

**This Circular contains important information for your attention.**

If you are in any doubt as to what action you should take, please consult appropriate independent professional advisers. If you have sold or transferred all of your stock units in **Advance Synergy Berhad (ASB or Company)**, you should send this Circular to the stockbroker, or whoever that arranged for the sale or transfer, for transmission to the purchaser or transferee.

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## **ADVANCE SYNERGY BERHAD**

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

### **CIRCULAR TO STOCKHOLDERS**

in relation to the

**Proposed listing of subsidiaries of Advance Synergy Berhad, namely Unified Communications Sdn Bhd and Unified Communications Pte Ltd, via Unified Communications Holdings Limited (the proposed investment holding company) on the Singapore Exchange Securities Trading Limited**

and

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

Advised by



**SOUTHERN  
Investment Bank**

Southern Investment Bank Berhad (169955-T)

The Notice convening the Extraordinary General Meeting (EGM) of the Company to be held at Dewan Thai, City Villa Kuala Lumpur, 69, Jalan Haji Hussein, 50300 Kuala Lumpur on Wednesday, 12 November 2003 at 10.30 a.m. together with the Proxy Form is enclosed together in this Circular.

As a stockholder, you can appoint a proxy to attend and vote on your behalf. You must complete and deposit the Proxy Form at the Registered Office of the Company at Level 3A (Tower Block), Menara Milenium, No. 8, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia on or before the date and time indicated below. You are not precluded from attending and voting in person at the EGM should you wish to do so subsequent to the lodging of the Proxy Form.

Last date and time for lodging the Proxy Form : Monday, 10 November 2003 at 10.30 a.m.  
Date and time for the EGM : Wednesday, 12 November 2003 at 10.30 a.m.

This Circular is dated 27 October 2003

## ABBREVIATIONS

In this Circular, the words and phrases below, unless the context otherwise requires, shall bear the following meanings assigned next to them:

<b>Abbreviations</b>	<b>Meanings</b>
<b>Companies</b>	
ASB or Company	: Advance Synergy Berhad
ASB Group or Group	: ASB, its subsidiaries and associated companies, collectively
LCB	: Linear Corporation Berhad
Primeace	: Primeace Holdings Sdn Bhd, a wholly-owned subsidiary of LCB
Proposed UCHL Group	: UCHL and its subsidiaries upon completion of the restructuring exercise to be undertaken prior to the Proposed Listing
UCHL	: Unified Communications Holdings Limited, the proposed investment holding company to be listed on the SGX
UCPL	: Unified Communications Pte Ltd, a 70%-owned subsidiary of WMSB, which in turn is a wholly-owned subsidiary of ASB
UCPL Group	: UCPL and its subsidiaries, collectively
UCSB	: Unified Communications Sdn Bhd, a 70%-owned subsidiary of WMSB, which in turn is a wholly-owned subsidiary of ASB
UCSB Group	: UCSB and its wholly-owned subsidiary, collectively
WMSB	: Worldwide Matrix Sdn Bhd, a wholly-owned subsidiary of ASB
<b>Proposal</b>	
Proposed Listing	: Proposed listing scheme of UCHL Shares on the SGX which includes: <ul style="list-style-type: none"><li>• acquisitions of UCSB and UCPL by UCHL as described in Section 2.1 herein;</li><li>• a public issue of new UCHL Shares to members of the public and institutional investors in Singapore; and</li><li>• an offer for sale of UCHL Shares by WMSB and Primeace to members of the public and institutional investors in Singapore</li></ul>
Stock Units	: Stock units of RM1.00 each in ASB
UCHL Shares	: Ordinary shares in UCHL of such par value which is subject to finalisation by the UCHL Board after consultation with the Joint Lead Managers
UCPL Shares	: Ordinary shares of SGD1.00 each in UCPL
UCSB Shares	: Ordinary shares of RM1.00 each in UCSB

**Abbreviations****Meanings****Authorities/Regulations**

Act	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
BNM	:	Bank Negara Malaysia
KLSE	:	Kuala Lumpur Stock Exchange
MAS	:	The Monetary Authority of Singapore
SGX	:	Singapore Exchange Securities Trading Limited

**Advisers**

CLSA	:	CLSA Singapore Pte Ltd
Joint Lead Managers	:	SBI E2 and CLSA
Joint Lead Placement Agents and Underwriters	:	SBI E2-Capital Securities Pte Ltd and CLSA
SBI E2	:	SBI E2-Capital Pte Ltd
SIBB	:	Southern Investment Bank Berhad

