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If you are in any doubt as to what action you should take, please consult appropriate independent professional advisers immediately.

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In line with the provisions of Practice Note 18/2005, Bursa Malaysia Securities Berhad had not perused Part B of this Circular prior to the issuance of this Circular as they fall under the category of exempt circulars as outlined in the aforesaid practice note.



ADVANCE SYNERGY BERHAD

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

CIRCULAR TO STOCKHOLDERS

in relation to the

PART A

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

PART B

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The resolutions in respect of the above proposals will be tabled at the Company's Eighty-Third Annual General Meeting to be held at Mezzanine Floor, Synergy Com Centre, No. 72, Pesiaran Jubli Perak, Seksyen 22, 40000 Shah Alam, Selangor Darul Ehsan on Friday, 29 June 2007 at 10.00 a.m.. Stockholders are advised to refer to the Notice of the Eighty-Third Annual General Meeting and the Proxy Form which are enclosed in the Annual Report 2006 of the Company.

The Proxy Form must be completed and deposited at the Registered Office of the Company at Level 3, Wisma ASCAP-QBC, No. 72, Pesiaran Jubli Perak, Seksyen 22, 40000 Shah Alam, Selangor Darul Ehsan on or before the date and time indicated below. You are not precluded from attending and voting in person at the Annual General Meeting should you wish to do so subsequent to the lodging of the Proxy Form.

Last date and time for lodging the Proxy Form : Wednesday, 27 June 2007 at 10.00 a.m.

Date and time of the Annual General Meeting : Friday, 29 June 2007 at 10.00 a.m.

This Circular is dated 5 June 2007

ABBREVIATIONS

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

Abbreviations	Meanings
Act	: Companies Act, 1965 as may be amended, modified or re-enacted from time to time
AGM	: Annual General Meeting
Annual Report 2006	: The Annual Report of ASB for the financial year ended 31 December 2006
ASB or Company	: Advance Synergy Berhad
ASB Group or Group	: ASB, its subsidiaries and associated companies, collectively
Board	: Board of Directors of ASB
Bursa Securities	: Bursa Malaysia Securities Berhad
Listing Requirements	: Listing Requirements of Bursa Securities
Proposed Amendments	: Proposed alterations, modifications, deletions and/or additions to the Articles of Association of the Company as set out in Part B of this Circular and adoption of the new Articles of Association to reflect these changes
Proposed Stockholders' Mandate	: Stockholders' approval for the general mandate in relation to the recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations as set out in Section 2.3 herein
RM and sen	: Ringgit Malaysia and sen respectively

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PART A

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



ADVANCE SYNERGY BERHAD

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

Registered Office:-

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

5 June 2007

Directors:-

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

To: The Stockholders of Advance Synergy Berhad

Dear Sir/Madam

PROPOSED STOCKHOLDERS' MANDATE

1. Introduction

On 30 June 2006, the Company had at its AGM obtained the stockholders' general mandate for the recurrent related party transactions of a revenue or 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 4 May 2007, the Board announced that pursuant to Paragraph 10.09 of the Listing Requirements, the Company will be seeking stockholders' general mandate in relation to the recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of the Company and/or its unlisted subsidiary companies at the forthcoming AGM 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 relating to the Proposed Stockholders' Mandate to be tabled as Special Business at the forthcoming AGM of the Company. The Notice of the AGM and the Proxy Form are set out in the Annual Report 2006 which is despatched with 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 AT THE FORTHCOMING AGM.

2. Details of the Proposed Stockholders' Mandate

2.1 Provisions under the Listing Requirements

Pursuant to 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 where:-
 - (a) the consideration, value of the assets, capital outlay or costs of the aggregate transactions is equal to or exceed RM1 million; or
 - (b) any one of the percentage ratios of such aggregated transactions is equal to or exceed 1%,whichever is the higher;
- (iii) the issue of a circular to shareholders containing information as specified in 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.

Transactions entered into between a listed issuer (or any of its wholly-owned subsidiary) and its wholly-owned subsidiaries are excluded from the requirements of Paragraph 10.09 of the Listing Requirements.

2.2 Classes of related parties

Stockholders' approval is sought for the general mandate for the recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations of ASB and/or its 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 follows:-

Persons Connected to ASB:-

Company	Interest of ASB as at 18 May 2007	Nature of business
1. Alangka-Suka Hotels & Resorts Berhad ("ASHR")	ASHR is a 99.63%-owned subsidiary of ASB.	Investment holding.
2. Antara Holiday Villas Sdn Bhd ("Antara")	Antara is a wholly-owned subsidiary of ASHR.	Hotel management services.
3. ASH Holdings Sdn Bhd ("ASH")	Datin Masri Khaw Binti Abdullah who is a Director of ASB has 50% equity interest in ASH.	Property and investment holding.

Company	Interest of ASB as at 18 May 2007	Nature of business
4. iSynergy Sdn Bhd ("iSynergy")	iSynergy is a 66.30%-owned subsidiary of ASB.*	Provision of payment related products and services.
5. Synergy Cards Sdn Bhd ("SCSB")	SCSB is a 66.30%-owned subsidiary of ASB.*	Provision of designated payment instruments and products ("DPI Business"). SCSB has yet to commence operations.

Note:

* 29% of the equity interest of the company is held by Advance Synergy Capital Berhad, a 52.76%-owned subsidiary of ASB.

