hours	2.10	16.43	19.79
Other Employees	Total hours of training	Hours	1,048	2,800	2,932
	Average Training hours	Hours	2.02	4.82	5.06
Total	Total hours of training	Hours	1,192	3,979	4,775
	Total no. of employees	Headcount	591	656	654
	Average Training hours	Hours	2.02	6.07	7.30

The list of relevant training activities is as follows:

No.	Training Title	Training Date
1	HAZARD IDENTIFICATION, RISK ASSESSMENT & RISK CONTROL	02-08-2023 – 03-08-2023
2	HEARING CONSERVATION AT WORKPLACE TRAINING	08-08-2023
3	WORKPLACE ACCIDENT & INJURY REDUCTION TRAINING	09-08-2023
4	SCHEDULED WASTE AND CHEMICAL HANDLING TRAINING	10-08-2023
5	EMERGENCY RESPONSE COMBINED DRILL	15-08-2023 & 18-08-2023
6	HAZARD IDENTIFICATION, RISK ASSESSMENT & RISK CONTROL	17-08-2023
7	ADVOCACY SESSION FOR DIRECTORS AND CEOS OF MAIN MARKET LISTED ISSUERS BY BURSA MALAYSIA	22-08-2023
8	TOTAL PRODUCTIVE MAINTENANCE	22-08-2023 – 23-08-2023
9	PENGURUSAN DISIPLIN, KETIDAKHADIRAN DAN SALAH LAKU PEKERJA	24-08-2023
10	WHAT AMOUNTS TO A CONFLICT OF INTEREST BY DIRECTORS?	12-09-2023
11	ABAC AWARENESS TRAINING	15-09-2023
12	COURSE FOR CERTIFIED ENVIRONMENTAL PROFESSIONAL IN SCRUBBER OPERATION	18-09-2023 – 22-09-2023
13	KEJARI 4.0 OSH NATIONAL SEMINAR & EXHIBITION	26-09-2023 – 27-09-2023
14	WHAT AMOUNTS TO A CONFLICT OF INTEREST BY DIRECTORS?	06-10-2023
15	WELDING TRAINING (WELDER QUALIFICATION)	10-10-2023
16	CONFLICT OF INTEREST BY TRICOR TRAINING ACADEMY	11-10-2023
17	BASIC SCAFFOLDING COMPETENCY	17-10-2023 – 26-10-2023
18	SEMINAR ORANG BERWIBAWA SIRI 4/2023: KE ARAH PEMATUHAN YANG BERTERUSAN	23-10-2023
19	MANDATORY ACCREDITATION PROGRAMME PART II : LEADING FOR IMPACT (LIP)	16-10-2023 – 17-10-2023
20	BDO TAX SEMINAR ON BUDGET 2024	31-10-2023
21	SCHEDULED WASTE MANAGEMENT AND HANDLING FOR OPERATOR & HANDLER	01-11-2023
22	COURSE FOR CERTIFIED ENVIRONMENTAL PROFESSIONAL IN SCHEDULED WASTE MANAGEMENT (cEPSWAM)	06-11-2023 – 10-11-2023
23	BURSA MALAYSIA MANDATORY ACCREDITATION PROGRAMME	20-11-2023 – 21-11-2023
24	MALAYSIAN ENVIRONMENTAL LAW AND REGULATION INTERPRETATION	07-12-2023
25	ENVIRONMENTAL LAW AND REGULATION MANAGEMENT SYSTEM (ISO 14001:2015) INTERPRETATION	19-12-2023 – 20-12-2023
26	FORKLIFT SAFETY & CERTIFICATION TRAINING	27-12-2023



# SUSTAINABILITY STATEMENT (Cont'd)

No.	Training Title	Training Date
27	OVERHEAD CRANE, HOIST SAFETY & CERTIFICATION TRAINING	03-01-2024
28	ENVIRONMENTAL ASPECT AND IMPACT ASSESSEMENT (EAIA)	09-01-2024
29	MICROSOFT EXCEL INTERMEDIATE	10-01-2024
30	NATIONAL BUDGET DISCUSSION FORUM BY CIMA	12-01-2024
31	OMRON PROGRAMMABLE LOGIC CONTROLLER (PLC)	18-01-2024 – 19-01-2024
32	CIMA-AICPA ROUNDTABLE DISCUSSION WITH CIMA PRESIDENT	30-01-2024
33	SCHEDULED WASTES AND CHEMICAL HANDLING TRAINING	31-01-2024
34	24TH CONFERENCE AND EXHIBITION ON OCCUPATIONAL SAFETY AND HEALTH (COSH & SCICOSH)	19-02-2024 – 20-02-2024
35	SIMPOSIUM 50 TAHUN JUBLI EMAS AKTA KUALITI ALLAM SEKITAR	28-02-2024 – 29-02-2024
36	ISO IEC: 17025 INTERNAL AUDITOR	28-02-2024 – 29-02-2024
37	WEBMINAR ON LATEST DEVELOPMENT ON SERVICE TAX 2024	14-03-2024
38	SCHEDULED WASTES AND CHEMICAL HANDLING TRAINING	27-03-2024
39	ISO 9001:2015 QUALITY MANAGEMENT SYSTEM AWARENESS TRAINING	01-04-2024
40	ESG & SUSTAINABLE FINANCIAL STRATEGY BY SAID BUSINESS SCHOOL, OXFORD UNIVERSITY	10-04-2024 – 29-05-2024
41	OCCUPATIONAL SAFETY AND HEALTH COORDINATOR (OSH-C)	22-04-2024 – 24-04-2024
42	ISO 9001:2015 QUALITY MANAGEMENT SYSTEM INTERNAL AUDIT TRAINING	24-04-2024 – 25-04-2024
43	4U LEADERSHIP	26-04-2024 – 28-04-2024
44	FORKLIFT SAFETY & CERTIFICATION TRAINING	30-04-2024
45	MANDATORY ACCREDITATION PROGRAMME PART II: LEADING FOR IMPACT (LIP)	06-05-2024 – 07-05-2024
46	SEMINAR PEMATUHAN AKTA KUALITI ALAM SEKELILING 1974: TANGGUNGJAWAB ORANG YANG BERWIBAWA & PELAPORAN DIGITAL ALAM SEKITAR	21-05-2024
47	ESG ESSENTIALS AND CARBON FOOTPRINT AND WASTE ANALYSIS	04-06-2024 – 05-06-2024
48	OVERHEAD CRANE, HOIST SAFETY AND CERTIFICATION TRAINING	10-06-2024
49	MIA INTERNATIONAL ACCOUNTANTS CONFERENCE 2024	11-06-2024 – 12-06-2024
50	OCCUPATIONAL FIRST AID CERTIFICATION WITH AED & CPR SKILLS TRAINING	09-07-2024 – 10-07-2024
51	OSH WATER SPLASH	10-07-2024 & 15-07-2024
52	SEMINAR PEMATUHAN KUALITI ALAM SEKELILING 1974	17-07-2024 – 18-07-2024

## Upskilling and Reskilling

HTVB will continue to encourage 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 are dedicated to ensuring our employees' well-being, particularly in fostering a healthy work-life balance. Our commitment to employee well-being is reflected in our efforts to create a workplace culture that values empathy, commitment, engagement, and unity.

## Comprehensive Benefits Package

To support our employees, we provide a comprehensive benefits package that goes beyond the basics. In addition to Group Personal Accident, Group Hospital and Surgical healthcare, and disability and invalidity coverage, we offer various personal and professional allowances. These include support for professional membership subscriptions, car and travel allowances, meal allowances, attendance allowances, and night shift allowances for employees working shifts. These benefits are designed to not only meet the immediate needs of our employees but also to support their long-term professional and personal growth.

Promoting Work-Life Balance

HTVB is committed to fostering a balanced work-life environment. To achieve this, we regularly organise a variety of sporting events and physical fitness programs. Activities such as badminton, futsal, football, and bowling are encouraged and organised by a dedicated committee. These initiatives promote physical well-being and create opportunities for employees to connect and build camaraderie outside of the workplace.

By providing these benefits and promoting a healthy work-life balance, HTVB aims to create a supportive and cohesive work environment where employees feel valued and engaged.

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 RM221,700 over two years, benefiting over two thousand people. In FY2024, we had no local community initiatives, however we are committed to support them and are planning initiatives.

Data Security

HTVB remains committed to upholding robust privacy and cybersecurity protocols to safeguard the extensive data of our clients, customers, and internal teams. As we continue to grow and leverage digital technologies across our operations, we are fully committed to ensuring that all data, particularly sensitive and proprietary information, is protected against unauthorised access, breaches, and other cyber threats. Our adherence to the Personal Data Protection Act ("PDPA") is unwavering. In the fiscal year 2024, there were no reported data breaches, and no verified complaints related to customer data loss or privacy breaches.

Number of reports of data breaches or customer data loss			
	FY2022	FY2023	FY2024
Number of reported cases	0	0	0

PROTECTING ENVIRONMENT

Energy Consumption

At HTVB, energy efficiency is a key component of our commitment to sustainability and operational excellence. We recognise the importance of optimising energy use across all facets of our operations, not only to reduce costs but also to minimise our environmental impact. To meet the evolving needs of our customers while reducing energy consumption, HTVB has implemented effective production scheduling and order management strategies. These practices ensure that energy is used efficiently without compromising the quality or timeliness of our deliveries. By carefully aligning our production processes with customer demand, we are able to minimise unnecessary energy use, thereby contributing to both cost savings and environmental preservation.

As part of our continuous efforts to enhance energy efficiency, HTVB has undertaken a comprehensive upgrade of our lighting systems. We have replaced traditional spotlights and fluorescent light tubes with energy-efficient Light-Emitting Diode (LED) tubes throughout our factory premises, offices, and street lighting. This transition to LED lighting not only contributes to a more environmentally conscious workplace but also results in significant annual cost savings. We are in the process of installing a rooftop solar photovoltaic (PV) system on our buildings. This installation, completed in September 2024, will have a total capacity of 4,681 kWp, generating over 6 million kWh of electricity annually. The integration of solar power into our energy mix underscores our dedication to renewable energy sources and reducing our carbon footprint. This solar initiative is expected to further enhance our energy efficiency, while also supporting our broader environmental objectives. In FY2024, our energy consumption from diesel was 1,712 MWh<sup>5</sup> and from electricity consumption was 13,529 MWh.

<sup>5</sup> Based on eia.gov calculations

## SUSTAINABILITY STATEMENT (Cont'd)

Total energy consumption				
	Unit	FY2022	FY2023	FY2024
Diesel	Litres	180,842	162,025	160,963
Electricity/ Consumption	KWh	11,878,156	10,984,353	13,529,523
Total Energy <sup>6</sup>	MWh	13,801.61	12,707.66	15,241.54

To reinforce our commitment to energy conservation, HTVB has set an ambitious target of sourcing 40% electricity consumption from renewable sources by 2030. This goal reflects our proactive approach to sustainability and our determination to continuously improve our energy performance. We are committed to implementing and refining practices that will help us achieve this target, contributing to both environmental stewardship and cost efficiency.

### Carbon Emissions

At HTVB, as a manufacturing concern, we closely monitoring air emissions and energy consumption, as these are significant contributors to pollution from our operations. In line with Malaysia's aspirations to achieve climate neutrality by 2050, we are committed to integrating sustainability into our daily business activities. Our efforts in carbon management include the implementation of fume scrubbers, air emission control systems, and monitoring mechanisms to mitigate the impact of our operations on the environment.

We calculated our greenhouse gas (GHG) emissions for both Scope 1 and Scope 2, using the GHG Protocol. This data has been integrated into our carbon emissions declaration, reflecting our commitment to transparency and sustainability.

Scope 1 emissions are direct GHG emissions generated from sources that are owned or controlled by HTVB, primarily through fuel consumption. In FY2024, we recorded a total diesel consumption of 160,963 litres, 0.6% decrease from the 162,025 litres consumed in FY2023. This reduction in diesel usage has directly contributed to the lowering of our Scope 1 emissions. Whereas Scope 2 emissions are indirect GHG emissions associated with the production and consumption of electricity. In FY2024, our total electricity consumption was 13,529,523 kWh, reflecting a 23% increase compared to FY2023. The increase in scope 2 emissions in FY2024 is attributed to higher production volume which led to the increase in electricity consumption.

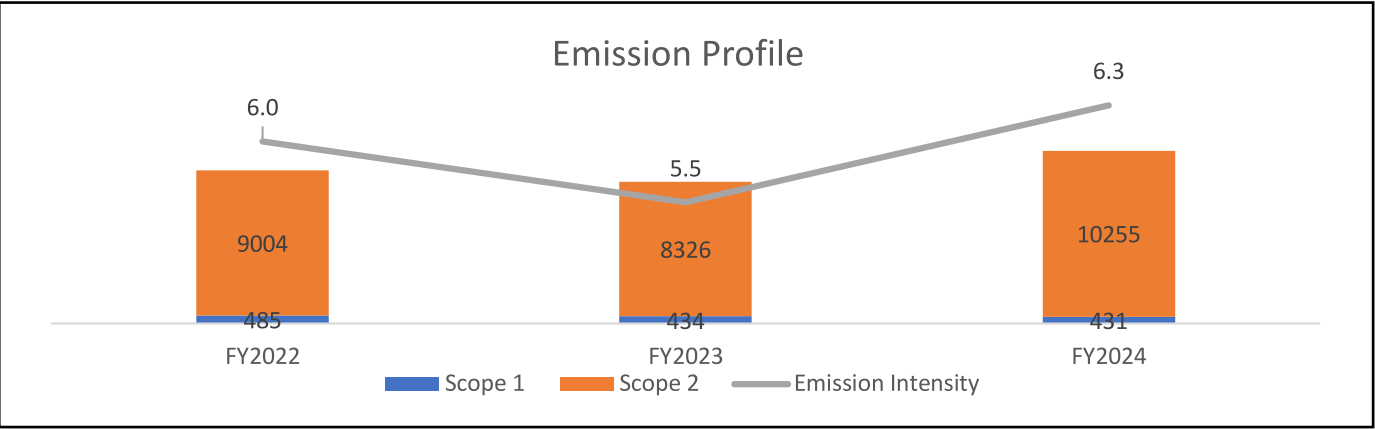
Total Emissions <sup>7 8</sup>				
	Unit	FY2022	FY2023	FY2024
Scope 1 Emissions	tCO2e	485	434	431
Scope 2 Emissions	tCO2e	9,004	8,326	10,255
Total Emissions	tCO2e	9,489	8,760	10,686
Emission Intensity (Scope 1 + Scope 2 emissions / Total revenue)	tCO2e / RM million	6.0	5.5	6.3

The carbon emission intensity, calculated as the total of Scope 1 and Scope 2 emissions divided by total revenue, was 6.3 tonnes of CO2 equivalent per RM million of revenue in FY2024. While the intensity increased slightly from previous year's intensity, we will continue our ongoing efforts to reduce our carbon footprint relative to our business growth.

