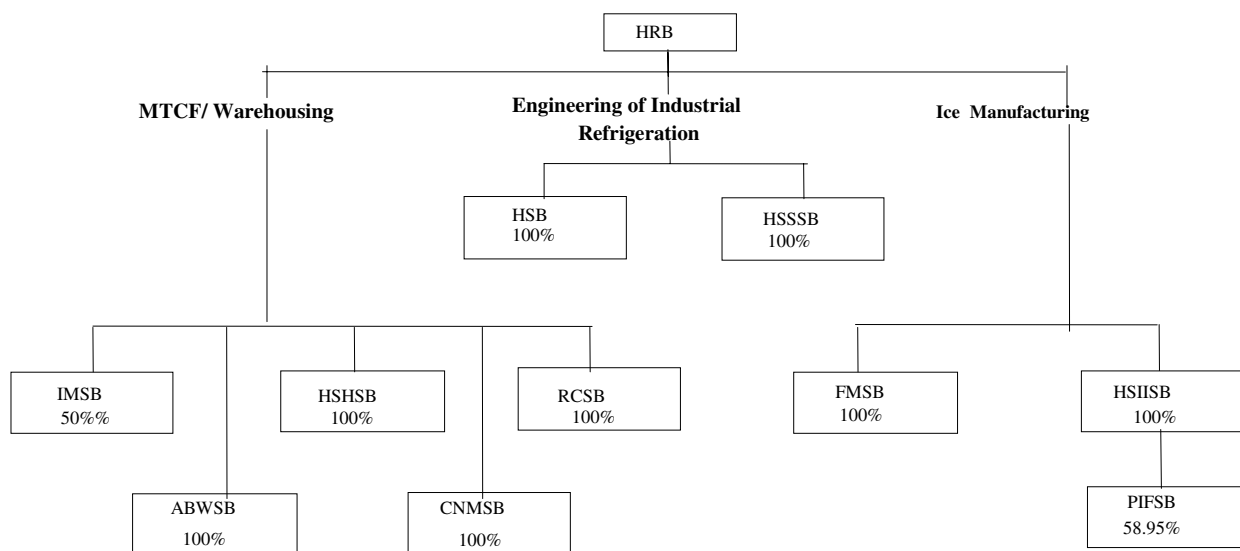


1. SUMMARY INFORMATION (Cont'd)

The structure of HRB Group is set out below:-



Further information on HRB Group is set out in Section 9 of this Prospectus.

1.2 Promoters, Major Shareholders, Directors and Key Management

Promoters

Name	Designation	Nationality	After the Public Issue			
			<--- Direct --->		<-- Indirect --->	
			No. of Shares	%	No. of Shares	%
Ong Chin Seng	Executive Chairman	Malaysian	346,149	0.87	21,207,667 ⁽¹⁾	53.02
Kamarudin Bin Md Derom	Executive Vice-Chairman	Malaysian	7,614,484	19.04	-	-
Ong Chin Yet	Managing Director	Malaysian	346,149	0.87	21,207,667 ⁽¹⁾	53.02
Ong Chin Cheong	Executive Director	Malaysian	346,148	0.87	21,207,668 ⁽¹⁾	53.02

(1) Deemed interest by virtue of his and his siblings' substantial shareholdings in ACVSB and his siblings' direct shareholdings in HRB

1. SUMMARY INFORMATION (Cont'd)**Major Shareholders**

Name	Designation	Nationality/ Place of Incorporation	After the Public Issue			
			<---- Direct ----> No. of Shares %		<-- Indirect ---> No. of Shares %	
ACVSB	-	Malaysia	20,400,000	51.00	-	-
Ong Chin Seng	Executive Chairman	Malaysian	346,149	0.87	21,207,667 ⁽¹⁾	53.02
Kamarudin Bin Md Derom	Executive Vice-Chairman	Malaysian	7,614,484	19.04	-	-
Ong Chin Yet	Managing Director	Malaysian	346,149	0.87	21,207,667 ⁽¹⁾	53.02
Ong Chin Cheong	Executive Director	Malaysian	346,148	0.87	21,207,668 ⁽¹⁾	53.02

(1) Deemed interest by virtue of his and his siblings' substantial shareholdings in ACVSB and his siblings' direct shareholdings in HRB

Directors

Name	Designation	Nationality	After the Public Issue			
			<---- Direct ----> No. of Shares %		<-- Indirect ---> No. of Shares %	
Ong Chin Seng	Executive Chairman	Malaysian	346,149	0.87	21,207,667 ⁽¹⁾	53.02
Kamarudin Bin Md Derom	Executive Vice-Chairman	Malaysian	7,614,484	19.04	-	-
Ong Chin Yet	Managing Director	Malaysian	346,149	0.87	21,207,667 ⁽¹⁾	53.02
Ong Chin Cheong	Executive Director	Malaysian	346,148	0.87	21,207,668 ⁽¹⁾	53.02
Heng Wah Chong	Director	Malaysian	285,007	0.71	-	-
Azman bin Che Onn	Director	Malaysian	-	-	82,690#	-
Tan Teng Wee	Independent Non-Executive Director	Malaysian	-	-	-	-
Datin Fawziah binti Hussein Sazally	Independent Non-Executive Director	Malaysian	-	-	-	-

(1) Deemed interest by virtue of his and his siblings' substantial shareholdings in ACVSB and his siblings' direct shareholdings in HRB

Deemed interest by virtue of his father YB Dato Seri Hj. Onn bin Hj. Ismail's shareholding

1. SUMMARY INFORMATION (Cont'd)**Key Management**

Name	Designation	Nationality	After the Public Issue			
			<---- Direct ---->		<-- Indirect --->	
			No. of Shares	%	No. of Shares	%
Raymond Alfred Eduard de Graaf	Managing Director and Chief Executive Officer of IMSB	Dutch	-	-	-	-
Lim Kiam Teng	Group Financial Controller	Malaysian	10,000*	-	-	-
Ong Geok Moi	Director of HSIISB	Malaysian	115,370	0.29	21,438,446^	53.60
See Soo Teck	Project Manager	Malaysian	10,000*	-	-	-
Heng Weai Kok	Accounts Manager	Malaysian	-	-	285,007#	0.71
Heng Hooi Keow	Administrative Manager	Malaysian	-	-	285,007#	0.71
Tan Nee Phing	Warehouse Manager	Malaysian	10,000*	-	-	-
Chong Suet Nyeon	Information Technology Manager	Malaysian	5,000*	-	-	-

* *Arising from 'pink form' allocation from Public Issue Shares reserved for eligible employees*

^ *Deemed interest by virtue of her siblings' shareholdings in HRB*

Deemed interest by virtue of her father, Heng Wah Chong's shareholding

Further details are set out in Section 9 of this Prospectus.

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1. SUMMARY INFORMATION (Cont'd)**1.3 Financial Highlights**

The following table sets out a summary of the proforma consolidated results of the HRB Group for the past five (5) financial years ended 31 December 1999 and the six (6) months period ended 30 June 2000 and is based on the assumption that the Group has been in existence throughout the period under review.

The table should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 11 of this Prospectus:-

	<----- Year Ended 31 December ----->					6 months Period ended
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	30.6.2000 RM'000
Turnover	10,243	16,605	13,206	18,764	25,768	16,124
Profit before depreciation, interest and amortisation	2,993	3,211	3,812	6,671	10,735	6,977
Amortisation	(2)	(2)	(3)	(4)	(59)	(16)
Depreciation	(842)	(1,180)	(1,129)	(1,221)	(1,630)	(892)
Interest expense	(744)	(880)	(784)	(1,922)	(1,779)	(919)
Interest income	434	412	250	865	497	34
	1,839	1,561	2,146	4,389	7,764	5,184
Share of loss of associated company	-	-	-	(8)	(7)	(11)
Profit before taxation and exceptional items	1,839	1,561	2,146	4,381	7,757	5,173
Exceptional items	-	60	-	-	-	-
Profit before taxation and minority interest	1,839	1,621	2,146	4,381	7,757	5,173
Taxation	(623)	(601)	(652)	(1,175)	(945)	(1,476)
Profit after taxation	1,216	1,020	1,494	3,206	6,812	3,697
Minority interest	-	-	-	-	(41)	(34)
Profit after taxation and minority interest	1,216	1,020	1,494	3,206	6,771	3,663
No. of ordinary shares in issue ('000)	34,000	34,000	34,000	34,000	34,000	34,000
Gross EPS (sen)	5.41	4.77	6.31	12.89	22.69	15.11
Net EPS (sen)	3.58	3.00	4.39	9.43	19.91	10.77
Diluted Net EPS (sen)	3.04	2.55	3.74	8.02	16.93	9.16

Notes:

- (i) *The proforma consolidated results of the HRB Group are prepared for illustrative purposes only and are based on the audited accounts of HSB, HSSSB, HSHSB, HSIISB, FMSB, ABWSB, RCSB, CNMSB, IMSB and PIFSB;*
- (ii) *Given the non-coterminous financial accounting dates of the companies in the financial period 1995 to 1997, the financial information of these companies has been pro-rated to 31 December where appropriate;*
- (iii) *The auditors have been reported on the relevant financial periods/years without qualification except for FMSB of which the accounts from financial year 1995 to financial year 1997 were qualified on the basis that the title deed for the leasehold land held under Lot 2918, Mukim of Petaling, District of Petaling, State of Selangor is yet to be issued by relevant authorities. Subsequent to the issuance of the land title, the accounts of FMSB for the financial year 1998 and the financial year 1999 were reported on without any qualification;*

1. SUMMARY INFORMATION (Cont'd)

- (iv) *In 1998, the following subsidiaries changed its financial year end:*
- HSSSB from 30 November to 31 December*
HSIISB and FMSB from 30 June to 31 December
HSHSB from 31 August to 31 December
ABWSB from 31 May to 31 December
RCSB from 31 March to 31 December
- (v) *The turnover was on an increasing trend from 1995 to 1999 (with the exception of 1997), reflecting the growth of the Group. The decrease in 1997 was due to lower third-party sales. The substantial increase in turnover for the year of 1999 was due to increase in contribution from Engineering division where more contracts were secured and the full years contribution from some of the companies in MTCF / warehousing division;*
- (vi) *The profit after taxation and minority interest in year 1998 recorded an increase of about 115% as compared to previous year mainly due to the increased business in Engineering division where the export especially to developing countries recorded substantial increase. In addition the Group's expansion into MTCF/warehousing division also see positive contribution. The drastic jump in profit after taxation and minority interest in 1999 was due to no provision for income tax was made as income earned in basis year 1999 is exempted from income tax in accordance with the provision of the Income Tax (Amendment) Act 1999. The continue growth in engineering and MTCF / warehousing divisions had also resulted the increase. The profit after taxation in year 1996 is lower than 1995 due to lower profit margin in year 1996 for the Engineering division as substantial amount of the turnover was in relation to the construction of a factory where the profit margin is lower compared to other engineering work;*
- (vii) *The exceptional item in 1996 arose from gain on disposal of investment by HSSSB;*
- (viii) *There were no extraordinary items in all the financial years / period under review;*
- (ix) *The number of ordinary shares assumed in issue is arrived at after the Acquisitions and Rights Issue but before the Public Issue;*
- (x) *The gross EPS is calculated based on the profit before taxation but after minority interests over the number of assumed issued and paid-up share capital of HRB of 34,000,000 ordinary shares of RM1.00 each;*
- (xi) *The net EPS is calculated based on the profit after taxation and minority interests over the number of assumed issued and paid-up share capital of HRB of 34,000,000 ordinary shares of RM1.00 each;*
- (xii) *All inter-company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only; and*
- (xiii) *The diluted net EPS is calculated based on the profit after taxation and minority interests over the number of assumed issued and paid-up share capital of HRB of 40,000,000 ordinary shares of RM1.00 each.*

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1. SUMMARY INFORMATION (Cont'd)**1.4 Proforma Consolidated Balance Sheet of the HRB Group as at 30 June 2000**

The Proforma Consolidated Balance Sheets set out below are provided for illustrative purposes only to show the effects on the audited balance sheets of HRB Group as at 30 June 2000 on the assumptions the Public Issue has been effected on this date. The Proforma Consolidated Balance Sheets should be read in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' Letter on Proforma Consolidated Balance Sheets set out in Section 10 of this Prospectus:-

	Audited as at 30.6.2000 RM'000	Proforma I RM'000	Proforma II RM'000
FIXED ASSETS	-	57,822	57,822
INTANGIBLE ASSETS	288	878	592
ASSOCIATED COMPANY	-	195	195
INVESTMENT	-	12	12
CURRENT ASSETS			
Stocks	-	6,458	6,458
Contract work in progress	-	1,634	1,634
Trade debtors	-	6,089	6,089
Other debtors, deposit & prepayment	-	3,235	3,235
Fixed deposits with licensed banks	-	630	630
Cash and bank balances	-	629	14,004
	-	18,675	32,050
CURRENT LIABILITIES			
Progress payment received and receivable	-	747	747
Trade creditors	-	2,281	2,281
Other creditors and accruals	288	3,423	3,423
Hire purchase creditors	-	92	92
Lease creditors	-	28	28
Taxation	-	886	886
Bank overdraft (secured)	-	10,125	10,125
Term loan (current portion)	-	1,860	1,860
	288	19,442	19,442
NET CURRENT ASSETS / (LIABILITIES)	(288)	(767)	12,608
	*	58,140	71,229
FINANCED BY:-			
SHARE CAPITAL	*	29,579	40,000
SHARE PREMIUM	-	56	2,724
RESERVES	-	15,870	15,870
SHAREHOLDERS' EQUITY	*	45,505	58,594
MINORITY INTEREST		239	239
LONG TERM AND DEFERRED LIABILITIES			
Hire purchase creditors	-	163	163
Lease creditors	-	62	62
Term Loan	-	11,216	11,216
Deferred taxation	-	955	955
	*	58,140	71,229

* This represents RM2.00

1. SUMMARY INFORMATION (Cont'd)

Proforma I reflects the acquisitions of HSB, HSSSB, HSIISB, FMSB, ABWSB, RCSB, CNMSB, IMSB and PIFSB.

Proforma II incorporates the transactions in Proforma I and the Rights Issue, Restricted Offer for Sale and Public Issue.

1.5 Principal Statistics Relating To The Public Issue**(a) Share Capital**

<i>Authorised</i>	RM
50,000,000 ordinary shares of RM1.00 each	50,000,000
 <i>Issued and fully paid-up</i>	
34,000,000 ordinary shares of RM1.00 each	34,000,000
Public Issue - 6,000,000 new ordinary shares of RM1.00 each	<u>6,000,000</u>
Enlarged share capital	<u>40,000,000</u>

There is only one class of shares in the Company, namely, ordinary shares of RM1.00 each, all of which rank pari passu with one another. The Public Issue Shares will rank pari passu in all respects with the other existing issued ordinary shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of this Prospectus. Further details are set out in Section 3 of this Prospectus.

(b) Issue Price Per Ordinary Share RM1.40

(c) Proforma Consolidated NTA

	RM'000	NTA Per Ordinary Share RM
Proforma Consolidated NTA as at 30 June 2000	58,002	1.45

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1. SUMMARY INFORMATION (Cont'd)**(d) Proforma Consolidated Profit Estimate and Consolidated Profit Forecast**

	Estimate 2000 RM'000	Forecast 2001 RM'000
Financial Year Ending 31 December		
Consolidated profit before taxation	8,672	11,801
Less: Taxation	(2,396)	(3,479)
Consolidated profit after taxation	6,276	8,322
Less: Minority interest	(69)	(81)
Consolidated profit after taxation and minority interest	6,207	8,241
Number of shares in issue ('000)	29,948*	39,500**
Gross earnings per share (sen)	28.73	29.67
Net earnings per share (sen)	20.73	20.86
Gross PE Multiple based on the issue price of RM1.40 per ordinary share (times)	4.87	4.72
Net PE Multiple based on the issue price of RM1.40 per ordinary share (times)	6.75	6.71

* Based on the weighted average number of shares of 29,947,735 which is arrived at after the Acquisitions and Rights Issue which were completed by end November 2000 but before the Public Issue

** Based on the weighted average number of shares of 39,500,000 assuming the listing to be completed by 31 January 2001

(e) Dividend Estimate and Forecast

	Estimate 2000 RM'000	Forecast 2001 RM'000
Financial Year Ending 31 December		
Gross dividend per ordinary share (sen)	5	5
Gross dividend yield based on the issue price of RM1.40 per ordinary share (%)	3.57	3.57
Net dividend yield (%)	2.57	2.57
Net dividend cover (times)	5.51	5.72

1. SUMMARY INFORMATION (Cont'd)

1.6 Proceeds Of The Rights and Public Issues

The Rights and Public Issues are expected to raise gross proceeds of approximately RM6.2 million and approximately RM8.4 million respectively which shall accrue to the Company. The estimated RM1.5 million in respect of expenses and fees incidental to the listing of and quotation for the entire issued and paid-up share capital of HRB on the Second Board of the KLSE shall be borne by the Company.