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

2.3 Nature of recurrent related party transactions contemplated

Currently, the principal activities of ASB are that of investment holding and providing full corporate and financial support to its subsidiary companies. Its subsidiaries and associated companies are primarily engaged in financial services, card and payment services, as owners and operators of resorts and hotels, property development, manufacturing of warp-knitted fabrics, provision of project management and support services, research and development for the telecommunications industry including trading of telecommunications products, provision of public bus transport services, production and marketing of electronic audio and visual media, marketing of metal products, trading of electronic home entertainment products and travel and tours.

ASB and/or its unlisted subsidiary companies have entered into recurrent related party transactions on normal commercial 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 party transactions which are detailed herein. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

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

Nature of Transaction	Vendor/ Provider	Purchaser/ Recipient	Estimated aggregate value from 29/06/2007 (date of the forthcoming AGM) to 30/06/2008 (Being the last practicable date for the next AGM) * (RM)	Nature of Relationship with ASB – interested directors, major stockholders and persons connected
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. Tenure : 3 years The rental of office premise is payable periodically	ASH	Antara	98,000	Datin Masri Khaw Binti Abdullah is a Director of ASB, ASHR and Antara. She holds 50% equity interest in ASH.
Rental of the DPI Business software	iSynergy	SCSB	700,000	Advance Synergy Capital Berhad (a 52.76%-owned subsidiary of ASB) and Interpay International Resources Ltd are common major shareholders of both iSynergy and SCSB (respectively holding 29% and 20% equity interest in both iSynergy and SCSB).

Note:

* The estimated value of the transactions is based on estimated value of anticipated future transactions. The estimated value of these transactions may vary and is subject to changes.

2.4 Methods or procedures on which transaction prices are determined and 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 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) Records will be maintained on recurrent related party transactions which are entered into pursuant to the Proposed Stockholders' Mandate;

- (ii) The duties and roles of the Audit Committee include the review of recurrent related party transactions periodically to ensure that such transactions are undertaken at arm's length, on 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 are in the best interests 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;
- (iii) If any member of the Audit Committee or the Board or persons connected to him has an interest (direct or Indirect) in any related party transactions, he shall abstain from any deliberation and decision making by the Audit Committee or the Board in respect of the said transactions; and
- (iv) If during the periodic review, the Audit Committee is of the view that the procedures are not sufficient to ensure normal commercial terms and/or the transaction is detrimental to the minority stockholders, the Audit Committee will:-
 - (a) Firstly, discuss and ascertain whether it is the procedure which is at fault or whether it is the fault of the person(s) delegated with the task of ensuring compliance or otherwise; and
 - (b) Secondly, if the fault is the person rather than the procedure, appropriate action will be taken against the person concerned. If the defect lies with the procedure, then the Audit Committee will modify, supplement or replace as may be required the relevant procedure and report such modification, supplement or replacement to the Board.

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, if approved, will take effect from the date of the passing of the Ordinary Resolution relating thereto at the forthcoming AGM.

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:-

- (i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed Stockholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at that next AGM, the authority is renewed;
 - (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - (iii) 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 in accordance with the provisions of the Listing Requirements.

3. Rationale for and benefit 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 in the ordinary course of business of the ASB Group which are undertaken at arm's length, on 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 channelled 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. Effects of the Proposed Stockholders' Mandate

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

6. Directors' and Major Stockholders' Interests

The direct and indirect interest of the Directors of ASB in the stock units of ASB as at 18 May 2007 are as follows:-

Name	Direct		Indirect		Nationality
	No. of stock units held	% held	No. of stock units held	% held	
Dato' Ahmad Sebi Bakar	15,203,509	4.50	27,451,109 ^{*i}	8.13	Malaysian
Wong Ah Nam @ Wong Joon Tuang	-	-	-	-	Malaysian
Datin Masri Khaw Binti Abdullah	1,000,000	0.30	3,100,000 ^{*ii}	0.92	Malaysian
Chim Wai Khuan	-	-	-	-	Malaysian
Sng Ngiap Koon	-	-	500,000 ^{*iii}	0.15	Malaysian

Note:

^{*i} 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.

^{*ii} Deemed interest by virtue of her shareholding in ASH Holdings Sdn Bhd, which in turn directly holds 0.92% in ASB.

^{*iii} Held by spouse.

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.

Datin Masri Khaw Binti Abdullah holds directorships in certain subsidiary companies of ASB as set out in Section 2.3 of this Circular, which are the subject of the Proposed Stockholders' Mandate.

Datin Masri Khaw Binti Abdullah and person connected with her, namely, 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 AGM.

The interested party, namely Datin Masri Khaw Binti Abdullah, has undertaken to ensure that person connected with her, namely, ASH Holdings Sdn Bhd, will abstain from voting on its direct and/or indirect stockholdings on the resolution pertaining to the Proposed Stockholders' Mandate at the AGM 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 (other than Datin Masri Khaw Binti Abdullah who had abstained from expressing any opinion or recommendation on the Proposed Stockholders' Mandate) is of the opinion that the Proposed Stockholders' Mandate is in the best interests of the Company and recommend that you vote in favour of the ordinary resolution for the Proposed Stockholders' Mandate to be tabled at the forthcoming AGM.

8. AGM

The Eighty-Third AGM of the Company will be held at Mezzanine Floor, Synergy Com Centre, No. 72, Pesiaran Jubli Perak, Seksyen 22, 40000 Shah Alam, Selangor Darul Ehsan on Friday, 29 June 2007 at 10.00 a.m., for the purpose of considering and, if thought fit, passing the resolution as set out in the Notice of AGM to give effect to the Proposed Stockholders' Mandate.

