

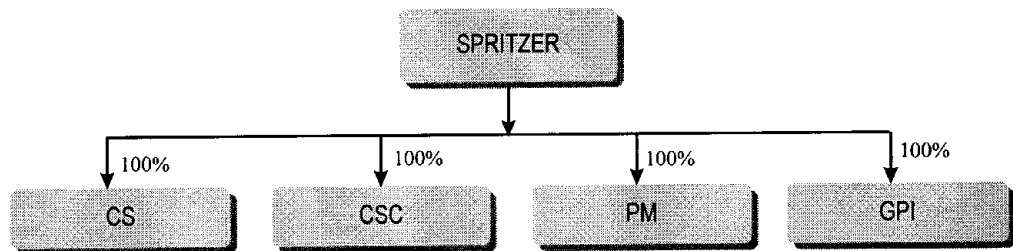
1. SUMMARY INFORMATION

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

1.1 History and Business

Spritzer was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 26 May 1993 as Spritzer Sdn Bhd. On 11 July 1994, the Company was converted into a public limited company and assumed its present name of Spritzer Bhd. The Company is principally an investment holding company.

Pursuant to the listing exercise, Spritzer acquired the entire issued and paid-up share capital of four (4) companies, namely, CS, GPI, CSC and PM. The Spritzer Group's corporate structure on completion of the acquisitions is illustrated as follows:



Spritzer is primarily an investment holding company. It does not have any associate company. Its subsidiaries are principally engaged in the manufacturing and sales of natural mineral water, distilled drinking water, carbonated flavoured water, carbonated flavoured isotonic water, sparkling water, drinking water, toothbrush, PET bottles and other plastic products. The Group manufactures and sells bottled water under the brand names of "Spritzer", "Cactus", "Sunsui", and "Summer" while the toothbrushes are manufactured and sold under the brand name of "MorningKiss".

1. SUMMARY INFORMATION (CONT'D)

The principal activities of Spritzer's subsidiary companies and their percentage contribution to group turnover for the five (5) financial years ended 31 May 1995 to 1999 are as follows :-

Subsidiary Company	Principal activities	Financial Years Ended 31 May →									
		1995		1996		1997		1998		1999	
		Turnover (RM'000)	% of Group's Turnover	Turnover (RM'000)	% of Group's Turnover	Turnover (RM'000)	% of Group's Turnover	Turnover (RM'000)	% of Group's Turnover	Turnover (RM'000)	% of Group's Turnover
CS	Manufacturing and sales of bottled water	16,271	55	19,322	57	24,245	65	33,085	71	27,108	57
GPI	Manufacturing and sales of pre-forms for PET bottles, PET bottles, toothbrush and other plastic products	10,120	35	12,432	36	10,321	27	10,470	22	18,190	38
CSC	Marketing and distribution of bottled water and other consumer products	3,043	10	2,416	7	3,054	8	3,210	7	2,653	5
PM	Manufacturing and sales of PET bottles and PP cups	0*	0*	0*	0*	0*	0*	0*	0*	0*	0*
TOTAL		29,434	100	34,170	100	37,620	100	46,765	100	47,951	100

* PM sells all its finished products to CS. Hence, the sales are eliminated on consolidation.

1. SUMMARY INFORMATION (CONT'D)

1.2 Financial Statistics for the Past Five (5) Years

The following table is extracted from the Accountants' Report set out in Section 10 of this Prospectus and should be read in conjunction with the notes thereto.

The table below sets out a summary of the audited proforma consolidated results of Spritzer Group for the five (5) financial years ended 31 May 1995 to 1999, and the audited proforma consolidated results for the eight (8) months ended 31 January 2000 prepared on the assumption that the current group structure has been in existence throughout the years/period under review:-

	←-----Financial Years Ended 31 May -----→					Eight (8) months ended 31 January 2000 RM'000
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	
Turnover	29,434	34,170	37,620	46,765	47,951	33,434
Profit before taxation	6,000	6,727	10,407	10,930	7,418	6,694
Less: Taxation	(18)	(1,462)	(1,430)	(929)	(661)	(1,153)
Profit after taxation	5,982	5,265	8,977	10,001	6,757	5,541
Weighted average number of Shares assumed in issue ('000)*	34,736	34,736	34,736	34,736	34,736	34,736
Net EPS (sen)	17.22	15.16	25.84	28.79	19.45	23.93 [^]

* The assumed issued and paid-up share capital of RM34,736,000 is based on the issued and paid-up share capital after the Rights Issue and Acquisitions but before the Public Issue.

[^] Annualised.

Notes:-

- a) The above results are arrived at after making adjustments for inter-company transactions;
- b) The proforma consolidated results have been prepared based on accounting policies consistent with those previously adopted in the preparation of the audited financial statements of Spritzer Group;
- c) The taxation charges have been arrived at after adjusting for over and under provision for taxation to the respective financial years for which the taxation charges were agreed with the tax authorities;
- d) There were no exceptional and extraordinary items in respect of all the financial years under review;
- e) The net EPS has been calculated based on the profit after taxation and the assumed issued and paid-up share capital of 34,736,000 ordinary shares before the Public Issue;
- f) The increase in profit before taxation in 1997 was due to the following reasons :-
 - ◆ An increase in turnover;
 - ◆ An increase in gross profit margin attributed to the decrease in cost of PET resins, which is the main raw material for the production of PET bottles; and
 - ◆ A lower effective tax rate due to the utilisation of capital allowances and reinvestment allowances to set-off against business income that would otherwise have been subjected to tax;

1. SUMMARY INFORMATION (CONT'D)

- g) *The decrease in profit before taxation in 1999 was due to the following reasons :-*
- ◆ *Decrease in gross profit margin resulting from higher depreciation charges due to the additional machineries purchased during the financial year; and*
 - ◆ *Higher interest cost as a result of a full year's fixed and hire purchase loan interest incurred as compared to the previous year.*