The gross proceeds arising from the Rights and Public Issues estimated to be approximately RM14.6 million will be utilised by the Group in the following manner:

	RM'000
Construction of MTCF	7,000
Repayment of existing term loans	5,000
Working capital	1,100
Estimated listing expenses	1,500
	14,600

Further details are set out in Section 6 of this Prospectus.

1.7 Material Litigations, Commitments and Contingent Liabilities**(i) Material Litigations**

As at 31 October 2000 (being the latest practicable date prior to the printing of this Prospectus), the HRB Group is presently not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration (other than those legal actions engaged as plaintiff or defendant arising in the ordinary course of its business) or prosecution for any criminal offence, which has a material effect on the financial position of the HRB Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of HRB and its subsidiaries.

(ii) Material Commitments

As at 31 October 2000 (being the latest practicable date prior to the printing of this Prospectus), the Group has capital commitments amounting to RM7 million by HSHSB for construction of MTCF.

(iii) Contingent Liabilities

As at 31 October 2000 (being the latest practicable date prior to the printing of this Prospectus), the Group does not have any contingent liabilities.

1. SUMMARY INFORMATION (*Cont'd*)

1.8 Material Risk Factors

Material risks factors set out below are summarized from Section 4 of this Prospectus.

(a) Marketability Of HRB Shares

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

(b) Ownership And Control Of The Group

Upon completion of the Public Issue, the controlling shareholders of HRB are ACVSB and Kamarudin Md Derom. Collectively, they controls approximately 70.04% of the HRB Group. As such, these controlling shareholders of the HRB Group will be able to control the outcome of certain matters requiring the votes of the Company's shareholders.

(c) Business Risks

The HRB Group is subject to certain risks inherent in the industries its businesses are involved. These risks include increase in cost of raw materials, changes in consumer demands and changes in general economic conditions. Although the Group seeks to limit these risks, no assurance can be given that any changes to these factors will not have a material effect on the Group's businesses.

(d) Competition

The Group faces competition from various local competitors for its engineering, ice manufacturing and *MTCF* operations. Its engineering division also faces competition from foreign competitors. While the Group is constantly improving its operations to remain competitive, no assurance can be given that the Group will be able to maintain its existing market position in the future.

(e) Management and Key Personnel

The Group believes that its continued success depends to a significant extent upon its abilities and continued efforts of its existing directors and senior management. The Group's future success will also depend upon its ability to attract and retain skilled personnel.

(f) Dependence on Suppliers and Customers

The Group enjoys steady and long term relationships with a number of suppliers and customers (local and overseas).

Accordingly, the Group is not dependent on any single supplier or customer.

(g) Political and Economy Considerations

Adverse development in political and economic conditions in Malaysia and other developing countries which the Group has business operations could have unfavourable impact on the financial prospects of the Group. Other political and economic uncertainties include changes in interest rates and taxation policies.

1. SUMMARY INFORMATION *(Cont'd)*

(h) Profit Estimate and Forecast

This Prospectus contains profit estimate and forecast of HRB for the financial years ending 31 December 2000 and 2001 that has been prepared based on assumptions which the Directors of HRB believe to be reasonable and have been duly reviewed by the Reporting Accountants, but which nevertheless, are subject to uncertainties and contingencies. There can be no assurance that the estimate and forecast contained herein will be realised and actual results may be materially different from those shown.

(i) Foreign Exchange Fluctuations

HRB Group's businesses involve the export and import of goods and services to / from foreign markets which subject the Group to foreign exchange fluctuations. Whilst the foreign exchange risks are minimised as a result of the fixed exchange rate for the Malaysian Ringgit introduced by the Malaysian government on 1 September 1998, there is no assurance that the exchange rate will remain fixed.

Further details are set out in Section 4 of this Prospectus.

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2. INTRODUCTION

This Prospectus is dated 4 December 2000. A copy of this Prospectus has been registered with the SC and lodged with the ROC who takes no responsibility for its contents.

An application will be made to the KLSE within three days from the date of this Prospectus for admission to the Official List of the KLSE and for permission to deal in and quotation for the entire issued and fully paid-up ordinary shares of HRB, including the Public Issue Shares which are the subject of this Prospectus, on the Second Board of the KLSE. These ordinary shares will be admitted to the Second Board of the KLSE 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.

Acceptance of the applications will be conditional upon permission being granted by the KLSE within six weeks from the date of this Prospectus or such longer period as may be specified by the SC, to deal in and quotation for all the issued shares of the Company on the Second Board of the KLSE. Monies paid in respect of any application accepted will be returned if the said permission is not granted. Admission to listing is not being sought on any other stock exchange.

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

An applicant should state his/her 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/she should state in the Application Form his/her preferred ADA Code.

The KLSE assumes no responsibility for the correctness of any of the statements made or opinion or reports 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 ordinary shares.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and if given or made, such information or representation must not be relied upon as having been authorised by HRB. Neither the delivery of this Prospectus nor any offer 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 HRB Group since the date hereof.

The distribution of this Prospectus and the sale of the Public Issue Shares in certain other jurisdictions may be restricted by law. Persons into whose possession of this Prospectus may come 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 offer to sell or invitation of an offer to buy any Public Issue Shares or Offer Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

If you are in any doubt about this Prospectus, you should consult your stockbroker, bank manager, solicitor, professional accountant or any other professional adviser.

4. RISK FACTORS

Applicants for the Public Issue Shares should carefully consider the following in addition to all the other relevant information contained elsewhere in this Prospectus, before applying for the Public Issue Shares:

(a) Marketability Of HRB Shares

Prior to this Public Issue, there has been no public market for HRB's shares and there can be no assurance regarding the future development of the market for the shares upon its listing on the Second Board of the KLSE. The issue price of RM1.40 per ordinary share has been determined after taking into consideration of a number of factors, including but not limited to, the Group's financial and operating history and standing, the future prospects of the Group and the industries in which the Group is involved, the net tangible assets of the Group, the valuation of all properties of the Group, the market prices for shares of other companies engaged in businesses similar to that of the Group and the prevailing market condition at the time of application to the SC for the listing of HRB's shares.

There is no assurance that the issue price will correspond to the price at which HRB's shares will trade on the Second Board of the KLSE upon or subsequent to its listing or that an active market for HRB's shares will develop and continue upon or subsequent to its listing.

(b) Ownership And Control Of The Group

Upon completion of the Public Issue, the controlling shareholders of HRB are ACVSB and Kamarudin Md Derom. Collectively, they controls approximately 70.04% of the HRB Group. As such, these controlling shareholders of the HRB Group will be able to control the outcome of certain matters requiring the votes of the Company's shareholders.

(c) Business Risks

The HRB Group is subject to certain risks inherent in the industries its businesses are involved. These risks include increase in cost of raw materials, changes in consumer demands and changes in general economic conditions.

The Group seek to minimize these risks by adopting various measures include, inter-alia:

- having and maintaining long term relationships with its large pool of suppliers;
- having and maintaining a large customer base;
- constant product development through research & development;
- constant improvement in its operations to increase productivity; and
- prudent management policies.

Although the Group seeks to limit these risks, no assurance can be given that any changes to these factors will not have a material effect on the Group's businesses.

(d) Competition

The Group faces competition from various local competitors for its engineering, ice manufacturing and MTCF operations. Its engineering division also faces competition from foreign competitors. While the Group is constantly improving its operations to remain competitive, no assurance can be given that the Group will be able to maintain its existing market position in the future.

4. RISK FACTORS *(Cont'd)*

(e) Management and Key Personnel

The Group believes that its continued success depends to a significant extent upon its abilities and continued efforts of its existing directors and senior management. The Group realizes the importance of training its professional and technical personnel to ensure business continuity and reduce over-reliance on a few selected personnel. The Group's future success will also depend upon its ability to attract and retain skilled personnel. As such, the Group is constantly on the look out to recruit more skilled and experienced staff.

(f) Dependence on Suppliers and Customers

The Group enjoys steady and long term relationships with a number of suppliers (local and overseas), thus ensuring the Group of a constant supply of raw materials, which in turn results in minimal disruption in its operations.

The Group's wide customer base (local and overseas) is considered one of its strengths. The Group enjoys long and stable relationships with its customers, many of whom are repeated customers.

Accordingly, the Group is not dependent on any single supplier or customer.

(g) Political and Economy Considerations

Adverse development in political and economic conditions in Malaysia and other developing countries which the Group has business operations could have unfavourable impact on the financial prospects of the Group. Other political and economic uncertainties include changes in interest rates and taxation policies.

(h) Profit Estimate and Forecast

This Prospectus contains profit estimate and forecast of HRB for the financial years ending 31 December 2000 and 2001 that has been prepared based on assumptions which the Directors of HRB believe to be reasonable and have been duly reviewed by the Reporting Accountants, but which nevertheless, are subject to uncertainties and contingencies. Due to the subjective judgements and inherent uncertainties of forecast and because events and circumstances frequently do not occur as expected, there can be no assurance that the estimate and forecast contained herein will be realised and actual results may be materially different from those shown. Investors will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the estimate and forecast that are contained herein.

(i) Foreign Exchange Fluctuations

HRB Group's businesses involve the export and import of goods and services to / from foreign markets which subject the Group to foreign exchange fluctuations. Whilst the foreign exchange risks are minimised as a result of the fixed exchange rate for the Malaysian Ringgit introduced by the Malaysian government on 1 September 1998, there is no assurance that the exchange rate will remain fixed.

5. CORPORATE INFORMATION

BOARD OF DIRECTORS

Name	Address	Occupation	Nationality
Ong Chin Seng <i>(Executive Chairman)</i>	No 20, Jalan Ladang Southern Park 41200 Klang Selangor Darul Ehsan	Company Director	Malaysian
Kamarudin bin Md Derom <i>(Executive Vice Chairman)</i>	No 49, Jalan USJ 6/2D UEP Subang Jaya 47610 Subang Jaya Selangor Darul Ehsan	Company Director	Malaysian
Ong Chin Yet <i>(Managing Director)</i>	No 10, Lebuhr Setaka Taman Chi Liung 41200 Klang Selangor Darul Ehsan	Company Director	Malaysian
Ong Chin Cheong <i>(Executive Director)</i>	No 20, Jalan Ladang Southern Park 41200 Klang Selangor Darul Ehsan	Company Director	Malaysian
Heng Wah Chong <i>(Director)</i>	No 45, Persiaran Rajawali Taman Bukit Raja 41150 Klang Selangor Darul Ehsan	Company Director	Malaysian
Azman bin Che Onn <i>(Director)</i>	No 31, Lengkongan Melikai Kg. Raja Uda 42000 Port Klang Selangor Darul Ehsan	Company Director	Malaysian
Tan Teng Wee <i>(Independent Non- Executive Director)</i>	No 50, Jalan SS 22/22 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Datin Fawziah binti Hussein Sazally <i>(Independent Non- Executive Director)</i>	No 61/6B Jalan SS2/75 47500 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian

AUDIT COMMITTEE

Name	Responsibility	Directorship
Tan Teng Wee	Chairman of the Committee	Independent Non-Executive Director
Ong Chin Yet	Member of the Committee	Managing Director
Datin Fawziah binti Hussein Sazally	Member of the Committee	Independent Non-Executive Director

5. CORPORATE INFORMATION *(Cont'd)*

COMPANY SECRETARY	:	Lee Giok Tim (LS no: 01912) 16, Jalan Serindit 13, Kaw 17 Taman Eng Ann 41150 Klang Selangor Darul Ehsan
REGISTERED OFFICE	:	28A, Lorong Tapah off Jalan Goh Hock Huat 41400 Klang Selangor Darul Ehsan Tel no: 33422033/4/5 Email address: wst@tm.net.my
HEAD OFFICE	:	Lot 506, Jalan Pelabuhan Utara Bandar Sultan Sulaiman 42000 Pelabuhan Klang Selangor Darul Ehsan Tel no: 03-3168 9626 Email address: hsgpr@tm.net.my Web site: http://www.haisan.com
PRINCIPAL BANKERS	:	OCBC Bank (M) Berhad (295400-W) No 19, Jalan Stesen 41000 Klang Selangor Darul Ehsan Affin Bank Berhad (25046-T) No 1, Jalan Berangan 42000 Pelabuhan Klang Selangor Darul Ehsan EON Bank Berhad (92351-V) No 90, Persiaran Raja Muda Musa 42000 Pelabuhan Klang Selangor Darul Ehsan
AUDITORS	:	Ong & Wong (AF0241) Public Accountants 3 rd Floor, Wisma Ho Weng Kee 138-140, Jalan Petaling 50000 Kuala Lumpur Peter Chew & Co (AF0186) Public Accountants 28C Lorong Tapah off Jalan Goh Hock Huat 41400 Klang Selangor Darul Ehsan

5. CORPORATE INFORMATION (*Cont'd*)

REPORTING ACCOUNTANTS	:	Ong & Wong (AF0241) Public Accountants 3 rd Floor, Wisma Ho Weng Kee 138-140, Jalan Petaling 50000 Kuala Lumpur
SOLICITORS FOR THE PUBLIC ISSUE	:	Majid & Chen Advocates and Solicitors No 15A, Jalan Kepayang, Off Jalan Meru 41050 Klang Selangor Darul Ehsan
PROFESSIONAL AND INDEPENDENT VALUERS	:	Jones Lang Wootton (Singham Sulaiman Sdn Bhd) (78217-X) 8 th Floor, Bangunan Getah Asli (Menara) 148, Jalan Ampang 50450 Kuala Lumpur
INDEPENDENT MARKET RESEARCH CONSULTANT	:	Vital Factor Consulting Sdn Bhd (266797-T) 75C & 77C Jalan SS22/19 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan
ISSUING HOUSE	:	MIDF Consultancy and Corporate Services Sdn Bhd (11324-H) 12 th Floor, Bangunan MIDF 195A, Jalan Tun Razak 50400 Kuala Lumpur
REGISTRARS	:	Mega Corporate Services Sdn Bhd (187984-H) Level 11-2, Faber Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur
ADVISER	:	Aseambankers Malaysia Bhd (15938-H) 33 rd Floor Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur
MANAGING UNDERWRITER	:	Aseambankers Malaysia Bhd (15938-H) 33 rd Floor Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur

5. CORPORATE INFORMATION *(Cont'd)*

UNDERWRITERS

: Aseambankers Malaysia Bhd (15938-H)
33rd Floor Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur

K & N Kenanga Bhd (15678-H)
801, 8th Floor Kenanga International
Jalan Sultan Ismail
50205 Kuala Lumpur

MIDF Consultancy and Corporate Services
Sdn Bhd (11324-H)
12th Floor, Bangunan MIDF
195A, Jalan Tun Razak
50400 Kuala Lumpur

LISTING SOUGHT

: Second Board of the Kuala Lumpur Stock Exchange

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6. PARTICULAR OF THE PUBLIC ISSUE

6.1 Opening And Closing Of Application Lists

The Application Lists will open at 10.00 a.m. on 18 December 2000 and will remain open until 8.00 p.m. on the same day or for such further period or periods as the Directors of the HRB in their absolute discretion may decide.

The balloting of the applications shall tentatively be on 21 December 2000 while the allotment of the Public Issue Shares shall be on 10 January 2001.

The Listing shall tentatively be on 16 January 2001.

6.2 Details Of The Public Issue

The Public Issue shall be subject to the terms and conditions of this Prospectus and upon acceptance, the Public Issue Shares will be allocated in the following manner:

(i) Eligible Employees and Entitled Customers

1,055,000 Public Issue Shares will be reserved for eligible employees and entitled customers of the HRB Group;

(ii) Malaysian Public

4,945,000 Public Issue Shares will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, societies, co-operatives and institutions.