If you are unable to attend and vote in person at the AGM, please complete, sign and return the Proxy Form enclosed in the Annual Report 2006 of the Company 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 3, Wisma ASCAP-QBC, No. 72, Pesiaran Jubli Perak, Seksyen 22, 40000 Shah Alam, Selangor Darul Ehsan, not later than forty-eight (48) hours before the time fixed for the AGM. The completion and return of the Form of Proxy does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

9. Further Information

Stockholders of ASB are advised to refer to the attached Appendix I 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

PART B

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
OF THE COMPANY**



ADVANCE SYNERGY BERHAD

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

Registered Office:-

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

5 June 2007

Directors:-

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

To: The Stockholders of Advance Synergy Berhad

Dear Sir/Madam

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

1. Introduction

On 4 May 2007, the Board announced the proposal to adopt a new set of Articles of Association incorporating the amendments to the Articles of Association as described in Section 2, Part B of this Circular.

The purpose of this Circular is to provide you with the relevant information on the Proposed Amendments and to seek your approval for the resolution relating to the Proposed Amendments to be tabled as Special Business at the forthcoming AGM of the Company. The Notice of the AGM and the Proxy Form are set out in the Annual Report 2006 which is despatched with 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 AMENDMENTS AT THE FORTHCOMING AGM.

2. Details of the Proposed Amendments

The Company is proposing to seek the stockholders' approval on the following alterations, modifications, deletions and/or additions to the existing Articles of Association of the Company and the adoption of a new set of Articles of Association to reflect these changes:-

Article	Existing Provisions		Amended Provisions	
2*	Interpretation		Interpretation	
	Words	Meanings	Words	Meanings
	Act	The Companies Act, 1965.	Act	The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof from time to time in force.
	Approved Market Place	A stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No. 2) Order 1998.	<i>[Deleted]</i>	<i>[Deleted]</i>
	Articles	These Articles of Association or other regulations of the Company for the time being in force.	Articles	These Articles of Association or other regulations of the Company for the time being in force or as altered from time to time by special resolution.
	Central Depositories Act	The Securities Industry (Central Depositories) Act, 1991.	Central Depositories Act	The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof from time to time in force.
	Central Depository	Malaysian Central Depository Sdn. Bhd. and its successors-in-title.	<i>[Deleted]</i>	<i>[Deleted]</i>
	Deposited Share	A share in the Company standing to the credit of a securities account and includes securities in a securities account that is in suspense.	Deposited Security	Shall have the meaning given in Section 2 of the Central Depositories Act.
	Depositor	A holder of a securities account.	Depositor	A holder of a securities account, established by the Depository.
	–	–	Depository	Bursa Malaysia Depository Sdn Bhd.
	Exchange	Kuala Lumpur Stock Exchange or any other exchange on which the shares of the Company are listed.	Exchange	Bursa Malaysia Securities Berhad.
	–	–	Listing Requirements	The listing requirements of the Exchange including any amendment thereto that may be made from time to time.
market day	Any day between Mondays and Fridays which is not an Exchange holiday or public holiday.	market day	A day on which the stock market of the Exchange is open for trading in securities.	

Article	Existing Provisions		Amended Provisions	
2* (continued)	Interpretation		Interpretation	
	Words	Meanings	Words	Meanings
	Member	Any person/persons for the time being holding shares in the Company and whose names appear in the Register (except the Central Depository or its nominee company in whose name the Deposited Share is registered) including Depositors whose names appear on the Record of Depositors.	Member	Any Depositor who shall be treated as a Member pursuant to Section 35 of the Central Depositories Act but excludes the Depository in its capacity as a bare trustee.
	Record of Depositors	A record provided by the Central Depository to the Company or its registrars or its issuing house under Chapter 24.0 of the Rules.	Record of Depositors	A record provided by the Depository to the Company or its registrars or its issuing house under Chapter 24.0 of the Rules of the Depository.
	Register	The Register of Members of the Company to be kept pursuant to the Act.	Register	The register of Members of the Company to be kept pursuant to the Act.
	–	–	Rules of the Depository	Shall have the meaning given in Section 2 of the Central Depositories Act.
	–	–	Rules of the Exchange	Means the rules of the Exchange including any amendment thereto that may be made from time to time.
	Rules	The rules of the Central Depository and any applicable appendices thereto.	<i>[Deleted]</i>	<i>[Deleted]</i>
	Seal	The Common Seal of the Company.	Seal	The Common Seal of the Company or in appropriate cases, the official seal or duplicate Common Seal.
–	–	securities	As defined in section 2 of the Securities Commission Act 1993.	

Note:

* The above changed words or expressions shall be adopted for use throughout the Articles of Association and the former expressions wherever used shall be amended to reflect the new words or expressions accordingly wherever necessary throughout the document, which precise changes are not highlighted.

