

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF HTVB AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING.

THE ADVISER AND MANAGING UNDERWRITER ACKNOWLEDGE THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC OFFERING, AND ARE SATISFIED THAT THE PROFIT ESTIMATE AND FORECAST (FOR WHICH THE DIRECTORS OF HTVB ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION HAS APPROVED THE ISSUE, OFFER OR INVITATION IN RESPECT OF THE PUBLIC OFFERING AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION RECOMMENDS THE PUBLIC OFFERING .

THE SECURITIES COMMISSION SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF HTVB AND ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.**

THE VALUATION APPROVED OR ACCEPTED BY THE SECURITIES COMMISSION SHALL ONLY BE UTILISED FOR THE PURPOSE OF THE CORPORATE PROPOSALS SUBMITTED TO AND APPROVED BY THE SECURITIES COMMISSION, AND SHALL NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SECURITIES COMMISSION ON THE VALUE OF THE SUBJECT ASSETS FOR ANY OTHER PURPOSES.

THE KUALA LUMPUR STOCK EXCHANGE ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF HTVB OR OF ITS SECURITIES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED BY THE SECURITIES COMMISSION AND LODGED WITH THE CHIEF EXECUTIVE OFFICER OF THE COMPANIES COMMISSION OF MALAYSIA WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the HTVB's entire issued and paid-up share capital of RM163,700,000 on the Main Board of KLSE is set out below:-

Events**Tentative Date**

Date of Prospectus

29 July 2003

Opening and Closing of application list for the IPO Shares

12 August 2003

Balloting of Applications

15 August 2003

Despatch of Notice of Allotment of the ordinary shares of HTVB to successful applicants

20 August 2003

Listing of the Company's entire issued and paid-up share capital on the Main Board of the KLSE

28 August 2003

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 8.00 P.M. ON 12 AUGUST 2003 OR SUCH FURTHER PERIOD OR PERIODS AS THE DIRECTORS AND/OR PROMOTERS OF HTVB TOGETHER WITH THE MANAGING UNDERWRITER IN THEIR ABSOLUTE DISCRETION MAY DECIDE.

DEFINITIONS

Unless otherwise indicated, the following definitions apply throughout this Prospectus:-

Acquisitions	— The Acquisition of HTH Group, Acquisition of THH, Acquisition of APM, Acquisition of HMSB Group and Acquisition of BDSB collectively
Acquisition of APM	— The acquisition by HTVB of the entire issued and paid-up share capital of APM, comprising 3,904,002 ordinary shares of RM1.00 each, for a total purchase consideration of RM29,509,489 to be satisfied by the issuance of 44,724,273 new Shares in HTVB credited as fully paid-up at an issue price of approximately RM0.66 per Share
Acquisition of BDSB	— The acquisition by HTVB of the entire issued and paid-up share capital of BDSB, comprising 1,200,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM1,554,010 to be satisfied by the issuance of 2,355,241 new Shares in HTVB credited as fully paid-up at an issue price of approximately RM0.66 per Share
Acquisition of HMSB Group	— The acquisition by HTVB of the entire issued and paid-up share capital of HMSB, comprising 6,000,012 ordinary shares of RM1.00 each, for a total purchase consideration of RM20,537,252 to be satisfied by the issuance of 31,126,045 new Shares in HTVB credited as fully paid-up at an issue price of approximately RM0.66 per Share
Acquisition of HTH Group	— The acquisition by HTVB of the entire issued and paid-up share capital of HTH, comprising 12,000,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM43,211,494 to be satisfied by the issuance of 65,490,890 new Shares in HTVB credited as fully paid-up at an issue price of approximately RM0.66 per Share
Acquisition of THH	— The acquisition by HTVB of the entire issued and paid-up share capital of THH, comprising 2,400,002 ordinary shares of RM1.00 each, for a total purchase consideration of RM4,784,514 to be satisfied by the issuance of 7,251,359 new Shares in HTVB credited as fully paid-up at an issue price of approximately RM0.66 per Share
Acquisition of Properties	— The acquisition by HTVB of properties namely Lot 6085, Mukim Kapar, Daerah Klang, Selangor from United Coconut Fibre Products Sdn Bhd, and Lots 6088 and 6089, Mukim Kapar, Daerah Klang, Selangor from KHL Sdn Bhd
AFTA	— ASEAN Free Trade Area
AmMerchant Bank	— AmMerchant Bank Berhad (23742-V)
APM	— Alpine Pipe Manufacturing Sdn Bhd (267844-V)
Application	— Refers to application for the IPO Shares by way of Application Forms or by way of Electronic Share Application
Application Form	— Application for the IPO Shares by way of a printed Application Form
ADA	— Authorised Depository Agent
ADA Code	— ADA (Broker) Code
ASEAN	— Association of Southeast Asian Nations
BDSB	— Brilliant Decade Transport Agency Sdn Bhd (270261-D)

DEFINITIONS... cont'd

Board or Directors	— The Board of Directors of HTVB
CCM	— Companies Commission of Malaysia
CDS	— Central Depository System
Co-Placement Agent	— Alliance Merchant Bank Berhad (21605-D)
Crab System	— A patented scaffolding design developed by Entrepose and is an advanced scaffolding system which conforms to the European Safety Standards which is particularly suitable for heavy industrial usage such as shoring works, ship building, the oil and gas industries and general industrial applications
EPS	— Earnings Per Share
EBIDTA	— Earnings before interest, depreciation, taxation and amortisation
EI	— Exceptional item(s)
Electronic Share Application	— Application for the IPO Shares through a Participating Financial Institution's automated teller machines
Entrepose	— Entrepose Mills International of France (<i>formerly known as Entrepose Enchafaudages SA</i>)
FIC	— Foreign Investment Committee
GDP	— Gross Domestic Product
HTVB or Company	— Hiap Teck Venture Berhad (421340-U)
HISB	— Huatraco Industries Sdn Bhd (164409-A), a wholly-owned subsidiary of HMSB
HMSB	— Huatraco Marketing Sdn Bhd (240510-T)
HMSB Group	— HMSB and its wholly-owned subsidiary, HISB
HTVB Group or Group	— HTVB and its wholly-owned subsidiaries namely HTH, THH, APM, HMSB and BDSB
HTH	— Hiap Teck Hardware Sdn Bhd (276336-A)
HTH Group	— HTH and its wholly-owned subsidiaries namely HTP, HTSM, HT Steel and HT Holdings
HTP	— H.T. Property Sdn Bhd (313284-V), a wholly-owned subsidiary of HTH
HTSM	— H.T. Scaffolding Manufacturing Sdn Bhd (282720-D), a wholly-owned subsidiary of HTH
HT Steel	— H.T. Steel Manufacturing Sdn Bhd (409923-P), a wholly-owned subsidiary of HTH
HT Holdings	— Hiap Teck Holdings Sdn Bhd (336742-U), a wholly-owned subsidiary of HTH

