

**This Independent Advice Circular (“IAC”) is important and requires your immediate attention. You should read this IAC in conjunction with the offer document dated 16 October 2008 issued by Aseambankers Malaysia Berhad on behalf of Advance Synergy Berhad which has been sent to you.**

If you are in any doubt as to what course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold or transferred all of your ordinary shares of RM1.00 each in Advance Synergy Capital Berhad, you should at once hand this IAC to the purchaser or to the transferee or to the agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

Pursuant to Section 15(6) of the Malaysian Code on Take-Overs and Mergers, 1998 (“Code”), the Securities Commission (“SC”) has granted its consent to the despatch of this IAC. However, such consent shall not be taken to imply that the SC agrees with the views and recommendation contained in this IAC. It merely means that this IAC has complied with the disclosure requirements under the Code. The SC takes no responsibility for the contents of this IAC, 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 this IAC.



**Advance Synergy Capital Berhad**  
(Company No. 286452-T)  
(Incorporated in Malaysia)

## **Independent Advice Circular to Shareholders**

**in relation to the**

**Take-Over Offer**

**by**

**Aseambankers Malaysia Berhad**  
(Company No. 15938-H)  
(Incorporated in Malaysia)

**on behalf of**

**Advance Synergy Berhad**  
(Company No. 1225-D)  
(Incorporated in Malaysia)

**to acquire**

**all the remaining ordinary shares of RM1.00 each in Advance Synergy Capital Berhad (“ASCAP Shares”) which are not already owned by Advance Synergy Berhad (“ASB”) at a cash offer price of RM0.60 per ASCAP Share**

***Independent Adviser***



**PUBLIC INVESTMENT BANK BERHAD** (20027-W)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)  
(Wholly-Owned Subsidiary of Public Bank Berhad)

This Independent Advice Circular is dated 24 October 2008

---

## DEFINITIONS

---

Except where the context otherwise requires or where otherwise defined herein, words and expressions defined in the Malaysian Code on Take-Overs and Mergers, 1998 (including any amendments thereto) and Section 33 of the Securities Commission Act, 1993 shall have the same meaning when used herein, and the following definitions shall apply throughout this IAC:

Accepting Holder(s)	: Holder(s) who accept(s) the Offer
Act	: Companies Act, 1965 and includes any amendments made thereto from time to time and any re-enactments thereof
Aseambankers	: Aseambankers Malaysia Berhad (15938-H)
ASB or Offeror	: Advance Synergy Berhad (1225-D)
ASB Group	: ASB and its subsidiaries
ASB Share(s)	: Ordinary share(s) of RM0.30 each in ASB
ASB Warrants	: 168,896,809 outstanding warrants in ASB
ASB ICULS	: 2% 10-year irredeemable convertible unsecured loan stocks of RM0.15 each in nominal value by ASB
ASCAP or Company	: Advance Synergy Capital Berhad (286452-T)
ASCAP Group or Group	: ASCAP and its subsidiaries
ASCAP Share(s) or Share(s)	: Ordinary share(s) of RM1.00 each in ASCAP
AUD	: Australian Dollar
Board	: Board of Directors of ASCAP
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
Closing Date	: The First Closing Date or in the event the Offer is extended in accordance with the Code, such other extended closing date as the Offeror may decide in which event an announcement will be made by Aseambankers on behalf of the Offeror
Code	: The Malaysian Code on Take-Overs and Mergers, 1998 and includes any amendments made thereto from time to time
CDS	: Central Depository System
Directors	: Directors of ASCAP
ECU	: Equity Compliance Unit of the SC
EGM	: Extraordinary general meeting
EPS	: Earnings per share
FIC	: Foreign Investment Committee
FIC Guidelines	: FIC's Guideline on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests

---

**DEFINITIONS (Cont'd)**

---

First Closing Date	: 5.00 p.m. on 1 December 2008, being forty six (46) days from the Posting Date
FPE	: Financial period ended/ending
FYE	: Financial year ended/ending
GBP	: Great Britain Pound
Holder(s)	: Holder(s) of the Offer Shares
HKD	: Hong Kong Dollar
IA	: Independent adviser appointed by the Board pursuant to Section 15 of the Code, namely PIVB
IAC	: This independent advice circular dated 24 October 2008 to the Holders
LAT	: Loss after taxation
LBT	: Loss before taxation
LPD	: 16 October 2008, being the latest practicable date prior to the issuance of the IAC
LPS	: Loss per share
LR	: The Listing Requirements of Bursa Securities and includes any amendments made thereto from time to time
Market Day	: Any day on which Bursa Securities is open for trading in securities
MI	: Minority interests
Non-Accepting Holders	: Holder(s) who do not accept(s) the Offer
Notice	: Notice of voluntary take-over offer dated 26 September 2008, served on the Board of ASCAP by Aseambankers on behalf of ASB
NA/NTA	: Net assets/Net tangible assets
Offer	: The take-over offer by Aseambankers on behalf of ASB to acquire the Offer Shares at the Offer Price according to the terms and conditions of the Offer Document
Offer Document	: The document dated 16 October 2008 to the Holders which sets out the terms and conditions of the Offer together with the Form of Acceptance and Transfer
Offer Period	: Period commencing from 26 September 2008, being the date of announcement of the Offer up to the Closing Date
Offer Price	: Cash consideration of RM0.60 per Offer Share
Offer Share(s)	: All the remaining 47,189,700 ASCAP Shares which are not already held by ASB (excluding 14,916,535 ASCAP Shares held as treasury shares) as at 10 October 2008

---

**DEFINITIONS (Cont'd)**

---

PAT	:	Profit after taxation
PBT	:	Profit before taxation
PBR	:	Price-to-book ratio
PE Multiple	:	Price-to-earnings multiple
PIVB	:	Public Investment Bank Berhad (20027-W)
Posting Date	:	16 October 2008, being the date of despatch of the Offer Document
Relevant Day	:	Market day following the day on which the Offer is closed, revised or extended
RM and sen	:	Ringgit Malaysia and sen, respectively
SC	:	Securities Commission of Malaysia
SCA	:	Securities Commission Act, 1993 and includes any amendments made thereto from time to time
SGD	:	Singapore Dollar
USD	:	United States Dollar
VWAMP	:	Volume weighted average market price

In this IAC, unless there is something in the subject or context inconsistent herewith, the singular includes the plural and references to gender include both genders and the neuter genders. References to persons shall include corporations.

Any reference in this IAC to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this IAC shall be a reference to Malaysian time, unless otherwise stated.

All references to “you” or “Holder” in this IAC is to the holder of the Offer Shares, being the person to whom the Offer is being made.

All references to “we”, “us” and “our” in this IAC are to PIVB, being the independent adviser for the Offer.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

---

## CONTENTS

---

	<b>Page</b>
<b>EXECUTIVE SUMMARY</b>	<b>1</b>
<b>PART A LETTER FROM THE BOARD</b>	
1. Introduction	10
2. Details of acceptances	11
3. Intention to accept or otherwise of ASCAP's Directors	11
4. Disclosure of Directors' interests	11
5. Purchase of own shares	11
6. Directors' comments	11
7. The Board's recommendation	14
8. Directors' responsibility	15
<b>PART B INDEPENDENT ADVICE LETTER FROM PIVB</b>	
1. Introduction	17
2. Background of the Offer	18
3. Principal terms and conditions of the Offer	18
4. Details of acceptances	19
5. Intention to accept or otherwise of ASCAP's Directors	19
6. Limitations to the evaluation of the Offer	20
7. Evaluation of the Offer	21
8. Rationale for the Offer	21
9. ASB's plans for ASCAP	22
10. Financial evaluation of the Offer	25
11. Other considerations	32
12. Overview and prospects of the Malaysian economy, the transportation sector and the finance and insurance sector in Malaysia	34
13. Prospects of the ASCAP Group	37
14. Further information	38
15. Conclusion and recommendation	39
<b>APPENDICES</b>	
I. Information on ASCAP	43
II. Information on ASB	49
III. Further information	61

## **EXECUTIVE SUMMARY**

---

## EXECUTIVE SUMMARY

---

This executive summary represents only a summary of the pertinent information on the Offer. The Holders are advised to read and understand fully the contents of this IAC, which is to be read in conjunction with the Offer Document issued by Aseambankers on behalf of ASB dated 16 October 2008.

### 1. BACKGROUND OF THE OFFER

On 26 September 2008, Aseambankers, on behalf of ASB, served the Notice on your Board informing it that ASB intends to undertake a take-over offer to acquire the Offer Shares at a cash offer price of RM0.60 per ASCAP Share.

A copy of the Notice was sent to you earlier in a notification to shareholders of ASCAP dated 8 October 2008. A copy of the Notice is also set out in Appendix I of the Offer Document. In addition, you should have by now received the Offer Document issued by Aseambankers on behalf of ASB, which sets out the terms and conditions of the Offer as well as the procedures for acceptance of the Offer.

Pursuant to Section 15 of the Code, your Board had on 9 October 2008, appointed PIVB as the IA to provide independent advice to the Board and the Holders in relation to the Offer. The appointment of PIVB as the IA was approved by the SC on 15 October 2008. The SC had also on 23 October 2008, given its consent to the despatch of this IAC.

### 2. PRINCIPAL TERMS AND CONDITIONS OF THE OFFER

#### 2.1 Consideration

The Offer is being made to the Holders for a cash payment of RM0.60 for each Offer Share validly accepted.

Notwithstanding the provision in Section 1 of Appendix II of the Offer Document, if ASCAP has declared, makes or pays any dividend and/or other distributions on or after the serving of the Notice but prior to the close of the Offer which ASB is not entitled to retain, the cash consideration for each Offer Share shall be reduced by the quantum of net dividend and/or other distributions declared.

#### 2.2 Conditions

The Offer is conditional upon approvals being obtained from the following:

- (i) the ECU of the SC, pursuant to the FIC Guidelines for the acquisition of the Offer Shares. The SC had vide its letter dated 15 October 2008, granted its approval for the Offer under the FIC Guidelines;
- (ii) Minister of Finance via Bank Negara Malaysia; and
- (iii) ASB shareholders at an EGM to be convened.

Pursuant to Section 19(1)(a) and 19(2) of the Code, the Offer is conditional upon the approvals being obtained within twenty one (21) days after the First Closing Date but no later than seven (7) days after the sixtieth (60<sup>th</sup>) day from the Posting Date, failing which the Offer shall lapse. The effect of the Offer lapsing means that the Offer will cease to be capable of further acceptances and that the Accepting Holders and the Offeror will thereafter cease to be bound by any prior acceptances for the Offer.

**2.3 Duration of the Offer**

Except when the Offer is withdrawn by ASB with the SC's written consent and every person is released from any obligation incurred, the Offer will remain open for acceptances until 5.00 p.m. on 1 December 2008, unless extended or revised by ASB in accordance with the Code, as may be announced by Aseambankers on behalf of ASB.

**2.4 Method of settlement**

Payment to the Accepting Holders in respect of all or part of the Offer Share will be despatched to the Accepting Holders:

- (i) where complete and valid acceptances are received during the period when the Offer is conditional upon the conditions as set out in Section 2.2 above, ASB shall post the consideration within twenty one (21) days from the date the Offer becomes or is deemed unconditional; and
- (ii) where complete and valid acceptances are received during the period when the Offer has become or been declared unconditional upon the conditions as set out in Section 2.2 above, ASB shall post the consideration within twenty one (21) days from the receipt of the valid acceptances.

Holders may accept the Offer in respect of all or part of their Offer Shares held. ASB will not pay any fractions of a sen. The entitlement of the Accepting Holders to the cash payment will be rounded down to the nearest whole sen.

For further information and details on the other terms and conditions of the Offer/method of settlement and the procedures for acceptance, please refer to Appendices II and III of the Offer Document respectively.

**3. EVALUATION OF THE OFFER**

<b>Rationale of the Offer</b>	<p><b>(i) Rationalisation and streamlining of ASCAP's core business as well as greater liberty in determining the strategic direction of the ASCAP Group</b></p> <ul style="list-style-type: none"> <li>▪ allows ASB to rationalise and streamline ASCAP's core business in a more timely and flexible manner as ASCAP has been incurring financial losses for the past four (4) financial years, as well as its unaudited results for the first half of FPE 30 June 2008.</li> <li>▪ allows ASB greater liberty in determining the future strategic direction of the ASCAP Group including the viability of merging the operations of the ASB Group with the ASCAP Group.</li> <li>▪ due to the nature of ASCAP's core business being involved in the bus transportation services sector, significant capital expenditure as well as a medium term gestation period would be required to turn around the existing business of ASCAP and return it to profitability.</li> <li>▪ a substantial number of ASCAP's bus fleet is more than ten (10) years old, therefore there can be no assurance that ASCAP will be able to successfully renew the permits attached to the respective bus fleets when the renewal is due without replacing the existing aging fleets.</li> </ul>
-------------------------------	--



<p><b>Rationale of the Offer (Cont'd)</b></p>	<ul style="list-style-type: none"> <li>▪ with reduced bus routes and an aging fleet amongst some of the challenges facing ASCAP, ASCAP may have to further weather uncertain financial performance and economic challenges in the short to medium term before they are able to realise a marked improvement in its financial performance.</li> </ul> <p><b>(ii) Opportunity for Holders to realise their investment in ASCAP</b></p> <ul style="list-style-type: none"> <li>▪ provides an avenue for the Holders to realise their investment in ASCAP at a <b>30.43% premium</b> to the market value of the five (5)-day VWAMP of ASCAP Shares up to 25 September 2008, being the last trading day when the Notice was served on your Board.</li> <li>▪ offer price of RM0.60 per ASCAP Share is also higher than the average traded price of ASCAP Shares over the past six (6) and twelve (12) months up to 25 September 2008 of RM0.44, denoting a <b>premium of 36.36%</b>.</li> <li>▪ due to the relatively thin volume of trading of ASCAP Shares on Bursa Securities as well as the consecutive financial losses being incurred by ASCAP over the past 4½ years, the Offer provides the Holders an opportunity to realise their investment in ASCAP at a <b>reasonable premium</b> to its market price.</li> </ul>
<p><b>ASB's plans for ASCAP</b></p>	<p><b>(i) Listing status and compulsory acquisition</b></p> <ul style="list-style-type: none"> <li>▪ <b>ASB does not intend to comply with the required shareholding spread for ASCAP</b> in the event ASB receives acceptances which results in ASB holding more than 75% but less than 90% of the issued and paid-up share capital of ASCAP (excluding ASCAP Shares held as treasury shares). ASB intends to procure ASCAP to undertake the necessary procedures to withdraw ASCAP's listing status from the Official List of Bursa Securities through the shareholders of ASCAP's approval at an EGM to be convened.</li> <li>▪ ASB intends to <b>invoke the provisions of Section 34 of the SCA to compulsorily acquire</b> the remaining Offer Shares from the Non-Accepting Holders in the event ASB receives acceptances of nine-tenths (9/10) or more of the nominal value of the Offer Shares within four (4) months of making the Offer.</li> </ul> <p><b>(ii) Business and operations of the ASCAP Group</b></p> <ul style="list-style-type: none"> <li>▪ within the immediate twelve (12) months after the completion of the Offer, ASB intends to <b>continue with the existing core business of the ASCAP Group</b> and may review the business and operations of the ASCAP Group during this period and make necessary arrangements, rationalisation and reorganisation, if required. Furthermore, ASB does not have any immediate plans or intentions to liquidate ASCAP, sell or dispose of any major assets or undertake any major re-deployment of fixed assets of the ASCAP Group, except where necessary to enhance value to the enlarged ASB Group.</li> </ul>

<p>ASB's plans for ASCAP (Cont'd)</p>	<p>(iii) Employees of the ASCAP Group</p> <ul style="list-style-type: none"> <li>within the immediate twelve (12) months after the completion of the Offer, ASB <b>does not intend to retrench any employees</b> of the ASCAP Group, although there may be constructive measures taken to improve the efficiency of operations which may lead to the revisions in human resources policies, the level of staff employment and/or re-deployment of certain employees, if so required.</li> </ul>
<p>Financial evaluation of the Offer</p>	<p>On balance, the Offer Price appears to be <b>fair and reasonable</b> to the Holders after taking into consideration the following factors:</p> <p>(i) <b>Current market prices of ASCAP Shares</b></p> <p>The Offer Price was at a <b>premium</b>:</p> <ul style="list-style-type: none"> <li>(i) ranging from RM0.14 to RM0.16 per ASCAP Share or 30.43% to 36.36% over the five (5)-day, one (1)-month, three (3)-month, six (6)-month and twelve (12)-month VWAMP market price of ASCAP Shares;</li> <li>(ii) of RM0.02 per ASCAP Share or 3.45% over the five (5)-day VWAMP market price of ASCAP Shares up to and including the LPD; and</li> <li>(iii) of RM0.01 per ASCAP Share or 1.69% over the closing market price of the shares as at the LPD.</li> </ul> <p>(ii) <b>Historical market prices of ASCAP Shares</b></p> <ul style="list-style-type: none"> <li>consistently trading below the Offer Price for the past twelve (12) months, with the exception of July 2008.</li> <li>trading consistently for the past twelve (12) months with <b>low volume</b> and within the range of approximately RM0.46 per ASCAP Share.</li> </ul> <p>(iii) <b>Premium of past market transactions</b></p> <ul style="list-style-type: none"> <li>Offer Price represents a <b>higher premium</b> of 30.43% over the simple average of 19.86% premium for the privatisation or take-over transactions undertaken in the past twelve (12) months in Malaysia.</li> </ul> <p>(iv) <b>PBR analysis</b></p> <ul style="list-style-type: none"> <li>the PBR of ASCAP based on the Offer Price of 0.29 times is <b>within range</b> of the PBRs of the selected comparable companies of 0.23 times to 0.91 times and is <b>lower</b> than the simple average of the PBR of the selected comparable companies of 0.64 times.</li> </ul>

Other considerations	<p>(i) <b>Historical financial performance of the ASCAP Group</b></p> <ul style="list-style-type: none"> <li>▪ the Group has been recording consecutive LAT for the last four (4) financial years and the FPE 30 June 2008. We also noted that the Group had recorded losses from operations for the past five (5) consecutive financial years as well as the FPE 30 June 2008.</li> <li>▪ the Group's <b>operations have not yielded profits</b> during the last five (5) financial periods under review.</li> <li>▪ the <b>NTA per share has been on a decreasing trend</b> since 2003 from RM2.50 per Share to RM2.02 per Share as at 30 June 2008.</li> <li>▪ as at 30 June 2008, the Group had already recorded a LAT of RM7.0 million. Unless a major turnaround plan is successfully implemented, the Group may remain in the red for the FYE 31 December 2008 as the current operations of the ASCAP Group is not sufficient to generate profits as well as positive cash flows for the Group.</li> </ul> <p>(ii) <b>Dividend policy</b></p> <ul style="list-style-type: none"> <li>▪ Holders should note that ASCAP has no fixed dividend policy and out of the last five (5) FYEs from 31 December 2003 to 31 December 2007, ASCAP had only declared dividend at the rate of 1 sen per Share for three (3) financial years and has not been able to declare any dividends for the last two (2) financial years.</li> </ul>
Overview and prospects of the Malaysian economy for the next twelve (12) months	<ul style="list-style-type: none"> <li>▪ the outlook and prospects of the Malaysian economy are expected to be <b>satisfactory</b> with the Malaysian economy expected to grow for the next twelve (12) months underpinned by numerous policy measures and pragmatic strategies put in place by the Government, coupled with the implementation of various economic corridors and projects under the 9MP.</li> </ul>
Overview and prospects of the transportation, finance and insurance sector in which the ASCAP Group will be involved in for the next twelve (12) months	<ul style="list-style-type: none"> <li>▪ the outlook and prospects of the transportation, finance and insurance sector in Malaysia are expected to be <b>satisfactory</b> for the next twelve (12) months supported by higher ridership and shift from private vehicle usage to public transport following the fuel hikes, and sustained domestic consumption and trade-related activities and underpinned by increased fee-based activities and innovative financial products, respectively.</li> </ul>

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

---

**EXECUTIVE SUMMARY (Cont'd)**

---

<b>Prospects of the ASCAP Group for the next twelve (12) months</b>	<ul style="list-style-type: none"><li>▪ the Group has been making losses for the past four (4) consecutive financial years as well as the first six (6) months of 2008. Should the negative performance of the Group continue, it may adversely affect its future performance and this will eventually erode its financial standing, and ultimately the value it provides to its shareholders.</li><li>▪ the Group's asset utilisation <i>vis-à-vis</i> the core operations of the Group are low as compared to those of its competitors in the industry.</li><li>▪ with reduced bus routes and an aging fleet amongst some of the challenges facing ASCAP, coupled with significant capital expenditure as well as a medium term gestation period required to turn around the existing business of ASCAP and return it to profitability, the prospects of the ASCAP Group will remain <b>challenging</b> for the next twelve (12) months due to its past performances, coupled with uncertainty surrounding its core business moving forward.</li></ul>
---	--

**4. DETAILS OF ACCEPTANCES**

As disclosed in the Offer Document, as at 10 October 2008, ASB has not received an irrevocable undertaking from any Holder to accept the Offer.