Article	Existing Provisions	Amended Provisions
4(3)	No Director shall participate in any issue of shares or options to employees unless the Members in general meeting have approved of the specific allotment to be made to such Director and unless he holds office in an executive capacity PROVIDED ALWAYS THAT a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public issue or a public offer.	No Director shall participate in any share scheme for employees unless the Members in general meeting have approved of the specific allotment to be made to such Director and unless the Director holds office in an executive capacity PROVIDED ALWAYS THAT a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public issue or a public offer.
4(4)	The total nominal value of issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time.	<i>[Deleted]</i>
4(5) [to be renumbered to 4(4)]	<p>Holders of preference shares shall be entitled to the same rights as the holders of ordinary shares in relation to receiving notices, reports and audited accounts and attending general meetings of the Company BUT shall only have the right to vote at any meeting convened :</p> <p>(a) where any resolution or proposal is to be submitted to the meeting:</p> <p style="padding-left: 20px;">(i) for the purpose of reducing the share capital of the Company, disposing of the whole of the property, business or undertaking of the Company or winding up the Company; or</p> <p style="padding-left: 20px;">(ii) which affects rights attached to the preference shares;</p> <p>(b) when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months; or</p> <p>(c) during the winding up of the Company.</p>	<p>Holders of preference shares shall be entitled to the same rights as the holders of ordinary shares in relation to receiving notices, reports and audited accounts and attending general meetings of the Company BUT shall only have the right to vote at any general meeting convened in the following circumstances:-</p> <p>(a) when the dividend or part of the dividend on the share is in arrears for more than six (6) months;</p> <p>(b) on a proposal to reduce the Company's share capital;</p> <p>(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;</p> <p>(d) on a proposal that affects rights attached to the share;</p> <p>(e) on a proposal to wind-up the Company; and</p> <p>(f) during the winding-up of the Company.</p>
4(6) [to be renumbered to 4(5)]	The Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith.	The Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith.
4(6)	-	Where there are several classes of shares, the rights attaching to shares of a class other than ordinary shares shall be expressed.

Article	Existing Provisions	Amended Provisions
36(1)	<p>Where:</p> <p>(a) the shares or other securities of the Company are listed on a Approved Market Place; and</p> <p>(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such shares or other securities,</p> <p>the Company shall, upon request of a holder of shares or other securities, permit a transmission of shares or other securities held by such holder of shares or other securities from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as "the Malaysian Register") subject to the following conditions:</p> <p>(i) there shall be no change in the ownership of such shares or other securities; and</p> <p>(ii) the transmission shall be executed by causing such shares or securities to be credited directly into the securities account of such holder of shares or other securities (as may be applicable).</p>	<p>Where:</p> <p>(a) the shares or other securities of the Company are listed on another stock exchange; and</p> <p>(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules of Depository in respect of such shares or other securities,</p> <p>the Company shall, upon request of a holder of shares or other securities, permit a transmission of shares or other securities held by such holder of shares or other securities from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such shares or other securities.</p>
36(2)	<p>For the avoidance of doubt, where the Company fulfils the requirements of subparagraphs (a) and (b) of Article 36(1), it shall not allow any transmission of shares or other securities from the Malaysian Register into the Foreign Register.</p>	<p><i>[Deleted]</i></p>
49	<p>If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied, modified, abrogated or dealt with, with the consent in writing of the holders of at least three-fourths (3/4) of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be Members or any Member holding or representing by proxy or by attorney two-thirds (2/3) of the capital paid or credited as paid on the issued shares of that class and that any holder of shares of that class present in person or by proxy or by attorney may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply PROVIDED ALWAYS THAT where the necessary majority for such a special</p>	<p>If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of shares of that class) may, whether or not the Company is being wound up, be varied, modified, abrogated or dealt with, with the consent in writing of the holders of at least three-fourths (3/4) of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be Members or any Member holding or representing by proxy or by attorney one-third (1/3) of the capital paid or credited as paid on the issued shares of that class and that any holder of shares of that class present in person or by proxy or by attorney may demand a poll. To every such special resolution the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply PROVIDED ALWAYS THAT where the necessary majority for such a special resolution</p>

