

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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ADVANCE SYNERGY BERHAD

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

CIRCULAR TO STOCKHOLDERS

in relation to the

**PROPOSED STOCKHOLDERS' MANDATE ON RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Notice of the Extraordinary General Meeting to be held at Dewan Thai, City Villa Kuala Lumpur, 69 Jalan Haji Hussein, 50300 Kuala Lumpur on Saturday, 28 June 2003 at 10.45 a.m., or immediately following the conclusion or adjournment of the Seventy-Ninth Annual General Meeting of the Company, which will be held at the same venue and on the same day at 10.30 a.m., whichever is the later, is set out in this Circular. Stockholders are advised to refer to the Notice of the Extraordinary General Meeting and the Form of Proxy which are enclosed. The Form of Proxy should be lodged at the registered office of the Company not later than forty-eight (48) hours before the time stipulated for holding the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging of Form of Proxy: 26 June 2003 at 10.45 a.m.

This Circular is dated 5 June 2003

ABBREVIATIONS

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

“AGM”	:	Annual General Meeting
“ASB” or “Company”	:	Advance Synergy Berhad
“ASB Group”	:	Advance Synergy Berhad and its subsidiaries and associated companies, collectively
“Board”	:	Board of Directors of Advance Synergy Berhad
“EGM”	:	Extraordinary General Meeting
“KLSE”	:	Kuala Lumpur Stock Exchange
“Listing Requirements”	:	Listing Requirements of the Kuala Lumpur Stock Exchange
“Proposed New Mandate”	:	Stockholders’ approval for the general mandate in relation to recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations as set out herein in Section 2.3(B)
“Proposed Renewal Mandate”	:	Stockholders’ approval for the renewal of general mandate in relation to recurrent related party transactions of a revenue or trading nature which are necessary for its day-to-day operations as set out herein in Section 2.3(A)
“Proposed Stockholders’ Mandate”	:	Proposed Renewal Mandate and Proposed New Mandate
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively

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ADVANCE SYNERGY BERHAD

(Company No.: 1225-D)

(Incorporated in Malaysia)

Registered Office:
Level 3A (Tower Block)
Menara Milenium
No. 8 Jalan Damanela
Bukit Damansara
50490 Kuala Lumpur

5 June 2003

Directors

Dato' Ahmad Sebi Bakar (Executive Chairman)
Tan Sri Dato' Nik Ibrahim Kamil bin Tan Sri Nik Ahmad Kamil
Aznan bin Hj Ismail
Wong Ah Nam @ Wong Joon Tuang
Datin Masri Khaw binti Abdullah
Chim Wai Khuan

To: The stockholders of Advance Synergy Berhad

Dear Sir / Madam,

**PROPOSED STOCKHOLDERS' MANDATE ON RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE**

1. INTRODUCTION

On 29 June 2002, the Company had at its EGM obtained the stockholders' general mandate for the recurrent related party transactions of a revenue and trading nature which are necessary for day-to-day operations of the Company and/or its unlisted subsidiary companies. The stockholders' general mandate shall expire at the conclusion of the forthcoming AGM unless it is renewed.

On 8 May 2003, the Board of Directors of ASB announced that the Company will be seeking stockholders' approval for the Proposed Stockholders' Mandate at the forthcoming EGM of the Company.

The purpose of this Circular is to provide you with the relevant information on the Proposed Stockholders' Mandate and to seek your approval for the resolution to be tabled at the forthcoming EGM to be held at Dewan Thai, City Villa Kuala Lumpur, 69 Jalan Haji Hussein, 50300 Kuala Lumpur on Saturday, 28 June 2003 at 10.45 a.m., or immediately following the conclusion or adjournment of the Seventy-Ninth Annual General Meeting of the Company, which will be held at the same venue and on the same day at 10.30 a.m., whichever is the later. The notice of the EGM together with the Form of Proxy is enclosed in this Circular.

STOCKHOLDERS OF ASB ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED STOCKHOLDERS' MANDATE.

