

APPENDIX V

FURTHER INFORMATION

1.0 RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of the Company and they collectively and individually accept full responsibility for the accuracy of the information given 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 herein misleading.

No representations with regard to the information on two subsidiaries of the Company, Kedah Marble Sdn Bhd (“KMSB”) and Advance Synergy Furniture Sdn Bhd (“ASF”), were made in this Circular. The Company does not exercise any significant influence over the Board of Directors of KMSB and management control of KMSB is exercised by the minority shareholders pursuant to a Shareholders’ Agreement. Furthermore, there is a proposed disposal of ASF’s equity interest in KMSB to the minority shareholders. The accounts of KMSB have been excluded from the consolidated accounts of ASF since 1994. With regard to ASF, two Special Administrators have been appointed by Pengurusan Danaharta Nasional Berhad on 9 September 1999 and pursuant to their appointments the Company has been unable to exercise any further control over ASF. As such, the Directors of the Company make no representations whatsoever in this Circular with regard to the relevant information on KMSB and ASF.

2.0 CONSENT

Perdana Bankers and Messrs BDO Binder, the Reporting Accountants, have given and have not subsequently withdrawn their written consent to the inclusion in this Circular of their names, letters, reports and all reference thereto in the form and context in which they appear.

3.0 MATERIAL CONTRACTS

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

- (i) A Sale and Purchase Agreement dated 2 June 1998 entered into between Alangka-Suka International Ltd, other vendors, namely management vendors and Neal Craig Gilpin, and Paramount Hotels Holdings Ltd, for the disposal of the entire 698,400 “B” ordinary shares of £0.01 each representing 87.3% equity interest in Paramount Hotels Limited (“PHL”) for a cash consideration of £5,241,591.11 (RM32,497,864.88) and the entire 9,100,000 Cumulative Redeemable Preference Shares of £0.01 each in PHL for a cash consideration of £15,570,334.95 (RM96,536,076.69).
- (ii) A Further Supplemental Agreement dated 9 September 1998 entered into between Plastic Centre Sdn Bhd (“PCSB”) and Hirotako Holdings Berhad (“Hirotako”) to further revise the terms and conditions of the proposed disposal of PC Ventures Sdn Bhd (“PCV”). PCSB will dispose to Hirotako 1,776,331 ordinary shares of RM1.00 each representing 51% of the enlarged issued and paid-up share capital of PCV for a total cash consideration of RM20,910,000. PCSB will further grant to Hirotako an option, valid up to 31 July 2001, to purchase additional ordinary shares in PCV representing a minimum of 29% and a maximum of 49% of the enlarged issued and paid-up share capital of PCV.

