

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF ICAPITAL.BIZ BERHAD (“ICAPITAL.BIZ” OR THE “COMPANY”) DATED 26 SEPTEMBER 2005 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice).

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad (“Bursa Securities”)’s website at www.bursamalaysia.com (“Website”).

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus, subject to availability from K & N Kenanga Berhad (“Kenanga”), Participating Organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks or Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from the authorized depository agents, which are registered members of Bursa Securities.

Prospective investors should note that the Applicant Forms are not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the Public Issue Shares are subject to Malaysian laws. Bursa Securities, Kenanga and the Company take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the Public Issue Shares outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any Public Issue Shares, to any person outside Malaysia or in any jurisdictions in which such offer or invitation is not authorized or unlawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 26 September 2005 to 5.00 p.m. on 7 October 2005 or at such later date or dates as the Directors of icapital.biz and the Kenanga as the Underwriter in their absolute discretion may jointly decide.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. User’s access to the Website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus as provided by icapital.biz to Bursa Securities are for information and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.

P R O S P E C T U S

icapital.biz Berhad

(Company Number: 674900-X)
(Incorporated in Malaysia under the Companies Act, 1965)

CLOSED-END FUND

Public issue of a minimum of 60,000,000 ordinary shares of RM1.00 each in icapital.biz Berhad ("Shares") at an issue price of RM1.00 per Share payable in full comprising:

- (i) a minimum of 47,000,000 Shares available for application under private placement;
- (ii) a minimum of 10,000,000 Shares available for application by the Entitled Subscribers (as defined herein); and
- (iii) a minimum of 3,000,000 Shares available for application by the Malaysian public, companies, societies, co-operatives and institutions;

and a maximum of 140,000,000 Shares at an issue price of RM1.00 per Share;

In conjunction with its listing on the Main Board of Bursa Malaysia Securities Berhad.

For information concerning certain risk factors which should be considered by prospective investors, see "Risk Factors" as set out in Section 3 of this Prospectus.
Investors should read and understand the whole Prospectus prior to deciding on whether to invest.

Adviser, Underwriter & Placement Agent



K & N KENANGA BHD

Company No. 15678-H

Fund Manager

**CAPITAL DYNAMICS
ASSET MANAGEMENT
SDN BHD**
(Company Number: 389773-H)

Custodian

Deutsche Bank 
DEUTSCHE BANK (MALAYSIA) BERHAD
(Company Number: 312552-W)

Investment Adviser

**CAPITAL DYNAMICS
SDN BHD**
(Company Number: 171744-U)

THIS PROSPECTUS IS DATED 26 SEPTEMBER 2005 AND EXPIRES ON 25 SEPTEMBER 2006

This Prospectus has been seen and approved by the Directors of icapital.biz Berhad ("icapital.biz" or the "Company") and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

The information relating specifically to Capital Dynamics Asset Management Sdn Bhd ("CDAM"), Capital Dynamics Sdn Bhd ("CDSB") and Deutsche Bank (Malaysia) Berhad ("Deutsche Bank") have been provided by the respective Board of Directors of CDAM, CDSB and Deutsche Bank. The respective Board of Directors of CDAM and CDSB and the authorised representatives of Deutsche Bank, collectively and individually have in respect of the relevant company, accepted responsibility that the information given herein relating to the relevant company are true, accurate and complete, after making all reasonable enquiries and to the best of their knowledge and belief, there are no facts the omission of which would make any statement herein false or misleading. The sole responsibility of the Board of Directors of icapital.biz is to ensure that such information has been accurately and correctly extracted and reproduced from these sources.

K&N Kenanga Bhd ("Kenanga"), being the Adviser, Underwriter and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue (as hereinafter defined).

The Securities Commission ("SC") has approved the issue, offer or invitation in respect of the Public Issue on 6 June 2005, 28 July 2005 and 22 August 2005 and that the approval shall not be taken to indicate that the SC recommends the Public Issue.

The SC shall not be liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

Bursa Malaysia Securities Berhad ("Bursa Securities") shall not be liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its correctness or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. Admission to the Official List of the Main Board of Bursa Securities is not to be taken as an indication of the merits of the Public Issue, the Company or of its securities.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

The Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com.

IMPORTANT DATES

The indicative timing of events leading up to the listing of and quotation for the Company's entire enlarged issued and paid-up share capital on the Main Board of Bursa Securities is set out below: -

Event	Tentative Date
Opening of Application for the Issue Shares	26 September 2005
Closing of Application for the Issue Shares*	7 October 2005
Balloting Date	11 October 2005
Despatch of Notices of Allotment of the Issue Shares to successful applicants	18 October 2005
Listing and Quotation of the Company's entire enlarged issued and paid-up share capital on the Main Board of Bursa Securities	19 October 2005

THESE DATES ARE TENTATIVE AND ARE SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION WILL BE CLOSED AT THE DATE STATED ABOVE OR SUCH LATER DATE AS THE BOARD OF DIRECTORS OF ICAPITAL.BIZ AND KENANGA AT THEIR ABSOLUTE DISCRETION MAY DECIDE.

*** SHOULD THE DATE OF CLOSING OF APPLICATION FOR THE ISSUE SHARES BE EXTENDED, THE DATES FOR DESPATCH OF NOTICES OF ALLOTMENT OF THE ISSUE SHARES TO SUCCESSFUL APPLICANTS AND LISTING OF ICAPITAL.BIZ'S ENTIRE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL ON THE MAIN BOARD OF BURSA SECURITIES WILL BE EXTENDED ACCORDINGLY. IN THE EVENT THE DATE OF THE CLOSING OF APPLICATION FOR THE ISSUE SHARES IS EXTENDED, APPLICANTS WILL BE NOTIFIED OF SUCH EXTENSION BY WAY OF ADVERTISEMENTS PLACED IN A WIDELY CIRCULATED ENGLISH AND BAHASA MALAYSIA NEWSPAPER IN MALAYSIA.**

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following abbreviations shall apply throughout:-

Act	:	The Companies Act, 1965, as amended from time to time, and any re-enactment thereof
ACGR	:	Annual compounded growth rate
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
Administrator or PFA	:	PFA Corporate Services Sdn Bhd (148766-X)
Administration Agreement	:	The administration agreement dated 6 September 2005 between the Company and the Administrator appointing the Administrator to provide administrative, accounting and reporting services to the Company subject to the terms and conditions set out therein
Application Form(s)	:	Printed application form(s) for the application of the Issue Shares accompanying this Prospectus
ATM	:	Automated teller machine
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635988-W)
Board	:	Board of Directors of icapital.biz
CCM or ROC	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CEF	:	Closed-end fund
Custodian or Deutsche Bank	:	Deutsche Bank (Malaysia) Berhad (312552-W)
Custodian Agreement	:	The custodian agreement dated 6 September 2005 between the Company and the Custodian under which the Custodian agrees to act as the custodian of the Company's investments subject to the terms and conditions set out therein
Designated Person	:	Tan Teng Boo, the person appointed by the Fund Manager who is responsible for managing the investments of icapital.biz as approved by the SC under the SC Guidelines-CEF
EMAS Index	:	Bursa Securities' Main Board All Share Index
Electronic Share Application(s)	:	Application of the Issue Shares through a Participating Financial Institution's ATMs

DEFINITIONS (Cont'd)

Entitled Subscribers	:	Subscribers of <i>i</i> Capital (the investment publication of CDSB), 《资本投资》 or “Zi Ben Tou Zi” (the investment publication (Chinese version) of CDSB) and www.icapital.biz (the Internet edition of <i>i</i> Capital) as at 15 August 2005
EPS	:	Earnings per share
FYE	:	Financial year ended or financial year ending
Fund Management Agreement	:	The fund management agreement dated 6 September 2005 between the Company and the Fund Manager under which the Fund Manager agrees to manage the investments of the Company subject to the terms and conditions set out therein
Fund Manager or CDAM	:	Capital Dynamics Asset Management Sdn Bhd (389773-H)
GDP	:	Gross Domestic Product
<i>i</i> Capital	:	The investment publication of CDSB
icapital.biz or Company	:	icapital.biz Berhad (674900-X)
icapital.biz Shares or Shares	:	Ordinary shares of RM1.00 each in icapital.biz
Investment Adviser or CDSB	:	Capital Dynamics Sdn. Bhd. (171744-U)
Investment Advisory Agreement	:	The investment advisory agreement dated 6 September 2005 between the Company and the Investment Adviser appointing the Investment Adviser to advise on the Company's investment subject to the terms and conditions set out therein
IPO	:	Initial Public Offering
Issue Price	:	RM1.00 per Issue Share
Issue Shares	:	icapital.biz Shares under the Private Placement and Public Offer
KLCI	:	Kuala Lumpur Composite Index
Kenanga	:	K & N Kenanga Bhd (15678-H)
Latest Practicable Date	:	The latest practicable date prior to the issuance of this Prospectus, being 15 September 2005
Licensing Agreement	:	The licensing agreement dated 6 September 2005 between the Company and the Investment Adviser whereby the Investment Adviser grants the Company a non-transferable and non-exclusive licence to use the Trade Marks as part of the name of the Company subject to the terms and conditions set out therein
Listing	:	Initial listing of and quotation for icapital.biz's entire enlarged issued and paid-up share capital comprising between 60,000,000 and up to 140,000,000 icapital.biz Shares, pursuant to the Public Issue, on the Main Board

DEFINITIONS (Cont'd)

Listing Requirements	:	Listing requirements of Bursa Securities for the Main Board and Second Board, as amended from time to time, and any re-enactment thereof
Main Board	:	The Main Board of Bursa Securities
Maximum Subscription	:	The scenario whereby a maximum subscription for 140,000,000 icapital.biz Shares is received pursuant to its maximum fund size of RM140,000,000 comprising 140,000,000 icapital.biz Shares
Minimum Subscription	:	The scenario whereby a minimum subscription for 60,000,000 icapital.biz Shares is received pursuant to its minimum fund size of RM60,000,000 comprising 60,000,000 icapital.biz Shares
MI	:	Minority interest
MIH or Issuing House	:	Malaysian Issuing House Sdn. Bhd. (258345-X)
NAV	:	Net asset value
NTA	:	Net tangible assets
Other Permitted Assets	:	Cash, bankers acceptances and other assets permitted under the SC Guidelines-CEF
Participating Financial Institution(s)	:	Participating Financial Institutions for Electronic Share Application as listed in Section 16 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE	:	Price earnings
PRC	:	People's Republic of China
Private Placement	:	The private placement of the Subscribers' Shares and new icapital.biz Shares to selected investors at the Issue Price
Prospectus	:	This prospectus dated 26 September 2005 which sets out the details of the Company and the terms and conditions of the Public Issue
Public Issue	:	Public issue of the Issue Shares subject to the terms and conditions of this Prospectus
Public Offer	:	The public offer of new icapital.biz Shares to the Entitled Subscribers and to the Malaysian public, companies, societies, co-operatives and institutions at the Issue Price
RM and sen	:	Ringgit Malaysia and sen respectively
SC	:	Securities Commission
SC Guidelines	:	SC's Policies and Guidelines on Issue/Offer of Securities

DEFINITIONS (Cont'd)