Article	Existing Provisions	Amended Provisions
49 (continued)	resolution is not obtained at the meeting, consent in writing if obtained from holders of at least three-fourths (3/4) of shares of the class concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.	is not obtained at the meeting, consent in writing if obtained from holders of at least three-fourths (3/4) of shares of the class concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.
60(5)	In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him, and that a proxy need not also be a Member.	In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint at least one (1) proxy but not more than two (2) proxies to attend and vote instead of him, and that the proxy(ies) need not also be a Member.
61(1)	<p>Notice of every general meeting shall be given in any manner authorised by these Articles to :</p> <p>(a) every Member holding shares conferring the right to attend and vote at the meeting who at the time of the convening of the meeting shall have paid all calls or other sums presently payable by him in respect of shares in the Company;</p> <p>(b) the auditors of the Company;</p> <p>(c) every Exchange on which the Company is listed.</p>	<p>Notice of every general meeting shall be given in any manner authorised by these Articles to:</p> <p>(a) every Member holding shares conferring the right to attend and vote at the meeting who at the time of the convening of the meeting shall have paid all calls or other sums presently payable by him in respect of shares in the Company;</p> <p>(b) the auditors of the Company;</p> <p>(c) each stock exchange upon which the Company is listed.</p>
61(4)	At least fourteen (14) days' notice or twenty-one (21) days' notice (in the case where any special resolution is proposed or where it is an Annual General Meeting) of every such meeting shall be given by advertisement in the daily press and in writing to the Exchange.	At least fourteen (14) days' notice or twenty-one (21) days' notice (in the case where any special resolution is proposed or where it is an Annual General Meeting) of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Exchange and to each stock exchange upon which the Company is listed.
61(6)	The Company shall also request the Central Depository in accordance with the Rules, to issue a Record of Depositors as at a date not less than three (3) Market Days before the general meeting (hereinafter referred to as the "General Meeting Record of Depositors").	The Company shall also request the Depository in accordance with the Rules of Depository, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) Market Days before the general meeting (hereinafter referred to as the "General Meeting Record of Depositors").
75(2)	Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.	Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Article	Existing Provisions	Amended Provisions
79	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of such power or authority) shall be deposited at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting at least forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the persons named in such instrument proposes to vote, otherwise the person so named shall not be entitled to vote in respect thereof. Notwithstanding the foregoing, the Directors may but shall not be bound to require evidence of the authority of any such attorney or authority.	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed (or a notarially certified copy of such power or authority) shall be deposited at or by facsimile transmission to the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting at least forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the persons named in such instrument proposes to vote, otherwise the person so named shall not be entitled to vote in respect thereof. Notwithstanding the foregoing, the Directors may but shall not be bound to require evidence of the authority of any such attorney or authority.
82(1)	Until otherwise determined by a general meeting, the number of Directors shall not be less than two (2) or more than eight (8). All the Directors of the Company shall be natural persons.	Until otherwise determined by a general meeting, the number of Directors shall not be less than two (2) or more than eight (8).
82(2)	The following persons shall be the first Directors of the Company : Henry Waugh, John Gordon Brown, Robert Rule and William Huxtable Thorne.	The first Directors of the Company are: Henry Waugh, John Gordon Brown, Robert Rule and William Huxtable Thorne.
84(1)	A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 131 of the Act.	A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of the Director's interest at a meeting of the Directors in accordance with Section 131 of the Act.
84(2)	A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest (and if he votes his vote shall not be counted).	A Director shall not vote in regard to any contract or proposed contract or arrangement in which the Director has, directly or indirectly, an interest (and if the Director votes the vote shall not be counted).
84(3)	A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any such other office or place of profit or as a vendor, purchaser or otherwise. No such contract, and no contract or arrangement entered into by or on behalf of the Company, in which any Director is in any way interested shall be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.	A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with the office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by nature of the office from contracting with the Company, either with regard to the Director's tenure of any such other office or place of profit or as a vendor, purchaser or otherwise. No such contract, and no contract or arrangement entered into by or on behalf of the Company, in which any Director is in any way interested shall be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
84(4)	A Director notwithstanding his interest may be counted in the quorum present at any meeting where he or any other Director is appointed to hold any office or place of profit under the	A Director notwithstanding the Director's interest may be counted in the quorum present at any meeting where the Director or any other Director is appointed to hold any office or place

Article	Existing Provisions	Amended Provisions
84(4) (continued)	Company, or where the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or where the terms of any such appointment as hereinafter mentioned are considered, or where any decision is taken upon any contract or arrangement in which he is in any way interested PROVIDED ALWAYS that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles.	of profit under the Company, or where the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or where the terms of any such appointment as hereinafter mentioned are considered, or where any decision is taken upon any contract or arrangement in which the Director is in any way interested PROVIDED ALWAYS that the Director has complied with Section 131 and all other relevant provisions of the Act and of these Articles.
84(5)	A Director of the Company may with the consent of the Board of Directors be or become a Director or other officer of, or otherwise be interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interests in, such other company unless the Company otherwise directs.	A Director of the Company may with the consent of the Board of Directors be or become a director or other officer of, or otherwise be interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by the Director as a director or officer of, or from the Director's interests in, such other company unless the Company otherwise directs.
101	<p>Subject to the provisions of any agreement for the time being subsisting, the office of a Director shall become vacant:</p> <p>(a) if he becomes bankrupt;</p> <p>(b) if he becomes of unsound mind or is deceased;</p> <p>(c) if he ceases to be a Director by virtue of Section 124 of the Act;</p> <p>(d) if by notice in writing to the Company he resigns his office;</p> <p>(e) if he is prohibited from being a Director without leave of the court under Section 130 of the Act;</p> <p>(f) if he is removed from office pursuant to a resolution passed under the provisions of Article 107;</p> <p>(g) if he is requested in writing by all the other Directors for the time being to vacate office; or</p> <p>(h) if he is absent from more than fifty percent (50%) of the total board of directors' meetings held during a financial year (unless an exemption or waiver is obtained from the Exchange).</p>	<p>Subject to the provisions of any agreement for the time being subsisting, the office of a Director shall become vacant:</p> <p>(a) if he becomes bankrupt during his term of office;</p> <p>(b) if he becomes of unsound mind during his term of office or is deceased;</p> <p>(c) if he ceases to be a Director by virtue of Section 124 of the Act;</p> <p>(d) if by notice in writing to the Company he resigns his office;</p> <p>(e) if he is prohibited from being a Director without leave of the court under Section 130 of the Act;</p> <p>(f) if he is removed from office pursuant to a resolution passed under the provisions of Article 107; or</p> <p>(g) if he is requested in writing by all the other Directors for the time being to vacate office.</p>