- (iii) A Conditional Agreement dated 6 October 1998 entered into between United Merchant Finance Berhad (“UMF”) and Danamodal Nasional Berhad (“Danamodal”) to provide UMF with the ability to seek such additional capital as may be deemed necessary to facilitate and expedite the proposed merger of UMF with BBMB Kewangan Berhad, Delta Finance Berhad, Interfinance Berhad and Perdana Finance Berhad and to strengthen the capital base of the enlarged UMF.
- (iv) A Conditional Agreement dated 6 October 1998 entered into between Perdana Bankers and Danamodal to provide Perdana Bankers with financial assistance to strengthen Perdana Bankers’ capital base.
- (v) A Facility Agreement dated 20 October 1998 entered into between UMF and Danamodal for an interim Non-Revolver Term Loan Facility up to the maximum aggregate principal amount of RM800.0 million as financial assistance to strengthen UMF’s capital base.
- (vi) A Facility Agreement dated 13 November 1998 entered into between Perdana Bankers and Danamodal for an interim Non-Revolver Term Loan Facility up to the maximum aggregate principal amount of RM50.0 million as financial assistance to strengthen Perdana Bankers’ capital base.
- (vii) A Subscription Agreement dated 31 March 1999 entered into between UMF and Danamodal in relation to Danamodal’s capital injection into UMF pursuant to which Danamodal shall subscribe for cash 317,000,000 Irredeemable Non-Cumulative Convertible Preference Shares (“INCPS”) of RM1.00 each in the capital of UMF at a total subscription price of RM317,000,000.
- (viii) A Shareholders’ Agreement dated 31 March 1999 entered into between UMG and Danamodal in relation to the subscription by Danamodal of 317,000,000 INCPS of RM1.00 each in the capital of UMF.
- (ix) A UMG Call Option Agreement dated 31 March 1999 entered into between UMG and Danamodal pursuant to which Danamodal agreed to grant to UMG the right to purchase from Danamodal any number of the ordinary shares and/or INCPS held by Danamodal in UMF.
- (x) A Danamodal Call Option Agreement dated 31 March 1999 entered into between UMG and Danamodal pursuant to which UMG agreed to grant to Danamodal the right to purchase from UMG all or part of the ordinary shares held by UMG in UMF under a Call Option which can be exercised only once.
- (xi) A Put Option and Exchange Agreement dated 31 March 1999 entered into between UMG and Danamodal pursuant to which UMG agreed to grant to Danamodal a put option to sell any number of the ordinary shares and/or INCPS held by Danamodal in UMF to UMG and a right to exchange the ordinary shares and/or INCPS held by Danamodal in UMF for new ordinary shares in UMG.
- (xii) A Sale and Purchase Agreement dated 27 April 1999 entered into between ASB and Inisiatif Ikhlas Sdn Bhd for the disposal of ASB’s entire shareholding of 3,850,000 ordinary shares of RM1.00 each representing 70% equity interest in PCSB for a cash consideration of RM28.0 million.
- (xiii) A Sale and Purchase Agreement dated 27 April 1999 entered into between ASB and PCSB for the acquisition of 1,706,671 ordinary shares of RM1.00 each representing 49% equity interest in PCV and 2 ordinary shares of USD1.00 each representing 100% equity interest in Calmford Incorporated, both from PCSB for cash considerations of RM14,002,584.00 and RM1.00 respectively.

- (xiv) A Sale and Purchase Agreement dated 2 May 1999 entered into between Synergy Petroleum Incorporated (“SPI”) and a Sudanese party for the immediate disposal of SPI’s 36,000 shares of USD100.00 each representing 15% equity interest in Gulf Petroleum Company (Sudan) Limited (“GPCL”) for a cash consideration of USD4.1 million and a subsequent disposal of SPI’s remaining 36,000 shares of USD100.00 each representing 15% equity interest in GPCL for a cash consideration of USD4.1 million.
- (xv) A Sale and Purchase Agreement dated 5 August 1999 entered into between UMG and Southern Bank Berhad (“SBB”) for the disposal of UMG’s entire 43.53% equity interest comprising of 74,524,000 ordinary shares of RM1.00 each in Ban Hin Lee Bank Berhad (“BHLB”) for a total cash consideration of RM372,620,000 or equivalent to RM5.00 per BHLB ordinary share of RM1.00 each.
- (xvi) Memorandums of Understanding dated 13 August 1999 entered into between UMF, Perdana Bankers and Perdana Finance Berhad with SBB respectively to commence negotiations on the terms and conditions of their respective definitive merger agreements on the proposed merger with the SBB group.
- (xvii) A Restructuring Agreement dated 1 October 1999 entered into between ASB and the Identified FIs for the restructuring of bank borrowings in USD, AUD and RM of ASB and five (5) of its subsidiaries equivalent to an amount estimated at approximately RM369.159 million calculated up to 29 February 2000, by way of an issue of redeemable loan stocks and convertible loan stocks with detachable warrants.
- (xviii) A Joint Venture Agreement dated 29 October 1999 entered into between Nagapura Management Corporation Sdn Bhd, a wholly-owned subsidiary of ASB, and Medilina Services Sdn Bhd to subscribe for 2,700,000 ordinary shares of RM1.00 each at par in cash representing 60% equity interest in a proposed joint-venture company to be incorporated under the name e-go.com Sdn Bhd, with the remaining 40% equity interest comprising 1,800,000 ordinary shares of RM1.00 each to be subscribed by Medilina Services Sdn Bhd for a consideration other than cash.
- (xix) A Sale of Shares Agreement dated 6 January 2000 entered into between UMG and SBB for the disposal of UMG’s entire shareholding of 229,000,000 ordinary shares of RM1.00 each representing 100% equity interest in UMF for a provisional cash consideration of RM319,414,800 subject to the final consideration to be based on “Actual Consideration” as defined in the Sale of Shares Agreement.

