

## **ADVANCE SYNERGY BERHAD (“ASB” OR THE “COMPANY”)**

### **PROPOSED VOLUNTARY WITHDRAWAL OF ADVANCE SYNERGY CAPITAL BERHAD (“ASCAP”) FROM THE OFFICIAL LIST OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) PURSUANT TO PARAGRAPH 16.04 OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (“PROPOSED DE-LISTING”)**

#### **1. INTRODUCTION**

Reference is made to our announcements dated 15 December 2008 and 2 January 2009 and the offer document dated 16 October 2008 (“Offer Document”) in relation to the voluntary take-over offer for the remaining ordinary shares of RM1.00 each in ASCAP (“ASCAP Shares”) which are not already owned by ASB at a cash offer price of RM0.60 per ASCAP Share which was closed on 15 December 2008 (“Offer”).

On behalf of ASB, Maybank Investment Bank Berhad (formerly known as Aseambankers Malaysia Berhad) (“Maybank-IB”) wishes to announce that in line with ASB’s intention to undertake the necessary procedures to request for the withdrawal of ASCAP’s listing status from Bursa Securities, as set out in the Offer Document, ASB has on 5 February 2009 served a proposal to the Board of Directors (“Board”) of ASCAP in relation to the Proposed De-Listing, details of which are mentioned in the ensuing paragraphs.

#### **2. BACKGROUND INFORMATION**

On 15 December 2008, being the final closing date of the Offer, ASB has received acceptances for 29,057,952 ASCAP Shares representing 20.47% of the total issued and paid-up share capital of ASCAP (excluding ASCAP Shares held as treasury shares).

On 2 January 2009, Maybank-IB, on behalf of ASB, announced that the final valid acceptances received by ASB is 29,052,952 ASCAP Shares representing 20.47% of the total issued and paid-up share capital of ASCAP (excluding ASCAP Shares held as treasury shares).

The abovementioned acceptances for 29,052,952 ASCAP Shares received by ASB and 6,062,500 ASCAP Shares acquired by ASB during the period commencing 26 September 2008 up to 15 December 2008 has resulted in ASB holding a total of 125,846,952 ASCAP Shares representing 88.66% of the total issued and paid-up share capital of ASCAP (excluding ASCAP Shares held as treasury shares). As a result, ASCAP is no longer in compliance with public spread requirements pursuant to Paragraph 8.15(1) of the Listing Requirements of Bursa Securities (“Listing Requirements”).

As expressly stated in the Offer Document, ASB does not intend to comply with the required shareholding spread for ASCAP and intends to procure that ASCAP undertakes the necessary procedures to withdraw ASCAP’s listing status from the Official List of Bursa Securities pursuant to Paragraph 16.04 of the Listing Requirements within 6 months from the completion of the Offer.

As at 5 February 2009, ASB holds a total of 125,921,952 ASCAP Shares representing approximately 88.71% of the total issued and paid-up share capital of ASCAP (excluding ASCAP Shares held as treasury shares).

### **3. DETAILS OF THE PROPOSED DE-LISTING**

ASB has today served a proposal to the Board of ASCAP where ASB has proposed that ASCAP undertakes a voluntary withdrawal of its listing status from the Official List of Bursa Securities pursuant to Paragraph 16.04 of the Listing Requirements. In order to facilitate the Proposed De-Listing, ASB will extend a voluntary general offer to acquire all the remaining ASCAP Shares which are not already owned by ASB ("Offer Shares"), at an offer price of RM0.60 per ASCAP Share in accordance with Paragraph 16.05 of the Listing Requirements ("Proposed Exit Offer") upon approval of the shareholders of ASCAP for the Proposed De-Listing. All other terms and conditions of the Proposed Exit Offer will be set out in the offer document to be despatched to the shareholders of ASCAP at a later date.

The offer price of RM0.60 per Offer Share reflects the offer price made pursuant to the Offer which had closed on 15 December 2008.