<sup>6</sup> Include fuel and electricity consumption

<sup>7</sup> We have restated Scope 2 emissions of FY2022 and FY2023 based on the latest emission factor used in FY2024

<sup>8</sup> Emission factors are sourced from World Resource Institute (2015). GHG Protocol tool for stationary combustion. Version 4.1 and Grid Emission factor for Peninsular Malaysia for year 2021 by Energy Commission



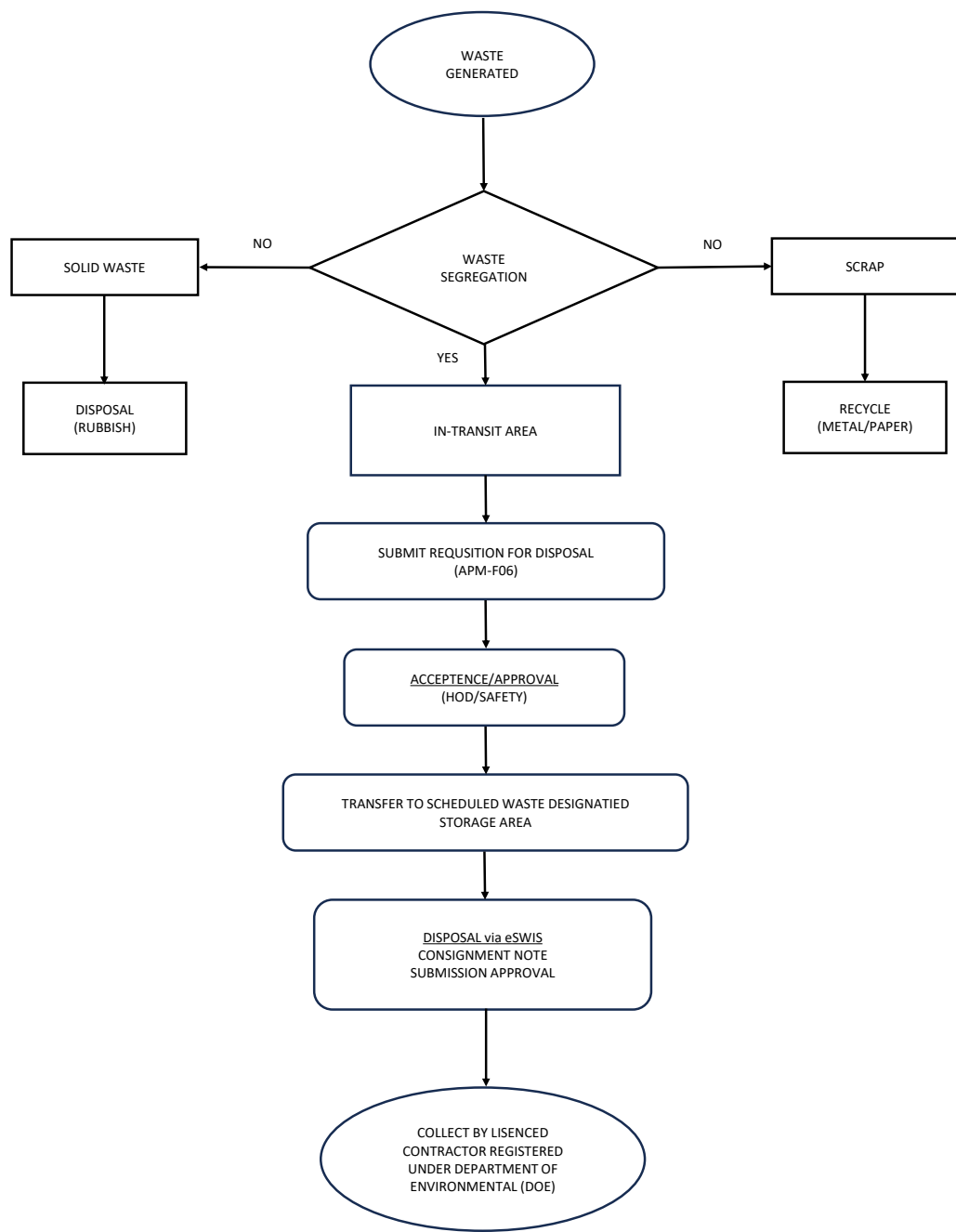
HTVB is committed to continuing these efforts, with a goal of reducing scope 2 emission by sourcing renewable energy. By doing so, we aim to contribute to global and national targets for carbon reduction while ensuring the sustainability of our operations.

Waste Management

HTVB is committed to adhering to the Environmental Quality Act of 1974 (EQA 1974) in our waste management practices. We recognise the importance of proper waste handling and disposal to mitigate environmental risks and have implemented a comprehensive waste management framework to ensure compliance and sustainability.

Our waste management framework is designed to oversee the proper treatment and disposal of various types of waste generated from our operations. We engage qualified waste disposal contractors who adhere to strict protocols for reducing environmental risks, with all activities appropriately reported to the Department of Environment. The process flow for waste management, from generation to disposal, is depicted in the flowchart below:

WASTE MANAGEMENT FLOWCHART



As part of our sustainability efforts, we are actively working to minimise waste generation across our operations. We are progressively integrating recycling concepts throughout our supply chains, focusing on reusing, repurposing, and recycling materials wherever possible. This approach not only helps reduce the total volume of waste but also contributes to the conservation of resources, alleviating the pressure on the Earth’s limited natural reserves.

## SUSTAINABILITY STATEMENT (Cont'd)

Total waste generated (Bursa C10a; GRI 306)				
	Unit	FY2022	FY2023	FY2024
a. Total waste diverted from disposal (reused, recycled or other recovery operation)	Metric tonnes	12.18	15.28	20.17
b. Total waste directed to disposal	Metric tonnes	150.39	89.60	198.16
Total waste generated (a+b)	Metric tonnes	162.57	104.88	218.33

To further our commitment to waste management, we have set a target to reduce the total waste generated by 10% in next year from FY2023 levels. This target underscores our dedication to continuous improvement in environmental stewardship and sustainable resource management.

### Water Consumption

Considering that steel production involves a significant volume of water usage, especially during processes like chilling and descaling, we recognise 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 are gradually reducing water consumption and intensity over the past years. Though this year we have seen a slight uptick in the usage and intensity, we will continue with our approach. Our initial approach to reduce water consumption is of introducing rainwater harvesting to storage tanks utilising to certain substantial high water consumption processes. We have set target to a 10% reduction in water consumption intensity by 2030 from 2023 baseline.

Total volume of water used				
	Unit	FY2022	FY2023	FY2024
Total water consumption	Megalitres	51.825	45.911	56.065
Water consumption intensity (Total water consumption / Total revenue)	Total Water Used / Revenue (RM mil)	0.033	0.029	0.033

### Environmental Compliance

HTVB complies strictly with all pertinent environmental laws and regulations in Malaysia. The responsibility for ensuring environmental compliance lies with our management team, which regularly reviews and assesses the Group's policies and procedures related to environmental mandates. This proactive approach allows us to identify potential areas of non-compliance and take immediate corrective actions when necessary. In cases where non-compliance is detected, the management conducts thorough investigations to understand the root causes and implements strategies to prevent future occurrences. All incidents and actions taken are reported to the Board of Directors, ensuring transparency and accountability.

HTVB is pleased to report that for the fiscal years FY2024, FY2023, and FY2022, the Group did not receive any communications or notices from government authorities or regulatory bodies indicating non-compliance with environmental regulations.

### Climate related disclosures

In alignment with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, we have taken significant steps toward identifying and managing climate-related risks and opportunities. As part of this effort, we conducted a climate risk workshop with our senior management and Board to assess potential risks and opportunities arising from climate change.

During this workshop, we began the process of mapping out key climate risks relevant to our operations and strategy. Currently, we are in the process of evaluating the impact and likelihood of these risks, which will allow us to prioritise them based on their potential effect on our business.

We have already strengthened our sustainability governance, as outlined in the "Sustainability Governance" section of this report. Additionally, we are disclosing key environmental metrics related to emissions, waste, and energy usage. Further, we are in the process of setting targets for these climate-related metrics, which will form the foundation of our long-term sustainability strategy.

While our risk assessment is still under review, we are committed to refining our approach and will be reporting on the full spectrum of identified risks, along with our risk management processes, in the next sustainability report. This will include the steps we are taking to mitigate climate risks and capitalise on emerging opportunities, ensuring that our business remains resilient in the face of climate change.

## SUSTAINABILITY STATEMENT (Cont'd)

### MOVING FORWARD

HTVB recognises the global warming and various environmental issues, and the world's collective 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)				
	Unit	FY2022	FY2023	FY2024
Revenue	RM'000	1,583,278	1,585,208	1,683,207
Profit After Tax	RM'000	156,364	31,830	107,359
Proportion of spending on local suppliers (Bursa C7a; GRI 204)				
	Unit	FY2022	FY2023	FY2024
Spending on local suppliers	Percentage	49%	57%	48%

#### Environmental

Electricity consumption (Bursa C4a; GRI 302-1a, 302-1b;)				
	Unit	FY2022*	FY2023	FY2024
Total Electricity Consumption	Kwh	11,878,156	10,984,353	13,529,523
Consumption of fuel (GRI 302-1a, 302-1b)				
	Unit	FY2022	FY2023	FY2024
Petrol	Litres	0	0	0
Diesel Consumption	Litres	180,842	162,025	160,963
Total volume of water used (Bursa C9a; GRI 303-1)				
	Unit	FY2022	FY2023	FY2024
Total volume of water used	Megalitres	51.825	45.911	56.065
Water Intensity	Total Water Used / Revenue (RM mil)	0.033	0.029	0.033
GHG Scope 1, 2, 3 emissions* (Bursa C11a, C11b; GRI 305-1, 305-2)				
	Unit	FY2022	FY2023	FY2024
Scope 1 emissions	tonnes of CO <sub>2</sub> e	485	434	431
Scope 2 emissions	tonnes of CO <sub>2</sub> e	9,004	8,326	10,255
Total Emissions	tonnes of CO <sub>2</sub> e	9,489	8,760	10,686
GHG Intensity (GRI 305-4)				
	Unit	FY2022	FY2023	FY2024
Total Emission Intensity	tonnes of CO <sub>2</sub> e/ Revenue (RM mil)	6.0	5.5	6.3

\*We have restated total diesel consumption for FY 2022 due to the inclusion of data from subsidiary Brilliant Decade Agency Sdn Bhd. (Previous total diesel consumption disclosures: FY2022: 39,063 litres) Furthermore, we restated the Scope 1 emission based on the new total diesel consumption numbers of FY2022. (Previous Scope 1 emission disclosures: FY2022: 104,689 tCO<sub>2</sub>e)

\*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



## SUSTAINABILITY STATEMENT (Cont'd)

Total waste generated (Bursa C10a; GRI 306)				
	Unit	FY2022	FY2023	FY2024
a. Total waste diverted from disposal (reused, recycled or other recovery operation)	Metric tonnes	12.18	15.28	20.17
b. Total waste directed to disposal	Metric tonnes	150.39	89.60	198.16
Total waste generated (a+b)	Metric tonnes	162.57	104.88	218.33
Confirmed incidents of violation against environmental compliance				
	Unit	FY2022	FY2023	FY2024
Number of cases against environmental regulations	Number	0	0	0

### Employee Profile

Senior management				
	Unit	FY2022	FY2023	FY2024
Total	Headcount	11	12	11
Male	Headcount	11	12	11
	Percentage	100%	100%	100%
Female	Headcount	0	0	0
	Percentage	0%	0%	0%
Middle management				
Total	Headcount	61	63	64
Male	Headcount	41	42	42
	Percentage	67%	67%	66%
Female	Headcount	20	21	22
	Percentage	33%	33%	34%
Other employees				
Total	Headcount	519	581	579
Male	Headcount	432	495	504
	Percentage	83%	85%	87%
Female	Headcount	87	86	75
	Percentage	17%	15%	13%

## SUSTAINABILITY STATEMENT (Cont'd)

Employee profile by age (X = age)				
Senior management				
	Unit	FY2022	FY2023	FY2024
Total	Headcount	11	12	11
X < 30	Headcount	0	1	1
	Percentage	0%	8%	9%
30 <= x <= 50	Headcount	2	1	1
	Percentage	18%	8%	9%
X > 50	Headcount	9	10	9
	Percentage	82%	83%	82%
Middle management				
Total	Headcount	61	63	64
X < 30	Headcount	2	1	2
	Percentage	3%	2%	3%
30 <= x <= 50	Headcount	42	43	44
	Percentage	69%	68%	69%
X > 50	Headcount	17	19	18
	Percentage	28%	30%	28%
Other employees				
Total	Headcount	519	581	579
X < 30	Headcount	172	196	182
	Percentage	33%	34%	31%
30 <= x <= 50	Headcount	263	303	317
	Percentage	51%	52%	55%
X > 50	Headcount	84	82	80
	Percentage	16%	14%	14%
Percentage of employees that are contractors or temporary staff (Bursa C6b; GRI 401)				
	Unit	FY2022	FY2023	FY2024
Permanent employees	Headcount	566	636	635
	Percentage	96%	97%	97%
Temporary/Contract employees	Headcount	25	20	19
	Percentage	4%	3%	3%
Employee profile by ethnicity				
	Unit	FY2022	FY2023	FY2024
Bumiputera	Headcount	282	293	291
	Percentage	48%	45%	45%
Chinese	Headcount	133	125	127
	Percentage	22%	19%	19%
Indian	Headcount	12	12	12
	Percentage	2%	2%	2%
Others	Headcount	164	226	224
	Percentage	28%	34%	34%
Total	Headcount	591	656	654

## SUSTAINABILITY STATEMENT (Cont'd)

Percentage of directors by gender (Bursa C3b; GRI 405-1a)				
	Unit	FY2022	FY2023	FY2024
Total	Headcount	8	8	8
Male	Headcount	8	7	7
	Percentage	100%	87%	87%
Female	Headcount	0	1	1
	Percentage	0%	13%	13%

Percentage of directors by age group (X = age) (GRI 405-1a)				
Total	Headcount	8	8	8
X<30	Headcount	0	0	0
	Percentage	0%	0%	0%
30 ≤ X ≤ 50	Headcount	1	1	1
	Percentage	13%	13%	13%
X>50	Headcount	7	7	7
	Percentage	87%	87%	87%