Further details on the classes and rights attaching to the shares are set out in Section 3 of this Prospectus.

6.3 Purposes Of The Public Issue

The purposes of the Public Issue are as follows:

- (i) To grant HRB access to the capital market to finance future expansion and continued growth of the HRB Group;
- (ii) To provide cheaper additional funds to meet the present and future working capital requirements of the HRB Group;
- (iii) To provide an opportunity for the eligible employees and entitled customers of the Group as well as the Malaysian investing public to participate in the equity of HRB; and
- (iv) To obtain the listing of and quotation for HRB shares on the Second Board of the KLSE.

6. PARTICULAR OF THE PUBLIC ISSUE (Cont'd)**6.4 Proceeds Of The Rights and Public Issues**

The Rights and Public Issues are expected to raise gross proceeds of approximately RM6.2 million and approximately RM8.4 million respectively which shall accrue to the Company. The estimated RM1.5 million in respect of expenses and fees incidental to the listing of and quotation for the entire issued and paid-up share capital of HRB on the Second Board of the KLSE shall be borne by the Company.

The gross proceeds arising from the Rights and Public Issues estimated to be approximately RM14.6 million will be utilised by the Group in the following manner:

	RM'000
(i) Construction of MTCF	7,000
(ii) Repayment of existing term loans	5,000
(iii) Working capital	1,100
(iv) Estimated listing expenses	1,500
	14,600

(i) Construction of MTCF

Under the Group's expansion programme, the conversion of about 64,800 sq.ft of the MTCF was carried out in the second half of the financial year 2000. The construction will be divided into Phase 3 and Phase 4 and will have modern handling facilities with covered elevated loading platforms, container parking bays, adjustable dock levelers and inflatable dockseals capable of providing continuous "Cold Chain" thus ensuring the quality of products.

With the construction of the above, the Group will have a total of 136,800 sq.ft. of MTCF facilities.

(ii) Repayment of existing term loans

The Group will be utilising RM5,000,000 of the above gross proceeds to repay existing bank borrowings granted to its subsidiary, CNMSB as they are at higher interest rate than the other existing bank borrowings of the Group. Details of the bank borrowing are :-

Types of loan	Term Loan I	Term Loan II	Overdraft
Name of lender	OCBC Bank	OCBC Bank	OCBC Bank
Limit of facilities	RM2,500,000	RM3,000,000	RM8,000,000
Amount outstanding as at 30.06.2000	RM1,927,493	RM2,533,880	RM4,896,499
Interest rate	1.65% + BLR	1.65% + BLR	1.65% + BLR
Terms of repayment	8 years	15 years	on demand
Purpose of loans	Part finance of the purchase of land and construction of warehouse		

6. PARTICULAR OF THE PUBLIC ISSUE *(Cont'd)*

(iii) Working capital

RM1.1 million of the above gross proceeds will be reserved for general working capital. In addition, with the increase in turnover, the level of trade debtors is also expected to increase. Therefore, the proceeds for the working capital would assist the Group in the holding cost of these debtors.

(iv) Listing expenses

The expenses for the Public Issue comprising underwriting commission, professional fees, brokerages, stamp duty, registration fees and all other expenses incidental to the listing of and quotation for the entire enlarged issued and paid-up share capital of HRB on the Second Board of the KLSE is estimated at RM1,500,000. The breakdown of the expenses are as follows:

Type of Expense	RM'000
Fees and disbursements to advisers and experts	600
Fees to authorities	80
Underwriting and brokerage fees	210
Issuing house fee and disbursement	100
Advertisement of prospectus	100
Printing of application forms, share certificates and prospectus	270
Miscellaneous expenses	140
Total	<u>1,500</u>

The proceeds for the construction of the MTCF is expected to be fully utilized by April 2001, in conjunction with the completion of the construction of the MTCF. The balance of the proceeds from the Rights and Public Issues will be utilized for repayment of existing term loans, payment of listing expenses and working capital upon HRB receiving the monies.

By utilizing the proceeds from the Rights and Public Issues for repayment of existing term loans and construction of the MTCF, the Group will be able to realize substantial interest savings of approximately RM422,000 per annum and hence, improves the Group's profits. The completion of Phase 3 and 4 of the MTCF is expected to generate rental revenue to the Group of approximately RM1.26 million in financial year 2001.

6.5 Underwriting Commission And Brokerage

The Underwriters mentioned earlier in this Prospectus have agreed to underwrite the 4,945,000 Shares which are made available to the Malaysian public and any ordinary shares not subscribed for by eligible employees and entitled customers of the Group under paragraph 6.2(i) above. Underwriting commission relating to the Public Issue to be underwritten is payable by the Company at the rate of 1.5% of the issue price of RM1.40 per ordinary share. Based on 4,945,000 Shares, the underwriting commission amounts to approximately RM103,845.

Brokerage relating to the Public Issue Shares is payable by the Company at the rate of 1% of the issue price of RM1.40 per ordinary share in respect of successful applications which bear the stamp of Aseambankers, a member company of the KLSE, a member of the Association of Banks in Malaysia, a member of the Association of Merchant Banks in Malaysia or MIDF Consultancy and Corporate Services Sdn Bhd.

6. PARTICULAR OF THE PUBLIC ISSUE (*Cont'd*)

6.6 Salient Terms of Underwriting Agreement

Upon any material breach of the warranties or representations and/or material failure to perform any of the said agreements in the Underwriting Agreement or any change rendering any of the said warranties, representations or agreements inaccurate in any material respect coming to the notice of the Underwriters or any of them prior to the closing date, the Underwriters or any of them shall be entitled (but not bound) by notice to the HRB and the Managing Underwriter to elect to treat such breach, failure or change as releasing and discharging them or any of them from their obligations hereunder provided that the HRB shall remain liable for the payment of the costs and expenses referred to in the Underwriting Agreement which are incurred prior to or in connection with such release and discharge and provided further that failure to make such election as aforesaid shall be without prejudice to the right of the Underwriters or Underwriter concerned to treat any further or other breach, failure or change as releasing and discharging the Underwriters or Underwriter concerned from their respective obligations as aforesaid.

The several obligations of the Underwriters under the Underwriting Agreement shall further be conditional upon :-

- (a) the KLSE having agreed in principle to the listing and quotation thereon of the entire issued and paid-up share capital of HRB;
- (b) Completion of the Rights Issue referred to in Preamble (A)(ii) of the Underwriting Agreement;
- (c) There not having been, on or prior to the closing date, any adverse change or any development reasonably likely to involve a prospective adverse change in the condition (financial or otherwise) of HRB or any of its subsidiaries, from that set forth in the Prospectus which is material in the context of the restructuring and flotation scheme including the listing of the entire issued and paid-up share capital of HRB, offering of the Public Issue Shares or the occurrence of any event rendering untrue or incorrect to an extent which is material as aforesaid any of the representations or warranties contained in Clause 2 of the Underwriting Agreement as though they had been given or made on such date;
- (d) The registration with the SC and the lodgement with the ROC of the Prospectus together with the application form and accompanying documents on or before their issue, circulation or distribution to the eligible employees and entitled customers of the HRB Group and the Malaysian public in accordance with the requirement of the Companies Act, 1965 and the KLSE;
- (e) All other relevant approvals referred in Clause 2(iv) of the Underwriting Agreement having been obtained; and
- (f) The delivery to the Managing Underwriter on the closing date of a certificate by a Director of the Company on behalf of all its Directors stating that to the best of their knowledge and belief, having made, all reasonable inquiries there has been no adverse change, development or event as is referred to in paragraph (b) above and that as at such date HRB and/or its subsidiaries have not committed a breach of any of its covenants herein.

6. PARTICULAR OF THE PUBLIC ISSUE (Cont'd)

If any of the foregoing conditions is not satisfied on or before the closing date, the Underwriters shall thereupon be entitled to terminate the Underwriting Agreement by notice in writing delivered to HRB and the Managing Underwriter and in that event the parties hereto shall be released and discharged from their obligations hereunder provided that in such event HRB shall remain liable for the payment of the costs and expenses referred to in Clause 14 of the Underwriting Agreement which are incurred prior to or in connection with such termination and such release and discharge provided however that the Underwriters may at their discretion and subject to such conditions as the Underwriters may impose, jointly waive compliance with any of the provisions of this clause.

6.7 Basis of Arriving at the Issue Price

The issue price of RM1.40 per ordinary share was determined and agreed upon by the Company and Aseambankers as the Adviser and Managing Underwriter based on various factors after taking into account the following:-

- (a) the Group's financial and operating history and conditions as outlined in Section 9 of this Prospectus;
- (b) the prospects of the industries in which the Group operates as outlined in Section 8 of this Prospectus;
- (c) the proforma estimate and forecast net PE multiples of 6.75 and 6.71 times respectively based on the proforma estimate and forecast net EPS of 20.73 and 20.86 sen respectively;
- (d) the proforma Group NTA per share of RM1.45 as at 30 June 2000; and
- (e) the forecast gross dividend yield of 3.57%.

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7. APPROVALS AND CONDITIONS

7.1 Approvals of Relevant Authorities

The following approvals from relevant authorities were obtained by HRB in conjunction with the Public Issue:-

Authority	Date of Approval	Conditions	Status of Compliance
MITI	19 May 2000	<ul style="list-style-type: none"> (i) At least 30% of the Company's equity to be owned by bumiputeras at the time of the Listing (ii) to obtain FIC's approval 	<p>At least 30% of HRB's equity is owned by bumiputera shareholders upon the Listing</p> <p>Approval of FIC obtained</p>
FIC	9 May 2000	<ul style="list-style-type: none"> (i) The Company to have at least 30% direct bumiputera equity at the time of the Listing (ii) IMSB is required to raise its bumiputera equity to at least 30% (iii) To obtain MITI's approval 	<p>At least 30% of HRB's equity is owned directly by bumiputera shareholders upon the Listing</p> <p>FIC, via its letter dated 31 October 2000 has approved IMSB's application for extension to comply with this condition to 31 December 2001.</p> <p>Approval of MITI obtained</p>
SC	4 September 2000	<ul style="list-style-type: none"> (i) Moratorium imposed on 18 million shares representing 45% of the issued and paid-up share capital of HRB held by the promoters and substantial shareholders of HRB (ii) All amount owing by the promoters/directors/substantial shareholders and/or companies related to them to HRB to be settled prior to the Listing (iii) The promoters / directors / substantial shareholders of HRB are not to be involved in new businesses which will result in a conflict of interest with HRB Group. They are to disclose fully their involvement or interest in such business and the conflict of interest will be overcome in the prospectus (iv) The promoters / directors / substantial shareholders of HRB are to disclose fully all transaction and contract between the HRB Group and companies related to them in the prospectus (v) Any future transaction between the HRB Group and companies related to the promoters / directors / substantial shareholders of HRB must be based on commercial terms and not unfavourable to HRB. HRB's Audit Committee is required to monitor such transaction and the Board of Directors of HRB is required to report such transaction in the Annual Report of HRB every year 	<p>Complied as detailed in Section 7.2 of this Prospectus</p> <p>Fully settled amount owing of RM2.665 million on 28 November 2000</p> <p>Details are disclosed in Section 15.3 of Prospectus</p> <p>Details are disclosed in Section 15.3 of Prospectus</p> <p>The promoters / directors / substantial shareholders of HRB have taken note and will comply with the condition</p>

7. APPROVALS AND CONDITIONS (Cont'd)

Authority	Date of Approval	Conditions	Status of Compliance
		(vi) Aseambankers to confirm in writing to the SC that the share allocation to eligible employees and entitled customers of HRB complies with Chapter 10 of the SC's Guidelines	Aseambankers will confirm in writing to the SC after the share allocation
		(vii) HRB is not to venture into other activities not related to its core business for a period of three (3) years from the date of admission to the KLSE	The directors of HRB have taken note and will comply with the condition
		(viii) HRB is required to implement a technical training program to transfer the skills and knowledge in relation to MTCF of Raymond Alfred Eduard de Graaf to employees of HRB	HRB has implemented the training program in October 2000
		(ix) HRB is required to provide an undertaking to the SC to obtain the relevant approval from the local council for the rectification of the extended rear portion of its property at PTD 8756, Mukim of Rimba Terjun, District of Pontian, Johor Darul Takzim, within six (6) months from the date of issuance of the prospectus	HRB has on 28 November 2000 provided the said letter of undertaking to the SC while application to the local council has been made on 27 September 2000, which is still pending approval

7.2 Moratorium on Sale of Shares

It is a condition of the SC, in approving the flotation of HRB on the Second Board of the KLSE that the major shareholders and promoters of HRB are not allowed to sell, transfer or assign their shares in HRB amounting to 45% of the enlarged issued and paid-up share capital of HRB for a period of one year from the date of admission of HRB to the Second Board of the KLSE. Thereafter, they are permitted to sell, transfer or assign their shares in HRB subject to a maximum of a third per annum on a straight line basis of its shareholdings in HRB. The moratorium will expire at the end of the fourth anniversary from the listing date.

The restriction, which is fully accepted by the major shareholders and promoters, is specifically endorsed on the notices of allotment and share certificates representing the respective shareholdings of the major shareholders and promoters which are under moratorium to ensure that trading of these shares are not allowed in compliance with the restriction imposed by the SC.

The moratorium on sale of shares by the major shareholders and promoters is as follows:-

Substantial Shareholders	Shareholding After The Public Issue		Shares Placed Under Moratorium	
	No. Of Ordinary Shares Held	% of the issued and paid-up share capital	No. Of Ordinary Shares Held	% of the issued and paid-up share capital
ACVSB	20,400,000	51.00	14,000,000	35.00
Encik Kamarudin Md Derom	7,614,484	19.04	4,000,000	10.00
	28,014,484	70.04	18,000,000	45.00

8. INDUSTRY OVERVIEW, FUTURE PLANS AND PROSPECTS OF THE HRB GROUP

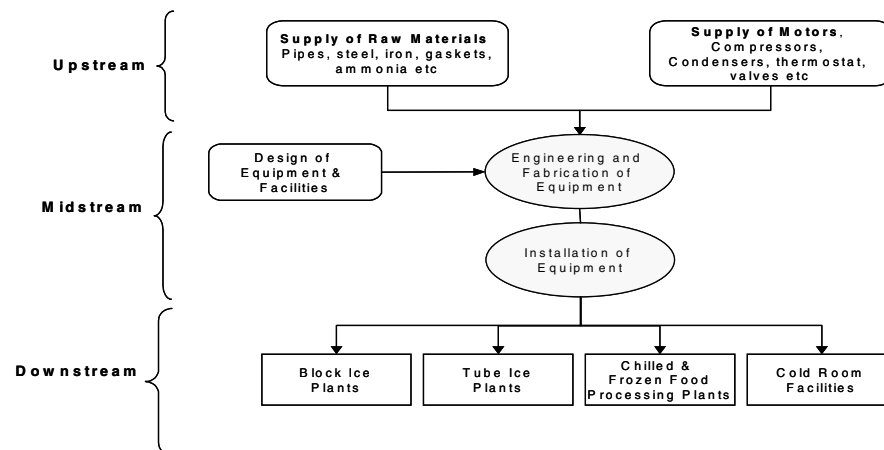
HRB had engaged Vital Factor Consulting Sdn Bhd to conduct an independent market study on the industries HRB operates in and to provide an objective description of the businesses of HRB. Vital Factor Consulting Sdn Bhd has been providing business consulting and market research services in Malaysia since 1993.

8.1 Industry Overview

8.1.1 Industry Structure

The Industrial Refrigeration and Ice Industry can be segmented into:

- upstream, which involves the supply of raw materials, components and parts of industrial refrigeration equipment;
- midstream, which involves design, engineering and fabrication of equipment, installation of equipment and construction of the plant and facilities;
- downstream, which involves the management and operations of ice factories, MTCF warehousing, and manufacturing and processing of food products requiring chilling or freezing.



The HRB Group has been involved in the industry since 1970 when it ventured into the trading and supply of refrigeration equipment. Today it is an integrated player and is involved in all three segments of the industry:

- upstream: supply of refrigeration machine;
- midstream: fabrication of refrigeration equipment and construction of facilities; and
- downstream: manufacture of ice and service providers of MTCF warehousing.