SC Guidelines-CEF	:	SC's Guidelines for Public Offerings of Securities of Closed-End Funds
Securities	:	Debentures, stocks and shares in a public company or corporation, or bonds of any government or of any body corporate or unincorporated, and includes any right or option in respect thereof
SIA	:	Securities Industry Act, 1983, as amended from time to time, and any re-enactment thereof
Subscribers' Shares	:	The two (2) ordinary shares of RM1.00 each being the subscribers' shares in the Company
Trade Marks	:	collectively, (i) Trade Mark No. 90-02364 for " <i>i</i> Capital & Device" and Trade Mark No. 93-00737 for "《资本投资》& Device" (Chinese character equivalent of <i>i</i> Capital & Device), both in Class 16 in Malaysia, where CDSB is the registered owner; (ii) Trade Mark No. 2000-03862 for " <i>i</i> Capital & Device" and Trade Mark No. 2000-03863 for "《资本投资》& Device" (Chinese character equivalent of <i>i</i> Capital & Device), both in Class 36 in Malaysia, where CDSB is the applicant for the said trademarks; and (iii) Mark " <i>i</i> Capital" for services in Class 35, namely, "financial analysis, capital investments, financial consultancy, financial evaluation (insurance, banking, real estate); financial information, financial management, fund investments, mutual fund", where CDSB is the beneficial and common law owner
UK	:	United Kingdom
USA	:	United States of America
USD	:	USA Dollars
Underwriting Agreement	:	Underwriting agreement dated 3 August 2005 entered into between the Company and Kenanga for the underwriting of 13,000,000 Shares under the Public Offer
UTF	:	Unit Trust Fund
www.icapital.biz	:	The Internet edition of <i>i</i> Capital
《资本投资》	:	The investment publication (Chinese version) of CDSB

CORPORATE DIRECTORY

DIRECTORS

Name	Address	Occupation	Nationality
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya <i>(Chairman/Non-Independent Non-Executive Director)</i>	No. 5, Lorong Duta Satu 59100 Kuala Lumpur	Director	Malaysian
Michael Vitus Wong Kuan Lee <i>(Non-Independent Non-Executive Director)</i>	No. 323, Lorong Maarof 59000 Kuala Lumpur	Director	Malaysian
Dato' Raja Nong Chik bin Raja Zainal Abidin <i>(Independent Non-Executive Director)</i>	No. 2, Changkat Datuk Sulaiman 2 TTDI Hills Taman Tun Dr Ismail 60000 Kuala Lumpur	Director	Malaysian
Yeoh Ah Tu <i>(Independent Non-Executive Director)</i>	B-12-2, Strauss Tower Mont Kiara Sophia Jalan Kiara Satu 50480 Kuala Lumpur	Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Raja Nong Chik bin Raja Zainal Abidin	Chairman of the Audit Committee	Independent Non-Executive Director
Yeoh Ah Tu	Member of the Audit Committee	Independent Non-Executive Director
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	Member of the Audit Committee	Chairman/Non-Independent Non-Executive Director

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CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARIES	:	Wong Wei Fong (MAICSA 7006751) 20, Lorong Burung Upih 1 Taman Bukit Maluri Kepong 52100 Kuala Lumpur Tham Wai Ying (MAICSA 7016123) 46, Jalan Midah 19-A Taman Midah 56000 Kuala Lumpur
REGISTERED OFFICE	:	Level 14, Uptown 1 No. 1, Jalan SS21/58 Damansara Uptown 47400 Petaling Jaya Selangor Darul Ehsan
FUND MANAGER	:	Capital Dynamics Asset Management Sdn Bhd (389773-H) Lot 3.01B, Third Floor Plaza Warisan Jalan Tun HS Lee 50000 Kuala Lumpur
DESIGNATED PERSON	:	Tan Teng Boo
INVESTMENT ADVISER	:	Capital Dynamics Sdn Bhd (171744-U) Lot 3.01A, Third Floor Plaza Warisan Jalan Tun HS Lee 50000 Kuala Lumpur
CUSTODIAN	:	Deutsche Bank (Malaysia) Berhad (312552-W) Level 18, Menara IMC No. 8 Jalan Sultan Ismail 50250 Kuala Lumpur
AUDITORS & REPORTING ACCOUNTANTS	:	Horwath (AF1018) Level 16, Tower C Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur
TAX ADVISER	:	Horwath Tax KL Sdn Bhd (10709-X) C15-5 Level 15, Tower C Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur
CORPORATE AND DUE DILIGENCE SOLICITORS	:	Foong & Partners Advocates and Solicitors Suite 21.08, Level 21, Plaza 138 138, Jalan Ampang 50450 Kuala Lumpur

CORPORATE DIRECTORY (Cont'd)

DOCUMENTATION SOLICITORS	:	Skrine Advocates and Solicitors Unit No. 50-8-1 8 th Floor, Wisma UOA Damansara 50, Jalan Dungun Damansara Heights 50490 Kuala Lumpur
REGISTRAR	:	PFA Registration Services Sdn Bhd (19234-W) Level 13, Uptown 1 No. 1 Jalan SS21/58 Damansara Uptown 47400 Petaling Jaya Selangor Darul Ehsan
ADVISER AND PLACEMENT AGENT	:	K & N Kenanga Bhd (15678-H) 8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur
UNDERWRITER	:	K & N Kenanga Bhd (15678-H) 8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur
ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd (258345-X) 27 th Floor, Menara Multi Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur
LISTING SOUGHT	:	Main Board of Bursa Securities
WEBSITE	:	www.icapital.biz

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PRELIMINARY

This Prospectus is dated 26 September 2005.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the CCM who takes no responsibility for its contents.

Approval has been obtained from the SC on 6 June 2005, 28 July 2005 and 22 August 2005 for admission to the Official List of Bursa Securities and for permission to deal in and quotation for the entire enlarged issued and paid-up share capital of icapital.biz. These Shares will be admitted to the Official List of Bursa Securities and official quotation will commence after receipt of confirmation from Bursa Depository that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Persons submitting applications by way of Application Forms or by way of Electronic Share Applications must have a CDS account. In the case of applicants using Application Form, an applicant should state his CDS account number in the space provided in the Application Form. In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant shall furnish his CDS account number to the Participating Financial Institution by way of keying his CDS account number if the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so. A corporation or institution cannot apply for the Issue Shares by way of Electronic Share Application.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed icapital.biz Shares as prescribed securities. In consequence thereof, all the Shares including the Issue Shares to be issued and offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository. No share certificates will be issued to successful applicants.

Pursuant to the Listing Requirements, the Company needs to have at least 25% of the total number of shares for which listing is sought in the hands of a minimum of 1,000 public shareholders holding not less than 100 icapital.biz Shares each, upon admission to the Main Board. The Company is expected to achieve this at the point of listing. However, in the event that the above requirement is not met pursuant to this Public Issue, the Company may not be allowed to proceed with its listing. In the event thereof, monies paid in respect of all applications will be returned in full without interest.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and if given or made, such information or representation must not be relied upon as having been authorised by icapital.biz and/or Kenanga. Neither the delivery of this Prospectus nor any issue made in connection with this Prospectus shall, under any circumstances, constitute a representation or create an implication that there has been no change in the affairs of icapital.biz since the date thereof.

The distribution of this Prospectus and the sale of the Issue Shares will not be registered under any possible securities legislation of any jurisdiction except Malaysia and the Issue Shares will not be placed out in any country other than Malaysia. Persons into whose possession this Prospectus may come are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for purpose of an offer to sell or an invitation of an offer to buy any Issue Shares in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

The written consents of the Corporate and Due Diligence Solicitors, Documentation Solicitors, Registrar, Adviser, Underwriter and Placement Agent, Company Secretaries, Issuing House, Fund Manager, Investment Adviser, Administrator, Custodian and Messrs. Hewitt Associates to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

PRELIMINARY (Cont'd)

The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name and Accountants' Report dated 19 September 2005 have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of the Tax Adviser to the inclusion in this Prospectus of their name and their letter relating to the taxation policies of icapital.biz and the shareholders of icapital.biz dated 19 September 2005 have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com.

Investors who are in any doubt as to the action to be taken should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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1 SUMMARY INFORMATION ON THE COMPANY

THE FOLLOWING IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE COMPANY. INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST, IF NECESSARY, CONSULT YOUR OWN PROFESSIONAL ADVISERS. INVESTORS SHOULD BE AWARE THAT THE VALUE OF THEIR INVESTMENT IN ICAPITAL.BIZ SHARES MAY GO DOWN AS WELL AS UP.

1.1 THE COMPANY

icapital.biz's principal activities are to engage in the business of investing in Malaysian Securities and/or Other Permitted Assets for the purpose of:-

- (i) spreading investment risks; and
- (ii) managing a portfolio of investments,

to gain revenue and profit for the benefit and on behalf of its shareholders.

icapital.biz is to be established as a CEF. CEFs are public companies, which are usually quoted on a stock exchange. The capital structure of CEFs is like any other company, but instead of selling goods or services, its principal business is to invest in the securities of other companies, whether listed or unlisted. As icapital.biz has only been incorporated on 11 December 2004, it has no performance track record.

CEFs are termed "closed" because they have a fixed number of shares in issue at any one time, the prices of which will fluctuate according to supply and demand. Buying and selling of shares in listed CEFs take place through the stock exchange via licensed stockbroking companies.

CEFs pool together money for investment and usually delegate the management of their assets to a fund management company. The fund manager is accountable to the directors of the CEF, who are in turn accountable to the company's shareholders. The fund manager of icapital.biz is CDAM. In addition, as a company, a CEF is a separate legal entity whose shareholders enjoy limited liability.

1.2 INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

Investment Objectives

The primary investment objective of icapital.biz is long-term capital appreciation of its investments, whilst dividend and/or interest income from these investments would be of secondary consideration.

Investment Policies

The principal investment policies of icapital.biz are to primarily invest in a managed portfolio of securities, which includes shares, stocks, warrants and bonds issued by companies listed on the Main Board, the Second Board and the MESDAQ Market of Bursa Securities. Whilst icapital.biz will also invest in securities and bonds of unlisted companies, the focus will be primarily on companies listed on Bursa Securities. Presently, icapital.biz has no intention to invest in derivatives and securities listed on approved foreign stock exchanges. However, the Fund Management Agreement does cater for the possibility of offshore investments in the event that icapital.biz decides to revise its investment policies to include investments in derivatives and securities listed on foreign stock exchanges. Such investments abroad are subjected to the SC's approval on foreign markets and restrictions imposed by Bank Negara Malaysia on outflow of funds.

1 SUMMARY INFORMATION ON THE COMPANY (cont'd)

icapital.biz will select companies where there is a disparity between the company's market price (in the case of listed securities) and selling price (in the case of unlisted securities) and underlying business values over the medium to long-term. icapital.biz may also invest in cash deposits and/or in short-term obligations in order to have funds available for general corporate purposes. It may also maintain such cash deposits for defensive purposes or to enable it to take advantage of buying opportunities. icapital.biz will not invest in other collective investment vehicles.