1.3 Principal Statistics Relating to the Public Issue/Offer for Sale**(i) Share Capital**

	RM'000
Authorised	
100,000,000 ordinary shares of RM1.00 each	<u>100,000</u>
Issued and fully paid-up	
34,736,000 ordinary shares of RM1.00 each	34,736
To be issued pursuant to the Public Issue	
14,264,000 new ordinary shares of RM1.00 each	14,264
	<u>49,000</u>

(ii) **To be offered pursuant to the Offer for Sale 6,821,000 ordinary shares of RM1.00 each** RM6,821,000

(iii) **Public Issue/Offer price per ordinary share** RM1.70

(iv) Consolidated Profit Estimate and Forecast

<i>Financial Year Ended/Ending 31 May</i>	2000	2001
Consolidated profit before taxation (RM'000)	9,887	11,613
Consolidated profit after taxation (RM'000)	7,526	10,349
Weighted average number of Shares in issue ('000)	34,736*	49,000
Net EPS (sen)	21.67	21.12
Net PE multiple based on the Public Issue/Offer price of RM1.70 per ordinary share (times)	7.84	8.05

* *The issued and paid-up share capital of RM34,736,000 is based on the issued and paid-up share capital after the Rights Issue and Acquisitions but before the Public Issue.*

(v) Dividend Estimate and Forecast

<i>Financial Year Ended/Ending 31 May</i>	2000	2001
First and final tax-exempt dividend per ordinary share (sen)	5.64	4.00
Dividend yield (%) (based on the Public Issue/Offer price of RM1.70 per ordinary share)	3.32	2.35
Net dividend cover (times)	3.84	5.28

1. SUMMARY INFORMATION (CONT'D)**(vi) Proforma Group NTA as at 31 January 2000**

Proforma Group NTA (RM'000) (after taking into account the Restructuring Exercise and deducting estimated listing expenses of RM1,200,000)	87,821
Proforma Group NTA per share (RM) (based on the enlarged issued and paid-up share capital of 49,000,000 ordinary shares of RM1.00 each)	1.79

1.4 Basis of arriving at the Public Issue/Offer Price

The Public Issue/Offer price of RM1.70 per Share was entirely determined and agreed upon by Arab-Malaysian as Adviser and Managing Underwriter, the Offerors and Spritzer on various relevant factors after taking into account the following:-

- (a) Based on the proforma Group NTA per Share as at 31 January 2000 of RM1.79, the Public Issue/Offer price of RM1.70 per Share represents a discount of RM0.09 or 5.03% to the proforma Group NTA per Share as at 31 January 2000;
- (b) The estimate and forecast net PE multiple of 7.84 times and 8.05 times based on the estimate and forecast consolidated net EPS of approximately 21.67 sen and 21.12 sen for the financial year ended 31 May 2000 and financial year ending 31 May 2001 respectively and the Public Issue/Offer price of RM1.70 per share;
- (c) The estimate and forecast net dividend yield of 3.32% and 2.35% for the financial year ended 31 May 2000 and the financial year ending 31 May 2000 respectively; and
- (d) The prospects of the Spritzer Group as outlined in Section 5 herein.

The Directors of Spritzer and Arab-Malaysian are of the opinion that the Public Issue/Offer price is fair and reasonable after careful consideration of the abovementioned factors.

However, shareholders should also note that the market price of Spritzer shares upon listing on the KLSE are subject to the vagaries of the market forces and other uncertainties which may affect the price of Spritzer shares being traded.

1. SUMMARY INFORMATION (CONT'D)

1.5 Investment Considerations

Applicants for the Public Issue/Offer Shares should carefully consider the following in addition to the other information contained elsewhere in the Prospectus before applying for the Public Issue/Offer Shares:-

(i) Sensitivity To Economic Downturn

Generally the growth rates of the bottled water and toothbrush industry follow the general economic growth in Malaysia. However, any general economic downturn may not have a material impact on the Group as the impact is partially mitigated by Spritzer Group products' nature as basic necessities which will still be consumed even in periods of lower economic growth.

(ii) No Prior Market For Spritzer Shares

Prior to this Issue/Offer, there has been no public market for Spritzer shares. There can be no assurance regarding the future development of the market for the shares. There is no assurance that the Public Issue/Offer price will correspond to the price at which Spritzer's shares will trade on the Second Board of the KLSE upon or subsequent to its listing, that an active market for Spritzer's shares will develop and continue upon or subsequent to its listing.

The Public Issue/Offer price of RM1.70 per share has been determined after taking into consideration a number of factors, including but not limiting to the Group's financial and operating history and standing, the future prospects of the Group and the industry in which the Group is involved, the NTA of the Group and the prevailing market condition at the time of issue of the Prospectus.

(iii) Dependency on Natural Mineral Water Source

The Group currently utilises its tubewell of natural mineral water source located in its plant at Air Kuning, Taiping. This source, approved by the Health Ministry on 25 October 1993, can provide a cumulative total of 3.2 million litres per month. Jakaranda Sdn Bhd (Company No. 104051-P), a qualified and independent professional hydrogeological consulting firm, has stated that the level in the tubewell will not diminish if it has been properly maintained and the discharge rate is kept equal to or below the optimum rate of 1,000 gallons per hour (GPH). At this level of extraction, the rate of discharge will be in equilibrium with the rate of recharge hence allowing it to run for a minimum period of 30 years.

Currently, the Group produces 2 million litres of natural mineral water, 0.7 million litres of distilled drinking water and 0.2 million litres of carbonated and flavoured water, carbonated flavoured isotonic water and sparkling water every month.

The Spritzer Group has two other tubewells in Air Kuning, Taiping which have optimum discharge rates of 2,500 GPH and 3,000 GPH respectively. These two tubewells are currently not being utilised. In the event that the cumulative production of natural mineral water from the existing tubewell exceeds 3.2 million litres per month, the Group will seek approval from the Health Ministry for the use of the two other sources in Air Kuning.