As at the LPD, there is no announcement made by Aseambankers and/or ASB of any acceptance of the Offer Shares.

As at 22 October 2008, to the best knowledge of the Board, no person has accepted or has given an irrevocable undertaking to accept the Offer.

**5. INTENTION TO ACCEPT OR OTHERWISE OF ASCAP'S DIRECTORS**

As at the LPD, none of your Directors have any direct shareholdings in the Offer Shares.

The following Director has indicated his spouse's intention to **ACCEPT** the Offer in respect of her entire direct holdings in the Offer Shares before the Closing Date:

<b>Director</b>	<b>No. of ASCAP Shares held (Indirect)</b>	<b>%*</b>
Wong Joon Hian	37,500	0.03

*Note:*

\* The percentage shareholding is computed after excluding 14,916,535 ASCAP Shares held as treasury shares as at the LPD.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

---

**EXECUTIVE SUMMARY (Cont'd)**

---

**6. RECOMMENDATION**

After careful assessment of the terms of the Offer as contained in the Offer Document and the evaluation as contained in this IAC, the respective parties have recommended the following:

<b>Parties</b>	<b>Recommendation</b>
Board (save for Dato' Ahmad Sebi Bakar, Wong Joon Hian and Chim Wai Khuan, who are deemed interested in the Offer)	<b>ACCEPT</b> the Offer
PIVB	<b>ACCEPT</b> the Offer

The Holders should consider carefully the merits and demerits of the Offer based on pertinent factors such as the future plans of the ASCAP Group, the financial evaluation of the Offer and any other qualitative and quantitative considerations including those set out in this IAC and the Offer Document, before arriving at the decision on whether to accept or reject the Offer.

**7. IMPORTANT DATES AND EVENTS**

<b>Event</b>	<b>Date</b>
▪ Service of the Notice	26 September 2008
▪ Posting of the Offer Document	16 October 2008
▪ Issuance of this IAC	24 October 2008
▪ First Closing Date of the Offer*	5.00 p.m. (Malaysian time) on 1 December 2008

*Note:*

\* or such later date as may be decided by ASB in accordance with the Code.

**THE HOLDERS ARE ADVISED TO READ THIS IAC THOROUGHLY FOR MORE INFORMATION AND NOT RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE FORMING AN OPINION ON THE OFFER.**

**THE HOLDERS ARE FURTHER ADVISED TO CONSIDER CAREFULLY THE INFORMATION CONTAINED IN THE OFFER DOCUMENT AND THIS IAC BEFORE MAKING A DECISION ON THE COURSE OF ACTION TO BE TAKEN.**

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

**PART A:**  
**LETTER FROM THE BOARD**

**Registered Office:**

Level 3, Wisma Triton  
No.72, Pesiaran Jubli Perak  
Seksyen 22  
40000 Shah Alam  
Selangor Darul Ehsan

24 October 2008

**Board of Directors:**

Dato' Ahmad Sebi Bakar (*Chairman*)  
Wong Joon Hian (*Managing Director*)  
Ir. Haji Mansor Bin Salleh @ Md Salleh (*Independent Non-Executive Director*)  
Chim Wai Khuan (*Independent Non-Executive Director*)  
Dr. Haji Ahmad Ghiti Bin Haji Mohd Daud (*Independent Non-Executive Director*)

**To: The Holders**

Dear Sir/Madam,

**TAKE-OVER OFFER BY ASEAMBANKERS ON BEHALF OF ASB, TO ACQUIRE ALL THE REMAINING ASCAP SHARES WHICH ARE NOT ALREADY OWNED BY ASB AT A CASH OFFER PRICE OF RM0.60 PER ASCAP SHARE**

---

**1. INTRODUCTION**

On 26 September 2008, Aseambankers, on behalf of ASB, served the Notice on your Board informing it that ASB intends to undertake a take-over offer to acquire the Offer Shares at a cash offer price of RM0.60 per ASCAP Share.

A copy of the Notice was sent to you earlier in a notification to shareholders of ASCAP dated 8 October 2008. A copy of the Notice is also set out in Appendix I of the Offer Document. In addition, you should have by now received the Offer Document issued by Aseambankers on behalf of ASB, which sets out the terms and conditions of the Offer as well as the procedures for acceptance of the Offer.

Pursuant to Section 15 of the Code, your Board had on 9 October 2008, appointed PIVB as the IA to provide independent advice to the Board and the Holders in relation to the Offer. The appointment of PIVB as the IA was approved by the SC on 15 October 2008. The SC had also on 23 October 2008, given its consent to the despatch of this IAC.

We enclose herein our recommendation and advice of the IA with regards to the Offer for your consideration, prior to you making your decision in respect of the Offer.

The purpose of this letter is to provide you with our comments on the Offer as required under the Code as well as the advice given by the IA. The letter from PIVB is enclosed in Part B of this IAC.

**Advance Synergy Capital Berhad** (286452-T)  
Level 3, Wisma Triton, No. 72, Pesiaran Jubli Perak,  
Seksyen 22, 40000 Shah Alam, Selangor Darul Ehsan, Malaysia.  
Tel: 603-5192 1886 Fax: 603-5192 2886

## 2. DETAILS OF ACCEPTANCES

As disclosed in the Offer Document, as at 10 October 2008, ASB has not received an irrevocable undertaking from any Holder to accept the Offer.

As at the LPD, there is no announcement made by Aseambankers and/or ASB of any acceptance of the Offer Shares.

As at 22 October 2008, to the best knowledge of the Board, no person has accepted or has given an irrevocable undertaking to accept the Offer.

## 3. INTENTION TO ACCEPT OR OTHERWISE OF ASCAP'S DIRECTORS

As at the LPD, none of your Directors have any direct shareholdings in the Offer Shares.

The following Director has indicated his spouse's intention to **ACCEPT** the Offer in respect of her entire direct holdings in the Offer Shares before the Closing Date:

Director	No. of ASCAP Shares held (Indirect)	%*
Wong Joon Hian	37,500	0.03

*Note:*

\* *The percentage shareholding is computed after excluding 14,916,535 ASCAP Shares held as treasury shares as at the LPD.*

## 4. DISCLOSURE OF DIRECTORS' INTERESTS

The relevant disclosures of your Directors' interests in ASCAP Shares as required by the Code are set out in Section 2.2.1 of Appendix III in this IAC.

## 5. PURCHASE OF OWN SHARES

The relevant disclosures of ASCAP's purchase any of its own shares as required by the Code are set out in Section 2.1.2 of Appendix III in this IAC.

## 6. DIRECTORS' COMMENTS

Certain Directors of ASCAP are deemed interested in the Offer and have abstained from providing comments and recommendations in respect of the Offer due to the following:

- (i) Dato' Ahmad Sebi Bakar has direct and indirect interests in ASB, indirect interest in ASCAP and directorships in both ASB and ASCAP.
- (ii) Wong Joon Hian has indirect interests in ASB and ASCAP.
- (iii) Chim Wai Khuan has directorships in both ASB and ASCAP.

(For the purpose of Part A of this IAC, Dato' Ahmad Sebi Bakar, Wong Joon Hian and Chim Wai Khuan are collectively known as "Interested Directors").



## 6.1 Rationale of the Offer

Your Board (save for the Interested Directors) has taken cognisance of ASB's intention as the holding company of ASCAP, to privatise ASCAP which will allow ASB to carry out a rationalisation and streamlining exercise of ASCAP's core business. With ASCAP's current core business being involved in the transportation, finance and insurance sectors, this privatisation exercise is expected to allow ASB time and flexibility in determining and ascertaining the viability of merging the operations of the ASB Group with the ASCAP Group should it deem fit.

This could entail potential synergistic benefits which include, amongst others, cost savings, operational streamlining and collaborative strategies in the enlarged ASB Group in the long run. However, the expected benefits may not be reflected immediately as time is required for ASB to identify, implement and execute these plans. In addition, the outcome and extent of the synergistic benefits cannot be ascertained due to the absence of details and how the rationale will be implemented.

Due to the nature of ASCAP's core business being involved in the bus transportation services sector, significant capital expenditure as well as a medium term gestation period would be required to turn around the existing business of ASCAP and return it to profitability. It is pertinent to note that a substantial number of ASCAP's bus fleet is more than ten (10) years old. As such, there can be no assurance that ASCAP will be able to successfully renew the permits attached to the respective bus fleets when the renewal is due without replacing the existing aging fleets.

With reduced bus routes and an aging fleet amongst some of the challenges facing ASCAP, it is pertinent to note that shareholders of ASCAP may have to further weather uncertain financial performance and economic challenges in the short to medium term before they are able to realise a marked improvement in the financial performance of ASCAP.

The Offer provides an equal opportunity for the Holders to realise their investment in ASCAP at a premium to the market value of 30.43% to the five (5)-day VWAMP of ASCAP Shares up to 25 September 2008, being the last trading day when the Notice was served on your Board of RM0.60 per ASCAP Share and being no less than the twelve (12)-month VWAMP of ASCAP Shares up to 25 September 2008 of RM0.44.

Given the foregoing, your Board (save for the Interested Directors) is of the view that the rationale for the Offer is **reasonable**.

## 6.2 ASB's future plans for the ASCAP Group and its employees

Your Board (save for the Interested Directors) has taken note of ASB's future plans for the ASCAP Group and its employees following the Offer as disclosed in the Offer Document.

Within the immediate twelve (12) months after the completion of the Offer:

- (i) ASB intends to continue with the existing core business of the ASCAP Group. ASB may review the business and operations of the ASCAP Group during this period and make necessary arrangements, rationalisation and reorganisation of the ASCAP Group if the need arises;
- (ii) There is no immediate plan by ASB to introduce any major changes, dispose of any major assets or undertake any major re-deployment of fixed assets of the ASCAP Group except where necessary to rationalise the business activities and/or directions of ASCAP Group for the benefit of the enlarged ASB Group. ASB does not have any immediate plans or intentions to liquidate ASCAP; and
- (iii) There is no intention to dismiss or make redundant the employees of the ASCAP Group as a direct consequence of the Offer. Nevertheless, as part of ASB's efforts in rationalising the business activities and/or directions of ASCAP within the enlarged ASB Group, there may be constructive measures to improve the efficiency of operations of the ASCAP Group, which may lead to revisions in human resource policies, the level of staff employment and/or re-deployment of employees, if so required.

Your Board (save for the Interested Directors) views the intentions of ASB as **reasonable** after taking into consideration the continued existence of the core business of the ASCAP Group, no immediate plan by ASB to dispose of any major assets or liquidate ASCAP and the continued employment of the employees of the ASCAP Group within the immediate twelve (12) months after the completion of the Offer. Nonetheless, ASB may review the business and operations of the ASCAP Group to facilitate where necessary, a rationalisation or reorganisation of the ASCAP Group for the benefit of the enlarged ASB Group.

### 6.3 Listing Status of ASCAP

The Holders should be aware that Paragraph 8.15 of the LR stipulates, *inter-alia*, that a listed issuer must maintain a public shareholding spread of at least 25% of its total listed shares to be in the hands of a minimum of 1,000 public shareholders holding not less than 100 shares each. Failure to comply could result in the securities of the said company being de-listed from Bursa Securities.

Your Board (save for the Interested Directors) notes that, from Section 8.1 of the Offer Document, **ASB has no intention to comply with the required shareholding spread for ASCAP** in the event ASB receives acceptances for the Offer which results in ASB holding more than 75% but less than 90% of the issued and paid-up share capital of ASCAP (excluding ASCAP Shares held as treasury shares).

Pursuant to the above, ASB intends to procure that ASCAP undertakes the necessary procedures to withdraw the listing status of ASCAP from the Official List of Bursa Securities in accordance with Paragraph 16.04 of the LR within six (6) months from the completion of the Offer. Hence, if ASCAP is suspended and/or de-listed from the Official List of Bursa Securities, the ASCAP Shares will no longer be traded on the Main Board of Bursa Securities.

Further, in the event ASB received acceptances resulting in ASB holding 90% or more of the ASCAP Shares in issue, upon ASCAP making the necessary announcement, ASCAP Shares may be suspended from trading and/or removed from the Official List of Bursa Securities pursuant to Paragraph 8.15(5) and 8.15(6) of the LR.

### 6.4 Compulsory acquisition

ASB has also made known, in Section 8.2 of the Offer Document, of its intention, in the event the acceptances that have been received from Holders are not less than nine-tenths (9/10) of the nominal value of the Offer Shares (other than ASCAP Shares already held by ASB at the date of the Notice or by a nominee for or a related corporation of ASB) within four (4) months after making the take-over offer, **ASB intends to invoke the provisions of Section 34 of the SCA** to compulsorily acquire any remaining Offer Shares from the Holders who have elected not to accept the Offer, whether in whole or in part, by giving notice in the manner prescribed under the Code. Consequently, steps will be taken to de-list ASCAP.

Pursuant to Section 34B(1) of the SCA, where a notice is given under Section 34 of the SCA, an application may be made by any dissenting shareholder to the Court within one (1) month from the date of notice of compulsory acquisition given by ASB, and the Court may on such an application, order that ASB shall not be entitled and shall not be bound to acquire his shares or specify terms of acquisition that are different from the terms of the Offer.

Subject to Section 34B of the SCA, if ASB receives acceptances from the Holders resulting in ASB holding not less than nine-tenths (9/10) of the nominal value of all ASCAP Shares on or before the completion of the Offer, a dissenting holder of the Offer Shares may exercise his rights pursuant to Section 34A of the SCA, by serving a notice to ASB to require ASB to acquire his ASCAP Shares on the same terms and conditions as set out in the Offer Document or such other terms as may be agreed by ASB and the dissenting holder of the Offer Shares concerned.

Pursuant to Section 34B(3) of the SCA, when a holder of the Offer Shares exercises his rights under Section 34A of the SCA, the Court may, on application made by such holder of the Offer Shares or ASB, order the terms on which ASB shall acquire the ASCAP Shares concerned shall be as the Court thinks fit.

Based on the above, your Board (save for the Interested Directors) would like to draw your attention that the Holders who do not accept the Offer may end up holding ASCAP Shares which are either suspended from trading or unlisted, rendering them an illiquid investment, or may have their Offer Shares compulsorily acquired by ASB should ASB satisfy the conditions to invoke Section 34 of the SCA.

#### **6.5 Financial evaluation of the Offer**

Your Board (save for the Interested Directors) has taken into consideration the financial evaluation of the Offer by the IA, namely PIVB, as set out in Part B of this IAC and noted their findings. However, Holders who do not concur with PIVB's and your Board's (save for the Interested Directors) view are not compelled to accept the Offer and may retain their Offer Shares.

### **7. THE BOARD'S RECOMMENDATION**

In arriving at your respective investment decisions, you should consider carefully the merits and demerits of the Offer based on pertinent factors such as the future plans of ASB for the ASCAP Group, the financial evaluation of the Offer, the listing status of ASCAP and any other relevant considerations including those set out in the IAC and the Offer Document. You should also take into account the prevailing market prices of ASCAP Shares prior to making your investment decision.

After taking into account the following:

- (i) The Offer provides an opportunity for Holders to realise their investment by disposing of their ASCAP Shares at a cash offer price of RM0.60 per ASCAP Share. The Offer Price also represents a premium of approximately 36.36% to the traded price of ASCAP Shares of RM0.44 for the past twelve (12)-month up to 25 September 2008, being the last trading day before the announcement of the Offer. As at the LPD, the Offer Price represents a premium of RM0.01 or approximately 1.69%.

The Offer Price also represents a reasonable premium as compared to the one (1) month, three (3)-month and six (6)-month VWAMP up to 25 September 2008 market prices of ASCAP Shares.

In addition, the trading volume of ASCAP Shares has been relatively low for the past one (1) year prior to the announcement of the Offer. As such, the Offer represents an opportunity for the Holders to realise their investment at a premium to the historical and current market prices of ASCAP shares.

- (ii) Due to the nature of ASCAP's core business being involved in the bus transportation services sector, significant capital expenditure as well as a medium term gestation period would be required to turn around the existing business of ASCAP and return it to profitability. With reduced bus routes and an aging fleet amongst some of the challenges facing ASCAP, it is pertinent to note that shareholders of ASCAP may have to further weather uncertain financial performance and economic challenges in the short to medium term before they are able to realise a marked improvement in the financial performance of ASCAP.
- (iii) Based on the historical dividend track record of ASCAP, ASCAP has not been able to declare any dividends for the past two (2) financial years due to its unfavourable financial performance.

- (iv) As set out in Section 8 of the Offer Document, it is not the intention of ASB to comply with the required shareholding spread for ASCAP and ASB intends to procure ASCAP to undertake de-listing procedures from the Official List of Bursa Securities upon completion of the Offer.

Holders who do not accept the offer may potentially hold suspended/unlisted ASCAP Shares. Although it may still be possible to dispose off ASCAP Shares should ASCAP be de-listed from Bursa Securities, there may not be a ready or active market for unlisted shares. In such a situation, you may not be able to realise your investments at the same consideration as what is currently being offered by ASB under the Offer.

- (v) the recommendation of the IA to accept the Offer.

your Board (save for the Interested Directors) advises and recommends you to **ACCEPT** the **Offer** as long as the market price of ASCAP Shares is not trading higher than RM0.60. Holders who do not concur with our view may elect to retain their Offer Shares.

## **8. DIRECTORS' RESPONSIBILITY**

The Directors have seen and approved the contents of this IAC. All the Directors, collectively and individually, accept full responsibility for the accuracy of the information given in the IAC and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this IAC misleading or inaccurate.

The responsibility of the Directors in respect of:

- the information relating to ASB and the Offer (as extracted from the Offer Document) is limited to ensuring that such information is accurately reproduced in the IAC; and
- the independent advice and expression of opinion by PIVB in relation to the Offer as contained in the letter from PIVB is limited to the accuracy of the information given to PIVB for its evaluation and to ensure that all information relevant to PIVB's evaluation of the Offer have been disclosed to PIVB and that there are no material facts, the omission of which would make any information provided to them incomplete, misleading or inaccurate.