The primary asset that icapital.biz will be investing in will be equities listed on Bursa Securities. Theoretically, the asset allocation can range from 0% equities to 100% equities. The actual asset allocation of icapital.biz's investments is a function of its value investment philosophy that is based on two (2) factors, the valuation of the company and its share price. When the market is undervalued and there are many investment opportunities whereby companies are trading below their valuation, icapital.biz may invest as much as 95% of its assets in equities with the balance in cash and/or near cash assets. Likewise, if the market is overvalued and there are minimal investment opportunities, icapital.biz's asset allocation would have a lesser bias towards equities and can go as low as 10% - 20%, for example. The balance 80% - 90% will be in cash and/or near cash assets. However, it should be highlighted that certain levels of cash and/or near cash assets will be maintained in order for icapital.biz to have funds available for general corporate purposes, defensive purposes and/or to enable it to take advantage of buying opportunities.

The investment approach/philosophy of the Fund Manager is set out in Section 5.1.2 of this Prospectus. icapital.biz's investment policies and objectives will not be changed within the first three (3) years from the date of its listing on Bursa Securities. Any amendment to the investment policies and objectives thereafter shall only be approved by the shareholders of icapital.biz by way of a special resolution.

Investment Restrictions

It is also icapital.biz's investment policy that the investment in any one (1) company listed on Bursa Securities shall not exceed ten percent (10%) of its NAV or ten percent (10%) of the issued share capital of the said listed company, whichever is lower. icapital.biz may also invest a maximum of ten percent (10%) of its NAV in unlisted Malaysian companies. icapital.biz also proposes that no borrowings shall be employed by it. Subject to the unanimous approval from shareholders present at a shareholders' meeting and voting thereat, icapital.biz will not enter into or undertake any borrowings. icapital.biz shall not grant or guarantee any credit facility.

icapital.biz shall not either itself or in conjunction with any other person take legal or effective management control of the entity in which it invests.

1.3 MINIMUM SUBSCRIPTION

The minimum subscription amount to be raised by icapital.biz pursuant to the Public Issue is RM59,999,998. If the minimum subscription is not received within one (1) month from the closing date of application for the Issue Shares, all subscription monies received will be repaid in full without interest. In this event, the Listing will not proceed.

1 SUMMARY INFORMATION ON THE COMPANY (cont'd)

1.4 THE FUND MANAGER

CDAM was incorporated on 8 June 1996 as a private limited company under the Act and commenced its operations in 1997, when it obtained its Fund Manager's licence issued by the SC. To date, CDAM holds a Fund Manager's licence, issued under the SIA, which expires on 22 May 2006, after which CDAM will apply for the necessary renewal. The issued and paid-up share capital of CDAM as at the Latest Practicable Date is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each.

Funds under CDAM's management have consistently outperformed the KLCI and the EMAS Index over the last seven (7) years. From 27 April 1998 to 31 December 2004, funds under CDAM's management achieved an impressive compound return of 22.32% per annum (*Source: Messrs. Hewitt Associates¹*) versus a compound return of 5.84% per annum for the KLCI and a compound return of 4.82% per annum for the EMAS Index (*Source: Daily Diary issued by Bursa Securities and www.bursamalaysia.com*) over the same period. The funds under CDAM's management have outperformed the KLCI and EMAS Index in every single year since 1998 and have never recorded a negative return during the said period. For 2004, the funds under CDAM's management have achieved a respectable annual return of 16.21% (*Source: Messrs. Hewitt Associates¹*) compared with an annual return of 14.29% and 9.56% for KLCI and EMAS Index respectively over the same period (*Source: Daily Diary issued by Bursa Securities and www.bursamalaysia.com*). As at 31 August 2005, CDAM manages fifty-three (53) discretionary accounts for various types of investors with a total portfolio value of approximately RM160.7 million.

CDAM's clients include individuals, reputable corporations and institutions, who among others, are ACE Synergy Insurance Bhd (part of ACE Ltd, an insurance company listed on the New York Stock Exchange), KESM Industries Bhd and Cement Industries (Sabah) Sdn Bhd.

As at the Latest Practicable Date, the Fund Manager does not have any equity holding in icapital.biz. icapital.biz is a debtor of CDAM in respect of RM6,317 incurred from the date of incorporation of icapital.biz to 31 May 2005, which consists of preliminary and pre-operating expenses.

The Fund Manager, i.e. CDAM, has appointed Tan Teng Boo as the Designated Person for icapital.biz. The Designated Person will be responsible for managing the investments of icapital.biz.

Further information on CDAM is set out in Section 5.1 of this Prospectus.

¹ CDAM has requested Hewitt Associates to verify its time weighted rate of return ("TWRR") from 27 April 1998 to 31 December 2004. The scope of Hewitt Associates' verification covers the following:

- (a) Review and confirm that the formulas provided by CDAM are appropriate for calculation of the TWRR;
- (b) Review and confirm that the formulas are correctly applied;
- (c) Checking the correctness of extraction and input of amounts and dates of cashflow to calculate the TWRR;
- (d) Checking the calculation of market values of the composite investment portfolio as at 31 December 1998, 1999, 2000, 2001, 2002, 2003 and 2004, which is limited to verifying the correctness of the last transacted price at the relevant dates; and
- (e) Review and confirm the accuracy of the TWRR for 1999-2004, actual and annualised TWRR for 27 April 1998 to 31 December 1998 and for 27 April 1998 to 31 December 2004.

1 SUMMARY INFORMATION ON THE COMPANY (cont'd)

1.5 THE CUSTODIAN

Deutsche Bank established a presence in Kuala Lumpur in 1967 and has since expanded its activities in the Malaysian market. Deutsche Bank combines local expertise with the resources of its regional and global network to offer a vast range of products and services to both international and domestic clients. These include amongst others, banks, stockbrokers, insurance companies, fund managers and trustee corporations.

The Custodian will on behalf of icapital.biz hold the investments and cash of icapital.biz. The Company will maintain a securities account with the Custodian who will handle all matters relating to the registration of securities acquired by icapital.biz. The Custodian, on behalf of icapital.biz, will also receive all dividends and distribution paid on the Company's investment.

The Custodian does not have any equity holding in icapital.biz nor has it extended any credit facilities to icapital.biz.

Further information on Deutsche Bank is set out in Section 5.2 of this Prospectus.

1.6 TAXATION POLICY

The income of icapital.biz in respect of taxable dividend income and interest income derived from or accruing in Malaysia is liable to income tax (the prevailing tax rate is 28%). Foreign sourced income derived by icapital.biz would be exempted from Malaysian income tax. Interest income from certain investment assets are exempted from income tax.

Capital gains from the realisation of investments (whether local or foreign) by icapital.biz will be exempted from income tax and real property gains tax.

Dividends paid out of non-exempt income received by shareholders will be chargeable to tax but attributable tax credits are available for offset against the tax payable. The distribution of tax-exempt dividend income by icapital.biz will be exempt from tax in the hands of the shareholders.

Please refer to Sections 4.6, 7.2 and 14 for further details on the taxation policy of icapital.biz and its shareholders.

1.7 DIVIDEND POLICY

icapital.biz carries a dividend policy that will be in line with its objectives. The Board may recommend the payment of either cash or stock dividends, while maintaining the NAV at an appropriate level.

1.8 BORROWING LIMITATIONS

In accordance with icapital.biz's Memorandum and Articles of Association, the Company shall not enter into or undertake any borrowing without the unanimous approval of members present at a members' meeting and voting thereat.

icapital.biz is not allowed to guarantee or grant any credit facility.

1 SUMMARY INFORMATION ON THE COMPANY (cont'd)

1.9 GROWTH AND PROSPECTS

CEFs (or investment trusts) have come a long way since 1868 when it was first introduced in the UK. Buying a CEF is one of the cheapest and simplest ways of accessing the stock market.

The one important factor that differentiates CEFs is the quality of the fund manager. In order to enjoy superior investment returns, having the right fund manager is imperative. Since its inception, the annual returns (net of expenses) of funds under CDAM's management have consistently outperformed the KLCI and EMAS Index.

- (i) Funds under CDAM's management have beaten the KLCI and the EMAS Index in every single year;
- (ii) Funds under CDAM's management have beaten the KLCI and the EMAS Index on a cumulative basis;
- (iii) No negative returns have been recorded in any year; and
- (iv) In 1998, 2000 and 2002, CDAM registered positive returns despite the negative returns recorded by the bearish general market.

From 27 April 1998 to 31 December 2004, funds under CDAM's management earned an annual compound return of 22.32%, compared with only 5.84% and 4.82% for the KLCI and EMAS Index respectively.

The best time to invest in a CEF is when the market is undervalued or when there is a lack of excessive optimism. Bursa Securities is currently trading at the low end of its valuation, despite the Malaysian economy recording healthy economic performance in recent years. Furthermore, based on the market capitalisation to GDP ratio, the valuation of Bursa Securities is undemanding. Clearly, such a scenario makes for a positive environment to launch icapital.biz.

Please refer to Section 6.9 for further details on the prospects of icapital.biz.

1.10 FEES, CHARGES AND EXPENSES

The Public Issue will incur fees and commissions such as listing expenses, placement commission and management fees, underwriting commission and brokerage fees.

There are operating fees in running a CEF such as management fees, custodian fees and investment advisory fees, among others. These fees are deducted from the gross income of icapital.biz.

Details of the management fees, custodian fees, investment advisory fees and administrative fees are as follows:-

(i) Management fees:-

The fees payable to CDAM under the Fund Management Agreement and the frequency of payments are as follows:-

(a) The first quarter payment:

$(0.75\% \text{ divided by } 4) \text{ multiply by } NAV^{(\text{first quarter})}$

$NAV^{(\text{first quarter})}$, being the NAV of the portfolio initially deposited by icapital.biz in the accounts held and maintained by the Custodian.

1 SUMMARY INFORMATION ON THE COMPANY (cont'd)

(b) Quarterly payments thereafter:

$(0.75\% \text{ divided by } 4) \text{ multiply by } NAV^{(\text{quarter})}$

$NAV^{(\text{quarter})}$, being the NAV of the portfolio based on the last business day of the preceding quarterly fee period.

(ii) Custodian fees:-

The fees payable to Deutsche Bank under the Custodian Agreement and the frequency of payments are as follows:-

A portfolio fee of 0.04% per annum and a transaction fee of RM65 per receipt/delivery. The Custodian's portfolio fee is calculated based on icapital.biz's asset valuation (Securities only) on a monthly basis. The transaction fee is incurred when there is a receipt or delivery of Securities in and out of icapital.biz's custody account with the Custodian, whether against payment or free of payment. These fees are inclusive of registration services and corporate action services. Cash transactions directly related to securities settlement will be waived. Clean cash payments will be subject to normal bank charges.

(iii) Investment advisory fees:-

The fees payable to CDSB under the Investment Advisory Agreement and the frequency of payments are as follows:-

(a) The first quarter payment:

$(0.75\% \text{ divided by } 4) \text{ multiply by } NAV^{(\text{first quarter})}$

$NAV^{(\text{first quarter})}$, being the NAV of the portfolio initially deposited by icapital.biz in the accounts held and maintained by the Custodian.

(b) Quarterly payments thereafter:

$(0.75\% \text{ divided by } 4) \text{ multiply by } NAV^{(\text{quarter})}$

$NAV^{(\text{quarter})}$, being the NAV of the portfolio based on the last business day of the preceding quarterly fee period.