The water source for the production of bottled and distilled water (whether carbonated or non-carbonated and whether flavoured or non-flavoured) other than natural mineral water can readily be obtained from ground water/tap water as the impurities in the water can be removed by pumping the water directly through a series of filters and softening system to produce clean and soft water before being sent for distillation. The filtration and softening system consists of multimedia filters, activated carbon filters, softeners, cartridge filters, ultraviolet sterilization system and 0.2 micron membrane filters. However, most of the source of the bottled water are still derived from underground wells since there is virtually no cost to the water.

1. SUMMARY INFORMATION (CONT'D)

(iv) Control by Substantial Shareholders

Following the Public Issue and Offer for Sale, Mr. Lim A Heng @ Lim Kok Cheong, JP, the Chairman of Spritzer, his family members and related companies will collectively hold approximately 47.9% in Spritzer i.e. Mr. Lim Kong Chuan (0.2%), CSR (3.1%), TWC (4.5%), YLH (13.1%), YLC (19.0%), Mr. Lim Kok Boon (4.0%) and Mr Lim A Heng @ Lim Kok Cheong, JP himself (4.0%). With this shareholding, Mr. Lim A Heng @ Lim Kok Cheong, JP may be able to control the outcome of certain matters requiring the vote of the Company's shareholders.

(v) Dependency on Key Management

The continued performance of Spritzer will largely depend on the abilities and continued efforts of its existing Directors and Senior Management as well as the ability to attract and/or retain qualified personnel. However, based on the long and dedicated service of many of its Directors and staff, the Group is confident that they will continue serving the Group for the years to come.

(vi) Regulatory Framework

The natural mineral water producers fall under the regulatory purview of the Health Ministry and the Food (Amendment) Regulations 1991 of the Food Act, 1983. All natural mineral water sources must be approved by the Health Ministry. As per list of approved mineral water producers issued by the Health Ministry in August 1999, there were 26 approved mineral water sources in the country. Spritzer is presently in compliance with all the relevant regulations. However, there can be no assurance that any future changes to present regulations or introduction of new regulations by the relevant authorities will not have a material impact on Spritzer's business.

(vii) Diversifying Into Unrelated Businesses

In complying with one of the conditions stipulated by the SC in approving the listing of Spritzer on the Second Board of the KLSE, Spritzer will not venture into new businesses which are unrelated to the existing businesses of the Group within three (3) years from the date of listing.

(viii) Related Party Transactions

The Company's "Spritzer" brand of bottled water and GPI's "MorningKiss" brand of toothbrush (these two items account for about 62% of the Group's turnover for the financial year ended 31 May 1999) are distributed by YLT (a wholly owned subsidiary of YLC*, which is also a substantial shareholder of Spritzer). GPI also sells PET bottles (which account for about 17% of the Group's turnover for the financial year ended 31 May 1999) to Yee Lee Edible Oils Sdn Bhd (a wholly owned subsidiary of YLC). The PET bottles are used by Yee Lee Edible Oils Sdn Bhd for the packaging of cooking oil. Spritzer Group also purchases corrugated carton boxes (which account for less than 15% of its total packaging cost) from South East Asia Paper Products Sdn Bhd (a subsidiary of YLC).

As at 10 July 2000, Spritzer Group has also outstanding hire-purchase loans of RM3,410,782 which were granted by Unikampar Credit and Leasing Sdn Bhd. Unikampar Credit and Leasing Sdn Bhd will be an indirect substantial shareholder of Spritzer after the Acquisitions.

All the trade terms and conditions between Spritzer Group and its related parties, YLC and Unikampar Credit and Leasing Sdn Bhd are in accordance with normal commercial terms and are conducted at arms-length.

1. SUMMARY INFORMATION (CONT'D)

Spritzer has entered into two distributionship agreements with a term of 30 years with YLT on 9 September 1999 in consideration of the latter transferring, the ownership rights of the trademarks of 'Spritzer' and 'MorningKiss' to the former. The agreements are subject to renewal upon terms and conditions to be mutually agreed upon by Spritzer and YLT. The prices paid by YLT for the products are at an arms length market price.

* *Mr Lim A Heng @ Lim Kok Cheong, JP, Non-Executive Chairman of Spritzer, is a deemed substantial shareholder and Group Managing Director of YLC, which is listed on the Main Board of the KLSE.*

(ix) Common Substantial Shareholders With Another Listed Company and The Issue of Conflict of Interest

a) Shareholders

Mr Lim A Heng @ Lim Kok Cheong, JP, is currently the Group Managing Director and deemed substantial shareholder of YLC, a company which was listed on the Main Board of the KLSE in 1993. He is the Non-Executive Chairman and is a substantial shareholder of Spritzer after the Acquisitions. He is also the brother of Mr. Lim Kok Boon, Managing Director and substantial shareholder of Spritzer after the Acquisitions and the son of Mr. Lim Kong Chuan, Non-Executive Director of Spritzer. Mr. Lim Kok Boon does not hold any directorship or shares in YLC Group. He is currently managing CS, the core company in the Spritzer Group. Mr Lim Kong Chuan also does not hold any directorship or direct shareholding in the YLC Group. (Please refer to table below)

	Spritzer	YLC	Spritzer	YLC
	←-----Shareholding-----→		←-----Directorship-----→	
Lim A Heng @ Lim Kok Cheong, JP	Substantial*	Substantial**	Non-Executive Chairman	Group Managing Director
Lim Kok Boon	Substantial*	Nil	Managing Director	None
Lim Kong Chuan***	Substantial*	Nil	Non-Executive Director	None

* *please refer to page 121 of the Prospectus for the details on the direct and indirect shareholding.*

** *As at 10 July 2000, Mr Lim A Heng @ Lim Kok Cheong, JP is a deemed substantial shareholder of YLC. His direct interest in YLC is 55,000 Shares (representing 0.15% shareholding in YLC). His indirect interest in YLC is 19,333,000 Shares (representing 51.46% shareholding in YLC) by virtue of deemed substantial shareholding in YLO (which holds 19,315,000 Shares in YLC) and by virtue of being the spouse to Chua Shok Tim @ Chua Siok Hoon (who holds 18,000 Shares in YLC).*

*** *Lim Kong Chuan is the father of Lim A Heng @ Lim Kok Cheong, JP and Lim Kok Boon.*

From the above table, it can be seen that although Spritzer and YLC have common substantial shareholders, the two companies will be managed by a separate team of executive directors.