**We advise you to read and understand this IAC, including the letter from PIVB enclosed in Part B of this IAC, as well as to consider carefully the information contained in the Offer Document before making a decision on the course of action to be taken. Furthermore, your Board's (save for the Interested Directors) views contained in this IAC are to the Holders at large and not meant to address any Holders individually and hence has not given regard to the specific investment objectives, financial objectives, financial situation and particular needs of any individual shareholder.**

Yours truly,  
for and on behalf of the Board of  
**ADVANCE SYNERGY CAPITAL BERHAD**

**Ir. Haji Mansor Bin Salleh @ Md Salleh**  
Independent Non-Executive Director

**PART B:**  
**INDEPENDENT ADVICE LETTER FROM PIVB**





# **PUBLIC INVESTMENT BANK**

## **大众投资银行**

**Registered Office:**  
27<sup>th</sup> Floor, Menara Public Bank  
146, Jalan Ampang  
50450 Kuala Lumpur  
Malaysia

24 October 2008

**To : The Holders**

Dear Sir/Madam,

**TAKE-OVER OFFER BY ASEAMBANKERS ON BEHALF OF ASB, TO ACQUIRE ALL THE REMAINING ASCAP SHARES WHICH ARE NOT ALREADY OWNED BY ASB AT A CASH OFFER PRICE OF RM0.60 PER ASCAP SHARE**

---

### **1. INTRODUCTION**

On 26 September 2008, Aseambankers, on behalf of ASB, served the Notice on your Board informing it that ASB intends to undertake a take-over offer to acquire the Offer Shares at a cash offer price of RM0.60 per ASCAP Share.

A copy of the Notice was sent to you earlier in a notification to shareholders of ASCAP dated 8 October 2008. A copy of the Notice is also set out in Appendix I of the Offer Document. In addition, you should have by now received the Offer Document issued by Aseambankers on behalf of ASB, which sets out the terms and conditions of the Offer as well as the procedures for acceptance of the Offer.

Pursuant to Section 15 of the Code, your Board had on 9 October 2008, appointed PIVB as the IA to provide independent advice to the Board and the Holders in relation to the Offer. The appointment of PIVB as the IA was approved by the SC on 15 October 2008. The SC had also on 23 October 2008, given its consent to the despatch of this IAC.

The purpose of this IAC is to provide the Holders with an independent evaluation on the fairness and reasonableness of the terms and conditions of the Offer together with our recommendation thereon, subject to the scope of our role and evaluation specified herein, in relation to the Offer. The Holders should nonetheless rely on their own evaluation of the merits of the Offer before making a decision on the course of action to be taken.

**As a Holder, you are advised to read both this IAC together with the Offer Document and consider carefully the recommendation contained herein before taking any action. This IAC does not constitute the Offer or any part thereof.**

**If you are in any doubt as to the course of action you should take in relation to the Offer, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

**THIS IAC IS SOLELY FOR THE USE OF THE HOLDERS FOR THE PURPOSE OR CONSIDERING THE OFFER AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY OR FOR ANY OTHER PURPOSE.**

**PUBLIC INVESTMENT BANK BERHAD (20027-W)**

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Head Office : 25th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur  
Peti Surat 10988, 50732 Kuala Lumpur. Telephone : 03 - 21669382 (15 lines) Facsimile : 03 - 21669362

(Wholly-owned subsidiary of Public Bank Berhad)

## **2. BACKGROUND OF THE OFFER**

On 26 September 2008, Aseambankers, on behalf of ASB, served the Notice on your Board informing it that ASB intends to undertake a take-over offer to acquire the Offer Shares at a cash offer price of RM0.60 per ASCAP Share.

ASB being the holding company of ASCAP, intends to privatise ASCAP, which is a strategic initiative as it will allow ASB to carry out rationalisation and streamlining of ASCAP's core business in a more timely and flexible manner and thus enable ASB's enlarged Group to derive potential synergistic benefits from any potential cost savings and operational efficiencies. The Offer also provides the Holders an opportunity to realise their investment in ASCAP immediately at the Offer Price which represents a 30.43% premium to the five (5)-day VWAMP up to 25 September 2008, being the last trading day prior to the announcement of the Offer.

As at 10 October 2008, being the latest practicable date prior to the despatch of the Offer Document, ASB owns 94,754,600 ASCAP Shares representing 66.75% (net of treasury shares) of the issued and paid-up share capital of ASCAP.

## **3. PRINCIPAL TERMS AND CONDITIONS OF THE OFFER**

As set out in Section 2 of the Offer Document, the terms and conditions of the Offer include the following:

### **3.1 Consideration**

The Offer is being made to the Holders for a cash payment of RM0.60 for each Offer Share validly accepted.

Notwithstanding the provision in Section 1 of Appendix II of the Offer Document, if ASCAP has declared, makes or pays any dividend and/or other distributions on or after the serving of the Notice but prior to the close of the Offer which ASB is not entitled to retain, the cash consideration for each Offer Share shall be reduced by the quantum of net dividend and/or other distributions declared.

### **3.2 Conditions**

The Offer is conditional upon approvals being obtained from the following:

- (i) the ECU of the SC, pursuant to the FIC Guidelines for the acquisition of the Offer Shares. The SC had vide its letter dated 15 October 2008, granted its approval for the Offer under the FIC Guidelines;
- (ii) Minister of Finance via Bank Negara Malaysia; and
- (iii) ASB shareholders at an EGM to be convened.

Pursuant to Section 19(1)(a) and 19(2) of the Code, the Offer is conditional upon the approvals being obtained within twenty one (21) days after the First Closing Date but no later than seven (7) days after the sixtieth (60<sup>th</sup>) day from the Posting Date, failing which the Offer shall lapse. The effect of the Offer lapsing means that the Offer will cease to be capable of further acceptances and that the Accepting Holders and ASB will thereafter cease to be bound by any prior acceptances for the Offer.

### 3.3 Duration of the Offer

Except when the Offer is withdrawn by ASB with the SC's written consent and every person is released from any obligation incurred, the Offer will remain open for acceptances until 5.00 p.m. on 1 December 2008, unless extended or revised by ASB in accordance with the Code, as may be announced by Aseambankers on behalf of ASB.

### 3.4 Method of settlement

Payment to the Accepting Holders in respect of all or part of the Offer Share will be despatched to the Accepting Holders:

- (i) where complete and valid acceptances are received during the period when the Offer is conditional upon the conditions as set out in Section 3.2 above, ASB shall post the consideration within twenty one (21) days from the date the Offer becomes or is deemed unconditional; and
- (ii) where complete and valid acceptances are received during the period when the Offer has become or been declared unconditional upon the conditions as set out in Section 3.2 above, ASB shall post the consideration within twenty one (21) days from the receipt of the valid acceptances.

Holders may accept the Offer in respect of all or part of their Offer Shares held. ASB will not pay any fractions of a sen. The entitlement of the Accepting Holders to the cash payment will be rounded down to the nearest whole sen.

For further information and details on the other terms and conditions of the Offer/method of settlement and the procedures for acceptance, please refer to Appendices II and III of the Offer Document respectively.

## 4. DETAILS OF ACCEPTANCES

As disclosed in the Offer Document, as at 10 October 2008, ASB has not received an irrevocable undertaking from any Holder to accept the Offer.

As at the LPD, there is no announcement made by Aseambankers and/or ASB of any acceptance of the Offer Shares.

As at the 22 October 2008, to the best knowledge of the Board, no person has accepted or has given an irrevocable undertaking to accept the Offer.

## 5. INTENTION TO ACCEPT OR OTHERWISE OF ASCAP'S DIRECTORS

As at the LPD, none of your Directors have any direct shareholdings in the Offer Shares.

The following Director has indicated his spouse's intention to **ACCEPT** the Offer in respect of her entire direct holdings in the Offer Shares before the Closing Date:

Director	No. of ASCAP Shares held (Indirect)	%*
Wong Joon Hian	37,500	0.03

*Note:*

\* The percentage shareholding is computed after excluding 14,916,535 ASCAP Shares held as treasury shares as at the LPD.



## 6. LIMITATIONS TO THE EVALUATION OF THE OFFER

PIVB was not involved in the formulation of the Offer and/or any deliberations and negotiations pertaining to the terms and conditions of the Offer. PIVB's scope as an IA is limited to expressing an independent evaluation of the Offer which is based on the information contained in the Offer Document, information furnished by ASCAP as well as other publicly available information.

We have relied on the Company, and its Directors and management to take due care to ensure that all information, documents and representations provided to us by the Company to facilitate our evaluation are accurate, valid and complete in all material respects. Accordingly, we have not independently verified such information for its reasonableness, reliability, accuracy and/or completeness. We express no opinion on any such information and have not undertaken any independent investigation into the business and affairs of ASCAP and all relevant parties involved in the Offer.

However, the Directors have individually and collectively accepted full responsibility for the accuracy of the information provided and contained herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, all relevant facts and information necessary for our evaluation has been disclosed to us and there is no omission of any material fact which would render any information provided to us incomplete, misleading and/or inaccurate.

Our evaluation and recommendation expressed herein shall hold only in so far as the information and data supplied to us as at the LPD remains accurate and consistent.

In rendering our advice, PIVB had taken note of pertinent issues which we believe are of importance to an assessment of the implications of the Offer and therefore of general concern to the Holders. As such:

- (i) The scope of PIVB's responsibility regarding the evaluation and recommendation contained herein is confined to the financial terms of the Offer only and where comments or points of consideration are included on matters which may be commercially oriented, these are incidental to our overall financial evaluation and concern matters which may be deemed material for disclosure; and
- (ii) PIVB's views and advice as contained in this IAC only cater for the Holders at large and do not cater to any individual Holder or specific group of Holders. Hence, we have not given consideration to the specific investment objectives, financial situations and particular needs of any individual Holder or specific group of Holders. We recommend that such individual Holder or any specific group of Holders who may require advice in relation to the Offer in the context of their individual objectives, financial situations and particular needs to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately.

In this IAC, there are some illustrations used that we believe would be of relevance and general importance to and for the better understanding of the Holders, based on appropriate assumptions. However, the Holders should note that some of these assumptions used have not been independently verified, may not materialise in the future and should only be used for illustrative purposes.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

## 7. EVALUATION OF THE OFFER

PIVB's scope in expressing a recommendation as the IA to the Holders is limited and confined to the following:

(a) Rationale for the Offer	Section 8
(b) ASB's plans for ASCAP	Section 9
(i) Listing status of ASCAP	Section 9.1
(ii) Compulsory acquisition	Section 9.2
(iii) Future of the business and operations of the ASCAP Group and its employees	Section 9.3
(c) Financial evaluation of the Offer	Section 10
(d) Other considerations	Section 11
(i) Historical financial performance of the ASCAP Group	Section 11.1
(ii) Dividend policy	Section 11.2
(e) Overview and prospects of the Malaysian economy, the transportation sector and the finance and insurance sector in Malaysia	Section 12
(f) Prospects of the ASCAP Group	Section 13

The views expressed by PIVB in this IAC are, amongst others, based on the current economic, market and other conditions prevailing as at the LPD. In this respect, the Holders should take further note of any announcements relevant to their consideration of the Offer which may be released by Aseambankers on behalf of ASB, and ASCAP after the LPD.

## 8. RATIONALE FOR THE OFFER

We set out below our comments on the rationale for the Offer as stated in Section 3 of the Offer Document:

### (a) Rationalisation and streamlining of ASCAP's core business as well as greater liberty in determining the strategic direction of the ASCAP Group

It is essential to note that the underlying rationale for the Offer is to allow ASB to rationalise and streamline ASCAP's core business in a more timely and flexible manner. As ASCAP has been incurring financial losses for the past four (4) financial years, as well as its unaudited results for the first half of FPE 30 June 2008, taking ASCAP private will allow ASB greater liberty in determining the future strategic direction of the ASCAP Group.

With ASCAP's current core business being involved in the transportation, finance and insurance sectors, this privatisation exercise is expected to allow ASB time and flexibility in determining and ascertaining the viability of merging the operations of the ASB Group with the ASCAP Group should it deem fit.

This could entail potential synergistic benefits which include, amongst others, cost savings, operational streamlining and collaborative strategies in the enlarged ASB Group in the long run. However, the expected benefits may not be reflected immediately as time is required for ASB to identify, implement and execute these plans. In addition, the outcome and extent of the synergistic benefits cannot be ascertained due to the absence of details and how the rationale will be implemented.

Due to the nature of ASCAP's core business being involved in the bus transportation services sector, significant capital expenditure as well as a medium term gestation period would be required to turn around the existing business of ASCAP and return it to profitability. It is pertinent to note that a substantial number of ASCAP's bus fleet is more than ten (10) years old. As such, there can be no assurance that ASCAP will be able to successfully renew the permits attached to the respective bus fleets when the renewal is due without replacing the existing aging fleets.

With reduced bus routes and an aging fleet amongst some of the challenges facing ASCAP, it is pertinent to note that shareholders of ASCAP may have to further weather uncertain financial performance and economic challenges in the short to medium term before they are able to realise a marked improvement in the financial performance of ASCAP.

**(b) Opportunity for Holders to realise their investment in ASCAP**

The Offer provides an avenue for the Holders to realise their investment in ASCAP at a 30.43% premium to the market value of the five (5)-day VWAMP of ASCAP Shares up to 25 September 2008, being the last trading day when the Notice was served on your Board.

The offer price of RM0.60 per ASCAP Share is also higher than the average traded price of ASCAP Shares over the past six (6) and twelve (12) months up to 25 September 2008 of RM0.44, denoting a premium of 36.36%.

In addition, due to the relatively thin volume of trading of ASCAP Shares on Bursa Securities as well as the consecutive financial losses being incurred by ASCAP over the past 4½ years, the Offer provides the Holders an opportunity to realise their investment in ASCAP at a reasonable premium to its market price.

**Based on the forgoing, PIVB is of the opinion that the rationale for the Offer is fair and reasonable to the Holders.**

**9. ASB'S PLANS FOR ASCAP**

**9.1 Listing status of ASCAP**

Holders should be aware that Paragraph 8.15(1) of the LR stipulates, *inter alia*, that a listed company must maintain a public shareholding spread where at least 25% of its issued and paid-up share capital is held by a minimum of 1,000 public shareholders holding not less than 100 ASCAP Shares each ("Requirement"). As at the LPD, the public shareholding spread of ASCAP Shares is 30.04% of the total issued and paid-up share capital of ASCAP.

**It is stated in the Offer Document that ASB does not intend to comply with the required shareholding spread for ASCAP in the event ASB receives acceptances which results in ASB holding more than 75% but less than 90% of the issued and paid-up share capital of ASCAP (excluding ASCAP Shares held as treasury shares). ASB intends to procure ASCAP to undertake the necessary procedures to withdraw ASCAP's listing status from the Official List of Bursa Securities pursuant to Paragraph 16.04 of the Bursa Securities LR within six (6) months from the completion of the Offer.**

Notwithstanding that, it should be noted that this is still subject to the shareholders of ASCAP's approval at an EGM to be convened to withdraw ASCAP's listing status, whereby the resolution for the withdrawal of ASCAP's listing status must be approved by a majority in number representing three fourths (3/4) in value of ASCAP's shareholders present and voting either in person or by proxy at the EGM, and provided that not more than 10% of the value of ASCAP shareholders present and voting either in person or by proxy object to the withdrawal.

The listing status of ASCAP will depend on, amongst others, the outcome of the level of acceptances, of which are illustrated below for the following scenarios:

(i) ***Level of acceptances of the Offer which will result in ASB holding 75% or less of the issued and paid-up share capital of ASCAP (excluding ASCAP Shares held as treasury shares) upon completion of the Offer***

Under this scenario, ASCAP may remain as a listed company with ASB being the single largest shareholder. As such holders of the Offer Shares should take note of the controlling shareholder's voting rights at the general meetings of the Company in which the controlling shareholder would be able to influence the outcome of the general meetings unless they are required by the relevant laws and guidelines to abstain from voting.

It should be noted that this is no different to the current scenario of ASCAP as ASB is already the single largest shareholder as at the LPD, having a direct equity interest of approximately 66.75% in ASCAP prior to the Offer.

However, it is pertinent to note that it is ASB's intention to privatise ASCAP.

(ii) ***Level of acceptances of the Offer which will result in ASB holding 75% or more but less than 90% of the issued and paid-up share capital of ASCAP (excluding ASCAP Shares held as treasury shares) upon completion of the Offer***

Under this scenario, it is pertinent to note that **ASB does not intend to maintain the listing status of ASCAP**. As such, ASB does not intend to formulate and implement any plan to address the Requirement. A result of this is that Bursa Securities may suspend trading in ASCAP Shares and/or de-list ASCAP from the Official List of Bursa Securities.

Furthermore, as stated in the Offer Document, ASB will within six (6)-months from the completion of the Offer, request ASCAP to apply to Bursa Securities to withdraw the listing status of ASCAP from the Official List of Bursa Securities in accordance with Paragraph 16.05 of the LR.

We wish to highlight that Holders who do not accept the Offer may end up holding ASCAP Shares, which are unlisted, rendering them an illiquid investment as Holders may not be able to trade their ASCAP Shares on Bursa Securities. As such, Holders may not be able to readily realise their investments in ASCAP Shares.

(iii) ***Level of acceptances of the Offer which will result in ASB holding not less than nine-tenths (9/10) of the issued and paid-up share capital of ASCAP (excluding ASCAP Shares held as treasury shares) upon completion of the Offer***

Pursuant to Paragraph 8.15(5) of the LR, ASCAP must make an immediate announcement under this scenario and all ASCAP Shares **will be suspended from trading and/or removed** from the Official List of Bursa Securities pursuant to the announcement.

As such, PIVB wishes to highlight that should Holders decide to reject the Offer, Holders **may** end up holding ASCAP Shares which are either suspended from trading or unlisted under this scenario.

## 9.2 Compulsory acquisition

Based on the Offer Document, **ASB intends to invoke the compulsory acquisition provisions under Section 34 of the SCA** to compulsorily acquire the remaining Offer Shares from the Non-Accepting Holder(s) should they receive acceptances of nine-tenths (9/10) or more in nominal value of the Offer Shares (other than the ASCAP Shares already held at the Posting Date by ASB or by a nominee or a related corporation to ASB or will be held by ASB upon completion of the Offer) within four (4) months of making the Offer, subject to complying with the compulsory acquisition provisions under Section 34 of the SCA.

Nevertheless, if ASB acquires not less than nine-tenths (9/10) in nominal value of all ASCAP Shares, the minority shareholders may exercise their rights in accordance with Section 34A of the SCA subject always to Section 34B of the SCA by serving a notice on ASB to require ASB to acquire their Offer Shares on the same terms as set out in the Offer Document or such other terms as may be agreed by ASB and the minority shareholders concerned.

Holders who exercise their rights under Section 34A of the SCA may apply to the court for an order that the terms on which ASB shall acquire the outstanding Offer Shares shall be as the court thinks fit.

In addition, the dissenting shareholders of ASCAP who are served with the notice by ASB pursuant to Section 34 of the SCA (if any) in relation to the compulsory acquisition may exercise their rights under Section 34B of the SCA, to apply to the court for an order that:

- (i) ASB shall not be entitled and shall not be bound to acquire the outstanding Offer Shares from them; or
- (ii) such compulsory acquisition will take place under the terms specified by the court, which may be different from the terms of the Offer.

As a Holder, you are advised to consult your legal advisers should you decide to pursue this course of action later. All legal expenses will have to be borne by you if you opt to pursue such course of action.

## 9.3 Future of the business and operations of the ASCAP Group and its employees

We note the following intentions of ASB as stated in Section 7 of the Offer Document:

- (i) Business and operations of the ASCAP Group

*"In the immediate term, ASB intends to continue with the existing core business of ASCAP Group. ASB may review the business and operations of ASCAP Group during this period and make necessary arrangements, rationalisation and reorganisation of ASCAP Group if the need arises.*

*There is no immediate plan by ASB to introduce any major changes, dispose of any major assets or undertake any major redeployment of fixed assets of ASCAP Group except where necessary to rationalise the business activities and/or directions of ASCAP Group for the benefit of the enlarged ASB Group. ASB does not have any immediate plans or intentions to liquidate ASCAP."*

Based on the above stated intentions of ASB, PIVB does not foresee any major changes to the existing business operations and management of ASCAP within the immediate twelve (12) months after the completion of the Offer. However, during this immediate term, ASB may review the business and operations of the ASCAP Group and make necessary arrangements, rationalisation and reorganisation, if required.