Article	Existing Provisions	Amended Provisions
130	<p>The Directors shall from time to time in accordance with Section 169 of the Act, cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are required by the Act. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the directors' and auditors' reports relating to it shall not exceed four (4) months unless otherwise approved by the relevant authorities. A printed copy of every profit and loss account, balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the auditor's report, shall before the date of the meeting be delivered or sent by post to every Member of, and every holder of debentures of, the Company. This Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) but any Member to whom a copy of those documents has not been sent shall be entitled on application to receive a copy free of charge at the Office.</p>	<p>The Directors shall from time to time in accordance with Section 169 of the Act, cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and report as are required by the Act. The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the directors' and auditors' reports relating to it shall not exceed four (4) months unless otherwise approved by the relevant authorities. A copy of every profit and loss account, balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the auditor's report, shall before the date of the meeting be delivered or sent by post to every Member of, and every holder of debentures of, the Company. Subject to the compliance with the Listing Requirements and any other relevant authorities, if any, the Company may issue those documents in compact disc read-only memory ("CD-ROM") or digital video disc read-only memory ("DVD-ROM") format or in any other format whatsoever or in such other form of electronic media) (whether available now or in the future) through which images, data, information or order material may be viewed whether electronically or digitally or howsoever. This Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) but any Member to whom a copy of those documents has not been sent shall be entitled on application to receive a copy free of charge at the Office.</p>

Article	Existing Provisions	Amended Provisions
139	<p>If the Company shall be wound up:</p> <p>(a) where the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding-up, on the shares held by them respectively;</p> <p>(b) where the assets available for distribution among the Members shall be more than sufficient to repay the the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the Members in proportion to the capital paid-up or which ought to be paid at the commencement of the winding up, on shares held by them respectively,</p> <p>PROVIDED ALWAYS that the holders of preference shares shall be entitled to the return of their capital in relation to their preference shares in preference to holders of ordinary shares. This Articles is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.</p>	<p>If the Company shall be wound up:</p> <p>(a) where the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding-up, on the shares held by them respectively; or</p> <p>(b) where the assets available for distribution among the Members shall be more than sufficient to repay the the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed among the Members in proportion to the capital paid-up or which ought to be paid at the commencement of the winding up, on shares held by them respectively.</p>
145(7)	<p>For the purpose of this Article, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Kuala Lumpur Stock Exchange including any amendment to the Listing Requirements that may be made from time to time.</p>	<p><i>[Deleted]</i></p>

3. Rationale for the Proposed Amendments

The Proposed Amendments by the Company is to render the Articles of Association of the Company to be consistent with the recent changes to the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines or requirements of the relevant authorities and to further enhance administrative efficiency of the Company.

4. Effects of the Proposed Amendments

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

5. Directors' and Major Stockholders' Interests

None of the Directors and major stockholders or persons connected with the Directors and major stockholders have any interest, direct or indirect, in the Proposed Amendments.

6. Directors' Recommendation

Having considered all aspects of the Proposed Amendments, the Board is of the opinion that the Proposed Amendments is in the best interest of the Company and recommend that you vote in favour of the special resolution for the Proposed Amendments to be tabled at the forthcoming AGM.

7. AGM

The Eighty-Third AGM of the Company will be held at Mezzanine Floor, Synergy Com Centre, No. 72, Pesiaran Jubli Perak, Seksyen 22, 40000 Shah Alam, Selangor Darul Ehsan on Friday, 29 June 2007 at 10.00 a.m., for the purpose of considering and, if thought fit, passing the resolution as set out in the Notice of AGM to give effect to the Proposed Amendments.

If you are unable to attend and vote in person at the AGM, please complete, sign and return the Proxy Form enclosed in the Annual Report 2006 of the Company 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 3, Wisma ASCAP-QBC, No. 72, Pesiaran Jubli Perak, Seksyen 22, 40000 Shah Alam, Selangor Darul Ehsan, not later than forty-eight (48) hours before the time fixed for the AGM. The completion and return of the Form of Proxy does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

8. Further Information

Stockholders of ASB are advised to refer to the attached Appendix I 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

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

2. Material Litigation

Save as disclosed below, as at 7 May 2007, neither ASB nor any of its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Directors of ASB are not aware of any proceedings, pending or threatened, against ASB and/or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

- (i) A third party action was filed by American Home Assurance Company (“AHA”) on 24 October 2002 against Rewardstreet.com (Malaysia) Sdn Bhd (“RCSB”), a wholly-owned subsidiary of iSynergy, which in turn is a subsidiary of ASB. AHA is sued as a Defendant in the main suit filed by Ultra Dimension Sdn Bhd as Plaintiff for, *inter alia*, the alleged infringement of their copyright via the AHA Privilege Cash-In Rebate Cards. AHA’s claim is for general damages, exemplary damages and aggravated damages which are to be assessed by the Court, together with interest at 8% per annum. An application filed by RCSB to strike-out the third party action by AHA on the basis that AHA was responsible for the design and that no cause of action lay against RCSB, was not successful. The Court has fixed the trial dates from the 19th to the 22nd November 2007. The solicitors acting for RCSB for the litigation are of the opinion that they may negate any liability, which is alleged by the Defendant in this suit; and
- (ii) ASB had on 14 June 2004 instituted legal action against Perbadanan Kemajuan Negeri Kedah (“PKNK”) to recover its investment of RM52,500,000 in Kedah Marble Sdn Bhd together with other sums, damages, interests and costs. ASB’s solicitors have obtained the signed and sealed copy of the Judgment in Default of Appearance dated 1 August 2004 (“Default Judgment”) from the Court for the sum of RM52,500,000, interest thereon at the rate of 8% per annum from the date of judgment to the date of realisation and cost of RM225. On 10 November 2004, PKNK applied to the Court to set aside the Default Judgment. On 3 August 2005, the Court had allowed PKNK’s application to set aside the Default Judgment. As a procedural step to progress the suit to a trial, ASB’s solicitors had on 29 December 2005 forwarded to the Court for filing of the Notice to Attend Pre-Trial Case Management and the Pre-Trial Case Management was fixed for hearing on 17 May 2006. Due to a change in PKNK’s solicitors, PKNK’s new solicitors had asked for an adjournment on the grounds that they required time to take their client’s instructions and there is a likelihood for an application to amend the Statement of Defence. The Court has fixed the Pre-Trial Case Management for mention on 21 November 2006. PKNK’s new solicitors filed an application to amend PKNK’s Statement of Defence and the application was also fixed for hearing on 21 November 2006. On 21 November 2006 the Court granted leave to PKNK to amend their Statement of Defence. The suit is now fixed for mention on 18 June 2007. ASB’s solicitors for the litigation are of the opinion that ASB has a good cause of action against PKNK and the likely outcome of the proceedings would be a decision in favour of ASB.