8. INDUSTRY OVERVIEW, FUTURE PLANS AND PROSPECTS OF THE HRB GROUP (Cont'd)

8.1.2 Key Players In The Industry and Competition
Engineering of Industrial Refrigeration

Some of the key operators providing engineering services and supply of industrial refrigeration equipment in Malaysia include the following:

- Haisan Sdn Bhd
- Wong Brothers Electrical & Refrigeration Sdn Bhd
- Mayekawa (M) Sdn Bhd
- Yota Air-Conditioning & Refrigeration Sdn Bhd
- Maco Refrigerating and Engineering Sdn Bhd
- Genaplast (M) Sdn Bhd
- Ishak & Sulaiman Sdn Bhd
- Intercool Refrigerant Sdn Bhd

Apart from Mayekawa (M) Sdn Bhd and Genaplast (M) Sdn Bhd, the above competitors are local players. Mayekawa (M) Sdn Bhd is the local distributor for “Mycom” equipment from Japan, while Genaplast (M) Sdn Bhd is the local operations of Genaplast Singapore.

Although there are over 100 companies providing refrigeration equipment in the country, the majority of these companies are involved in supply and installation of equipment. They do not provide engineering services such as design and fabrication of equipment. Of those who provide engineering services, most tend to specialise in commercial refrigeration. Only a few players specialise in engineering of industrial refrigeration equipment and facilities because it is highly dependent on engineering skills and experience (*Source: Primary Market Research undertaken by Vital Factor Consulting*).

Providers of MTCF and Warehousing Facilities

Some of the companies providing MTCF and warehousing facilities include the following:

- Integrated Logistic Bhd
- Tiong Nam Transport Holdings Bhd
- HRB Group
- Tamadam Bonded Warehouse Bhd
- Sitt Tatt Logistics Sdn Bhd
- MISC Trucking & Warehousing Services Sdn Bhd
- Central Forwarding Sdn Bhd
- Jasa Export Transit Warehouse Sdn Bhd

Many of the larger providers of warehousing facilities are companies involved in integrated logistic which includes freight forwarding, custom brokering, transportation and warehousing. Warehousing forms an integral link to their total logistics business.

Ice Manufacturing

Some of the major ice manufacturers in the Klang Valley and Johor with production of 30 tonnes per day or more in 1999 include the following:

Klang Valley Region

- Hai San Ice Industries Sdn Bhd (block and tube ice)
- Ocean Land Ice Industries Sdn Bhd (block and tube ice)
- Atlas Edible Ice Sdn Bhd (tube ice)
- Ice Master Sdn Bhd (tube ice)

8. INDUSTRY OVERVIEW, FUTURE PLANS AND PROSPECTS OF THE HRB GROUP *(Cont'd)*

- Crystal Ice Sdn Bhd (tube ice)

Johor

- Pontian Ice Factory Sdn Bhd (block ice)
- Kilang Air Batu Perintis Sdn Bhd (block ice)
- City Ice Industries Sdn Bhd (tube ice)

As there is little product differentiation or brand loyalty, competition is based mainly on price. The market for block ice is localised and mainly confined to the area where block ice is produced. This is because it is uneconomical to transport ice across vast distances. A few manufacturers currently serve each major town/city or fishing region. Thus, competition is confined to a particular region or town.

8.1.3 Government Legislation, Policies And Incentives

Government Regulations

Apart from the normal manufacturing license and bonded warehousing license, there are no material government laws, regulations and policies that may impede on the performance and growth of the ice manufacturing, engineering of industrial refrigeration equipment and warehousing industries.

Health and Environmental Regulations

The manufacture of ice falls under the purview of the Ministry of Health. All food manufacturing companies have to observe and comply with the Food Act 1983 and the Food Regulations 1985. The ice factories must adhere to the Code of Practice for Food Hygiene issued by the Food Quality Control Division, Ministry of Health.

The Engineering of Refrigeration Equipment and Facilities also requires certification of safety from the Department of Occupational Safety and Health. This is mainly for the storage and handling of pressurised cylinders of Ammonia used as refrigerant.

Government Incentives and Protection

The Second Industrial Master Plan 1996 – 2005 has stressed the importance of self-sufficiency in the development of food and fishery products. Refrigeration equipment and coldroom facilities have been identified as the important linkages that must be strengthened to support the growth of the food and fishery sectors.

8.1.4 Demand and Supply Conditions

The end-users of engineering services are mainly operators, manufacturers, service providers, importers and exporters in the chilled and frozen food processing industry, MTCF providers and ice manufacturing plants. The end-users of MTCF and warehousing facilities including those from the processed food industry, horticultural industry, semiconductor industry and pharmaceutical industry. The demand for ice comes mainly from the fisheries and food services industries as well as the general public.

8. INDUSTRY OVERVIEW, FUTURE PLANS AND PROSPECTS OF THE HRB GROUP (Cont'd)

The fishery industry has been growing in the past years, with marine fish landing and aquaculture industry anticipated to grow at an average annual rate of 2.5% and 14% from 1995 to 2000 respectively. (Source: *Mid-Term Review of the Seventh Malaysia Plan 1996-2000*). The Wholesale and Retail Trade, Hotels and Restaurants Industry is expected to register a growth of 1.5% in 1999 and 4.5% in 2000. (Source: *Economic Reports 1999/2000, Ministry of Finance*). The sale value of frozen prawns/shrimps reached RM395 million in 1998. From 1994 to 1998, the sales value grew by an average annual rate of 18.5%. (Source: *Department of Statistics*)

The continuing growth in the fisheries, food and beverage outlets and production of chilled and frozen food will generate the demand for the Industrial Refrigeration and Ice Industry

In tandem with improvements in the manufacturing sector and business confidence in 1999, the manufacture of Refrigerating, Exhaust, Ventilating and Air-Conditioning Machinery began showing signs of recovery. In the first eleven months of 1999, the Manufacture of Refrigerating, Exhaust, Ventilating and Air-Conditioning Machinery grew by 7.9% compared to the same period in 1998.

The Transport, Storage and Communications Industry is anticipated to grow by 3.0% and 6.5% in 1999 and 2000 respectively while its average annual growth rate from 1996 to 2000 is anticipated to be approximately 5.4%. (Source: *Economic Report 1999/2000, Ministry of Finance, Malaysia*)

Sales value of the Manufacture of Ice grew at an average annual rate of 5.6% per annum from 1992 to 1996 (RM48.0 million to RM59.8 million). The production volume of the Manufacture of Ice grew at an annual rate of 0.7% from 932,762 tonnes in 1992 to 957,502 tonnes in 1996. (Source: *Department of Statistics*)

8.1.5 Substitute Products / Services

As a product, there is no substitute for ice, especially for human consumption. However, functionally ice may be substituted through refrigeration equipment in reducing the temperature to maintain the quality and freshness of the product, as well as extending the shelf-life of the products. In addition, dry ice also can substitute for ice if its function is to lower the surrounding temperature.

Although refrigeration equipment can act as functional substitution, ice is still used in fishing boats or in remote locations where the supply of electricity is unavailable. Furthermore, ice is easily available and is far cheaper compared to refrigeration equipment and dry ice.

Tube ice can also substitute for block ice, especially within the food services industry. However, there will still be demand for block ice because of its slower melting rate and also cheaper price. Block ice is still required in the fishery industry and in ice sculptures. Flake Ice may also substitute for Block ice. However, the cost of Flake Ice is significantly more expensive compared to block ice. As such, it will be sometime before Flake Ice becomes a serious threat to block ice.

The substitute for general, bonded and MTCF warehouse services is for users to construct their own facilities. However, this requires costly capital investments and there will always be users who would choose commercial facilities over constructing their own facilities.

8. INDUSTRY OVERVIEW, FUTURE PLANS AND PROSPECTS OF THE HRB GROUP *(Cont'd)*

8.1.6 Industry's Reliance on Imports

Although industrial refrigeration equipment are fabricated locally, some major parts and components of the equipment such as compressors, expansion valves, thermostats, controllers and fan components are sourced through imports. This is because the machinery and equipment industry in Malaysia is still underdeveloped in many sub-sectors. Nevertheless, the industry can source all these major parts from many countries like Japan, the United States of America, Korea, China and Singapore.

Demand for MTCF and warehousing is dependent on Malaysia's international trade, i.e. both imports and exports. However, the demand is not significantly dependent on either one of the factors.

The ice manufacturing industry does not rely on imports.

8.1.7 Prospects and Outlook of the Industry

The outlook for Industrial Refrigeration and Ice Industry is expected to be favourable. The continuing growth in the fisheries, food and beverage outlets and production of chilled and frozen food will generate higher demand for the Industrial Refrigeration and Ice Industry.

The increase in import and export of frozen food products will result in higher demand for MTCF and warehousing space. This in turn is likely to stimulate demand for industrial refrigeration equipment and facilities.

With the recovery in the Malaysian economy and the region, the income of the population is expected to rise. GNP per capita income is forecast to rise from RM12,369 in 1999 to RM12,724 in 2000. *(Source: Economic Report 1999/2000)* The higher GNP per capital coupled with increase in household income will increase disposal income and consumer affluence which will give rise to increase consumption of frozen food and beverage products as well as consumption of chilled and frozen food. This will generate higher demand for the Industrial Refrigeration and Ice Industry.

8.1.8 Areas of Growth and Opportunities

Vertical Integration

The Industrial Refrigeration and Ice Industry in Malaysia is well developed in the mid-stream and downstream activities. However the upstream activities such as the manufacturing of major components and parts for refrigeration equipment is still under developed.

Most of the major refrigeration components are still imported as they are unavailable locally *(Source: Industry Brief, August 1999, Malaysian Industrial Development Authority)*.

Therefore, there are opportunities for organisations to venture into these upstream processes. This is predicated by the following observations:

- increase in demand for industrial refrigeration equipment
- increase in export of industrial refrigeration equipment to less developed and neighbouring countries.

By being able to provide the upstream, mid-stream and downstream activities, a player has the ability to benefit from the synergistic effects of being a completely integrated player.

8. INDUSTRY OVERVIEW, FUTURE PLANS AND PROSPECTS OF THE HRB GROUP (Cont'd)

Horizontal Integration

The ice manufacturing industry in Malaysia is primarily regional and comprises of mainly small ice companies with limited capital resources. A horizontal integration through acquisitions of the highly fragmented ice players in Malaysia would provide enormous opportunities for growth and expansion. The enlarged business entity would then be able to enter new geographical regions, increase its presence in established markets, gain additional production capacity, realise cost savings from economic of scale, and leverage the acquired companies' relationships with grocery and convenience store customers.

Provision of Ice through Vending Machines

Tube ice is currently retailed as "party ice" through traditional outlets such as convenience stores and supermarkets. There are opportunities for ice to be sold through vending machines like in the Western countries. By supplementing the current distribution outlets with additional vending machines will enable ice to be sold 24 hours a day with minimal manpower and resources. Placed at strategic location, the vending machines will increase the customer base and reach of ice manufacturers.

More Extensive Distribution System for Tube Ice

Currently the availability of Tube ice is limited being restricted to some convenience stores and supermarkets. There is room for significantly increasing the distribution in other retail outlets that are currently either poorly or not utilised. Some of these include:

- supermarkets, minimarkets and provision stores;
- coffee shops, petrol stations, newsagents and other retail outlets.

8.2 Future Plans and Prospects of the HRB Group

The HRB Group's future plan is focused on three main areas of growth and expansion:-

- Local expansion
- Oversea expansion
- Expansion into new activities and markets

Local Expansion

The Group's local expansion is focus on the followings:

- increasing its MTCF facilities
- increasing its production of tube ice
- increasing its production of block ice
- increasing coverage of block ice market in the East Coast
- setting up regional offices and sales agents

In line with its aspiration to be a major player in MTCF in Malaysia, HRB Group will increase its existing MTCF of 72,000 square feet to 136,800 square feet by mid-2001.

The Group will convert its existing general warehouse facilities adjacent to its office and the existing coldroom facilities in Port Klang into MTCF. Work on Phase III and Phase IV, comprising 32,400 square feet each, has commenced in mid-2000 and is expected to be completed by early 2001 and mid-2001 respectively. Part of the proceeds from the Listing, amounting to RM7.0 million will be utilised for this extension.

8. INDUSTRY OVERVIEW, FUTURE PLANS AND PROSPECTS OF THE HRB GROUP (Cont'd)

Overseas Expansion

The Group's overseas expansion is focused primarily on strengthening its overseas presence and marketing its engineering services in developing countries.

Expansion Into New Activities And Market

Further to its aspiration to be a MTCF Hub in Malaysia, the Group intends to develop Port Klang into a regional hub for food processing facilities for importers, exporters and distributors by providing cold storage facilities, food processing facilities, value-added services, distribution and integrated logistics.

The Group is already an integrated player in Industrial Refrigeration and Ice Industry. It will strive to be a one-stop centre for food processors by providing additional value-added services such as:

- break bulk
- stock tracking
- palletising
- mixing and processing
- instant quick freezing
- repackaging and re-labelling
- logistics
- delivery and distribution.

To increase its distribution capability the Group will invest in more refrigerated trucks and vans.

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9. INFORMATION ON THE HRB GROUP

9.1 Incorporation and Principal Activities

HRB was incorporated in Malaysia on 27 December 1999 under the Companies Act, 1965 as a private limited company under the name of HS Capital Sdn Bhd. To facilitate its listing on the Second Board of the KLSE, HRB was subsequently converted into a public limited company on 21 February 2000 under the name of HS Capital Bhd. It assumed its present name on 25 September 2000.

HRB is principally an investment holding company while the principal activities of its subsidiary and associated companies are as follows:

Subsidiary companies Principal Activities***Engineering of Industrial Refrigeration***

HSB	Refrigerating, civil, mechanical, electrical and general engineering works
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HSSSB	Trading of refrigerating equipment and spare parts, lease of properties
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Ice Manufacturing

FMSB	Ice trading and renting of ice factory
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HSIISB	Manufacturing and marketing of ice, cold storage rooms provider
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PIFSB	Ice manufacturing
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MTCF / Warehousing

ABWSB	Bonded warehousing
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CNMSB	Warehousing
-------	-------------

HSHSB	MTCF and warehousing storage
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RCSB	Warehousing
------	-------------

Associated company

IMSB	Provide MTCF, handling, value-added processing and distribution services
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9. INFORMATION ON THE HRB GROUP (Cont'd)

9.2 Changes In Share Capital

The present authorised share capital of HRB is RM50,000,000 divided into 50,000,000 ordinary shares of RM1.00 each. The present issued and paid-up share capital is RM34,000,000 comprising 34,000,000 ordinary shares of RM1.00 each. Details of the changes in the issued and paid-up share capital of the Company since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Issued and Paid-Up Share Capital RM
27.12.1999	2	1.00	Subscribers' shares	2
25.09.2000	29,579,346	1.00	Shares to be issued in consideration for the Acquisitions of ABWSB, CNMSB, FMSB, HSB, HSIISB, HSSSB, HSHSB, IMSB and RCSB.	29,579,348
21.11.2000	4,420,652	1.00	Rights Issue of 4,420,652 new ordinary shares of RM1.00 each at an issue price of RM1.40 per ordinary share	34,000,000

9.3 Restructuring Scheme

In conjunction with the listing of HRB's shares on the Second Board of the KLSE, the Company undertook a restructuring exercise which was approved by the FIC, MITI and SC on 9 May 2000, 19 May 2000 and 4 September 2000 respectively. The details of the restructuring exercise are as follows:

9.3.1 Revaluations of Landed Properties

The revaluations of the following:

- (i) The revaluation of the land and building of HSHSB, a wholly-owned subsidiary company of HRB, and incorporation of the revaluation surplus of RM6,696,794 into the company's account;
- (ii) The revaluation of the land and building of CNMSB, a wholly-owned subsidiary company of HRB, and incorporation of the revaluation surplus of RM4,928,827 into the company's account;
- (iii) The revaluation of the land and building of RCSB, a wholly-owned subsidiary company of HRB, and incorporation of the revaluation surplus of RM1,715,055 into the company's account;
- (iv) The revaluation of the land and building of HSSSB, a wholly-owned subsidiary company of HRB, and incorporation of the revaluation surplus of RM3,618,240 into the company's account; and

9. INFORMATION ON THE HRB GROUP (Cont'd)

- (v) The revaluation of the land and building of FMSB, a wholly-owned subsidiary company of HRB.

