NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS ("FRS") NO. 134 – INTERIM FINANCIAL REPORTING

1. Basis of preparation

The interim financial statements have been prepared under the historical cost convention unless specifically stated otherwise, as modified by the revaluation of certain properties.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and Chapter 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. Pursuant to the Bursa Directive dated 15 July 2008, a limited review was carried out for the fourth quarter of 2008 in accordance with the International Standards on Review Engagements ("ISRE") 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, which however is subject to the satisfactory resolution of the major outstanding items as stated in the auditors' review report dated 27 February 2009.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2007.

2. Changes in accounting policies

The same accounting policies and methods of computation are followed in the interim financial statements as in the audited annual financial statements for the year ended 31 December 2007 except for the adoption of the following new/revised FRS and IC Interpretations by the Group effective from the financial period beginning 1 January 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121_{2007}	The effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities & Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market-Waste Electrical & Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach to FRS 129 Financial Accounting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The adoption of the above FRSs and IC Interpretations does not have any significant financial impact to the Group.

3. Status of Annual Report 2007

The auditors' report on the Group's most recent annual audited financial statements for the year ended 31 December 2007 was not subject to any audit qualification.

4. Seasonal or cyclical factors

The business operations of the Group are generally not affected by any major seasonal or cyclical factors, except for the China's TCL operations which is affected by winter season in the country.

5. Unusual item

There were no unusual items affecting assets, liabilities, equity, net income or cash flows to date.

6. Changes in estimates

There were no changes in estimates of amounts reported in prior interim period of current financial year or in prior financial years that may have a material effect in the current quarter.

7. Issuance/repayment of debts and equity securities

There were no issuance, cancellation, repurchase, resale or repayment of debts and equity securities in the current quarter.

The cumulative shares bought back since the previous financial years and up to the current quarter ended 31 December 2008 was 7,604,100 shares and held as treasury shares in accordance with Section 67A of the Companies Act, 1965. As at 31 December 2008, the number of outstanding shares issued and fully paid with voting rights was 80,540,900 ordinary shares of RM0.50 each.

8. Dividends paid

No dividends were paid during the current quarter under review.

9. Segmental reporting

The financial results by business segments for the twelve months period ended 31 December 2008 are as follows:

	Engineering	Ice Manufacturing	Temperature-controlled logistics/ warehousing	Others	Total	Elimination	Consolidated Amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE							
-External	47,051	9,906	45,733	1	102,691		102,691
-Internal segment only	839	577	8,683	6,207	16,306	(16,306)	-
Total revenue	47,890	10,483	54,416	6,208	118,997	(16,306)	102,691
RESULT							
Segments Result	9,882	843	(769)	6,924	16,880	(6,283)	10,597
Interest income	17	5	4	3,264	3,290	(2,684)	606
Unallocated corporate expenses							(3,327)
Operating profit							7,876
Share of loss of associate							(42)
Finance costs							(14,075)
Profit before tax							(6,241)
Taxation							(2,256)
Profit after tax							(8,497)

10. Valuations of Property, Plant and Equipment

The valuations of land and buildings have been brought forward without amendment from the annual audited financial statements for the year ended 31 December 2007. The carrying value is based on valuations carried out in years ranging from 2006 to 2008 by independent qualified valuers less depreciation.

11. Material events subsequent to end of the interim period

There were no material events subsequent to the end of the current quarter ended 31 December 2008 up to the date of this announcement.

12. Changes in the composition of the Company

There were no significant changes in the composition of the Group for the current quarter ended 31 December 2008.

13. Capital commitments

Capital commitments for the Group in respect of property, plant and equipment as well as prepaid lease payment not provided for as of 31 December 2008 are as stated below:

	RM'000
Approved and contracted for	15,122

14. Contingent liabilities and contingent assets

The Company provided corporate guarantee amounting to RM117,032,182 (as at 31 December 2007: RM91,095,785) in favour of financial institutions for credit facilities granted to subsidiaries.