**Financial Terms**

EPS	:	Earnings per share
NTA	:	Net tangible assets
PAT	:	Profit after taxation

**Others**

Board	:	Board of Directors of ASB
EGM	:	Extraordinary General Meeting
Greater China	:	The People's Republic of China including the Special Administrative Regions of Hong Kong and Macau and the Republic of China (Taiwan)
HKD	:	Hong Kong Dollar
Indochina	:	Cambodia, Laos and Vietnam
Middle East	:	Saudi Arabia, United Arab Emirates and Egypt
RM and sen	:	Ringgit Malaysia and sen, respectively
SGD	:	Singapore Dollar
UCHL Board	:	New Board of Directors of UCHL after the proposed UCHL restructuring as set out in Section 2.1 herein
West Asia	:	India, Sri Lanka, Pakistan and Bangladesh
WTL	:	Wong Tze Leng

We have inserted headings and sub-headings in this Circular for convenience of reference only.

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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

27 October 2003

**Directors:**

Dato' Ahmad Sebi Bakar (*Executive Chairman*)  
Aznan Bin Haji Ismail (*Independent Non-Executive Director*)  
Wong Ah Nam @ Wong Joon Tuang (*Independent Non-Executive Director*)  
Datin Masri Khaw Binti Abdullah (*Non-Independent Non-Executive Director*)  
Chim Wai Khuan (*Independent Non-Executive Director*)

**To: The Stockholders of Advance Synergy Berhad**

Dear Sir/Madam

**Proposed listing of subsidiaries of Advance Synergy Berhad, namely Unified Communications Sdn Bhd and Unified Communications Pte Ltd, via Unified Communications Holdings Limited (the proposed investment holding company) on the Singapore Exchange Securities Trading Limited**

**1. Introduction**

On 8 May 2003, SIBB on behalf of the Board, announced that ASB proposes to list UCSB and UCPL via a newly incorporated holding company (Listco) which will be listed on the SGX. ASB currently owns 70% equity interest in both UCSB and UCPL which were acquired at an original aggregate purchase consideration of RM99 million in 2002, via WMSB, a wholly-owned subsidiary of ASB. ASB has identified UCHL as the Listco.

The purpose of this Circular is to provide you with the relevant information on the Proposed Listing, to set out your Board's recommendation on the Proposed Listing and to seek your approval for the resolution to be tabled at the forthcoming EGM to be convened at Dewan Thai, City Villa Kuala Lumpur, 69, Jalan Haji Hussein, 50300 Kuala Lumpur on 12 November 2003. The Notice of EGM together with the Proxy Form is enclosed in this Circular.

**2. The Proposed Listing**

On 8 May 2003, the Directors of ASB announced the Company's intention to seek the listing of Listco, the proposed holding company of UCSB and UCPL, on the SGX.

UCHL has been determined as the Listco. SBI E2 and CLSA have been appointed as the Joint Lead Managers to UCHL in respect of the Proposed Listing.

## 2.1 Proposed UCHL Restructuring

In conjunction with and as an integral part of the listing and quotation for the entire enlarged issued and paid-up share capital of UCHL on the SGX, ASB via WMSB, together with the other shareholders of UCSB and UCPL, namely Primeace (holding 25% equity interest of UCSB and UCPL respectively) and WTL (holding 5% equity interest of UCSB and UCPL respectively), propose to undertake a restructuring exercise involving UCHL, UCSB and UCPL. UCHL will enter into a share transfer agreement with WMSB, Primeace and WTL to acquire the entire issued and paid-up capital of UCSB and UCPL. The indicative salient terms and conditions of the share transfer agreement, which is subject to finalisation by the parties, are as follows:

- (i) WMSB, Primeace and WTL will transfer to UCHL in consideration for 22,525,812 new UCHL shares at an issue price of SGD1.00, which is the present par value of each UCHL share, their respective shareholdings in UCSB and UCPL as follows:

	UCSB		UCPL	
	No. of shares	%	No. of shares	%
WMSB	700,140	70.0	700,000	70.0
Primeace	250,050	25.0	250,000	25.0
WTL	50,010	5.0	50,000	5.0
<b>Total</b>	<b>1,000,200</b>	<b>100.0</b>	<b>1,000,000</b>	<b>100.0</b>

The new UCHL shares will rank pari passu with the existing UCHL shares (the existing issued and paid-up share capital of UCHL is SGD2.00 comprising 2 UCHL ordinary shares of SGD1.00 each). The UCSB Shares and UCPL Shares will be acquired free from any mortgage, charge, pledge, lien or other security interest and any other third party interests or rights, and together with all rights and benefits attaching thereto from the date of completion of the acquisitions.