The revaluation surplus of the land and building of FMSB of RM218,000 will not be incorporated into the company's account as HRB considers it to be immaterial.

The SC has via its letter dated 4 September 2000 approved the incorporation of the above revaluation surpluses into the accounts of the respective companies.

9.3.2 Acquisitions

- (i) Acquisition by HRB of 100,002 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of ABWSB for a purchase consideration of RM631,863 to be satisfied by the issuance of 451,330 new ordinary shares of RM1.00 each in HRB at an issue price of RM1.40 per new ordinary share;
- (ii) Acquisition by HRB of 2,000,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of CNMSB for a purchase consideration of RM7,535,611 to be satisfied by the issuance of 5,382,580 new ordinary shares of RM1.00 each in HRB at an issue price of RM1.40 per new ordinary share;
- (iii) Acquisition by HRB of 51,002 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of FMSB for a purchase consideration of RM49,943 to be satisfied by the issuance of 35,673 new ordinary shares of RM1.00 each in HRB at an issue price of RM1.40 per new ordinary share;
- (iv) Acquisition by HRB of 1,500,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of HSB for a purchase consideration of RM6,771,644 to be satisfied by the issuance of 4,836,888 new ordinary shares of RM1.00 each in HRB at an issue price of RM1.40 per new ordinary share;
- (v) Acquisition by HRB of 2,500,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of HSIISB for a purchase consideration of RM6,058,445 to be satisfied by the issuance of 4,327,461 new ordinary shares of RM1.00 each in HRB at an issue price of RM1.40 per new ordinary share;
- (vi) Acquisition by HRB of 1,320,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of HSSSB for a purchase consideration of RM7,552,147 to be satisfied by the issuance of 5,394,391 new ordinary shares of RM1.00 each in HRB at an issue price of RM1.40 per new ordinary share;
- (vii) Acquisition by HRB of 600,003 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of HSHSB for a purchase consideration of RM8,758,014 to be satisfied by the issuance of 6,255,724 new ordinary shares of RM1.00 each in HRB at an issue price of RM1.40 per new ordinary share;
- (viii) Acquisition by HRB of 250,000 ordinary shares of RM1.00 each representing 50% of the issued and paid-up share capital of IMSB for a purchase consideration of RM195,320 to be satisfied by the issuance of 139,514 new ordinary shares of RM1.00 each in HRB at an issue price of RM1.40 per new ordinary share; and
- (ix) Acquisition by HRB of 2,000,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of RCSB for a purchase consideration of RM3,858,099 to be satisfied by the issuance of 2,755,785 new ordinary shares of RM1.00 each in HRB at an issue price of RM1.40 per new ordinary share.

9. INFORMATION ON THE HRB GROUP (Cont'd)

The shares subject to the Acquisitions are acquired free of any liens, charges or encumbrances. The purchase consideration for the Acquisitions were arrived at on the basis of “willing buyer, willing seller” and based on the values placed on the acquiree companies after taking into account the adjusted audited consolidated NTA of the respective companies as at 31 December 1999 after adjusting for the revaluation surpluses as mentioned in Section 9.3.1 above, as detailed below:

Name of Company to be Acquired	No. of Ordinary Shares to be Acquired	% of Issued and Paid-Up Share Capital to be Acquired	Audited Net Tangible Assets As At 31 December 1999 RM	Adjustments for Revaluation Surpluses RM	Adjusted Consolidated Audited Net Tangible Assets As At 31 December 1999 RM	Purchase Consideration RM	No. of New HRB Shares to be Issued
ABWSB	100,002	100	631,863	-	631,863	631,863	451,330
CNMSB	2,000,000	100	2,606,784	4,928,827	7,535,611	7,535,611	5,382,580
FMSB	51,002	100	49,943	-	49,943	49,943	35,673
HSB	1,500,000	100	6,771,644	-	6,771,644	6,771,644	4,836,888
HSIISB	2,500,000	100	6,058,445	-	6,058,445	6,058,445	4,327,461
HSSSB	1,320,000	100	3,933,907	3,618,240	7,552,147	7,552,147	5,394,391
HSHSB	600,003	100	2,061,220	6,696,794	8,758,014	8,758,014	6,255,724
IMSB	250,000	50	195,320	-	195,320	195,320	139,514
RCSB	2,000,000	100	2,143,044	1,715,055	3,858,099	3,858,099	2,755,785
Total			24,452,170	16,958,916	41,411,086	41,411,086	29,579,346

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9. INFORMATION ON THE HRB GROUP (Cont'd)

The particulars relating to the vendors' shareholdings in the respective acquiree companies are as follows:-

Vendors	No. of ordinary shares									Total
	ABWSB	CNMSB	FMSB	HSB	HSIISB	HSSSB	HSHSB	IMSB	RCSB	
Ong Chin Seng	-	-	17,000	333,999	299,140	396,000	200,000	-	-	1,246,139
Ong Chin Yet	-	-	17,001	333,000	499,605	423,000	200,002	125,000	-	1,597,608
Ong Chin Cheong	-	-	17,001	333,000	499,605	369,000	200,001	125,000	-	1,543,607
Able Capital Venture Sdn Bhd	45,001	1,000,000	-	-	-	-	-	-	170,000	1,215,001
Ulong Maju Sdn Bhd	-	1,000,000	-	-	-	-	-	-	-	1,000,000
HS Venture Sdn Bhd	-	-	-	-	-	-	-	-	850,000	850,000
Heng Wah Chong	-	-	-	-	164,650	-	-	-	-	164,650
Lee Peik Hoong	-	-	-	1	-	66,000	-	-	-	66,001
Ong Geok Moi	-	-	-	-	66,650	-	-	-	-	66,650
Jonah Dominic Ong Seah Tatt	-	-	-	-	-	66,000	-	-	-	66,000
Kamarudin bin Md Derom	55,001	-	-	500,000	310,355	-	-	-	400,000	1,265,356
YB Dato Seri Hj. Onn bin Hj Ismail	-	-	-	-	20,400	-	-	-	-	20,400
Mohd Nor bin Hj Ahmad	-	-	-	-	23,595	-	-	-	-	23,595
Musa bin Hussin	-	-	-	-	215,000	-	-	-	-	215,000
Mohd Rashid bin Ab Gani	-	-	-	-	101,000	-	-	-	-	101,000
Kamarul Zuhairi bin Muhammad	-	-	-	-	300,000	-	-	-	-	300,000
Faridah binti Mohd Som	-	-	-	-	-	-	-	-	580,000	580,000
	100,002	2,000,000	51,002	1,500,000	2,500,000	1,320,000	600,003	250,000	2,000,000	10,321,007

9. INFORMATION ON THE HRB GROUP (Cont'd)

The vendors' shareholdings in HRB after the Acquisition are as follows:

Vendors	<-----No. of ordinary shares----->									Total
	ABWSB	CNMSB	FMSB	HSB	HSIISB	HSSSB	HSHSB	IMSB	RCSB	
Ong Chin Seng	-	-	11,891	1,077,011	517,807	1,618,317	2,085,231	-	-	5,310,257
Ong Chin Yet	-	-	11,891	1,073,789	864,808	1,728,657	2,085,252	69,757	-	5,834,154
Ong Chin Cheong	-	-	11,891	1,073,789	864,808	1,507,977	2,085,241	69,757	-	5,613,463
Able Capital Venture Sdn Bhd	203,099	2,691,290	-	-	-	-	-	-	234,242	3,128,631
Ulong Maju Sdn Bhd	-	2,691,290	-	-	-	-	-	-	-	2,691,290
HS Venture Sdn Bhd	-	-	-	-	-	-	-	-	1,171,208	1,171,208
Heng Wah Chong	-	-	-	-	285,007	-	-	-	-	285,007
Lee Peik Hoong	-	-	-	3	-	269,720	-	-	-	269,723
Ong Geok Moi	-	-	-	-	115,370	-	-	-	-	115,370
Jonah Dominic Ong Seah Tatt	-	-	-	-	-	269,720	-	-	-	269,720
Kamarudin bin Md Derom	248,231	-	-	1,612,296	537,220	-	-	-	551,157	2,948,904
YB Dato Seri Hj. Onn bin Hj Ismail	-	-	-	-	35,312	-	-	-	-	35,312
Mohd Nor bin Hj Ahmad	-	-	-	-	40,843	-	-	-	-	40,843
Musa bin Hussin	-	-	-	-	372,162	-	-	-	-	372,162
Mohd Rashid bin Ab Gani	-	-	-	-	174,829	-	-	-	-	174,829
Kamarul Zuhairi bin Muhammad	-	-	-	-	519,295	-	-	-	-	519,295
Faridah binti Mohd Som	-	-	-	-	-	-	-	-	799,178	799,178
	451,330	5,382,580	35,673	4,836,888	4,327,461	5,394,391	6,255,724	139,514	2,755,785	29,579,346

The Acquisitions were completed on 25 September 2000.

9. INFORMATION ON THE HRB GROUP (Cont'd)

9.3.3 Consolidation of Shares

Concurrent with the Acquisitions, the following vendors, collectively known as the Ong family, consolidated their shares in HRB by renouncing their joint and separate rights in respect of part of their respective HRB shares totaling 17,271,369, representing 58.39% of the total shares issued pursuant to the Acquisitions to ACVSB, a family-owned investment holding company as follows:

Vendor	No. Of Ordinary Shares to be Renounced to ACVSB	% of Total Shares Issued After the Proposed Acquisitions
Ong Chin Seng	4,014,108	13.57
Ong Chin Yet	4,538,005	15.34
Ong Chin Cheong	4,317,315	14.60
Ulong Maju Sdn Bhd	2,691,290	9.10
HS Venture Sdn Bhd	1,171,208	3.96
Lee Peik Hoong	269,723	0.91
Jonah Dominic Ong Seah Tatt	269,720	0.91
Shares to be renounced to ACVSB	17,271,369	58.39

The Consolidation of Shares was completed on 25 September 2000.

9.3.4 Rights Issue

Upon completion of the Revaluations, the Acquisitions and the Consolidation of Shares, HRB undertook a Rights Issue of 4,420,652 new ordinary shares of RM1.00 each at an issue price of RM1.40 per rights share to all the existing shareholders of HRB on the basis of 13 new ordinary shares for every existing 87 ordinary shares in HRB.

9. INFORMATION ON THE HRB GROUP (Cont'd)

Thereafter, the existing Non-bumiputra shareholders renounced 3,689,761 new ordinary shares arising from their total respective rights issue entitlements to the existing Bumiputra shareholders in proportion to the Bumiputra shareholders' existing shareholdings.

Bumiputera shareholders	Existing Shares in HRB	No. Of Rights Issue Shares	No. Of Rights Renounced Shares	Total No. of Shares After Rights Issue
Kamarudin bin Md Derom	2,948,904	440,715	2,224,865	5,614,484
YB Dato Seri Hj. Onn bin Hj Ismail	35,312	5,277	26,642	67,231
Mohd Nor bin Hj Ahmad	40,843	6,104	30,815	77,762
Musa bin Hussin	372,162	55,620	280,785	708,567
Mohd Rashid bin Ab Gani	174,829	26,128	131,904	332,861
Kamarul Zuhairi bin Muhammad	519,295	77,609	391,793	988,697
Faridah binti Mohd Som	799,178	119,438	602,957	1,521,573
	4,890,523	730,891	3,689,761	9,311,175

The Rights Issue was completed on 21 November 2000.

9.3.5 Restricted Offer for Sale

The restricted offer for sale of 2,850,000 ordinary shares of RM1.00 each in the Company at an offer price of RM1.40 per ordinary share by Ong Chin Seng, Ong Chin Yet and Ong Chin Cheong, collectively known as the Offerors, to the existing Bumiputera shareholders in the following manner:

Bumiputera shareholders	No. Of Ordinary Shares
Kamarudin bin Md Derom	2,000,000
YB Dato Seri Hj. Onn bin Hj Ismail	15,459
Mohd Nor bin Hj Ahmad	17,880
Musa bin Hussin	162,925
Mohd Rashid bin Ab Gani	76,536
Kamarul Zuhairi bin Muhammad	227,337
Faridah binti Mohd Som	349,863
Total	2,850,000

The Restricted Offer for Sale was completed on 24 November 2000.

9. INFORMATION ON THE HRB GROUP *(Cont'd)*

9.3.6 Public Issue

In conjunction with the Listing of HRB, the Company will undertake the Public Issue of 6,000,000 new ordinary shares of RM1.00 each in HRB at an issue price of RM1.40 per new ordinary share of RM1.00 each to eligible employees and entitled customers and the Malaysian public of which at least 30% is to be set aside for application by bumiputera individuals, companies, co-operatives, societies and institutions.

9.4 Business Overview of the HRB Group

9.4.1 Company Background

The Group started in 1970 when HSSSB was incorporated. It began as a trading company dealing in refrigerating equipment and renting of jetties. In 1976, the Group ventured into manufacturing of block ice via HSIISB. Today, the HRB Group has developed into an integrated ice and industrial refrigeration manufacturer and service provider. Its core businesses are divided into the following:

- engineering of industrial refrigeration equipment and facilities;
- operating and leasing of MTCTF, general and bonded warehousing; and
- manufacturing and trading of ice.

9.4.2 Principal Products and Services

Engineering Services

With more than 20 years' experience in the refrigeration industry, the Group is one of the leading fabricator-contractor of industrial refrigeration equipment in Malaysia

(Source: Primary Market Research undertaken by Vital Factor Consulting)

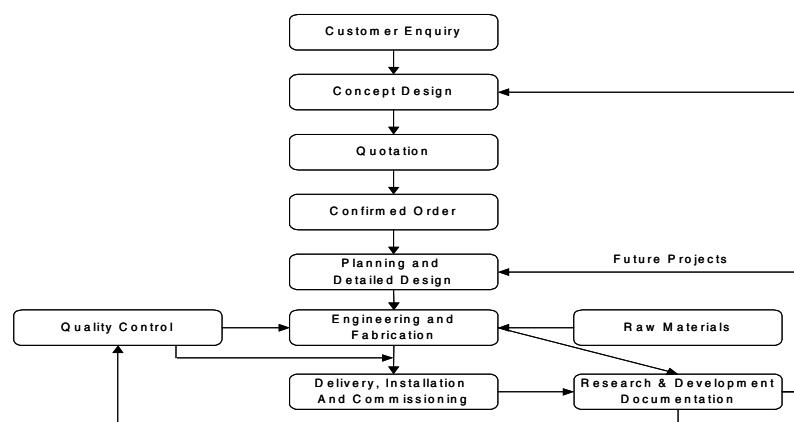
The Group provides a complete range of value-added engineering and construction services including:

- design of equipment and facilities;
- sourcing and fabrication of equipment;
- testing of equipment;
- installation of equipment and parts; and
- commission of equipment and facilities.

The Group has designed, fabricated and installed refrigeration equipment and facilities in Malaysia and countries in South East Asia. Some of the projects undertaken are on turnkey basis. The engineering and fabrication of equipment are carried out at the Group's engineering factory in Port Klang. Upon completion, the equipment is transported and delivered to the client's premises for installation and commissioning.

9. INFORMATION ON THE HRB GROUP (Cont'd)

The process flow of engineering services is as follows:



The engineering process focuses on the design, fabrication, delivery, placement and commissioning of the industrial refrigeration equipment.

Through its in-house Research and Development expertise, the Group has the ability to specially fabricate and customise refrigeration equipment for industrial use especially ammonia and freon-based equipment. Some of the equipment and facilities fabricated by the Group includes, among others:

- block ice plants
- tube ice machines
- cold rooms
- flake ice machines
- contact plate freezers
- air blast freezers
- instantaneous water chillers
- Instant Quick Freezing (IQF) system

The Group is also involved in the trading of used and reconditioned ammonia refrigeration equipment. In addition, the Group is a stockist for the following refrigeration products and accessories:

- refrigerating compressor: Mycom, Sabroe, Gram, China.
- valve and controls: Danfoss, Parker, RS, Morikawa, Kyoritsu.

Warehousing Services

The Group are involved in the provision of the following facilities:

- general warehouses
- bonded warehouses
- MTCF.