4.0 MATERIAL LITIGATION

Save as disclosed below, ASB and/or its subsidiaries are not engaged in any material litigation other than those within the ordinary course of business, either as plaintiff or defendant, and the Directors do not know of any material proceedings pending or threatened against ASB and/or its subsidiaries or of any material facts likely to give rise to any proceedings not within the ordinary course of business, which may materially and adversely affect the position or business of the ASB Group:-

- (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 the Judge has reserved his decision and will notify the parties when he is ready to deliver the same. 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) Perdana Bankers, a 70.10% subsidiary of UMG, initiated legal proceedings against Kredin Sdn Bhd ("Kredin") on 21 August 1984 to recover a RM10.0 million loan granted to Kredin in July 1983. The loan was secured by three (3) parcels of land situated in Kuala Lumpur. After protracted litigation, Perdana Bankers successfully bid for the three (3) parcels of land for RM14.51 million at a public auction held on 12 July 1993. In the meantime, Kredin filed for three (3) legal suits against Perdana Bankers seeking declarations for the following:-

- (a) that the Order for Sale be set aside and that the Court Order dated 18 March 1985 is void. The court has yet to fix a date to hear the Summons for Direction filed by Kredin, pending disposal of some interlocutory matters;
- (b) to set aside the Certificate of Sale, the Charge and the Order dated 24 October 1989. The court has yet to fix a hearing date, again pending disposal of some interlocutory matters.

Messrs Lee Hishammuddin is of the view that there are no legal bases for Kredin's actions in (a) and (b) as the issues raised in the above actions are *res judicata* i.e. the issues have been fully and finally adjudicated upon by the Supreme Court; and

- (c) that the Vesting Order dated 28 May 1988 be set aside and that the banking licence granted to Perdana Bankers pursuant to the scheme of reconstruction of Asiavest Merchant Bankers (M) Berhad be revoked. The court has yet to fix a date to hear the Originating Summons filed by Kredin, pending disposal of some interlocutory matters.

Messrs Lee Hishammuddin is of the view that there is no legal basis for Kredin's action in (c) above which is wholly unsupported.

Meanwhile, Perdana Bankers had instituted winding-up proceedings on Kredin in January 1994. Perdana Bankers obtained a winding-up Order against Kredin on 11 November 1994. However, Kredin applied to set aside the Order by reason of defective service. When the case was mentioned on 29 May 1998, the Order was, by consent, set aside by the court. On solicitor's advice, Perdana Bankers then applied to make the necessary amendments to update the winding-up petition which was allowed by the court on 9 June 1999. The petition to wind-up Kredin is now fixed for hearing on 19 May 2000.

- (iii) Advance Synergy Furniture Sdn Bhd ("ASF"), a wholly-owned subsidiary of Excellent Arch Sdn Bhd, which in turn is a wholly-owned subsidiary of ASB, has been notified by Mohd Arif Hj. Mustapah and Syed Amin Aljeffri of Messrs M.G.I. Aljeffri & Co, that they have been appointed as Special Administrators of ASF with effect from 9 September 1999, over the assets and affairs of ASF by Pengurusan Danaharta Nasional Berhad ("Danaharta") under Section 24 of the Pengurusan Danaharta Nasional Berhad Act 1998 ("Danaharta Act").

Under Section 41(1) of the Danaharta Act, during the moratorium period of 12 months which takes effect upon the appointment of the Special Administrators, no legal proceedings or other legal process may be continued against ASF without the prior consent of Danaharta.

5.0 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 29, Menara Shahzan Insas, Jalan Sultan Ismail, 50250 Kuala Lumpur from the date of this Circular up to the date of the EGM:-

- (a) Memorandum and Articles of Association of ASB;
- (b) Audited Accounts of the ASB Group for the financial year ended 30 September 1994, 15 months ended 31 December 1995, past three (3) financial years ended 31 December 1998 and unaudited accounts of the ASB Group for the year ended 31 December 1999;
- (c) Consolidated loss estimate and forecast of ASB for the financial years ended/ending 31 December 1999 and 2000 with the underlying assumptions and the Reporting Accountants' letter thereon;
- (d) Proforma consolidated balance sheets of ASB as at 31 December 1998 and the Reporting Accountants' letter thereon;
- (e) Draft deed polls for the RLS, CLS and Warrants;
- (f) Letters of consent referred to in paragraph 2.0 above;
- (g) Material contracts referred to in paragraph 3.0 above; and
- (h) Writs for the litigation referred to in paragraph 4.0 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 Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 28 April 2000 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions:-