NOTES TO BURSA MALAYSIA SECURITIES BERHAD REVISED LISTING REQUIREMENTS

15. Performance review

The group reported revenue of RM22.32 million during the fourth quarter of 2008 ("Q4 2008"), a slight increase of 2% over the corresponding quarter of the preceding year ("Q4 2007") mainly attributed to income generated from China's temperature-controlled logistics ("TCL") operations in Shanghai which, started operations during the financial year. The net loss before minority interest improved by 28%, from a loss of RM8.48 million in Q4 2007 to a loss of RM6.1 million in the current Q4 2008, due to reduction in operating expenses of 28%, from RM31.04 million in Q4 2007 to RM22.45 million in Q4 2008.

The overall performance of the Group for the 12 months ended 31 December 2008 however, showed a decrease in both revenue and net profit compared with the previous financial year. The Group reported revenue of RM102.69 million which was down by 15% from RM120.73 million in 2007; due in part to lower income from the engineering division.

In tandem with the decline in the year to date revenue, the net profit for the 12 months ended 31 December 2008, declined at a loss of RM8.5 million, mainly attributable to increases in finance costs and tax expenses. The finance costs had risen by 34%, from RM10.54 million in 2007 to RM14.08 million in 2008 while the tax expenses had raised by 39% from RM1.63 million in 2007 to RM2.26 million in 2008.

16. Material change in quarterly results

In comparison with the immediate preceding quarter ("Q3 2008"), the Group's Q4 2008 revenue posted a decrease of 20% from RM28.07 million to RM22.32 million, due to sudden economic downturn coupled with the non-peak season of the China operation. The Group's net loss of RM6.1 million in Q4 2008 was at 69% higher from a net loss of RM3.6 million in the Q3 2008, mainly due to the provision for doubtful debts.

17. Prospects for the remaining quarter until 31 December 2008

During the quarter under review, the Group's results reflect the impact of the economic downturn and credit crisis that are hitting all sectors globally. Revenue which was anticipated to come on stream in the fourth quarter 2008 was hit by the economic downturn and uncertainty. Basically, the Group was operating in a challenging and difficult operating environment in the later part of 2008 due to the sudden credit squeeze.

The Group's core business, TCL is a good and growing business as there are abundant demands for such services, particularly in the large population countries such as China, India and Vietnam, however, due to the global credit crunch, the Group's expansion plans have been hampered as the financial institutions generally had taken a risk-averse approach and cutting back on loan facilities.

Going forward, we have commenced review of the Group's operation environment and, we will be embarking on exercises to rationalise the Group's assets and facilities, streamline our operations, increase our efficiencies, and also to reduce our gearing. Upon completion of the rationalisation of the corporate exercises where visible and appropriate, the Group shall be in a better position.

18. Profit forecast

Not applicable in this Quarterly Report.

19. Taxation

	Current quarter RM'000	Financial period to-date RM'000
Malaysian tax		
Current taxation	(549)	2,233
Deferred taxation	340	23
	(209)	2,256

The effective tax rate for the current quarter and the financial period to-date is higher than the statutory tax rate mainly due to losses of subsidiary companies that are not available for set-off against taxable profits of other subsidiary companies.

20. Profits on sale of unquoted investments and/or properties

There were no profits on sale of unquoted investments and/or properties for this reporting quarter and financial period to-date.

21. Quoted investments

As at 31 December 2008, the Group did not hold any quoted securities, nor were there any purchase or disposal of quoted securities during the reporting quarter and financial period to-date.

22. Status of corporate proposals

a. On 19 January 2006, the Company has written to the Securities Commission for the withdrawal of the Proposed Rights Issue with Warrants pending the finalisation of certain financial information.

b. On 1 September 2006, Public Merchant Bank Berhad on behalf of the Company announced that the Company proposed to revise the Proposed Original Rights Issue with Warrants by undertaking a revised renounceable rights issue of up to 50,600,000 new ordinary shares of RM0.50 each in HRB with up to 50,600,000 free detachable warrants, on the basis of one (1) Rights Share with one (1) Warrant for every two (2) ordinary shares of RM0.50 each in the Company held on a date to be determined later ("Proposed Revised Rights Issue with Warrants"). The Proposed Revised Rights Issue with Warrants shall be implemented together with the Proposed ESOS Bye-laws Amendments, Proposed Amendment to the Articles and Proposed Exemption under Practice Note 2.9.1 of the Code.