DEFINITIONS... cont'd

Incorporation of Revaluation Surplus	— HTP, a wholly-owned subsidiary of HTH, and THH will incorporate a revaluation surplus arising from the revaluation of various landed properties amounting to an aggregate of RM17,491,221 into their accounts prior to the Acquisitions pursuant to the Company's Restructuring and Listing Scheme
IPO	— The initial public offering of HTVB comprising the Public Issue, Private Placement and Restricted Issue collectively
IPO Shares	— The Public Issue Shares, Placement Shares and Restricted Issue Shares collectively
KLSE or Exchange	— Kuala Lumpur Stock Exchange (30632-P)
Listing	— The listing of and quotation for the entire enlarged issued and paid-up share capital of HTVB comprising 327,400,000 Shares on the Main Board of the KLSE
Lot 6085	— A property located in Mukim of Kapar, District of Klang, Selangor Darul Ehsan, being the subject of the Acquisition of Properties
Lot 6088	— A property located in Mukim of Kapar, District of Klang, Selangor Darul Ehsan, being the subject of the Acquisition of Properties
Lot 6089	— A property located in Mukim of Kapar, District of Klang, Selangor Darul Ehsan, being the subject of the Acquisition of Properties
Malaysian Public	— Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
MCD or Central Depository	— Malaysian Central Depository Sdn Bhd (165570-W)
MI	— Minority interest
MISIF	— Malaysian Iron and Steel Industry Federation
MITI	— Ministry of International Trade and Industry
Mt	— Metric tonnes
MIH	— Malaysian Issuing House Sdn Bhd (258345-X)
NTA	— Net tangible assets
Participating Financial Institution(s)	— Refers to the Participating Financial Institutions for Electronic Share Application as listed in Section 12.9 of this Prospectus
PAT	— Profit after taxation
PBT	— Profit before taxation
PE Multiple	— Price earnings multiple
Property(ies)	— Lot 6085, Lot 6088 and Lot 6089, being the subject of the Acquisition of Properties
Private Placement	— The private placement of 66,400,000 new Shares in HTVB to selected investors at an issue price of RM0.55 per Share.
Placement Agent	— AmMerchant Bank

DEFINITIONS... cont'd

Placement Shares	— The 66,400,000 new Shares in HTVB to private investors, being the subject of the Private Placement
Public Issue	— The public issue of 10,000,000 new Shares in HTVB at an issue price of RM0.55 per Share to eligible employees, Directors and business associates (<i>comprising customers and suppliers</i>) of the HTVB Group and the Malaysian Public payable in full on application subject to the terms and conditions of this Prospectus
Public Issue Shares	— The 10,000,000 new Shares in HTVB, being the subject of Public Issue
Restructuring and Listing Scheme	— The Incorporation of Revaluation Surplus, Acquisitions, Acquisition of Properties, Private Placement, Restricted Issue and Public Issue collectively
Restricted Issue	— The restricted issue of 14,800,000 new Shares in HTVB to a nominated Bumiputera investor approved by MITI at an issue price of RM0.55 per Share.
Restricted Issue Shares	— The 14,800,000 new Shares in HTVB, being the subject of the Restricted Issue
RM and sen	— Ringgit Malaysia and sen respectively
SC	— Securities Commission
Shares	Ordinary shares of RM0.50 each
THH	— Tiek Hong Hardware (B'worth) Sdn Bhd (278478-T)
USD	— United States Dollar