ORDINARY RESOLUTION NO. 1

Proposed Restructuring of Bank Borrowings

“THAT, subject to the approvals being obtained from the relevant authorities, the Company do hereby approve the implementation of a proposed restructuring of bank borrowings of approximately RM371,221,654 equivalent calculated up to 30 April 2000 or such adjusted equivalent amount (“Restructured Bank Borrowings”) due by the Company and five (5) of its subsidiaries, namely, Hotel Golden Dragon Sdn Bhd, Alangka-Suka International Limited, Synergy Petroleum Incorporated, Calmford Incorporated and Synergy Gold Incorporated to certain financial institutions (“Identified FIs”) in the manner as follows:-

- i) creation, allotment and issuance of approximately RM126,544,751, AUD1,041,917 and USD14,946,753 nominal value (or such adjusted nominal value) equivalent to a total of approximately RM185,874,269 (or such adjusted equivalent amount) nominal value of 5-year 7% Redeemable Loan Stocks (“RLS”) at 100% of its nominal value to the Identified FIs by the Company for the conversion of the bank borrowings amounting to an approximate sum of RM185,874,269 equivalent (or such adjusted equivalent amount) and that the RLS be issued in registered form and in denominations of RM1.00, AUD1.00 or USD1.00 and multiples thereof as the case may be and on such other terms and conditions as the Directors of the Company may determine and to be set out in the deed poll constituting the RLS to be executed by the Company (“RLS Deed Poll”);
- ii) creation, allotment and issuance of approximately RM98,278,428, AUD7,527,788 and USD18,099,061 nominal value (or such adjusted nominal value) equivalent to a total of approximately RM185,347,385 (or such adjusted equivalent amount) nominal value of 5-year 7% Convertible Loan Stocks (“CLS”) at 100% of its nominal value to the Identified FIs by the Company for the conversion of the balance of the bank borrowings amounting to an approximate sum of RM185,347,385 equivalent (or such adjusted equivalent amount) and that the CLS be issued in registered form and in denominations of RM1.00, AUD1.00 or USD1.00 and multiples thereof as the case may be and on such other terms and conditions as the Directors of the Company may determine and to be set out in the deed poll constituting the CLS to be executed by the Company (“CLS Deed Poll”); and
- iii) creation, allotment and issuance of up to 168,896,809 detachable warrants together with the RLS and CLS (“Warrants”) to the Identified FIs by the Company on a basis which reflects the proportionate outstanding amount due to each Identified FI as compared to the Restructured Bank Borrowings and that the Warrants be issued in registered form for a tenure of three (3) years commencing from the date of issue of the Warrants and on such other terms and conditions as the Directors of the Company may determine and to be set out in the deed poll constituting the Warrants to be executed by the Company (“Warrants Deed Poll”);

(hereinafter collectively referred to as the “Proposed Restructuring of Bank Borrowings”);

AND THAT the Directors of the Company be and are hereby authorised to create, allot and issue such RLS, CLS and Warrants in the aforesaid manner and be further authorised with full power to assent to any conditions, modifications, revaluations, variations and/or amendments as they may deem fit or expedient including compliance with any conditions imposed by the relevant authorities and generally to enter into all agreements and to do all acts, deeds and things which are necessary to give full effect to the Proposed Restructuring of Bank Borrowings.”

ORDINARY RESOLUTION NO. 2

Proposed Renounceable Offer for Sale of Warrants

“THAT, contingent upon the passing of the above Ordinary Resolution No. 1 and the approvals of the relevant authorities, the Company do hereby approve the undertaking by the Identified FIs as defined in the above Ordinary Resolution No. 1, of an offer for sale, on a renounceable basis, of the 168,896,809 Warrants as defined in the above Ordinary Resolution No. 1 to the stockholders of the Company as at a date to be determined by the Directors of the Company at an offer price of RM0.20 per Warrant on the basis of one (1) Warrant for every two (2) existing stock units of RM1.00 each held in the Company and any fractional entitlements shall be disregarded and shall be dealt with by the Directors of the Company as they may deem fit and that each Warrant will carry the right to subscribe for one (1) new stock unit of RM1.00 each in the Company at an exercise price of RM1.00, and such exercise price and the number of Warrants outstanding shall be subject to the provisions and adjustments contained in the Warrants Deed Poll as defined in the above Ordinary Resolution No. 1 (“Proposed Renounceable Offer for Sale of Warrants”);