2. DETAILS OF THE PROPOSED STOCKHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Under Paragraph 10.09 of the Listing Requirements, a listed issuer may seek shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year;
- (iii) The listed issuer's circular to shareholders for the shareholders' mandate shall include information set out in Part B of Appendix 10D of the Listing Requirements; and
- (iv) in the meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

2.2 Classes of related parties

Stockholders' approval is sought for the general mandate for the recurrent transactions of a revenue or trading nature which are necessary for day-to-day operations of ASB and/or its unlisted subsidiaries which involves the interest, direct or indirect, of directors, major stockholders or persons connected with such directors or major stockholders of the Company.

The subsidiary companies and persons connected with the Company which are involved in the recurrent related party transactions (Persons Connected to ASB) are as listed overleaf.

Persons Connected to ASB:-

Company	Interest of ASB as at 31 May 2003	Nature of business
1. Antara Holiday Villas Sdn Bhd ("Antara")	Antara is a wholly-owned subsidiary company of Alangka-Suka Hotels & Resorts Berhad, which in turn is a 99.63%-owned subsidiary company of ASB.	Hotel management services
2. iSynergy Sdn Bhd ("iSynergy") and Rewardstreet.com (Malaysia) Sdn Bhd ("Rewardstreet")	iSynergy is a 51%-owned subsidiary company of ASB and Rewardstreet is a wholly-owned subsidiary company of iSynergy.	Provision of payment related products and services
3. Alangka-Suka Hotels & Resorts Berhad ("ASHR")	ASHR is a 99.63%-owned subsidiary company of ASB.	Investment holding company
4. ASH Holdings Sdn Bhd	- *	Property and investment holding

*Note: * Datin Masri Khaw binti Abdullah who is a director of ASB has 50% interest in ASH Holdings Sdn Bhd.*

Details of the Directors' and major stockholders' interests in the stock units of ASB are set out in Section 6 of this Circular.

2.3 Nature of recurrent related party transactions contemplated

Currently, the principal activities of ASB are investment holding company and provision of full corporate and financial support to its subsidiaries and associated companies. The subsidiaries and associated companies of ASB are primarily engaged in financial services, owning and operating hotels and resorts, general insurance, property development, provision of management services, manufacturing of wrap knitted fabrics, project management and support services, research and development for the telecommunications industry and trading of telecommunication products, provision of public bus transport services, manufacturing and sale of metal products, trading of electronic products, provision of research and consultancy services, card and payment services, travel and tours and events organiser and provision of e-commerce applications and services.

ASB and/or its unlisted subsidiary companies have entered into recurrent related party transactions in the normal commercial terms, on terms not more favourable to the related party than those generally available to the public and which will not be detrimental to minority stockholders and it is anticipated that the Group would, in the ordinary course of business, continue to enter into these recurrent related transactions which are detailed herein. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

Details of recurrent related party transactions contemplated include those described below:-

(A) Existing recurrent related party transactions which are covered under the Proposed Renewal Mandate

Nature of transaction	Vendor/ Provider	Purchaser/ Recipient	Estimated aggregate value from 28 June 2003 (date of the forthcoming AGM) to 30 June 2004 (being the last practicable date for the next Annual General Meeting) * (RM'000)	Nature of relationship with ASB – interested directors, major stockholders and persons connected
a) Rental of office premise located at B-16-8 Megan Phileo Avenue, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur covering an area of 3,708 sq. ft.	ASH Holdings Sdn Bhd (“ASH”)	Antara Holiday Villas Sdn Bhd (“Antara”)	96	Datin Masri Khaw Binti Abdullah is a director of ASB and Antara, a wholly owned subsidiary company of Alangka-Suka Hotels & Resorts Berhad, in which Datin Masri Khaw Binti Abdullah holds 0.26% interest. She has 50% interest in ASH.
b) Royalties for Cash-In Rebate Card	Interpay International Franchising Ltd (“IIF”)	Rewardstreet.com (Malaysia) Sdn Bhd (“Rewardstreet”)	137	Rewardstreet is a wholly-owned subsidiary company of iSynergy Sdn Bhd (“iSynergy”). Both IIF and Interpay International Resources Ltd, a major shareholder of iSynergy, are wholly-owned subsidiary companies of Interpay International Group Ltd (“IIG”). Benny Lee Shing Bun, a director of iSynergy, holds 35% interest in IIG. He has no interest in ASB.
c) Requisition of technical support	Interpay International Associates Ltd (“IIA”)	iSynergy Sdn Bhd (“iSynergy”)	200	Both IIA and Interpay International Resources Ltd, a major shareholder of iSynergy, are wholly-owned subsidiary companies of Interpay International Group Ltd (“IIG”). Benny Lee Shing Bun, a director of iSynergy, holds 35% interest in IIG. He has no interest in ASB.