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TABLE OF CONTENTS

	<i>Page</i>
CORPORATE INFORMATION	viii
1. SUMMARY INFORMATION	1
1.1 HISTORY AND BUSINESS	1
1.2 PROMOTERS, MAJOR SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT OF HTVB	2
1.3 FINANCIAL STATISTICS FOR THE PAST FIVE(5) FINANCIAL YEARS.....	3
1.4 SUMMARY OF PROFORMA BALANCE SHEET AS AT 31 JANUARY 2003.....	6
1.5 RISK FACTORS.....	7
1.6 PRINCIPAL STATISTICS RELATING TO THE IPO	7
1.7 PROCEEDS OF THE IPO AND THEIR UTILISATION	9
1.8 SUMMARY OF ALL MATERIAL LITIGATIONS, COMMITMENTS AND CONTINGENT LIABILITIES	9
2. DETAILS OF THE IPO	11
2.1 SHARE CAPITAL	12
2.2 PARTICULARS OF THE IPO	13
2.3 BASIS OF ARRIVING AT THE IPO PRICE.....	13
2.4 DETAILS ON THE PINK FORMS ALLOCATION	14
2.5 CRITICAL DATES OF THE IPO	14
2.6 PURPOSES OF THE IPO.....	15
2.7 PROCEEDS OF THE IPO AND THEIR UTILISATION	15
2.8 UNDERWRITING COMMISSION, PLACEMENT FEE AND BROKERAGE	17
2.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT	18
2.10 APPROVALS AND CONDITIONS FROM AUTHORITIES	27
3. RISK FACTORS	31
3.1 SENSITIVITY TO ECONOMIC FACTORS	31
3.2 BUSINESS RISKS	31
3.3 DEPENDENCY ON KEY MANAGEMENT.....	31
3.4 DELAY IN OR ABORTION OF THE LISTING OF HTVB	31
3.5 TERMINATION OF THE LICENCE AND TECHNICAL ASSISTANCE AGREEMENT.....	32
3.6 GEARING.....	32
3.7 FOREIGN EXCHANGE RISK	33
3.8 PRICING OF RAW MATERIALS	33
3.9 IMPORT TARIFFS ON STEEL PRODUCTS IMPOSED BY THE UNITED STATES.....	34
3.10 NO PRIOR MARKET FOR HTVB SHARES	34
3.11 COMPETITION.....	34
3.12 POLITICAL, ECONOMIC AND REGULATORY CONSIDERATIONS	34
3.13 PROFIT ESTIMATE AND FORECAST.....	35
3.14 FORWARD LOOKING STATEMENTS.....	35
3.15 CONTROL BY SUBSTANTIAL SHAREHOLDER	35
3.16 LICENSING RISKS	35
3.17 IMPACT OF AFTA.....	36
3.18 VALUATION.....	36
3.19 VULNERABILITY TO IMPORTS	37
4. INFORMATION ON HTVB GROUP	38
4.1 INCORPORATION	38
4.2 SHARE CAPITAL AND CHANGES IN SHARE CAPITAL.....	39
4.3 RESTRUCTURING AND LISTING SCHEME.....	40
4.4 INFORMATION ON SUBSIDIARY COMPANIES.....	44
4.5 BUSINESS OVERVIEW.....	58
4.6 OVERALL MALAYSIAN ECONOMY	66
4.7 THE IRON AND STEEL INDUSTRY.....	67
4.8 MAJOR CUSTOMERS.....	76
4.9 MAJOR SUPPLIERS	76
4.10 FUTURE PLANS OF THE HTVB GROUP.....	77
4.11 PRODUCTION FLOW-CHART	79

5.	DIRECTORS, SENIOR MANAGEMENT, EMPLOYEES AND AUDIT COMMITTEE	83
5.1	PROMOTERS	83
5.2	MAJOR SHAREHOLDERS.....	83
5.3	BOARD OF DIRECTORS.....	85
5.4	MANAGEMENT TEAM AND KEY TECHNICAL PERSONNEL	90
5.5	EMPLOYEES	92
5.6	FAMILY RELATIONSHIP	94
5.7	AUDIT COMMITTEE.....	94
5.8	CHANGES IN THE SHAREHOLDINGS OF MAJOR SHAREHOLDERS/PROMOTERS.....	94
6.	FURTHER INFORMATION ON THE HTVB GROUP.....	95
6.1	APPROVALS, MAJOR LICENCES AND PERMITS.....	95
6.2	RELATED PARTY TRANSACTIONS	97
6.3	SUMMARY OF LANDED PROPERTIES.....	100
6.4	DECLARATIONS BY THE ADVISERS.....	102
7.	FINANCIAL INFORMATION.....	103
7.1	CONSOLIDATED PROFIT AND DIVIDEND RECORDS.....	103
7.2	ANALYSIS AND COMMENTARY ON FINANCIAL PERFORMANCE	104
7.3	SEGMENTAL ANALYSIS OF REVENUE AND PROFITS.....	106
7.4	DIRECTORS' DECLARATION ON FINANCIAL PERFORMANCE.....	107
7.5	WORKING CAPITAL, BORROWINGS AND CONTINGENT LIABILITIES	107
7.6	TRADE DEBTS.....	108
7.7	CONSOLIDATED PROFIT ESTIMATE AND FORECAST AND ASSUMPTIONS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON.....	109
7.8	DIRECTORS' COMMENTARY ON ACHIEVABILITY OF PROFIT ESTIMATE AND FORECAST.....	113
7.9	DIVIDEND ESTIMATE AND FORECAST POLICY.....	113
7.10	PROFORMA CONSOLIDATED BALANCE SHEETS TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON.....	114
8.	DIRECTORS' REPORT	120
9.	ACCOUNTANTS' REPORT	121
10.	VALUER'S LETTER.....	170
11.	STATUTORY AND GENERAL INFORMATION	180
11.1	SHARE CAPITAL	180
11.2	ARTICLES OF ASSOCIATION.....	180
11.3	DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....	187
11.4	GENERAL.....	191
11.5	PUBLIC TAKE-OVERS.....	192
11.6	MATERIAL AGREEMENTS	192
11.7	MATERIAL CONTRACTS.....	196
11.8	MATERIAL LITIGATION.....	199
11.9	CONSENTS	200
11.10	DOCUMENTS FOR INSPECTION	201
11.11	RESPONSIBILITY.....	202
12.	PROCEDURES FOR APPLICATION AND ACCEPTANCE	203
12.1	OPENING AND CLOSING OF APPLICATION LISTS.....	203
12.2	PROCEDURE FOR APPLICATION.....	203
12.3	ACCEPTANCE OF APPLICATIONS	206
12.4	CDS ACCOUNTS.....	207
12.5	NOTICE OF ALLOTMENT	208
12.6	FORMALISING OF CDS ACCOUNT	208
12.7	LIST OF AUTHORISED DEPOSITORY AGENTS.....	209
12.8	TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS.....	223
12.9	TERMS AND CONDITIONS FOR ELECTRONIC SHARE APPLICATIONS	225
12.10	STEPS FOR ELECTRONIC SHARE APPLICATION THROUGH A PARTICIPATING FINANCIAL INSTITUTION'S ATM	229