(iv) Administrative fees:-

The fees payable to PFA under the Administration Agreement and the frequency of payments are as follows:-

Under the Administration Agreement, total fees of RM91,000 per annum is payable to the Administrator for administrative, accounting and reporting services, including the preparation of quarterly and annual financial reports.

Details of the fees and charges applicable to icapital.biz are set out in Sections 5, 15.6 and 15.7 of this Prospectus.

INVESTORS ARE ADVISED TO CONSIDER THE FEES AND CHARGES BEFORE INVESTING IN ICAPITAL.BIZ.

1 SUMMARY INFORMATION ON THE COMPANY (cont'd)

1.11 INVESTOR PROFILE

icapital.biz is suited to investors with a longer term investment horizon, typically three (3) years and above. icapital.biz will suit sophisticated investors who understand and are able to take advantage of the premiums and discounts of CEFs, attracted to the prospects of capital gains and want to have a portfolio which is professionally managed. Investors of icapital.biz are likely to seek long-term capital growth on their investments at an acceptable level of risk.

1.12 RISK FACTORS

Applicants for the Issue Shares should carefully consider the following risk factors (which are not exhaustive), in addition to the other information contained in this Prospectus before applying for the Issue Shares. For a detailed commentary on the risk factors, please refer to Section 3 of this Prospectus:-

- (i) Risk of Premium / Discount to NAV
- (ii) Volatility and Market Risk
- (iii) Market Factors
- (iv) Dependence on the Malaysian economy
- (v) Interest rate risks
- (vi) Risk of investment in unlisted Securities
- (vii) Minority interest in investee companies
- (viii) Foreign exchange risks
- (ix) Management risks
- (x) Non - compliance risks
- (xi) No prior market for icapital.biz Shares
- (xii) Volatility of icapital.biz Shares' market price
- (xiii) Political, economic and legislative considerations
- (xiv) Forward looking statements
- (xv) Delay in or abortion of the Public Issue
- (xvi) Termination of Underwriting Agreement

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1 SUMMARY INFORMATION ON THE COMPANY (cont'd)

1.13 PRINCIPAL STATISTICS RELATING TO THE PUBLIC ISSUE

(i) Share capital	RM
Authorised:-	
1,000,000,000 icapital.biz Shares	<u>1,000,000,000</u>
Issued and paid-up:-	
The issued and paid-up share capital of icapital.biz upon listing will depend on the level of subscription. The minimum size of the Company's issued and paid-up share capital upon listing will be RM60,000,000 and the maximum will be RM140,000,000.	
(a) Minimum Subscription	
• Existing issued and paid-up	
2 ordinary shares of RM1.00 each	2
• To be issued as fully paid-up pursuant to the Private Placement	
46,999,998 ordinary shares of RM1.00 each	46,999,998
• To be issued as fully paid-up pursuant to the Public Offer to the Entitled Subscribers	
10,000,000 ordinary shares of RM1.00 each	10,000,000
• To be issued as fully paid-up pursuant to the Public Offer to the general public	
3,000,000 ordinary shares of RM1.00 each	3,000,000
	<u>60,000,000</u>
• NTA	57,661,267
• NTA per share	0.96
(b) Maximum Subscription	
• Existing issued and paid-up	
2 ordinary shares of RM1.00 each	2
• To be issued as fully paid-up pursuant to the Private Placement and Public Offer	
139,999,998 ordinary shares of RM1.00 each	139,999,998
	<u>140,000,000</u>
• NTA	137,061,267
• NTA per share	0.98
(ii) Issue Price per Issue Share	RM1.00

1 SUMMARY INFORMATION ON THE COMPANY (cont'd)**(iii) Classes of shares and ranking**

There is only one class of shares in icapital.biz namely icapital.biz Shares. The new icapital.biz Shares will rank pari passu in all respects with the other existing issued and paid-up icapital.biz Shares except that they will not rank for any dividends, rights and/or distributions declared or paid prior to the date of allotment of the new icapital.biz Shares.

Subject to any special rights attaching to any shares which may be issued by icapital.biz in the future, the holders of icapital.biz Shares shall, in proportion to the amount paid-up on icapital.biz Shares held by them, be entitled to share in the whole of the profits paid out by icapital.biz as dividends and other distributions and in the event of liquidation of the Company, any surplus shall be distributed amongst the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the liquidation, in accordance with the Company's Articles of Association.

Each shareholder shall be entitled to vote at any general meeting of icapital.biz in person or by corporate representative or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or a corporate representative or proxy or attorney shall have one vote, and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each icapital.biz Share held. A proxy may but need not be a member of icapital.biz.

1.14 PROCEEDS FROM THE PUBLIC ISSUE AND PROPOSED UTILISATION

The minimum and maximum gross proceeds from the Public Issue amounting to RM59,999,998 and RM139,999,998 respectively will accrue entirely to icapital.biz and will be utilised as follows:-

Utilisation	Minimum Subscription (RM)	Maximum Subscription (RM)
Investment in Securities and/or Other Permitted Assets	57,799,998	137,199,998
Estimated listing expenses *	2,200,000	2,800,000
	59,999,998	139,999,998

*Note *: Any unutilised amount shall be used towards investment in Securities and/or Other Permitted Assets.*

Additional proceeds received from subscription above the minimum subscription level will contribute to a larger pool of funds for investment in Securities and/or Other Permitted Assets.

Full details of the proposed utilisation are set out in Section 2.7 of this Prospectus.

1 SUMMARY INFORMATION ON THE COMPANY (cont'd)**1.15 DIRECT AND INDIRECT SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS AND DIRECTORS**

The shareholdings of the substantial shareholders and directors of icapital.biz as at the Latest Practicable Date are as follows:-

	Nationality	Before the Public Issue				After the Public Issue			
		Shareholding		Shareholding		Shareholding		Shareholding	
		Direct	%	Indirect	%	Direct	%	Indirect	%
Substantial Shareholders									
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	Malaysian	1	50.00	-	-	See Note 1			
Tan Teng Boo ²	Malaysian	1	50.00	-	-	-	-	-	-
Directors									
Michael Vitus Wong Kuan Lee	Malaysian	-	-	-	-	-	-	See Note 3	
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	Malaysian	1	50.00	-	-	See Note 1		-	-
Dato' Raja Nong Chik bin Raja Zainal Abidin	Malaysian	-	-	-	-	-	-	See Note 4	
Yeoh Ah Tu	Malaysian	-	-	-	-	-	-	-	-

Note:

- 1 *YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya has applied for 3,000,000 Shares under the Private Placement and the final allocation will only be confirmed after the closing date. Assuming 3,000,000 Shares are allotted to YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya through the Private Placement, his shareholding in icapital.biz will range between 2.14% (under the Maximum Subscription) and 5.00% (under the Minimum Subscription).*
- 2 *Tan Yuen-Lin, the son of Tan Teng Boo has applied for 300,000 Shares under the Private Placement and the final allocation will only be confirmed after the closing date. Assuming 300,000 Shares are allotted to Tan Yuen-Lin through the Private Placement, his shareholding in icapital.biz will range between 0.21% (under the Maximum Subscription) and 0.50% (under the Minimum Subscription).*
- 3 *Ong Siok A, the spouse of Michael Vitus Wong Kuan Lee has applied for 400,000 Shares under the Private Placement and the final allocation will only be confirmed after the closing date. Assuming 400,000 Shares are allotted to Ong Siok A through the Private Placement, Michael Vitus Wong Kuan Lee's indirect shareholding in icapital.biz will range between 0.29% (under the Maximum Subscription) and 0.67% (under the Minimum Subscription).*
- 4 *Rasma Corporation Sdn Bhd, a company in which Dato' Raja Nong Chik bin Raja Zainal Abidin is a director and holds substantial shareholdings, has applied for 500,000 Shares under the Private Placement and the final allocation will only be confirmed after the closing date. Assuming 500,000 Shares are allotted to Rasma Corporation Sdn Bhd through the Private Placement, Dato' Raja Nong Chik bin Raja Zainal Abidin's indirect shareholding in icapital.biz will range between 0.36% (under the Maximum Subscription) and 0.83% (under the Minimum Subscription).*

1 SUMMARY INFORMATION ON THE COMPANY (cont'd)

Detailed information on the substantial shareholders and directors of icapital.biz are set out in Section 8 of this Prospectus.

1.16 MATERIAL LITIGATION, COMMITMENTS AND CONTINGENT LIABILITIES

As at the Latest Practicable Date:-

- (i) icapital.biz and CDAM have no outstanding material litigation and contingent liabilities;
- (ii) icapital.biz and CDAM have no capital commitments; and
- (iii) icapital.biz and CDAM are not engaged in any material litigation or arbitration proceedings either as plaintiff or defendant and the respective Boards of Directors of icapital.biz and CDAM have no knowledge of any proceedings pending or threatened against the respective company or any facts likely to give rise to any proceedings which might materially affect the position and business of the respective company.

1.17 FINANCIAL HIGHLIGHTS

The following information has been extracted from the Accountants' Report in Section 13 of this Prospectus and should be read in conjunction with the notes thereto. There were no audit qualifications for the financial period under review. The summarised results of icapital.biz since incorporation on 11 December 2004 to 31 May 2005 are as follows:-

	Financial Period from 11.12.2004 (date of incorporation) to 31.5.2005 RM
Turnover	-
Administrative expenses	(138,733)
Loss before taxation	(138,733)
Depreciation	-
Interest expense	-
Loss before interest, depreciation, tax and amortisation	(138,733)
Less: Depreciation	-
Interest expense	-
Loss before taxation	(138,733)
Taxation	-
Loss after taxation	(138,733)
Number of ordinary shares of RM1 each in issue	2
Gross loss per share (RM)	(69,366)
Net loss per share (RM)	(69,366)

Notes:-

- (a) icapital.biz was dormant for the financial period under review.
- (b) All expenses of icapital.biz for the financial period under review were mainly due to preliminary expenses, pre-operating expenses and professional fees in respect of the Public Issue.

1 SUMMARY INFORMATION ON THE COMPANY (cont'd)

The following information has been extracted from the Accountants' Report in Section 13 of this Prospectus and should be read in conjunction with the notes thereto. The proforma balance sheets of icapital.biz as at 31 May 2005 and the corresponding effects of the Public Issue are as follows:-

	As at 31 May 2005	Proforma I After Public Issue	
	RM	Minimum Subscription RM	Maximum Subscription RM
CURRENT ASSETS			
Other receivables, deposits and prepayments	1,280	1,280	1,280
Cash in hand	2	57,800,000	137,200,000
	1,282	57,801,280	137,201,280
CURRENT LIABILITIES			
Other payables	(140,013)	(140,013)	(140,013)
NET CURRENT (LIABILITIES) /ASSETS	(138,731)	57,661,267	137,061,267
	(138,731)	57,661,267	137,061,267
(REPRESENTED)/ FINANCED BY:-			
Share capital	2	60,000,000	140,000,000
Accumulated loss	(138,733)	(2,338,733)	(2,938,733)
Shareholders' equity	(138,731)	57,661,267	137,061,267
Number of ordinary shares of RM1 each in issue	2	60,000,000	140,000,000
Net tangible (liabilities)/assets per share (RM)	(69,366)	0.96	0.98

1.18 FUTURE FINANCIAL INFORMATION

Due to the uncertainty of the revenue arising from the nature of the business of icapital.biz, the Board has decided not to include any future financials in this Prospectus.