### New Hire and Turnover

New hire rate by age (X = age) (GRI 401-1a)					
		Unit	FY2022	FY2023	FY2024
X < 30	New Hires	Headcount	46	82	64
	Total No. of employees (X < 30)	Headcount	174	198	185
	New Hire Rate	Percentage	26%	41%	35%
30 <= x <= 50	New Hires	Headcount	22	74	28
	Total No. of employees (30 to 50)	Headcount	307	347	362
	New Hire Rate	Percentage	7%	21%	8%
X > 50	New Hires	Headcount	8	3	6
	Total No. of employees (X>50)	Headcount	110	111	107
	New Hire Rate	Percentage	7%	3%	6%
Total	New Hires	Headcount	76	159	98
	Total No. of employees	Headcount	591	656	654
	New Hire Rate	Percentage	13%	24%	15%

New hire rate by gender (GRI 401-1a)					
		Unit	FY2022	FY2023	FY2024
Male	New Hires	Headcount	70	149	86
	Total No. of employees (Male)	Headcount	484	549	548
	New Hire Rate	Percentage	14%	27%	15%
Female	New Hires	Headcount	6	10	12
	Total No. of employees (Female)	Headcount	107	107	106
	New Hire Rate	Percentage	6%	9%	12%

## SUSTAINABILITY STATEMENT (Cont'd)

### Total number of employee turnover by employee category (Bursa C6c)

		Unit	FY2022	FY2023	FY2024
Senior Management	No. of Turnover	Headcount	1	0	1
	Total No. of Senior Managers	Headcount	11	12	11
	Turnover Rate	Percentage	9%	0%	9%
Middle Management	No. of Turnover	Headcount	3	2	8
	Total No. of Middle Managers	Headcount	61	63	64
	Turnover Rate	Percentage	5%	3%	13%
Other Employees	No. of Turnover	Headcount	81	92	91
	Total No. of Other Employees	Headcount	519	581	579
	Turnover Rate	Percentage	16%	16%	16%

### Employee turnover by age (X = age) (GRI 401-1b)

		Unit	FY2022	FY2023	FY2024
X < 30	No. of Turnover	Headcount	32	43	48
	Total No. of employees (X < 30)	Headcount	174	198	185
	Turnover Rate	Percentage	18%	22%	26%
30 <= x <= 50	No. of Turnover	Headcount	39	40	38
	Total No. of employees (30-50)	Headcount	307	347	362
	Turnover Rate	Percentage	13%	12%	10%
X > 50	No. of Turnover	Headcount	14	11	14
	Total No. of employees (X>50)	Headcount	110	111	107
	Turnover Rate	Percentage	13%	10%	13%
Total	No. of Turnover	Headcount	85	94	100
	Total No. of employees	Headcount	591	656	654
	Turnover Rate	Percentage	14%	14%	15%

### Employee turnover by gender (GRI 401-1b)

		Unit	FY2022	FY2023	FY2024
Male	No. of Turnover	Headcount	70	84	90
	Total No. of employees (Male)	Headcount	484	549	548
	Turnover Rate	Percentage	14%	15%	16%
Female	No. of Turnover	Headcount	15	10	10
	Total No. of employees (Female)	Headcount	107	107	106
	Turnover Rate	Percentage	14%	9%	9%

### Occupational Health and Safety

#### Number of work-related fatalities (Bursa C5a; GRI 403-9)

	Unit	FY2022	FY2023	FY2024
Number of work-related fatalities	Number	0	0	0

## SUSTAINABILITY STATEMENT (Cont'd)

Lost time incident rate (Bursa C5b)				
	Unit	FY2022	FY2023	FY2024
a. Number of lost time injuries in the reporting period	Number	7	19	15
b. Total number of hours worked by all employees in the reporting period	Hours	1,586,848	1,706,000	1,874,460
c. LTIR (=a/b *200,000)	Number	0.9	2.2	1.6

Number of employees trained on health and safety standards (Bursa C5c)				
	Unit	FY2022	FY2023	FY2024
Number of employees trained on health and safety standards	Number	95	97	470

### Other Social Indicators

Total hours of training by employee category (Bursa C6a; GRI 404)					
		Unit	FY2022	FY2023	FY2024
Senior Management	Total hours of training	Hours	16	144	616
	Total no. of senior managers	Headcount	11	12	11
	Average Training hours	Hours	1.45	12.00	56.00
Middle Management	Total hours of training	Hours	128	1,035	1,227
	Total no. of middle managers	Headcount	61	63	64
	Average Training hours	Hours	2.10	16.43	19.79
Other Employees	Total hours of training	Hours	1,048	2,800	2,932
	Total no. of other employees	Headcount	519	581	611
	Average Training hours	Hours	2.02	4.82	4.80
Total	Total hours of training	Hours	1,192	3,979	4,775
	Total no. of employees	Headcount	591	656	654
	Average Training hours	Hours	2.02	6.07	7.30

Number of substantiated complaints concerning data security (Bursa C8a; GRI 418)				
	Unit	FY2022	FY2023	FY2024
Number of substantiated complaints	Number	0	0	0

Number of substantiated complaints concerning human rights violations (Bursa C6d)				
	Unit	FY2022	FY2023	FY2024
Number of substantiated complaints	Number	0	0	0

## SUSTAINABILITY STATEMENT (Cont'd)

### Anti-corruption

Percentage of employees who have received training on anti-corruption by employee category (Bursa C1a; GRI 205-2e)					
		Unit	FY2022	FY2023	FY2024
Senior Management	Number of received	Headcount	0	0	8
	Total no. of senior managers	Headcount	11	12	11
	Percentage	Percentage	0%	0%	73%
Middle Management	Number of received	Headcount	0	0	6
	Total no. of middle managers	Headcount	61	63	64
	Percentage	Percentage	0%	0%	9%
Other Employees	Number of received	Headcount	0	0	17
	Total no. of other employees	Headcount	519	581	579
	Percentage	Percentage	0%	0%	3%
Anti-Corruption (Bursa C1c; GRI 205-3a)					
		Unit	FY2022	FY2023	FY2024
Number of confirmed incidents of corruption		Number	0	0	0
Percentage of operations assessed for corruption-related risks		Percentage	0%	0%	0%

### GRI CONTENT INDEX

Hiap Teck Venture Berhad has reported the information cited in the GRI content index for the period from 1 August 2023 to 31 July 2024 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	43
	2-3: Reporting period, frequency and contact point	43
	2-7: Employees	57,58
	2-12: Role of the highest governance body in overseeing the management of impacts	43,44,45
	2-13: Delegation of responsibility for managing impacts	43,44,45
	2-14: Role of the highest governance body in sustainability reporting	43,44,45
	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	49-66
200 series (Economic topics)		
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed	49,50
GRI 205: Anti-corruption 2016	205-1: Operations assessed for risks related to corruption	51,52
	205-2: Communication and training about anti-corruption policies and procedures	51,52
	205-3: Confirmed incidents of corruption and actions taken	51,52

## SUSTAINABILITY STATEMENT (Cont'd)

GRI Standards	Disclosure	Page
<b>300 series (Environmental topics)</b>		
GRI 302: Energy 2016	302-1: Energy consumption within the organisation	62,63,64
	302-3: Energy intensity	62,63,64
GRI 303: Water and Effluents 2018	303-5: Water consumption	66
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	62,63,64
	305-2: Energy indirect (Scope 2) GHG emissions	62,63,64
	305-4: GHG emissions intensity	62,63,64
GRI 306: Waste 2020	306-3: Waste generated	64,65,66
<b>400 series (Social topics)</b>		
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	58,70,71
GRI 403: Occupational Health and Safety 2018	403-9: Work-related injuries	54,55
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	52
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	59
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	62



# SUSTAINABILITY STATEMENT (Cont'd)

## PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	73.00
Middle Management	Percentage	9.00
Other Employees	Percentage	3.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	9.00
Senior Management Between 30-50	Percentage	9.00
Senior Management Above 50	Percentage	82.00
Middle Management Under 30	Percentage	3.00
Middle Management Between 30-50	Percentage	69.00
Middle Management Above 50	Percentage	28.00
Other Employees Under 30	Percentage	31.00
Other Employees Between 30-50	Percentage	55.00
Other Employees Above 50	Percentage	14.00
Gender Group by Employee Category		
Senior Management Male	Percentage	100.00
Senior Management Female	Percentage	0.00
Middle Management Male	Percentage	66.00
Middle Management Female	Percentage	34.00
Other Employees Male	Percentage	87.00
Other Employees Female	Percentage	13.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	87.00
Female	Percentage	13.00
Under 30	Percentage	0.00
Between 30-50	Percentage	13.00
Above 50	Percentage	87.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	15,241.00
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.60
Bursa C5(c) Number of employees trained on health and safety standards	Number	470
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	616
Middle Management	Hours	1,227
Other Employees	Hours	2,932
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	1
Middle Management	Number	8
Other Employees	Number	91
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		

## SUSTAINABILITY STATEMENT (Cont'd)

### PERFORMANCE DATA TABLE (Cont'd)

Indicator	Measurement Unit	2024
Bursa C7(a) Proportion of spending on local suppliers	Percentage	48.00
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	56.065000
<b>Bursa (Waste management)</b>		
Bursa C10(a) Total waste generated	Metric tonnes	218.33
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	20.17
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	198.16
<b>Bursa (Emissions management)</b>		
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	431.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	10,255.00

Internal assurance External assurance No assurance

(\*) Restated

# FINANCIAL STATEMENTS

for the financial year ended 31 July 2024



## 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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<b>83</b>	<b>Statements of Profit or Loss and Other Comprehensive Income</b>
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# DIRECTORS' REPORT

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 2024.

## 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	106,346	242,348
Non-controlling interests	1,013	-
	107,359	242,348

## Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

## Dividends

Since the end of the previous financial year, the Company paid a single tier final dividend of 0.5 sen per ordinary share totaling RM8,711,150 in respect of financial year ended 31 July 2023 on 19 January 2024.

The first and final single tier dividend recommended by the Directors in respect of the financial year ended 31 July 2024 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' Sri Mohamad Fuzi Bin Harun  
Tan Sri Dato' Seri Law Tien Seng  
Sherman Lam Yuen Suen  
Chen Thien Yin  
Dato' Ooi Lay See  
Foo Kok Siew  
Tan Shau Ming  
Law Wai Cheong  
Lee Ching Kion (Retired on 15 December 2023)

## 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  
Tan Yuen Hong  
Hoo Weng Keong  
Law Wai Ho  
Chan Kong Ming  
Wang Shenghua  
Tang Chee Yoon (Resigned on 23 October 2023)  
Ng Kian Hin (Resigned on 12 December 2023)

## DIRECTORS' REPORT (Cont'd)

### Directors' interests in shares

The interests and deemed interests in the shares and options over 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:

	At 1.8.2023	Number of ordinary shares		At 31.7.2024
		Bought	Sold	
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 their interests in the shares of the Company, Tan Sri Dato' Seri Law Tien Seng is deemed interested in the shares of the subsidiaries during the financial year to the extent that Hiap Teck Venture Berhad has an interest.

None of the other Directors holding office at 31 July 2024 had 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 2024 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	459	38
Remuneration	3,777	528
Other short-term employee benefits	483	57
Trading between companies in which certain Directors who have significant interests and certain companies in the Group in the ordinary course of business	996	532,918
	5,715	533,541

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.

## DIRECTORS' REPORT (Cont'd)

### Issue of shares and debentures

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

### Treasury shares

As at 31 July 2024, 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 the Company, 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 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.

## DIRECTORS' REPORT (Cont'd)

### Other statutory information (continued)

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.

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, except for the reversal of impairment loss in investment of joint venture at the Company as disclosed in Note 7 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 July 2024 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 RM487,600 and RM190,500 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: 30 October 2024



# STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2024

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
<b>Assets</b>					
Property, plant and equipment	3	303,243	280,153	3,648	4,076
Right-of-use assets	4	3,252	4,160	3,252	4,160
Investment properties	5	9,869	10,655	90,554	91,906
Investments in subsidiaries	6	-	-	94,212	94,212
Interest in equity accounted investments	7	724,871	594,352	771,075	508,964
Other investments	8	140	996	-	-
Other receivables	9	34,745	41,635	19,928	-
Deferred tax assets	14	4,737	4,740	-	-
<b>Total non-current assets</b>		1,080,857	936,691	982,669	703,318
Inventories	10	492,074	444,106	-	-
Current tax assets		11,304	14,367	-	3,016
Trade and other receivables	9	412,574	358,865	3,746	25,329
Other investments	8	4,728	3,644	1,076	2,232
Derivative financial assets	11	244	420	-	-
Cash and cash equivalents	12	93,881	134,315	1,414	546
<b>Total current assets</b>		1,014,805	955,717	6,236	31,123
<b>Total assets</b>		2,095,662	1,892,408	988,905	734,441
<b>Equity</b>					
Share capital	13	872,654	872,654	872,654	872,654
Reserves	13	511,255	413,617	85,184	(148,453)
<b>Total equity attributable to owners of the Company</b>		1,383,909	1,286,271	957,838	724,201
Non-controlling interests		754	(259)	-	-
<b>Total equity</b>		1,384,663	1,286,012	957,838	724,201
<b>Liabilities</b>					
Lease liabilities		2,458	3,366	2,458	3,366
Deferred tax liabilities	14	13,512	9,914	2,368	2,320
Other payables	16	-	-	21,122	-
<b>Total non-current liabilities</b>		15,970	13,280	25,948	5,686
Loans and borrowings	15	565,501	539,076	-	-
Lease liabilities		908	873	908	873
Trade and other payables	16	118,115	48,810	3,971	3,681
Contract liabilities	17	6,381	1,307	-	-
Derivative financial liabilities	11	2,803	2,506	-	-
Current tax liabilities		1,321	544	240	-
<b>Total current liabilities</b>		695,029	593,116	5,119	4,554
<b>Total liabilities</b>		710,999	606,396	31,067	10,240
<b>Total equity and liabilities</b>		2,095,662	1,892,408	988,905	734,441

The notes set out on pages 90 to 135 are an integral part of these financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2024