The Group also provide additional value-added services including:

- loading and unloading
- breaking bulk
- labelling
- data entry for goods monitoring and tracking purposes
- order picking
- transportation and distribution.

9. INFORMATION ON THE HRB GROUP (Cont'd)

The warehouse facilities are located in North Port Industrial Area, Port Klang. The Group currently has nine warehouses, of which the Group owns six of them. The size of its warehousing facilities is as follows:

Types of warehouse	Size Square feet
Bonded warehouse	206,000
General warehouse	300,200
MTCF	72,000
Total	578,200

Bonded Warehousing

The Group is involved in the management and operations of bonded warehouse facilities. The facilities are rented out to customers who require short to medium term storage whilst awaiting payment of duties and custom clearance. Goods stored in these warehouses vary from dry food to semiconductors. The Group's medium-term clients include Matsushita Electronics Corporation (M) Sdn Bhd.

General Warehousing

The Group's general warehouses are mainly leased to third parties. These third parties also manage their own day-to-day operations of these warehouses. Therefore the Group is not involved in the management or day-to-day operations of these general warehouses. The Group has also secured a long-term contract for up to six years and option for renewal for a further two years with Kao (Malaysia) Sdn Bhd (Kao) for one of its general warehouse facilities.

MTCF

The Group's MTCF comprises several smaller coldrooms for storage purposes, each with independent temperature setting. The MTCF are equipped with modern handling facilities with covered elevated loading platforms, container parking bays, inflatable dockseals and adjustable dock levellers.

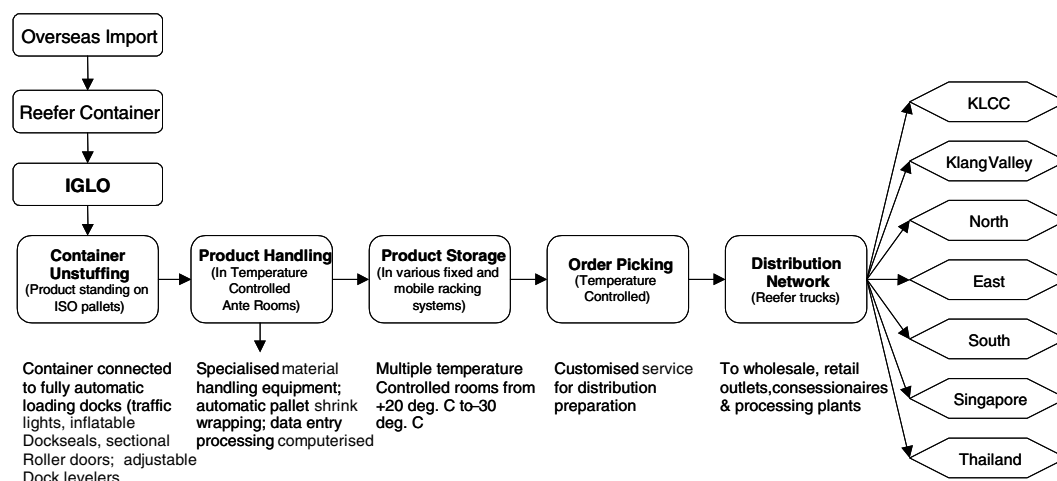
One of its major competitive advantages in the provision of coldroom facilities is this state-of-art modern loading facilities that ensures no "break in the cold chain". This is vital in maintaining the requisite temperature of the goods at all time especially during the transfer from the container to the coldroom and vice versa thus preserving the quality of chilled and frozen food.

A break in the cold chain will result in the crystallisation of ice and hence reduces the quality and shelf life of the affected food products.

This aspect of 'no break in cold chain' is particularly important for overseas clients who expect such standard of quality. This is because in most western countries, quality standards regarding transportation and storage of chilled and frozen goods are very high by comparison to general standards in Malaysia.

9. INFORMATION ON THE HRB GROUP (Cont'd)

The process flow of MTCF storage is as follows:



The Group believes it is the only provider in the country of MTCF with inflatable dockseals and side insulations to ensure ‘no break in cold chain’. By providing this, the Group is able to market its MTCF services with ‘no break in cold chain’ as a competitive advantage in Malaysia.

Ice Manufacturing

The Group manufactures both block and tube ice.

Block Ice

The average production of block ice at its Port Klang and Pontian factories is approximately 350 tonnes per day and 55 tonnes per day respectively.

The block ice that is produced by the Group weighs approximately 240 pound each. This is the most commonly available size in the market. *(Source: Market Research undertaken by Vital Factor Consulting)*

Block ice is mainly sold to ice dealers and agents although some are sold directly to end-users.

Block ice is widely used in the fisheries industry mainly for maintaining the freshness of the daily catch. It is also widely used in the wet, night and wholesale market in preserving the freshness of perishable food and food products. Some of its other common applications include:

- preserving and maintaining the freshness of seafood, meat, food products and pharmaceutical products in the absence of refrigeration
- used directly with food and beverages
- as shaved ice in local deserts e.g., “ice kacang”, “chendo!”
- as decoration in the form of ice sculptures
- in the entertainment industry as props
- in theme park
- in the curing of cement in the construction industry.

9. INFORMATION ON THE HRB GROUP (Cont'd)

Tube Ice

The Port Klang factory also produces tube ice with an average production of approximately 80 tonnes per day.

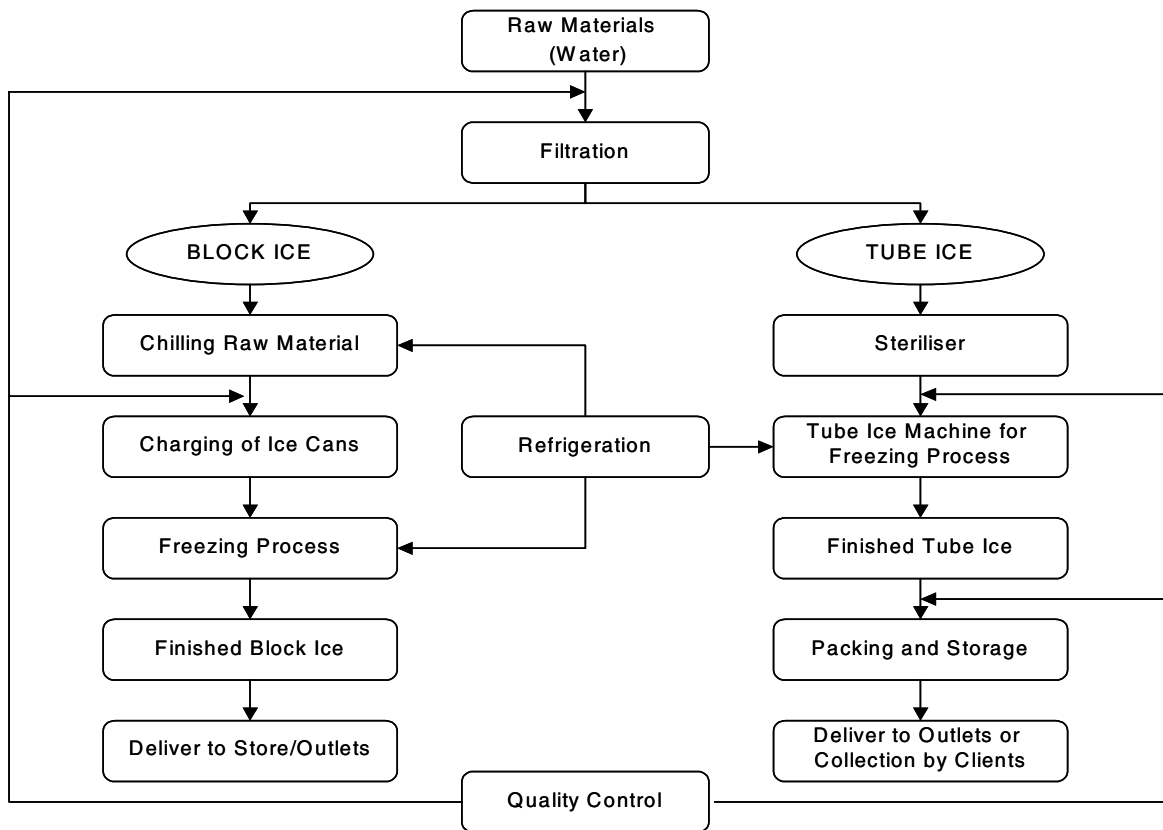
The tube ice is normally packed into plastic bags of 18kg each by a packing machine and sold to ice dealers and agents whom in turn distribute to restaurants, pubs, food outlets, convenience stores, hawker stalls, petrol stations and supermarkets.

Tube ice, which is a relatively new product compared to block ice, is mainly used to chill drinks for direct consumption. Owing to its larger surface area over volume ratio, it has the ability to chill drinks quicker than the traditional solid ice cubes.

The tube ice is commonly available in the market in typical sizes of 18kg and 2.5kg packs. Whilst the former caters mainly to food and beverages outlets, the later caters to general use and is commonly referred to as “party ice”. Party ice is normally sold in convenience stores, supermarkets and petrol outlets.

The popularity of tube ice in the past few years can be attributed to its convenience, effectiveness and the keen competition among tube ice manufacturers. Retail prices for an 18kg pack ranges from RM3.50 to RM5.00 whilst a 2.5kg is retailed at between RM1.50 to RM2.50. *(Source: Primary Market Research undertaken by Vital Factor Consulting)*

The process flow of ice manufacturing is as follows:



9. INFORMATION ON THE HRB GROUP (Cont'd)

9.4.3 Principal Markets

The Group provides engineering services to clients throughout Malaysia and countries in South East Asia, including Indonesia, Myanmar and Vietnam.

The breakdown of local and export sales of the Group's engineering services for the past five years are as follows:

	1995	1996	1997	1998	1999
Local	88.4%	70.1%	60.7%	64.7%	91.4%
Export	11.6%	29.9%	39.3%	35.3%	8.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

The Group provides warehousing facilities directly to its clients, who are mainly local companies or multinationals requiring storage space during transit of goods to and from the port and for local distribution. All of the Group's warehouses are located in Port Klang.

The Group is a manufacturer and wholesaler of block and tube ice. The ice is predominantly sold to ice dealers and agents who then distribute to customers in the fishing industry, food and beverages outlets, hotels and retail outlets in Selangor and Johor. The Group is also involved in the trading of ice via its subsidiary FMSB.

9.4.4 Major Customer and Suppliers

The Group's major customer (more than 10% of Group turnover) is as follows:

Customer	1999 Proportion of Group Turnover (%)	Length of Relationship (Years)
Tari Ice Factory Sdn Bhd	15.14	2

The Group's major supplier (more than 10% of Group purchase of raw materials) is as follows:

Supplier	1999 Proportion of Group Purchase of Raw Materials (%)	Length of Relationship (Years)
Tenaga Nasional Bhd	16.20	26

The Group is not dependent on any major customer or supplier as it deals with a number of customers and suppliers.

9.4.5 Market Position and Share

Based on industrial sources, the HRB Group is reputed to be the largest operator in the Engineering of Industrial Refrigeration Equipment Industry in Peninsular Malaysia. (Source: Primary Market Research undertaken by Vital Factor Consulting)

Based on the estimated size of MTCF in Peninsular Malaysia, the HRB Group is currently ranked **third** within the industry with an estimated size of 72,000 square feet. (Source: Primary Market Research undertaken by Vital Factor Consulting)

9. INFORMATION ON THE HRB GROUP (Cont'd)

Based on the estimated production of Block Ice in Peninsular Malaysia, the HRB Group is the **market leader** with the highest production of block ice at 405 tonnes per day in 1999. (Source: Primary Market Research undertaken by Vital Factor Consulting)

9.4.6 Source and Availability of Raw Materials

Generally, the majority of the raw materials used for the construction of industrial refrigeration system are imported.

The main raw materials required in industrial refrigeration system include condensers, compressors, motors, steel plates, valve controls and panels for cold room. On average, the above raw materials account for approximately 60% to 70% of the total cost of equipment. However, this varies depending on the specifications of each project. The above raw materials are mainly imported.

Other raw materials which account for approximately 30% to 40% of total equipment cost include piping, metal plates, insulation, electrical accessories and hardware. These materials are sourced locally from hardware stores.

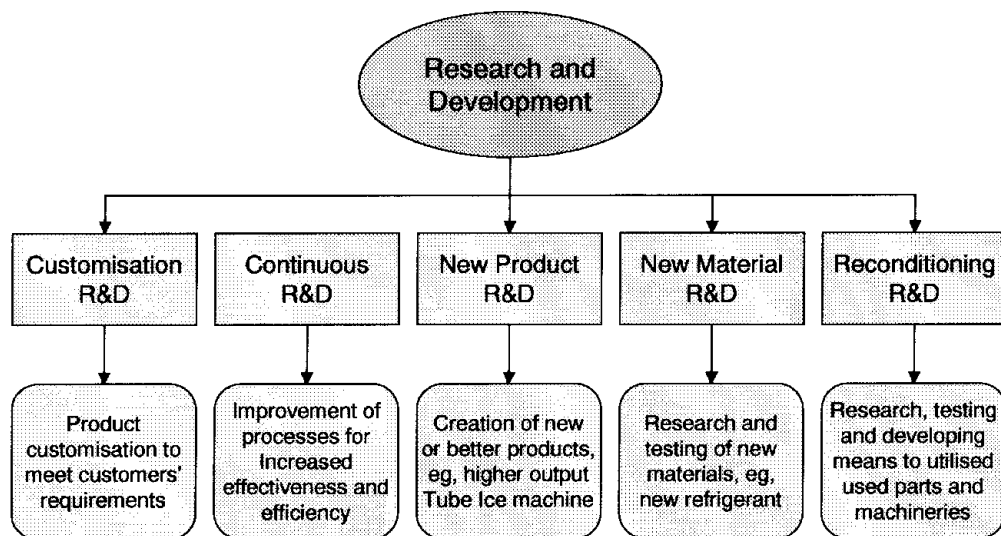
The provision of warehousing facilities does not require the use of any raw materials.

The main raw material required for ice manufacturing is water. Water supply is obtained directly from the tap. As a back up, HRB has water storage capacity of 600 cubic meters. The water storage can be used for up to two days should there be a cut in water supply. The other major requirement in the manufacturing of ice is electricity. Electricity accounts for 76% of the total cost of production. The factory's stand-by generator is capable of meeting the Group's power requirements. The generator runs on diesel which can be refueled. Other materials required in the manufacturing process include salt and chemicals used in the refrigeration system. However only small quantities are required as they can be reused. These raw materials are readily available.

9.4.7 Research and Development

The Group undertakes significant Research and Development to provide it with competitive advantages and to ensure sustainability of its business in the long term.

Areas of material Research and Development undertaken are illustrated in the diagram below.



9. INFORMATION ON THE HRB GROUP *(Cont'd)*

The focus of the Group's Research and Development is in the engineering of Refrigeration Equipment and Facilities. The Research and Development is conducted at the engineering site and not at a specialised laboratory. HRB does not have any structured Research and Development plans. Nevertheless, HRB will continuously carry out Research and Development to satisfy the changing needs and requirements of its clients.

Benefits of its Research and Development will also translate to benefits for its MTCF as it enable the Group to continually update its MTCF to provide better and more cost-effective services to customers. It also translates to its ice manufacturing business as, for example, higher output ice making equipment would enable it to enjoy lower cost of production to increase profitability.

The Group also undertakes Research and Development for new products, with the focus on creating better products and equipment from existing models. 'Improvements' from existing models are significant such that they are considered new products. An example of its new product is a 50 tonnes per day tube ice making machine where the normal industry machinery throughput is 30 tonnes per day.

Mr Ong Chin Seng, the Chairman of the Group, heads the Research and Development team. Mr Ong who is an engineer by qualification is a member of American Society of Heating, Refrigeration and Air Conditioning Engineers Inc. and has over 20 years of working experience in industrial refrigeration.

Mr Ong is aided by two experienced technical staff. Together they are responsible for the design of refrigeration system, product quality, product innovation and testing, and continuous Research and Development.

9.4.8 Distribution and Marketing

The distribution channel for the Group's engineering services is mainly direct as engineering of industrial refrigeration equipment is a highly specialised industry. The marketing and distribution activities are handled by highly technical and experienced personnel.

The Group markets its warehousing and coldroom services direct. The delivery and distribution of goods to the facilities are carried out by companies themselves or through third parties.