AND THAT the Directors of the Company be and are hereby authorised with full power to assent to any conditions, modifications, revaluations, variations and/or amendments as they may deem fit or expedient including compliance with any conditions imposed by the relevant authorities and generally to enter into all agreements and to do all acts, deeds and things which are necessary to give full effect to the Proposed Renounceable Offer for Sale of Warrants.”

ORDINARY RESOLUTION NO. 3

Authority to allot and issue new warrants pursuant to the adjustments under the provisions in the Warrants Deed Poll and to allot and issue new stock units in accordance with the terms of the CLS Deed Poll and the Warrants Deed Poll

“THAT, contingent upon the passing of the above Ordinary Resolutions No. 1 and 2 and approvals of the relevant authorities, the Directors of the Company be and are hereby authorised:-

- a) to create, allot and issue such new warrants as may be required or permitted to be issued as a consequence of the adjustments under the provisions in the Warrants Deed Poll as defined in the above Ordinary Resolution No. 1 (“Additional Warrants”);
- b) to allot and issue such number of new stock units of RM1.00 each in the Company in accordance with the terms of the CLS Deed Poll as defined in the above Ordinary Resolution No. 1 and arising from the conversion of the CLS as defined in the above Ordinary Resolution No. 1 at the conversion price of RM1.20 or such adjusted conversion price for each new stock unit in the Company upon and subject to the provisions and adjustments as set forth in the CLS Deed Poll; and
- c) to allot and issue such number of new stock units of RM1.00 each in the Company in accordance with the terms of the Warrants Deed Poll in the manner as follows:-
 - (i) up to 168,896,809 new stock units of RM1.00 each in the Company on the exercise of the subscription rights represented by the Warrants as defined in the above Ordinary Resolution No. 1 at the exercise price of RM1.00 for each new stock unit upon and subject to the provisions and adjustments as set forth in the Warrants Deed Poll; and
 - (ii) by that number of such new stock units of RM1.00 each in the Company on the exercise of the subscription rights represented by such Additional Warrants;

AND THAT the Directors of the Company be and are hereby authorised to allot and issue such new shares of RM1.00 each in the capital of the Company and to convert such new shares into new stock units of RM1.00 each and that such new stock units shall, upon allotment and issue, rank pari passu in all respects with the then existing issued stock units of the Company except that such new stock units shall not be entitled to any rights, allotments, dividends or other distributions declared or to be declared in respect of the financial period prior to the financial period in which such new stock units are issued or for any interim dividends or distributions that may be declared prior to the date of allotment of such new stock units.”

BY ORDER OF THE BOARD

Sng Ngiap Koon
Secretary

Kuala Lumpur
11 April 2000

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 29, Menara Shahzan Insas, 30 Jalan Sultan Ismail, 50250 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)

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 Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 28 April 2000 at 10.30 a.m. and at any adjournment thereof, and thereat to vote as indicated below:-

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

RESOLUTIONS	FOR	AGAINST
Ordinary Resolution No. 1 - Proposed Restructuring of Bank Borrowings		
Ordinary Resolution No. 2 - Proposed Renounceable Offer for Sale of Warrants		
Ordinary Resolution No. 3 - Authority to allot and issue new warrants pursuant to the adjustments under the provisions in the Warrants Deed Poll and to allot and issue new stock units in accordance with the terms of the CLS Deed Poll and the Warrants Deed Poll		

Dated this..... day of 2000

No. of stock units held

.....
Signature

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. In the case of joint holders, the proxy form signed by the first named stockholder in the Register of Members shall be accepted to the exclusion of the other registered joint holder(s) of the stock units.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 29, Menara Shahzan Insas, 30 Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any other adjournment thereof.
5. 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

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Affix
stamp

SETIAUSAHA
THE SECRETARY

ADVANCE SYNERGY BERHAD
LEVEL 29, MENARA SHAHZAN INSAS
30, JALAN SULTAN ISMAIL
50250 KUALA LUMPUR
MALAYSIA

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