1. SUMMARY INFORMATION (CONT'D)

b) YLC's Shareholding in Spritzer

YLC disposed of 4,607,596 Shares of GPI (representing 88.61% equity interest in GPI) to Spritzer for a total consideration of RM19,942,991 to be satisfied by the issuance of 10,416,869 new Spritzer Shares at approximately RM1.723 per share and the balance RM1,994,299 by cash. The conditional sale and purchase agreement was signed on 22 May 2000 and the disposal of GPI was completed on 23 June 2000. Pursuant to the disposal of GPI, YLC became a substantial shareholder of Spritzer and will hold approximately 19% of the enlarged share capital in Spritzer after the listing. However, this level of shareholding will not be sufficient for YLC to 'equity account', that is, to treat Spritzer as an associate company. The shareholding is treated as a pure investment in the accounts of YLC and therefore does not give rise to a conflict of interest situation.

c) Distinction Between Spritzer Group and YLC Group

The Spritzer Group is a **distinct** entity to the YLC Group in terms of product content and business operations except for GPI, which Spritzer is proposing to acquire from YLC Group, because of the following factors:

Different Products

CS, the core company in the proposed Spritzer Group is primarily involved in the manufacturing of bottled water whilst YLC Group is involved in the production of edible oils and other consumer products. The main brand names of edible oils manufactured by the YLC Group are Red Eagle, Vesawit, Vesoya and Vecorn. As for consumer products such as margarine, shortening and doughfat, they are manufactured under the brand names Vekorn and Lemon (for margarine), Red Diamond (for shortening) and Yee Lee (for doughfat). The main products of these two Groups do not share any substantive similarity because they have, amongst other things:-

- (1) different uses; namely, bottled water is used for direct consumption while edible oils are used mainly for cooking. They are not substitutes for one another nor are they competing with one another;
- (2) target totally different markets; namely, bottled water is consumed by tourists, sportsmen, the general population while travelling at any time of the day while cooking oil is used mainly by restaurants or households during meal times;
- (3) uses different raw materials; bottled water is derived from the underground source while palm fruits are used to extract the oils,
- (4) involve different production methods and machineries; and
- (5) require different expertise to market as they have different product characteristics and are targeted at distinct markets.

1. SUMMARY INFORMATION (CONT'D)***Different Businesses***

The businesses are also distinct. Spritzer Group operates out of its own premises, uses different personnel with different expertise and equipment. The two Groups are not dependent on each other in any way and are managed by Managing Directors who are involved full time in their respective business spearheading separate teams of qualified management staff. They do carry out minor transactions between themselves. The minor transactions that the two business Groups maintain are disclosed in Section (viii) above. However, those links are expected to reduce over time.

It can therefore be summarised that the relationship between the two Groups will not give rise to any inter-Group competition or conflict of interest situation.

(x) Competition

There are currently about ten (10) active natural mineral water brands in West Malaysia (please refer to the table below).

Active Mineral Water Brands in West Malaysia		
Brand Names	% Market Share (Volume)	% Market Share (Value)
Spritzer	18.20	21.60
Oui	9.50	4.50
Alpine	7.60	6.60
Bleu	6.90	5.40
Hidden Valley	2.90	2.60
Spring Fresh	2.50	3.00
Crystal Spring	2.30	2.20
Eau	2.10	2.10
Spry	2.00	1.90
Cactus	1.80	1.80

(Source : ACNielsen Retail Measurement Services covering the period from January 1999 to April 1999 for West Malaysia only)

The exact number of non-mineral water brands is unknown but the number is believed to be high in the region of around 200. However, the non-mineral water producers are usually small bottlers with limited financial resources and their sales are regional in nature. The lack of regulatory control over other bottled water has in fact elevated the rate of brand proliferation process. Despite the competition, the Spritzer Group still managed to capture about 23% of the total Malaysian bottled water market share for the financial year ended 31 May 1999. (Source: Spritzer's Internal Market Research). Spritzer was also ranked as the Number One Superbrand in Malaysia in the mineral water category in a survey conducted by Reader's Digest in Asia (as published in the May 1999 issue).

1. SUMMARY INFORMATION (CONT'D)

(xi) Price Control

In 1997, various press reports suggested that the Domestic Trade and Consumer Affairs Ministry may control the retail prices of bottled water after conducting a study. However, the Cabinet had in March 1999 decided that any Recommended Retail Price policy would only be enforced in 2005. Hence, price levels are to be guided by market forces.

Nevertheless, any eventual price control is unlikely to adversely affect Spritzer materially because 'Spritzer' brand of bottled water are sold in retail shops at a premium to other brands. Should the retail price be controlled, and Spritzer is sold at the same price as its competitors, Spritzer should command higher sales because of its superior brand name.

(xii) The Millenium Bug

The Spritzer Group is Year 2000 compliant and as at January 2000, the operations of Spritzer Group have not been affected by the Year 2000 problem.