Furthermore, it should be noted that ASB has no intention to liquidate ASCAP, sell or dispose of any major assets or undertake any major re-deployment of fixed assets of the ASCAP Group within the immediate twelve (12) months after the completion of the Offer, except where necessary to enhance value to the enlarged ASB Group.



However, there can be no assurance that there will not be any changes in the future should ASB believe that the streamlining of certain business and operations would be in the best interest of the ASB Group.

(ii) Employees of ASCAP

*"There is no intention to dismiss or make redundant the employees of the ASCAP Group as a direct consequence of the Offer. Nevertheless, as part of ASB's efforts in rationalising the business activities and/or directions of ASCAP within the enlarged ASB Group, there may be constructive measures to improve the efficiency of operations of the ASCAP Group, which may lead to revisions in human resource policies, the level of staff employment and/or re-deployment of employees, if so required."*

Based on the above stated intentions of ASB, PIVB also does not foresee any major changes to the current levels of employment of the ASCAP Group within the immediate twelve (12) months after the completion of the Offer, save for constructive measures taken to improve the efficiency of operations which may lead to the revisions in human resources policies, the level of staff employment and/or re-deployment of employees, if so required. However, there can be no assurance that there will not be any changes to the compensation and benefits of the ASCAP Group's employees in the future.

## 10. FINANCIAL EVALUATION OF THE OFFER

In evaluating the reasonableness and fairness of the terms of the Offer, and arriving at our recommendation, we have considered the following financial considerations and the implications involved:

(a) Evaluation of the Offer Price:	Section 10.1
(i) Current market prices of ASCAP Shares	Section 10.1.1
(ii) Historical market prices of ASCAP Shares	Section 10.1.2
(iii) Premium of past market transactions	Section 10.1.3
(b) Selected comparable companies analysis	Section 10.2
(i) PBR analysis	Section 10.2.1

Holders should take note that the financial evaluation in this IAC is shown for illustrative purposes only, and the outcome of the financial evaluation would be dependent on the prevailing market prices of ASCAP Shares. As such, the illustrated values may not represent the actual value of ASCAP Shares at the point when Holders accept the Offer. Hence, Holders should consider the effects of prevailing market prices of ASCAP Shares as well as the future prospects of ASCAP prior to making any decision on the Offer.

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

## 10.1 Evaluation of the Offer Price

### 10.1.1 Current market prices of ASCAP Shares

The premium of the Offer Price as compared to the closing market price and the respective VWAMP are set out below:

	VWAMP/ Closing market price	Offer Price	Premium over the VWAMP/Closing market price	
	RM	RM	RM	%
The closing price as at the LPD	0.59	0.60	0.01	1.69
The VWAMP for the five (5)-day period up to and including LPD	0.58	0.60	0.02	3.45
The VWAMP for the five (5)-day period to 25 September 2008 (being the last trading day prior to the announcement of the Offer)	0.46	0.60	0.14	30.43
The VWAMP for the one (1)-month period to 25 September 2008 (being the last trading day prior to the announcement of the Offer)	0.45	0.60	0.15	33.33
The VWAMP for the three (3)-month period to 25 September 2008 (being the last trading day prior to the announcement of the Offer)	0.46	0.60	0.14	30.43
The VWAMP for the six (6)-month period to 25 September 2008 (being the last trading day prior to the announcement of the Offer)	0.44	0.60	0.16	36.36
The VWAMP for the twelve (12)-month period to 25 September 2008 (being the last trading day prior to the announcement of the Offer)	0.44	0.60	0.16	36.36

(Source: Bloomberg)

For illustrative purposes only, we note that from the table above:

The Offer Price was at a premium:

- (i) ranging from RM0.14 to RM0.16 per ASCAP Share or 30.43% to 36.36% over the five (5)-day, (1)-month, three (3)-month, six (6)-month and twelve (12)-month VWAMP market price of ASCAP Shares respectively;
- (ii) of RM0.02 per ASCAP Share or 3.45% over the five (5)-day VWAMP market price of ASCAP Shares up to and including the LPD; and

- (iii) of RM0.01 per ASCAP Share or 1.69% over the closing market price of the shares as at the LPD.

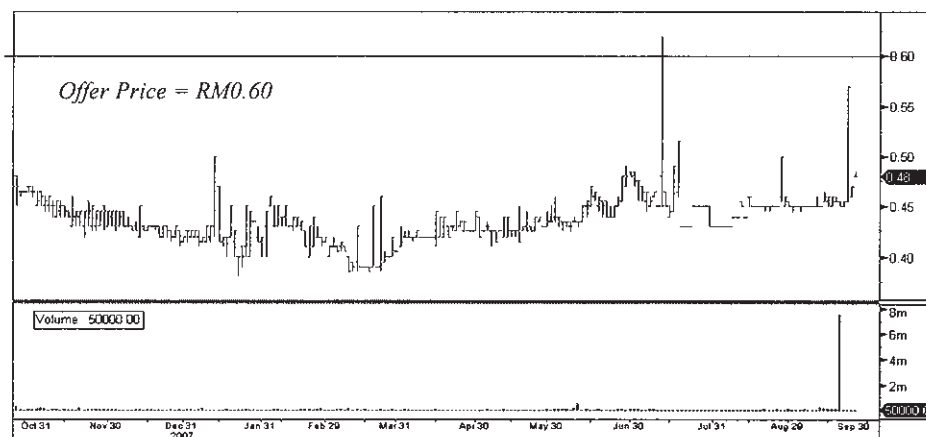
From the above analysis, we note that the Offer Price represents a premium ranging from 30.43% to 36.36% to the five (5)-day VWAMP as well as the twelve (12)-month VWAMP up to 25 September 2008 respectively. However, the upward movement of the market prices of ASCAP Shares subsequent to the announcement of the Notice has resulted in the Offer Price being at a slight premium of 1.69% to the last transacted price as at the LPD.

Premised on the above, Holders should note that at the time the Offer was made, the Offer Price represents a **reasonable premium** to the then current market prices of ASCAP Shares and was effectively higher than the twelve (12)-month VWAMP of ASCAP Shares up to 25 September 2008 by 36.36%.

**In essence, as long as the current share price of ASCAP Shares do not exceed RM0.60 per ASCAP Share, the Offer Price remains fair and reasonable.**

#### 10.1.2 Historical market prices of ASCAP Shares

We set out below the market price movement of the ASCAP Shares for the past twelve (12) months period from 26 October 2007 to 25 September 2008 (being the last trading day prior to the announcement of the Offer).



(Source: Bloomberg)

From the table above, we note that the historical market prices of ASCAP Shares have been trading relatively consistently for the past twelve (12) months with low volume and within the range of approximately RM0.46 per ASCAP Share save for one incident in July 2008 as well as the period leading up to the announcement of the Notice.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK



The table below sets out the monthly highest and lowest market prices and transacted volume of ASCAP Shares for the past twelve (12) months period commencing October 2007 up to September 2008.

	<b>Volume (Units)</b>	<b>High (RM)</b>	<b>Low (RM)</b>
<b><u>2007</u></b>			
October	2,244,400	0.50	0.43
November	1,754,100	0.47	0.42
December	618,400	0.45	0.41
<b><u>2008</u></b>			
January	900,700	0.50	0.38
February	989,800	0.46	0.40
March	1,033,500	0.46	0.39
April	532,300	0.45	0.41
May	681,000	0.45	0.41
June	2,033,400	0.49	0.43
July	697,800	0.62	0.43
August	583,000	0.50	0.43
September	12,818,300	0.60	0.45
<b>Simple average</b>	<b>2,073,892</b>	<b>0.50</b>	<b>0.42</b>

*(Source: Bloomberg)*

From the table above, it is noted that the ASCAP Shares have been consistently trading **below** the Offer Price of RM0.60 for the past twelve (12) months, with the exception of July 2008.

ASCAP Shares have been thinly traded with a simple average monthly volume of 2,073,892 ASCAP Shares in the twelve (12) months period up to 30 September 2008. This represents approximately 1.32% of ASCAP's issued and paid-up capital as at the LPD of 156,860,835 ASCAP Shares.

In light of the lack of liquidity and marketability of ASCAP Shares, any disposal of ASCAP Shares in large quantity in the open market may cause material and undesirable disruption to the price movement of ASCAP Shares, and thus adversely affecting its disposal price.

In September 2008, the market prices of ASCAP Shares registered a high of RM0.60 due mainly to the announcement of the Notice.

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

### 10.1.3 Premium of past market transactions

We have considered certain privatisation or take-over transactions of companies in Malaysia, which were announced or completed for the past twelve (12) months, and have reviewed the premiums represented by the acquisition/take-over offer price over the last transacted five (5)-day VWAMP prior to the respective announcement of each transaction.

Our analysis is set out below:

<b>Date of announcement</b>	<b>Target company</b>	<b>Offer price (RM)</b>	<b>Five (5)-day VWAMP prior to the date of the announcement (RM)</b>	<b>Premium/ (Discount) of offer price to five (5)-day VWAMP (%)</b>
09.10.2007	Tradewinds Corporation Berhad	1.36	1.41	(3.55)
27.11.2007	E&O Property Development Berhad	2.27	2.38	(4.62)
04.01.2008	Pacificmas Berhad	4.30	3.49	23.21
25.01.2008	Scientex Packaging Berhad	1.30	1.16	12.07
31.01.2008	UBG Berhad	2.50	2.26	10.62
31.01.2008	Putrajaya Perdana Berhad	4.85	4.04	20.05
31.01.2008	Loh & Loh Corporation Berhad	4.85	4.18	16.03
31.01.2008	Naluri Corporation Berhad	0.75	0.70	7.14
25.02.2008	Sitt Tatt Berhad	0.60	0.30	100.00
25.02.2008	Chase Perdana Berhad	0.60	0.25	140.00
18.03.2008	PK Resources Berhad	0.60	0.78	(23.08)
08.04.2008	Sunway Infrastructure Berhad	0.17	0.24	(29.17)

Date of announcement	Target company	Offer price (RM)	Five (5)-day VWAMP prior to the date of the announcement (RM)	Premium/ (Discount) of offer price to five (5)-day VWAMP (%)
15.04.2008	Sindora Berhad	1.72	1.68	2.38
15.05.2008	Boustead Properties Berhad	5.50	4.20	30.95
06.06.2008	Ranhill Utilities Berhad	3.50	3.15	11.11
27.06.2008	Saujana Consolidated Berhad	1.00	0.96	4.17
17.07.2008	Harrisons Holdings (Malaysia) Berhad	1.45	1.16	25.00
01.08.2008	Ye Chiu Metal Smelting Berhad	2.00	1.48	35.14
04.08.2008	Aliran Ihsan Resources Berhad	0.90	1.00	(0.10)
Highest premium offered				140.00
Highest discount offered				(29.17)
Simple Average				19.86
<b>Premium to the Offer Price for ASCAP</b>				<b>30.43</b>

(Source: Bursa Securities)

Based on the analysis above, we note that the Offer premium of 30.43% (RM0.14) offered by ASB is **within the range** of discount of 29.17% and premium of 140.00% of the privatisation or take-over transactions undertaken in the past twelve (12) months in Malaysia.

In addition, the Offer Price represents a **higher** premium of 30.43% over the simple average of 19.86% premium for the privatisation or take-over transactions undertaken in the past twelve (12) months in Malaysia.

Premised on the above, the Offer premium of 30.43% or (RM0.14) to the five (5)-day VWAMP of ASCAP Shares up to 25 September 2008 appears to be **fair and reasonable** as it is higher than the simple average as well as within the range of the privatisation or take-over transactions for the past twelve (12) months in Malaysia.

## 10.2 Selected comparable companies analysis

### 10.2.1 PBR analysis

For the purpose of assessing the Offer, we have also reviewed the PBR of selected comparable companies listed and traded on the Main Board of Bursa Securities to give an indication of the current market expectations with regard to the valuation of companies. Holders should note that the PE Multiple of the selected comparable companies was not assessed in the analysis due to the ASCAP Group has been experiencing LAT for the past four (4) financial years. The selected comparable companies were selected based on the criteria that the companies are listed on the Main Board of Bursa Securities and are classified under the trading and services sector and their principal activities being broadly similar to the core business of the ASCAP Group.

Nonetheless, Holders are advised that the selected comparable companies tabulated below have been selected for PBR comparison purposes only and may not be directly comparable to ASCAP due to various factors which include, amongst others, marketability and liquidity of the shares, scale and composition of business activities, reputation, target markets or product offerings, profit track record, financial strength, accounting policies, risk profile, and future prospects. As such, the comparisons made herein are necessarily limited and serve only as an illustrative guide to Holders. The list of selected comparable companies set out in the following table is by no means exhaustive.

The table below provides an illustrative comparison of the PBR of ASCAP relative to the selected comparable companies:

Companies	FYE	Price (RM)	NTA per share (RM)	PBR (times)
ASCAP - Based on Offer Price	31.12.2007	0.60 <sup>(a)</sup>	2.07 <sup>(c)</sup>	0.29
ASCAP - Based on the five (5)-day VWAMP up to 25 September 2008	31.12.2007	0.46 <sup>(b)</sup>	2.07 <sup>(c)</sup>	0.22
<b>Selected comparable companies</b>				
KBES Berhad	31.12.2007	0.14 <sup>(d)</sup>	0.60 <sup>(e)</sup>	0.23
Freight Management Holdings Bhd	30.06.2007	0.68 <sup>(d)</sup>	0.75 <sup>(e)</sup>	0.91
Integrated Logistics Berhad	31.12.2007	0.67 <sup>(d)</sup>	1.30 <sup>(e)</sup>	0.52
Konsortium Transnational Bhd	31.12.2007	0.22 <sup>(d)</sup>	0.25 <sup>(f)</sup>	0.88
<b>Simple average of the PBR of the selected comparable companies</b>				<b>0.64</b>

Notes:

- (a) Based on the Offer Price.
- (b) Being the five (5)-day VWAMP of ASCAP Shares up to 25 September 2008, being the last trading day prior to the date of the announcement of the Offer. (Source: Bloomberg)
- (c) Computed based on the NTA of ASCAP divided by the number of ordinary shares that were issued and paid-up as at 31 December 2007. These financials were extracted from the audited financial statements for the FYE 31 December 2007.
- (d) Being the five (5)-day VWAMP of shares of the respective companies up to the LPD. (Source: Bloomberg)
- (e) Computed based on the NTA of the respective companies divided by the number of ordinary shares that were issued and paid-up (excluding treasury shares) as at the respective financial year ends. These financials were extracted from the latest annual reports of the respective companies.

- (f) *Computed based on the NTA of the company (after taking into consideration the equity portion of the irredeemable convertible secured loan stock) divided by the number of ordinary shares that were issued and paid-up as at 31 December 2007 which was extracted from the latest annual report of the company.*

Based on the table above, the PBR of ASCAP based on the Offer Price of 0.29 times is **within range** of the PBRs of the selected comparable companies of 0.23 times to 0.91 times and is **lower** than the simple average of the PBR of the selected comparable companies of 0.64 times.

The PBR of ASCAP based on the five (5)-day VWAMP up to 25 September 2008 of 0.22 times is slightly below the range of the PBRs of the selected comparable companies and also lower than the simple average of the PBR of the selected comparable companies.

Premised on the above, PIVB noted that although the PBR of ASCAP based on the Offer Price is lower than the simple average, it is **within range** of its selected comparable companies.

As such, based on the PBR analysis, the Offer Price may appear relatively unattractive. However, it is pertinent to note that whilst this may be the case, the historical PBRs of ASCAP has generally been relatively low due to its low trading market price of its shares as evidenced by its PBR based on the five (5)-day VWAMP up to 25 September 2008 of only 0.22 times.

It is pertinent to note that the analysis shown above are merely for **illustrative purposes only** and it is based predominantly on historical figures and may not be reflective of the ASCAP entity in the future, upon completion of the Offer.

## 11. OTHER CONSIDERATIONS

In addition to the quantitative and qualitative considerations discussed in previous sections, Holders should also consider the factors below before deciding on their next course of action.

### 11.1 Historical financial performance of the ASCAP Group

The following table is a summary of ASCAP's financial information based on its consolidated audited financial statements for the FYE 31 December 2003 to 31 December 2007 as well as the latest quarterly results for the FPE 30 June 2008:

	<-----FYE 31 December----->					FPE 30 June
	2003 <sup>(a)</sup>	2004 <sup>(a)</sup>	2005 <sup>(a)</sup>	2006 <sup>(a)</sup>	2007 <sup>(a)</sup>	2008 <sup>(b)</sup>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	14,711	22,093	28,188	27,257	20,516	6,410
Loss from operations	(1,534)	(21,290)	(25,443)	(55,267)	(8,338)	(8,092)
Share of results of associates	5,744	11,605	24,972	5,928	5,627	1,064
PBT/LBT	4,210	(9,685)	(471)	(49,339)	(2,711)	(7,028)
Taxation	(1,575)	(1,838)	(663)	537	2,091	-
PAT/(LAT)	2,635	(11,523)	(1,134)	(48,802)	(620)	(7,028)
Net EPS/(LPS) (sen)	1.68	(7.05)	(0.74)	(32.33)	(0.41)	(4.66)
NTA per share	2.50	2.42	2.39	2.07	2.07	2.02

Notes:

- (a) *Extracted from the Annual Report of ASCAP for the respective years.*
- (b) *Unaudited quarterly results for the FPE 30 June 2008.*

The financial performance in respect of each of the FYE and FPE under review are summarised below.

In FYE 31 December 2003, the Group registered a PAT of RM2.6 million compared to the preceding year's PAT of RM9.9 million. Revenue was RM14.7 million compared to the previous year's revenue of RM21.4 million. The lower revenue and profit were due mainly to the lower interest income earned from the placement of the Group's funds. However, these were partly offset by higher contribution from associated companies.

The Group intensified its efforts to develop its core business in the bus transportation industry in FYE 31 December 2004. Accordingly, the Group was able to achieve a level of operations which enabled ASCAP to be uplifted from Practice Note 10 classification under the LR. However, during the same financial year, the earnings of the Group were affected by the requirement to make certain accounting adjustments, higher operating expenses coupled with lower interest income. As a result, the Group incurred a LAT of RM11.5 million for the year.

Throughout the FYE 31 December 2005, the Group continued to intensify its efforts to develop its core business in the public transportation and ancillary services under the Triton brand. Revenue from the bus transportation services increased from RM13.4 million in 2004 to RM21.5 million in 2005, representing an annual growth rate of 60% partially assisted by an overall increase in bus fares. However, operating costs continued to increase due mainly to escalating diesel cost. Losses from buses operations were largely mitigated by significant contributions from associated companies which cushioned the Group's LAT to RM1.1 million as compared to LAT of RM11.5 million in the prior year.

For FYE 31 December 2006, the Group registered a slight decrease in revenue of RM27.3 million compared with RM28.2 million in 2005. However, the Group recorded a huge LAT of RM48.8 million as a result of the impact of impairment losses on property, plant and equipment, associated company and investment in quoted securities which amounted to approximately RM33 million. In addition, the results reported by the associated companies declined from RM25 million in 2005 to RM5.9 million in 2006 mainly attributable to a one time impact of a revision in an associated company's (ACE Synergy Insurance Berhad) accounting policies for loss provisioning, which resulted in higher profit reported in 2005.