		Group		Company	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Revenue	18	1,683,207	1,585,208	53,623	37,161
Cost of sales	19	(1,581,949)	(1,535,944)	-	-
<b>Gross profit</b>		101,258	49,264	53,623	37,161
Other operating income		7,612	8,884	209,319	446
Operating costs in respect of income generating investment properties		(358)	(322)	(1,352)	(1,348)
Administrative expenses		(26,830)	(33,447)	(15,891)	(21,858)
Selling and marketing expenses		(16,379)	(15,900)	-	-
Other operating expenses		(504)	(3,063)	-	-
Net loss on impairment of trade receivables		(2,301)	(1,167)	-	-
<b>Results from operating activities</b>		62,498	4,249	245,699	14,401
Finance income		2,192	2,373	134	231
Finance costs	20	(24,584)	(20,673)	(1,508)	(208)
<b>Net finance (costs)/income</b>		(22,392)	(18,300)	(1,374)	23
Share of profit of equity-accounted investees, net of tax	7	77,284	44,515	-	-
<b>Profit before tax</b>		117,390	30,464	244,325	14,424
Tax (expense)/income	21	(10,031)	1,366	(1,977)	(5,098)
<b>Profit for the year</b>	22	107,359	31,830	242,348	9,326
<b>Other comprehensive income/(loss), net of tax</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Fair value gain on other investments designated at fair value through other comprehensive income		40	218	-	-
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		(37)	10	-	-
<b>Other comprehensive income for the year, net of tax</b>		3	228	-	-
<b>Total comprehensive income for the year</b>		107,362	32,058	242,348	9,326
<b>Profit for the year attributable to:</b>					
Owners of the Company		106,346	30,911	242,348	9,326
Non-controlling interests	6	1,013	919	-	-
<b>Profit for the year</b>		107,359	31,830	242,348	9,326
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		106,349	31,139	242,348	9,326
Non-controlling interests	6	1,013	919	-	-
<b>Total comprehensive income for the year</b>		107,362	32,058	242,348	9,326
<b>Earnings per ordinary share (sen):</b>					
Basic	24	6.10	1.77		
Diluted	24	6.10	1.77		

The notes set out on pages 90 to 135 are an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 JULY 2024

		Attributable to owners of the Company						
		Non-distributable			Distributable			
Group	Note	Share capital	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 August 2022</b>		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
<b>Total comprehensive income for the year</b>		-	-	228	30,911	31,139	919	32,058
Dividends to owners of the Company	25	-	-	-	(17,422)	(17,422)	-	(17,422)
<b>Total transactions with owners of the Company</b>		-	-	-	(17,422)	(17,422)	-	(17,422)
Dividend to non-controlling interests		-	-	-	-	-	(735)	(735)
<b>At 31 July 2023</b>		872,654	(7,499)	(1,930)	423,046	1,286,271	(259)	1,286,012

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 JULY 2024 (Cont'd)

	Note	Attributable to owners of the Company					Non-		Total equity
		Share capital	Treasury shares	Other reserves	Retained earnings	Total	controlling interests		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>									
<b>At 1 August 2023</b>		872,654	(7,499)	(1,930)	423,046	1,286,271	(259)	1,286,012	
Foreign currency translation differences for foreign operations		-	-	(37)	-	(37)	-	(37)	
Fair value gain on other investments		-	-	40	-	40	-	40	
Total other comprehensive income		-	-	3	-	3	-	3	
Disposal of other investments	8	-	-	1,574	(1,574)	-	-	-	
Profit for the year		-	-	-	106,346	106,346	1,013	107,359	
<b>Total comprehensive income for the year</b>		-	-	1,577	104,772	106,349	1,013	107,362	
Dividends to owners of the Company	25	-	-	-	(8,711)	(8,711)	-	(8,711)	
<b>Total transactions with owners of the Company</b>		-	-	-	(8,711)	(8,711)	-	(8,711)	
<b>At 31 July 2024</b>		872,654	(7,499)	(353)	519,107	1,383,909	754	1,384,663	

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

The notes set out on pages 90 to 135 are an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 JULY 2024 (Cont'd)

/----- Attributable to owners of the Company -----/					
/--- Non - distributable ---/ Distributable					
	Share capital	Treasury shares	Accumulated losses	Retained earnings/	Total equity
Note	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Company</b>					
<b>At 1 August 2022</b>					
Profit and total comprehensive income for the year					
	872,654	(7,499)	(132,858)	732,297	
	-	-	9,326	9,326	
25	-	-	(17,422)	(17,422)	(17,422)
<b>Total transactions with owners of the Company</b>					
	-	-	(17,422)	(17,422)	(17,422)
<b>At 31 July 2023/1 August 2023</b>					
Profit and total comprehensive income for the year					
	872,654	(7,499)	(140,954)	724,201	
	-	-	242,348	242,348	
25	-	-	(8,711)	(8,711)	
<b>Total transactions with owners of the Company</b>					
	-	-	(8,711)	(8,711)	
<b>At 31 July 2024</b>					
	872,654	(7,499)	92,683	957,838	
/-----		Note 13 -----/			

The notes set out on pages 90 to 135 are an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED 31 JULY 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		117,390	30,464	244,325	14,424
Adjustments for:					
Bad debts recovered		(21)	-	-	-
Net loss on impairment of trade receivables		2,301	1,167	-	-
Depreciation of investment properties	5	282	255	1,352	1,348
Depreciation of property, plant and equipment	3	19,279	13,703	720	655
Depreciation of right-of-use assets	4	908	907	908	907
Dividend income		(81)	(93)	(30,000)	(6,565)
Fair value loss on foreign exchange derivative		473	2,086	-	-
Finance costs	20	24,584	20,673	1,508	208
Finance income:					
- Amount due from subsidiaries		-	-	(178)	(149)
- Other investments		(95)	(268)	(63)	(212)
- Deposits with licensed banks		(2,097)	(2,105)	(71)	(19)
Gain on disposal of property, plant and equipment		(3,262)	(5,137)	-	-
Gain on disposal of investment properties		(30)	-	-	-
Net unrealised foreign exchange loss		242	903	-	-
Property, plant and equipment written off		36	44	-	-
Share of profit of equity-accounted joint venture, net of tax	7	(77,284)	(44,515)	-	-
Reversal of write-down of inventories	10	(2,891)	(6,352)	-	-
Reversal of impairment loss of investment in joint venture		-	-	(208,876)	-
Allowance for slow moving stock	10	331	565	-	-
<b>Operating profit before changes in working capital</b>		80,065	12,297	9,625	10,597
Changes in working capital:					
Inventories		(45,350)	203,674	-	-
Trade and other receivables		(59,322)	(10,391)	6,286	20,712
Trade and other payables		69,302	(66,398)	84	(7,729)
Contract liabilities		5,074	178	-	-
<b>Cash generated from operations</b>		49,769	139,360	15,995	23,580
Interest paid		(24,461)	(20,523)	(1,385)	(58)
Net income tax paid		(2,590)	(24,411)	1,327	(1,481)
<b>Net cash generated from operating activities</b>		22,718	94,426	15,937	22,041

# STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED 31 JULY 2024 (Cont'd)

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
<b>Cash flows from investing activities</b>					
Additional investment in equity-accounted joint venture	7	(53,235)	-	(53,235)	-
Dividends received		81	93	6,565	15,120
Finance income:					
- Amount due from subsidiaries		-	-	178	149
- Other investments		95	268	63	213
- Deposits with licensed banks		2,097	2,105	71	19
(Increase)/Decrease in other investments		(228)	8,060	1,156	8,321
Disposal of investment properties		534	-	-	-
Proceeds from disposal of property, plant and equipment		5,608	5,852	-	-
Purchase of property, plant and equipment	3	(34,769)	(38,406)	(292)	(569)
Repayment from/(Advances to) subsidiaries		-	-	19,001	(31,307)
<b>Net cash used in investing activities</b>		<b>(79,817)</b>	<b>(22,028)</b>	<b>(26,493)</b>	<b>(8,054)</b>
<b>Cash flows from financing activities</b>					
Loan from a subsidiary		-	-	21,122	-
Repayment from joint venture		-	-	9	4
Dividends paid to owners of the Company	25	(8,711)	(17,422)	(8,711)	(17,422)
Net drawdown/(repayment) of loans and borrowings		26,425	(69,407)	-	-
Payment of lease liabilities		(996)	(995)	(996)	(995)
<b>Net cash generated from/(used in) financing activities</b>		<b>16,718</b>	<b>(87,824)</b>	<b>11,424</b>	<b>(18,413)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(40,381)</b>	<b>(15,426)</b>	<b>868</b>	<b>(4,426)</b>
Effect of exchange rate fluctuations on cash held		(53)	(320)	-	-
Cash and cash equivalents at beginning of year		134,315	150,061	546	4,972
<b>Cash and cash equivalents at end of year</b>	12	<b>93,881</b>	<b>134,315</b>	<b>1,414</b>	<b>546</b>

### Cash outflows for leases as a lessee

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
<b>Included in net cash from operating activities</b>					
Payment relating to short-term leases	22	806	743	-	-
Payment relating to leases of low-value assets	22	16	18	-	-
Interest paid in relation to lease liabilities	20	123	150	123	150
<b>Included in net cash from financing activities</b>					
Payment of lease liabilities		996	995	996	995
<b>Total cash outflows for leases</b>		<b>1,941</b>	<b>1,906</b>	<b>1,119</b>	<b>1,145</b>

### Dividend income from subsidiaries

During the financial year, the dividend receivable from subsidiaries amounting to RM30,000,000 (2023: RM5,500,000) were settled against balances due to the subsidiaries.

### Purchase of property, plant and equipment

During the year, the Group acquired property, plant and equipment amounted to RM44,806,000 (2023: RM38,406,000) of which RM10,037,000 (2023: Nil) was paid in prior year as prepayment.



## STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2024 (Cont'd)

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

<b>Group</b>	<b>At 1 August 2022 RM'000</b>	<b>Net changes from financing cash flows RM'000</b>	<b>Other changes RM'000</b>	<b>At 31 July/1 August 2023 RM'000</b>	<b>Net changes from financing cash flows RM'000</b>	<b>Other changes RM'000</b>	<b>At 31 July 2024 RM'000</b>
Bankers' acceptances	289,826	27,961	-	317,787	(32)	-	317,755
Post shipment buyer loan	119,115	(84,720)	-	34,395	21,316	-	55,711
Accepted bills	169,542	(5,634)	-	163,908	(20,935)	-	142,973
Revolving credit	30,000	(7,014)	-	22,986	26,076	-	49,062
Lease liabilities	5,084	(995)	150	4,239	(996)	123	3,366
<b>Total liabilities from financing activities</b>	<b>613,567</b>	<b>(70,402)</b>	<b>150</b>	<b>543,315</b>	<b>25,429</b>	<b>123</b>	<b>568,867</b>
<b>Company</b>							
Lease liabilities	5,084	(995)	150	4,239	(996)	123	3,366
Loan from a subsidiary	-	-	-	-	21,122	-	21,122
<b>Total liabilities from financing activity</b>	<b>5,084</b>	<b>(995)</b>	<b>150</b>	<b>4,239</b>	<b>20,126</b>	<b>123</b>	<b>24,488</b>

The notes set out on pages 90 to 135 are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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 2024 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 2024 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 30 October 2024.

## 1. Basis of preparation

### (a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("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:

***MFRS Accounting Standards, 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*

***MFRS Accounting Standards, 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*

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026***

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
  - ▶ Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - ▶ Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - ▶ Amendments to MFRS 9, *Financial Instruments*
  - ▶ Amendments to MFRS 10, *Consolidated Financial Statements*
  - ▶ Amendments to MFRS 107, *Statement of Cash Flows*

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

## 1. Basis of preparation (Cont'd)

### (a) Statement of compliance (Cont'd)

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027***

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

***MFRS Accounting Standards, 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*

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

- 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;
- 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;
- from the annual period beginning on 1 August 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026; and
- from the annual period beginning on 1 August 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the accounting standards, interpretations or amendments are 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 consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Derivative financial instruments	Fair value
Debt and equity securities at FVOCI	Fair value
Debt and equity securities at FVTPL	Fair value

### (c) Functional and presentation currency

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

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

## 1. Basis of preparation (Cont'd)

### (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 7 - Reversal of impairment loss in investment of joint venture
- Note 10 - Valuation of inventories
- Note 27 - Measurement of expected credit loss ("ECL") and fair value

## 2. Changes in material accounting policies

### 2.1 Global minimum top-up tax

The Group has adopted the amendments to MFRS 112, *Income Taxes – International Tax Reform – Pillar Two Model Rules* upon their release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure (see note 14).

The temporary mandatory relief applies retrospectively. However, there was no new legislation enacted or substantively enacted to implement the top-up tax at 31 July 2023 in the jurisdictions in which the Group operates. The retrospective application has no impact on the Group's consolidated financial statements.

### 2.2 Material accounting policy information

The Group also adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 August 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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
<b>Group</b>									
<b>Cost</b>									
At 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/ 1 August 2023	76,417	143,322	233,533	54,710	4,912	30,388	1,602	22,094	566,978
Additions	10,100	-	315	26,334	824	623	6,610	-	44,806
Disposals	-	-	-	(7,107)	(457)	-	-	-	(7,564)
Written off	-	-	-	(604)	-	-	-	-	(604)
Transfer to inventories	-	-	-	(306)	-	-	-	-	(306)
At 31 July 2024	86,517	143,322	233,848	73,027	5,279	31,011	8,212	22,094	603,310

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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

Group	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
<b>Accumulated depreciation</b>									
At 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/ 1 August 2023	-	49,613	176,510	26,196	4,789	25,177	-	4,540	286,825
Charge for the year	-	2,903	3,215	10,380	392	1,182	-	1,207	19,279
Disposals	-	-	-	(4,761)	(457)	-	-	-	(5,218)
Written off	-	-	-	(568)	-	-	-	-	(568)
Transfer to inventories	-	-	-	(251)	-	-	-	-	(251)
At 31 July 2024	-	52,516	179,725	30,996	4,724	26,359	-	5,747	300,067

#### Carrying amounts

At 1 August 2022	76,417	96,047	46,768	9,745	536	4,335	4,904	18,465	257,217
At 31 July 2023/ 1 August 2023	76,417	93,709	57,023	28,514	123	5,211	1,602	17,554	280,153
At 31 July 2024	86,517	90,806	54,123	42,031	555	4,652	8,212	16,347	303,243

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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 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
<b>Cost</b>						
At 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/ 1 August 2023	407	2,461	1,402	970	806	6,046
Additions	-	-	166	4	122	292
At 31 July 2024	407	2,461	1,568	974	928	6,338
<b>Accumulated depreciation</b>						
At 1 August 2022	407	688	212	8	-	1,315
Charge for the year	-	361	206	88	-	655
At 31 July 2023/ 1 August 2023	407	1,049	418	96	-	1,970
Charge for the year	-	361	262	97	-	720
At 31 July 2024	407	1,410	680	193	-	2,690
<b>Carrying amounts</b>						
At 1 August 2022	-	1,770	865	962	785	4,382
At 31 July 2023/ 1 August 2023	-	1,412	984	874	806	4,076
At 31 July 2024	-	1,051	888	781	928	3,648

#### 3.1 Rental equipment

The Group leases its equipment to third parties. Each of the leases contains an initial non-cancellable period of 1 month. 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 1 to 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:

	2024 RM'000	2023 RM'000
<b>Group</b>		
Lease income	28,939	20,192

The operating lease payments to be received are as follows:

	2024 RM'000	2023 RM'000
<b>Group</b>		
Less than one year	14,695	10,629
More than one year	283	909
Total undiscounted lease payments	14,978	11,538



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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

#### 3.2 Material accounting policy information

##### (a) Recognition and measurement

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

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

##### (b) Depreciation

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.