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2 PARTICULARS OF THE PUBLIC ISSUE

2.1 OPENING AND CLOSING OF APPLICATION LIST

The Application for the Public Issue will open at 10:00 a.m. on 26 September 2005 and will remain open until 5:00 p.m. on 7 October 2005, or for such period or periods as the Board and Kenanga at their absolute discretion may jointly decide. Late applications will not be accepted.

2.2 IMPORTANT DATES

The indicative timing of events leading up to the listing of and quotation for icapital.biz's entire enlarged issued and paid-up share capital on Bursa Securities is set out below: -

Event	Tentative Date
Opening of Application for the Issue Shares	26 September 2005
Closing of Application for the Issue Shares*	7 October 2005
Balloting Date	11 October 2005
Despatch of Notices of Allotment of the Issue Shares to successful applicants	18 October 2005
Listing and Quotation of icapital.biz's entire enlarged issued and paid-up share capital on the Main Board of Bursa Securities	19 October 2005

These dates are tentative and are subject to changes which may be necessary to facilitate implementation procedures. The application will be closed at the date stated above or such later date as the Board and Kenanga at the absolute discretion may decide.

* Should the date of closing of the application for the Issue Shares be extended, the dates for despatch of notices of allotment of the Issue Shares to successful applicants and listing of icapital.biz's entire enlarged issued and paid-up share capital of the Main Board will be extended accordingly. In the event the date of the closing of application for the Issue Shares is extended, applicants will be notified of such extension by way of advertisements placed in a widely circulated English and Bahasa Malaysia newspaper in Malaysia.

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2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

2.3 SHARE CAPITAL

(i)	Share capital	RM
	Authorised:-	
	1,000,000,000 icapital.biz Shares	<u>1,000,000,000</u>

Issued and paid-up:-

The issued and paid-up share capital of icapital.biz upon listing will depend on the level of subscription. The minimum size of the Company's issued and paid-up share capital upon listing will be RM60,000,000 and the maximum will be RM140,000,000.

(a) Minimum Subscription

•	Existing issued and paid-up	
	2 ordinary shares of RM1.00 each	2
•	To be issued as fully paid-up pursuant to the Private Placement	
	46,999,998 ordinary shares of RM1.00 each	46,999,998
•	To be issued as fully paid-up pursuant to the Public Offer to the Entitled Subscribers	
	10,000,000 ordinary shares of RM1.00 each	10,000,000
•	To be issued as fully paid-up pursuant to the Public Offer to the general public	
	3,000,000 ordinary shares of RM1.00 each	3,000,000
		<u>60,000,000</u>
•	NTA	57,661,267
•	NTA per share	0.96

(b) Maximum Subscription

•	Existing issued and paid-up	
	2 ordinary shares of RM1.00 each	2
•	To be issued as fully paid-up pursuant to the Private Placement and Public Offer	
	139,999,998 ordinary shares of RM1.00 each	139,999,998
		<u>140,000,000</u>
•	NTA	137,061,267
•	NTA per share	0.98

(ii)	Issue Price per Issue Share	RM1.00
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2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

(iii) Classes of shares and ranking

There is only one class of shares in icapital.biz namely icapital.biz Shares. The new icapital.biz Shares will rank pari passu in all respects with the other existing issued and paid-up icapital.biz Shares except that they will not rank for any dividends, rights and/or distributions declared or paid prior to the date of allotment of the new icapital.biz Shares.

Subject to any special rights attaching to any shares which may be issued by icapital.biz in the future, the holders of icapital.biz Shares shall, in proportion to the amount paid-up on icapital.biz Shares held by them, be entitled to share in the whole of the profits paid out by icapital.biz as dividends and other distributions and in the event of liquidation of the Company, any surplus shall be distributed amongst the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the liquidation, in accordance with the Company's Articles of Association.

Each shareholder shall be entitled to vote at any general meeting of icapital.biz in person or by corporate representative or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or a corporate representative or proxy or attorney shall have one vote, and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each icapital.biz Share held. A proxy may but need not be a member of icapital.biz.

2.4 PARTICULARS OF THE PUBLIC ISSUE

The Issue Shares are made available for subscription by way of Private Placement and Public Offer at the Issue Price, subject to the terms and conditions of this Prospectus as follows:-

(a) Minimum Subscription

	Number of icapital.biz Shares
(i) Private Placement	47,000,000
(ii) Public Offer to the Entitled Subscribers	
▪ Subscribers of i Capital and 《资本投资》	8,800,000
▪ Subscribers of www.icapital.biz	1,200,000
(iv) Public Offer to the general public	3,000,000
Total Issue Shares	60,000,000

The allocation of the Issue Shares between the Private Placement, the Public Offer to the Entitled Subscribers and the Public Offer to the general public is subject to adjustment. In the event that either categories are undersubscribed and there is a corresponding oversubscription in the other categories, the Issue Shares may be clawed back from the undersubscribed category and reallocated to the oversubscribed category. The clawback and reallocation shall not apply in the event of over-subscription, i.e. when the aggregate subscriptions of the Issue Shares amount to more than 60,000,000 Shares.

(b) Subscription of between 60,000,000 and 140,000,000 Shares

Should the aggregate subscription of the Issue Shares for all categories, i.e. the Private Placement, the Public Offer to the Entitled Subscribers and the Public Offer to the general public amount to between 60,000,000 Shares and 140,000,000 Shares, all applications for subscription of the Issue Shares will be accepted.

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

(c) Maximum Subscription

The maximum subscription of the Issue Shares shall be an aggregate of 140,000,000 Shares.

The basis of allocation to be determined under (c) above shall take into account the desirability of distributing the Issue Shares to a reasonable number of applicants with a view of broadening the shareholding base of icapital.biz to meet the public spread requirements and to establish a liquid and an adequate market in icapital.biz Shares.

The Issue Shares under the Public Offer to Entitled Subscribers and the Public Offer to the general public of an aggregate of 13,000,000 Shares have been underwritten. The Placement Agent has received irrevocable undertakings from selected investors to take up the Issue Shares by way of private placement under the Private Placement portion.

2.5 PURPOSE OF THE PUBLIC ISSUE

icapital.biz's principal activities are to engage in the business of investing in Malaysian Securities and/or Other Permitted Assets for the purpose of:-

- (i) spreading investment risks; and
- (ii) managing a portfolio of investments,

to gain revenue and profit for the benefit and on behalf of its shareholders.

The rationale for the Public Issue are as follows:-

- (i) To source and pool funds from various investors into a collective fund principally to invest in Securities listed on Bursa Securities; and
- (ii) To obtain a listing of and quotation for the entire enlarged issued and paid-up share capital of icapital.biz on the Main Board.

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2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)**2.6 PRICING OF THE PUBLIC ISSUE**

The issue price of RM1.00 per icapital.biz Share was determined and agreed upon by icapital.biz and Kenanga as Adviser, Underwriter and Placement Agent, after taking into account, inter-alia, the following:-

- (i) The nature of icapital.biz's business as described in Section 4 of this Prospectus;
- (ii) The industry overview, future plans and strategies and outlook of icapital.biz as described in Section 6 of this Prospectus; and
- (iii) The requirements of the SC Guidelines-CEF.

Investors should form their own views on the valuation of the Issue Shares before deciding to invest in the Issue Shares.

2.7 PROCEEDS OF THE PUBLIC ISSUE AND PROPOSED UTILISATION

The gross proceeds from the Public Issue amounting to a minimum of RM59,999,998 and a maximum of RM139,999,998 will accrue entirely to icapital.biz and icapital.biz shall bear all expenses relating to the listing of and quotation for the entire enlarged issued and paid-up share capital on the Main Board.

The proceeds are proposed to be utilised as follows:-

Utilisation	Minimum Subscription (RM)	Maximum Subscription (RM)
Investment in Securities and/or Other Permitted Assets ¹	57,799,998	137,199,998
Estimated listing expenses ^{2,3}	2,200,000	2,800,000
	59,999,998	139,999,998

Notes:-

- 1 The proceeds will form the pool of funds for investment in accordance with icapital.biz's investment policies and objectives.
- 2 The estimated listing expenses incidental to the listing and quotation for the entire issued and paid-up share capital of icapital.biz on the Main Board for both Minimum Subscription and Maximum Subscription, to be borne by icapital.biz, are as follows:-

	Minimum Subscription	Maximum Subscription
	RM	RM
Professional fees	600,000	600,000
Regulator's processing, perusal, registration and listing fees	145,500	165,500
Advertising & printing costs	512,000	512,000
Underwriting, placement and brokerage*	625,000	1,118,000
Issuing House	85,000	85,000
Miscellaneous & Contingencies	232,500	319,500
Total	2,200,000	2,800,000

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

*Note *: Based on the estimated underwriting commission of 2.0% of the value of the 13,000,000 Issue Shares underwritten by Kenanga, placement management fee of 0.5% on the total aggregate value of Issue Shares under the private placement, placement commission of 1.5% on the total aggregate value of the Issue Shares placed out by Kenanga and brokerage fee of 1.0% on the total aggregate value of the Issue Shares under the Public Offer.*

3 *Any unutilised amount shall be used towards investment in Securities and/or Other Permitted Assets.*

2.8 FEES AND COMMISSIONS RELATING TO THE PUBLIC ISSUE

The total fees and commissions relating to the Public Issue are as follows:-

- (i) estimated listing expenses (excluding underwriting, brokerage and placement fees) payable to various parties ranging from RM1,575,000 to RM1,682,000 (depending on the level of subscription of the Public Issue) representing between 1.20% and 2.63% of the gross proceeds of the Public Issue;
- (ii) placement commission of one point five percent (1.5%) of the Issue Price for the aggregate of the total value of the Issue Shares successfully placed out by the Placement Agent;
- (iii) placement management fee of point five percent (0.5%) of the Issue Price for the aggregate of the total value of the Issue Shares placed out by way of Private Placement;
- (iv) underwriting commission of two percent (2.0%) of the Issue Price of the aggregate value of the Issue Shares to be issued pursuant to the Public Offer which have been underwritten by Kenanga; and
- (v) brokerage fees of one percent (1.0%) of the Issue Price per Issue Share in respect of successful applications which bear the stamps of Kenanga, a member company of Bursa Securities or the Issuing House.

THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THE FEES AND CHARGES BEFORE INVESTING IN THE COMPANY. Other fees and charges applicable to icapital.biz are set out in Sections 5, 15.6 and 15.7 of this Prospectus.

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2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

2.9 SUMMARY OF THE UNDERWRITING AGREEMENT

An underwriting agreement was entered into between icapital.biz and Kenanga, being the underwriter, on 3 August 2005 to underwrite 13,000,000 Issue Shares to be issued pursuant to the Public Offer to Entitled Subscribers and the general public ("Underwritten Shares") for an underwriting commission of 2.0% of the Issue Price multiplied by the total number of Underwritten Shares.