The Group's revenue in FYE 31 December 2007 decreased by 25% to RM20.5 million compared to RM27.3 million in 2006. This was due mainly to route rationalisation of bus transportation business. However, there was a substantial reduction in the level of losses in 2007 as compared to preceding year due mainly to the decrease in bus operating costs and impairment loss for buses. The improvement in results was also contributed by the write back of impairment loss on investment and tax expenses provided in prior years.

For the FPE 30 June 2008, the Group recorded a LAT of RM7.0 million compared to the preceding year's corresponding period's LAT of RM1.8 million. These were mainly attributable to the impairment losses on buses, investment in associates, marketable securities coupled with obsolete property, plant and equipment being written off.

In summary, based on the table above, save for FYE 31 December 2003, the Group has been recording consecutive LAT for the last four (4) financial years and the FPE 30 June 2008. We also noted that the Group had recorded losses from operations for the past five (5) consecutive financial years as well as the FPE 30 June 2008. FYE 31 December 2003 managed to record a profit solely due to the share of results of its associates. As such, the Group's **operations have not yielded profits** during the financial periods under review. Furthermore, Holders should note that the **NTA per share has been on a decreasing trend** since 2003 from RM2.50 per Share to RM2.02 per Share as at 30 June 2008.

As at 30 June 2008, the Group had already recorded a LAT of RM7.0 million. Unless a major turnaround plan is successfully implemented, the Group may remain in the red for the FYE 31 December 2008 as the current operations of the ASCAP Group is not sufficient to generate profits as well as positive cash flows for the Group.

## 11.2 Dividend policy

The gross dividends per Share declared by ASCAP for the past five (5) FYEs 31 December 2003 to 31 December 2007 are as follows:

	Earning/(Loss) per share (RM)	Gross dividend per share (RM)	%
FYE 31 December 2003	1.68	0.01	1.00
FYE 31 December 2004	(7.05)	0.01	1.00
FYE 31 December 2005	(0.74)	0.01	1.00
FYE 31 December 2006	(32.33)	-	-
FYE 31 December 2007	(0.41)	-	-
Total		0.03	3.00
Simple average		0.006	0.60

(Source: Annual Reports of ASCAP for the respective years)

Holders should note that out of last five (5) financial years, ASCAP had only declared dividends albeit at a modest quantum in FYE 31 December 2003 to FYE 31 December 2005, and has not been able to declare any dividends for the past two (2) financial years. Nonetheless, a company's ability to pay dividends to its shareholders is directly affected by, *inter alia*, its financial condition and the ability of the companies in the group to pay the holding company (i.e. ASCAP) dividends.

As such, there can be no assurance that ASCAP would be able to pay dividends in the future irrespective of the outcome of the Offer.

## 12. OVERVIEW AND PROSPECTS OF THE MALAYSIAN ECONOMY, THE TRANSPORTATION SECTOR AND THE FINANCE AND INSURANCE SECTOR IN MALAYSIA

### 12.1 Overview and prospects of the Malaysian economy for the next twelve (12) months

*Malaysia's strong economic performance over the last few decades underscores the effectiveness of the Government's economic policy. The creditable performance of the economy in the first two quarters of 2008 in an environment of heightened uncertainty further exemplifies the pragmatism and proactiveness of the Government. The Malaysian economy posted stronger-than-expected real Gross Domestic Product ("GDP") growth of 6.7% in the first half of 2008. Growth was supported by robust private and public consumption as well as strong external demand. However, given the increased external uncertainties, growth is expected to moderate in the second half of the year.*

*With the moderation of economic activities in the second half of the year, national income as measured by Gross National Product ("GNP") in nominal terms is expected to grow 11.6% to RM700.8 billion (2007: 12.9%; RM628.1 billion) with per capita income rising 9.3% to RM25,274 (2007: 10.7%; RM23,114). In terms of purchasing power parity, nominal income per capita is envisaged to record a double-digit growth rate of 14.7% to USD16,617 in 2008 (2007: 19.1%; USD14,483).*

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

*The increased Ninth Malaysian Plan ("9MP") spending and speedier implementation of various growth corridor development projects are expected to augment the domestic demand. In addition, steady economic outlook in the Asian and other emerging economies arising from their resilient domestic demand are expected to support the external sector and cushion the weaker demand from developed economies. Overall, GDP growth is expected to be broad-based, with a growth rate of 5.4% in 2009 (2008: 5.7%). Following this, the nominal GNP per capita is expected to rise 8.1% to RM27,334 (2008: 9.3%; RM25,274). In terms of Purchasing Power Parity ("PPP"), income per capita is expected to increase 5.6% to reach USD17,549 (2008: 4.7%; USD16,617).*

*The Malaysian economy is projected to grow 5.4% in 2009, driven by sustained domestic demand. The moderation in global and domestic growth in the second-half of 2008 and into the first-half of 2009 is expected to reduce the pressure on prices, allowing headline inflation to moderate in the second half of 2009. Monetary policy will continue to support growth with price stability. However, the monetary policy stance will depend on the assessment of the risks to sustainable growth and price stability. The outlook for the capital market is envisaged to remain favourable in 2009, supported by the ongoing implementation of the 9MP projects, including the five regional growth corridors.*

*(Source: Economic Report 2008/2009)*

Premised on the foregoing, we are of the view that with the numerous policy measures and pragmatic strategies put in place by the Government, coupled with the implementation of various economic corridors and projects under the 9MP, the outlook and the prospects of the Malaysian economy are expected to be **satisfactory** for the next twelve (12) months.

## **12.2 Overview and prospects of the transportation sector for the next twelve (12) months**

*During the first half of 2008, growth in the transport and storage sub-sector was supported by increased travel and trade-related activities. Higher activity in the water transport services, particularly to cater for the oil and gas industry as well as improved port, airport and highway operations, contributed significantly to the expansion of the sub-sector. Despite high fuel prices, growth in the transport and storage sub-sector is expected to remain healthy at 8.4% for the whole of 2008 (2007: 10.0%).*

*To meet the increase in demand for public transportation, the Government will continue to improve the quality and efficiency of the transport industry through fiscal incentives. In addition, significant resources will be allocated to ensure that public transport is further improved in terms of coverage, connectivity and timeliness.*

*Meanwhile, the proposed Public Land Transport Commission announced in 2008 and to be operational in the first half of 2009, will ensure that the transport industry has a clear and focused policy guideline and a stable operational environment. This will enable key players to undertake long-term strategic decisions on investments in the transport industry, thereby enabling the public to benefit from an integrated and seamless public transportation system. These initiatives are consistent with the long-term goal of increasing the public transportation usage from the current level of about 20% to 30% as targeted in the Ninth Malaysian Plan. At the same time, a Transport Master Plan will be developed to provide, inter alia, an institutional framework and a comprehensive guide for policy makers and other stakeholders for the long-term development of the sector.*

*Growth in the land transportation segment is expected to continue at a steady pace in 2008, supported by higher ridership and the provision of improved facilities, services as well as land and rail infrastructure. In the first six months of 2008, the number of vehicles plying tolled highways increased 8.9% to 611.6 million (January – July 2007: 3.1%; 561.7 million). This is attributable to the ongoing upgrading of highways and completion of highways projects, such as the Butterworth Outer Ring Road and Stormwater Management and Road Tunnel, or SMART, as well as the Kuala Lumpur – Putrajaya Highway. Meanwhile, average daily ridership on RapidKL bus services increased 11.9% to 385,413 passengers during the period (January – June 2007: 344,532), largely due to improved frequency and service quality as well as increased connectivity.*



*Additionally, RapidPenang, which started operations in August 2007, registered a total of 14.2 million passengers as at end-June 2008. The increase in ridership was also partly attributed to the shift from private vehicle usage to public transport following the fuel price hike, effective 5 June 2008.*

*(Source: Economic Report 2008/2009)*

Premised on the above, we are of the view that the outlook and prospects of the transportation sector in Malaysia are expected to be **satisfactory** supported by higher ridership and shift from private vehicle usage to public transport following the fuel hikes.

### **12.3 Overview and prospects of the finance and insurance sector for the next twelve (12) months**

*Growth momentum of the services sector is anticipated to remain strong in 2008, expanding 7.1% and accounting for 54.3% of GDP (2007:9.7%; 53.6%). The sector is expected to contribute 3.8 percentage points to the overall rate of GDP growth, driven by sustained domestic consumption and trade-related activities.*

*The intermediate services group is expected to remain healthy, registering growth of 7.4% (2007:11.7%), spurred by finance and insurance as well as transport and storage sub-sectors. In addition, the final services group is expected to grow 7.6% in 2008 (2007:9.2%), supported largely by the wholesale and retail trade as well as accommodation and restaurant sub-sectors.*

*The finance and insurance sub-sector is estimated to expand 8.4% in 2008 (2007:11.1%), supported by increasing bank lending and fee-based activities. The stable interest rate environment is expected to sustain demand for financing from households and businesses. Additionally, expansion in Islamic finance and capital market operations will further enhance growth of the sub-sector. As at end-June 2008, total loans outstanding of the banking system grew 11.7% to RM685.9 billion (end-June 2007: 6.0%; RM614 billion), with loans to small and medium enterprises (SMEs) and households comprising 17.8% and 54.5%, respectively (end-June 2007: 17.7%; 55.7%). Furthermore, growth in the sub-sector was contributed by higher insurance activity due to improvements in the general insurance segment following higher demand for motor vehicles.*

*The services sector is anticipated to post a firm growth rate of 6.9% in 2009 (2008: 7.1%), supported by broad-based expansion in all sub-sectors. Growth in the finance and insurance sub-sector is projected to strengthen further contributed by increased fee-based activities and innovative financial products.*

*(Source: Economic Report 2008/2009)*

Premised on the above, we are of the view that the outlook and prospects of the finance and insurance sector in Malaysia are expected to be **satisfactory** driven by sustained domestic consumption and trade-related activities and underpinned by increased fee-based activities and innovative financial products.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

### 13. PROSPECTS OF THE ASCAP GROUP

#### 13.1 Past performance of the ASCAP Group

Set out below are the prospects of the ASCAP Group as extracted from ASCAP's various reports:

##### 2006 Annual Report

*"However, the core businesses of the Group continued to be affected by the increases of prices in fuel and raw materials. Since ticket prices are prescribed by the authorities, the ability to pass on the increase in operating costs were curtailed. It is hoped that some measure of relief will be forthcoming in the near future to enable companies in the transportation sector to continue to provide an acceptable level of service to its customers.*

*During the financial year under review, the Group registered revenue of RM27.3 million compared with RM28.2 million in 2005.*

*The operational challenges faced by the Group in 2006 in its bus transportation business caused the losses of this business to increase from RM20.9 million in 2005 to RM42.6 million in 2006."*

*(Source: Chairman's Statement, ASCAP's 2006 Annual Report)*

##### 2007 Annual Report

*"During the financial year under review, the ASCAP Group registered a total revenue of RM20.52 million compared to RM27.26 million in 2006, a decrease of 25%. This is mainly due to less non-productive routes being operated as a result of route rationalisation.*

*During 2007, the ASCAP Group carried out a rationalisation exercise of its bus operations and implemented measures to reduce loss making routes. As a result, its express bus division withdrew from all its routes except for the KLIA-Ipoh route; and the commuter bus division focused its operations in the city of Johore Bahru.*

*ACE Synergy Insurance Berhad continued its trend of positive growth in 2007 with major contributions from its three main product segments of Property & Casualty; Accident & Health and Personal Lines. Net premiums grew 8.2% from RM97.4 million in 2006 to RM105.4 million in 2007."*

*(Source: Chairman's Statement, ASCAP's 2007 Annual Report)*

Save for the FYE 31 December 2003, the Group's financial performance for the past four (4) financial years has not been encouraging. Based on the audited financial results as at FYE 31 December 2007, the revenue had decreased by 25.0% from RM27.3 million to RM20.5 million resulting in a decrease of 148.8% for its gross profits. The Group has been making losses for the past four (4) consecutive financial years as well as the first six (6) months of 2008. Should the negative performance of the Group continue, it may adversely affect its future performance and this will eventually erode its financial standing, and ultimately the value it provides to its shareholders.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

As a measure to examine the efficiency performance of ASCAP compared to its selected comparable companies, set out below is an illustration of the efficiency in terms of asset utilisation of the core operations of ASCAP as compared with its selected comparable companies measured by revenue over total assets employed ("Asset Turnover") based on each respective latest annual reports.

Company	FYE	Asset Turnover (%) <sup>(a)</sup>
ASCAP	31.12.2007	11.77
<i><u>Selected comparable companies</u></i>		
Konsortium Transnational Bhd	31.12.2007	58.95 <sup>(b)</sup>
KBES Berhad	31.12.2007	53.55
Freight Management Holdings Bhd	30.06.2007	160.13 <sup>(c)</sup>
Integrated Logistics Berhad	31.12.2007	30.05

Notes:

- (a) Asset Turnover is derived at using the segmental total consolidated revenue (before inter-company elimination) over the total consolidated assets of the company (before inter-company elimination).
- (b) The Asset Turnover is derived at using the total consolidated revenue over the total consolidated assets of Konsortium Transnational Bhd as there was no reporting segment information provided in its latest annual report as the company operates principally in the public bus transport business predominantly in Malaysia.
- (c) The Asset Turnover is derived at using the total consolidated revenue over the total consolidated assets of Freight Management Holdings Bhd as there was no reporting segment information provided in its latest annual report as the company operates principally in the freight and forwarding industry.

As illustrated above, we noted that the Asset Turnover of the core operations of the selected comparable companies outperformed the Asset Turnover of the Group indicating that the core operations of its selected comparable companies are relatively more efficient in terms of asset utilisation *vis-à-vis* the core operations of the Group. Further, we take cognisance that, in light of the different types and nature of industries, Asset Turnover would only serve as an indication of the efficiency of the core operations of the Group and its selected comparable companies.

It should also be noted from the illustration above, that there is no certainty that the historical trend of Asset Turnover will continue in the future. You should further note that the aforesaid financial ratios are prepared based on historical financial information of the Group and may not be reflective of the future structure and composition of the Group.

Based on the above statements, we are of the opinion that the Group's asset utilisation *vis-à-vis* the core operations of the Group are low as compared to those of its competitors in the industry.

Premised on the above, with reduced bus routes and an aging fleet amongst some of the challenges facing ASCAP, coupled with significant capital expenditure as well as a medium term gestation period required to turn around the existing business of ASCAP and return it to profitability, the prospects of the ASCAP Group will remain **challenging** for the next twelve (12) months due to its past performances, coupled with uncertainty surrounding its core business moving forward.

#### 14. FURTHER INFORMATION

We advise the Holders to refer to the Offer Document and the Appendices contained in this IAC for further information.

## 15. CONCLUSION AND RECOMMENDATION

Holders should carefully consider all the merits and demerits of the Offer based on all relevant and pertinent factors including those which are set out above, and other considerations as set out in this IAC, the Offer Document and other publicly available information.

In arriving at our conclusion and recommendation, we have considered the following factors, which Holders should consider in evaluating the Offer:

<p><b>Rationale of the Offer</b></p>	<p><b>(i) Rationalisation and streamlining of ASCAP's core business as well as greater liberty in determining the strategic direction of the ASCAP Group</b></p> <ul style="list-style-type: none"> <li>▪ allows ASB to rationalise and streamline ASCAP's core business in a more timely and flexible manner as ASCAP has been incurring financial losses for the past four (4) financial years, as well as its unaudited results for the first half of FPE 30 June 2008.</li> <li>▪ allows ASB greater liberty in determining the future strategic direction of the ASCAP Group including the viability of merging the operations of the ASB Group with the ASCAP Group.</li> <li>▪ due to the nature of ASCAP's core business being involved in the bus transportation services sector, significant capital expenditure as well as a medium term gestation period would be required to turn around the existing business of ASCAP and return it to profitability.</li> <li>▪ a substantial number of ASCAP's bus fleet is more than ten (10) years old, therefore there can be no assurance that ASCAP will be able to successfully renew the permits attached to the respective bus fleets when the renewal is due without replacing the existing aging fleets.</li> <li>▪ with reduced bus routes and an aging fleet amongst some of the challenges facing ASCAP, ASCAP may have to further weather uncertain financial performance and economic challenges in the short to medium term before they are able to realise a marked improvement in its financial performance.</li> </ul> <p><b>(ii) Opportunity for Holders to realise their investment in ASCAP</b></p> <ul style="list-style-type: none"> <li>▪ provides an avenue for the Holders to realise their investment in ASCAP at a <b>30.43% premium</b> to the market value of the five (5)-day VWAMP of ASCAP Shares up to 25 September 2008, being the last trading day when the Notice was served on your Board.</li> <li>▪ offer price of RM0.60 per ASCAP Share is also higher than the average traded price of ASCAP Shares over the past six (6) and twelve (12) months up to 25 September 2008 of RM0.44, denoting a <b>premium of 36.36%</b>.</li> <li>▪ due to the relatively thin volume of trading of ASCAP Shares on Bursa Securities as well as the consecutive financial losses being incurred by ASCAP over the past 4½ years, the Offer provides the Holders an opportunity to realise their investment in ASCAP at a <b>reasonable premium</b> to its market price.</li> </ul>
--------------------------------------	---

<p><b>ASB's plans for ASCAP</b></p>	<p><b>(i) Listing status and compulsory acquisition</b></p> <ul style="list-style-type: none"> <li>▪ <b>ASB does not intend to comply with the required shareholding spread for ASCAP</b> in the event ASB receives acceptances which results in ASB holding more than 75% but less than 90% of the issued and paid-up share capital of ASCAP (excluding ASCAP Shares held as treasury shares). ASB intends to procure ASCAP to undertake the necessary procedures to withdraw ASCAP's listing status from the Official List of Bursa Securities through the shareholders of ASCAP's approval at an EGM to be convened.</li> <li>▪ ASB intends to <b>invoke the provisions of Section 34 of the SCA to compulsorily acquire</b> the remaining Offer Shares from the Non-Accepting Holders in the event ASB receives acceptances of nine-tenths (9/10) or more of the nominal value of the Offer Shares within four (4) months of making the Offer.</li> </ul> <p><b>(ii) Business and operations of the ASCAP Group</b></p> <ul style="list-style-type: none"> <li>▪ within the immediate twelve (12) months after the completion of the Offer, ASB intends to <b>continue with the existing core business of the ASCAP Group</b> and may review the business and operations of the ASCAP Group during this period and make necessary arrangements, rationalisation and reorganisation, if required. Furthermore, ASB does not have any immediate plans or intentions to liquidate ASCAP, sell or dispose of any major assets or undertake any major re-deployment of fixed assets of the ASCAP Group, except where necessary to enhance value to the enlarged ASB Group.</li> </ul> <p><b>(iii) Employees of the ASCAP Group</b></p> <ul style="list-style-type: none"> <li>▪ within the immediate twelve (12) months after the completion of the Offer, <b>ASB does not intend to retrench any employees</b> of the ASCAP Group, although there may be constructive measures taken to improve the efficiency of operations which may lead to the revisions in human resources policies, the level of staff employment and/or re-deployment of certain employees, if so required.</li> </ul>
<p><b>Financial evaluation of the Offer</b></p>	<p>On balance, the Offer Price appears to be <b>fair and reasonable</b> to the Holders after taking into consideration the following factors:</p> <p><b>(i) Current market prices of ASCAP Shares</b></p> <p>The Offer Price was at a <b>premium</b>:</p> <ul style="list-style-type: none"> <li>(i) ranging from RM0.14 to RM0.16 per ASCAP Share or 30.43% to 36.36% over the five (5)-day, one (1)-month, three (3)-month, six (6)-month and twelve (12)-month VWAMP market price of ASCAP Shares;</li> <li>(ii) of RM0.02 per ASCAP Share or 3.45% over the five (5)-day VWAMP market price of ASCAP Shares up to and including the LPD; and</li> <li>(iii) of RM0.01 per ASCAP Share or 1.69% over the closing market price of the shares as at the LPD.</li> </ul>