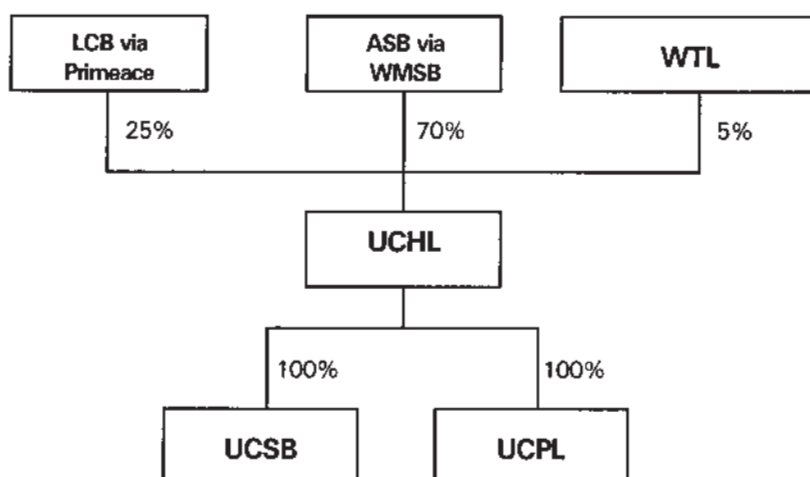
- (ii) The purchase consideration will be based on the aggregate proforma consolidated unaudited NTA of UCSB and UCPL as at 30 June 2003 of SGD22,525,812, or equivalent to RM48,725,584 (based on an exchange rate of SGD1=RM2.1631 as at 30 June 2003). This will result in UCHL issuing 22,525,812 new ordinary shares of SGD1.00 each in UCHL at par in the following proportion:

	Consideration SGD	No. of UCHL shares	%
WMSB	15,768,068	15,768,068	70.0
Primeace	5,631,453	5,631,453	25.0
WTL	1,126,291	1,126,291	5.0
	<b>22,525,812</b>	<b>22,525,812</b>	<b>100.0</b>

- (iii) The obligation of UCHL to complete the share transfers shall be conditional upon:

- an eligibility-to-list letter being obtained from the SGX for UCHL to be admitted to the Official List of the SGX and for the quotation of and dealing in the UCHL Shares in connection with the initial public offering; and
- all consents or approvals as may be necessary from any third party or governmental or regulatory body or competent authority having jurisdiction over the share transfers having been granted or obtained.

Following the completion of the restructuring exercise, UCHL will become a 70%-owned subsidiary of ASB (via WMSB), as follows:



Following the above restructuring, UCHL will undertake, inter-alia, a share consolidation and share split exercise involving the entire share capital of UCHL of 22,525,814 ordinary shares of SGD1.00 each. The par value of the shares in UCHL after the share consolidation and share split exercise is subject to finalisation by the UCHL Board after consultation with the Joint Lead Managers for UCHL.

## 2.2 Proposed Public Issue and Proposed Offer for Sale

UCHL proposes to implement:

- (a) a public issue of such number of new UCHL Shares at an issue price to be determined by the UCHL Board, WMSB and Primeace, in consultation with the Joint Lead Managers, the Joint Lead Placement Agents and Underwriters, based on market conditions and estimated market demand for UCHL Shares, at a later date; and
- (b) an offer for sale of such number of UCHL Shares held by WMSB and Primeace pursuant to the restructuring exercise.

Primeace shall dispose of its entire 25% equity interest in UCHL via the abovementioned offer for sale and in separate sale and purchase agreements with identified purchasers. However, WMSB will retain sufficient number of UCHL Shares to enable it to control at least 55% of the enlarged issued and paid-up capital of UCHL after the Proposed Listing but before the Management Performance Incentive as described in Section 2.3 below.