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Name	Address	Occupation	Nationality
Tan Sri Dato' Alwi bin Jantan (Chairman)	No. 51, Persiaran Duta 50480 Kuala Lumpur	Company Director	Malaysian
Kua Hock Lai (Managing Director)	78-12-14, Faber Heights Jalan Desa Utama Taman Desa 58100 Kuala Lumpur	Company Director	Malaysian
Cheah Shu Boon (Non-Executive Director)	32-9-1 Desa Bangsaria Jalan Kapas 59100 Kuala Lumpur	Advocate & Solicitor	Malaysian
Toh Su Lin (Alternate Director to Cheah Shu Boon)	No. 17-15-6 Danau Impian Condominium Jalan 3/109F Taman Danau Desa 58100 Kuala Lumpur	Advocate & Solicitor	Malaysian
Mohamed Nizam bin Abdul Razak (Independent Non-Executive Director)	No. 6, Jalan Eaton 50450 Kuala Lumpur	Company Director	Malaysian
Lu Kang Eing (Executive Director)	No. 81, Jalan Sri Siantan 43 Kawasan 2 Taman Sri Andalas 41200 Klang Selangor Darul Ehsan	Company Director	Malaysian
Tee Tuang Siong (Executive Director)	5, Jalan Jambu Mawar 7 Taman Jambu Mawar 14000 Bukit Mertajam Province Wellesley	Company Director	Malaysian
Law Sook Teng (Executive Director)	B-5-4, Sri Manja Court Taman Sri Manja Jalan Klang Lama 46000 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Ong Eng Choon (Independent Non-Executive Director)	No. 55, Jalan Westlands 10400 Georgetown Pulau Pinang	Company Director	Malaysian
Yeoh Chong Keat (Independent Non-Executive Director)	4, Jalan 12/19 46200 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Yeoh Chong Keat	Chairman	Independent Non-Executive
Kua Hock Lai	Member	Managing Director
Ong Eng Choon	Member	Independent Non-Executive

CORPORATE INFORMATION..... cont'd

- COMPANY SECRETARY**
- Lim Phooi Kee (MIA 2759)
8-3-4 Tivoli Villa
Jalan Medang Tanduk
Bukit Bandaraya
59100 Kuala Lumpur
 - Ng Yim Kong (LS 0008343)
97 Jalan USJ 2/4R
UEP Subang Jaya
47600 Subang Jaya
Selangor Darul Ehsan
- REGISTERED OFFICE/ MANAGEMENT OFFICE**
- Lot 6096, Jalan Haji Abdul Manan
Batu 5½, Off Jalan Meru
41050 Klang
Selangor Darul Ehsan
Tel No.: 03 3392 8888
E-mail address : admin@htgrp.com.my
- REGISTRARS AND TRANSFER OFFICE**
- Signet Share Registration Services Sdn Bhd
(506293-D)
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No.: 03 2145 4337
E-mail address : ssrs@signet.com.my
- ISSUING HOUSE**
- Malaysian Issuing House Sdn. Bhd. (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur
- PRINCIPAL BANKERS**
- Alliance Bank Malaysia Berhad (88103-W)
8, Jalan Munshi Abdullah
Menara Multi-Purpose
Capital Square
50100 Kuala Lumpur
 - Hong Leong Bank Berhad (97141-X)
Wisma Hong Leong
18, Jalan Tun Perak
50450 Kuala Lumpur
 - RHB Bank Berhad (6171-M)
75 Jalan Tun H. S. Lee
50000 Kuala Lumpur
- AUDITORS AND REPORTING ACCOUNTANTS**
- Wong Yow Seng & Co.
Chartered Accountants
52-C, Jalan Bukit Bintang
55100 Kuala Lumpur
- SOLICITORS FOR GROUP AFFAIRS**
- S.B. Cheah & Associates
Unit 8-16-2, Menara Mutiara Bangsar
Jalan Liku, Bangsar
59100 Kuala Lumpur
- SOLICITORS FOR THE IPO**
- Lee, Perara & Tan
55, Jalan Thambapillai
Off Jalan Tun Sambanthan
Brickfields
50470 Kuala Lumpur

CORPORATE INFORMATION..... cont'd

ADVISER , MANAGING UNDERWRITER AND PLACEMENT AGENT	- AmMerchant Bank Berhad (23742-V) 22 nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur
Co-PLACEMENT AGENT	- Alliance Merchant Bank Berhad (21605-D) Level 20 Menara Multi-Purpose Capital Square No. 8 Jalan Munshi Abdullah 50100 Kuala Lumpur
UNDERWRITERS	- AmMerchant Bank Berhad (23742-V) 22 nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur AmSecurities Sdn Bhd (92977-U) 15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur PM Securities Sdn Bhd (66299-A) Ground Floor, 1 st and 5 th Floor, MUI Plaza Jalan P. Ramlee 50200 Kuala Lumpur JF Apex Securities Berhad (47680-X) 6 th Floor, Menara Apex Off Jalan Semenyih 43000 Kajang Selangor Darul Ehsan MIDF SISMA Securities Sdn Bhd (423833-U) 17 th & 18 th Floor Empire Tower 182 Jalan Tun Razak 50400 Kuala Lumpur M&A Securities Sdn Bhd (15017-H) M&A Building 52A Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Hwang-DBS Securities Berhad (14389-U) Level 8, Wisma Sri Pinang No. 60, Green Hall 10200 Penang
VALUER	Khong & Jaafar Sdn Bhd (31218-T) 57-1, Jalan Telawi Tiga 59100 Kuala Lumpur
LISTING SOUGHT	- Main Board of the Kuala Lumpur Stock Exchange

HIAP TECK VENTURE BERHAD

(421340-U)

(Incorporated in Malaysia under the Companies Act, 1965)