<b>Financial evaluation of the Offer (Cont'd)</b>	<p><b>(ii) Historical market prices of ASCAP Shares</b></p> <ul style="list-style-type: none"> <li>consistently trading below the Offer Price for the past twelve (12) months, with the exception of July 2008.</li> <li>trading consistently for the past twelve (12) months with <b>low volume</b> and within the range of approximately RM0.46 per ASCAP Share.</li> </ul> <p><b>(iii) Premium of past market transactions</b></p> <ul style="list-style-type: none"> <li>Offer Price represents a <b>higher premium</b> of 30.43% over the simple average of 19.86% premium for the privatisation or take-over transactions undertaken in the past twelve (12) months in Malaysia.</li> </ul> <p><b>(iv) PBR analysis</b></p> <ul style="list-style-type: none"> <li>the PBR of ASCAP based on the Offer Price of 0.29 times is <b>within range</b> of the PBRs of the selected comparable companies of 0.23 times to 0.91 times and is <b>lower</b> than the simple average of the PBR of the selected comparable companies of 0.64 times.</li> </ul>
<b>Other considerations</b>	<p><b>(i) Historical financial performance of the ASCAP Group</b></p> <ul style="list-style-type: none"> <li>the Group has been recording consecutive LAT for the last four (4) financial years and the FPE 30 June 2008. We also noted that the Group had recorded losses from operations for the past five (5) consecutive financial years as well as the FPE 30 June 2008.</li> <li>the Group's <b>operations have not yielded profits</b> during the last five (5) financial periods under review.</li> <li>the <b>NTA per share has been on a decreasing trend</b> since 2003 from RM2.50 per Share to RM2.02 per Share as at 30 June 2008.</li> <li>as at 30 June 2008, the Group had already recorded a LAT of RM7.0 million. Unless a major turnaround plan is successfully implemented, the Group may remain in the red for the FYE 31 December 2008 as the current operations of the ASCAP Group is not sufficient to generate profits as well as positive cash flows for the Group.</li> </ul> <p><b>(ii) Dividend policy</b></p> <ul style="list-style-type: none"> <li>Holders should note that ASCAP has no fixed dividend policy and out of the last five (5) FYEs from 31 December 2003 to 31 December 2007, ASCAP had only declared dividend at the rate of 1 sen per Share for three (3) financial years and has not been able to declare any dividends for the last two (2) financial years.</li> </ul>
<b>Overview and prospects of the Malaysian economy for the next twelve (12) months</b>	<ul style="list-style-type: none"> <li>the outlook and prospects of the Malaysian economy are expected to be <b>satisfactory</b> with the Malaysian economy expected to grow for the next twelve (12) months underpinned by numerous policy measures and pragmatic strategies put in place by the Government, coupled with the implementation of various economic corridors and projects under the 9MP.</li> </ul>

<p><b>Overview and prospects of the transportation, finance and insurance sector in which the ASCAP Group will be involved in for the next twelve (12) months</b></p>	<ul style="list-style-type: none"> <li>the outlook and prospects of the transportation, finance and insurance sector in Malaysia are expected to be <b>satisfactory</b> for the next twelve (12) months supported by higher ridership and shift from private vehicle usage to public transport following the fuel hikes, and sustained domestic consumption and trade-related activities and underpinned by increased fee-based activities and innovative financial products, respectively.</li> </ul>
<p><b>Prospects of the ASCAP Group for the next twelve (12) months</b></p>	<ul style="list-style-type: none"> <li>the Group has been making losses for the past four (4) consecutive financial years as well as the first six (6) months of 2008. Should the negative performance of the Group continue, it may adversely affect its future performance and this will eventually erode its financial standing, and ultimately the value it provides to its shareholders.</li> <li>the Group's asset utilisation <i>vis-à-vis</i> the core operations of the Group are low as compared to those of its competitors in the industry.</li> <li>with reduced bus routes and an aging fleet amongst some of the challenges facing ASCAP, coupled with significant capital expenditure as well as a medium term gestation period required to turn around the existing business of ASCAP and return it to profitability, the prospects of the ASCAP Group will remain <b>challenging</b> for the next twelve (12) months due to its past performances, coupled with uncertainty surrounding its core business moving forward.</li> </ul>

Given the factors above, the decision to be made would rest on the individual risk appetite and specific requirements of the Holder. While we recognise the fact that various Holders may have differing risk profiles and investment outlook, we advise them to also carefully consider other factors such as the future plans and prospects of ASCAP and any other relevant considerations including those set out in this IAC.

Holders should also be mindful that there may be continuous fluctuations in the market prices of ASCAP Shares. As such, Holders are advised to closely monitor the market prices and information / announcement in relation to the Offer before deciding.

Premised on the foregoing and our evaluation of the Offer, we are of the opinion that the **Offer is fair and reasonable** to the Holders. Accordingly, we recommend that the Holders **ACCEPT** the **Offer** as long as the market price of ASCAP Shares is not trading higher than RM0.60. Holders who do not concur with our view may elect to retain their Offer Shares.

Yours truly  
for and on behalf of  
PUBLIC INVESTMENT BANK BERHAD

Teoh Cheng Soon  
Chief Executive Officer

Lee Yo-Hunn  
Senior Manager  
Corporate Finance & Advisory



---

**INFORMATION ON ASCAP**


---

**1. HISTORY AND BUSINESS**

ASCAP was incorporated in Malaysia under the Act on 10 January 1994 under the name of United Merchant Group Sdn Bhd. It subsequently converted into a public company on 4 April 1994 and assumed its former name of United Merchant Group Berhad and was listed on the Main Board of Bursa Securities on 18 August 1994. It changed its name to Advance Synergy Capital Berhad on 19 July 2002.

The principal activities of ASCAP are that of investment holding and provision of management services. The principal activities of the subsidiaries are investment holding, property investment and management services, design, building and fabrication of coaches, provision of bus transportation services and related management and other services. ASCAP also has investments in associated companies which are involved in general insurance, merchant banking, card and payment services, manufacturing of warp-knitted fabrics and manufacturing and trading of lingerie materials and accessories.

**2. SHARE CAPITAL**

As at the LPD, the authorised and issued and paid-up share capital of ASCAP are as follows:

	No. of ASCAP Shares	Par value RM	Amount RM
Authorised	1,000,000,000	1.00	1,000,000,000
Issued and fully paid-up	156,860,835*	1.00	156,860,835

Note:

\* Including 14,916,535 ASCAP Shares which are currently held as treasury shares.

The changes in our issued and paid-up ordinary share capital since our incorporation are as follows:

Date of allotment	No. of ASCAP Shares allotted	Par value (RM)	Consideration	Total issued and paid-up share capital (RM)
10.01.1994	2	1.00	Subscribers' shares	2
21.06.1994	90,000,000	1.00	Issued as consideration for the acquisition of 100% equity interest in United Merchant Finance Berhad	90,000,002
29.07.1994	90,000,002	1.00	Rights issue on the basis of 1:1	180,000,004
29.06.1995	133,721,667	1.00	Issued as consideration for the acquisitions of 70.10% equity interest in Perdana Merchant Bankers Berhad and 44.28% equity interest in Ban Hin Lee Bank Berhad	313,721,671
31.12.2002	*	*	*	31,372,167
31.12.2002	125,488,668	1.00	Bonus issue on the basis of 4:1	156,860,835

Note:

\* On 31 December 2002, ASCAP returned 90 sen cash per ordinary share of RM1.00 each to shareholders amounting to RM282,349,504 by the cancellation of 90 sen from every one then existing ordinary share of RM1.00 each and to consolidate ten of the resultant ordinary shares of 10 sen each into one ordinary share of RM1.00 each resulting in 31,372,167 ordinary shares of RM1.00 each.

### 3. DIRECTORS

As at the LPD, the particulars of the Directors of ASCAP and their respective shareholdings in ASCAP are as follows:

Name	Designation/ Nationality	Address	<-----Direct----->		<-----Indirect----->	
			No. of ASCAP Shares	% <sup>(a)</sup>	No. of ASCAP Shares	% <sup>(a)</sup>
Dato' Ahmad Sebi Bakar	Chairman and Non-Independent Non-Executive Director/ Malaysian	60 Jalan Athinahapan 2 Taman Tun Dr. Ismail 60000 Kuala Lumpur	-	-	94,754,600 <sup>(b)</sup>	66.75
Wong Joon Hian	Managing Director/ Malaysian	68 Taman Zaaba Taman Tun Dr. Ismail 60000 Kuala Lumpur	-	-	37,500 <sup>(c)</sup>	0.03
Ir. Haji Mansor Bin Salleh @ Md Salleh	Independent Non-Executive Director/ Malaysian	No. 10 Lengkok Aminuddin Baki Taman Tun Dr. Ismail 60000 Kuala Lumpur	-	-	-	-
Chim Wai Khuan	Independent Non-Executive Director/ Malaysian	23 Jalan SS18/5G 47500 Subang Jaya Selangor Darul Ehsan	-	-	-	-
Dr. Haji Ahmad Ghiti Bin Haji Mohd Daud	Independent Non-Executive Director/ Malaysian	No. 21 Jalan Athinahapan 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur	-	-	-	-

Notes:

(a) The percentage shareholdings are computed after excluding 14,916,535 ASCAP Shares held as treasury shares as at the LPD.

(b) Deemed interested by virtue of his interest in ASB pursuant to Section 6A of the Act.

(c) Deemed interested by virtue of his spouse's interest in ASCAP Shares pursuant to Section 134(12)(c) of the Act.

### 4. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders (holding 5% or more of the issued and paid-up share capital of ASCAP) and their respective shareholdings in ASCAP are as follows:

Substantial Shareholders	Nationality/ Place of incorporation	<-----Direct----->		<-----Indirect----->	
		No. of ASCAP Shares held	% <sup>(a)</sup>	No. of ASCAP Shares held	% <sup>(a)</sup>
ASB	Malaysia	94,754,600 <sup>(b)</sup>	66.75	-	-
Dato' Ahmad Sebi Bakar	Malaysian	-	-	94,754,600 <sup>(c)</sup>	66.75
Suasana Dinamik Sdn Bhd	Malaysia	-	-	94,754,600 <sup>(d)</sup>	66.75

Notes:

(a) The percentage shareholdings are computed after excluding 14,916,535 ASCAP Shares held as treasury shares as at the LPD.

(b) Of which 26,950,000 ASCAP Shares are held through a nominee company.

(c) Deemed interested by virtue of his interest in ASB pursuant to Section 6A of the Act.

(d) Deemed interested by virtue of its interest in ASB pursuant to Section 6A of the Act.

## 5. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, the details of the subsidiaries and associated companies of ASCAP are as follows:

Name of company	Date/place of incorporation	Effective equity interest (%)	Principal activities
<b>Subsidiaries</b>			
AESBI Power Systems Sdn Bhd	20.03.1995/ Malaysia	100	Property investment and management services
ASC Equities Sdn Bhd	20.02.1997/ Malaysia	100	Investment holding and venture capital
ASC Credit Sdn Bhd	29.12.1997/ Malaysia	100	Credit and leasing
Triton-K Sdn Bhd	01.10.2001/ Malaysia	100	Management services
Triton Khidmat Sdn Bhd	28.07.2001/ Malaysia	100	Provision of manpower management services
Triton Engineering Sdn Bhd	10.10.2001/ Malaysia	100	Provision of bus repair and services
Triton Commuter Sdn Bhd	27.08.2001/ Malaysia	100	Provision of stage bus services
Triton Express Sdn Bhd	05.06.2001/ Malaysia	100	Provision of express bus services
Triton Feeder Services Sdn Bhd	18.06.2002/ Malaysia	100	Dormant
Triton Terminal Management Sdn Bhd	20.06.2002/ Malaysia	100	Dormant
Triton Excursions Sdn Bhd	13.06.2002/ Malaysia	100	Dormant
Triton Synergy Holdings Sdn Bhd	26.06.2002/ Malaysia	100	Dormant
Triton Express Holdings Sdn Bhd	11.07.2002/ Malaysia	100	Dormant
Quality Bus & Coach (M) Sdn Bhd	23.09.2002/ Malaysia	61	Design, building and fabrication of coaches
<b>Subsidiary of Triton Express Sdn Bhd</b>			
Triton Express (S) Pte Ltd	20.11.2002/ Singapore	100	Dormant
<b>Associated companies</b>			
Southern Investment Bank Berhad	14.04.1998/ Malaysia	20	Merchant banking business
Kumpulan Powernet Berhad	03.02.1997/ Malaysia	20	Investment holding
iSynergy Sdn Bhd	07.08.1995/ Malaysia	29	Provision of payment related products and services
Synergy Cards Sdn Bhd	15.03.2005/ Malaysia	29	Provision of designated payment instruments and products
ACE Synergy Insurance Berhad	26.10.1995/ Malaysia	49	Underwriting of general insurance business
Hicom Australia Pty Ltd	15.12.1997/ Australia	50	Design, building and fabrication of coaches

## 6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of the ASCAP Group based on the audited consolidated financial statements for the past five (5) FYE 31 December 2003 to 2007 and the unaudited six (6)-months FPE 30 June 2008, are as follows:

	<----- FYE 31 December ----->					Unaudited six (6)-month period ended 30 June 2008
	2003	2004	2005	2006	2007	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	14,711	22,093	28,188	27,257	20,516	6,410
PBT / (LBT)	4,210	(9,685)	(471)	(49,339)	(2,711)	(7,028)
Taxation	(1,575)	(1,838)	(663)	537	2,091	-
PAT / (LAT)	2,635	(11,523)	(1,134)	(48,802)	(620)	(7,028)
MI	-	530	-	-	-	-
Net profit / (loss) attributable to shareholders	2,635	(10,993)	(1,134)	(48,802)	(620)	(7,028)
No. of ASCAP Shares in issue ('000)	156,861	156,861	156,861	156,861	156,861	156,861
NA per share (RM) <sup>(a)</sup>	2.50	2.42	2.39	2.07	2.07	2.02
Net EPS / (LPS) (sen) <sup>(b)</sup>	1.68	(7.05)	(0.74)	(32.33)	(0.41)	(4.66)
Gross dividend rate (%)	1	1	1	-	-	-

Notes:

(a) NA per share is calculated by dividing the NA with the number of ordinary shares in issue.

(b) Net EPS is calculated by dividing the net profit/(loss) attributable to shareholders with the number of ordinary shares in issue which excluding the treasury shares held by ASCAP in the respective financial years.

Commentaries:

### FYE 31 December 2003

For the FYE 31 December 2003, the ASCAP Group recorded a PAT of RM2.6 million compared to the preceding year's PAT of RM9.9 million. Revenue was RM14.7 million compared to the previous year's revenue of RM21.4 million. The lower revenue and profit were due mainly to the lower interest income earned from the placement of the ASCAP Group's funds. However, these were partly offset by higher contribution from associated companies.

There were no audit qualifications for the FYE 31 December 2003.

### FYE 31 December 2004

During the FYE 31 December 2004, the ASCAP Group intensified its efforts to develop its core business in the bus transportation industry. As a result, the ASCAP Group was able to achieve a level of operations which enabled ASCAP to be uplifted from Practice Note 10 classification under the LR. However, during the year, the earnings of the ASCAP Group were affected by lower interest income, the requirement to make certain accounting adjustments and higher operating expenses. As a result, the ASCAP Group incurred a LAT of RM11.5 million.

There were no audit qualifications for the FYE 31 December 2004.

**FYE 31 December 2005**

*For the FYE 31 December 2005, the ASCAP Group suffered a LAT of RM1.1 million. Throughout the financial year, the ASCAP Group continued to intensify its efforts to develop its core business in the public transportation and ancillary services under the Triton brand. The ASCAP Group's revenue from the bus transportation services increased from RM13.4 million in 2004 to RM21.5 million, representing an annual growth rate of 60%. The revenue growth was also assisted by an overall increase in bus fares. Operating costs however, continued to increase due mainly to escalating diesel cost. Losses from buses operations were mitigated by higher contribution from associated companies.*

*There were no audit qualifications for the FYE 31 December 2005.*

**FYE 31 December 2006**

*For the FYE 31 December 2006, the ASCAP Group registered a lower revenue of RM27.3 million compared with RM28.2 million in 2005. In addition, the results reported by an associated companies showed a decline from RM25.0 million in 2005 to RM5.9 million in 2006 mainly attributable to a one time impact of a revision in the associated company's (ACE Synergy Insurance Berhad) accounting policies for loss provisioning, which resulted in higher profit reported in 2005. Coupled with the ASCAP Group's impairment losses, the ASCAP Group recorded a LAT of RM48.8 million compared to a LAT of RM1.1 million in 2005.*

*There were no audit qualifications for the FYE 31 December 2006.*

**FYE 31 December 2007**

*For the FYE 31 December 2007, the ASCAP Group registered a revenue of RM20.5 million compared to RM27.3 million in 2006, a decrease of approximately 25%. This was due mainly to route rationalisation of bus transportation business. However, there was a substantial reduction in the level of losses in the current year compared to preceding year due mainly to decrease in bus operating costs and impairment loss for buses, and write back of impairment loss on investment and tax expenses provided in prior years.*

*There were no audit qualifications for the FYE 31 December 2007.*

*(Source: ASCAP's Annual Reports 2003 to 2007)*

**FPE 30 June 2008**

*For the FPE 30 June 2008, the ASCAP Group recorded a LAT of RM7.0 million compared to the preceding year's corresponding period LAT of RM1.8 million. These were mainly attributable to the following:*

- (i) Impairment losses on buses, investment in associates, marketable securities; and*
- (ii) Obsolete property, plant and equipment being written off.*

*(Source: ASCAP's unaudited quarterly result for the FPE 30 June 2008)*

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

## 7. STATEMENTS OF ASSETS AND LIABILITIES

The statement of assets and liabilities of the ASCAP Group and Company based on the audited financial statements as at 31 December 2007 are as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	58,613	322
Prepaid lease payments for land	984	-
Investment in subsidiaries	-	5,200
Investment in associates	107,628	78,619
Investment securities	35,026	20,217
Sale and leaseback, factoring and bridging loan receivables	65,925	-
	<u>268,176</u>	<u>104,358</u>
<b>Current Assets</b>		
Inventories	3,135	-
Sale and leaseback, factoring and bridging loan receivables	409	-
Receivables	54,615	137,526
Tax recoverable	1,074	1,073
Marketable securities	1,449	1,449
Short term deposits	3,005	3,005
Cash and cash equivalents	773	151
	<u>64,460</u>	<u>143,204</u>
Non-current assets classified held for sale	497	-
<b>TOTAL ASSETS</b>	<u><b>333,133</b></u>	<u><b>247,562</b></u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Borrowings	4,381	-
<b>Current Liabilities</b>		
Payables	2,759	6,338
Borrowings	1,647	-
<b>TOTAL LIABILITIES</b>	<u><b>8,787</b></u>	<u><b>6,338</b></u>
<b>CAPITAL AND RESERVES</b>		
Share capital	156,861	156,861
Share premium	221,962	221,962
Accumulated losses	(51,373)	(134,495)
Treasury shares	(3,104)	(3,104)
<b>TOTAL EQUITY</b>	<u><b>324,346</b></u>	<u><b>241,224</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><b>333,133</b></u>	<u><b>247,562</b></u>

---

**INFORMATION ON ASB (as extracted from the Offer Document)**


---

**1. HISTORY AND BUSINESS**

ASB was incorporated in Malaysia under the Companies Ordinance 1915 on 5 June 1920 as a public limited company under the name of Batu Lintang Rubber Company Limited and subsequently changed the name of the company to Advance Synergy Berhad on 14 May 1992. On 22 March 1961, ASB was listed on the Main Board of Bursa Securities.