The new UCHL Shares to be issued pursuant to the proposed public issue will rank *pari passu* with all the other UCHL Shares. The issue/offer price for the sale of new UCHL Shares and sale of UCHL Shares by WMSB and Primeace will be at the same price and will be determined by the UCHL Board, WMSB and Primeace, prior to the Proposed Listing in consultation with the Joint Lead Managers, the Joint Lead Placement Agents and Underwriters, based on market conditions and estimated market demand for UCHL Shares. Hence, UCHL will only decide on the following salient terms of the Proposed Listing at a date closer to the launch of the Proposed Listing:

- the par value of UCHL Shares pursuant to the share consolidation and split exercise;
- the number of new UCHL Shares to be issued pursuant to the Proposed Listing;
- the number of UCHL Shares to be offered by WMSB and Primeace pursuant to the proposed offer for sale; and
- the issue/offer price for the sale of new UCHL Shares and UCHL Shares held by WMSB and Primeace pursuant to the Proposed Listing.

The final number of UCHL Shares to be issued pursuant to the Proposed Listing will depend on the final listing structure comprising the issued and paid-up share capital, the par value and the issue/offer price per UCHL Share to be finalised pursuant to the share consolidation and share split exercise.

In addition, the final number of UCHL Shares to be offered by WMSB and Primeace will depend on the intentions of WMSB and Primeace respectively, i.e., WMSB intends to retain UCHL as a subsidiary whereas Primeace intends to fully dispose of its investment in UCHL.

For illustrative purposes and so as to give an indication of the estimated proceeds from the sale of UCHL Shares by WMSB, the issue/offer price for the Proposed Listing is assumed to be at a net price earnings multiple of between 8 to 10 times based on the fully diluted net earnings of the Proposed UCHL Group as computed from the unaudited proforma financial statements of the Proposed UCHL Group for the financial year ended 31 December 2002 (Net PE Multiple). In accordance with the requirements of the Listing Manual of the SGX, the issue/offer price will not be less than SGD0.20 per share. The fully diluted net earnings of the Proposed UCHL Group for the financial year ended 31 December 2002 is based on the proforma consolidated net earnings of UCHL for the financial year ended 31 December 2002 divided by the enlarged share capital of UCHL after the Proposed Listing.

However, the final issue/offer price may differ from the indicated range and hence, may even be set outside the range. Although the final issue/offer price is indicatively valued based on the Net PE Multiple of between 8 to 10 times as stated above, it will be subject to market conditions and estimated market demand for UCHL Shares at the time of launch of the Proposed Listing and hence, will be determined by the UCHL Board, WMSB and Primeace, in consultation with the Joint Lead Managers, the Joint Lead Placement Agents and Underwriters. ASB will immediately, following the registration of the prospectus with MAS, issue an announcement to the KLSE setting out, amongst other things, the issue/offer price of UCHL Shares, the number of new UCHL Shares to be issued pursuant to the proposed public issue and the number of UCHL Shares to be offered by WMSB and Primeace pursuant to the proposed offer for sale.

The proceeds from the Proposed Listing cannot be finalised at this juncture. As an indication, UCHL expects to utilise the proceeds from the public issue of new UCHL Shares for the following purposes:

- i) product expansion and development, including acquisition of intellectual property focusing on mobile technology and solutions;
- ii) expanding revenue sharing programmes focusing on mobile entertainment, gaming and commerce;
- iii) new regional expansion into less developed telecommunication markets such as Indochina, West Asia, the Middle East and Greater China and the establishment of offices in certain markets, including undertaking marketing programmes to increase awareness of the UCHL brand; and
- iv) working capital and general corporate purposes, including acquisition of companies and/or entering into joint ventures when the opportunity arises.

All the new UCHL Shares to be issued pursuant to the Proposed Listing and the UCHL Shares to be offered by WMSB and Primeace will be underwritten at terms to be finalised with the Joint Lead Placement Agents and Underwriters closer to the launch of the prospectus for the Proposed Listing. The expenses for the Proposed Listing including the underwriting commission, will be finalised later and will be borne by UCHL, WMSB and Primeace, in the proportion to be mutually agreed by the relevant parties.

For illustrative purposes only, based on the assumed valuation at Net PE Multiple of approximately 10 times, the gross proceeds from the proposed offer for sale by WMSB are expected to be in the region of SGD3.0 million or equivalent to RM6.5 million based on the exchange rate of SGD1 = RM2.1631 as at 30 June 2003.