c. On 4 May 2007, the Company announced that the Company intends to embark on a proposed asset securitisation exercise involving the issuance of up to RM200.0 million Asset Backed Sukuk Al-Ijarah by a special purpose vehicle (“Proposal”). The Proposal entails the selling of the beneficial rights and interest in relation to certain identified land and buildings of HRB and its subsidiaries, to a special purpose vehicle (“SPV”) based on their fair market values to be determined later on a willing buyer willing seller basis. The SPV shall then through an Ijarah agreement, lease the Real Estate Assets back to the HRB Group for an agreed lease period ranging from one (1) to seven (7) years.

d. On 15 September 2008, the Company’s wholly-owned subsidiary, Cahaya Nurani (M) Sdn Bhd entered into a conditional Sale and Purchase Agreement with CFA Logistik Sdn Bhd in relation to the disposal of a piece of leasehold land together with the buildings erected thereon comprising of one warehouse with ancillary two storey office space excluding racking and equipments for a cash consideration of RM18,000,000.

e. On 21 November 2008, Public Investment Bank Berhad on behalf of the Company announced that the Company has decided to abort the Proposed Revised Rights Issue with Warrants together with the Proposed Exemption under Practice Note 2.9.1 of the Code, Proposed ESOS Bye-laws Amendments and Proposed Amendment to the Articles.

f. On 12 December 2008, the Company announced that its wholly-owned subsidiary, IGLO International Limited ("IIL") had on 11 December 2008 entered into an agreement to terminate the Cooperation Agreement dated 20 January 2007 entered between IIL and Beijing Golden Bridge Technical Industry Base Development Co., Ltd ("BGB") in relation to the Proposed Acquisition of a piece of land measuring approximately 43,444 square meters in total located in central position of Beijing Golden Bridge Technical Industry Base with immediate effect (the "Termination Agreement"). Pursuant to the Termination Agreement, BGB agreed to refund in full to the Company the deposit paid in the following:

   (i) Fifty per cent (50%) of the total deposit paid of RMB2,294,820 (approximately RM1,197,008) within 3 working days from the date of the execution of the Termination Agreement, and
   (ii) The balance 50% of RMB2,294,820 no later than 31 December 2008.

   As of 24 December 2008, total amount of RMB4,589,640 has been received.

23. Group borrowings and debt securities

Total Group borrowings as at 31 December 2008 are as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Secured			
Denominated in RM			
Term loan	1,974	20,684	22,658
Revolving credits	1,000	-	1,000
Bankers acceptance	5,122	-	5,122
Bonds	-	11,690	11,690
Bank overdraft	28,927	-	28,927
Hire purchase & lease payables	1,977	809	2,786
	39,000	33,183	72,183
Unsecured			
Denominated in RM			
Revolving credits	5,425	-	5,425
Bank overdraft	17,282	-	17,282
Term loan	-	40,000	40,000
Bankers acceptances	1,771	-	1,771
	24,478	40,000	64,478
Secured			
Denominated in foreign currency (*)			
Term loan			
RMB 65,739,721	1,228	32,399	33,627
VND 34,628,502,974	537	6,541	7,078
Revolving credits			-
USD 1,314,769	4,612	-	4,612
	6,377	38,940	45,317
Unsecured			
Denominated in foreign currency (*)			
Term loan			
RMB 8,276,000	4,233	-	4,233
Revolving credits			-
RMB 7,531,000	3,852	-	3,852
	8,085	-	8,085
Total	**77,940**	**112,123**	**190,063**

** translated using exchange rate as at 31 December 2008*

24. Off balance sheet risks

There were no financial instruments with off balance sheet risk as at the date of issue of this report.