### 4. Right-of-use assets

Group and Company	Buildings RM'000	Total RM'000
At 1 August 2022	5,067	5,067
Depreciation	(907)	(907)
At 31 July 2023/1 August 2023	4,160	4,160
Depreciation	(908)	(908)
At 31 July 2024	3,252	3,252

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.

#### 4.2 Material accounting policy information

##### (a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

##### (b) Recognition exemption

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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 5. Investment properties

	Note	Leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Total RM'000
<b>Group Cost</b>					
At 1 August 2022		5,020	485	8,532	14,037
Transfers from property, plant and equipment	3	-	-	720	720
At 31 July 2023/1 August 2023		5,020	485	9,252	14,757
Disposals		-	-	(504)	(504)
At 31 July 2024		5,020	485	8,748	14,253
<b>Accumulated depreciation and impairment loss</b>					
At 1 August 2022					
Accumulated depreciation		1,255	-	2,135	3,390
Accumulated impairment		-	-	457	457
Charge for the year		1,255	-	2,592	3,847
		94	-	161	255
At 31 July 2023/1 August 2023					
Accumulated depreciation		1,349	-	2,296	3,645
Accumulated impairment		-	-	457	457
Charge for the year		1,349	-	2,753	4,102
		92	-	190	282
At 31 July 2024					
Accumulated depreciation		1,441	-	2,486	3,927
Accumulated impairment		-	-	457	457
		1,441	-	2,943	4,384
<b>Carrying amounts</b>					
At 1 August 2022		3,765	485	5,940	10,190
At 31 July 2023/1 August 2023		3,671	485	6,499	10,655
At 31 July 2024		3,579	485	5,805	9,869

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 5. Investment properties (Cont'd)

	Note	Freehold land RM'000	Buildings RM'000	Total RM'000
<b>Company</b>				
<b>Cost</b>				
At 1 August 2022/31 July 2023/1 August 2023/31 July 2024		48,062	67,603	115,665
<b>Accumulated depreciation</b>				
At 1 August 2022		-	22,411	22,411
Charge for the year		-	1,348	1,348
At 31 July 2023/1 August 2023		-	23,759	23,759
Charge for the year		-	1,352	1,352
At 31 July 2024		-	25,111	25,111
<b>Carrying amounts</b>				
At 1 August 2022		48,062	44,972	93,034
At 31 July 2023/1 August 2023		48,062	43,844	91,906
At 31 July 2024		48,062	42,492	90,554

Investment properties comprise of land and buildings which are being leased to third party.

#### 5.1 Other income/expenses recognised in profit or loss in relation to investment properties

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Rental income	1,035	984	10,426	10,426
Direct operating expenses:				
- income generating investment properties	(358)	(323)	(1,352)	(1,348)

#### 5.2 Maturity analysis of operating lease payments

	2024 RM'000	2023 RM'000
<b>Group</b>		
Less than one year	995	997
Between one and five years	694	1,497
Total undiscounted lease payments	1,689	2,494

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 5. Investment properties (Cont'd)

#### 5.3 Fair value information

Fair values of investment properties are categorised as follows:

	<b>Level 3 RM'000</b>
<b>2024</b>	
<b>Group</b>	
Freehold land	3,700
Leasehold land with unexpired lease period of more than 50 years	10,800
Buildings	6,510
	<hr/> 21,010 <hr/>
<b>Company</b>	
Freehold land	141,800
Buildings	84,500
	<hr/> 226,300 <hr/>
	<b>Level 3 RM'000</b>
<b>2023</b>	
<b>Group</b>	
Freehold land	3,700
Leasehold land with unexpired lease period of more than 50 years	10,800
Buildings	6,510
	<hr/> 21,010 <hr/>
<b>Company</b>	
Freehold land	141,800
Buildings	84,500
	<hr/> 226,300 <hr/>

#### 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.

#### 5.4 Material accounting policy information

Investment properties are measured subsequently at cost less any accumulated depreciation and any accumulated impairment.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 6. Investment in subsidiaries

	Company	
	2024	2023
	RM'000	RM'000
Cost of investment	94,212	94,212

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2024 %	2023 %
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 works including special foundations, underground works, group improvements, pollution treatments and control	65	65
Eastern Power Resources Sdn. Bhd.	Malaysia	Sales of electricity	51	51
<b>Subsidiary of Hiap Teck Resources Sdn. Bhd.</b>				
Vista Mining Sdn. Bhd.	Malaysia	Exploring, contracting and all activities related to the mining, processing and sale of iron ore	55	55
<b>Subsidiaries of Huatraco Scaffold Sdn. Bhd.</b>				
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
<b>Subsidiary of Huatraco Investment Pte. Ltd.</b>				
Huatraco Singapore Pte. Ltd.#	Singapore	Scaffolding works and wholesale of industrial, construction and related machinery and equipment	100	100
<b>Subsidiary of Alpine Pipe Manufacturing Sdn. Bhd.</b>				
APM Resources Sdn. Bhd.	Malaysia	Dormant	100	-

# Not audited by member firms of KPMG PLT.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 6. Investment in subsidiaries (Cont'd)

On 16 November 2023, the Company incorporated a wholly-owned subsidiary, APM Resources Sdn. Bhd. ("APM Resources") with an issued and paid-up share capital of RM100 comprising 100 ordinary shares at an issued price of RM1.00 per ordinary share. The objective of APM Resources is investment holding, general trading and business of general merchants, importers and exporters.

#### 6.1 Non-controlling interest in subsidiaries

The information of non-controlling interest (NCI) is not disclosed as it is not material.

#### 6.2 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

### 7. Interest in equity accounted investments

#### 7.1 Investment in joint venture

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Investment in shares	717,840	717,840	717,840	717,840
Additional investment in shares	53,235	-	53,235	-
Share of post-acquisition reserves	(46,204)	(123,488)	-	-
Less: Impairment loss	-	-	-	(208,876)
	724,871	594,352	771,075	508,964

Details of the joint venture are as follows:

Name of entity	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
Eastern Steel Sdn. Bhd. ("ESSB")	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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 7. Interest in equity accounted investments (cont'd)

#### 7.1 Investment in joint venture (cont'd)

##### 7.1.1 Reversal of impairment loss

During the year ended 31 July 2024, the Company recognised a reversal of impairment loss on its investment in ESSB. The reversal amounted to RM208,876,273 and was recognised in profit or loss.

The reversal was primarily due to an improvement in the financial performance of ESSB. ESSB reported a significant increase in revenue and profitability, which positively impacted its recoverable amount.

The reversal of the impairment loss resulted in an increase in the carrying amount of the investment in ESSB to RM771,075,002 as of 31 July 2024.

The recoverable amount of the investment in ESSB was determined based on its value in use, calculated using a discounted cash flow model. The key assumptions used in the model included a discount rate of 10% and terminal growth rate of 2% for future cash flows. The recoverable amount will be same as the carrying amount if discount rate increased by 11%; or terminal value reduced to 0%.

##### 7.1.2 Material accounting policy information

Investment in joint venture is measured in the Company's statement of financial position at cost less any impairment losses.

The following tables summarise the financial information of ESSB, as adjusted for any differences in accounting policies. 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.

	2024 RM'000	2023 RM'000
<b>Summarised financial information</b>		
<b>As at 31 July</b>		
Non-current assets	6,871,851	4,776,844
Current assets	1,313,967	758,147
Cash and cash equivalents	201,368	60,705
Non-current liabilities	(2,699,024)	(1,482,022)
Current liabilities	(2,831,589)	(1,875,843)
Non-current financial liabilities (excluding trade and other payables and provisions)	(2,699,024)	(1,482,022)
Current financial liabilities (excluding trade and other payables and provisions)	(723,318)	(1,115,595)
<b>Year ended 31 July</b>		
Profit and total comprehensive income for the year	283,092	163,059
<b>Included in the total comprehensive income are:</b>		
Revenue	5,082,730	2,240,683
Depreciation and amortisation	63,584	39,816
Interest income	6,647	814
Interest expense	(87,587)	(19,870)
<b>Reconciliation of net assets to carrying amount as at 31 July</b>		
Group's share of net assets	724,871	594,352
Carrying amount in the statement of financial position	724,871	594,352
<b>Group's share of results for year ended 31 July</b>		
Group's share of profit and total comprehensive income for the year	77,284	44,515



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 7. Interest in equity account investments (Cont'd)

#### 7.2 Investment in associate

Name of entity	Country of incorporation	Principal activities	Effective ownership interest	
			2024 %	2023 %
Jetama Alpine Pipe (Sabah) Sdn. Bhd.	Malaysia	Dormant	49	49

#### 7.2.1 Material accounting policy information

Investment in an associate is measured in the Company's statement of financial position at cost less any impairment losses.

### 8. Other investments

	2024		2023	
	Carrying amount RM'000	Market value of quoted investments RM'000	Carrying amount RM'000	Market value of quoted investments RM'000
<b>Group</b>				
<b>Non-current</b>				
<i>Fair value through other comprehensive income</i>				
Club membership, unquoted	140	-	140	-
Equity instruments, quoted in Malaysia	-	-	856	856
	<u>140</u>		<u>996</u>	
<b>Current</b>				
<i>Fair value through profit or loss</i>				
Unit trust funds of licensed financial institutions within Malaysia	1,416	1,416	3,644	3,644
Equity instruments, quoted in Malaysia	3,312	3,312	-	-
	<u>4,868</u>		<u>4,640</u>	
<b>Company</b>				
<b>Current</b>				
<i>Fair value through profit or loss</i>				
Unit trust funds of licensed financial institutions within Malaysia	<u>1,076</u>	1,076	<u>2,232</u>	2,232

#### 8.1 Material accounting policy information

##### Equity investments

At initial recognition, the Group irrevocably elect to present subsequent changes in the fair value of the investments in other comprehensive income. This election is made on an investment-by-investment basis.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 9. Trade and other receivables

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
<b>Non-current</b>					
<b>Non-trade</b>					
Prepayment	9.1	34,745	41,635	-	-
Amount due from subsidiaries	9.2	-	-	19,928	-
		34,745	41,635	19,928	-
<b>Current</b>					
<b>Trade</b>					
Trade receivables		379,954	327,286	-	-
Less: Allowance for impairment loss		(5,612)	(3,311)	-	-
		374,342	323,975	-	-
Amount due from joint venture	9.3	27,466	25,055	-	-
Amount due from a related party	9.3	4	169	-	-
		401,812	349,199	-	-
<b>Non-trade</b>					
Other receivables		1,033	3,951	3	44
Amount due from joint venture		9	5	9	5
Dividend receivables		-	-	-	6,565
Amount due from subsidiaries	9.4	-	-	2,306	17,611
		1,042	3,956	2,318	24,225
Deposits		1,409	1,064	728	404
Prepayments		8,311	4,646	700	700
		10,762	9,666	3,746	25,329
		412,574	358,865	3,746	25,329
		447,319	400,500	23,674	25,329

The Group's negotiated trade credit term ranges from 14 to 120 (2023: 14 to 120) days. Other credit terms are assessed and approved on a case-by-case basis.

#### 9.1 Non-current prepayment

The non-current prepayment relates to acquisition of a property, plant and equipment. The legal assignment of the property amounting to RM34,745,000 (2023: RM31,598,200) are used to secure banking facilities by financial institutions as disclosed in Note 15.

#### 9.2 Non-current non-trade amount due from subsidiaries

The non-current non-trade amount due from subsidiaries are unsecured, subject to interest at 6% per annum and not repayable within 12 months.

#### 9.3 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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 9. Trade and other receivables (Cont'd)

#### 9.4 Current non-trade 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.

### 10. Inventories

	Group	
	2024	2023
	RM'000	RM'000
Raw materials	56,677	38,117
Work-in-progress	18,406	12,319
Finished goods	137,892	146,090
Merchandise goods	220,837	226,154
Goods in transit	53,524	18,397
Spare parts	4,738	3,029
	492,074	444,106
Recognised in profit or loss:		
Inventories recognised as cost of sales	1,570,384	1,533,114
Reversal of write-down of inventories	(2,891)	(6,352)
Allowance for slow moving stock	331	565

#### 10.1 Reversal of write-down of inventories

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. Following a change in selling price, RM2,891,000 (2023: RM6,352,000) of the write-down was reversed.

#### 10.2 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

### 11. Derivative financial assets/(liabilities)

	2024			2023		
	Nominal value	Assets	Liabilities	Nominal value	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>						
Derivatives at fair value through profit or loss						
- Forward exchange contracts	172,764	244	(2,803)	160,712	420	(2,506)
	172,764	244	(2,803)	160,712	420	(2,506)

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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 12. Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Short-term deposits	-	15,027	-	-
Cash and bank balances	93,881	119,288	1,414	546
	93,881	134,315	1,414	546

### 13. Capital and reserves

#### Share capital

	Group and Company		Number	
	Amount	of shares	Amount	of shares
	2024	2024	2023	2023
	RM'000	'000	RM'000	'000
<b>Issued and fully paid shares with no par value classified as equity instruments:</b>				
Ordinary shares				
At 1 August/31 July	872,654	1,747,722	872,654	1,747,722

#### 13.1 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. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

#### Reserves

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Non-distributable:					
Other reserves					
Translation reserves	13.2.1	(353)	(316)	-	-
Fair value reserves	13.2.2	-	(1,614)	-	-
Treasury shares	13.3	(7,499)	(7,499)	(7,499)	(7,499)
		(7,852)	(9,429)	(7,499)	(7,499)
Distributable:					
Retained earnings/(Accumulated losses)		519,107	423,046	92,683	(140,954)
		511,255	413,617	85,184	(148,453)

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 13. Capital and reserves (Cont'd)

#### Reserves (Cont'd)

#### 13.2 Other reserves

##### 13.2.1 Translation reserves

The translation reserves comprise all foreign currency differences arising from the translation of the financial statements of foreign operations.

##### 13.2.2 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.

#### 13.3 Treasury shares

Treasury shares comprise cost of acquisition of the Company's own shares. At 31 July 2024, a total of 5,492,000 (2023: 5,492,000) buy-back shares were held as treasury shares and carried at cost.