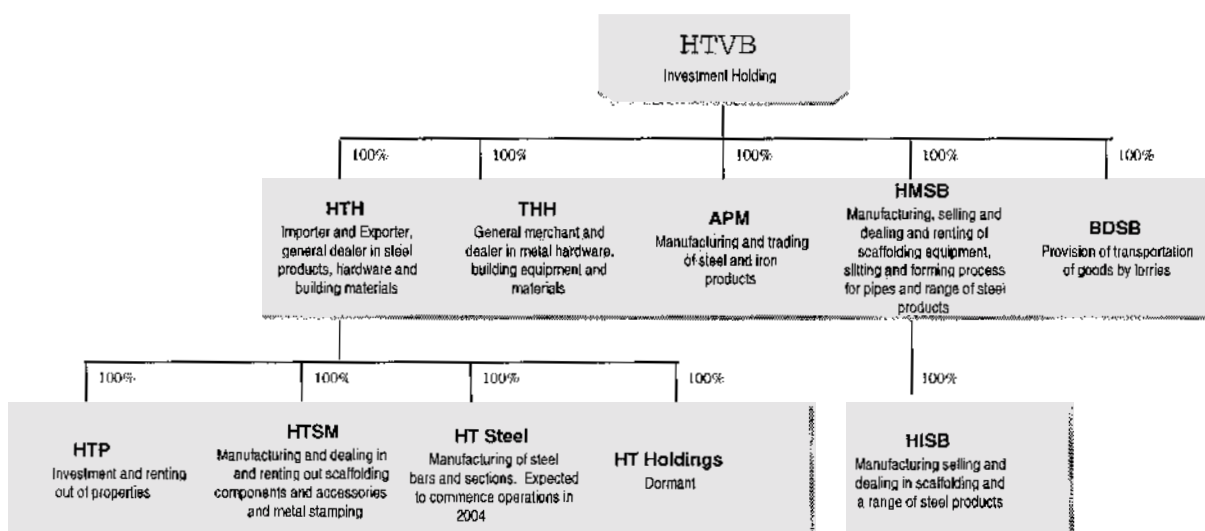
THE FOLLOWING INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION RELATING TO THE HTVB GROUP, AND SHOULD BE READ AND UNDERSTOOD IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST

1. SUMMARY INFORMATION

The following summary information is derived from, and should be read in conjunction with the full text of this Prospectus.

1.1 History and Business

HTVB was incorporated in Malaysia on 1 March 1997 as a private limited company under the Companies Act, 1965. The Company was subsequently converted into a public limited company on 2 April 1997 and adopted its present name. The present authorised share capital of the Company is RM200,000,000 comprising 400,000,000 ordinary share of RM0.50 each of which 236,200,000 HTVB Shares have been issued and fully paid-up as at 17 July 2003. HTVB is principally an investment holding company with the following subsidiaries:-



The HTVB Group is principally involved in the manufacturing and distribution of various iron and steel products. The manufacturing division of the HTVB Group can be broadly classified into two (2) categories, i.e. manufacturing and distribution of scaffolding and related equipments by HTSM, HISB and HMSB, and manufacturing and distribution of steel pipes and related products by APM, HISB and HMSB.

In addition, HTSM is also the sole licensed manufacturer and distributor of the Crab System scaffolding for Malaysia until 31 December 2004. The Crab System scaffolding is a patented design developed by Entrepouse of France. It is an advanced system which conforms to the European Safety Standards and is particularly suitable for heavy industrial usage such as shoring works, ship building, the oil and gas industries and general industrial applications. Further information on the Crab System scaffolding is set out in Section 4.5(i) of this Prospectus.

1. SUMMARY OF INFORMATION..... cont'd

The manufacturing activities of the Group are complemented by the Group's trading division, principally comprising HTH and THH. These subsidiaries trade in a range of products not produced by the manufacturing division so as to provide the Group with an even wider range of products to meet the needs of its customers. The range of products is constantly expanding in line with more sophisticated demand from end-users from the various industries who are exposed to new manufacturing technology and production equipment, as well as faster construction methods.

Further information on the HTVB Group are detailed in Section 4 of this Prospectus.

1.2 Promoters, Major Shareholders, Directors and Key Management of HTVB

	Final shareholdings after the listing of HTVB			
	Direct		Indirect	
	No. of Shares	**%	No. of Shares	**%
Promoters				
Kua Hock Lai	13,904,566	4.25	^135,017,485	41.24
Tee Tuang Siong	2,674,609	0.82	-	-
Law Sook Teng	1,587,615	0.48	-	-
Major Shareholders				
KHL Sdn Bhd	~ 84,457,096	25.80	**46,173,644	14.10
United Coconut Fibre Products Sdn Bhd	46,173,644	14.10	-	-
Tan Sri Dato' Alwi bin Jantan	26,788,464	8.18	-	-
Kua Hock Lai	13,904,566	4.25	^135,017,485	41.24
Lim Ah Eng	4,386,745	1.34	^^144,535,306	44.15
Directors				
Tan Sri Dato' Alwi bin Jantan	26,788,464	8.18	-	-
Kua Hock Lai	13,904,566	4.25	^135,017,485	41.24
Mohamed Nizam bin Abdul Razak	11,256,247	3.44	-	-
Tee Tuang Siong	2,674,609	0.82	-	-
Law Sook Teng	1,587,615	0.48	-	-
Lu Kang Eng	1,832,961	0.56	-	-
Cheah Shu Boon	-	-	-	-
Toh Su Lin	-	-	-	-
Ong Eng Choon	-	-	-	-
Yeoh Chong Keat	-	-	-	-
Key Management of HTVB				
Teh Swee See	-	-	-	-
Kok Kim Sang	1,556,299	0.48	-	-
Ooi Ai Leng	-	-	-	-
Phang Chin Khiong	1,587,615	0.48	-	-
Tan Yuen Hong	1,091,515	0.33	-	-
Teoh Peir Song	1,091,515	0.33	-	-
Kua Swee Leong	545,757	0.17	-	-
Key Technical Personnel of HTVB				
Choo Wai Hoong	-	-	-	-
Lee Kee Bau	-	-	-	-
Wong Kon Siong	687,360	0.21	-	-

Notes:-

Excludes pink form allocation

~ Of which 72,728,000 Shares are held by Alliancegroup Nominees (Tempatan) Sdn Bhd as bare trustees for KHL Sdn Bhd

* Based on an enlarged share capital of 327,400,000 Shares

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

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

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

Further information on the Promoters, Major Shareholders, Directors and Key Management of HTVB are detailed in Section 5 of this Prospectus.

1. SUMMARY OF INFORMATION..... cont'd**1.3 Financial Statistics for the Past Five(5) Financial Years**

The following table is extracted from the Accountants' Report set out in Section 9 of this Prospectus and should be read in conjunction with the notes thereto. The audited financial statements used for the preparation of the proforma consolidated results of HTVB and its subsidiaries for all financial years and the period under review as set out below have not been subjected to any audit qualification.