1. SUMMARY INFORMATION (CONT'D)**1.6 Information on the Offerors**

Details on the Offerors are as follows:-

Name	Address	Principal Activity/ Occupation	Country of Incorporation /Nationality	Number of Offer Shares
YLH (140765-W)	Lot 85, Jalan Portland Tasek Industrial Estate 31400, Ipoh Perak Darul Ridzuan	Investment Holding	Malaysia	1,585,805
TWC (68816-M)	Lot 85, Jalan Portland Tasek Industrial Estate 31400, Ipoh Perak Darul Ridzuan	Investment Holding	Malaysia	561,678
YLC (13585-A)	Lot 85, Jalan Portland Tasek Industrial Estate 31400 Ipoh Perak Darul Ridzuan	Investment Holding	Malaysia	1,104,869
CSR (293899-T)	Lot 85, Jalan Portland Tasek Industrial Estate 31400 Ipoh Perak Darul Ridzuan	Investment Holding	Malaysia	550,402
Chua Yew Hoe & Sons Holdings Sdn Bhd (147811-H)	3273, Jalan Tembikai Kampung Jambu 34000 Taiping Perak Darul Ridzuan	Investment Holding	Malaysia	28,230
Lim A Heng @ Lim Kok Cheong, JP	39, Canton Drive Off Jalan Kampar 30250 Ipoh Perak Darul Ridzuan	Company Director	Malaysian	1,028,010
Lim Kok Boon	123, Jalan Larut Taman Lake View 34000 Taiping Perak Darul Ridzuan	Company Director	Malaysian	958,952
Lam Sang	2 Laluan 4 Arena Kepayang Putra Fair Park 31400 Ipoh Perak Darul Ridzuan	Company Director	Malaysian	311,309
Huang Meng Hong @ Fong Chan Shong	54, Lorong 5 Taman Lake View 34000 Taiping Perak Darul Ridzuan	Insurance Agent	Malaysian	180,431
Eng Kok Onn @ Wong Kok Onn	58, Pokok Assam 34000 Taiping Perak Darul Ridzuan	Businessman	Malaysian	117,402

1. SUMMARY INFORMATION (CONT'D)

Name	Address	Principal Activity/ Occupation	Country of Incorporation /Nationality	Number of Offer Shares
Tan Pin Hor @ Tan Boon Hock	2973, Jalan Permatang Pauh 13400 Butterworth Pulau Pinang	Company Director	Malaysian	44,586
Dr. Chuah Chaw Teo	4, Persiaran 8 Arena Kepayang Putra Fair Park 31400 Ipoh Perak Darul Ridzuan	General Manager	Malaysian	33,123
Chok Hooa @ Chok Yin Fatt, PMP	29, Tingkat Taman Ipoh 5 Taman Ipoh Selatan 31400 Ipoh Perak Darul Ridzuan	Company Director	Malaysian	29,131
Thang Lai Sung	15, Tingkat Pasir Puteh Dua Taman Yik Sang 31650 Ipoh Perak Darul Ridzuan	Company Director	Malaysian	29,131
Low Bok Tek	11, Lorong 10 Taman Lake View 34000 Taiping Perak Darul Ridzuan	Company Director	Malaysian	28,379
Chua Tiong Lee	40, Jalan Sybil Kathigasu Arena Kepayang Putra Fair Park 31400 Ipoh Perak Darul Ridzuan	Company Director	Malaysian	27,123
Sow Yeng Chong	21, Dataran Perajurit 9 Taman Kemuncak 31400 Ipoh Perak Darul Ridzuan	Remisier	Malaysian	27,123
Leong Ng Wah	130-B, Jalan Sukun Kampung Jambu 34000 Taiping Perak Darul Ridzuan	Businessman	Malaysian	25,012
Liong Chan Koa @ Leong Chin Kwang	Sungai Mati 34750 Matang Perak Darul Ridzuan	Businessman	Malaysian	25,012
Chan Ah Hong	10-A, Lucky Garden 31600 Gopeng Perak Darul Ridzuan	Company Director	Malaysian	22,103
Lim Kong Chuan	105, Kawasan Rumah Hijau 34000 Taiping Perak Darul Ridzuan	Company Director	Malaysian	19,531

1. SUMMARY INFORMATION (CONT'D)

Name	Address	Principal Activity/ Occupation	Country of Incorporation/Nationality	Number of Offer Shares
Chong Mee Yoong	192, Golden Dragon Garden, 31900 Kampar Perak Darul Ridzuan	Senior Manager	Malaysian	10,875
Goh Hock Seng	2 & 4, Jalan Banang Satu Industrial Area Taman Johor 81200 Johor Bharu Johor Darul Takzim	Sales Manager	Malaysian	10,875
Thambi Raja A/L S.Arunasalam	262, Jalan Tupai 34000 Taiping Perak Darul Ridzuan	Production Superintendent	Malaysian	10,875
Ang Kar Eng	5, Persiaran 12 Arena Kepayang Putra Fair Park, 31400 Ipoh Perak Darul Ridzuan	Businessman	Malaysian	14,189
Liong Ong Siang @ Leong Ng Seong	130-A, Jalan Sukun Kampung Jambu 34000 Taiping Perak Darul Ridzuan	Businessman	Malaysian	13,006
Lim Keng Boon	11A, Jalan Zahir 22 Taman Malim Jaya 75250 Melaka	Businessman	Malaysian	10,875
Leong Ng Chow	62, Taman Pertama Aulong 34000 Taiping Perak Darul Ridzuan	Bank Officer	Malaysian	5,394
Poh Ah Chor	4, Jalan China 34750 Matang Perak Darul Ridzuan	Housewife	Malaysian	4,350
Prau A/L Prah Vichan	19A, Creagh Road Assam Kumbang 34000 Taiping Perak Darul Ridzuan	General Worker	Malaysian	3,219

2. CORPORATE INFORMATION**BOARD OF DIRECTORS**

Name	Address	Occupation	Nationality
Lim A Heng @ Lim Kok Cheong, JP (Non-Executive Chairman)	39, Canton Drive Off Jalan Kampar 30250 Ipoh Perak Darul Ridzuan	Company Director	Malaysian
Lim Kok Boon (Managing Director)	123, Jalan Larut Taman Lake View 34000 Taiping Perak Darul Ridzuan	Company Director	Malaysian
Dr. Chuah Chaw Teo (Executive Director)	4, Persiaran 8 Arena Kepayang Putra Fair Park 31400 Ipoh Perak Darul Ridzuan	General Manager	Malaysian
Mohd Adhan Bin Kechik, SMK (Independent Non-Executive Director)	33A-1-7 Villa Putera Jalan Tun Ismail 50480 Kuala Lumpur	Advocate & Solicitor	Malaysian
Lim Kong Chuan (Non-Executive Director)	105, Kawasan Rumah Hijau 34000 Taiping Perak Darul Ridzuan	Company Director	Malaysian
Nik Mohamad Pena Bin Nik Mustapha (Independent Non- Executive Director)	223A, Jalan Negara Dua Metro 1 Taman Melawati 53100 Kuala Lumpur	Consultant Engineer	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Nik Mohamad Pena Bin Nik Mustapha	Chairman	Independent Non-Executive Director
Encik Mohd Adhan Bin Kechik, SMK	Member	Independent Non-Executive Director
Dr Chuah Chaw Teo	Member	Executive Director