The Group's distribution channel for ice is mainly through indirect channels using agents and dealers. Traditionally, due to storage constraint, this is the most effective method for the distribution of block ice as the ice dealers and agents are able to distribute to end-users across the region within the shortest possible time.

The Group utilises the following marketing strategies to sustain and expand its business:

- becoming a full service manufacturer and supplier to the customers providing an extensive range of products and services and cross-selling these products and services;
- providing highest quality of products and customer services to establish long term customer loyalty and obtain repeat business;
- undertake extensive research and development to ensure continually product and service innovation to stay ahead of the competition as well as to better meet the needs of customers; and
- participate in trade shows to promote and market its products and services.

9. INFORMATION ON THE HRB GROUP *(Cont'd)*

In the marketing of its MTCF, the Group adopts a target marketing approach in obtaining business from the following potential users:

- importers of chilled and frozen foods and primary produce
- exporters of chilled and frozen foods and primary produce
- manufacturers of processed chilled and frozen food
- chilled and frozen food distributors
- pharmaceutical companies
- semiconductor companies.

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9. INFORMATION ON THE HRB GROUP (Cont'd)

9.5 Subsidiary and Associated Companies

The subsidiary and associated companies of HRB, all of which are incorporated in Malaysia are as follows:-

Name	Date of Incorporation	Authorised Capital RM	Issued & Paid-Up Share Capital RM	Effective Equity Interest %	Principal Activities
Subsidiary companies					
<i>Engineering of Industrial Refrigeration</i>					
HSB	21.04.88	5,000,000	1,500,000	100	Refrigerating, civil, mechanical, electrical and general engineering works
HSSSB	16.01.70	3,000,000	1,320,000	100	Trading of refrigerating equipment and spare parts, lease of properties
<i>Ice Manufacturing</i>					
FMSB	25.08.90	100,000	51,002	100	Ice trading and renting of ice factory
HSIISB	08.10.76	3,000,000	2,500,000	100	Manufacturing and marketing of ice, cold storage rooms provider
PIFSB	11.12.98	500,000	400,000	58.95	Ice manufacturing
<i>MTCF / Warehousing</i>					
ABWSB	03.02.95	500,000	100,002	100	Bonded warehousing
CNMSB	08.09.95	5,000,000	2,000,000	100	Warehousing
HSHSB	05.06.89	1,500,000	600,003	100	MTCF and warehousing storage
RCSB	04.03.96	5,000,000	2,000,000	100	Warehousing
Associated company					
IMSB	16.10.95	500,000	500,000	50	Provide MTCF, handling, value-added processing and distribution services

9.5.1 HSB

(i) History and Business

HSB was incorporated in Malaysia on 21 April 1988 as a private limited company under the Companies Act, 1965. The principal activity of HSB is refrigerating, civil, mechanical, electrical and general engineering works.

9. INFORMATION ON THE HRB GROUP *(Cont'd)*

(ii) Share Capital

The present authorised share capital of HSB is RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM1,500,000 comprising 1,500,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of HSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Issued and Paid-Up Share Capital RM
21.04.88	5	1.00	Subscribers' shares	5
09.05.88	500,000	1.00	Cash	500,005
28.12.99	999,995	1.00	Cash	1,500,000

(iii) Subsidiary and Associated Companies

As at the date of this Prospectus, HSB does not have any subsidiary or associated companies.

9.5.2 HSSSB

(i) History and Business

HSSSB was incorporated in Malaysia on 16 January 1970 as a private limited company under the Companies Act, 1965. The principal activity of HSSSB is trading of refrigerating equipment and spare parts and leasing of properties.

(ii) Share Capital

The present authorised share capital of HSSSB is RM3,000,000 divided into 3,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM1,320,000 comprising 1,320,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of HSSSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Issued and Paid-Up Share Capital RM
16.01.70	4	1.00	Subscribers' shares	4
31.12.75	102,996	1.00	Cash	103,000
31.12.75	337,000	1.00	Bonus Issue	440,000
20.06.79	880,000	1.00	Bonus Issue	1,320,000

(iii) Subsidiary and Associated Companies

As at the date of this Prospectus, HSSSB does not have any subsidiary or associated companies.

9. INFORMATION ON THE HRB GROUP (Cont'd)

9.5.3 FMSB**(i) History and Business**

FMSB was incorporated in Malaysia on 25 August 1990 as a private limited company under the Companies Act, 1965. The principal activity of FMSB is ice trading and renting of ice factory.

(ii) Share Capital

The present authorised share capital of FMSB is RM100,000 divided into 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM51,002 comprising 51,002 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of FMSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Issued and Paid-Up Share Capital RM
25.08.90	2	1.00	Subscribers' shares	2
18.09.92	51,000	1.00	Cash	51,002

(iii) Subsidiary and Associated Companies

As at the date of this Prospectus, FMSB does not have any subsidiary or associated companies.

9.5.4 HSIISB**(i) History and Business**

HSIISB was incorporated in Malaysia on 8 October 1976 as a private limited company under the Companies Act, 1965. The principal activity of HSIISB is manufacturing and marketing of ice and cold storage rooms provider.

(ii) Share Capital

The present authorised share capital of HSIISB is RM3,000,000 divided into 3,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2,500,000 comprising 2,500,000 ordinary shares of RM1.00 each.

9. INFORMATION ON THE HRB GROUP (Cont'd)

The changes in the issued and paid-up share capital of HSIISB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Issued and Paid-Up Share Capital RM
08.10.76	2	1.00	Subscribers' shares	2
01.09.77	999,998	1.00	Cash	1,000,000
10.03.82	500,000	1.00	Cash	1,500,000
18.03.83	416,650	1.00	Cash	1,916,650
28.12.99	583,350	1.00	Cash	2,500,000

(iii) Subsidiary and Associated Companies

The details of the subsidiary company of HSIISB are as follows:-

Name	Date and Country of Incorporation	Authorised Capital RM	Issued & Paid-Up Share Capital RM	Effective Equity Interest %	Principal Activities
PIFSB	11.12.98 Malaysia	500,000	400,000	60	Ice manufacturing

As at the date of this Prospectus, HSIISB does not have any associated companies.

9.5.5 PIFSB

(i) History and Business

PIFSB was incorporated in Malaysia on 11 December 1998 as a private limited company under the Companies Act, 1965. The principal activity of PIFSB is ice manufacturing.

(ii) Share Capital

The present authorised share capital of PIFSB is RM500,000 divided into 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM400,000 comprising 400,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of PIFSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Issued and Paid-Up Share Capital RM
11.12.98	2	1.00	Subscribers' shares	2
10.02.99	399,998	1.00	Share Swap	400,000

9. INFORMATION ON THE HRB GROUP (Cont'd)

(iii) Subsidiary and Associated Companies

As at the date of this Prospectus, PIFSB does not have any subsidiary or associated companies.

(iv) Major Shareholders

Apart from HRB, the other major shareholders are Sam Lian Hup Ice Merchant and Estate of Ng Yan Pee with 30.00% and 5.80% effective equity interest respectively.

9.5.6 ABWSB**(i) History and Business**

ABWSB was incorporated in Malaysia on 3 February 1995 as a private limited company under the Companies Act, 1965. The principal activity of ABWSB is bonded warehousing.

(ii) Share Capital

The present authorised share capital of ABWSB is RM500,000 divided into 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM100,002 comprising 100,002 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ABWSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Issued and Paid-Up Share Capital RM
03.02.95	2	1.00	Subscribers' shares	2
20.02.95	100,000	1.00	Cash	100,002

(iii) Subsidiary and Associated Companies

As at the date of this Prospectus, ABWSB does not have any subsidiary or associated companies.

9.5.7 CNMSB**(i) History and Business**

CNMSB was incorporated in Malaysia on 8 September 1995 as a private limited company under the Companies Act, 1965. The principal activity of CNMSB is warehousing.

9. INFORMATION ON THE HRB GROUP (Cont'd)

(ii) Share Capital

The present authorised share capital of CNMSB is RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of CNMSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Issued and Paid-Up Share Capital RM
08.09.95	2	1.00	Subscribers' shares	2
25.04.96	2,000	1.00	Cash	2,002
23.07.96	29,000	1.00	Cash	31,002
08.11.96	49,000	1.00	Cash	80,002
08.04.97	1,919,998	1.00	Cash	2,000,000

(iii) Subsidiary and Associated Companies

As at the date of this Prospectus, CNMSB does not have any subsidiary or associated companies.

9.5.8 HSHSB

(i) History and Business

HSHSB was incorporated in Malaysia on 5 June 1989 as a private limited company under the Companies Act, 1965. The principal activity of HSHSB is *MTCF* and warehousing storage.

(ii) Share Capital

The present authorised share capital of HSHSB is RM1,500,000 divided into 1,500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM600,003 comprising 600,003 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of HSHSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Issued and Paid-Up Share Capital RM
05.06.89	3	1.00	Subscribers' shares	3
13.02.90	300,000	1.00	Cash	300,003
22.07.93	300,000	1.00	Cash	600,003

(iii) Subsidiary and Associated Companies

As at the date of this Prospectus, HSHSB does not have any subsidiary or associated companies.

9. INFORMATION ON THE HRB GROUP (Cont'd)

9.5.9 RCSB

(i) History and Business

RCSB was incorporated in Malaysia on 4 March 1996 as a private limited company under the Companies Act, 1965. The principal activity of RCSB is warehousing.

(ii) Share Capital

The present authorised share capital of RCSB is RM5,000,000 divided into 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of RCSB since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Issued and Paid-Up Share Capital RM
04.03.96	2	1.00	Subscribers' shares	2
15.02.97	99,998	1.00	Cash	100,000
14.06.97	900,000	1.00	Cash	1,000,000
29.04.99	1,000,000	1.00	Cash	2,000,000

(iii) Subsidiary and Associated Companies

As at the date of this Prospectus, RCSB does not have any subsidiary or associated companies.

9.6 Landed Properties

Registered / Beneficial owner	Location	Existing Use, Built-up Area and Approximate Age	Land Area and Tenure	Net Book Value/Cost @ 31.12.1999 RM'000	Market Value as Appraised by Valuer RM'000	Market Value Approved by SC RM'000	Revaluation Surplus RM'000
HSHSB	PT No: 15728, Mukim and District of Kelang Selangor Darul Ehsan	Two single storey warehouses erected with coldrooms and a single storey warehouse (162,000 sq. ft.) (10 years old)	6.21 acres. Leasehold (50 years) expiring on 01/5/2029	4,303	11,000	11,000	6,697
CNMSB	Lot 2B, Lebuhsultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, Selangor Darul Ehsan	Single storey detached warehouse and annexed double storey office building and guardhouse (133,114 sq. ft.) (2 years old)	12 acres. Leasehold (99 years upon issuance of title)	14,071	19,000	19,000	4,929

9. INFORMATION ON THE HRB GROUP (Cont'd)

Registered / Beneficial owner	Location	Existing Use, Built-up Area and Approximate Age	Land Area and Tenure	Net Book Value/Cost @ 31.12.1999 RM'000	Market Value as Appraised by Valuer RM'000	Market Value Approved by SC RM'000	Revaluation Surplus RM'000
RCSB	Lot 4, Jalan Sultan Mohamed 3, Kawasan Perindustrian Bandar Sultan Suleiman, Pelabuhan Klang, Selangor Darul Ehsan	Single storey detached warehouse and an integral double storey office building and guardhouse (103,800 sq. ft.) (2 years old)	4 acres. Leasehold (99 years upon issuance of title)	8,285	10,000	10,000	1,715
HSSSB	PT No: 506, Mukim and District of Kelang, Selangor Darul Ehsan	A single storey warehouse with an integral double storey office, a single storey warehouse and an ice-making factory and a single storey open sided ice-making factory with attached open sided mechanical block and an annexed double storey office (89,941 sq. ft.) (22 years old)	4.1 acres. Leasehold (60 years) expiring on 18/6/2034	1,382	5,000	5,000	3,618
FMSB	PT No: 2918 Town of Petaling Jaya Selatan District of Petaling Selangor Darul Ehsan	Double storey semi-detached factory (3,850 sq. ft.) (5 years old)	5,000 sq. ft. Leasehold (99 years) expiring on 7/9/2097	499	500	500	1
FMSB	PTD 8756 Mukim of Rimba Terjun District of Pontian, Johor Darul Takzim	Single storey detached factory (13,248 sq. ft.) (4 years old)	1.5 acres. Leasehold (60 years) expiring on 31/10/2053	883	1,100	1,100	217
				29,423	46,600	46,600	17,177

The revaluation surplus of FMSB of RM218,000 will not be incorporated into the company's account as HRB considers it to be immaterial. The balance revaluation surpluses of RM16.959 million will be incorporated in the books of the respective companies in financial year 2000.

9. INFORMATION ON THE HRB GROUP (Cont'd)**9.7 Major Shareholders and Promoters****9.7.1 Promoters**

Name	Designation	Nationality	After the Public Issue			
			<---- Direct ---->		<-- Indirect --->	
			No. of Shares	%	No. of Shares	%
Ong Chin Seng	Executive Chairman	Malaysian	346,149	0.87	21,207,667 ⁽¹⁾	53.02
Kamarudin Bin Md Derom	Executive Vice-Chairman	Malaysian	7,614,484	19.04	-	-
Ong Chin Yet	Managing Director	Malaysian	346,149	0.87	21,207,667 ⁽¹⁾	53.02
Ong Chin Cheong	Executive Director	Malaysian	346,148	0.87	21,207,668 ⁽¹⁾	53.02

(1) Deemed interest by virtue of his and his siblings' substantial shareholdings in ACVSB and his siblings' direct shareholdings in HRB

9.7.2 Major Shareholders

Name	Designation	Nationality/ Place of Incorporation	After the Public Issue			
			<---- Direct ---->		<-- Indirect --->	
			No. of Shares	%	No. of Shares	%
ACVSB	-	Malaysia	20,400,000	51.00	-	-
Ong Chin Seng	Executive Chairman	Malaysian	346,149	0.87	21,207,667 ⁽¹⁾	53.02
Kamarudin Bin Md Derom	Executive Vice-Chairman	Malaysian	7,614,484	19.04	-	-
Ong Chin Yet	Managing Director	Malaysian	346,149	0.87	21,207,667 ⁽¹⁾	53.02
Ong Chin Cheong	Executive Director	Malaysian	346,148	0.87	21,207,668 ⁽¹⁾	53.02

(1) Deemed interest by virtue of his and his siblings' substantial shareholdings in ACVSB and his siblings' direct shareholdings in HRB

9.7.3 Profile of the Promoters and Major Shareholders

The profiles of Ong Chin Seng, Kamarudin Bin Md Derom, Ong Chin Yet, Ong Chin Cheong and Ong Geok Moi are set out in Section 9.8.2 and 9.8.4 below.