The table below sets out a summary of the proforma consolidated audited results of HTVB Group for the past five(5) financial years ended 31 July 2002 and the six(6)-month period ended 31 January 2003, prepared for illustrative purposes only based on the audited accounts of HTVB and its subsidiaries and on the assumption that the current structure of the Group has been in existence throughout the period under review, and after making any such adjustments considered necessary:-

	Financial year ended 31 July					6 months ended 31.01.03 RM'000
	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	
Revenue	362,785	295,773	428,819	424,761	534,692	243,326
EBIDTA	47,315	44,432	44,875	43,435	45,637	26,246
Depreciation	(8,227)	(10,244)	(11,548)	(11,217)	(10,250)	(4,722)
Amortisation	-	-	-	(52)	(52)	(26)
Operating profit	39,088	34,188	33,327	32,166	35,335	21,498
Interest expense	(29,600)	(23,226)	(16,265)	(16,751)	(14,103)	(6,053)
PBT before EI	9,488	10,962	17,062	15,415	21,232	15,445
EI	-	-	-	1,212	(599)	-
PBT	9,488	10,962	17,062	16,627	20,633	15,445
Less: Taxation	(1,894)	(120)	(4,050)	(2,988)	(6,374)	(5,202)
PAT attributable to shareholders	7,594	10,842	13,012	13,639	14,259	10,243
No. of Shares assumed in issue ('000)*	151,548	151,548	151,548	151,548	151,548	151,548
Gross EPS (sen)	6.26	7.23	11.26	10.97	13.61	^ 20.38
Net EPS (sen)	5.01	7.15	8.59	9.00	9.41	^ 13.52

Notes:-

* Assuming the Acquisitions have been implemented and the Group has been in existence throughout the financial years/period under review.

^ Annualised.

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1. SUMMARY OF INFORMATION..... cont'd

- i. Economic crisis affected trading sector badly in FYE 1998, resulting in manufacturing and servicing sectors contributing to 95% of the profit before taxation. The trading sector, however, recovered by 93% in FYE 1999. Group revenue increased by 44.98% from FYE 1999 to FYE 2000 with the recovery of the economy, mainly from the manufacturing and servicing sectors but it showed a slight drop of 0.95% in FYE 2001 due to lower demand for scaffolding (HMSB). Revenue for FYE 2002 improved by 25.88% mainly from higher sales by HTH and APM. For the 6 month period to 31 January 2003, the implementation of stricter credit control resulted in a 8.98% decline (on annualised basis) in the Group's from the previous year.

The Group's recovery was led by APM, doubling its contribution to 42.78% of the profit before taxation in FYE 1998 from FYE 1997 and increasing to almost 55% in FYE 1999. For FYE 2000, HTH nearly doubled its profit before taxation whilst APM's increased by 73.8%, improving the Group's profit before taxation for FYE 2000 by 55.65% over FYE 1999's. For FYE 2001, the decline in contribution by HMSB of 9% resulted in a 2.55% decline on the Group's profit before taxation. For FYE 2002, the Group achieved an increase of 24.09% pre-tax profit over the previous year's with most contribution coming from APM - its contribution to the Group pre-tax profit increased from 64.9% to 65.8%. However, for the 6 month period to 31 January 2003, notwithstanding the decline in revenue, the Group managed to increase the profit before taxation by 49.72% (on annualised basis) over the previous year's, mainly through APM's performance.

- ii. The acquisitions of HTH, APM, HMSB, THH and BDSB have been consolidated using the method of merger accounting.
- iii. Except for the exceptional items in FYEs 2001 and 2002 which were in respect of the gain and the loss upon disposal of freehold & leasehold land and buildings respectively, there is no other exceptional item.
- The exceptional item for FYE 2002 also includes a restatement to include overprovision in real property gains tax ("RPGT") of RM2,826 upon the disposal of leasehold land in HTP.
- iv. There were no extraordinary items in all the financial years/period under review.
- v. The taxation charge of the subsidiaries have been adjusted to reallocate the under/overprovision to their various respective years and is as follows:-

	Financial year ended 31 July					6 months
	1998	1999	2000	2001	2002	ended
	RM'000	RM'000	RM'000	RM'000	RM'000	31.01.03
						RM'000
As per audited Income Statement	3,919	(1,720)	3,514	4,814	6,493	4,970
Adjustment to reallocate taxation under/(over) to respective years	18	(203)	536	(1,826)	(119)	232
Adjustment for overprovision for deferred taxation	(2,043)	2,043	-	-	-	-
Adjusted taxation	1,894	120	4,050	2,988	6,374	5,202

- vi. The effective tax rates for FYE 1998 to FYE 2001 (excluding FYE 1999) are lower than the statutory rate due to APM, HMSB and HTSM's entitlement to claim reinvestment allowances. The effective tax rates for FYE 2002 and the 6 month period to 31 January 2003 were much higher than the statutory rate due to certain expenses being disallowed for tax purpose. For FYE 1999, there was no provision for Malaysian income tax as any tax payable would have been waived in accordance with the provisions of the Income Tax (Amendment) Act, 1999 except for the deferred tax provided for in subsidiary companies.
- vii. The gross earnings per share is calculated based on the profit before taxation but after exceptional item over the number of ordinary shares assumed in issue during the year/period. The net earnings per share is calculated based on the net profit after exceptional item and taxation over the number of ordinary shares assumed in issue during the year/period.

