

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold all your stock units in Advance Synergy Berhad, you should at once hand this Circular together with the enclosed Form of Proxy to the agent through whom the sale was effected for onward transmission to the purchaser.

The approval from the Securities Commission should not be taken to indicate that the Securities Commission recommends the Proposals as set out in this Circular. Stockholders should rely on their own evaluation to assess the merits and demerits of the Proposals. Kuala Lumpur Stock Exchange takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



## **ADVANCE SYNERGY BERHAD**

*(1225-D)*

*(Incorporated in Malaysia)*

### **CIRCULAR TO STOCKHOLDERS**

in relation to the

- **Proposed restructuring of bank borrowings of Ringgit Malaysia (“RM”) 224,823,179, Australian Dollar (“AUD”) 8,569,705 and US Dollar (“USD”) 33,045,814 of Advance Synergy Berhad (“ASB”) and five (5) of its subsidiaries equivalent to an amount estimated at approximately RM371,221,654 calculated up to 30 April 2000 by the proposed issuance by ASB of the following:-**
  - **Approximately RM126,544,751, AUD1,041,917 and USD14,946,753 nominal value equivalent to a total of approximately RM185,874,269 nominal value of 5-year 7% redeemable loan stocks with approximately 84,568,264 detachable Warrants 2000/2003; and**
  - **Approximately RM98,278,428, AUD7,527,788 and USD18,099,061 nominal value equivalent to a total of approximately RM185,347,385 nominal value of 5-year 7% convertible loan stocks with approximately 84,328,545 detachable Warrants 2000/2003; and**
- **Proposed renounceable restricted offer for sale of the rights to allotment of up to a maximum of 168,896,809 Warrants 2000/2003 to the stockholders of ASB on the basis of one (1) Warrant for every two (2) existing stock units of RM1.00 each held in ASB on a date to be determined later at an offer price of RM0.20 per Warrant.**

and

### **Notice of Extraordinary General Meeting**

Advised by



### **PERDANA MERCHANT BANKERS BERHAD**

*(169955-T)*

*[A Subsidiary of United Merchant Group Berhad (286452-T)]*

*[An Associate of Hong Leong Credit Berhad (8024-W)]*

The Notice of the Extraordinary General Meeting to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 28 April 2000 at 10.30 a.m., together with the Form of Proxy are attached to this Circular. The Form of Proxy should be lodged at the Registered Office of the Company not later than forty-eight (48) hours before the time stipulated for holding the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

This Circular is dated 11 April 2000

## DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“ASB” or “Company”	:	Advance Synergy Berhad (1225-D)
“ASB Group”	:	ASB and its subsidiary and associated companies
“AUD”	:	Australian Dollar
“BNM”	:	Bank Negara Malaysia
“CDRC”	:	Corporate Debt Restructuring Committee
“CLS”	:	Approximately RM98,278,428*, AUD7,527,788* and USD18,099,061* (a total of RM185,347,385 equivalent**) nominal value of 5-year 7% convertible loan stocks to be issued pursuant to the Proposed Restructuring of Bank Borrowings as set out in Section 2.1 herein

\* *Or such adjusted amount to take into account any fluctuation in interest rates on the amount due and owing to the Identified FIs up to 30 April 2000 and/or any interest that will accrue from 1 May 2000 up to the date of issue of the RLS/CLS*

\*\* *Assuming the exchange rates of AUD1.00 = RM2.43 and USD1.00 = RM3.80 to arrive at the RM equivalent. The exchange rate of AUD1.00 = RM2.43 was arrived at based on the exchange rate extracted from the Star newspaper for each of the last day of trading for the four months ended 30 April 1999 and the average of these rates. The exchange rate of USD1.00=RM3.80 is the pegged rate.*

“Entitlement Date”	:	Date on which at the close of business thereof, stockholders must be registered for entitlement to the Proposed ROS
“EGM”	:	Extraordinary General Meeting
“FIC”	:	Foreign Investment Committee
“Identified FIs”	:	The secured, partially secured and unsecured financial institutions identified to be included under the Proposed Restructuring of Bank Borrowings, namely:-