2. CORPORATE INFORMATION (CONT'D)

COMPANY SECRETARIES	:	Tuen Mee Cheng (MAICSA 7007080) 57, Off Jalan Gopeng 30250 Ipoh Perak Darul Ridzuan
	:	Ooi Guat Ee (MIA 8042) 28, Jalan Tasek Barat 2 Taman Anda 31400 Ipoh Perak Darul Ridzuan
REGISTERED OFFICE	:	Lot 85, Jalan Portland Tasek Industrial Estate 31400 Ipoh Perak Darul Ridzuan
SHARE REGISTRAR	:	PFA Registration Services Sdn Bhd (19234-W) 87B, Jalan Clarke 30300 Ipoh Perak Darul Ridzuan
ISSUING HOUSE	:	Malaysian Issuing House Sdn Berhad (258345-X) 27th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur
PRINCIPAL BANKERS	:	Bank Islam Malaysia Berhad (98127-X) Jalan Panglima Bukit Gantang Wahab 30770 Ipoh Perak Darul Ridzuan
	:	HSBC Bank Malaysia Berhad (127776-V) 2 Jalan Simpang 34000 Taiping Perak Darul Ridzuan
	:	Standard Chartered Bank (Malaysia) Berhad (115793-P) 21 -27 Jalan Dato' Maharaja Lela 30000 Ipoh Perak Darul Ridzuan
AUDITORS AND REPORTING ACCOUNTANT	:	Kassim Chan & Co Public Accountants 87, Jalan Clarke 30300 Ipoh Perak Darul Ridzuan

2. CORPORATE INFORMATION (CONT'D)

SOLICITOR	:	Henry Lim & Co 16 th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur
ADVISER	:	Arab-Malaysian Merchant Bank Berhad (23742-V) 22 nd Floor, Bangunan Arab-Malaysian No. 55, Jalan Raja Chulan 50200 Kuala Lumpur
MANAGING UNDERWRITER	:	Arab-Malaysian Merchant Bank Berhad (23742-V) 22 nd Floor, Bangunan Arab-Malaysian No. 55, Jalan Raja Chulan 50200 Kuala Lumpur
UNDERWRITERS	:	Arab-Malaysian Merchant Bank Berhad (23742-V) 22 nd Floor, Bangunan Arab-Malaysian No. 55, Jalan Raja Chulan 50200 Kuala Lumpur O.S.K. Securities Berhad (14152-V) 20 th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Hwang-DBS Securities Berhad (14389-U) Level 8, Wisma Sri Pinang 60 Green Hall 10200 Penang
VALUER	:	Colliers Jordan Lee & Jaafar Sdn Bhd (59901-U) Suite 3 & 5, Tingkat Kedua Labrooy House Jalan Dato' Sagor 30000 Ipoh Perak Darul Ridzuan
SURVEY RESEARCH COMPANY - RETAIL MEASUREMENT SERVICES	:	ACNielsen (Malaysia) Sdn Bhd (10909-V) 19/F, Menara MPPJ Jalan Tengah 46200 Petaling Jaya Selangor Darul Ehsan
LISTING SOUGHT	:	Second Board of the KLSE

3. INTRODUCTION

This Prospectus is dated 24 July 2000.

A copy of this Prospectus has been registered by the SC and lodged with the Registrar of Companies Malaysia, who take no responsibility for its contents.

The approval of the SC shall not be taken to indicate that the SC recommends the Public Issue and Offer for Sale, and that investors should rely on their own evaluation to assess the merits and risks of the Public Issue and Offer for Sale.

Approval-in-principle has been obtained from the KLSE for permission to deal in and for quotation of the entire issued and fully paid-up ordinary shares of Spritzer including the Public Issue Shares and the Offer Shares which are the subject of this Prospectus. These ordinary shares will be admitted to the Official List of the KLSE Second Board and official quotation will commence after receipt of confirmation from MCD that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991 and Section 39(1)(j) of the Companies Act, 1965 KLSE has prescribed the Company as a CDS counter. In consequence thereof, the Offer and Issue Shares offered through this Prospectus will be deposited directly with the MCD and any dealings in these Shares will be carried out in accordance with the aforesaid Acts and the Rules of the MCD.

An applicant should state his CDS Account number in the space provided in the Application Form if he presently has such an account. Where an applicant does not presently have a CDS Account, he should state in the Application Form his preferred ADA Code.

The KLSE assumes no responsibility for the correctness of any statements made or opinions or report expressed in this Prospectus. Admission to the Official List of the Second Board of the KLSE is not to be taken as an indication of the merits of the Company or of its shares.

No person is authorised to give any information or to make any representation not contained herein in connection with the Offer and/or Issue and if given or made, such information or representation must not be relied upon as having been authorised by Spritzer and/or the Offeror. Neither the delivery of this Prospectus or any Offer and/or Issue made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Spritzer Group since the date hereof.

The distribution of this Prospectus and the sale of the Offer Shares and/or Issue Shares in certain other jurisdictions may be restricted by law. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for the Offer and/or Issue in any jurisdiction in which such invitation is not authorised or lawful, or to any person to whom it is unlawful to make such an invitation.