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1. SUMMARY OF INFORMATION..... cont'd

- viii. *No adjustment has been made to the above proforma consolidated income statements for rental savings resulting from the acquisition of Lots 6085, 6088 and 6089 pursuant to the listing of HTVB. The rental paid for the lease of these lots from United Coconut Fibre Products Sdn. Bhd. and KHL Sdn. Bhd. for the years/period under review is set out as follows:-*

	Financial year ended 31 July					6 months
	1998	1999	2000	2001	2002	ended
	RM'000	RM'000	RM'000	RM'000	RM'000	31.01.03
						RM'000
Lot 6085	2,160	2,160	2,160	2,160	1,610	780
Lot 6088	2,160	2,220	2,190	2,190	1,610	825
Lot 6089	1,260	2,160	2,160	2,160	1,610	780
	5,580	6,540	6,510	6,510	4,830	2,385

- ix. *The entire number of shares assumed to be issued is based on that as disclosed in Note 7.1(a).4 (Proforma Group Balance Sheet) of the Accountants' Report for the sole purpose of co-relating past earnings with future earnings by using the same denominator.*
- x. *The summarised proforma consolidated income statements have been prepared for illustrative purpose only and are based on the audited financial statements of the subsidiary companies of the Proforma Group.*
- xi. *All significant inter-company transactions have been eliminated upon consolidation.*

Details of the financial information of the HVTB Group are set out in Sections 7 and 9 of this Prospectus.

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1. SUMMARY OF INFORMATION..... cont'd**1.4 Summary of Proforma Balance Sheet as at 31 January 2003**

	<u>Proforma A</u>	<u>Proforma B</u>	<u>Proforma C</u>
	Audited as at 31 January 2003	After Proforma A, Incorporation of Revaluation Surplus, Acquisitions and Acquisition of Properties	After Proforma B & the IPO
	(RM'000)	(RM'000)	(RM'000)
Shareholders' funds			
Share capital	300	118,100	163,700
Share premium	-	20,574	22,134
Reserves	(441)	56,580	56,580
	(141)	195,254	242,414
Long term liabilities			
Loans payable	-	259	259
Bank borrowings	-	18,054	18,054
Deferred taxation liability	-	6,704	6,704
	(141)	220,271	267,431
Represented by:-			
Goodwill on consolidation	-	917	917
Expenditure carried forward	645	645	-
Property, plant and equipment	-	163,103	163,103
Deferred tax benefit	-	112	112
Current Assets			
Inventories	-	128,651	128,651
Trade receivables	-	102,082	102,082
Other receivables, deposits & prepayments	-	11,857	11,857
Deposit with licensed bank	-	17,271	17,271
Tax recoverable	-	1,900	1,900
Cash in hand and at banks	1	999	32,204
	1	262,760	293,965
Less: Current Liabilities			
Trade payables	-	6,057	6,057
Bank borrowings	-	187,535	170,935
Loans payable	-	1,131	1,131
Other payables and accruals	787	9,207	9,207
Taxation	-	3,336	3,336
	(787)	207,266	190,666
Net current (liabilities)/assets	(786)	55,494	103,299
	(141)	220,271	267,431
Proforma NTA per Share (RM)	(1.31)	0.82	0.74

Details of the Proforma Consolidated Balance Sheets of HTVB as at 31 January 2003 and the Reporting Accountants' letter are contained in Section 7.10 of this Prospectus.

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1. SUMMARY OF INFORMATION..... cont'd**1.5 Risk Factors**

The following are some of the main risk factors (*which may not be exhaustive*) as extracted from Section 3 of this Prospectus which applicants for the IPO Shares should carefully consider in addition to other information contained elsewhere in this Prospectus before applying for the IPO Shares:-

- Sensitivity to economic factors
- Business risks
- Dependency on key management
- Delay in or abortion of the listing of HTVB
- Termination of the Licence and Technical Assistance Agreement
- Gearing
- Foreign exchange risk
- Pricing of raw materials
- Import tariffs on steel products imposed by the United States
- No prior market for HTVB Shares
- Competition
- Political, economic and regulatory considerations
- Profit estimate and forecast
- Forward looking statements
- Control by substantial shareholder
- Licensing risks
- Impact of AFTA
- Valuation
- Vulnerability to imports

Details of the risk factors are contained in Section 3 of this Prospectus.

1.6 Principal Statistics Relating to the IPO**SHARE CAPITAL**

	RM
Authorised — 400,000,000 Shares	<u>200,000,000</u>
Issued and fully paid-up — 236,200,000 Shares	118,100,000
To be issued pursuant to the Private Placement — 66,400,000 new Shares	33,200,000
To be issued pursuant to the Restricted Issue — 14,800,000 new Shares	7,400,000
To be issued pursuant to the Public Issue — 10,000,000 new Shares	<u>5,000,000</u>
	<u>163,700,000</u>
IPO PRICE PER SHARE	RM0.55

There is only one class of shares in the Company, namely the ordinary shares of RM0.50 each, all of which rank pari passu with one another. The IPO Shares to be issued pursuant to this Prospectus will rank pari passu with one another in all aspect with the existing Shares of the Company including voting rights and rights to all dividends that may be declared, subsequent to the date of allotment of the IPO Shares.

1. SUMMARY OF INFORMATION..... cont'd**PROFORMA CONSOLIDATED NTA AND NTA PER SHARE AS AT 31 JANUARY 2003**

Proforma Consolidated NTA (after the IPO) ^ (RM'000)	241,497
Proforma Consolidated NTA per Share ^^ (RM)	0.74

Notes:-

^ After deducting estimated listing expenses of RM3,000,000

^^ Based on the enlarged share capital of 327,400,000 Shares

HIGHLIGHTS OF THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST

Financial Years Ending 31 July	Estimate 2003	Forecast 2004
Consolidated PBT (RM'000)	31,840	38,667
Consolidated PAT (RM'000)	22,602	27,366
Net PE Multiple Based on Weighted Average Share Capital		
Net EPS (sen)	* 34.76	^ 8.56
PE Multiple based on Net EPS and IPO price of RM0.55 per Share (times)	1.58	6.43
Net PE Multiple Based on Enlarged Share Capital #		
Net EPS (sen)	6.90	8.36
Return on share capital employed (%)	13.80	16.72
PE Multiple based on Net EPS and IPO price of RM0.55 per Share (times)	7.97	6.58

Notes:-

* Based on 65.025 million weighted average Shares in issue with the completion of the Acquisitions and Acquisition of Properties in March 2003 and May 2003 respectively

^ Based on 319.800 million weighted average Shares in issue with the completion of the Acquisitions and Acquisition of Properties in March 2003 and May 2003 respectively, and assuming completion of the IPO in September 2003

Based on the enlarged issued and share capital of 327,400,000 Shares upon completion of the IPO

DIVIDEND ESTIMATE AND FORECAST

Financial Years Ending 31 July	Estimate 2003	Forecast 2004
Gross dividend per Share (sen)	1.50	1.50
Gross dividend rate per Share (%)	3.00	3.00
Net dividend per Share (sen)	1.08	1.08
Net dividend rate per Share (%)	2.16	2.16
Gross dividend yield based on the IPO price of RM0.55 per Share (%)	2.73	2.73
Net dividend cover (times)	6.39	7.74

Details of the future financial information of the HTVB Group are set out in Sections 7.7, 7.8 and 7.9 of this Prospectus.