Amanah Merchant Bank Berhad (21605-D)  
Arab-Malaysian Bank Berhad (295576-U)  
Aseambankers Malaysia Berhad (15938-H)  
Bank Bumiputra Malaysia Berhad (6175-W) \*  
Bank Pembangunan dan Infrastruktur Malaysia Berhad (16562-K)  
BSN Commercial Bank (Malaysia) Berhad (23877-T)  
Multi-Purpose Bank Berhad (88103-W)  
Oversea-Chinese Banking Corporation Limited (Labuan branch) (940026-C)  
Public Finance Berhad (6471-U)  
Sime International Bank (L) Ltd (920007-A) \*\*  
Sime Merchant Bankers Berhad (14328 -V)  
Southern Bank Berhad (5303-W)  
United Overseas Bank Limited (Labuan Branch) (940033-C)

\* *Loans to a subsidiary of ASB now under Danaharta Urus Sdn Bhd*

\*\* *Loans to subsidiaries of ASB and the Company now under Danaharta Managers (L) Ltd*

## DEFINITIONS (Cont'd)

- “KLSE” : Kuala Lumpur Stock Exchange
- “NTA” : Net tangible asset
- “Perdana Bankers” : Perdana Merchant Bankers Berhad (169955-T)
- “Proposals” : The Proposed Restructuring of Bank Borrowings and Proposed ROS, collectively
- “Proposed CLS Issue” : Proposed issue by ASB of approximately RM185,347,385\* nominal value of the CLS with approximately 84,328,545\* detachable Warrants to the Identified FIs pursuant to the Proposed Restructuring of Bank Borrowings
- \* *Estimated as at 30 April 2000 but subject to adjustment to take into account potential adjusted amount of CLS to be issued*
- “Proposed Restructuring of Bank Borrowings” : The Proposed RLS Issue and Proposed CLS Issue, collectively
- “Proposed RLS Issue” : Proposed issue by ASB of RM185,874,269 nominal value of the RLS with approximately 84,568,264\* detachable Warrants to the Identified FIs pursuant to the Proposed Restructuring of Bank Borrowings
- \* *Estimated as at 30 April 2000 but subject to adjustment to take into account potential adjusted amount of CLS to be issued*
- “Proposed ROS” : Proposed renounceable restricted offer for sale by the Identified FIs of the rights to allotment of up to a maximum of 168,896,809 Warrants to the stockholders of ASB on the basis of one (1) Warrant for every two (2) existing stock units of RM1.00 each held on the Entitlement Date at an offer price of RM0.20 per warrant
- “Restructuring Agreement” : The Restructuring Agreement dated 1 October 1999 entered into between ASB and its Identified FIs
- “Restructuring Bank Borrowings” : The total amount owing to the Identified FIs to be restructured, estimated at RM371,221,654 equivalent\* as at 30 April 2000\*\*
- \* *AUD and USD-denominated bank borrowings are converted at the assumed exchange rates of AUD1.00 = RM2.43 and USD1.00 = RM3.80 to arrive at the RM equivalent*
- \*\* *The final amount will be determined based on the actual date of issue of the RLS/CLS and will be adjusted to take into account any fluctuation in interest rates up to 30 April 2000 and/or any interest that will accrue from 1 May 2000 up to the date of issue of the RLS/CLS*
- “RLS” : Approximately RM126,544,751, AUD1,041,917 and USD14,946,753 (a total of RM185,874,269 equivalent\*) nominal value of 5-year 7% redeemable loan stocks to be issued pursuant to the Proposed Restructuring of Bank Borrowings as set out in Section 2.1 herein
- \* *Assuming the exchange rates of AUD1.00 = RM2.43 and USD1.00 = RM3.80 to arrive at the RM equivalent*
- “RM” : Ringgit Malaysia

**DEFINITIONS (Cont'd)**

“SC”	:	Securities Commission
“SC Guidelines”	:	Policies and Guidelines on Issue/Offer of Securities issued by the SC
“Standstill Period”	:	Subject to any extension by the parties to the Restructuring Agreement, the period commencing from 1 October 1999 and expiring on 30 April 2000 or upon the issuance of the RLS/CLS or upon the occurrence of an event of default, whichever is earlier.
“UMG”	:	United Merchant Group Berhad (286452-T)
“UMG Group”	:	UMG and its subsidiary and associated companies
“USD”	:	United States Dollar
“Warrants”	:	168,896,809 detachable warrants to be issued together with the RLS and CLS pursuant to the Proposed RLS Issue and Proposed CLS Issue

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