The principal activities of ASB are that of investment holding and providing full corporate and financial support to its subsidiaries whilst the principal activities of its subsidiaries are set out in Section 5 of this Appendix.

**2. SHARE CAPITAL**

The authorised and the issued and paid-up share capital of ASB as at 10 October 2008 are as follows:

	No. of ASB Shares	Par value RM	Amount RM
Authorised	3,000,000,000	0.30	900,000,000.00
Issued and fully paid-up	461,908,377	0.30	138,572,513.10

**3. DIRECTORS**

The Directors of ASB and their respective shareholdings in ASB as at 10 October 2008 are as follows:

Name	Designation/ Nationality	Address	<-----Direct----->		<-----Indirect----->	
			No. of ASB Shares	%	No. of ASB Shares	%
Dato' Ahmad Sebi Bakar	Executive Chairman/ Malaysian	60 Jalan Athinahapan 2 Taman Tun Dr. Ismail 60000 Kuala Lumpur	15,203,509	3.29	95,057,609 <sup>(a)</sup>	20.58
Lee Su Nie	Executive Director/ Malaysian	7 Jalan SS3/16 47300 Petaling Jaya Selangor Darul Ehsan	-	-	365,000 <sup>(b)</sup>	0.08
Dato' Abdul Murad Bin Khalid	Independent Non- Executive Director/ Malaysian	104 Jalan Setia Bakti 9 Bukit Damansara 50490 Kuala Lumpur	-	-	-	-
Datin Masri Khaw Binti Abdullah	Non-Independent Non-Executive Director/ Malaysian	3 Jalan 4/1 Taman Tun Abdul Razak 68000 Ampang Selangor Darul Ehsan	1,000,000	0.22	3,531,000 <sup>(c)</sup>	0.76
Chim Wai Khuan	Independent Non- Executive Director/ Malaysian	23 Jalan SS18/5G 47500 Subang Jaya Selangor Darul Ehsan	-	-	-	-
Yong Teck Ming	Independent Non- Executive Director/Malaysian	24 Jalan Kasawari 2 Taman Eng Ann 41150 Klang Selangor Darul Ehsan	-	-	-	-



Notes:

- (a) Deemed interested by virtue of his interest in Suasana Dinamik Sdn Bhd and Bright Existence Sdn Bhd pursuant to Section 6A of the Act and includes his son's interest in ASB Shares pursuant to Section 134(12)(c) of the Act.
- (b) Deemed interested by virtue of her spouse's interest in ASB Shares pursuant to Section 134(12)(c) of the Act.
- (c) Deemed interested by virtue of her interest in ASH Holdings Sdn Bhd pursuant to Section 6A of the Act.

#### 4. SUBSTANTIAL SHAREHOLDERS

Based on the Register of Substantial Shareholders, the substantial shareholders of ASB (holding 5% or more of the issued and paid-up capital) and their respective shareholding as at 10 October 2008 are as follows:

Substantial Shareholders	Nationality	<-----Direct----->		<-----Indirect----->	
		No. of ASB Shares	%	No. of ASB Shares	%
Dato' Ahmad Sebi Bakar	Malaysian	15,203,509	3.29	89,057,609*	19.28
Suasana Dinamik Sdn Bhd	Malaysia	77,518,599	16.78	-	-

Note:

- \* Deemed interested by virtue of his interest in Suasana Dinamik Sdn Bhd and Bright Existence Sdn Bhd pursuant to Section 6A of the Act.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

## 5. SUBSIDIARY AND ASSOCIATED COMPANIES

The subsidiary and associated companies of ASB as at 10 October 2008 are as follows:

Name of company	Date/place of incorporation	Issued and paid-up capital (RM)	Effective equity interest %	Principal activities
<b>Subsidiaries of ASB</b>				
ASCAP	10.01.1994; Malaysia	156,860,835	66.75	Investment holding
iSynergy Sdn Bhd*	07.08.1995; Malaysia	12,250,000	70.36	Provision of payment related products and services
Alangka-Suka Hotels & Resorts Berhad	31.03.1994; Malaysia	119,443,000	99.63	Investment holding
Calmford Incorporated	13.05.1997; British Virgin Islands	USD2	100.00	Investment holding
Advance Synergy Properties Sdn Bhd	08.10.1994; Malaysia	2	100.00	Investment holding
Advance Synergy Realty Sdn Bhd	30.04.1980; Malaysia	18,143,373	100.00	Property development
Ausborn Sawmill Sdn Bhd	12.11.1979; Malaysia	2,000,000	100.00	Inactive
Bornion Sawmill Sdn Bhd	26.04.1979; Malaysia	2,000,000	100.00	Inactive
Excellent Arch Sdn Bhd	11.12.1992; Malaysia	2	100.00	Investment holding
Excellent Display Sdn Bhd	11.01.1993; Malaysia	2	100.00	Investment holding
Nagapura Management Corporation Sdn Bhd	06.03.1986; Malaysia	250,000	100.00	Provision of management services
Sadong Development Sdn Bhd	26.05.1981; Malaysia	5,000,000	100.00	Property development, management and rental of properties
Synergy Gold Incorporated	01.05.1996; British Virgin Islands	USD2	100.00	Investment holding
Synergy Petroleum Incorporated	03.05.1995; British Virgin Islands	USD2	100.00	Investment holding
Alam Samudera Corporation Sdn Bhd	17.01.1995; Malaysia	300,000	100.00	Inactive
Advance Synergy Timber Sdn Bhd	20.10.1994; Malaysia	2	100.00	Dormant
Worldwide Matrix Sdn Bhd	05.04.2001; Malaysia	2	100.00	Investment holding
P.T. Asbindo Infocitra	24.01.1995; Republic of Indonesia	Indonesian Rupiah 500,000,000	51.00	Inactive
Strategic Research & Consultancy Sdn Bhd	16.09.2002; Malaysia	2	100.00	Inactive
Diversified Gain Sdn Bhd	07.01.1997; Malaysia	6,000,000	100.00	Investment holding

Name of company	Date/place of incorporation	Issued and paid-up capital (RM)	Effective equity interest %	Principal activities
Synergy Cards Sdn Bhd <sup>#</sup>	15.03.2005; Malaysia	10,000,000	70.36	Provision of designated payment instruments and products
<b>Subsidiaries of ASCAP</b>				
ASC Equities Sdn Bhd	20.02.1997; Malaysia	5,000,000	66.75	Investment holding and venture capital
ASC Credit Sdn Bhd	29.12.1997; Malaysia	2,000,000	66.75	Credit and leasing
Triton-K Sdn Bhd	01.10.2001; Malaysia	3,000,000	66.75	Management services
Triton Khidmat Sdn Bhd	28.07.2001; Malaysia	200,000	66.75	Provision of manpower management services
Triton Engineering Sdn Bhd	10.10.2001; Malaysia	2,000,000	66.75	Provision of bus repair and maintenance services
Triton Commuter Sdn Bhd	27.08.2001; Malaysia	200,000	66.75	Provision of stage bus services
Triton Express Sdn Bhd	05.06.2001; Malaysia	200,000	66.75	Provision of express bus services
Triton Feeder Services Sdn Bhd	18.06.2002; Malaysia	200,000	66.75	Dormant
Triton Terminal Management Sdn Bhd	20.06.2002; Malaysia	2	66.75	Dormant
Triton Excursions Sdn Bhd	13.06.2002; Malaysia	2	66.75	Dormant
Triton Synergy Holdings Sdn Bhd	26.06.2002; Malaysia	2	66.75	Investment holding
Triton Express Holdings Sdn Bhd	11.07.2002; Malaysia	2	66.75	Dormant
AESBI Power Systems Sdn Bhd	20.03.1995; Malaysia	3,000,000	66.75	Property investment and management services
Quality Bus & Coach (M) Sdn Bhd	23.09.2002; Malaysia	1,206,000	40.72	Design, building and fabrication of coaches
<b>Subsidiary of Triton Express Sdn Bhd</b>				
Triton Express (S) Pte Ltd	20.11.2002; Singapore	SGD2	66.75	Dormant
<b>Associated companies of ASCAP</b>				
Southern Investment Bank Berhad	14.04.1988; Malaysia	77,900,000	13.35	Merchant banking business
Kumpulan Powernet Berhad	03.02.1997; Malaysia	56,375,000	13.35	Investment holding
ACE Synergy Insurance Berhad	26.10.1995; Malaysia	100,000,000	32.71	General insurance business
Hicom Australia Pty Ltd	15.12.1997; Australia	AUD20 "A" class shares	33.38	Design, building and fabrication of coaches

Name of company	Date/place of incorporation	Issued and paid-up capital (RM)	Effective equity interest %	Principal activities
<b>Subsidiaries of iSynergy Sdn Bhd</b>				
Cosmocourt.com (Malaysia) Sdn Bhd	18.03.1996; Malaysia	500,000	70.36	Inactive
Rewardstreet.com (Malaysia) Sdn Bhd	18.03.1996; Malaysia	500,000	70.36	Inactive
Datakey Sdn Bhd	15.05.1999; Malaysia	2	70.36	Dormant
<b>Subsidiaries of Alangka-Suka Hotels &amp; Resorts Berhad</b>				
Asbina Hotel & Property Sdn Bhd	25.01.1995; Malaysia	15,200,000	99.63	Leasehold owner of Holiday Villa Hotel & Suites Phnom Penh
Alor Setar Holiday Villa Sdn Bhd	23.02.1995; Malaysia	12,170,000	99.63	Operates Holiday Villa Hotel & Suites Alor Setar
Cherating Holiday Villa Berhad	26.04.1984; Malaysia	4,260,000	99.63	Operates Holiday Villa Beach Resort Cherating
Langkawi Holiday Villa Sdn Bhd	02.11.1989; Malaysia	14,000,000	99.63	Operates Holiday Villa Beach Resort & Spa Langkawi
Mayor Hotels Berhad	12.11.1988; Malaysia	19,500,000	99.63	Owens and operates City Villa Kuala Lumpur
Grand Hotel Sudan Limited	08.05.1997; British Virgin Islands	USD2	99.63	Leasehold owner of Grand Holiday Villa Hotel & Suites Khartoum
Alangka-Suka International Limited	28.08.1996; British Virgin Islands	USD2	99.63	Investment holding
Antara Holiday Villas Sdn Bhd	12.06.1990; Malaysia	100,000	99.63	Provision of hotel management services
Holiday Villas International Limited	18.09.1996; British Virgin Islands	USD2	99.63	Hotel management services
Holiday Villa Travel & Tours Sdn Bhd	11.02.1988; Malaysia	250,000	99.63	Inactive
Holiday Villa Subang Sdn Bhd	23.02.1995; Malaysia	2	99.63	Dormant
Super Leisure Sdn Bhd	26.10.1993; Malaysia	100	99.63	Restaurant management

Name of company	Date/place of incorporation	Issued and paid-up capital (RM)	Effective equity interest %	Principal activities
<b>Associated companies of Alangka-Suka Hotels &amp; Resorts Berhad</b>				
Suntop Corporation Sdn Bhd	08.02.1988; Malaysia	205,000	39.85	Inactive
Holiday Villa Kuala Lumpur Sdn Bhd	12.03.2007; Malaysia	9,000,000	39.85	Investment holding
Holiday Villas Hotel & Resorts Sdn Bhd	20.04.2007; Malaysia	10	39.85	Dormant
<b>Subsidiary of Asbina Hotel &amp; Property Sdn Bhd</b>				
Asbina Hotel & Property (Cambodia) Pte Ltd	09.12.1996; Kingdom of Cambodia	Cambodian Riel 2,025 million	99.63	Operates Holiday Villa Hotel & Suites Phnom Penh
<b>Subsidiaries of Alangka-Suka International Limited</b>				
Asbina Shenzhen Limited	28.08.1996; British Virgin Islands	USD100	89.67	Dormant
Grand Holiday Villa Khartoum Co Ltd	18.11.1996; Republic of Sudan	Sudanese Dinar 10,767,120	99.63	Operates Grand Holiday Villa Hotel & Suites Khartoum
P.T. Diwangkara Holiday Villa Bali	14.05.2003; Republic of Indonesia	USD100,000	89.67	Operates and manages Diwangkara Holiday Villa Beach Resort Bali
Larkswood Assets Limited	01.07.1997; British Virgin Islands	USD2	99.63	Investment holding
Interwell Management Limited	04.05.1994; England and Wales	GBP2	99.63	Dormant
<b>Subsidiaries of Holiday Villas International Limited</b>				
Holiday Villa (UK) Ltd	13.03.1997; England and Wales	GBP1	99.63	Operates Holiday Villa Hotel & Suites London
Holiday Villa China International Limited	01.07.1997; British Virgin Islands	USD100	69.74	Hotel management services

Name of company	Date/place of incorporation	Issued and paid-up capital (RM)	Effective equity interest %	Principal activities
Holiday Villa Middle East Limited	29.04.1997; British Virgin Islands	USD10	69.74	Hotel management services
<b>Subsidiaries of Larkwood Assets Limited</b>				
Alangka-Suka Australia Pty Ltd	31.10.2003; Australia	AUD100	99.63	Owns and operates Manor House Boutique Hotel Sydney
Holiday Villa Australia Pty Ltd	12.11.2003; Australia	AUD2	99.63	Hotel management services
<b>Subsidiary of Holiday Villa China International Limited</b>				
Changshu Holiday Villa Hotel Management Co, Ltd	04.06.2004; People's Republic of China	USD100,000	69.74	Hotel management services
<b>Subsidiaries of Calmford Incorporated</b>				
Advansa Pty Ltd	13.02.1996; Australia	AUD4,700,002	100.00	Manufacturing and marketing of builder hardware products
Home Cinema Studio Pty Ltd	08.07.2002; Australia	AUD10	100.00	Retailer of home entertainment products
Advansa Sdn Bhd (formerly known as Visage Synergy Sdn Bhd)	11.12.1995; Malaysia	100	100.00	Dormant
<b>Subsidiary of Advance Synergy Properties Sdn Bhd</b>				
Synergy Realty Incorporated	04.04.1996; British Virgin Islands	USD2	100.00	Inactive
<b>Subsidiary of Synergy Realty Incorporated</b>				
Builderworks Pty Ltd	24.02.1997; Australia	AUD100	100.00	Inactive
<b>Subsidiary of Excellent Arch Sdn Bhd</b>				
Advance Synergy Furniture Sdn Bhd	13.02.1991; Malaysia	27,030,256	100.00	In liquidation

Name of company	Date/place of incorporation	Issued and paid-up capital (RM)	Effective equity interest %	Principal activities
<b>Subsidiaries of Nagapura Management Corporation Sdn Bhd</b>				
Xgo Teknik Sdn Bhd	09.12.1999; Malaysia	2,000,000	100.00	Inactive
Syarikat Fit and Weld Engineering (M) Sdn Bhd	24.02.1982; Malaysia	735,000	70.00	In liquidation
Acrylic Synergy Sdn Bhd	05.03.1990; Malaysia	4,082,002	81.00	Inactive
<b>Subsidiary of Sadong Development Sdn Bhd</b>				
Hotel Golden Dragon Sdn Bhd	01.11.1975; Malaysia	3,060,015	95.00	Property development
<b>Subsidiary of Hotel Golden Dragon Sdn Bhd</b>				
Simpang Tiga Realty Sdn Bhd	03.01.1980; Malaysia	18,000	95.00	Property development
<b>Subsidiary of Worldwide Matrix Sdn Bhd</b>				
Unified Communications Holdings Limited	27.12.2002; Singapore	SGD 31,947,814	58.30	Investment holding and the provision of management services
<b>Subsidiaries of Unified Communications Holdings Limited</b>				
Unified Communications Sdn Bhd	24.03.1998; Malaysia	1,000,200	58.30	Research and development, software engineering, system integration, project management and maintenance and support services for the telecommunications industry
Unified Communications Pte Ltd	28.05.1998; Singapore	SGD1,000,000	58.30	Distribution of telecommunications products, the design and development of telecommunications solutions, project management and maintenance and support services for the telecommunications industry



Name of company	Date/place of incorporation	Issued and paid-up capital (RM)	Effective equity interest %	Principal activities
<b>Subsidiaries of Unified Communications Sdn Bhd</b>				
AttrixTech Sdn Bhd	06.03.2002; Malaysia	2	58.30	Distribution of information technology and telecommunication products
Unified Communications (Shenzhen) Private Limited	23.03.2005; People's Republic of China	USD390,000	58.30	Distribution of telecommunications products, development of localised telecommunications solutions and maintenance and support services for the telecommunications industry
GlobeOSS Sdn Bhd	23.02.2006; Malaysia	100,000	29.73	Provision of global roaming quality of service management solutions
<b>Subsidiaries of Unified Communications Pte Ltd</b>				
Attrix Technology Pte Ltd	21.12.2001; Singapore	SGD100,000	58.30	Distribution of information technology and telecommunication products
Unified Communications Limited	05.07.1999; Hong Kong	HKD10,000	29.73	Distribution of telecommunications products, the design and development of telecommunications solutions, project management and maintenance and support services for the telecommunications industry
Unified (Thailand) Ltd	09.09.2003; Thailand	Thai Baht 2,000,000	51.89	Distribution of telecommunications products, the design and development of telecommunications solutions, project management and maintenance and support services for the telecommunications industry
<b>Subsidiary of GlobeOSS Sdn Bhd</b>				
GlobeOSS Pte Ltd	04.06.2007; Singapore	SGD2	29.73	Provision of global roaming quality of services management solutions
<b>Associated companies of Unified Communications Sdn Bhd</b>				
Ahead Mobile Sdn Bhd	10.11.2003; Malaysia	380,000	23.32	Software engineering, system integration, project management and maintenance and support services for the telecommunications industry

Name of company	Date/place of incorporation	Issued and paid-up capital (RM)	Effective equity interest %	Principal activities
Unified Telecom Private Limited	08.11.2007; India	Indian Rupees 500,000	29.15	Provision of telecommunications products, services and customised solutions
<b>Subsidiary of Diversified Gain Sdn Bhd</b>				
Orient Escape Travel Sdn Bhd	03.04.1985; Malaysia	9,050,000	100.00	Travel and tour agent, licensed money changer and the provision of travel related services
<b>Subsidiaries of Orient Escape Travel Sdn Bhd</b>				
Columbus Travel & Tours Sdn Bhd	02.03.1990; Malaysia	1,800,000	100.00	Travel and tour agent
Motorsports Adventure Sdn Bhd	26.05.1997; Malaysia	4	100.00	Inactive
Marketing and Event Management Integrated Sdn Bhd	12.04.1997; Malaysia	2	100.00	Inactive
Orient Escape Travel (Penang) Sdn Bhd	01.12.1989; Malaysia	200,000	100.00	Inactive
Orient Escape Travel (Sabah) Sdn Bhd	13.06.1990; Malaysia	200,000	100.00	Inactive

Notes:

\* 29% of the equity interest of this company is held by ASCAP, a 66.75% owned subsidiary of ASB.

# 29% of the equity interest of this company comprising 2,000,000 ordinary shares of RM1.00 each is held by ASCAP, a 66.75% owned subsidiary of ASB. ASCAP also holds 8,000,000 preference shares in this company.