### 14. Deferred tax assets/(liabilities)

#### 14.1 Recognised deferred assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group</b>						
Property, plant and equipment	-	-	(24,638)	(24,417)	(24,638)	(24,417)
Other payables	4,726	5,789	-	(138)	4,726	5,651
Tax losses	10,920	9,884	-	-	10,920	9,884
Unabsorbed capital allowances	131	1,861	-	-	131	1,861
Reinvestment allowances	86	1,847	-	-	86	1,847
Tax assets/(liabilities)	15,863	19,381	(24,638)	(24,555)	(8,775)	(5,174)
Set-off of tax	(11,126)	(14,641)	11,126	14,641	-	-
Net tax assets/(liabilities)	4,737	4,740	(13,512)	(9,914)	(8,775)	(5,174)
<b>Company</b>						
Property, plant and equipment	-	-	(2,536)	(2,506)	(2,536)	(2,506)
Other payables	168	186	-	-	168	186
Tax assets/(liabilities)	168	186	(2,536)	(2,506)	(2,368)	(2,320)
Set-off of tax	(168)	(186)	168	186	-	-
Net tax liabilities	-	-	(2,368)	(2,320)	(2,368)	(2,320)

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 14. Deferred tax assets/(liabilities) (Cont'd)

#### 14.2 Movement in temporary differences during the year

	At 1.8.2022 RM'000	Recognised in profit or loss (Note 21) RM'000	At 31.7.2023/ 1.8.2023 RM'000	Recognised in profit or loss (Note 21) RM'000	At 31.7.2024 RM'000
<b>Group</b>					
Property, plant and equipment	(21,699)	(2,718)	(24,417)	(221)	(24,638)
Investment properties	(496)	496	-	-	-
Other payables	8,930	(3,279)	5,651	(925)	4,726
Tax losses	210	9,674	9,884	(1,036)	10,920
Unabsorbed capital allowances	-	1,861	1,861	(1,730)	131
Reinvestment allowances	-	1,847	1,847	(1,761)	86
	(13,055)	7,881	(5,174)	(3,601)	(8,775)
<b>Company</b>					
Property, plant and equipment	(2,257)	(249)	(2,506)	(30)	(2,536)
Other payables	1,232	(1,046)	186	(18)	168
	(1,025)	(1,295)	(2,320)	(48)	(2,368)

#### 14.3 Global minimum top-up tax

As at 30 December 2023, the government of Malaysia ("MY") has enacted new legislation, to implement the global minimum top-up tax. However, since the newly enacted tax legislation in MY will only come into effect in year 2025, there is no current tax impact for the year ended 31 July 2024. The implementation of the tax will not have material effect to the Group and the Company.

#### 14.4 Temporary mandatory relief from deferred tax accounting

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

#### 14.5 Material accounting policy information

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

### 15. Loans and borrowings

	Note	Group 2024 RM'000	2023 RM'000
<b>Current</b>			
Bankers' acceptances	15.1	317,755	317,787
Post shipment buyer loan	15.1	55,711	34,395
Accepted bills	15.1	142,973	163,908
Revolving credit	15.1	49,062	22,986
		565,501	539,076

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 15. Loans and borrowings (Cont'd)

#### 15.1 Security

The Company has extended corporate guarantees amounting to RM565,501,000 (2023: RM539,076,000) 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 1 to 3.5 times (2023: 1 to 3.5 times) as disclosed in Note 28.

Certain of revolving credit of the Group amounting to RM19,062,162 (2023: RM12,985,585) is secured by way of legal assignment of a property of the Group amounting to RM34,745,272 (2023: RM31,598,200) as disclosed in Note 9.

### 16. Trade and other payables

	Note	2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	2023 RM'000
<b>Non-current</b>					
<b>Non-trade</b>					
Amount due to a subsidiary	16.1	-	-	21,122	-
		-	-	21,122	-
<b>Current</b>					
<b>Trade</b>					
Trade payables		77,721	20,188	-	-
Accruals		752	1,787	-	-
Amount due to a related party	16.2	13,406	-	-	-
		91,879	21,975	-	-
<b>Non-trade</b>					
Other payables		2,800	6,556	288	597
Accruals		14,960	12,720	3,477	3,078
Deposits received		8,476	7,553	-	-
Amount due to a subsidiary	16.3	-	-	206	-
Amount due to a related party		-	6	-	6
		26,236	26,835	3,971	3,681
		118,115	48,810	25,093	3,681

#### 16.1 Non-current non-trade amount due to a subsidiary

The non-current non-trade amount due to a subsidiary relates to a loan and is unsecured and subject to interest at 5% per annum.

#### 16.2 Current trade amount due to a related party

The current trade amount due to a related party is subject to negotiated trade terms (2023: Nil).

#### 16.3 Current non-trade amount due to a subsidiary

The current non-trade amounts due to a subsidiary is unsecured, interest free and repayable on demand (2023: Nil).

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 17. Contract liabilities

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Contract liabilities	6,381	1,307

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

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue from contracts with customers</b>				
Sale of goods	1,632,853	1,533,489	-	-
Transportation services rendered	69	92	-	-
Selling of electricity	17,195	28,305	-	-
Rental of equipment for hire	28,939	20,192	-	-
Participation fees from sales of iron ore	4,151	3,130	-	-
<b>Other revenue</b>				
Rental of properties	-	-	10,426	10,426
Dividend income	-	-	30,000	6,565
Management fees	-	-	13,197	20,170
	1,683,207	1,585,208	53,623	37,161

<b>Group</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Timing of revenue recognition</b>		
At a point in time	1,637,004	1,536,619
Over time	46,203	48,589
	1,683,207	1,585,208



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 19. Cost of sales

	Group	
	2024	2023
	RM'000	RM'000
Cost of goods sold	1,570,362	1,529,409
Amortisation of mining assets	1,207	910
Depreciation of equipment for hire	10,380	5,625
	1,581,949	1,535,944
Included in the cost of goods sold are the following:		
Direct and indirect labour costs	29,545	19,784
Upkeep of property, plant and equipment	9,334	5,712
Depreciation of property, plant and equipment	5,817	4,925

### 20. Finance costs

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
Bankers' acceptances	14,685	12,973	-	-
Post shipment buyer loan	2,105	1,579	-	-
Accepted bills	6,633	5,188	-	-
Revolving credit	1,038	783	-	-
Lease liabilities	123	150	123	150
Amount due to subsidiaries	-	-	1,385	58
	24,584	20,673	1,508	208

### 21. Tax expense

#### 21.1 Recognised in profit or loss

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>				
Current year	7,072	5,025	2,039	2,178
(Over)/Under provision in prior year	(642)	1,490	(110)	1,625
Total current tax recognised in profit or loss	6,430	6,515	1,929	3,803
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	3,775	(7,799)	86	141
(Over)/Under provision in prior year	(174)	(82)	(38)	1,154
Total deferred tax recognised in profit or loss	3,601	(7,881)	48	1,295
Total income tax expense	10,031	(1,366)	1,977	5,098

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 21. Tax expense (Cont'd)

#### 21.2 Reconciliation of tax expense

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before tax	117,390	30,464	244,325	14,424
Share of profit after tax of equity accounted investees	(77,284)	(44,515)	-	-
	40,106	(14,051)	244,325	14,424
Income tax calculated using Malaysian tax rate of 24%	9,626	(3,372)	58,638	3,462
Effect of tax rate in foreign jurisdictions	5	5	-	-
Non-taxable income	73	(31)	(57,330)	(1,576)
Non-deductible expenses	1,143	2,471	817	433
Deferred tax assets recognised on the unutilised reinvestment allowances	-	(1,847)	-	-
(Over)/Under provision of deferred tax in prior years	(174)	(82)	(38)	1,154
(Over)/Under provision of current tax in prior years	(642)	1,490	(110)	1,625
	10,031	(1,366)	1,977	5,098

### 22. Profit for the year

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
<b>Profit for the year is arrived at after charging/(crediting):</b>					
<b>Auditors' remuneration</b>					
- Audit fees					
KPMG PLT		488	453	191	170
Other auditors		20	19	-	-
- Non audit fees					
KPMG PLT		15	23	15	23
<b>Material expenses/(income)</b>					
Bad debts recovered		(21)	-	-	-
Depreciation of investment properties	5	282	255	1,352	1,348
Depreciation of property, plant and equipment	3	19,279	13,703	720	655
Depreciation of right-of-use assets	4	908	907	908	907
Dividend income		(81)	(93)	(30,000)	(6,565)
Fair value loss on foreign exchange derivative		473	2,086	-	-
Fair value gain on the FVTPL shares	8	1,373	-	-	-
Finance income:					
- Amount due from subsidiaries		-	-	(178)	(149)
- Other investments		(95)	(268)	(63)	(212)
- Deposits with licensed banks		(2,097)	(2,105)	(71)	(19)
Gain on disposal of property, plant and equipment		(3,262)	(5,137)	-	-
Gain on disposal of investment properties		(30)	-	-	-
Net foreign exchange (gain)/loss					
- Realised		(108)	(1,450)	-	-
- Unrealised		242	903	-	-
Property, plant and equipment written off		36	44	-	-
Personnel expenses (including key management personnel):					
- Contributions to state plans		4,127	4,346	1,061	1,803
- Salaries, wages and others		50,509	47,593	9,450	15,640
Rental income from investment properties	5	(1,035)	(984)	(10,426)	(10,426)
Reversal of impairment loss of investment in joint venture	7	-	-	(208,876)	-
Reversal of write-down of inventories	10	(2,891)	(6,352)	-	-
Allowance for slow moving stock	10	331	565	-	-

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 22. Profit for the year (Cont'd)

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
<b>Expenses arising from leases</b>					
Expenses relating to short-term leases	a	806	743	-	-
Expenses relating to leases of low-value assets	a	16	18	-	-
<b>Net loss on impairment of financial instruments</b>					
Net loss on impairment of trade receivables		2,301	1,167	-	-

#### 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		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Executive directors:				
- Remuneration	4,305	12,304	3,777	11,798
- Other short-term employee benefits	513	1,469	456	1,408
	4,818	13,773	4,233	13,206
Non-executive directors:				
- Fees	497	442	459	406
- Other short-term employee benefits	27	21	27	21
	524	463	486	427
	5,342	14,236	4,719	13,633

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 24. Earnings per ordinary share

#### 24.1 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:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
Profit attributable to ordinary shareholders (RM'000)	106,346	30,911
Weighted average number of ordinary shares at 31 July ('000)	1,742,230	1,742,230
Basic earnings per ordinary share (sen)	6.10	1.77

#### 24.2 Diluted earnings per ordinary share

There are no dilutive potential ordinary shares for the year. Therefore, diluted earnings per ordinary share is the same as basic earnings per ordinary share.

### 25. Dividends

Dividends recognised by the Company:

	<b>Sen per share</b>	<b>Total amount RM'000</b>	<b>Date of payment</b>
<b>2024</b>			
Final (single tier) in respect of financial year ended 31 July 2023	0.50	8,711	19 January 2024
<b>2023</b>			
Final (single tier) in respect of financial year ended 31 July 2022	1.00	17,422	20 January 2023

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.

	<b>Sen per share</b>	<b>Total amount RM'000</b>
First and final (single tier) in respect of financial year ended 31 July 2024	0.50	8,711

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 26. Operating segments

#### (a) Business segments

The Group has six reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Executive Director and Chief Operating Officer review the internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- (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 electricity.

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.

#### 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% (2023: 10%) of the Group's total revenue during the financial year except for sales to joint venture (refer to Note 29).

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 26. Operating segments (Cont'd)

	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
<b>2024</b>								
<b>Revenue</b>								
External customers	899,578	762,214	-	69	4,151	17,195	-	1,683,207
Inter-segment	-	27,442	53,623	2,912	-	-	(83,977)	-
Total segment revenue	899,578	789,656	53,623	2,981	4,151	17,195	(83,977)	1,683,207
<b>Results</b>								
Segment (loss)/profit	(10,536)	38,704	7,670	32	2,687	1,549	77,284	117,390
Included in the measure of segment profit are:								
Bad debts recovered	21	-	-	-	-	-	-	21
Finance income	901	1,042	153	31	-	65	-	2,192
Dividend income	-	-	81	-	-	-	-	81
Finance costs	(14,379)	(10,082)	(123)	-	-	-	-	(24,584)
Depreciation	(509)	(14,836)	(3,385)	(231)	(1,370)	(138)	-	(20,469)
Net loss on impairment of trade receivables	(743)	(1,558)	-	-	-	-	-	(2,301)
Share of profit of equity-accounted joint venture, net of tax	-	-	-	-	-	-	-	77,284
<b>Assets</b>								
Segment assets	531,641	786,057	856,959	2,008	17,855	3,605	(121,956)	2,076,169
Unallocated assets								19,493
Total assets								2,095,662
<b>Liabilities</b>								
Segment liabilities	417,633	349,265	31,645	446	18,054	1,777	(122,697)	696,123
Unallocated liabilities								14,876
Total liabilities								710,999
<b>Other information</b>								
Addition to non-current assets other than financial instruments and deferred tax assets	29	43,661	293	823	-	-	-	44,806
Property, plant and equipment written off	10	26	-	-	-	-	-	36

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 26. Operating segments (Cont'd)

	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
<b>2023</b>								
<b>Revenue</b>								
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
<b>Results</b>								
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
<b>Assets</b>								
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
<b>Liabilities</b>								
Segment liabilities	468,853	207,499	4,408	309	56	1,759	(86,989)	595,895
Unallocated liabilities								10,501
Total liabilities								606,396
<b>Other information</b>								
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)



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 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").

	Carrying amount RM'000	FVTPL RM'000	AC RM'000	FVOCI RM'000
<b>2024</b>				
<b>Financial assets</b>				
<b>Group</b>				
Other investments	4,868	4,728	-	140
Trade and other receivables (excluding prepayments)	404,263	-	404,263	-
Derivative financial assets	244	244	-	-
Cash and cash equivalents	93,881	-	93,881	-
	503,256	4,972	498,144	140
<b>Company</b>				
Other investments	1,076	1,076	-	-
Trade and other receivables (excluding prepayments)	22,973	-	22,973	-
Cash and cash equivalents	1,414	-	1,414	-
	25,463	1,076	24,387	-
<b>Financial liabilities</b>				
<b>Group</b>				
Loans and borrowings	(565,501)	-	(565,501)	-
Trade and other payables	(118,115)	-	(118,115)	-
Derivative financial liabilities	(2,803)	(2,803)	-	-
	(686,419)	(2,803)	(683,616)	-
<b>Company</b>				
Trade and other payables	(25,093)	-	(25,093)	-
	(25,093)	-	(25,093)	-

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 27. Financial instruments (Cont'd)

#### 27.1 Categories of financial instruments (Cont'd)

	Carrying amount RM'000	FVTPL RM'000	AC RM'000	FVOCI RM'000
<b>2023</b>				
<b>Financial assets</b>				
<b>Group</b>				
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
<b>Company</b>				
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	-
<b>Financial liabilities</b>				
<b>Group</b>				
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)	-
<b>Company</b>				
Trade and other payables	(3,681)	-	(3,681)	-
	(3,681)	-	(3,681)	-

#### 27.2 Net gains and losses arising from financial instruments

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net (losses)/gains on:				
Financial assets at fair value through profit or loss	(473)	(1,839)	-	-
Financial assets measured at amortised cost	1,411	2,696	313	413
Equity instruments designated at fair value through other comprehensive income	40	218	-	-
Financial liabilities measured at amortised cost	(24,584)	(20,673)	(1,508)	(208)
	(23,606)	(19,598)	(1,195)	205

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 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	
	2024	2023
	RM'000	RM'000
Domestic	372,041	316,542
Asia	29,771	32,657
	401,812	349,199

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 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:

- 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
- Above 120 days past due, the Group will commence a legal proceeding against the customer.