(B) New recurrent related party transactions which are covered under the Proposed New Mandate

Nature of transaction	Vendor/ Provider	Purchaser/ Recipient	Estimated aggregate value from 28 June 2003 (date of the forthcoming AGM) to 30 June 2004 (being the last practicable date for the next Annual General Meeting) * (RM'000)	Nature of relationship with ASB – interested directors, major stockholders and persons connected
Requisition of medical charge cards with insurance features known as “Alpha Medi-Charge Card” for employees	iSynergy Sdn Bhd (“iSynergy”)	ASB	20	Dato’ Ahmad Sebi Bakar is the Executive Chairman as well as a major stockholder of ASB. He is also a director of iSynergy. iSynergy is an immediate 51%-owned subsidiary of ASB.

Note:

* *The estimated value of the transactions is based on values transacted during the financial year ended 31 December 2002 and estimated value of anticipated future transactions.*

2.4 Method or procedures on which transaction prices are determined/ review procedures for recurrent related party transactions

To ensure that the recurrent related party transactions which are in the ordinary course of business are conducted at arm’s length and based on normal commercial terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority stockholders, the following principles will apply:-

- i) The provision or receipt of services shall be determined based on prevailing rates of the goods or services which are normally applied in the industry in which the particular subsidiary is involved; and
- ii) The leasing/ rental of properties/ assets shall be at the prevailing market rates for the same or substantially similar properties/ assets and shall be on normal commercial terms.

To monitor the recurrent related party transactions, the following review procedures will be implemented:-

- i) A register will be maintained to record recurrent related party transactions which are entered into pursuant to the Proposed Stockholders’ Mandate; and

- ii) The Audit Committee will undertake a quarterly review of recurrent related party transactions to ensure that such transactions are undertaken at arm's length, normal commercial terms, on terms not more favourable to the related party than those generally available to the public and will not be detrimental to the minority stockholders and in the best interest of the Group. In their review and approval of such transactions, the Audit Committee may, as they deem fit, request for additional information pertaining to the transactions from independent sources or advisers.

2.5 Audit Committee Statement

The Audit Committee of the Company has reviewed the terms of the Proposed Stockholders' Mandate and is satisfied that the review procedures for the recurrent related party transactions are sufficient to ensure that such transactions will be carried out at arm's length and based on normal commercial terms consistent with the Group's usual business practices and policies, on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority stockholders.

2.6 Validity period of the Proposed Stockholders' Mandate

The Proposed Stockholders' Mandate is subject to annual renewal. In this respect, any authority conferred by a mandate granted by stockholders shall only continue to be in force until:-

- a) the conclusion of the next annual general meeting of the Company (following the EGM at which the Proposed Stockholders' Mandate is passed), at which time it will lapse, unless by a resolution passed at that annual general meeting, the authority is renewed;
- b) the expiration of the period within which the next annual general meeting (following the EGM at which the Proposed Stockholders' Mandate is passed) is required to be held pursuant to Section 143(1) of the Companies Act, 1965("CA")(but shall not extend to such extension as may be allowed pursuant to Section 143(2) of CA); or
- c) revoked or varied by resolution passed by the stockholders in general meeting,

whichever is the earlier.