The gross proceeds shall be utilised for, inter alia, working capital including expenses relating to the Proposed Listing incurred by WMSB and ASB, interest payment and/or redemption of some of the outstanding 5-year 7% Redeemable Loan Stocks 2000/2005 of ASB (RLS) as set out below:

	SGD'000	RM'000
Working capital including estimated expenses relating to the Proposed Listing	750	1,622
Interest payment and/or redemption of RLS	2,250	4,867
<b>Total</b>	<b>3,000</b>	<b>6,489</b>

The assumption of the issue/offer price based on a Net PE Multiple of approximately 10 times is made for illustrative purposes only and should not be taken as an indication of the actual pricing for the issue/offer of UCHL Shares pursuant to the Proposed Listing.

## 2.3 Management Performance Incentive

WMSB also proposes to grant certain key members of the management comprising executive directors and senior management (proposed names have not been finalised yet) of the Proposed UCHL Group, a Management Performance Incentive in the form of options to purchase up to such number of UCHL Shares from WMSB (Management Performance Incentive Shares), representing up to a maximum of 5% of WMSB's shareholding in UCHL after the Proposed Listing, at the same price as the issue/offer price for the Proposed Listing which will be determined at a later date.

### 2.3.1 Salient terms of the Management Performance Incentive

The salient terms of the Management Performance Incentive are as follows:

- The options will be exercisable for a period of six (6) months commencing from the date of issue of the audited financial statements of the Proposed UCHL Group for the financial year ending 31 December 2004;
- The number of Management Performance Incentive Shares that the key members of the management are entitled to purchase from WMSB, subject to the Proposed UCHL Group achieving a minimum audited PAT of SGD10 million for each of the financial year ending 31 December 2003 and 2004, is dependent on the audited PAT achieved by the Proposed UCHL Group for the financial year ending 31 December 2004 as follows:

Audited PAT for the financial year ending 31 December 2004 SGD	As a percentage of the total number of UCHL Shares held by WMSB immediately after the Proposed Listing
10 million to 12 million	3%
More than 12 million to 15 million	4%
More than 15 million	5%

- Prior approval from stockholders of ASB shall be sought if any of the provisions of the Management Performance Incentive are altered to the advantage of the option holders for the Management Performance Incentive.

The proceeds to the ASB Group upon the exercise of any such options will be dependent on the audited PAT of the Proposed UCHL Group for the financial year ending 31 December 2004 and will be utilised by the ASB Group for interest payments and/or the redemption of RLS.

Upon completion of the Proposed Listing and assuming full exercise of the Management Performance Incentive options, ASB will hold not less than 51% of the enlarged issued and paid-up share capital of UCHL. As such, UCHL will remain as a subsidiary of ASB.

Subject to the market conditions and receipt of approval from the relevant authorities, the Proposed Listing is expected to be completed by the end of 2003.

In compliance with Rule 229 of the Listing Manual of the SGX:

- i) WMSB has undertaken not to dispose of or transfer any part of its interest in the enlarged issued and paid-up share capital of UCHL for a period of six (6) months following the date on which UCHL is admitted to the Official List of the SGX (Listing Date); and
- ii) ASB has also undertaken not to sell, transfer, assign or otherwise dispose of its shares held in WMSB for a period of six (6) months following the Listing Date.

### **3. Rationale for the Proposed Listing**

The Proposed Listing would enable ASB to realise part of its investment in UCSB and UCPL. The proceeds from the proposed offer for sale in conjunction with the Proposed Listing would be utilised for, inter-alia, working capital including expenses relating to the Proposed Listing incurred by WMSB and ASB, interest payment and/or redemption of a portion of the outstanding RLS.

In addition, the Proposed Listing would enable UCSB and UCPL, via UCHL, to have access to the equity capital markets in Singapore to raise additional funds to cater for their future expansion and growth as well as to generate a public market for UCHL Shares.

### **4. Effects of the Proposed Listing**

#### **4.1 Share Capital**

The Proposed Listing and the Management Performance Incentive will not have any effect on the issued and paid-up share capital of the Company.

#### **4.2 Earnings**

The Proposed Listing is not expected to have a material effect on the earnings of the ASB Group for the financial years ending 31 December 2003 and 2004 as:

- the transfer of UCSB and UCPL into UCHL will be made at their respective NTA value and hence, will not give rise to any gain or loss on disposal; and
- since the indicative gross proceeds arising from the proposed offer for sale would amount to SGD3.0 million or equivalent to RM6.5 million (based on Net PE Multiple of approximately 10 times), the anticipated gain on disposal is not expected to be significant.