A summary of the salient terms of the Underwriting Agreement are set out below:-

(A) The Underwriting Agreement is conditional upon the fulfillment of several conditions, which include the following main conditions:-

- (a) the SC having approved this Prospectus and Bursa Securities having agreed in principle on or prior to the closing date of the Public Issue ("Closing Date") to the listing of and quotation for all the issued ordinary share capital of the Company on the Main Board on terms satisfactory to Kenanga and Kenanga being reasonably satisfied that such listing and quotation will be granted two (2) clear market days (or such other period as Bursa Securities may permit) after Bursa Securities has received all the necessary supporting documents and receipt of confirmation from Bursa Depository that all accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants; and
- (b) all other approvals and consents obtained in relation to the Public Issue as at the date of the Underwriting Agreement (including but not limited to the approval of the SC) having been obtained and being in full force and effect and not being withdrawn, revoked, suspended or terminated on or prior to the Closing Date.

If any of the conditions set forth in the Underwriting Agreement are not satisfied on or before the Closing Date and if after the Closing Date it shall become apparent to Kenanga that the public shareholding spread as required pursuant to the Listing Requirements has not been met, Kenanga shall thereupon be entitled to, terminate the Underwriting Agreement by notice in writing to the Company and in that event the Company and Kenanga shall be released and discharged from their respective obligations provided that the Company shall remain liable for the payment of the underwriting commission and of all other cost and expenses incurred in accordance with the terms of the Underwriting Agreement.

(B) On or before the Closing Date, Kenanga shall be entitled to terminate the Underwriting Agreement by notice in writing delivered to the Company, if:-

- (a) any of the conditions referred to in the Underwriting Agreement is not satisfied, unless waived by Kenanga; or
- (b) any adverse change or any development reasonably likely to involve an adverse change in the condition (financial or otherwise) of the Company from that set forth in the Prospectus which is material in the context of the Public Issue, or the occurrence of any event rendering untrue or incorrect to an extent which is material any representations or warranties contained in the Underwriting Agreement as though they had been given or made on such date; or

2 PARTICULARS OF THE PUBLIC ISSUE (Cont'd)

- (c) there is withholding of information of a material nature from Kenanga, which is required to be disclosed pursuant to the Underwriting Agreement, and if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, which, in the opinion of Kenanga, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Company and related companies, the success of the Public Issue, or the distribution or sale of the new Shares pursuant to the Public Issue; or
- (d) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of Kenanga by reason of the coming into force of any laws or Governmental regulations or directives or any change in national or international monetary, financial, political or economic conditions or exchange control or currency exchange or unforeseen circumstances beyond the reasonable control of Kenanga and by reason of force majeure which would have, or can reasonably be expected to have, a material adverse effect on the business or the operations of the Company or the success of the Public Offer, or which is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
- (e) there is failure on the part of the Company to perform any of its obligations; or
- (f) the imposition of any moratorium, suspension or material restriction on trading in any securities generally on Bursa Securities which would prejudice materially the success of the Public Offer.

Upon any such notice(s) being given pursuant to (B) above, Kenanga shall be released and discharged from its obligations as stipulated in the Underwriting Agreement whereupon the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of the Underwriting Agreement, save and except that the Company shall remain liable for the payment of the underwriting commission and in respect of its obligation and liabilities for the payment of costs and expenses already incurred prior to or in connection with such termination and for the payment of any taxes, duties or levies, and for any antecedent breach.

- (C) The Company has made several representations and warranties under the Underwriting Agreement. Upon any material breach of the said representations or warranties or any material failure to perform any of the said agreements or undertaking or any change rendering any of the said warranties, representations or agreements inaccurate in a material respect coming to the notice of Kenanga prior to the Closing Date, Kenanga shall be entitled (but not bound) by written notice to the Company, to elect to treat such breach, failure or change as releasing or discharging Kenanga from its obligations under the Underwriting Agreement.

3 RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF THE COMPANY AS OUTLINED IN THIS PROSPECTUS, APPLICANTS FOR THE ISSUE SHARES SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF THE COMPANY IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE HEREIN, BEFORE APPLYING FOR THE ISSUE SHARES.

INVESTORS SHOULD BE AWARE THAT THE VALUE OF AN INVESTMENT IN SECURITIES MAY GO DOWN AS WELL AS UP.

THERE IS NO GUARANTEE THAT THE MARKET PRICE OF ICAPITAL.BIZ'S SHARES WILL REFLECT THEIR UNDERLYING NAV PER ORDINARY SHARE. ACCORDINGLY, IT IS POSSIBLE FOR THE PRICE OF ICAPITAL.BIZ'S SHARES TO TRADE BELOW THE COMPANY'S NAV PER ORDINARY SHARE.

BURSA SECURITIES MAY EXPERIENCE SHORT TERM VOLATILITY AND AS SUCH, THE INVESTMENT IN THE COMPANY SHOULD ACCORDINGLY BE REGARDED AS LONG TERM IN NATURE.

(i) Risk of Premium / Discount to NAV

Shares of a CEF typically trade in relation to its NAV, which is the value of its assets less its liabilities. When demand is greater than supply, a CEF's share price may trade at a premium to its NAV. Likewise, when supply exceeds demand, a CEF's share price may trade at a discount to its NAV. Hence, if the premium narrows or the discount widens, investors' returns may be impacted negatively.

Principally, the performance of a CEF and the demand for it as an investment will drive changes in the level of premium or discount. For instance, if a CEF has a consistently poor performance track record, investors may be disillusioned by the fund manager and decide to exit by selling their shares, causing a decline in a CEF's market price and thereby, narrowing the premium or widening the discount.

In addition, low trading volumes and liquidity in the shares of a CEF may also result in changes to the premium/discount. Illiquid shares tend to trade less actively, thereby generating a wider price gap or mismatch between buyers and sellers in the open market. This differential may in turn, induce greater price volatility and changes in the level of the premium/discount to NAV.

Like the shares of any listed company, the shares of a CEF are bought and sold at market price. Like all companies traded on a stock exchange, the share price of a CEF is subject to the forces of demand and supply. Like the price of any listed company, the share price of a CEF need not equal its NAV. The movements in a CEF's share price are, nevertheless, influenced by the performance of the underlying investments and market sentiments.

In view of the above, while there is no assurance that the market price of icapital.biz will reflect its underlying NAV, there may be several mechanisms or options available to narrow or eliminate the discount if it occurs. These may include, among others, share repurchases, conversion to an open-end structure and liquidation. See Section 6.7 for more details.

3 RISK FACTORS (cont'd)

(ii) Volatility and Market Risk

icapital.biz principally invests in Securities listed on Bursa Securities. These Securities may be exposed to fluctuation due to unforeseen circumstances, i.e. changes due to political and economic uncertainties. Equity securities generally have greater price volatility than fixed income securities. Movement in the overseas market may also add additional risks and affect the performance of the local stock exchange. Price changes may be temporary or extended and these changes could impact the NAV of a CEF.

Nonetheless, icapital.biz's stock selections are primarily driven by the value investing philosophy of its fund manager, with emphasis on a margin of safety created by the divergences between the market prices and the underlying intrinsic values of the companies. As such, the impact of volatility and market risks will be somewhat mitigated by the margin of safety that is incorporated. Further information on CDAM's value investing philosophy is set out in Section 5.1.2 of this Prospectus.

(iii) Market factors

The performance of icapital.biz is dependent upon the level of market activity, the volume and value of the Securities and/or Other Permitted Assets to be invested by the Company. icapital.biz has no direct control over such variables except for the type of Securities and Other Permitted Assets invested in by the Company whether listed or unlisted.

The level of market activity, volume and value of the Securities to be invested by icapital.biz are influenced by the overall economic conditions of Malaysia and Asia as well as the world in general, particularly the domestic economic growth levels, political stability, regulatory environment for investment in Securities and/or Other Permitted Assets and the relative activity and performance of the global markets. For instance, icapital.biz may be adversely affected by a significant downturn in the global and regional stock markets, which in turn could negatively affect the Malaysian stock markets.

As such, there is no assurance that the level of market activity, volume and value of the Securities and/or Other Permitted Assets to be invested by icapital.biz will be at a level which would optimise the performance of the Company.

Whilst recognising the effects of market factors, icapital.biz's stock selections are driven primarily by the value investing philosophy of its fund manager, with emphasis on a margin of safety created by the divergences between the market prices and the underlying intrinsic values of the companies. As such, the existence of a margin of safety partially mitigates the potential impact of market factors on the portfolio. Further information on CDAM's value investing philosophy is set out in Section 5.1.2 of this Prospectus.

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3 RISK FACTORS (cont'd)

(iv) Dependence on the Malaysian economy

The Company's business is very dependent on the economy of Malaysia, in particular the performance of Bursa Securities. Substantially, all of the companies listed on Bursa Securities are Malaysian companies that have operations in Malaysia. The financial condition and financial performance of these listed companies have a direct impact on their share prices, which may also have an impact on the volume and value of trading on Bursa Securities.

The Malaysian economy is also affected by the economies in Asia, and in particular, those of the major economies like the USA, Japan, Europe and the PRC. During 1997, many Asian countries, including Malaysia, experienced significant adverse economic developments, including substantial depreciation in currency exchange rates, increased interest rates, reduced availability of credit from banks and financial institutions, reduced economic growth rates, corporate insolvencies and declines in market values of shares listed on their respective stock exchanges, real properties and other assets.

While there is general economic recovery in many Asian countries since 1997, including Malaysia, there is no assurance that no further adverse economic developments in Malaysia and/or other Asian countries could occur which would adversely affect the economic and/or financial performance of companies listed on Bursa Securities which in turn would have a material adverse effect on the Company's financial performance.

Furthermore, as economic conditions in Asia are affected by wider global economy, and as certain key sectors of the Malaysian economy are dependent on exports beyond Asia, the state of the global economy may also have a material effect on companies listed on Bursa Securities and hence, the Company's business.

Despite its dependence on the global and Malaysian economies, icapital.biz's stock selections are driven primarily by the value investing philosophy of its fund manager, with emphasis on a margin of safety created by the divergences between the market prices and the underlying intrinsic values of the companies. Hence, the effect of economic conditions will be somewhat mitigated by the margin of safety. Further information on CDAM's value investing philosophy is set out in Section 5.1.2 of this Prospectus.

(v) Interest rate risks

Although icapital.biz invests primarily in equities, it may invest in debt related instruments that are interest rate sensitive such as bonds or fixed income instruments, which means that their value and consequently, the NAV of the Company will fluctuate as interest rates fluctuate. In general, an increase in interest rates will generally reduce the value of such instruments, which may cause a CEF's share price to decline faster as investors sell their shares in the open market. However, when interest rates fall and the NAV of a CEF rise, the CEF's share price tends to rise faster as investors buy in. In view of this, there can be no assurance that the NAV of the Company and its share price will not be affected by fluctuations in interest rates. Additionally, bonds and fixed income securities are subject to credit risks, such as risks of default by issuers.

Besides applying a value investing approach to its stock selections, icapital.biz's fund manager also incorporates top-down analysis, in which inflation and interest rates is one of the fundamental drivers of the analysis. By incorporating these analyses, the associated risks and impact on the investments will be partially mitigated. Further information on CDAM's value investing philosophy is set out in Section 5.1.2 of this Prospectus.

3 RISK FACTORS (cont'd)

(vi) Risk of investment in unlisted Securities

The Company is allowed to invest a maximum of 10% of its NAV at all times in unlisted Malaysian companies. Securities of unlisted companies generally have no liquidity in that there is no ready and open market for the acquisition and disposal of such Securities. The strategies for recognising returns in such investments are limited, i.e. either through trade sale, listing and/or dividend returns from the operations of such unlisted companies. However, it should also be noted that returns from investments in unlisted companies are generally higher due to the lower cost of investment.