The Group adopts the simplified approach and 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.

	<b>Gross carrying amount RM'000</b>	<b>Loss allowance RM'000</b>	<b>Net balance RM'000</b>
<b>Group 2024</b>			
Current (not past due)	198,225	-	198,225
1 - 30 days past due	120,132	(22)	120,110
31 - 60 days past due	60,694	(22)	60,672
61 - 90 days past due	10,309	(26)	10,283
91-120 days past due	8,547	(923)	7,624
More than 120 days past due	9,517	(4,619)	4,898
	<b>407,424</b>	<b>(5,612)</b>	<b>401,812</b>
<b>2023</b>			
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
91-120 days past due	11,153	(332)	10,821
More than 120 days past due	3,788	(2,620)	1,168
	<b>352,510</b>	<b>(3,311)</b>	<b>349,199</b>

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 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		
	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
<b>Group</b>			
Balance at 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 2023/1 August 2023	847	2,464	3,311
Net remeasurement of loss allowance	784	1,517	2,301
Balance at 31 July 2024	1,631	3,981	5,612

##### 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 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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 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 and joint venture.

*Exposure to credit risk, credit quality and collateral*

The maximum exposure to credit risk amounts to RM59,676,099 (2023: RM13,291,523) for the Group and RM625,177,094 (2023: RM558,872,558) 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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 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
<b>2024</b>			
Low credit risk	22,234	-	22,234
<b>2023</b>			
Low credit risk	17,611	-	17,611

As at the end of the reporting period, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

##### Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents and deposits 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.

#### 27.5 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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 27. Financial instruments (Cont'd)

#### 27.5 Liquidity risk (Cont'd)

##### *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 year RM'000	2-5 years RM'000
<b>Group</b>						
<b>2024</b>						
<i>Non-derivative financial liabilities</i>						
Bank loans and facilities	565,501	3.46% - 4.80%	567,132	567,132	-	-
Lease liabilities	3,366	3.25%	3,568	996	996	1,576
Trade and other payables	118,115	-	118,115	118,115	-	-
Financial guarantee	-	-	59,676	59,676	-	-
	686,982		748,491	745,919	996	1,576
<i>Derivative financial assets/(liabilities)</i>						
Forward exchange contracts (gross settled):						
Outflow	244	-	170,205	170,205	-	-
Inflow	(2,803)	-	(172,764)	(172,764)	-	-
	684,423		745,932	743,360	996	1,576
<b>Group</b>						
<b>2023</b>						
<i>Non-derivative financial liabilities</i>						
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
<i>Derivative financial liabilities</i>						
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



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 27. Financial instruments (Cont'd)

#### 27.5 Liquidity risk (Cont'd)

*Maturity analysis (Cont'd)*

	Carrying amount RM'000	Contractual interest 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
<b>Company</b>							
<b>2024</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	25,093	5%	27,205	5,027	22,178	-	-
Lease liabilities	3,366	3.25%	3,568	996	996	1,576	-
Financial guarantees	-	-	627,177	627,177	-	-	-
	28,459		657,950	633,200	23,174	1,576	-
<b>2023</b>							
<i>Non-derivative financial liabilities</i>							
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	-

#### 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"). The Company is not exposed to any foreign currency risk.

*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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 27. Financial instruments (Cont'd)

#### 27.6 Market risk (Cont'd)

##### 27.6.1 Currency risk (Cont'd)

###### *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:

<b>Group</b>	<b>Denominated in</b>	
	<b>USD</b>	<b>SGD</b>
<b>2024</b>	<b>RM'000</b>	<b>RM'000</b>
Trade receivables	1,044	28,727
Cash and cash equivalents	2,034	3,185
<b>Total exposure</b>	<b>3,078</b>	<b>31,912</b>
<b>2023</b>		
Trade receivables	3,281	29,375
Cash and cash equivalents	713	5,785
<b>Total exposure</b>	<b>3,994</b>	<b>35,160</b>

###### *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% (2023: 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.

<b>Group</b>	<b>Equity/ Profit or loss</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
SGD	2,425	2,672
USD	234	303

A 10% (2023: 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.

##### 27.6.2 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. 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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 27. Financial instruments (Cont'd)

#### 27.6 Market risk (Cont'd)

##### 27.6.2 Interest rate risk (Cont'd)

###### *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	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Fixed rate instruments</b>				
<i>Financial assets</i>				
Loan to subsidiaries	-	-	19,928	-
Short-term deposits	-	15,027	-	-
	-	15,027	19,928	-
<i>Financial liabilities</i>				
Loan from a subsidiary	-	-	(21,122)	-
Revolving credit	(49,062)	(22,986)	-	-
Bankers' acceptances	(317,755)	(317,787)	-	-
Post shipment buyer loan	(55,711)	(34,395)	-	-
Accepted bills	(142,973)	(163,908)	-	-
	(565,501)	(539,076)	(21,122)	-

###### *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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 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 Group and Company's 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 and Company'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% (2023: 5%) higher/lower, with all other variables held constant, the Group's other reserves in equity would have been RM7,000 (2023: RM49,775) 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 RM236,400 (2023: RM182,200) and RM53,780 (2023: RM111,578) 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.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 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.

2024 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	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Financial assets</b>										
Club membership, unquoted	-	-	140	140	-	-	-	-	140	140
Investment in quoted shares	3,312	-	-	3,312	-	-	-	-	3,312	3,312
Forward exchange contracts	-	244	-	244	-	-	-	-	244	244
Investment in unit trust funds	-	1,416	-	1,416	-	-	-	-	1,416	1,416
	3,312	1,660	140	5,112	-	-	-	-	5,112	5,112
<b>Financial liabilities</b>										
Forward exchange contracts	-	(2,803)	-	(2,803)	-	-	-	-	(2,803)	(2,803)
<b>Company</b>										
<b>Financial assets</b>										
Loan to subsidiaries	-	-	-	-	-	-	19,928	-	19,928	19,928
Investment in unit trust funds	-	1,076	-	1,076	-	-	-	-	1,076	1,076
	-	1,076	-	1,076	-	-	19,928	-	21,004	21,004
<b>Financial liabilities</b>										
Loan from a subsidiary	-	-	-	-	-	-	(21,122)	-	(21,122)	(21,122)

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 27. Financial instruments (Cont'd)

#### 27.7 Fair value information (Cont'd)

2023 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	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>Financial assets</b>										
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
	856	4,064	140	5,060	-	-	-	-	5,060	5,060
<b>Financial liabilities</b>										
Forward exchange contracts	-	(2,506)	-	(2,506)	-	-	-	-	(2,506)	(2,506)
<b>Company</b>										
<b>Financial assets</b>										
Investment in unit trust funds	-	2,232	-	2,232	-	-	-	-	2,232	2,232
	-	2,232	-	2,232	-	-	-	-	2,232	2,232

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 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 (2023: 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.

##### (b) Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Intercompany payables and receivables	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

##### Valuation processes applied by the Group for Level 3 fair value

The Group has an established control framework in respect to the measurement of fair values of financial instruments. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Finance Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

#### 27.8 Material accounting policy information

The Group or the Company applies settlement date accounting for regular way purchase or sale of financial assets.

## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 28. Capital management

There was no change in the Group's approach to capital management during the financial year.

For the purpose of the Group's capital management, capital includes share capital, treasury shares, and all other equity reserves attributable to the equity holders.

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.

During the financial year, the Group's strategy, unchanged from the previous financial year, is to maintain the debt-to-equity ratio of not more than 1 to 3.5 times to comply with a bank covenant, failing which, the bank may call an event of default. The Group has not breached this covenant (see note 15). The debt-to-equity ratios at 31 July 2024 and 31 July 2023 were as follows:

	Note	Group 2024 RM'000	2023 RM'000
Total loans and borrowings	15	565,501	539,076
Lease liabilities		3,366	4,239
Less: Cash and cash equivalents	12	(93,881)	(134,315)
Net debt		474,986	409,000
Total equity		1,384,663	1,286,012
Debt-to-equity ratio		0.34	0.32

### 29. Related parties

#### 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.

	2024 RM'000	2023 RM'000
<b>Group</b>		
Purchases of steel products from a company in which certain directors of the Company have significant interests:		
JK Ji Seng Sdn. Bhd.	532,918	405,180
Sales of steel products to joint venture:		
Eastern Steel Sdn. Bhd.	(146,748)	(215,299)
<b>Company</b>		
Rental income from subsidiaries:		
Alpine Pipe Manufacturing Sdn. Bhd.	(5,026)	(5,026)
Huatracco Scaffold Sdn. Bhd.	(1,938)	(1,938)
Hiap Teck Hardware Sdn. Bhd.	(3,720)	(3,720)
Briliant Decade Transport Agency Sdn. Bhd.	(6)	(6)



## NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### 29. Related parties (Cont'd)

#### Significant related party transactions (Cont'd)

	2024 RM'000	2023 RM'000
<b>Company (Cont'd)</b>		
Management fees from subsidiaries:		
Hiap Teck Hardware Sdn. Bhd.	(2,970)	(5,447)
Alpine Pipe Manufacturing Sdn. Bhd.	(6,623)	(8,995)
Huatraco Scaffold Sdn. Bhd.	(3,368)	(5,558)
Briliant Decade Transport Agency Sdn. Bhd.	(235)	(169)
Gross dividends income from subsidiaries:		
Alpine Pipe Manufacturing Sdn. Bhd.	(30,000)	-
Huatraco Scaffold Sdn. Bhd.	-	(5,000)
Briliant Decade Transport Agency Sdn. Bhd.	-	(800)
Eastern Power Resources Sdn. Bhd.	-	(765)
Finance income from a subsidiary:		
Hiap Teck Resources Sdn. Bhd.	(178)	-
Vista Mining Sdn. Bhd.	-	(149)
Finance costs to subsidiaries:		
Hiap Teck Hardware Sdn. Bhd.	-	40
Alpine Pipe Manufacturing Sdn. Bhd.	1,385	-
Huatraco Scaffold Sdn. Bhd.	-	18
Loan from a subsidiary		
Alpine Pipe Manufacturing Sdn. Bhd.	21,122	-
Loan to subsidiaries		
Vista Mining Sdn. Bhd.	18,000	-
Hiap Teck Resources Sdn. Bhd.	1,928	-
Rental expenses to a company in which certain directors of the Company have significant interests:		
Pedoman Cekap Sdn. Bhd.	996	996

### 30. Capital commitment

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Capital expenditure commitments</b>				
<b>Property, plant and equipment</b>				
Contracted but not provided for	53,000	59,000	1,200	1,300
<b>Joint venture</b>				
Share of capital commitment of the joint venture	223,174	506,216	223,174	506,216

# 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 82 to 135 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board 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 2024 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: 30 October 2024

## **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 82 to 135 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 30 October 2024.

.....  
**Foo Kok Siew**

Before me:

Rajeev Saigal A/L Ramlabaya Saigal  
Comissioner for Oaths  
(No. w681)

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIAP TECK VENTURE BERHAD

## 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 2024 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 material accounting policy information, as set out on pages 82 to 135.

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 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIAP TECK VENTURE BERHAD (Cont'd)

## 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.

### 1. Valuation of inventory

Refer to Note 10 – Inventories.

#### The key audit matter

MFRS 102 Inventories requires the entity to value its inventories at the lower of cost and net realisable value.

Given that inventories represent a material balance for the Group and the valuation process involves significant judgment, it has been identified as a key audit matter.

#### How the matter was addressed in our audit

We performed the following audit procedures, among others:

- evaluated management's assessment process for identifying and writing down inventories to their net realisable value, including allowance for slow-moving and obsolete inventories.
- attended and observed the physical inventory counts, noting any items that exhibited signs of slow movement or obsolescence.
- tested the accuracy of the inventory aging reports used in management's assessment.
- assessed the adequacy of the write-down to net realisable values and allowance for slow-moving and obsolete inventories. This involved evaluating management's determination of the net realisable value of inventories, comparing inventory cost to estimated selling prices, and verifying subsequent sales transactions.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIAP TECK VENTURE BERHAD (Cont'd)

## Key Audit Matters (Cont'd)

### 2. Valuation of trade receivables

Refer to Note 27 – Measurement of expected credit loss ("ECL").

#### The key audit matter

The Group is exposed to the 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 a certain degree of estimation uncertainty in the measurement of recoverability of trade receivables.

#### How the matter was addressed in our audit

We performed the following audit procedures, among others:

- obtained an understanding of the Group's credit control policy, and management's process and methodology for assessing the allowance for expected credit losses on trade receivables.
- verified the accuracy of the aging reports used in management's assessment.
- assessed the adequacy of the allowance for expected credit loss by comparing past payment trends, reviewing historical bad debt records, checking subsequent receipts, and agreeing to instalment payment plans for specific debtors.

### 3. Reversal of impairment loss for investment in joint venture

Refer to Note 7.1 - Investment in joint venture

#### The key audit matter

During the financial year, the Company recognised a reversal of impairment loss for its investment in Eastern Steel Sdn. Bhd. ("ESSB"), a joint venture. The estimated recoverable amount of the investment was higher than its carrying amount.

This is a key audit matter because it requires significant judgement by management to estimate the recoverable amount of the investment in the joint venture.