2.7 Disclosure

Disclosure will be made in the Company's Annual Report of breakdown of the aggregate value of transactions conducted pursuant to the Proposed Stockholders' Mandate during the financial year and in the Annual Reports for the subsequent financial years that the Proposed Stockholders' Mandate continue in force with details on type of the transaction made and their relationship with the Company.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED STOCKHOLDERS' MANDATE

The rationale for and benefit of the Proposed Stockholders' Mandate to ASB Group are as follows:-

- (i) The Proposed Stockholders' Mandate will facilitate transactions with related parties which are in the ordinary course of business of the ASB Group which are undertaken at arm's length, normal commercial terms, on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority stockholders;
- (ii) The Proposed Stockholders' Mandate will enhance the ASB Group's ability to pursue business opportunities which are time-sensitive in nature and will eliminate the need for the Company to convene separate general meetings to seek stockholders' approval for each transaction;
- (iii) The Proposed Stockholders' Mandate will substantially reduce the expenses associated with convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow resources to be channeled towards attaining other corporate objectives; and
- (iv) The transactions between the related parties allow for more efficient utilisation of existing resources and additional income generation and the co-operation between the ASB Group and the related parties has reaped mutual benefits for the past years and is expected to continue to be of benefit to the business of the Group.

4. EFFECT OF THE PROPOSED STOCKHOLDERS' MANDATE

The Proposed Stockholders' Mandate will not have any effect on the share capital, net tangible assets, earnings as well as major stockholders' and Directors' stockholdings of the Company.

5. CONDITION OF THE PROPOSED STOCKHOLDERS' MANDATE

The Proposed Stockholders' Mandate is subject to the approval of the stockholders of the Company at the forthcoming EGM.

6. DIRECTORS' AND MAJOR STOCKHOLDERS' INTERESTS

The direct and indirect interest of the directors of ASB in the stock units of ASB as at 31 May 2003 are as follows:

	Direct		Indirect	
	No. of stock units of RM1.00 each	% held	No. of stock units of RM1.00 each	% held
Dato' Ahmad Sebi Bakar	15,020,009	4.44	27,451,109*	8.13
Datin Masri Khaw Binti Abdullah	6,000	0.002	800,000**	0.24

Note:

* Deemed interest by virtue of his shareholdings in Suasana Dinamik Sdn Bhd and Bright Existence Sdn Bhd, which in turn directly holds 4.71% and 3.42% respectively in ASB.

** Deemed interest by virtue of her shareholding in ASH Holdings Sdn Bhd, which in turn directly holds 0.24% in ASB.

Dato' Ahmad Sebi Bakar is the Executive Chairman of ASB, as well as a major stockholder of ASB. He has abstained and will continue to abstain from all Board deliberations and voting on the resolution pertaining to the Proposed Stockholders' Mandate.

Datin Masri Khaw Binti Abdullah has abstained and will continue to abstain from all Board deliberations and voting on the resolution pertaining to the Proposed Stockholders' Mandate.

Both Dato' Ahmad Sebi Bakar and Datin Masri Khaw Binti Abdullah hold directorships in certain subsidiary and associated companies of ASB as set out in Section 2.3 of this Circular which are the subject of the Proposed Stockholders' Mandate.

Dato' Ahmad Sebi Bakar, Datin Masri Khaw Binti Abdullah and persons connected with them, namely, Suasana Dinamik Sdn Bhd, Bright Existence Sdn Bhd and ASH Holdings Sdn Bhd, will abstain from voting on their direct and/or indirect stockholdings on the resolution pertaining to the Proposed Stockholders' Mandate at the forthcoming EGM.

The interested parties, namely Dato' Ahmad Sebi Bakar and Datin Masri Khaw Binti Abdullah, have undertaken to ensure that persons connected with them, namely, Suasana Dinamik Sdn Bhd, Bright Existence Sdn Bhd and ASH Holdings Sdn Bhd, will abstain from voting on their direct and/or indirect stockholdings on the resolution pertaining to the Proposed Stockholders' Mandate at the EGM to be convened.

Save as disclosed above, none of the other Directors and major stockholders or persons connected with the Directors and major stockholders have any interest, direct or indirect, in the Proposed Stockholders' Mandate.

7. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposed Stockholders' Mandate, the Board is of the opinion that the Proposed Stockholders' Mandate is in the best interest of the Company.

Accordingly, your Board (other than Dato' Ahmad Sebi Bakar and Datin Masri Khaw Binti Abdullah who had abstained from any recommendation in view of their interests in the Proposed Stockholders' Mandate) recommend that you vote in favour of the ordinary resolution for the Proposed Stockholders' Mandate to be tabled at the forthcoming EGM.

8. EGM

An EGM, the notice of which is enclosed in this Circular, to be held at Dewan Thai, City Villa Kuala Lumpur, 69 Jalan Haji Hussein, 50300 Kuala Lumpur on Saturday, 28 June 2003 at 10.45 a.m., or immediately following the conclusion or adjournment of the Seventy-Ninth Annual General Meeting of the Company, which will be held at the same venue and on the same day at 10.30 a.m., whichever is the later, for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Stockholders' Mandate.

If you are unable to attend and vote in person at the EGM, please complete, sign and return the Form of Proxy enclosed in this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Registered Office of the Company at Level 3A (Tower Block), Menara Milenium, No 8, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, not later than forty-eight (48) hours before the time fixed for the meeting. The completion and return of the Form of Proxy does not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Stockholders of ASB are advised to refer to the attached Appendix contained in this Circular for further information.

Yours faithfully
For and on behalf of the Board of Directors
ADVANCE SYNERGY BERHAD

Mr Wong Ah Nam @ Wong Joon Tuang
Independent Non-Executive Director

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

The Board has seen and approved this Circular. Its members collectively and individually accept full responsibility for the accuracy of the information contained in this Circular. The Board confirms that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

No representations with regard to the information on three subsidiaries of the Company namely, Kedah Marble Sdn Bhd ("KMSB"), Advance Synergy Furniture Sdn Bhd ("ASF") and Syarikat Fit & Weld Engineering (M) Sdn Bhd ("SFWE"), are made in this Circular due to the following factors: -

- The Company does not exercise any significant influence over the Board of KMSB. Management control of KMSB is exercised by the minority shareholders pursuant to a Shareholders' Agreement. Furthermore, there is a proposed disposal of ASB's equity interest in KMSB to the minority shareholders. The accounts of KMSB have been excluded from the consolidated accounts of ASB since 1994 and effective from the financial year ended 31 December 2000, the Company's investment in KMSB has been treated as a simple investment.
- With regard to ASF, a wholly-owned subsidiary of Excellent Arch Sdn Bhd which in turn is a wholly-owned subsidiary of ASB, two Special Administrators ("SA") have been appointed by Pengurusan Danaharta Nasional Berhad on 9 September 1999. On 24 October 2002, the SA were terminated with the appointment of a Liquidator. Since the appointment of the SA, the Company has been unable to exercise any further control over ASF.
- A Notice of Winding-up Petition dated 8 April 2000 was served on SFWE, a 70%- owned subsidiary of Nagapura Management Corporation Sdn Bhd, which in turn is wholly-owned subsidiary of ASB, by the Malaysian Government. On 15 September 2000, a Winding-up Order was granted by the High Court and served on SFWE on 16 November 2001. A provisional Liquidator was appointed on 15 September 2000.

2. MATERIAL LITIGATION**ASB Group**

Save as disclosed below, ASB and/or its subsidiaries have not engaged in any litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of ASB and/or its subsidiaries and the Directors of ASB are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position or business of ASB and/or its subsidiaries: -

- (i) On 29 November 1993, the Company received a notice of a legal action taken by a stockholder, Mr V. Balakrishnan, who is disputing the basis of determining

the entitlement to the bonus issue carried out by the Company in 1993. The suit was struck out by the Senior Assistant Registrar on ASB's application on 30 September 1997. However, Mr V. Balakrishnan has appealed to the Judge in Chambers and on 12 April 2002, the High Court allowed the Petitioner's appeal against the Company, with costs both in respect of the appeal and the hearing before the Senior Assistant Registrar. The Company has on 2 May 2002 lodged an appeal to the Court of Appeal against the High Court's decision given on 12 April 2002, which appeal is still pending. Although the final outcome of this matter is currently uncertain, the Directors are of the opinion that the legal suit has no merit and will not succeed.