Nevertheless, additional risks exist as compared to the investments in listed Securities due to the illiquidity of such Securities and the returns from such investments may not yield expected returns. As the Company is only allowed to invest 10% of its NAV in unlisted companies, this somewhat mitigates the risks of exposure to the uncertainties of investing in unlisted Securities.

(vii) Minority interest in investee companies

Pursuant to the Company's investment policies, icapital.biz is allowed to invest in the Securities of any other listed company not exceeding:-

- (a) ten percent (10%) of icapital.biz's NAV; or
- (b) ten percent (10%) of the issued capital of such listed company,

whichever is lower.

In view of the above, icapital.biz is restricted in the level of investment it can make in a particular listed company and in turn enabling the Company to only hold minority positions in such companies. As a result, icapital.biz would not be able to exert much control and/or influence the outcome of certain corporate actions in a manner that could be in the best interest of the minority shareholders of such listed companies, which in turn could adversely affect the Company's investment in that particular listed company. Nevertheless, this situation can be mitigated via shareholder activism through engagement with the investee companies.

Further, for all companies listed on Bursa Securities, at least two (2) directors or one third (1/3) of the board of directors of such companies, whichever is higher, are independent directors. The appointment of such independent directors is a step towards good corporate governance practice and protects the interest of minority shareholders. Furthermore, in the event of related party transactions involving the directors or substantial shareholders of companies listed on Bursa Securities, such director or substantial shareholders or persons connected to them are required to abstain from voting on such transactions.

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3 RISK FACTORS (cont'd)

(viii) Foreign exchange risks

On 2 September 1998, Bank Negara Malaysia adopted a fixed exchange rate of RM3.80 to USD1.00. However, on 21 July 2005, Bank Negara Malaysia announced that the exchange rate of the ringgit will be allowed to operate in a managed float. Exchange rate volatility, changes in current exchange rate policy, including the discontinuance of managed exchange rates, could adversely affect the companies listed on Bursa Securities and may affect share prices, if for example, foreign investors decide to invest elsewhere.

Nevertheless, in applying a value investing approach and incorporating a margin of safety, foreign exchange risks would have been factored in during the stock selection process, thus partially mitigating the impact of foreign exchange volatility on the investments. Further information on CDAM's value investing philosophy is set out in Section 5.1.2 of this Prospectus.

(ix) Management risks

The performance of the Company will depend on the management quality of the Fund Manager. The Fund Manager is in turn dependent on the Designated Person for the management of the CEF. The loss of the Fund Manager and/or the Designated Person who is the central decision maker for the investments by the Company may have an adverse impact on the Company's performance. In view of this, the appointment of the Fund Manager has been formalised through the Fund Management Agreement and the Designated Person has signed a letter of appointment with the Fund Manager. The respective salient terms of the Fund Management Agreement and the letter of appointment of the Designated Person are set out in Sections 5.1.4 and 5.1.6 of this Prospectus.

Due to the importance of the Fund Manager and the Designated Person for the continued performance of the Company in the future, it is therefore imperative that set investment objectives, policies, strategies and codes of practise are maintained and strictly adhered to before any investment activities are considered. The Fund Manager is also taking efforts to groom the younger members of its team and/or recruit additional fund managers and fund manager trainees to assist the Designated Person and ensure smooth transition, if necessary in the event of the departure of the Designated Person.

There is no assurance that the management quality of the Fund Manager and/or the Designated Person will be maintained in the future. However, in the event of any decline in the management quality of the Fund Manager and/or the Designated Person, icapital.biz has, through the Fund Management Agreement, certain provisions to call for the termination of the Fund Manager and upon such termination, icapital.biz may appoint a new fund manager.

(x) Non - compliance risks

In managing the investments of the Company, the Fund Manager is governed by laws, regulations and internal policies and procedures including the Fund Management Agreement. Risks may arise when compliance with the provisions of applicable laws, regulations and internal policies are not ensured and/or adhered to. The magnitude of such risk and its impact on the operation and/or financial performance of the Company is unquantifiable.

In order to mitigate such compliance risks, icapital.biz may outsource such compliance functions to a third party or engage a full time compliance officer, who will be responsible for ensuring that icapital.biz complies with the SC's requirements in respect of CEFs. The Fund Manager has its own internal code of conduct, which is to ensure that the Fund Manager's Board of Directors, management and employees operate within the requirements of the SIA and other regulations, guidelines and acts.

3 RISK FACTORS (cont'd)

(xi) No prior market for icapital.biz's Shares

Prior to the Public Issue, there was no public market for icapital.biz Shares. There can be no assurance that an active market can develop for icapital.biz Shares upon its listing on Bursa Securities or if developed, that such a market can be sustained. Although the Public Issue has been approved by the SC, there can be no assurance that icapital.biz Shares will be accepted for listing and quotation on the anticipated date on the Main Board. In the event that icapital.biz Shares are not accepted for listing and quotation, the Company will endeavour to return the proceeds paid in respect of any application for the Issue Shares without interest.

The Issue Price has been determined after taking into consideration a number of factors, including but not limited to, the nature of icapital.biz's business, the prospects of the industry in which the Company operates, the requirements of the SC Guidelines-CEF and prevailing economic and market conditions. There can be no assurance that the Issue Price will correspond to the price at which icapital.biz Shares will trade on Bursa Securities upon or subsequent to its listing.

Nevertheless, to partially mitigate this risk, educational presentations have been undertaken to educate potential investors. Furthermore, icapital.biz targets a certain profile of shareholders, who subscribe to the longer-term investment objectives of the CEF.

(xii) Volatility of icapital.biz Shares' market price

The market price of icapital.biz Shares could be affected by numerous factors, including:-

- (a) general market, political and economic conditions;
- (b) changes in earnings estimates and recommendations by financial analysts;
- (c) changes in the NAV of the Company;
- (d) changes in market valuations of listed shares in general;
- (e) changes in government policy, legislation or regulations; and
- (f) general operational and business risks.

In addition, many of the risks described elsewhere in the Prospectus could materially and adversely affect the market price of icapital.biz Shares.

However, to partially mitigate this risk, educational presentations have been undertaken to educate potential investors. Furthermore, icapital.biz targets a certain profile of shareholders, who subscribe to the longer-term investment objectives of the CEF.

(xiii) Political, economic and legislative considerations

Development in political and economic conditions in Malaysia and in other countries could materially affect the financial prospects of companies in which the Company invests in and in turn affect the financial performance of the Company. Political and economic uncertainties include but are not limited to the risks of war, riots, expropriation, nationalisation, renegotiations or nullification of existing contracts, fluctuations in foreign exchange rates, inflation, changes in interest rates and methods of taxation.

3 RISK FACTORS (cont'd)

Nonetheless, icapital.biz's stock selections are driven primarily by the value investing philosophy of its fund manager, with emphasis on a margin of safety created by the divergences between the market prices and the intrinsic values of the companies. As such, the impact of political, economic and legislative considerations on the investments will be partially mitigated by the margin of safety incorporated. Further information on CDAM's value investing philosophy is set out in Section 5.1.2 of this Prospectus.

(xiv) Forward looking statements

This Prospectus includes forward-looking statements, which are statements other than statements of historical facts that are based on assumptions that are subject to uncertainties and contingencies. The word "anticipates", "believes", "intends", "plans", "expects", "forecast", "predicts" and similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company believes that, barring any unforeseen circumstances the expectations reflected in such forward-looking statements are reasonable at this point of time. There can be no assurance that such expectations will prove to have been correct. Any deviation from the expectations may have adverse effect on the Company's financial and business performance.

(xv) Delay in or abortion of the Public Issue

The occurrence of any one (1) or more of the following events may cause a delay in or abortion of the Public Issue:-

- (a) the identified investors fail to subscribe for the portion of Issue Shares to be placed to them;
- (b) the underwriter exercises its rights pursuant to the Underwriting Agreement and discharges itself from its obligations thereunder; or
- (c) the Company is unable to meet the public spread requirements.

Although the Board will endeavour to ensure compliance by icapital.biz of the various Listing Requirements, including, inter-alia, the public spread requirement imposed by Bursa Securities for the successful Public Issue, no assurance can be given that the abovementioned events will not occur and cause a delay in or abortion of the Public Issue.

(xvi) Termination of Underwriting Agreement

The Underwriting Agreement is terminable by the Underwriter if the Underwriter is of the reasonable opinion that the success of the Public Issue is seriously jeopardised by certain events, details of which are set out in Section 2.9 of this Prospectus.

No assurance can be given that the Underwriter will not terminate the Underwriting Agreement if it is of the reasonable opinion that the events detailed in Section 2.9 of this Prospectus have occurred. In the event the Public Issue could not be completed, all monies paid in respect of all applications will be returned without any interest. In the event the Underwriting Agreement is terminated, icapital.biz will explore the possibility of appointing a new underwriter.

4 BUSINESS OVERVIEW OF ICAPITAL.BIZ

4.1 INCORPORATION AND PRINCIPAL ACTIVITIES

icapital.biz was incorporated in Malaysia under the Act on 11 December 2004 as a public limited company.

icapital.biz's principal activities are to engage in the business of investing in Malaysian Securities and/or Other Permitted Assets for the purpose of:-

- (i) spreading investment risks; and
 - (ii) managing a portfolio of investments,
- to gain revenue and profit for the benefit and on behalf of its shareholders.

4.2 SHARE CAPITAL

As at the date of this Prospectus, the issued and paid-up share capital of icapital.biz is RM2.00 comprising two (2) icapital.biz Shares credited as fully paid-up. Upon completion of the Public Issue, the issued and paid-up share capital of icapital.biz will increase to a minimum of RM60,000,000 up to a maximum of RM140,000,000 comprising icapital.biz Shares credited as fully paid-up, depending on the level of subscription of the Public Issue.

Details of the changes in the issued and paid-up share capital of icapital.biz since its incorporation are as follows:-

Date of allotment	No. of ordinary shares allotted	Par value (RM)	Consideration	Total issued and paid-up share capital (RM)
11 December 2004	2	1.00	Subscribers' shares	2.00

On 19 August 2005, icapital.biz increased its authorized share capital from RM100,000 comprising 100,000 icapital.biz Shares to RM1,000,000,000 comprising 1,000,000,000 icapital.biz Shares in order to facilitate the Public Issue.

4.3 BUSINESS OVERVIEW OF ICAPITAL.BIZ**4.3.1 Investment Objectives, Policies and Restrictions***Investment Objectives*

The primary investment objective of icapital.biz is long-term capital appreciation of its investments, whilst dividend and/or interest income from these investments would be of secondary consideration.

