

THIS INDEPENDENT ADVICE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN CONJUNCTION WITH THE CIRCULAR TO SHAREHOLDERS ISSUED BY AMANAH MERCHANT BANK BERHAD WHICH HAS BEEN SENT TO YOU.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold all your shares in SYSTEMATIC EDUCATION GROUP BERHAD, you should at once hand this Independent Advice Circular to the agent through whom the sale was effected for onward transmission to the purchaser.

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SYSTEMATIC EDUCATION GROUP BERHAD

(145998-U)

(Incorporated in Malaysia under the Companies Act, 1965)

INDEPENDENT ADVICE CIRCULAR TO THE MINORITY SHAREHOLDERS

in relation to the

- **Proposed acquisition of 2 blocks of 12-storey office buildings situated at Phileo Damansara for a purchase consideration of RM13,000,000 to be satisfied by an issue of 8,666,667 new ordinary shares of RM1.00 each in Systematic Education Group Berhad at an issue price of RM1.50 per share**
- **Proposed waiver to the principal vendors of Berrington Bay Corporation Sdn Bhd, Summit Education Sdn Bhd, Summit Montessori Edu-Care Sdn Bhd, Rekaan Medianet Sdn Bhd ("Acquiree Companies"), namely Kumpulan Emas Berhad, Datin Mah Ming Yuet and Kee Shih-Lene, from the obligation of having to undertake a mandatory general offer to acquire the remaining shares in Systematic Education Group Berhad not held by them after the proposed acquisitions of equity interests in the Acquiree Companies, and the above-mentioned office buildings**

Independent adviser



MIMB

MALAYSIAN INTERNATIONAL MERCHANT BANKERS BERHAD

(Company No.: 10209-W)

A subsidiary of MIDF Berhad and an associate of the Barclays PLC Group

This Independent Advice Circular is dated 10 November 2000

DEFINITIONS

Except where the context otherwise requires, the following definitions (which have been reproduced from the EGM Circular, where relevant) shall apply throughout this Independent Advice Circular:-

“Acquiree Companies”	:	BBC, SES, SME and RMSB, collectively
“Amanah”	:	Amanah Merchant Bank Berhad
“BBC”	:	Berrington Bay Corporation Sdn Bhd
“BBC Group”	:	BBC and its subsidiary and associated companies
“BMSB”	:	Binary Mark Sdn Bhd, a wholly-owned subsidiary company of SES
“Board”	:	The Board of Directors of SEG
“Code”	:	The Malaysian Code on Take-Overs and Mergers, 1998
“Dato’ Megat”	:	Dato’ Haji Megat Najmuddin bin Dato’ Seri (Dr) Haji Megat Khas
“Datin Mah”	:	Datin Mah Ming Yuet
“EGM”	:	Extraordinary General Meeting
“EGM Circular”	:	Circular to the shareholders of the Company dated 10 November 2000 relating to the Proposals
“EPS”	:	Earnings Per Share
“FIC”	:	Foreign Investment Committee
“KEB”	:	Kumpulan Emas Berhad
“KLSE”	:	Kuala Lumpur Stock Exchange
“Ladang MOCCIS”	:	Ladang MOCCIS Sdn Bhd
“Mandatory Offer”	:	Mandatory general offer
“MIMB” or “Independent Adviser”	:	Malaysian International Merchant Bankers Berhad
“MOCCIS”	:	Koperasi Pegawai-Pegawai Melayu Malaysia Berhad
“NTA”	:	Net Tangible Assets
“ORSB”	:	Organizational Resources Sdn Bhd, a 70% owned subsidiary of BBC
“Office Buildings”	:	Two (2) blocks of 12 storey office buildings identified as developer’s plots nos. B 02/G to B 02/11 and B 01/G to B 01/11 situated at Phileo Damansara, Jalan Damansara, Kuala Lumpur
“PFSB”	:	Prestige Front Sdn Bhd, a wholly-owned subsidiary of BBC
“Principal Vendors”	:	The principal vendors of Acquiree Companies namely KEB, Datin Mah and Kee Shih-Lene

DEFINITIONS (*Con't*)