3. Material Contracts

Save as disclosed below, neither ASB nor any of its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of our business or any of the businesses of our subsidiaries) during the two (2) years immediately preceding the date of this Circular.

- (i) A sale of shares agreement dated 16 December 2005 (“SSA”) was entered into between Alangka-Suka International Limited (“ASIL”), Leeds Property Limited (“Buyer”) and ASHR (“Guarantor”) for the sale by ASIL of the entire issued share capital of Interwell International Limited (“IIL”) comprising two (2) issued ordinary shares of USD1.00 each (“IIL Shares”) for a cash consideration of £10,100,000 less the aggregate of the Secured Loans (as defined in the SSA), Intercompany Loans (as defined in the SSA) and any Apportionment (as defined in the SSA) which shall equal the Net Asset Value (as defined in the SSA). The sale and purchase was completed on 10 February 2006. In consideration of the Buyer entering into the SSA, the Guarantor, at the request of ASIL, unconditionally and irrevocably guarantees as a primary obligation to the Buyer the due and punctual performance and observance by ASIL of all ASIL’s obligations, and the punctual discharge by ASIL of all ASIL’s liabilities to the Buyer, arising under the SSA. Among others, a tax deed, an option agreement and a lease agreement were required to be executed between the parties in conjunction with the execution of the SSA. The SSA is governed by and is to be construed in accordance with English law;
- (ii) A lease agreement dated 16 December 2005 was entered into between IIL, Holiday Villa (UK) Limited (“Tenant”) and ASHR (“Guarantor”) for the leasing of all those premises comprising the freehold building known as 35-39 Leinster Gardens, London W2 3AN for a term of ten (10) years (“Term”) from and including 10 February 2006 for an average annual lease rental of £739,799.60 for the duration of the Term. In consideration of the grant of the lease by IIL to the Tenant, the Guarantor shall, among others, covenant and agree with IIL that the Tenant will at all times during the Term pay the rents and observe and perform the covenants on the part of the Tenant and the conditions and agreements;
- (iii) An option agreement dated 16 December 2005 (“Option Agreement”) was entered into between ASIL and IIL for ASIL to have the option to purchase the freehold building known as 35-39 Leinster Gardens, London W2 3AN registered under title number NGL178149 (“Property”) within a period of no less than six (6) months and no more than eight (8) months prior to the last date of the Term (as defined under the lease agreement dated 16 December 2005 between IIL, Holiday Villa (UK) Limited and ASHR) (“Completion Date”) at a purchase price to be determined based on the value the Property could be sold on the open market at the Completion Date. The Option Agreement is governed by and is to be construed in accordance with English law;
- (iv) A sale and purchase agreement dated 20 February 2006 as varied in a supplemental sale and purchase agreement dated 21 April 2006 was entered into between Alor Setar Holiday Villa Sdn Bhd (“ASHV”) as vendor and Amanah Raya Berhad (as Trustee for Kumpulan Wang Am) (“Amanah Raya”) as purchaser for the sale of, amongst others, 155 room hotel known as Holiday Villa Alor Setar within Menara MPKS situated in Alor Setar, Kota Setar, Kedah Darul Aman (“Holiday Villa Alor Setar”) for a cash consideration of RM31.0 million (“ASHV Purchase Price”);
- (v) A lease agreement dated 20 February 2006 as varied in a supplemental lease agreement dated 21 April 2006 was entered into between Amanah Raya and ASHV for ASHV to lease Holiday Villa Alor Setar for a term of ten (10) years (“ASHV Term”) commencing from the date of completion of the sale and purchase agreement dated 20 February 2006 made between ASHV (“Vendor”) and Amanah Raya (“Purchaser”) of Holiday Villa Alor Setar for an average annual lease rental of seven percent (7%) of the ASHV Purchase Price for the duration of the ASHV Term. ASHV shall have the option to renew the lease agreement for a further period of ten (10) years commencing from expiry of the ASHV Term at the then prevailing market rental rates after taking into consideration the lease rental during the ASHV Term. ASHV is also granted an option to buy back Holiday Villa Alor Setar at the then prevailing market value of Holiday Villa Alor Setar to be determined based on the Discounted Cash Flow Method and the Comparable Method (“Valuation Method”) adopted by Colliers, Jordan

Lee & Jaafar Sdn Bhd (“Valuer”) in arriving at the ASHV Purchase Price and shall be subject to the then existing Guidelines on Real Estate Investment Trusts issued by the SC (“REIT Guidelines”) by giving notice to Amanah Raya at least six (6) months preceding the expiry date of the lease or extended lease (as the case may be);