However, the Proposed Listing is expected to contribute positively to the future earnings of the ASB Group assuming that the net proceeds from the proposed offer for sale amounting to approximately SGD2.2 million or equivalent to RM4.8 million would be utilised to redeem the RLS. This would result in interest savings of about RM341,000 per annum based on an interest rate of 7% per annum.

The maximum exercise of the Management Performance Incentive options is not expected to have any effect on the earnings of the ASB Group for the financial year ending 31 December 2004 as the options are exercisable only in the financial year ending 31 December 2005.

### 4.3 NTA

For illustrative purposes, the proforma NTA of ASB Group based on the audited financial statements of the ASB Group as at 31 December 2002 is set out below based on the following assumptions:

- the indicative issue/offer price of UCHL Shares pursuant to the Proposed Listing is SGD0.28 per UCHL Share, based on Net PE Multiple of approximately 10 times of the EPS (at an indicative par value of SGD0.08 per UCHL Share) derived from the proforma unaudited PAT of the Proposed UCHL Group for the financial year ended 31 December 2002;
- the par value of SGD0.08 per UCHL Share has been arrived at based on the minimum issue price of SGD0.20 per UCHL Share and the estimated enlarged number of UCHL Shares amounting to 319.6 million UCHL Shares;
- the indicative public issue of 38,000,000 new UCHL Shares in order to raise SGD10.6 million; and
- WMSB will offer 10,777,911 UCHL Shares pursuant to the Proposed Listing in order to raise SGD3.0 million.

	I Audited as at 31 December 2002	II After I and Proposed Listing	III After II and full exercise of Management Performance Incentive options
	RM'000	RM'000	RM'000
Share capital	337,794	337,794	337,794
Reserves	34,386	35,609	36,037
Stockholders' equity	372,180	373,403	373,831
Less:			
Intangible assets	(133,004)	(120,432)	(117,305)
NTA	239,176	252,971	256,526
No. of Stock Units ('000)	337,794	337,794	337,794
NTA per Stock Unit (RM)	0.71	0.75	0.76

The effects on the proforma NTA value of ASB Group as at 31 December 2002 as illustrated above is attributable mainly to the realisation of goodwill pursuant to the Proposed Listing and Management Performance Incentive.

For the avoidance of doubt, the above is shown for illustrative purposes only. In particular, stockholders should note the following:

- the final number of new UCHL Shares to be issued pursuant to the proposed public issue will depend on the final listing structure including the enlarged issued and paid-up share capital;
- the par value and the issue price per UCHL Share pursuant to the share consolidation and share split exercise are yet to be finalised;
- the final number of UCHL Shares to be offered by WMSB is subject to change; and
- the final issue/offer price will be subject to market conditions and estimated market demand for UCHL Shares at the time of launch of the Proposed Listing and will be determined by the UCHL Board, WMSB and Primeace, in consultation with the Joint Lead Managers, the Joint Lead Placement Agents and Underwriters.

#### **4.4 Major Stockholders**

The Proposed Listing and Management Performance Incentive will not have any effect on the stockholdings of the major stockholders of ASB.

#### **4.5 Dividends**

ASB did not declare any dividends for the financial year ended 31 December 2002. Barring unforeseen circumstances, any dividends to be declared by ASB for the financial year ending 31 December 2003 would depend on, amongst others, the profitability and cashflow position of the ASB Group. The Proposed Listing and Management Performance Incentive are not expected to have any material effect on the dividend policy of the Company.

#### **5. Cautionary Note**

The proposed offer structure of the Proposed Listing, including the issue size of the Proposed Listing, the number of new UCHL Shares to be issued and the UCHL Shares to be offered by WMSB and Primeace pursuant to the Proposed Listing, as set out in this Circular is subject to the approval of the SGX and the final approvals of the UCHL Board, WMSB and Primeace in consultation with the Joint Lead Managers, the Joint Lead Placement Agents and Underwriters closer to the launch of the Proposed Listing, which also depends upon, amongst other factors, market conditions.

All mention or indirect indication of issue/offer price and proposed offer structure of the Proposed Listing in this Circular is strictly intended as an illustration and should not be taken to be in any way a statement or indication of the expected, forecast or actual issue/offer price and offer structure. Accordingly, there is no assurance that the actual issue/offer price, the offer structure of the Proposed Listing and other related details will not vary from the illustration or indication shown in this Circular.

