

**ADVANCE SYNERGY BERHAD (“ASB”) OR (“THE COMPANY”)  
PROPOSED DISPOSAL OF 40% EQUITY INTEREST IN HELENIUM HOLDINGS LIMITED (“HELENIUM”),  
A 40%-OWNED INDIRECT ASSOCIATE COMPANY OF ASB HELD VIA SYNERGY REALTY  
INCORPORATED (“SRI”), AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY HELD VIA  
ADVANCE SYNERGY PROPERTIES SDN BHD (“ASP”), A WHOLLY-OWNED SUBSIDIARY OF  
ADVANCE SYNERGY BERHAD (“ASB”)**

## **INTRODUCTION**

The Board of Directors of ASB wishes to announce that SRI had on 3 August 2018 agreed via a Memorandum of Sale dated 3 August 2018 to dispose of its entire investment of 40% equity interest (represented by 6,400,040 ordinary shares of USD1.00 each) (“the Sale Shares”) in Helenium Holdings Limited (“Helenium”) to EEH Ventures Limited (or affiliate) (“the Purchaser”), for a cash consideration of GBP8.73 million (equivalent to approximately RM46.637 million) (“Proposed Disposal”).

## **DETAILS OF THE PROPOSED DISPOSAL**

The Purchaser has offered to acquire the entire shares in Helenium for a total cash consideration of GBP21.825 million (Twenty-One Million, Eight Hundred and Twenty-Five Thousand Pounds) plus VAT, if applicable (“Offer Price”).

The offer price for SRI’s entire 40% equity interest in Helenium is GBP8.73 million (equivalent to approximately RM46.637 million) (“Disposal Consideration”).

The Offer Price and Disposal Consideration were arrived on a willing buyer willing seller basis and after taking into consideration among others the cost of SRI’s investment in Helenium of approximately RM20.618 million as at 30 June 2018, the net book value of the Property of GBP20.336 million as at 30 June 2018 and the guide values obtained from valuers.

After providing for SRI’s share of repayment of the existing bank loan in Helenium, the net Disposal Consideration of GBP5.184 million shall be utilised for the funding requirements of ASB Group.

- **Information on Helenium**

Helenium, a 40%-owned associate company of SRI (a 100%-owned indirect subsidiary of ASB), was incorporated on 16 December 2010 in the British Virgin Islands. The issued and paid up share capital of Helenium is £9,302,385, represented by 16,000,100 ordinary shares of USD1.00 each. Helenium owns a freehold modern mixed use property located at 34A-36 Kilburn High Road, London NW6 5UA and registered at Land Registry with absolute title under title number NGL779489 (“Property”). Helenium’s principal activities are property investment, management and rental of property.

- **Information on EEH Ventures Limited**

EEH Ventures Limited, a non-related party, is a privately-owned investment vehicle.

- **Salient Terms and Conditions of the Proposed Disposal**

1. The Purchaser will have 28 days from receipt of full legal documentation in which to simultaneously exchange and complete this transaction.

2. The Proposed Disposal is subject to:-
  - a. The execution of a contract.
  - b. Legal due diligence including satisfactory title and searches.
  - c. Tax due diligence.
  - d. An exclusivity period of 28 days from receipt of full legal documentation.
  - e. The existing management agreement being satisfactory to the Purchaser.

- **Approval Required**

The Proposed Disposal is not subject to any approval of the shareholders of ASB.

#### **RATIONALE**

The Proposed Disposal will enable the Group to realise cash and have ready capacity for any high potential investment or acquisition.

#### **FINANCIAL EFFECTS**

The Proposed Disposal is expected to result in a gain of approximately RM2.38 million to ASB Group or an increase in earnings per share of 0.26 sen based on the current total number of shares in issue.

The Proposed Disposal will not have any effect on the share capital and substantial shareholders' shareholdings of the Company as the Proposed Disposal does not involve any issuance of shares or other securities by the Company.

The proforma effect of the Proposed Disposal on the net assets per share and gearing level of ASB Group is not expected to be material based on the latest audited consolidated financial statements of the Company for the financial year ended 31 December 2017.

#### **PERCENTAGE RATIO**

The highest percentage ratio pursuant to paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 10.77% based on the latest audited consolidated financial statements of the Company for financial year ended 31 December 2017.

#### **DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST IN THE PROPOSED DISPOSAL**

None of the directors and major shareholders of ASB and/or persons connected with them has any interest, direct or indirect, in the Proposed Disposal, save for Dato' Ahmad Sebi Bakar (Group Chairman) and Mr Anton Syazi Dato' Ahmad Sebi (Group Executive Deputy Chairman) who are the directors and shareholders of Helenium.

#### **DIRECTORS STATEMENT**

The Board of Directors, after due consideration of all aspects of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interest of ASB Group.

A separate announcement may be released upon execution of the said contract.

This announcement is dated 6 August 2018.