If you are unsure of any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

4. PARTICULARS OF THE PUBLIC ISSUE AND OFFER FOR SALE

4.1 Share Capital

	RM
Authorised share capital:	
100,000,000 ordinary shares of RM1.00 each	100,000,000
Issued and fully paid-up share capital:	
34,736,000 ordinary shares of RM1.00 each	34,736,000
To be issued as fully paid-up share capital pursuant to the Public Issue:	
14,264,000 new ordinary shares of RM1.00 each	14,264,000
	49,000,000
To be offered for sale pursuant to the Offer:	
6,821,000 ordinary shares of RM1.00 each	6,821,000

There is only one class of shares in the Company, namely ordinary shares of RM1.00 each. The Offer Shares and Public Issue Shares will rank pari passu in all respects with the existing ordinary shares of the Company, including voting rights and rights to all dividends that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any shares which may be issued by the Company in the future, the holders of ordinary shares in the Company shall, in proportion to the amount paid up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of the liquidation of the Company, such surplus shall be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with its Articles of Association.

Each shareholder shall be entitled to vote at any General Meeting of the Company, in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy may but need not be a member of the Company.

4.2 Particulars of the Public Issue and Offer for Sale

The Public Issue of 14,264,000 new ordinary shares of RM1.00 each at an issue price of RM1.70 per ordinary share and the Offer for Sale of 6,821,000 ordinary shares of RM1.00 each at an offer price of RM1.70 per ordinary share are payable in full on application upon such terms and conditions as set out in this Prospectus. The Public Issue/Offer Shares totalling 21,085,000 ordinary shares of RM1.00 each will be allocated in the following manner:

- (a) 14,430,000 ordinary shares of RM1.00 each (made up of 9,609,000 Public Issue Shares and 4,821,000 Offer Shares) to be allocated to Bumiputera investors approved by MITI;
- (b) 912,000 ordinary shares of RM1.00 each (made up entirely of Public Issue Shares) to be allocated to eligible employees of Spritzer Group;
- (c) 2,000,000 ordinary shares of RM1.00 each (made up entirely of Offer Shares) to be allocated to the minority shareholders of YLC;

4. PARTICULARS OF THE PUBLIC ISSUE AND OFFER FOR SALE (CONT'D)

- (d) 3,743,000 ordinary shares of RM1.00 each (made up entirely of Public Issue Shares) will be made available to the Malaysian Public, companies, societies, co-operatives and institutions, of which at least 30% is to be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

Minority shareholders of YLC exclude substantial shareholders i.e. shareholders holding not less than 2% equity in YLC. Minority shareholders whose names appear on the Register of Members / Record of Depositors of YLC at the close of business at 5.00 p.m. on 20 July 2000 ("Entitlement Date") are entitled to apply for shares in Spritzer.

The basis of allocation to the Entitled Shareholders of YLC is as follows :-

- (i) On the Entitlement Date, each minority shareholder of YLC holding a minimum of 1,000 ordinary shares in YLC will be entitled to apply for ONLY 1,000 ordinary shares at RM1.70 per ordinary share on a Blue application form.
- (ii) The acceptance of applications under this category shall be subject to ballot. The basis of allocation shall be at the sole discretion of the Directors of Spritzer.

The Entitled Shareholders of YLC are not restricted from applying for the 3,743,000 ordinary shares of Spritzer made available for application by the Malaysian Public.

Waiver from compliance with Section 3.52 of the KLSE Second Board Listing Requirement has been granted by the KLSE on 1 June 2000.

The ordinary shares under paragraphs (a) and (c) above do not require to be underwritten and are therefore not underwritten. All the ordinary shares under paragraph (b) and (d) above have been fully underwritten at an underwriting commission of 1.75% of the Public Issue price of RM1.70 per ordinary share. Any ordinary shares as stipulated in paragraph (b) above not subscribed for by any eligible employees of the Spritzer Group will be made available for application by Malaysian Public. Any of the ordinary shares as stipulated in paragraph (c) above not subscribed for by Entitled Shareholders of YLC will be retained by the Offerors.

4.3 Brokerage and Underwriting Commission

Brokerage is payable by Spritzer in respect of the Issue Shares and the Offerors in respect of the Offer Shares at the rate of 1% of the Public Issue/Offer price of RM1.70 per ordinary share in respect of successful applications which bear the stamp of Arab-Malaysian, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

The Underwriters which have been mentioned earlier in this Prospectus have agreed to underwrite the 3,743,000 Issue Shares to be issued to the Malaysian Public and the 912,000 Issue Shares to be allocated to eligible employees of Spritzer Group. Underwriting commission is payable by Spritzer in respect of Issue Shares at the rate of 1.75% of the Public Issue price of RM1.70 per ordinary share for the ordinary shares which are being underwritten.

4. PARTICULARS OF THE PUBLIC ISSUE AND OFFER FOR SALE (CONT'D)**4.4 Purposes of the Public Issue and Offer for Sale**

The purposes of the Public Issue/Offer for Sale are as follows:-

- (a) to enable Spritzer to gain access to the capital market and to obtain funds for future expansion and growth of the Spritzer Group;
- (b) to provide an opportunity for the eligible employees of Spritzer Group and the Malaysian Public to participate in the continuing growth of the Group;
- (c) to enable Spritzer to comply with the National Development Policy on Bumiputera participation in the equity of Spritzer; and
- (d) to facilitate the listing and quotation for Spritzer's entire issued and paid-up share capital of 49,000,000 ordinary shares of RM1.00 each on the Second Board of the KLSE and to comply with the listing requirement of the KLSE and SC in respect of the minimum spread.

4.5 Proceeds from the Public Issue and Offer for Sale and their Utilisation

The Offer for Sale will raise an estimated total gross proceeds of RM11,595,700. This amount shall accrue to the Offerors and no part of the proceeds is receivable by Spritzer. The Offerors shall bear all expenses, such as brokerage, registration and share transfer fee relating to the Offer Share.

All proceeds of the Rights Issue and Public Issue after deducting the related expenses, will accrue to Spritzer. The estimated total gross proceeds of the Public Issue and the Rights Issue is RM24,616,300 collectively. Spritzer will bear all other expenses incidental to the listing and quotation of Spritzer's shares on the Second Board of the KLSE which include underwriting commission, brokerage, registration fee, professional fees, advertising and listing expenses and other fees which are estimated to be RM1.2 million.