The UCHL Board, WMSB and Primeace require the maximum flexibility to decide on the issue/offer price, proposed structure and other related details closer to the date of the Proposed Listing in order to take into account market conditions. Without such flexibility, the UCHL Board and WMSB, if required to seek approval from their shareholders for any change in the issue/offer price and offer structure, may not be able to take advantage of market conditions in a timely manner.

Stockholders should also note that, depending on market conditions, the UCHL Board and WMSB may decide not to proceed with the Proposed Listing.

This Circular does not constitute, and is not intended to be, an offer or invitation or a notice, Circular or advertisement calling or drawing attention to an offer or invitation to the public to subscribe for or purchase any UCHL Shares.

## 6. Conditions of the Proposed Listing

The Proposed Listing is conditional upon the following:

- (i) the issue of the prospectus by UCHL (and if necessary, a supplemental prospectus or replacement prospectus) provided that the listing exercise is not withdrawn or terminated whether by reason of MAS refusing to register the prospectus for any reason whatsoever or MAS serving a stop order on UCHL under the Securities and Futures Act (Chapter 289) of Singapore or otherwise. As at the date of this Circular, UCHL has not issued the prospectus;
- (ii) a letter-of-eligibility being obtained and not revoked by the SGX for the listing and quotation of the UCHL Shares on the SGX. As at the date of this Circular, UCHL has not received a letter-of-eligibility from SGX;
- (iii) approval being obtained from stockholders of ASB at an EGM to be convened;
- (iv) approval being obtained from shareholders of LCB at an EGM to be convened;
- (v) approval being obtained from BNM, for the restructuring of the Proposed UCHL Group prior to the Proposed Listing, which was obtained on 7 May 2003 and 19 September 2003. The approval of BNM is subject to the following conditions:
  - WMSB and Primeace shall repatriate all dividends, profits or interest, and/or any proceeds received from the realisation of the respective investments in UCHL immediately upon receipt of the same and WMSB and Primeace shall notify the Exchange Control Department (ECD) of BNM accordingly;
  - WMSB and Primeace shall within one (1) month of the end of every quarter respectively submit a report to the ECD in respect of their investments in UCHL; and
  - WMSB and Primeace shall each year submit to the ECD a copy of their respective audited financial statements, as well as a copy of the audited consolidated financial statements of UCHL as soon as the same are prepared; and
- (vi) any other relevant regulatory approvals being obtained.

The Management Performance Incentive is conditional upon approval being obtained from the stockholders of ASB at an EGM to be convened and is inter-conditional with the Proposed Listing.

## 7. Directors' and Major Stockholders' Interests

Save as disclosed below, none of the Directors and/or major stockholders of the ASB Group as well as persons connected to them, has any interest, direct or indirect, in the Proposed Listing and the Management Performance Incentive.

WTL is a substantial shareholder and Director of UCHL, UCSB and UCPL. He will also be a key member of the management of the Proposed UCHL Group and accordingly he will be interested in the Management Performance Incentive. As at the date of this Circular, the quantum of the Management Performance Incentive Shares to be allocated has not been finalised. WTL does not hold any interest, direct or indirect, in ASB.

**8. Directors' Recommendation**

Having considered all aspects of the Proposed Listing, your Directors are of the opinion that the Proposed Listing and the Management Performance Incentive are in the best interests of the Company.

Accordingly, your Directors recommend that you vote in favour of the resolution to be tabled in the forthcoming EGM.

**9. EGM**

The EGM, the Notice of which is enclosed in this Circular, will be held at Dewan Thai, City Villa Kuala Lumpur, 69, Jalan Haji Hussein, 50300 Kuala Lumpur on 12 November 2003 for the purpose of considering and, if thought fit, passing with or without modifications the resolution to give effect to the Proposed Listing including the Management Performance Incentive.

If you are unable to attend or vote in person at the EGM, you may appoint a proxy by completing, signing and returning the enclosed Proxy Form 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 less than forty-eight (48) hours before the time set for the EGM. You are not precluded from attending and voting in person at the EGM should you wish to do so subsequent to the lodging of the Proxy Form.

**10. Further Information**

We advise stockholders to refer to the accompanying appendices for further information.

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

**Dato' Ahmad Sebi Bakar**  
Executive Chairman