The Proposed Exit Offer to be extended to ASCAP's shareholders pursuant to the Proposed De-Listing constitutes a voluntary take-over offer falling within the ambit of the Malaysian Code On Take-Overs And Mergers 1998 ("Code"). As such, the implementation of the Proposed Exit Offer will have to comply with the provisions of the Code.

Under Section 12(2) of the Code, an offeror is required to send a written notice of take-over offer to the Board of an offeree company as well as Bursa Securities and the Securities Commission ("SC") of its *intention* to make an offer.

In this regard, ASB had obtained an exemption from having to serve the written notice together with the Proposed De-Listing to the Board of ASCAP, where, the SC had, vide its letter dated 22 January 2009, approved a waiver sought by ASB from having to comply with Section 12(2) of the Code and instead, ASB will serve the written notice after the approval of the shareholders of ASCAP for the Proposed De-Listing is obtained at an extraordinary general meeting ("EGM") to be convened (in accordance with the requirements as set out in Paragraph 16.05 of the Listing Requirements).

Hence, the intention for the Proposed Exit Offer is made known vide the Proposed De-Listing that was served to the Board of ASCAP today i.e. 5 February 2009.

Pursuant to Section 34 of the Securities Commission Act, 1993 ("SCA"), if ASB receives acceptances of not less than 90% of the Offer Shares (other than ASCAP Shares already held as at the date of the Proposed Exit Offer by ASB), ASB would be entitled to compulsorily acquire any remaining Offer Shares for which acceptances have not been received under the Proposed Exit Offer. It is the intention of ASB to invoke Section 34 of the SCA to compulsorily acquire such remaining Offer Shares.

### **4. RATIONALE FOR THE PROPOSED DE-LISTING AND THE PROPOSED EXIT OFFER**

As expressly stated in the Offer Document, ASB does not intend to comply with the required shareholding spread for ASCAP and intends to procure that ASCAP undertakes the necessary procedures to withdraw ASCAP's listing status from the Official List of Bursa Securities pursuant to Paragraph 16.04 of the Listing Requirements within 6 months from the completion of the Offer.

Based on ASCAP's Record of Depositors as at 31 December 2008, the public shareholding spread is only 10.19% and thus there is a public shareholding spread shortfall pursuant to paragraph 8.15(1) of the Listing Requirements.

The Proposed Exit Offer is pursuant to the Proposed De-Listing and in compliance with Paragraph 16.05 of the Listing Requirements where shareholders of ASCAP will be provided with a cash consideration of RM0.60 per ASCAP Share for the Proposed Exit Offer.

## **5. CONDITIONS**

The Proposed De-Listing is subject to the following approvals being obtained:

- (a) shareholders of ASCAP in accordance with the requirements of Paragraph 16.05 of the Listing Requirements at an EGM to be convened for the Proposed De-Listing; and
- (b) Bursa Securities for the withdrawal of the listing of ASCAP from the Official List of Bursa Securities.

The Proposed Exit Offer will not be extended if the shareholders of ASCAP do not approve the Proposed De-Listing at the EGM to be convened. The Proposed Exit Offer is pursuant to the Proposed De-Listing and will be a conditional offer upon serving of the notice until the approval-in-principle of Bursa Securities for the Proposed De-Listing is obtained.

## **6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

None of the Directors and major shareholders of ASB, and any person connected to them have any interests, direct or indirect, in the Proposed De-Listing and the Proposed Exit Offer.

## **7. DIRECTORS' STATEMENT**

The Board of ASB, after having considered all aspects of the Proposed De-Listing and the Proposed Exit Offer, is of the opinion that the Proposed De-Listing and the Proposed Exit Offer are fair and reasonable and is in the best interest of the Company and its shareholders.

## **8. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring unforeseen circumstances, the Proposed De-Listing and Proposed Exit Offer are expected to be completed in the second quarter of 2009.

This announcement is dated 5 February 2009.