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

## 6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of the ASB Group based on the audited consolidated financial statements for the past five (5) FYE 31 December 2007 and the unaudited results for the six (6)-month FPE 30 June 2008 are as follows:

	FYE 31 December					Unaudited six
	2003 <sup>I</sup>	2004 <sup>II</sup>	2005 <sup>III</sup>	2006 <sup>IV</sup>	2007 <sup>V</sup>	(6)-month FPE 30
				(restated)		June 2008 <sup>VI</sup>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	218,898	227,040	246,733	230,674	223,715	91,017
PBT/(LBT)	19,871	(1,344)	11,265	(54,991)	(14,672)	(3,411)
Taxation	(4,348)	(3,121)	(7,155)	254	(3,131)	(1,022)
PAT/(LAT)	15,523	(4,465)	4,110	(54,737)	(17,803)	(4,433)
MI	(9,463)	9,950	2,479	27,732	3,588	2,059
Net profit/ (Net Loss) attributable to shareholders	6,060	5,485	6,589	(27,005)	(14,215)	(2,374)
No. of ASB Shares in issue ('000)	337,794	337,794	337,794	337,794	337,794	461,908
NA per share (RM)	1.13	1.15	1.17	0.96	0.94	0.82
Net EPS/(LPS) (sen)	1.79	1.62	1.95	(7.99)	(4.21)	(0.56)*
Gross dividend rate (%)	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

\* Based on weighted average number of shares as at 30 June 2008.

<sup>I</sup> The Group recorded a total revenue of RM218.9 million for the FYE 31 December 2003 compared to RM203.62 million for the preceding year ended 31 December 2002, an increase of 7.5%. PAT achieved for the year was RM15.5 million as opposed to loss of RM60.7 million in 2002. This substantial improvement in profitability was attributable to the improved performance from our subsidiaries, and the sizeable contribution of our Information and Communications Technology ("ICT") division, namely Unified Communications Holdings Limited and its subsidiaries ("Unified Communications Group").

<sup>II</sup> The increase in revenue by approximately 3.7% to RM227.0 million for the FYE 31 December 2004 from the previous financial year was mainly attributable to the higher revenue from our hotel division. However, the LAT of about RM4.5 million was recorded despite the higher revenue achieved for the year. This was mainly due to the loss made by our ICT division, namely the Unified Communications Group.

<sup>III</sup> The increase in revenue by approximately 8.7% to RM246.7 million for the FYE 31 December 2005 from the previous financial year and the higher PAT of about RM4.1 million achieved during the year were mainly due to the improved performance of our associated company which is involved in the general insurance businesses. Apart from that, the improved performance was also contributed by the reduction of losses from the ICT division, namely the Unified Communications Group.

<sup>IV</sup> The decrease in revenue by approximately 6.5% to RM230.7 million for the FYE 31 December 2006 compared to RM246.7 million for FYE 31 December 2005 and a LAT of RM54.7 million for the FYE 31 December 2006 compared to a PAT of RM4.1 million for the previous year was attributable mainly to the lower profit contribution from associated companies and impairment losses on investments, and property, plant and equipment.

<sup>V</sup> The Group recorded a lower LAT of RM17.8 million for the FYE 31 December 2007 as compared to a LAT of RM54.7 million for the FYE 31 December 2006. The improved results was mainly due to lower impairment loss on property, plant and equipment, lower impairment loss on investments, reduction in the Group's operating expenses as well as higher contribution from associated companies.

<sup>VI</sup> The Group recorded a lower LAT of RM4.4 million for the six-month period ended 30 June 2008 compared to RM8.5 million LAT for the corresponding period in the previous year. The improved result was mainly attributable to higher contribution from the ICT division and associated companies, lower loss from Bus Transportation Services division and lower finance costs. However, this was partly offset by higher impairment loss on investment securities and investment in associated companies which are marked to market amounting to RM2.5 million for the six-month period ended 30 June 2008.

## 7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of the ASB Group and Company based on the audited financial statements as at 31 December 2007 is as follows:

	Group RM'000	Company RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	215,501	419
Prepaid lease payments for land	984	-
Land held for development	-	-
Intangible assets	106,523	-
Investments in subsidiaries	-	424,561
Investments in associates	73,132	-
Investment securities	62,224	35,175
Trade and other receivables	3,035	-
Deferred tax assets	1,595	-
	<u>462,994</u>	<u>460,155</u>
<b>Current Assets</b>		
Property development costs	34,201	-
Accrued billings	3,441	-
Inventories	24,633	-
Trade and other receivables	90,638	99,327
Current tax asset	4,040	2,389
Marketable securities	2,019	-
Cash and cash equivalents	62,707	828
	<u>221,679</u>	<u>102,544</u>
<b>Non current asset classified as held for sale</b>	741	-
<b>TOTAL ASSETS</b>	<u><b>685,414</b></u>	<u><b>562,699</b></u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Borrowings	88,963	-
Deferred tax liabilities	3,396	-
Provision for retirement benefit obligations	412	-
Deferred income	30	-
	<u>92,801</u>	<u>-</u>
<b>Current Liabilities</b>		
Trade and other payables	76,881	214,261
Borrowings	55,336	43,758
Current tax payable	1,146	-
	<u>133,363</u>	<u>258,019</u>
<b>TOTAL LIABILITIES</b>	<u><b>226,164</b></u>	<u><b>258,019</b></u>
<b>CAPITAL AND RESERVES</b>		
Share Capital	337,794	337,794
Reserves	(19,380)	(33,114)
	<u><b>318,414</b></u>	<u><b>304,680</b></u>
<b>MI</b>	140,836	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><b>685,414</b></u>	<u><b>562,699</b></u>

---

**FURTHER INFORMATION**


---

**1. CONSENT**

PIVB, acting as the IA for ASCAP, has given and has not subsequently withdrawn its written consent to the inclusion in this IAC of its name, letter and all references thereto in the form and context in which it appears.

**2. DISCLOSURE OF INTERESTS AND DEALINGS IN SHARES****2.1 ASCAP****2.1.1 Disclosure of interests in ASB Shares**

As at the LPD, ASCAP does not have any interest, whether direct or indirect, in ASB Shares.

**2.1.2 Dealing in interests in ASCAP Shares**

Save as disclose below, as at the LPD, ASCAP has not dealt, directly or indirectly, in ASCAP Shares during the six (6)-month period prior to the commencement of the Offer Period up to the LPD:

<b>Date of transaction</b>	<b>Nature of transaction</b>	<b>No. of ASCAP Shares transacted</b>	<b>Average transaction price per Share (RM)</b>	<b>Total gross consideration (RM)</b>
07.07.2008	Share buy-back	10,000	0.46	4,646.38
08.07.2008	Share buy-back	67,500	0.46	31,052.46
09.07.2008	Share buy-back	74,800	0.47	34,908.17
14.07.2008	Share buy-back	10,000	0.45	4,546.35
15.07.2008	Share buy-back	13,300	0.45	5,966.28
16.07.2008	Share buy-back	10,000	0.45	4,496.34
17.07.2008	Share buy-back	5,900	0.47	2,757.82
18.07.2008	Share buy-back	500	0.51	256.07
22.07.2008	Share buy-back	2,500	0.45	1,117.33
23.07.2008	Share buy-back	2,000	0.45	901.26
24.07.2008	Share buy-back	2,500	0.47	1,167.34
25.07.2008	Share buy-back	20,000	0.45	9,065.70
28.07.2008	Share buy-back	8,500	0.46	3,870.15
29.07.2008	Share buy-back	18,000	0.45	8,160.03
30.07.2008	Share buy-back	44,000	0.44	19,462.12
31.07.2008	Share buy-back	3,500	0.44	1,547.46
04.08.2008	Share buy-back	35,000	0.43	15,160.82

<b>Date of transaction</b>	<b>Nature of transaction</b>	<b>No. of ASCAP Shares transacted</b>	<b>Average transaction price per Share (RM)</b>	<b>Total gross consideration (RM)</b>
06.08.2008	Share buy-back	5,000	0.44	2,193.65
07.08.2008	Share buy-back	1,000	0.47	472.13
11.08.2008	Share buy-back	500	0.52	261.07
15.08.2008	Share buy-back	19,300	0.46	8,840
18.08.2008	Share buy-back	5,000	0.46	2,293.68
19.08.2008	Share buy-back	25,000	0.45	11,332.88
20.08.2008	Share buy-back	57,000	0.45	25,837.60
21.08.2008	Share buy-back	52,800	0.45	23,885.87
22.08.2008	Share buy-back	30,800	0.45	13,911.73
25.08.2008	Share buy-back	500	0.53	266.07
28.08.2008	Share buy-back	40,000	0.46	18,486.62
29.08.2008	Share buy-back	41,500	0.45	18,811.66
02.09.2008	Share buy-back	19,000	0.45	8,588.01
03.09.2008	Share buy-back	7,000	0.46	3,194.95
04.09.2008	Share buy-back	50,600	0.45	22,885.54
05.09.2008	Share buy-back	55,000	0.45	24,930.93
09.09.2008	Share buy-back	16,500	0.45	7,479.78
10.09.2008	Share buy-back	35,900	0.46	16,523.06
11.09.2008	Share buy-back	195,000	0.45	88,390.83
12.09.2008	Share buy-back	115,000	0.46	52,707.65
15.09.2007	Share buy-back	82,300	0.46	37,811.52
16.09.2008	Share buy-back	113,500	0.46	51,939.90
18.09.2008	Share buy-back	100,000	0.46	45,933.28
19.09.2008	Share buy-back	7,566,600	0.46	3,454,331.41
24.09.2008	Share buy-back	4,000	0.47	1,882.56

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**

### 2.1.3 Disclosure of interests in ASB Warrants

As at the LPD, ASCAP does not have any interest, whether direct or indirect, in ASB Warrants.

### 2.1.4 Dealing in interests in ASB Warrants

As at the LPD, ASCAP has not dealt, directly or indirectly, in ASB Warrants during the six (6)-month period prior to the commencement of the Offer Period up to the LPD.

### 2.1.5 Disclosure of interests in ASB ICULS

As at the LPD, ASCAP does not have any interest, whether direct or indirect, in ASB ICULS.

### 2.1.6 Dealing in interests in ASB ICULS

As at the LPD, ASCAP has not dealt, directly or indirectly, in ASB ICULS during the six (6)-month period prior to the commencement of the Offer Period up to the LPD.

## 2.2 Directors of ASCAP

### 2.2.1 Disclosure of interests in ASCAP Shares

Save as disclosed below, as at the LPD, none of the Directors of ASCAP has any interest, direct or indirect, in ASCAP Shares:

Name	Designation	Nationality	<-----Direct----->		<-----Indirect----->	
			No. of ASCAP Shares held	% <sup>(a)</sup>	No. of ASCAP Shares held	% <sup>(a)</sup>
Dato' Ahmad Sebi Bakar	Chairman	Malaysian	-	-	94,754,600 <sup>(b)</sup>	66.75
Wong Joon Hian	Managing Director	Malaysian	-	-	37,500 <sup>(c)</sup>	0.03

Notes:

(a) The percentage shareholdings are computed after excluding 14,916,535 ASCAP Shares held as treasury shares as at the LPD.

(b) Deemed interested by virtue of his interest in ASB pursuant to Section 6A of the Act.

(c) Deemed interested by virtue of his spouse's interest in ASCAP Shares pursuant to Section 134(12)(c) of the Act.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK



## 2.2.2 Dealing in ASCAP Shares

Save as disclosed below for the dealing in ASCAP Shares by Dato' Ahmad Sebi Bakar (indirect interest in ASCAP by virtue of his interest in ASB), none of the Directors of ASCAP has dealt, directly or indirectly, in ASCAP Shares during the six (6)-month period prior to the commencement of the Offer Period up to the LPD:

Date of transaction	Nature of transaction	No. of ASCAP Shares transacted	Average transaction price per Share (RM)
25.09.2008	Direct business transaction	11,116,300	0.46
29.09.2008	Purchased from the open market	1,136,300	From 0.59 to 0.60
30.09.2008	Purchased from the open market	1,572,500	From 0.59 to 0.60
03.10.2008	Purchased from the open market	254,000	From 0.59 to 0.60
06.10.2008	Purchased from the open market	665,700	From 0.59 to 0.60
07.10.2008	Purchased from the open market	119,500	0.59
08.10.2008	Purchased from the open market	275,100	0.59

## 2.2.3 Disclosure of interests in ASB Shares

Save as disclosed below, as at the LPD, none of the Directors of ASCAP has any interest, direct or indirect, in ASB Shares:

Name	Designation	Nationality	<-----Direct----->		<-----Indirect----->	
			No. of ASB Shares held	%	No. of ASB Shares held	%
Dato' Ahmad Sebi Bakar	Chairman	Malaysian	15,203,509	3.29	95,057,609 <sup>(a)</sup>	20.58
Wong Joon Hian	Managing Director	Malaysian	-	-	45,000 <sup>(b)</sup>	0.01
Ir. Haji Mansor Bin Salleh @ Md Salleh	Independent Non-Executive Director	Malaysian	-	-	21,000 <sup>(b)</sup>	Neg

Notes:

Neg Negligible

(a) Deemed interested by virtue of his interest in Suasana Dinamik Sdn Bhd and Bright Existence Sdn Bhd pursuant to Section 6A of the Act and includes his son's interest in ASB Shares pursuant to Section 134(12)(c) of the Act.

(b) Deemed interested by virtue of his spouse's interest in ASB Shares pursuant to Section 134(12)(c) of the Act.

## 2.2.4 Dealing in ASB Shares

As at the LPD, none of the Directors of ASCAP has dealt, directly or indirectly, in ASB Shares during the six (6)-month period prior to the commencement of the Offer Period, up to the LPD.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

## 2.2.5 Disclosure of interests in ASB Warrants

Save as disclosed below, as at the LPD, none of the Directors of ASCAP has any interest, whether direct or indirect, in ASB Warrants:

Name	Designation	Nationality	<-----Direct----->		<-----Indirect----->	
			No. of ASB Warrants 2000/2010 <sup>(a)</sup> held	%	No. of ASB Warrants 2000/2010 <sup>(a)</sup> held	%
Dato' Ahmad Sebi Bakar	Chairman	Malaysian	7,010,005	4.15	21,465,000 <sup>(b)</sup>	12.71
Wong Joon Hian	Managing Director	Malaysian	-	-	8,000 <sup>(c)</sup>	0.05
Ir. Haji Mansor Bin Salleh @ Md Salleh	Independent Non-Executive Director	Malaysian	-	-	15,000 <sup>(c)</sup>	0.09

Notes:

- (a) The duration and exercise period of the ASB Warrants has been extended by five (5) years from 28 August 2003 up to and including 29 August 2008 and thereafter extended for a further period of two (2) years from 28 August 2008 up to and including 29 August 2010.
- (b) Deemed interested by virtue of his son's interest in ASB Warrants pursuant to Section 134(12)(c) of the Act.
- (c) Deemed interested by virtue of his spouse's interest in ASB Warrants pursuant to Section 134(12)(c) of the Act.

## 2.2.6 Dealing in ASB Warrants

As at the LPD, none of the Directors of ASCAP has dealt, directly or indirectly, in ASB Warrants during the six (6)-month period prior to the commencement of the Offer Period, up to the LPD.

## 2.2.7 Disclosure of interests in ASB ICULS

Save as disclosed below, as at the LPD, none of the Directors of ASCAP has any interest, whether direct or indirect, in ASB ICULS:

Name	Designation	Nationality	<-----Direct----->		<-----Indirect----->	
			No. of ASB ICULS held	%	No. of ASB ICULS held	%
Dato' Ahmad Sebi Bakar	Chairman	Malaysian	123,212,999	13.19	149,602,489 <sup>(a)</sup>	16.02
Wong Joon Hian	Managing Director	Malaysian	-	-	157,500 <sup>(b)</sup>	0.02
Ir. Haji Mansor Bin Salleh @ Md Salleh	Independent Non-Executive Director	Malaysian	-	-	73,500 <sup>(b)</sup>	0.01

Notes:

- (a) Deemed interested by virtue of his interest in Suasana Dinamik Sdn Bhd and Bright Existence Sdn Bhd pursuant to Section 6A of the Act and includes his son's interest in ASB ICULS pursuant to Section 134(12)(c) of the Act.
- (b) Deemed interested by virtue of his spouse's interest in ASB ICULS pursuant to Section 134(12)(c) of the Act.

#### **2.2.8 Dealing in ASB ICULS**

As at the LPD, none of the Directors of ASCAP has dealt, directly or indirectly, in ASB ICULS during the six (6)-month period prior to the commencement of the Offer Period, up to the LPD.

#### **2.2.9 Other interests in ASCAP or ASB**

As at the LPD, Dato' Ahmad Sebi Bakar and Chim Wai Khuan are directors of both ASCAP and ASB.

Save as disclosed in the paragraph above as well as in Section 2.2 of this appendix, none of the Directors of ASCAP has any other interest in ASCAP and in ASB as at the LPD.

### **2.3 General disclosure**

The general disclosures as extracted from Section 3.3, Appendix VI of the Offer Document are as follows:

- “(i) As at 10 October 2008 and saved as disclosed in Section 1.3 of the Offer Document, ASB had not received any irrevocable undertakings from any Holders to accept the Offer.*
- (ii) As at 10 October 2008, there was no other agreement, arrangement or understanding that exists between ASB and:*
  - (a) any of the Directors of ASCAP or past Directors of ASCAP being persons who were Directors of ASCAP during the period of six (6) months immediately prior to the date of the Notice; and*
  - (b) ASCAP shareholders or past shareholders of ASCAP being persons who was a shareholder of ASCAP during the period of six (6) months immediately prior to the date of the Notice save as disclosed in Section 3.1(ii), Appendix VI of the Offer Document.*

*which have any connection with or dependence upon the Offer.*
- (iii) As at 10 October 2008, there was no agreement, arrangement or understanding whereby the beneficial ownership of any of the Offer Shares which may be acquired by the Offer Shares which maybe acquired by ASB will, or may be, transferred to any other person(s) within the foreseeable future.*
- (iv) Any Offer Shares acquired by ASB pursuant to the Offer will be registered in the name of ASB and/or its appointed nominees.”*

### **3. SERVICE CONTRACTS**

As at the LPD, neither ASCAP nor its subsidiaries have any service contracts with any of its Directors or proposed Directors, which excludes contracts expiring or determinable by ASCAP or its subsidiaries, without payment or compensation (other than statutory compensation) within twelve (12) months from the date of the Offer Document.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--

#### **4. MATERIAL CONTRACTS**

Save as disclosed below, ASCAP and its subsidiaries have not entered into any contracts (not being contracts entered into in the ordinary course of business) which are or maybe material during the past two (2) years immediately preceding the LPD:

Share Sale Agreement dated 8 May 2008 between Triton Synergy Holdings Sdn Bhd ("TSHSB"), a wholly-owned subsidiary of ASCAP, and Asia Media Sdn Bhd for the disposal by TSHSB of its 70% equity interest in Transit Vision Holdings Sdn Bhd ("TVHSB") comprising 784,000 ordinary shares of RM1.00 each to Asia Media Sdn Bhd for a total consideration of RM500,000.00 ("Proposed Disposal of TVHSB"). The Proposed Disposal of TVHSB was completed on 15 June 2008.

#### **5. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

As at the LPD, ASCAP and its subsidiaries are not engaged in any material litigation, claims and arbitration, either as a plaintiff or defendant, which will have a material effect on the financial position of ASCAP or its subsidiary companies.

#### **6. MATERIAL COMMITMENTS**

There are no material commitments entered into by ASCAP and its subsidiaries that has a material effect on the business or financial position of ASCAP or its subsidiaries within two (2) years from the date of the LPD.

#### **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours from Monday to Friday (except public holidays) at the registered office of ASCAP, while the Offer remains open for acceptances:

- (i) the Memorandum and Articles of Association of ASCAP;
- (ii) a copy of the Notice and the Offer Document;
- (iii) the audited consolidated financial statements of ASCAP for the past two (2) FYE 31 December 2006 and 31 December 2007 and the unaudited quarterly results for the six (6)-month period ended 30 June 2008;
- (iv) the letter of consent referred to in Section 1 above; and
- (v) the material contracts referred to in Section 4 above.

<b>THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK</b>
--