- (ii) A third party action was filed by American Home Assurance Company ("AHA") on 24 October 2002 against Rewardstreet.com (Malaysia) Sdn Bhd, a wholly-owned subsidiary of iSynergy Sdn Bhd, which in turn is a 51%-owned subsidiary of ASB. AHA is sued as defendant in the main suit filed by Ultra Dimension Sdn Bhd as plaintiff for, inter alia, the alleged infringement of copyright by Rewardstreet.com (Malaysia) Sdn Bhd via the AHA Privilege Cash In Rebate Cards. The application filed to strike-out the third party action by AHA on the basis that the design was provided by a third party and that no cause of action lay against Rewardstreet.com (Malaysia) Sdn Bhd was not successful. The matter is currently pending the filing of defence. The solicitors are of the opinion that the outcome would be favourable.

3. MATERIAL CONTRACTS

Save as disclosed below, ASB and/or its subsidiaries have not entered into any other material contracts during the past two (2) years immediately preceding the date of this Circular, not being contracts entered into in the ordinary course of business:-

- (i) A Sale and Purchase Agreement dated 13 July 2001 entered into between ASB and UMG [now known as Advance Synergy Capital Berhad ("ASC")] for the disposal of ASB's entire 49% equity interest comprising 36,750,000 ordinary shares of RM1.00 each, together with 12,250,000 ordinary shares of RM1.00 each pursuant to a proposed rights issue, in ACE Synergy Insurance Berhad ("ACE") to ASC for a cash consideration of RM71,000,000 ("Proposed ACE Synergy Disposal"). The Proposed ACE Synergy Disposal was completed on 15 January 2003;
- (ii) A Supplemental Agreement dated 26 July 2001 entered into between ASF with Hotline Furniture Berhad ("HFB") and Pengurusan Danaharta Nasional Berhad to vary certain terms of the Proposed Subscription by HFB of 24,000,000 new ordinary shares of RM1.00 each in ASF for a total subscription price of RM36,000,000 to be satisfied through the issuance of up to 30,000,000 new ordinary shares of RM1.00 each in HFB at an issue price of RM1.20 per new HFB share. ASF had vide its notice of termination to HFB dated 9 April 2002, elected to terminate the Share Subscription Agreement dated 28 February 2001 entered into by ASF with HFB and Pengurusan Danaharta Nasional Berhad in respect of the Proposed Subscription by HFB in ASF, effective on the date of ASF's notice of termination to HFB;