The details of ACVSB are as follows:-

The principal activities of ACVSB is investment holding. Details of its directors and major shareholders and their shareholdings are as follows:

Major Shareholders

Name	Nationality/ Place of Incorporation	<---- Direct ---->		<-- Indirect --->	
		No. of Shares	%	No. of Shares	%
Ong Chin Seng	Malaysian	1,750,000	35.00	3,250,000~	65.00
Ong Chin Yet	Malaysian	1,750,000	35.00	3,250,000~	65.00
Ong Chin Cheong	Malaysian	1,500,000	30.00	3,500,000~	70.00

~ Deemed interest by virtue of his siblings' shareholdings in ACVSB

9. INFORMATION ON THE HRB GROUP (Cont'd)*Directors*

Name	Designation	Nationality	<---- Direct ---->		<-- Indirect --->	
			No. of Shares	%	No. of Shares	%
Ong Chin Yet	Director	Malaysian	1,750,000	35.00	3,250,000~	65.00
Ong Chin Cheong	Director	Malaysian	1,750,000	35.00	3,250,000~	65.00
Ong Geok Moi	Director	Malaysian	-	-	5,000,000~	100.00

~ Deemed interest by virtue of his/her siblings' shareholdings in ACVSB

9.7.4 Directorships and Major Shareholdings in all other Public Corporations for the Past 2 Years

Save as disclosed below, none of the major shareholders or promoters has any directorships or major shareholdings in all other public corporations for the past 2 years:

Name	Public Company	Designation	<---- Direct ---->		<-- Indirect --->	
			No. of Shares	%	No. of Shares	%
Kamarudin Bin Md Derom	LTKM Berhad	Independent non-executive director	-	-	-	-

9.7.5 Changes in Major Shareholders / Promoters and Their Shareholdings for the Past 3 Years.

Date	Major Shareholder	Shareholding Before Change	Addition	(Disposal)	Shareholding After Change
27.12.1999	Chan See Yar	1	-	-	1
27.12.1999	Chow Poh Beng	1	-	-	1
25.09.2000	ACVSB	-	20,400,000	-	20,400,000
	Ong Chin Seng	-	346,149	-	346,149
	Kamarudin Bin Md Derom	-	7,614,484	-	7,614,484
	Ong Chin Yet	-	346,149	-	346,149
	Ong Chin Cheong	-	346,148	-	346,148

9.8 Directors and Key Management**9.8.1 Board of Directors**

Name	Designation	Nationality	After the Public Issue			
			<---- Direct ---->		<-- Indirect --->	
			No. of Shares	%	No. of Shares	%
Ong Chin Seng	Executive Chairman	Malaysian	346,149	0.87	21,207,667 ⁽¹⁾	53.02
Kamarudin Bin Md Derom	Executive Vice-Chairman	Malaysian	7,614,484	19.04	-	-
Ong Chin Yet	Managing Director	Malaysian	346,149	0.87	21,207,667 ⁽¹⁾	53.02
Ong Chin Cheong	Executive Director	Malaysian	346,148	0.87	21,207,668 ⁽¹⁾	53.02
Heng Wah Chong	Director	Malaysian	285,007	0.71	-	-
Azman bin Che Onn	Director	Malaysian	-	-	82,690#	-
Tan Teng Wee	Independent Non-Executive Director	Malaysian	-	-	-	-
Datin Fawziah binti Hussein Sazally	Independent Non-Executive Director	Malaysian	-	-	-	-

9. INFORMATION ON THE HRB GROUP *(Cont'd)*

- (1) *Deemed interest by virtue of his and his siblings' substantial shareholdings in ACVSB and his siblings' direct shareholdings in HRB*
- # *Deemed interest by virtue of his father YB Dato Seri Hj. Onn bin Hj. Ismail's shareholding*

Directorships and major shareholdings in all other public corporations for the past 2 years

Save and except for Kamarudin bin Md Derom as disclosed above, none of the directors has any directorships or major shareholdings in all other public corporations for the past 2 years.

9.8.2 Profiles of Board of Directors

Ong Chin Seng, aged 50, was appointed as a director of Hai San Group on 2 December 1974 and was appointed as Executive Chairman of HRB on 30 October 2000. He graduated from Monash University in Australia with a degree in Bachelor of Engineering with Honours in 1973. He is presently a member of the American Society of Heating, Refrigeration and Air Conditioning Engineers, Inc. Upon graduation, he joined Crossle Air Treatment Engineers in Melbourne from 1973 to 1974 as Design Engineer specializing in the design, production and installation of industrial and air-conditioning centrifugal fan system. From 1975 to 1982, he was the Engineering Manager of P.T. Timor Jaya Cold Storage in Sumatera and was responsible for the supply, installation and commissioning of plants and equipment for a modern intergrated seafood processing plant. Mr. Ong is a mechanical engineer and entrepreneur with 27 years of experience in engineering, business management and development in local and overseas market. He is also the director for HSIISB, HSSSB, FMSB, HSHSB and HSB and also sits on the Board of other private companies.

Kamarudin bin Md Derom, aged 42, was appointed as director of Hai San Group on 3 February 1995 and was appointed as Executive Vice Chairman of HRB on 30 October 2000. He graduated with a Bachelor of Science degree in Civil and Environmental Engineering from University of Wisconsin, USA in 1983. He started his engineering career with Promet Construction Sdn Bhd as a civil engineer in 1983. He then joined Energoprojekt Engineering & Constracting Co., a company involved in the Expressway Project between Ayer Keroh and Pagoh in 1986 was there until 1989. Thereafter, he became the Sales Manager of Senju (M) Sdn Bhd, a multinational company from Japan involving in the manufacturing of industrial solders for electronics until 1991. He was later engaged as a project manager with Pembinaan TLN Sdn Bhd from 1991 to 1994. In 1995, he co-founded a bonded warehousing company together with Hai San Group to provide bonded warehousing facilities. He is responsible for business development for the Hai San Group.

Kamarudin Bin Md Derom is an independent director for LTKM Berhad, a company listed on the Second Board of the Kuala Lumpur Stock Exchange. Apart from being a director of ABWSB, HSIISB, CNMSB and RCSB, he also sits on the board of others private companies.

Ong Chin Yet, aged 38, was appointed as a director of Hai San Group on 7 March 1983 and was appointed as Managing Director of HRB on 30 October 2000. He obtained his Degree on Bachelor of Science (Honours) in Accounting & Data Processing from Leeds University, United Kingdom. Upon graduation in 1984, he joined Hai San Group and was responsible for its financial and administrative matters. He later extended his responsibilities into operation particularly in refrigeration engineering. He is also responsible for Hai San Group's expansion, including its diversification into other industries like cold storage, bonded and non-bonded warehousing facilities. He is also the director for ABWSB, CNMSB, FMSB, HSIISB, HSHSB, HSSSB, HSB, IMSB, RCSB and PIFSB and also sits on the Board of other private companies.

9. INFORMATION ON THE HRB GROUP (Cont'd)

Ong Chin Cheong, aged 35, was appointed as a director of Hai San Group on 7 March 1983 and was appointed as Executive Director of HRB on 30 October 2000. Upon completion of his "A" level education from United Kingdom in 1982, he joined Hai San Group and was responsible for its block ice manufacturing activity which he later expanded into producing tube ice product in 1997. Currently, he is responsible for the ice manufacturing and warehousing activities as well as liaison with relevant government authorities. He is also the director for ABWSB, CNMSB, FMSB, HSIISB, HSHSB, HSSSB, HSB, IMSB and PIFSB and also sits on the Board of other private companies.

Heng Wah Chong, aged 74, is one of the founders of HSIISB. He was appointed as a director of HRB on 30 October 2000. He has over 50 years of experience in the fishery industry. Heng Wah Chong is an entrepreneur involved in diverse businesses. Among others, he has transformed a small trading company into a diversified fishery and wholesale company. Apart from being a director of HSIISB and CNMSB, he also sits on the board of other private limited companies.

Azman Bin Che Onn, aged 34, was appointed as a director of HRB on 30 October 2000. He is also a director of Hai San Ice Industries Sdn Bhd. He graduated with a Bachelor of Commerce (Accounting) from the University of New South Wales, Sydney, Australia in 1990. Upon graduation, he joined Yeo Yong Poh & Co (Public Accounting firm). In 1991, he left the firm and ventured into his own business, OISB Construction Sdn Bhd, a company involved in the construction business. He is a director in other private limited companies.

Tan Teng Wee, aged 51, was appointed as an Independent Non-executive Director of HRB on 30 October 2000. He obtained a Diploma in Business Studies majoring in Accountancy from Tunku Abdul Rahman College, Kuala Lumpur in 1972. To gain commercial experience, he spent three years working in Lim Kam Hoong & Co (a public accounting firm). In 1976, he joined Ann Leong Holdings Sdn Bhd, whose principal activity is the trading of hardware and was responsible for general management. In 1980, he joined Jasa Kita Trading Sdn Bhd, a trading company, as its credit controller and in early 1981, he was responsible for the setting up of the first public bonded warehouse in Port Klang, Jasa Kita Warehousing Services Sdn Bhd. In late 1981, he joined Tamadam Bonded Warehouse Sdn Bhd as Operations Manager and after four (4) years with the company, he was promoted to General Manager. In 1993, he became a director of Tamadam and was later appointed its Managing Director. In 1994, Tamadam was listed on the Second Board of the Kuala Lumpur Stock Exchange. He remains as the Managing Director until 1998 whereby he left to venture into his own business. He also sits on the Board of other private companies.

Datin Fawziah binti Hussein Sazally, aged 46, was appointed as an Independent Non-executive Director of HRB on 30 October 2000. She was a computer programmer and served the Government service for more than 10 years. Her last appointment was at Information Resource Centre, Public Services Department, Malaysia before she resigned in 1991 to become the Managing Director of Genting Pewira Sdn Bhd. She is also a director of several private limited companies including a subsidiary of a public listed company. The companies have business ventures in property investments, provision of integrated logistic services in inland transportation, heavy machinery and equipment, etc, manufacturing and dealing in tin boxes and containers and manufacturing and trading of parts and accessories for telecommunication and engineering works.

9. INFORMATION ON THE HRB GROUP (Cont'd)

9.8.3 Key Management

Name	Designation	Nationality	After the Public Issue			
			<---- Direct ---->		<-- Indirect -->	
			No. of Shares	%	No. of Shares	%
Raymond Alfred Eduard de Graaf	Managing Director and Chief Executive Officer of IMSB	Dutch	-	-	-	-
Lim Kiam Teng	Group Financial Controller	Malaysian	10,000*	-	-	-
Ong Geok Moi	Director of HSIISB	Malaysian	115,370	0.29	21,438,446 [^]	53.60
See Soo Teck	Project Manager	Malaysian	10,000*	-	-	-
Heng Weai Kok	Accounts Manager	Malaysian	-	-	285,007#	0.71
Heng Hooi Keow	Administrative Manager	Malaysian	-	-	285,007#	0.71
Tan Nee Phing	Warehouse Manager	Malaysian	10,000*	-	-	-
Chong Suet Nyeen	Information Technology Manager	Malaysian	5,000*	-	-	-

* Arising from 'pink form' allocation from Public Issue Shares reserved for eligible employees

[^] Deemed interest by virtue of her siblings' shareholdings in HRB

Deemed interest by virtue of her father, Heng Wah Chong's shareholding

9.8.4 Profiles of Key Management

Raymond Alfred Eduard de Graaf, aged 55, is the Managing Director and Chief Executive Officer of IMSB. His expertise's are in Civil Engineering, Refrigeration Engineering and Marketing. He has achieved several awards for cold storage engineering designs. In 1977, he obtained a 5-year global patent for an Advanced Cold Storage Engineering Design. From 1970 to 1985, he served in several Dutch Government Committees on the Regulations and Designs of Temperature Controlled Logistics and Food Processing. From 1968 to 1969, he was the Commercial Director specialising in Cold Storage Engineering for an engineering company. In 1969, he founded VIB Insulation Technology in Nijmegen, the Netherlands and was the Commercial Director until 1981. Since 1981, he has been an Independent Consultant and founder of several private limited companies including IMSB.

Lim Kiam Teng, aged 40, is the Group Financial Controller of HRB and oversees all corporate affairs matters. He graduated with a Bachelor of Accounting Honours Degree from the University of Malaya in 1985. Mr Lim is a member of Malaysian Association of Certified Public Accountant since 1987. He is also a member of Malaysian Institute of Accountant and member of Malaysian Institute of Taxation. Upon graduation he joined Hanafiah, Raslan & Mohammad (now Arthur Andersen) in 1985. In 1989, he joined Halim Mazmin Berhad as Finance Manager and later promoted to General Manager – Finance in 1996. He was instrumental in the planning and listing of the company on the Second Board of the Kuala Lumpur Stock Exchange. He left the company to join Hai San in 1998.

Ong Geok Moi, aged 47, is a director and substantial shareholder of HSIISB and several other companies within Hai San Group. She is also a director of HSHSB. She studied secretarial course in Holmes Commercial Colleges, Melbourne, Australia in 1973. Upon coming back, she joined Hai San Group and was responsible for finance and administrative works.

9. INFORMATION ON THE HRB GROUP (Cont'd)

See Soo Teck, aged 39, is the Project Manager. He graduated with Bachelor of Science Honours Degree from the University of Leeds, United Kingdom in 1984. He is responsible for all engineering projects undertaken by the Group. He leads a team of technical staff in Research and Development activities, and the design, supply, delivery, installation and commissioning of all types of refrigeration system and equipment. In 1983, he joined Low Keng Seng Holdings as Project Manager overseeing the properties division. In 1988, Mr See left to join Hai San as project manager.

Heng Weai Kok, aged 44, is the Accounts Manager for HRB and is responsible for all accounting matters and liaison with auditors, tax agent and company secretary. She is a member of The International Association of Book-Keepers. Prior to joining Hai San, Ms Heng was with Ban Guan Hin Trading Co Sdn Bhd from 1976 to 1978. She was in-charged of Debtors Account and Cash Book. She joined HSIISB in 1978.

Heng Hooi Keow, aged 42, is the Administrative Manager for HRB and is responsible for all Administration and Human Resource function for the Group. Ms Heng joined HSIISB as a General Clerk in 1978. In 1988, she was promoted to General Administrator responsible for overall administrative duties of the company. In 1996, she was promoted to her current position.

Tan Nee Phing, aged 30, is the Warehouse Manager of ABWSB. She graduated with a Bachelor of Business Administration degree from the University of Mississippi, U.S.A. in 1992. Upon graduation she joined Globelink Line (JB) Sdn Bhd as Marketing and Sales Executive. She left the company in 1993 to join Sime Logistics Sdn Bhd as a Management Trainee. In 1994, she was promoted to Marketing Executive and was instrumental in the setting up of the company's East Malaysia Sea and Air Freight Department. In 1995, she was assigned to set up of the company's Air Freight Division. She left in 1996 to join ABWSB as the warehouse manager.

Chong Suet Nyeon, aged 30, is the Information Technology Manager of HRB Group and is responsible for all IT and related matters. He graduated with a Diploma in Electronic & Electrical Engineering from Federal Institute of Technology with Full Technology Certification in Electrical Engineering from City & Guilds, London, UK. in 1992. Upon graduation, he joined Computer Base Services Sdn Bhd ("CBSSB") as a Field Service Engineer supporting proprietary Mini/Micro Computer Systems. He received certification as system administrator to consult, install & support OSF UNIX from NCR Malaysia in 1992.

He was promoted to junior management in 1993 and became the Systems Engineer in charge of the Project Services Division, tasked with migrating CBSSB's mainly government based customer's from proprietary to open systems. He became a Novell Inc., Certified Network Engineer (CNE) in 1994 specialising in LAN / WAN system integration and open systems migration. From 1995 to 1997, he served in a variety of management positions (Logistics to Systems Support Manager) in the IT industry. He recently received certification for Microsoft Windows NT Core Technologies. He formed Adept Technology Sdn Bhd in 1998 to do Financial Solutions Provider business, offering customer end to end IT solutions. He left and joined HRB Group in early 2000.

9. INFORMATION ON THE HRB GROUP (Cont'd)**9.9 Employees**

The HRB Group currently has the following number of employees:

Subsidiaries	Management and Professional	Technical and Supervisory	Clerical	General Workers	Other Workers	Total
HSB	7	11	5	12	3	38
HSSSB	5	2	0	0	0	7
HSIISB	5	9	2	16	29	61
HSHSB	0	1	0	0	0	1
FMSB	0	2	0	2	0	4
ABWSB	5	1	0	6	0	12
PIFSB	2	0	5	3	0	10
TOTAL	24	26	12	39	32	133
Average Years of Service	11.4	10.80	9.14	4.74	4.28	

The employees of the Group do not belong to any union. The management of the Group enjoys a cordial relationship with its employees. There has been no industrial disputes in the past between the management and employees of the Group.

9.10 Relationships between Major Shareholders, Promoters, Directors and Key Management

Save as disclosed below, none of the major shareholders promoters, directors and key management of the Group are related to each other:-

- i) Ong Chin Seng, Ong Chin Yet, Ong Chin Cheong and Ong Geok Moi are siblings;
- ii) Lee Peik Hoong is the wife of Ong Chin Seng;
- iii) Jonah Dominic Ong Seah Tatt is the son of Lee Peik Hoong and Ong Chin Seng; and
- iv) Heng Wah Chong is the father of Heng Weai Kok and Heng Hooi Keow.

9.11 Service Agreement between the Group and Directors

Employment contract dated 1 July 1999 between IMSB and Raymond Alfred Eduard de Graaf as Managing Director / Chief Executive Officer of IMSB for a period of seven years, commencing 1 July 1999 with a monthly salary of RM10,000.