“Proposed Acquisition of BBC”	:	Proposed acquisition of 11,773,002 ordinary shares of RM1.00 each representing the entire existing share capital of BBC for a purchase consideration of RM36,814,800 to be satisfied by the issuance of 24,543,200 SEG New Shares at an issue price of RM1.50 per SEG New Share and Proposed Acquisition of Dato’ Megat’s Right to Allotment in BBC
“Proposed Acquisition of Dato’ Megat’s Right to Allotment in BBC”	:	Proposed acquisition of Dato’ Megat’s right to receive 2,617,544 new ordinary shares of RM1.00 each in BBC (to be issued and valued at RM8,185,200) pursuant to the proposed acquisition by BBC of the remaining 30% equity interest in ORSB in exchange thereof by the issuance of 5,456,800 SEG New Shares at an issue price of RM1.50 per SEG New Share
“Proposed Acquisition of SES”	:	Proposed acquisition of 13,791,633 ordinary shares of RM1.00 each representing of 98.51% equity interest in SES for a purchase consideration of RM13,791,633 to be satisfied by the issuance of 9,194,422 SEG New Shares at an issue price of RM1.50 per SEG New Share
“Proposed Acquisition of SME”	:	Proposed acquisition of 1,350,002 ordinary shares of RM1.00 each representing 100% of the share capital of SME for a purchase consideration of RM6,500,000 to be satisfied by the issuance of 4,333,333 SEG New Shares at an issue price of RM1.50 per SEG New Share
“Proposed Acquisition of Office Buildings”	:	Proposed acquisition of Office Buildings for a purchase consideration of RM13,000,000 to be satisfied by the issuance of 8,666,667 SEG New Shares at an issue price of RM1.50 per SEG New Share
“Proposed Acquisition of RMSB”	:	Proposed acquisition of 500,000 ordinary shares of RM1.00 each representing 100% of the share capital of RMSB for a purchase consideration of RM500,000 to be satisfied by the issuance of 333,333 SEG New Shares at an issue price of RM1.50 per SEG New Share
“Proposed Acquisition of Companies”	:	Proposed Acquisition of BBC, Proposed Acquisition of SES, Proposed Acquisition of SME and Proposed Acquisition of RMSB, collectively
“Proposed Acquisitions”	:	Proposed Acquisition of Companies and Proposed Acquisition of Office Buildings
“Proposed Bonus Issue”	:	Proposed bonus issue of 7,600,000 SEG New Shares to be credited as fully paid-up on the basis of two (2) SEG New Shares for every five (5) existing SEG Shares held at an entitlement date to be determined later
“Proposed Increase in Authorised Share Capital”	:	Proposed increase in authorised share capital of SEG from RM20,000,000 comprising 20,000,000 SEG Shares to RM100,000,000 comprising 100,000,000 SEG Shares
“Proposed Waiver”	:	Proposed waiver to KEB, Datin Mah and Kee Shih-Lene, the principal vendors of the Acquiree Companies from having to undertake a Mandatory Offer for the remaining SEG Shares not held by them after the Proposed Acquisitions

DEFINITIONS (Con't)

“Proposals”	:	Proposed Acquisitions, Proposed Bonus Issue, Proposed Increase in Authorised Share Capital and Proposed Waiver, collectively
“RMSB”	:	Rekaan Medianet Sdn Bhd
“RMSB Group”	:	RMSB and its subsidiary company
“SC”	:	Securities Commission
“SES”	:	Summit Education Sdn Bhd
“SES Group”	:	SES and its subsidiary companies
“SEG” or “Company”	:	Systematic Education Group Berhad
“SEG Group”	:	SEG and its subsidiary companies
“SEG New Share(s)”	:	New ordinary shares of RM1.00 each in SEG
“SEG Shares” or “Shares”	:	Existing Ordinary shares of RM1.00 each in SEG
“SME”	:	Summit Montessori Edu-Care Sdn Bhd
“SME Group”	:	SME and its subsidiary company
“S&P”	:	Sale and purchase agreement
“Sq. ft.”	:	Square feet
“Valuation Report”	:	Valuation report on the Office Buildings dated 11 February 2000 by the independent registered valuers, Azmi & Co. Sdn Bhd
“RM”	:	Ringgit Malaysia

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