

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action you should take, 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 send this Circular together with the accompanying Proxy Form to the agent through whom the sale was effected for transmission to the purchaser.

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ADVANCE SYNERGY BERHAD

(Company No. 1225-D)
(Incorporated in Malaysia)

CIRCULAR TO STOCKHOLDERS in relation to the

PART A

- **PROPOSED DISPOSAL OF 49% EQUITY INTEREST IN ACE SYNERGY INSURANCE BERHAD COMPRISING 49,000,000 ORDINARY SHARES OF RM1.00 EACH TO UNITED MERCHANT GROUP BERHAD FOR A TOTAL CASH CONSIDERATION OF RM71,000,000 (PROPOSED ACE DISPOSAL);**
- **PROPOSED ACQUISITION BY WORLDWIDE MATRIX SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF ADVANCE SYNERGY BERHAD, OF A 70% EQUITY INTEREST IN UNIFIED COMMUNICATIONS SDN BHD COMPRISING 700,140 ORDINARY SHARES OF RM1.00 EACH FOR A TOTAL CASH CONSIDERATION OF RM54,000,000 FROM WONG TZE LENG; AND**
- **PROPOSED ACQUISITION BY WORLDWIDE MATRIX SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF ADVANCE SYNERGY BERHAD, OF A 70% EQUITY INTEREST IN UNIFIED COMMUNICATIONS PTE LTD COMPRISING 700,000 ORDINARY SHARES OF SGD1.00 EACH FOR A TOTAL CASH CONSIDERATION OF RM45,000,000 FROM WONG TZE LENG.**

PART B

INDEPENDENT ADVICE LETTER TO THE MINORITY STOCKHOLDERS OF ADVANCE SYNERGY BERHAD IN RELATION TO THE PROPOSED ACE DISPOSAL

AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



**SOUTHERN
Investment Bank**

Southern Investment Bank Berhad (169955-T)
formerly known as Perdana Merchant Bankers Berhad

Independent Adviser for Part B



MIMB

MALAYSIAN INTERNATIONAL MERCHANT BANKERS BERHAD
(Company No. 10209-W)
(A member of EON Bank Group)

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 Wednesday, 12 June 2002 at 10.30 a.m. is set out in this Circular. Stockholders are advised to refer to the Notice of the Extraordinary General Meeting and the Form of Proxy which are enclosed. 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.

Last date and time for lodging of Form of Proxy: 10 June 2002 at 10.30 a.m.

Date and time of Extraordinary General Meeting: 12 June 2002 at 10.30 a.m.

ABBREVIATIONS

Unless specifically stated otherwise, the following abbreviations shall have the following meanings:

Persons/Companies

Acquiree Companies	: UCSB and UCPL, collectively
ACE	: ACE Synergy Insurance Berhad
ACE INA	: ACE INA International Holdings Ltd
ASB or the Company	: Advance Synergy Berhad
ASB Group or Group	: ASB, its subsidiaries and associated companies
Board of Directors	: Board of Directors of ASB
Disposal Company	: ACE
UC Group	: UCSB and UCPL, collectively
UCPL	: Unified Communications Pte Ltd
UCSB	: Unified Communications Sdn Bhd
UMG	: United Merchant Group Berhad
UMG Group	: UMG, its subsidiaries and associated companies
Vendor	: Wong Tze Leng
WMSB	: Worldwide Matrix Sdn Bhd
Proposals	
ACE SA	: Supplemental Agreement dated 24 April 2002 between UMG and ASB on the Proposed ACE Disposal
ACE SPA	: Sale and purchase agreement dated 13 July 2001 between ASB and UMG on the Proposed ACE Disposal
Proposals	: The Proposed Acquisitions and Proposed ACE Disposal, collectively
Proposed Acquisitions	: The Proposed UCSB Acquisition and Proposed UCPL Acquisition, collectively
Proposed ACE Disposal	: The proposed disposal of 49% equity interest in ACE Synergy Insurance Berhad comprising 49,000,000 ordinary shares of RM1.00 each to UMG for a total cash consideration of RM71,000,000
Proposed UCPL Acquisition	: Proposed acquisition by WMSB, a wholly-owned subsidiary of ASB, of a 70% equity interest comprising 700,000 ordinary shares of SGD1.00 each in Unified Communications Pte Ltd for a total cash consideration of RM45,000,000

ABBREVIATIONS (cont'd)

Proposed UCSB Acquisition	: Proposed acquisition by WMSB, a wholly-owned subsidiary of ASB, of a 70% equity interest comprising 700,140 ordinary shares of RM1.00 each in Unified Communications Sdn Bhd for a total cash consideration of RM54,000,000
Rights Issue	: Rights Issue of 1 new share for every 3 shares in ACE amounting to 25,000,000 shares at an issue price of RM1.00 per share completed on 24 July 2001
UC SPA	: Sale and purchase agreement dated 26 May 2001 between Wong Tze Leng and Worldwide Matrix Sdn Bhd on the Proposed Acquisitions
UC SA	: Supplemental Agreement dated 22 March 2002 between Wong Tze Leng and Worldwide Matrix Sdn Bhd on the Proposed Acquisitions
Letter	: Letter dated 17 May 2002 issued by WMSB to Wong Tze Leng for the extension of time for the fulfillment of conditions precedent and payment period
Securities	
Sale Shares	: 49,000,000 ordinary shares of ACE currently registered in the name of the Vendor
Authorities	
BNM	: Bank Negara Malaysia
FIC	: Foreign Investment Committee
KLSE	: Kuala Lumpur Stock Exchange
SC	: Securities Commission
Adviser	
MIMB	: Malaysian International Merchant Bankers Berhad
SIBB	: Southern Investment Bank Berhad
TMI	: Tokyo Mitsubishi International (Singapore) Ltd
MZC	: Mercer Zainal Consulting Sdn Bhd
Financial Terms	
EI	: Exceptional items
EPS	: Earnings per stock unit/Earnings per share
NTA	: Net tangible assets
PAT	: Profit After Tax
Others	
EGM	: Extraordinary General Meeting
Listing Requirements	: Listing Requirements of the KLSE including any amendment thereto that may be made from time to time

ABBREVIATIONS (cont'd)

RM and sen	:	Ringgit Malaysia and sen respectively
SGD	:	Singapore Dollars
the Act	:	Companies Act, 1965 and any amendments thereof
U.S.	:	United States of America

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NOTICE OF EGM (*Enclosed*)

FORM OF PROXY (*Enclosed*)

PART A

- **PROPOSED DISPOSAL OF 49% EQUITY INTEREST IN ACE SYNERGY INSURANCE BERHAD COMPRISING 49,000,000 ORDINARY SHARES OF RM1.00 EACH TO UNITED MERCHANT GROUP BERHAD FOR A TOTAL CASH CONSIDERATION OF RM71,000,000;**
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