1. SUMMARY OF INFORMATION..... cont'd**1.7 Proceeds of the IPO and Their Utilisation**

All proceeds of the IPO of RM50,160,000 will accrue to HTVB. HTVB will bear all other expenses incidental to the listing and quotation of HTVB's Shares on the Main Board of the KLSE which include placement fees, underwriting commission, brokerage, registration fee, professional fees, SC perusal fee, advertising and listing expenses and other fees which are estimated to be RM3,000,000.

HTVB intends to use these proceeds in the following manner:-

	RM'000
Repayment of bank borrowings	16,600
Working Capital (including to repay trade bills)	30,560
Estimated listing expenses	3,000
TOTAL	50,160

Details on the utilisation of proceeds are set out in Section 2.7 of this Prospectus.

1.8 Summary of All Material Litigations, Commitments and Contingent Liabilities

Save as disclosed below, as at 17 July 2003, (being the last practicable date prior to the printing of this Prospectus) the HTVB Group has no material litigation, commitments and contingent liabilities.

Material Litigation

Subsidiary	Suit No.	Parties	Subject Matter	Amount Claimed (RM)	Status
HTH	Kuala Lumpur High Court, Summons No. D8-22-3218-99	HTH (as plaintiff) and Sin Ki Piling & Engineering Sdn Bhd & 2 ors (as defendants)	Claim for recovery of debt	626,903.30 plus interest	Proceeded with bankruptcy proceedings against the guarantors. HTH's solicitors are currently in the process of filing the Creditor's Petitions in relation to the 1 st Guarantor and have received payment from the 2 nd Guarantor.
HTH	Shah Alam High Court Nos. 29-3033-2001, 29-3034-2001, 29-3035-2001	HTH (as petitioner) and Han Ban Cheng, Hew Kim Yeoh and Yap Wai Kwan (as respondents)	Bankruptcy proceedings against judgment debtors	175,134.37 plus interest	Proceeded with bankruptcy proceedings against the guarantors. HTH's solicitors are currently in the process of applying for Substituted Service in relation to Han Ban Cheng's Bankruptcy Notice and are awaiting the extraction of the approved Bankruptcy Order for Hew Kim Yeah and Yap Wai Kwan as filed on 01.07.2003.
HTH	Shah Alam High Court No. 29-4893-2002 and 29-4894-2002	HTH (as petitioner) and Lee Tee Kiat and Sim Ai Leng (as respondents)	Bankruptcy proceedings against judgment debtors	198,852.70 plus interest	Proceeded with bankruptcy proceedings against the respondents as guarantors. The Courts had granted Order in Terms for the extension of the Bankruptcy Notice on 30.06.2003. HTH's solicitors are currently in the process of applying for Substituted Service for the same.

1. SUMMARY OF INFORMATION..... cont'd

Subsidiary	Suit No.	Parties	Subject Matter	Amount Claimed (RM)	Status
HTH	Kuala Lumpur High Court No. D4(8)-22-2053-00	HTH (as plaintiff) and See Hup Engineering Sdn Bhd & FW Industri Bhd (as defendants)	Claim for goods sold and delivered	264,426.98 plus interest	Judgment obtained on 14.01.2002 but the Defendants have filed an appeal which was struck out on 12.06.2002. The lawyers handling this matter have issued a notice pursuant to section 218 of the Companies Act, 1965 on 26.06.2002 and were instructed on 14.07.2003 to proceed with the winding up proceedings on FW Industri Bhd.
HMSB	Shah Alam Session Court No. 4-52-2096-01	HMSB (as plaintiff) and Jutakinz Sdn Bhd and 2 others (as defendants)	Claim for recovery of debt	107,418.46 plus interest	Judgment against the 1 st and 2 nd Defendants was obtained on 3.1.02. Awaiting the Courts to fix the next mention date for the application for substituted service of summons on the 3 rd Defendant. However, the case is pending settlement.
THH	Butterworth Sessions Court(2) Summons No.52-19-2000	THH (as plaintiff) & Kang Yap (K) Sdn Bhd (as defendants)	Claim for recovery of debt	166,117.36 plus interest	Judgment obtained on 18.01.2001 against the Defendant. As the Defendant had not made any payments, THH's solicitors are currently proceeding with the winding-up action in the Alor Setar High Court.
HTSM	Shah Alam High Court Suit No. 22-334-2003	HTSM claiming against Dostrend Sdn Bhd	Claim for recovery of debt	322,169.53	Awaiting extraction of the sealed judgment from the Court as filed on 02.07.2003.
HTSM	Kuala Lumpur Session Court Suit No. 6-52-3872-2003	HTSM claiming against Pembinaan Chan & Chua Sdn Bhd	Claim for recovery of debt	232,706.13	The matter has been fixed for hearing on 29.07.2003.
HTH	N/A	HTH claiming against Wing Fatt Engineering Construction Sdn Bhd	Claim for recovery of debt	200,592.22	Letter of Demand was issued 18.03.2003 for the recovery of the said debt.
HTH	N/A	HTH claiming against Pertama Engineering Trading Sdn Bhd	Claim for recovery of debt	176,859.86	Letter of Demand was issued 31.03.2003 for the recovery of the said debt.

The Directors are of the opinion that there are sufficient grounds to pursue the above mentioned cases. On grounds of prudence, the above amounts have been fully provided for in HTVB Group's financial statements where necessary.

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