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

	RM'000
Financing part of the capital expenditure relating to the purchase of plant and machinery	7,000
Partial payment for the acquisition of subsidiaries	6,593
Repayment of bank borrowings of GPI and CS	6,494
Working capital for Spritzer Group	3,329
Payment of listing expenses	1,200
Total	24,616

The RM7 million to be set aside for part financing of the capital expenditure relating to the purchase of plant and machinery will be utilized within eighteen (18) months from the date of listing. The rest of the proceeds will be utilized within six (6) months from the date of listing.

4. PARTICULARS OF THE PUBLIC ISSUE AND OFFER FOR SALE (CONT'D)

(i) Financing part of the capital expenditure relating to the purchase of plant and machinery **RM7,000,000**

In view of the projected increase in sales of Spritzer's bottled water products, GPI is proposing to acquire a new HUSKY machine costing RM3.5 million for the manufacture of pre-forms which are to be blown to PET bottles. These PET bottles are used for the packing of bottled water and cooking oil. Currently, GPI has one HUSKY machine which is capable of producing 172,000 pre-forms per day. With the acquisition of the new HUSKY machine, GPI will be able to increase its production capacity by another 172,000 pre-forms per day.

In the next three (3) years, CS is also proposing to embark on an expansion plan. The expansion plan involves the purchase of a piece of land (measuring approximately 12 acres) with suitable water source in the southern region of Peninsular Malaysia, the construction of a 30,000 square feet factory for its bottled water operations on the aforesaid land and the purchase of a new SIDEL machine for the purpose of blowing pre-forms to PET bottles (which are then used for packing of bottled water and cooking oil).

The total expenditure for the above expansions is estimated at RM14.7 million. Spritzer is proposing to utilise RM3.5 million of the listing proceeds for the acquisition of the HUSKY machine by GPI and another RM3.5 million for CS's expansion. The balance of the RM11.2 million required by CS for its expansion will be financed by bank borrowings and internally-generated funds.

(ii) Partial Payment for the Acquisition of Subsidiaries **RM6,592,737**

RM6,592,737 of the proceeds will be used to partly pay for the acquisitions of the subsidiaries as follows:-

	Cash Payment
	RM
CS	3,884,794
GPI	2,250,708
CSC	375,735
PM	81,500
	<u>6,592,737</u>

(iii) Repayment of Bank Borrowings of GPI and CS **RM6,494,025**

As at 10 July 2000, GPI and CS's bank borrowings amounted to RM13,102,453 and RM11,207,798 respectively. RM1,790,025 and RM4,704,000 from the proceeds will be set aside to repay GPI and CS's bank borrowings respectively. The RM6,494,025 reduction in bank borrowings will result in interest saving of RM0.37 million per annum.

Out of the RM1,790,025 set aside for GPI to repay its bank borrowings, RM1,552,000 represents the balance of the term loans drawn down for the construction of GPI's factory and warehouse in the IGB International Industrial Park, Ipoh in 1994 and 1998 respectively. The factory, measuring approximately 60,000 square feet and costing approximately RM2.78 million, was completed in January 1995. In 1998, GPI constructed a warehouse at the same premises. The warehouse, measuring approximately 52,000 square feet and costing approximately RM1.52 million was completed in November 1998. The factory and warehouse are currently being used for the production of pre-forms, PET bottles, toothbrush and other plastic products.

4. PARTICULARS OF THE PUBLIC ISSUE AND OFFER FOR SALE (CONT'D)

Out of the RM4,704,000 set aside for CS to repay its bank borrowings, RM4,208,000 represents the balance of the term loan drawn down for CS' sparkling mineral water and carbonated flavoured water project in Air Kuning, Taiping. In financial year 1998, CS invested approximately RM10.46 million in capital expenditure for the purchase of various machineries related to that project. Towards the end of 1998, it introduced its new carbonated fruit flavoured drink, "Spritzer POP", one of the products of this project, into the Malaysian market.

(iv) Working Capital for Spritzer Group **RM3,329,538**

RM3,329,538 will be utilised for the working capital for the Group.

(v) Payment of Listing Expenses **RM1,200,000**

The listing expenses amount to approximately RM1.2 million.

4.6 Moratorium on Shares

Under the Policies and Guidelines on Issue/Offer of Securities issued by the SC and as a condition of the SC's approval for listing, the major shareholders/promoters of Spritzer will not be allowed to sell, transfer or assign their shareholdings amounting to 45% of the enlarged issued and paid-up share capital of Spritzer for one (1) year from the date of admission of Spritzer to the Official List of the Second Board of KLSE. Thereafter, they are allowed to sell, transfer or assign only up to a maximum of one-third per annum (on a straight-line basis) of their respective shareholdings in the Company under moratorium.

The following existing major shareholders/promoters of Spritzer who are subjected to the moratorium as imposed by the KLSE are as follows:-

Shareholders	Spritzer ordinary shares held after the Public Issue and Offer For Sale		Spritzer ordinary shares under moratorium	
	No. of ordinary shares	% of enlarged share capital	No. of ordinary shares	% of enlarged share capital
YLH	6,402,000	13.07	6,402,000	13.07
TWC	2,200,000	4.49	1,220,000	2.49
YLC	9,312,000	19.00	9,312,000	19.00
CSR	1,496,000	3.05	1,496,000	3.05
Lim A Heng @ Lim Kok Cheong JP	1,975,000	4.03	1,540,000	3.14
Lim Kok Boon	1,961,000	4.00	1,540,000	3.14
Lam Sang	1,028,000	2.10	540,000	1.11
	24,374,000	49.74	22,050,000	45.00

The restriction, which is fully accepted by the major shareholders, is specifically endorsed on the share certificates representing the respective shareholdings of the major shareholders which are under moratorium to ensure that Spritzer's registrars do not register any transfer not in compliance with the restriction imposed by the SC and the KLSE. The endorsement affixed on these share certificates are as follows:-

"The shares comprised herein are not capable of being sold, transferred or assigned for a period as determined by the Securities Commission ("moratorium period"). The shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the moratorium period. No share certificate or certificates will be issued to replace this certificate during the moratorium period unless the same shall be endorsed with this restriction."