- (vi) A letter of guarantee dated 20 February 2006 was executed by ASHR as guarantor in favour of Amanah Raya for, among others, the performance by ASHV of all its obligations to Amanah Raya under the terms, covenants and conditions of the lease agreement dated 20 February 2006 (“ASHV Lease Agreement”) in consideration of Amanah Raya agreeing to enter into the ASHV Lease Agreement with ASHV;
- (vii) A sale and purchase agreement dated 20 February 2006 as varied in a supplemental sale and purchase agreement dated 21 April 2006 was entered into between Azman Shah Bin Haron (as trustee for Langkawi Holiday Villa Sdn Bhd (“LHV”)) as vendor and Amanah Raya as purchaser for the sale of, amongst others, a 238 room beach resort known as Holiday Villa Langkawi situated in Kedawang, Langkawi, Kedah Darul Aman (“Holiday Villa Langkawi”) for a cash consideration of RM55.0 million (“LHV Purchase Price”);
- (viii) A lease agreement dated 20 February 2006 as varied in a supplemental lease agreement dated 21 April 2006 was entered into between Amanah Raya and LHV for LHV to lease Holiday Villa Langkawi for a term of ten (10) years (“LHV Term”) commencing from the date of completion of the sale and purchase agreement dated 20 February 2006 made between LHV (as the vendor) and Amanah Raya (as the purchaser) of Holiday Villa Langkawi for an average annual lease rental of seven percent (7%) of the LHV Purchase Price for the duration of the LHV Term. LHV shall have the option to renew the lease agreement for a further period of ten (10) years commencing from expiry of the LHV Term at the then prevailing market rental rates after taking into consideration the lease rental during the LHV Term. LHV is also granted an option to buy back Holiday Villa Langkawi at the then prevailing market value of Holiday Villa Langkawi to be determined based on the Valuation Method adopted by the Valuer in arriving at the LHV Purchase Price and shall be subject to the then existing REIT Guidelines by giving notice to Amanah Raya at least six (6) months preceding the expiry date of the lease or extended lease (as the case may be);
- (ix) A letter of guarantee dated 20 February 2006 was executed by ASHR as guarantor in favour of Amanah Raya for, among others, the performance by LHV of all its obligations to Amanah Raya under the terms, covenants and conditions of the lease agreement dated 20 February 2006 (“LHV Lease Agreement”) in consideration of Amanah Raya agreeing to enter into the LHV Lease Agreement with LHV;
- (x) A sale and purchase agreement dated 20 February 2006 was entered into between Cherating Holiday Villa Berhad (“CHV”) as vendor and Amanah Raya as purchaser for the sale of a hotel known as Holiday Villa Cherating situated in Sungai Karang, Kuantan, Pahang Darul Makmur (“Holiday Villa Cherating”) for a cash consideration of RM21.872 million (“CHV Purchase Price”);
- (xi) A lease agreement dated 20 February 2006 was entered into between Amanah Raya and CHV for CHV to lease Holiday Villa Cherating for a term of ten (10) years (“CHV Term”) commencing from the date of completion of the sale and purchase agreement dated 20 February 2006 made between the CHV (as the vendor) and Amanah Raya (as the purchaser) of Holiday Villa Cherating for an average annual lease rental of seven percent (7%) of the CHV Purchase Price for the duration of the CHV Term. CHV shall have the option to renew the lease agreement for a further period of five (5) years commencing from expiry of the CHV Term at a mutually agreed rental rate. CHV is also granted an option to buy back Holiday Villa Cherating at a purchase price of RM23 million by giving notice to Amanah Raya at least six (6) months preceding the expiry date of the lease or extended lease (as the case may be);

- (xii) A letter of guarantee dated 20 February 2006 was executed by ASHR as guarantor in favour of Amanah Raya for, among others, the performance by CHV of all its obligations to Amanah Raya under the terms, covenants and conditions of the lease agreement dated 20 February 2006 ("CHV Lease Agreement") in consideration of Amanah Raya agreeing to enter into the CHV Lease Agreement with CHV; and
- (xiii) A sale and purchase agreement dated 30 June 2006 was entered into between iSynergy, as seller and SCSB, as purchaser, both of which are subsidiaries of ASB, for the sale of, among others, computer hardware, office equipment and furniture and fittings, various customer databases and intellectual property for the conduct of the payment card business for a purchase consideration of RM6.0 million to be satisfied in cash. Simultaneously, a software rental and maintenance agreement dated 30 June 2006 was entered into between iSynergy as vendor and SCSB as hirer for the rental of various financial software as listed out in Schedule 1 of the software rental and maintenance agreement for a period of two (2) years from the agreement date at a rental price as set out in the software rental and maintenance agreement subject to a maximum rental of RM5.0 million per year.

4. Documents for Inspection

Copies of the following documents are made available for inspection between 9.00 a.m. to 5.00 p.m. from Monday to Friday (except on public holidays) at the Registered Office of the Company at Level 3, Wisma ASCAP-QBC, No. 72, Pesiaran Jubli Perak, Seksyen 22, 40000 Shah Alam, Selangor Darul Ehsan from the date of this Circular up to and including the date of the AGM:-

- (i) Existing Memorandum and Articles of Association of ASB;
- (ii) New draft Articles of Association of ASB;
- (iii) Audited financial statements of ASB for the two (2) financial years ended 31 December 2005 and 31 December 2006 and the latest unaudited results for the financial period ended 31 March 2007;
- (iv) Relevant cause papers for the material litigations referred to in Section 2 above; and
- (v) Material contracts referred to in Section 3 above.