25. Material litigation

a. Mayekawa Mfg. Co. Ltd. and Mayekawa (M) Sdn. Bhd., (the "Plaintiffs") had on 1 August 2005 served a Writ of Summons dated 27 June 2005 on the Company, Hai San & Sons Sdn. Bhd. ("HSSSB") and Beh Teng Hong (the "Defendants"), claiming infringement of trademark "MYCOM" and passing off by the Defendants and requesting, inter alia for a mandatory injunction against the Defendants from dealing in MYCOM products. The First and Second Defendants had on 9 August 2005 and 29 August 2005 filed the memorandum of appearance and Defence respectively.

   The High Court at Kuala Lumpur ("High Court") dismissed the Plaintiffs' application for an interlocutory injunction against the Defendants on 14 December 2005. The Plaintiffs thereafter on 16 December 2005 filed a Notice of Appeal to the Court of Appeal against the High Court's decision and thereafter on 19 December 2005 filed a Summons in Chambers at the High Court seeking, inter alia, an interim injunction against the Defendants pending the outcome of the Notice of Appeal ("Erinford Injunction). The application for Erinford Injunction was dismissed by the High Court on 7 February 2006.

   The Plaintiffs subsequently on 15 February 2006 upon the dismissal of the application for Erinford Injunction by the High Court filed an Originating Motion at the Court of Appeal, seeking the same application for Erinford Injunction. The Court of Appeal allowed the Erinford Injunction on 20 March 2006.

   The First and Second Defendants had on 19 April 2006 filed an Originating Motion at the Federal Court for leave to appeal against the decision of the Court of Appeal granting the Erinford Injunction. The Federal Court conducted a case management before the Registrar on 9 November 2006 and fixed a hearing date for the Originating Motion on 26 March 2007.

   On 3 October 2007, consent judgement has been entered against the third Defendant and the suit has been withdrawn against the First and Second Defendant with liberty to file afresh. The plaintiff and the First and Second Defendants have signed a Settlement Deed on 3 October 2007. The Plaintiff through their solicitor has filed a Notice of Discontinuance of Appeal in the Court of Appeal as both parties have settled the matters. The First and Second Defendant's solicitors have filed a Notice of Discontinuance of Notice of Motion in the Federal Court on 30 April 2008.

b. On 29 November 2006, the Company filed a claim against Persatuan Peladang Negeri Pulau Pinang ("1st Defendant"), Ketua Pengarah Jabatan Perkhidmatan Haiwan ("2nd Defendant") and the Government of Malaysia ("3rd Defendant") for the recovery of the outstanding sum of RM4,698,775 for a shipment of cattles delivered and sold to the defendants pursuant to a Purchase Order dated 5 January 2006 issued by the 1st Defendant who had taken delivery of the shipment of cattles. The 3rd Defendant is responsible for the supervision and administration of the 2nd Defendant.

   In the Statement of Claim, the Company also sues the Defendants for negligence as an alternative claim because the 2nd Defendant, as agent and/or servant of the 3rd Defendant, has inspected and selected the cattles themselves in Australia before the shipment of cattles set on sail. However, they subsequently claimed that the cattles did not comply with specifications and refuse to make payment.

   The Company has subsequently reached a settlement arrangement with the Defendants and a Notice of Discontinuance of Legal Suit was filed with the Shah Alam High Court. The first settlement instalment amounting to RM887,595 was received by the Company on 20 June 2008.

26. (Loss) / Earnings per share

	Individual quarter 3 months ended		Cumulative period Year ended	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Net (loss) / profit for the period (RM'000)	(6,321)	(9,010)	(12,506)	556
a) <u>Basic</u> Weighted average number of ordinary shares in issue ('000)	80,541	80,541	80,541	80,460
Basic (loss) / earnings per share (sen)	(7.85)	(11.19)	(15.53)	0.69
b) <u>Diluted</u> Weighted average number of ordinary shares in issue ('000)	80,541	80,541	80,541	80,460
Effect of share options ('000)	(1,501)	760	(1,501)	1,123
Weighted average number of ordinary shares ('000)	79,040	81,301	79,040	81,583
Diluted (loss) / earnings per share (sen)	*	(11.08)	*	0.68

* No diluted EPS is disclosed as the effect is anti-dilutive

27. Dividend

No interim dividend has been declared for the current quarter under review.

28. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors 26 February 2009.