#### How the matter was addressed in our audit

We performed the following audit procedures, among others:

- obtained an understanding of management's process for impairment assessment, cash flow projection and the key assumptions used in the projection.
- performed retrospective review to assess the achievability of management's projection and identify possible management's bias.
- obtained confirmation that the key assumptions were subject to oversight from the Directors.
- compared management's projected cash flows to relevant supporting documents and challenged the key assumptions used.
- engaged our corporate finance specialists in reviewing the reasonableness of the discount rate applied in the cash flows projection.
- performed sensitivity analysis on the key assumptions used.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIAP TECK VENTURE BERHAD (Cont'd)**

## **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 MFRS Accounting 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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIAP TECK VENTURE BERHAD (Cont'd)

## 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

Petaling Jaya, Selangor

Date: 30 October 2024

**Chua See Guan**  
Approval Number: 03169/02/2025 J  
Chartered Accountant

# PROPERTIES OF THE GROUP

## AS AT 31 JULY 2024

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 2024 (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	27	9.0	19,005	15,960,027		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	27	9.0	18,732	16,459,077		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	26	9.0	18,516	16,615,148		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	25	10.0	22,341	23,576,106		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	25	10.0	12,179	23,884,619		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	18	18.0	53,243	58,000,401		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	24	-	145	125,830		20-Aug-99	28-Jul-20	190,000



## PROPERTIES OF THE GROUP AS AT 31 JULY 2024 (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 2024 (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	26	-	143	80,981	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	20	1.0	2,536	2,488,305	27-Feb-07	06-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	22	1.6	3,996	4,799,552	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	18	2.2	2,453	1,674,233	06-Jul-96	06-Aug-20	6,200,000	
Lot 3805, Mukim of Kapar District of Klang Selangor Darul Ehsan	Vacant agricultural land	Freehold	-	3.75	-	10,100,425	20-Oct-23	-	-	

**PROPERTIES OF THE GROUP  
AS AT 31 JULY 2024 (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 2024 (RM)	Date of Acquisition	Date of Last Revaluation	Amount of Last Revaluation
<b><u>Jointly controlled entity</u></b>									
Lot 6293 & Lot 6294 Mukim Teluk Kalung Kemaman, Terengganu	Blast furnace plant	Leasehold (60 years) expiring 01/04/2068	-	608.6	-	106,793,843	02-Apr-08	15-Nov-23	520,000,000
Lot 60129, 60130, 60131 Mukim Teluk Kalung Kemaman, Terengganu	Vacant industrial land	Leasehold (60 years) expiring 14/04/2073	-	600.0	-	4,336,579	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 18 OCTOBER 2024

Issued and Fully Paid-Up Share Capital : RM872,653,869.50 (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 18 October 2024

Size of shareholdings	No. of Shareholders	Percentage (%)	No. of Shares*	Percentage (%)
1 to 99	178	1.28	5,725	0.00
100 to 1000	1,197	8.60	725,641	0.04
1,001 to 10,000	5,672	40.77	35,101,683	2.01
10,001 to 100,000	5,656	40.66	202,373,336	11.62
100,001 to less than 5% of issued shares	1,206	8.67	972,664,248	55.83
5% and above of issued shares	3	0.02	531,359,382	30.50
<b>Total</b>	<b>13,912</b>	<b>100.00</b>	<b>1,742,230,015</b>	<b>100.00</b>

### List of Thirty (30) Largest Shareholders as at 18 October 2024

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.	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)	64,500,000	3.70
5.	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	61,052,400	3.50
6.	MAYBANK SECURITIES NOMINEES (ASING) SDN. BHD. MAYBANK SECURITIES PTE LTD FOR LAVINGTON INTERNATIONAL LIMITED	38,167,800	2.19
7.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. URUSHARTA JAMAAH SDN. BHD. (2)	36,917,234	2.12
8.	TEH CHAK SEONG	20,100,000	1.15
9.	TEH KHOON CHUAN TRADING CO. SDN. BHD.	17,500,000	1.00
10.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG DANA MAKMUR	14,000,000	0.80
11.	PACIFIC TRUSTEES BERHAD EXEMPT AN FOR ET SMART WEALTH SDN. BHD. (CLIENTS' ACCOUNT)	13,245,500	0.76
12.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR AHAM SELECT ASIA (EX JAPAN) QUANTUMFUND	13,000,000	0.75

## ANALYSIS OF SHAREHOLDINGS AS AT 18 OCTOBER 2024 (Cont'd)

### List of Thirty (30) Largest Shareholders as at 18 October 2024 (Cont'd)

No.	Names	No. of Shares	Percentage (%)
13.	LEE SEE JIN	12,999,000	0.75
14.	YAP KIM FOONG	12,569,200	0.72
15.	CITIGROUP NOMINEES (ASING) SDN. BHD. CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	9,984,100	0.57
16.	TAN YIK BOR	8,531,900	0.49
17.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (KIB)	8,083,800	0.46
18.	WONG AH WAH	8,000,000	0.46
19.	LIM YEW MING	7,638,700	0.44
20.	VICTOR LIM FUNG TUANG	6,662,800	0.38
21.	CITIGROUP NOMINEES (ASING) SDN. BHD. CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	6,044,100	0.35
22.	HOI POH YENG	6,000,000	0.34
23.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHOR SEK CHOON	6,000,000	0.34
24.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD (TSTAC/CLNTT)	5,527,300	0.32
25.	TAN KIAN SER	5,500,000	0.32
26.	MAYBANK INVESTMENT BANK BERHAD IVT (9) ECD SW-H	5,128,600	0.29
27.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG WHOLESALE EQUITY FUND 2	5,000,000	0.29
28.	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE KOK YEU (M)	5,000,000	0.29
29.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TONG SAN CHAN DISTRIBUTORS SDN. BHD.	4,781,600	0.27
30.	PHANG CHIN KHIONG	4,660,000	0.27
<b>Total :</b>		<b>937,953,416</b>	<b>53.82</b>

## ANALYSIS OF SHAREHOLDINGS AS AT 18 OCTOBER 2024 (Cont'd)

### Directors' Shareholdings as at 18 October 2024 (As per the Register of Directors' Shareholdings of the Company)

No. 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 <sup>(a)</sup>	28.28
3. Foo Kok Siew	-	-	-	-
4. Tan Shau Ming	400,000	0.02	968,000 <sup>(b)</sup>	0.05
5. Law Wai Cheong	-	-	-	-
6. Sherman Lam Yuen Suen	-	-	-	-
7. Chen Thien Yin	-	-	-	-
8. 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 Ng Siew Cho's direct shareholdings in the Company.

### Substantial Shareholdings as at 18 October 2024 (As per the Register of Substantial Shareholders of the Company)

No. Names	Direct		Indirect	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1. Tan Sri Dato' Seri Law Tien Seng	-	-	492,713,324 <sup>(a)</sup>	28.28
2. Amardale Offshore Inc.	-	-	492,713,324 <sup>(b)</sup>	28.28
3. TS Law Investments Limited	-	-	492,713,324 <sup>(c)</sup>	28.28
4. Bluebay Investments Group Corporation	-	-	102,646,058 <sup>(d)</sup>	5.89
5. Cartaban Nominees (Asing) Sdn. Bhd.	293,713,324 <sup>(c)</sup>	16.86	-	-
6. Citigroup Nominees (Asing) Sdn. Bhd.	64,000,000 <sup>(c)</sup>	3.67	-	-
7. CIMSEC Nominees (Asing) Sdn. Bhd.	135,000,000 <sup>(c)</sup>	7.75	-	-
8. Maybank Securities Nominees (Asing) Sdn. Bhd.	102,646,058 <sup>(e)</sup>	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-EIGHTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Eighth 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, 13 December 2024 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 2024 together with the Directors' and Auditors' Reports attached thereon.  | <b>Please refer to Note A on this Agenda</b>                                     |
| 2. | To approve the Directors' fees of RM459,411.00 for the financial year ended 31 July 2024.  | <b>Ordinary Resolution 1</b>   |
| 3. | To approve the Directors' allowances and benefits payable of RM40,000.00 in respect of the period from 14 December 2024 up to the next Annual General Meeting of the Company to be held in 2025.                           | <b>Ordinary Resolution 2</b>   |
| 4. | To approve a First and Final Single-Tier Dividend of 0.5 sen per share for the financial year ended 31 July 2024.  | <b>Ordinary Resolution 3</b>   |
| 5. | To re-elect the following Directors who are retiring in accordance with Clause 92 of the Company's Constitution:-<br>(a) Tan Sri Dato' Seri Law Tien Seng;<br>(b) Mr. Tan Shau Ming; and<br>(c) Mr. Sherman Lam Yuen Suen. | <b>Ordinary Resolution 4<br/>Ordinary Resolution 5<br/>Ordinary Resolution 6</b> |
| 6. | To re-appoint Messrs. KPMG PLT as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration.  | <b>Ordinary Resolution 7</b>   |

### 7. AS SPECIAL BUSINESS:-

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

- |  |                              |
|--|------------------------------|
| <b>7.1 Authority to Directors to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016</b> | <b>Ordinary Resolution 8</b> |
|--|------------------------------|

**"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.

**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."

- |  |                              |
|--|------------------------------|
| <b>7.2 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")</b> | <b>Ordinary Resolution 9</b> |
|--|------------------------------|

**"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 2024, 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.

## NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING (Cont'd)

**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."

8. 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 2024 shall be payable on 17 January 2025 to Depositors registered in the Record of Depositors at the close of business on 3 January 2025.

Depositors shall qualify for entitlement only in respect of:-

- a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 3 January 2025 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 2024

# NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING (Cont'd)

## EXPLANATORY NOTES ON THE ORDINARY AND SPECIAL BUSINESSES OF THE AGENDA.

### (A) Audited Financial Statement for the Financial Year ended 31 July 2024

Agenda 1 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 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 28<sup>th</sup> AGM for the Directors' fees for the financial year ended 31 July 2024 under Ordinary Resolution 1.

Under Ordinary Resolution 2, the allowances payable to the Directors have been reviewed by the Nomination and Remuneration Committee ("NRC") and the Board of Directors of the Company, and are payable for the period from 14 December 2024 up to the conclusion of the next 29<sup>th</sup> 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.

Tan Sri Dato' Seri Law Tien Seng, Mr. Tan Shau Ming and Mr. Sherman Lam Yuen Suen ("Retiring Directors"), who retire in accordance with Clause 92 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 28<sup>th</sup> AGM and in line with Practice 5.1 of the Malaysian Code on Corporate Governance 2021, the NRC 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 2024.

The NRC 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 NRC's recommendation for the Retiring Directors pursuant to Clause 92 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 NRC 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 NRC statement in the Annual Report 2024 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 2025. 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 28<sup>th</sup> AGM of the Company under Ordinary Resolution 7.



## NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING (Cont'd)

### EXPLANATORY NOTES ON THE ORDINARY AND SPECIAL BUSINESSES OF THE AGENDA. (Cont'd)

#### **(E) Authority to Directors to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 8 under Agenda 7.1, if passed, will empower the Directors of the Company, from the date of the above 28<sup>th</sup> AGM, with the authority to allot and issue shares in the Company 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 27<sup>th</sup> AGM held on 15 December 2023. 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 27<sup>th</sup> AGM.

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

The Proposed Ordinary Resolution 9 under Agenda 7.2, 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 2.3.3 of the Circular to Shareholders dated 15 November 2024 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 2024** enclosed together with the Company's 2024 Annual Report.

# NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING (Cont'd)

## NOTES ON APPOINTMENT OF PROXY:

1. In light of the announcement made by the Securities Commission Malaysia and Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 30 August 2024, all public listed companies on Bursa Malaysia will be required to conduct hybrid or physical general meetings starting from 1 March 2025. As such, the 28<sup>th</sup> Annual General Meeting ("28<sup>th</sup> AGM") of the Company remains eligible to be held fully virtually via an online meeting platform, utilising the Remote Participation and Electronic Voting ("RPEV") facility available at <https://meeting.boardroomlimited.my>.
2. Accordingly, the main and only venue of the 28<sup>th</sup> 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 28<sup>th</sup> 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 28<sup>th</sup> AGM via Remote Participation and Electronic Voting Facility ("RPEV") provided by Boardroom Share Registrars Sdn. Bhd. (the "Share Registrar") via <https://meeting.boardroomlimited.my>. **Members are advised to read and follow the procedures provided in the Administrative Guide of the 28<sup>th</sup> 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 28<sup>th</sup> 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 11<sup>th</sup> 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 28<sup>th</sup> 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 28<sup>th</sup> 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 28<sup>th</sup> 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, 11 December 2024 at 10.00 a.m.**

# NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING (Cont'd)

## NOTES ON APPOINTMENT OF PROXY: (Cont'd)

10. For a corporate member who has appointed an authorised representative instead of a proxy to attend 28<sup>th</sup> 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 11<sup>th</sup> 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.
11. A member who has appointed a proxy or attorney or authorised representative to participate in the 28<sup>th</sup> AGM must request his/ her proxy or attorney or authorised representative to register himself/ herself for the RPEV at the Share Registrar's Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>.
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 28<sup>th</sup> 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 6 December 2024. Only a depositor whose name appears on the Record of Depositors as at 6 December 2024 shall be entitled to attend 28<sup>th</sup> 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.*

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# FORM OF PROXY

**HTVB**HIAP TECK VENTURE BERHAD  
Registration No. 199701005844 (421340-U)**HIAP TECK VENTURE BERHAD**  
Registration No. 199701005844 (421340-U)**TWENTY-EIGHTH 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-Eighth 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, 13 December 2024 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 RM459,411.00 for the financial year ended 31 July 2024.		
2	To approve the Directors' allowances and benefits payable of RM40,000.00 in respect of the period from 14 December 2024 up to the next Annual General Meeting of the Company to be held in 2025.		
3	To approve a First and Final Single-Tier Dividend of 0.5 sen per share for the financial year ended 31 July 2024.		
4	To re-elect Tan Sri Dato' Seri Law Tien Seng who is retiring in accordance with Clause 92 of the Company's Constitution.		
5	To re-elect Mr. Tan Shau Ming who is retiring in accordance with Clause 92 of the Company's Constitution.		
6	To re-elect Mr. Sherman Lam Yuen Suen who is retiring in accordance with Clause 92 of the Company's Constitution.		
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.		
8	To grant the authority to Directors to Allot Shares and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016		
9	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 ..... 2024

.....  
[Signature/Common Seal of Member]

\* Delete if not applicable

Number of Ordinary shares held :	
CDS Account No.	

#### Notes on Appointment of Proxy:

1. In light of the announcement made by the Securities Commission Malaysia and Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 30 August 2024, all public listed companies on Bursa Malaysia will be required to conduct hybrid or physical general meetings starting from 1 March 2025. As such, the 28th Annual General Meeting ("28th AGM") of the Company remains eligible to be held fully virtually via an online meeting platform, utilising the Remote Participation and Electronic Voting ("RPEV") facility available at <https://meeting.boardroomlimited.my>.
2. Accordingly, the main and only venue of the 28th 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 28th 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 28th AGM via Remote Participation and Electronic Voting Facility ("RPEV") provided by Boardroom Share Registrars Sdn. Bhd. (the "Share Registrar") via <https://meeting.boardroomlimited.my>. **Members are advised to read and follow the procedures provided in the Administrative Guide of the 28th 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 28th 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 28th 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 28th 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 28th 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, 11 December 2024 at 10.00 a.m.
10. For a corporate member who has appointed an authorised representative instead of a proxy to attend 28th 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.
11. A member who has appointed a proxy or attorney or authorised representative to participate in the 28th AGM must request his/ her proxy or attorney or authorised representative to register himself/ herself for the RPEV at the Share Registrar's Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>.
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 28th AGM will be put to vote by way of poll.

#### 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.

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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)

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