- (iii) A Shares Sale Agreement dated 15 August 2001 entered into between ASC and Hamidah Binti Maktar for the acquisition by ASC of 6,646,000 ordinary shares of RM1.00 each representing 19.96% equity interest in Powernet Industries Sdn Bhd for a cash consideration of RM10,633,600 which was completed on 28 September 2001;
- (iv) A Shares Sale Agreement dated 15 August 2001 entered into between ASC, Mr Kam Cheong Loong and Mr Tan Boon Kang for the acquisitions by ASC of a total of 1,269,000 ordinary shares of RM1.00 each representing 3.81% equity interest in Powernet Industries Sdn Bhd for a total cash consideration of RM2,030,400 which was completed on 9 October 2001;
- (v) A Supplemental Agreement dated 14 September 2001 entered into between ASB and Inisiatif Ikhlas Sdn Bhd (IISB) to complete the Sale and Purchase Agreement dated 27 April 1999 entered into between ASB and IISB for the disposal of ASB's entire shareholding of 3,850,000 ordinary shares of RM1.00 each representing 70% equity interest in Plastic Centre Sdn Bhd (PCSB) to IISB for a sale consideration of RM28,000,000;
- (vi) A Supplementary Agreement dated 14 September 2001 entered into between ASB and PCSB to revoke and rescind the Sale and Purchase Agreement dated 27 April 1999 entered into by ASB and PCSB in so far as it relates to the acquisition by ASB of 49% equity interest in PC Ventures Sdn Bhd from PCSB for a purchase consideration of RM14,002,584 and to complete the acquisition by ASB of 100% equity interest in Calmford Incorporated from PCSB for a purchase consideration of RM1.00;
- (vii) A Sale and Purchase Agreement dated 10 January 2002 entered into between ASC (as vendor) together with the remaining 6 other vendors and Kumpulan Powernet Berhad (as the purchaser) whereby ASC disposed its entire shareholding of 7,915,000 ordinary shares of RM1.00 each representing 23.77% equity interest in Powernet Industries Sdn Bhd for a sale consideration to be satisfied by an issue of 8,152,064 new ordinary shares of RM1.00 each in Kumpulan Powernet Berhad which was completed on 10 January 2002;
- (viii) A Sale and Purchase Agreement dated 23 February 2002 entered into between ASC and Mr Lau Chan Seng (as Guarantor and vendor) together with 6 other vendors for the acquisition by ASC of the entire equity interest comprising 7,915,000 ordinary shares of RM1.00 each in Konsortium Bas Ekspres Semenanjung (M) Sdn Bhd ("KBES") for a total cash consideration of RM65,389,000 ("Proposed KBES Acquisition by ASC"). The Proposed KBES Acquisition by ASC was rescinded on 13 November 2002;
- (ix) A Sale and Purchase Agreement dated 19 March 2002 entered into between ASC with Super Trans Capital Sdn Bhd (as vendor) and Mr Lau Chan Seng (as Guarantor) for the acquisition by ASC of the entire equity interest comprising 5,000,000 ordinary shares of RM1.00 each in Super Trans Corporation Sdn Bhd ("STC") for a total cash consideration of RM21,604,000 ("Proposed STC Acquisition by ASC"). The Proposed STC Acquisition by ASC was rescinded on 19 March 2003;

- (x) A Supplemental Agreement dated 22 March 2002 entered into between WMSB and Mr Wong Tze Leng to vary certain terms of the Proposed UCSB and UCPL Acquisitions which was completed on 29 August 2002;
- (xi) A Supplemental Agreement dated 24 April 2002 entered into between ASC and ASB to vary certain terms of the Sale and Purchase Agreement dated 13 July 2001 in relation to the Proposed ACE Synergy Disposal. The Proposed ACE Synergy Disposal was completed on 15 January 2003;
- (xii) A Supplemental Agreement dated 6 May 2002 entered into between ASC with Super Trans Capital Sdn Bhd and Mr Lau Chan Seng to suspend, vary and supplement the Sale and Purchase Agreement dated 19 March 2002 in relation to the Proposed STC Acquisition by ASC. The Proposed STC Acquisition by ASC was rescinded on 19 March 2003;
- (xiii) A Supplemental Agreement dated 6 May 2002 entered into between ASC and Mr Lau Chan Seng together with 6 other vendors to vary and supplement the Sale and Purchase Agreement dated 23 February 2002 in relation to the Proposed KBES Acquisition by ASC was rescinded on 13 November 2002;
- (xiv) A letter dated 17 May 2002, issued by WMSB to Mr Wong Tze Leng to extend the period for fulfilment of conditions precedent and payment period with regard to the Proposed UCSB and UCPL Acquisitions which was completed on 29 August 2002;
- (xv) A Supplemental Agreement dated 29 August 2002 entered into between WMSB and Mr Wong Tze Leng to vary the quantum, time of making the second payment and the manner of completion in respect of the Proposed UCSB and UCPL Acquisitions. The Proposed UCSB and UCPL Acquisitions was completed on 29 August 2002;
- (xvi) A letter dated 29 November 2002 issued by ASC to ASB to agree to a variation of payment terms of the Proposed ACE Synergy Disposal. The Proposed ACE Synergy Disposal was completed on 15 January 2003; and
- (xvii) A Share Subscription Agreement dated 8 May 2003 entered into between ASC and Hicom Australia Pty Ltd (Hicom Australia) and Frank Michael Turrisi to subscribe for 615,000 new ordinary shares in Quality Bus & Coach (M) Sdn Bhd ("QBC")(formerly known as Comfort Solution Sdn Bhd) for a cash consideration of RM615,000, representing 51% of the enlarged issued and paid-up share capital of QBC.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during normal office hours on any business day at the Registered Office of the Company at Level 3A (Tower Block), Menara Milenium, No.8 Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur from the date of this Circular up to the date of the EGM:

- (i) The Memorandum and Articles of Association of ASB;
- (ii) Audited accounts of ASB for the past two (2) financial years ended 31 December 2002 and latest unaudited quarterly results ended 31 March 2003;
- (iii) Writs for the litigation referred to Section 2 above; and
- (iv) Material contracts referred to in Section 3 above.



ADVANCE SYNERGY BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at Dewan Thai, City Villa Kuala Lumpur, 69 Jalan Haji Hussein, 50300 Kuala Lumpur on Saturday, 28 June 2003 at 10.45 a.m., or immediately following the conclusion or adjournment of the Seventy-Ninth Annual General Meeting of the Company, which will be held at the same venue and on the same day at 10.30 a.m., whichever is the later, and at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution:-

ORDINARY RESOLUTION

PROPOSED STOCKHOLDERS' MANDATE ON RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT** approval be and is hereby given for the Company and/or its unlisted subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.3 (A) and (B) of the Company's Circular to Stockholders dated 5 June 2003 ("the Circular") provided that such transactions are undertaken in the ordinary course of business, on arm's length basis, on normal commercial terms and on terms which are not more favourable to the related party than those generally available to the public and are not detrimental to the minority stockholders;

AND THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next annual general meeting of the Company (following this Extraordinary General Meeting), at which time it will lapse, unless by a resolution passed at that annual general meeting, the authority is renewed;
- (b) the expiration of the period within which the next annual general meeting (following this Extraordinary General Meeting) is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the stockholders in general meeting;

whichever is the earlier."

By Order of the Board
ADVANCE SYNERGY BERHAD

SNG NGIAP KOON
Secretary

Kuala Lumpur
5 June 2003

NOTES:

1. *A member of the Company entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.*
2. *The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney duly authorised and in the case of a corporation, the instrument appointing a proxy must be under its common seal or under the hand of an officer or attorney duly authorised.*
3. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 3A (Tower Block), Menara Milenium, No. 8 Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any other adjournment thereof.*



ADVANCE SYNERGY BERHAD

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

FORM OF PROXY

I/We (BLOCK LETTERS)

NRIC/Company No. or CDS Account No.....
(for nominee companies only)

of

being a member/members of ADVANCE SYNERGY BERHAD, hereby appoint

.....

of

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at Dewan Thai, City Villa Kuala Lumpur, 69 Jalan Haji Hussein, 50300 Kuala Lumpur on Saturday, 28 June 2003 at 10.45 a.m., or immediately following the conclusion or adjournment of the Seventy-Ninth Annual General Meeting of the Company, which will be held at the same venue and on the same day at 10.30 a.m., whichever is the later, and at any adjournment thereof, and thereat to vote as indicated below:-

(Please indicate with an "X" how you wish to cast your vote.)

RESOLUTION	FOR	AGAINST
Ordinary Resolution - Proposed Stockholders' Mandate		

Dated thisday of, 2003

Signature

No. of stock units held

NOTES:

1. A member of the Company entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney duly authorised and in the case of a corporation, the instrument appointing a proxy must be under its common seal or under the hand of an officer or attorney duly authorised.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 3A (Tower Block), Menara Milenium, No. 8 Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any other adjournment thereof.
4. If neither "FOR" nor "AGAINST" is indicated above, the proxy will vote or abstain from voting at his/her discretion.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY
ADVANCE SYNERGY BERHAD
LEVEL 3A (TOWER BLOCK)
MENARA MILENIUM
NO. 8, JALAN DAMANLELA
BUKIT DAMANSARA
50490 KUALA LUMPUR

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