4 BUSINESS OVERVIEW OF ICAPITAL.BIZ (Cont'd)

Investment Policies

The principal investment policies of icapital.biz are to primarily invest in a managed portfolio of securities, which includes shares, stocks, warrants and bonds issued by companies listed on the Main Board, the Second Board and the MESDAQ Market of Bursa Securities. Whilst icapital.biz will also invest in securities and bonds of unlisted companies, the focus will be primarily on companies listed on Bursa Securities. Presently, icapital.biz has no intention to invest in derivatives and securities listed on approved foreign stock exchanges. However, the Fund Management Agreement does cater for the possibility of offshore investments in the event that icapital.biz decides to revise its investment policies to include investments in derivatives and securities listed on foreign stock exchanges. Such investments abroad are subjected to the SC's approval on foreign markets and restrictions imposed by Bank Negara Malaysia on outflow of funds.

icapital.biz will select companies where there is a disparity between the company's market price (in the case of listed securities) and selling price (in the case of unlisted securities) and underlying business values over the medium to long-term. icapital.biz may also invest in cash deposits and/or in short-term obligations in order to have funds available for general corporate purposes. It may also maintain such cash deposits for defensive purposes or to enable it to take advantage of buying opportunities. icapital.biz will not invest in other collective investment vehicles.

The primary asset that icapital.biz will be investing in will be equities listed on Bursa Securities. Theoretically, the asset allocation can range from 0% equities to 100% equities. The actual asset allocation of icapital.biz's investments is a function of its value investment philosophy that is based on two (2) factors, the valuation of the company and its share price. When the market is undervalued and there are many investment opportunities whereby companies are trading below their valuation, icapital.biz may invest as much as 95% of its assets in equities with the balance in cash and/or near cash assets. Likewise, if the market is overvalued and there are minimal investment opportunities, icapital.biz's asset allocation would have a lesser bias towards equities and can go as low as 10% - 20%, for example. The balance 80% - 90% will be in cash and/or near cash assets. However, it should be highlighted that certain levels of cash and/or near cash assets will be maintained in order for icapital.biz to have funds available for general corporate purposes, defensive purposes and/or to enable it to take advantage of buying opportunities.

The investment approach/philosophy of the Fund Manager is set out in Section 5.1.2 of this Prospectus. icapital.biz's investment policies and objectives will not be changed within the first three (3) years from the date of its listing on Bursa Securities. Any amendment to the investment policies and objectives thereafter shall only be approved by the shareholders of icapital.biz by way of a special resolution.

Investment Restrictions

It is also icapital.biz's investment policy that the investment in any one (1) company listed on Bursa Securities shall not exceed ten percent (10%) of its NAV or ten percent (10%) of the issued share capital of the said listed company, whichever is lower. icapital.biz may also invest a maximum of ten percent (10%) of its NAV in unlisted Malaysian companies. icapital.biz also proposes that no borrowings shall be employed by it. Subject to the unanimous approval from shareholders present at a shareholders' meeting and voting thereat, icapital.biz will not enter into or undertake any borrowings. icapital.biz shall not grant or guarantee any credit facility.

icapital.biz shall not either itself or in conjunction with any other person take legal or effective management control of the entity in which it invests.

4 BUSINESS OVERVIEW OF ICAPITAL.BIZ (Cont'd)

4.3.2 Interruptions in the Business Since Incorporation

There has been no interruption to icapital.biz's business or operations since its incorporation.

4.3.3 Exceptional Factors Affecting the Business

Save for the risk factors highlighted in Section 3 of this Prospectus, icapital.biz does not foresee any exceptional factors, which may affect its business.

4.4 LIFE OF THE COMPANY

The Board considers it necessary that icapital.biz's shareholders should have the opportunity to review the future of icapital.biz at appropriate intervals. Accordingly, the Articles of Association of icapital.biz contain provisions to the effect that at the annual general meeting to be held in the fifteenth (15th) year after the Company is listed on Bursa Securities and the Company has not then been wound up, the Board shall, at the general meeting to be convened in the fifth (5th) year following the date of the annual general meeting provided the Company has not then been wound up and subject to the SC Guidelines-CEF and any law then in force, propose an ordinary resolution that icapital.biz shall continue as a closed-end fund for a further period of five (5) years following the date of such general meeting ("Determination Date"). The Directors shall, at each general meeting held at five yearly interval(s) following the Determination Date and at such five (5) yearly interval(s), the Company shall not have been wound up and subject to the SC Guidelines-CEF and any law then in force, propose an ordinary resolution that the Company shall continue as a closed-end fund for a further period of five (5) years.

4.5 DIVIDEND POLICY

icapital.biz carries a dividend policy that will be in line with its objectives. The Board may recommend the payment of either cash or stock dividends, while maintaining the NAV at an appropriate level.

4.6 TAXATION POLICY

Information concerning the tax status and policy of icapital.biz and the taxation of shareholders residing in Malaysia is contained in Section 14 of this Prospectus.

If any potential investor is in any doubt about the taxation consequences of acquiring, holding or disposing icapital.biz Shares or whether he is subject to tax (whether in Malaysia or in any jurisdiction other than Malaysia), he should seek advice from his own professional adviser.

4.7 OVERSEAS INVESTORS

Persons residing in territories other than in Malaysia should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to apply for, acquire, hold or dispose icapital.biz Shares.

4 BUSINESS OVERVIEW OF ICAPITAL.BIZ (Cont'd)

4.8 EMPLOYEES

As at the Latest Practicable Date, icapital.biz has no employees as roles such as Fund Manager, Custodian and Investment Adviser are outsourced to service providers. Roles such as secretarial duties and accounting are also outsourced to external professionals.

4.9 CONTINUOUS DISCLOSURE REQUIREMENTS

Similar to all other companies listed on the Main Board, icapital.biz will be subjected to the various requirements of the Listing Requirements, including those governing continuing disclosures. CEFs which are listed on Bursa Securities are also subject to additional disclosure requirements which include the following:-

- (i) immediate announcement to Bursa Securities of any proposal to change the CEF's investment policies and objectives;
- (ii) additional information to be disclosed in the annual reports and accounts of a CEF, amongst others, composition of investment portfolio, information on unlisted instruments, analysis of realized and unrealized surpluses, total number of transactions in Securities entered into during the reporting period as well as others;
- (iii) additional information to be disclosed in the quarterly report of the CEF to be given to Bursa Securities for public release which includes the computation of the CEF's NAV per share in accordance with the SC Guidelines – CEF and the extent to which the CEF has invested in Securities listed on other stock exchanges, investment in other investment vehicles, investment in Securities of unlisted companies and derivatives; and
- (iv) a CEF must provide to Bursa Securities for public release, its NAV per share on a weekly basis.

4.10 VALUATION OF INVESTMENTS

Valuations of assets (listed and unlisted) of icapital.biz shall be as prescribed by the SC Guidelines – CEF.

Valuation of listed securities shall be marked-to-market on a daily basis.

Valuation of unlisted securities shall be based on methods deemed to be fair and reasonable that are acceptable to the Fund Manager and the Board of Directors of icapital.biz. Valuation shall be carried out on a half yearly basis.

Valuations of unlisted fixed income securities shall be carried out on a weekly basis based on market quotations gathered from at least three (3) financial institutions from a panel of active financial institutions that are governed by the Banking and Financial Institutions Act, 1989 (BAFIA), whereby the fair market values will be determined involving a process of price evaluation in the context of relative liquidity, interest and credit risks.

4 BUSINESS OVERVIEW OF ICAPITAL.BIZ (Cont'd)

4.11 PERFORMANCE INDICATORS AND BENCHMARKS

Performance Indicators

The following may be used to indicate the performance of icapital.biz:-

- (i) the change / movement in the NAV per Share, which measures the performance of the fund manager in managing the assets. The NAV per Share will be provided to Bursa Securities on a weekly basis;
- (ii) the change / movement in icapital.biz's share price which is dependent on the demand for and supply of icapital.biz Shares on the Main Board. The change / movement in share price measures the actual investment returns that investors will get from investing in icapital.biz; and
- (iii) the total return, which comprises returns from both dividend income and capital growth.

Performance Benchmark

Various share market indices such as the KLCI and the EMAS Index can be used as benchmarks to assess icapital.biz's investment performance. Information on these benchmarks can be obtained from Bursa Securities' website.

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5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER

5.1 INFORMATION ON THE FUND MANAGER

5.1.1 Introduction

By the Fund Management Agreement, icapital.biz appointed CDAM to be the Fund Manager responsible for managing the investments of icapital.biz. CDAM was incorporated on 8 June 1996 as a private limited company under the Act and commenced its operations in 1997, when it obtained its Fund Manager's licence issued by the SC. To date, CDAM holds a Fund Manager's licence, issued under the SIA, which expires on 22 May 2006, after which CDAM will apply for the necessary renewal. The issued and paid-up share capital of CDAM as at the Latest Practicable Date is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each.

Funds under CDAM's management have consistently outperformed the KLCI and the EMAS Index over the last seven (7) years. From 27 April 1998 to 31 December 2004, funds under CDAM's management achieved an impressive compound return of 22.32% per annum (*Source: Messrs. Hewitt Associates¹*) versus a compound return of 5.84% per annum for the KLCI and a compound return of 4.82% per annum for the EMAS Index (*Source: Daily Diary issued by Bursa Securities and www.bursamalaysia.com*) over the same period. The funds under CDAM's management have outperformed the KLCI and EMAS Index in every single year since 1998 and have never recorded a negative return during the said period. For 2004, the funds under CDAM's management have achieved a respectable annual return of 16.21% (*Source: Messrs. Hewitt Associates¹*) compared with an annual return of 14.29% and 9.56% for KLCI and EMAS Index respectively over the same period (*Source: Daily Diary issued by Bursa Securities and www.bursamalaysia.com*). As at 31 August 2005, CDAM manages fifty-three (53) discretionary accounts for various types of investors with a total portfolio value of approximately RM160.7 million.

CDAM's clients include individuals, reputable corporations and institutions, who among others, are ACE Synergy Insurance Bhd (part of ACE Ltd, an insurance company listed on the New York Stock Exchange), KESM Industries Bhd and Cement Industries (Sabah) Sdn Bhd. As at 31 August 2005, CDAM has six (6) employees in an executive capacity and three (3) employees in a non-executive capacity.

As at the Latest Practicable Date, the Fund Manager does not have any equity holding in icapital.biz. icapital.biz is a debtor of CDAM in respect of RM6,317 incurred from the date of incorporation of icapital.biz to 31 May 2005, which consists of preliminary and pre-operating expenses.

The salient terms of the Fund Management Agreement are set out in Section 5.1.4 of the Prospectus.

¹ CDAM has requested Hewitt Associates to verify its time weighted rate of return ("TWRR") from 27 April 1998 to 31 December 2004. The scope of Hewitt Associates' verification covers the following:

- Review and confirm that the formulas provided by CDAM are appropriate for calculation of the TWRR;
- Review and confirm that the formulas are correctly applied;
- Checking the correctness of extraction and input of amounts and dates of cashflow to calculate the TWRR;
- Checking the calculation of market values of the composite investment portfolio as at 31 December 1998, 1999, 2000, 2001, 2002, 2003 and 2004, which is limited to verifying the correctness of the last transacted price at the relevant dates; and
- Review and confirm the accuracy of the TWRR for 1999-2004, actual and annualised TWRR for 27 April 1998 to 31 December 1998 and for 27 April 1998 to 31 December 2004.

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

5.1.2 Key strengths and investment philosophy/approach

CDAM's investing framework is built after years of experience and research and is based on the following two (2) key factors:-

(i) The 3 'T's

CDAM practises and recognises the importance of "Independence", "Intelligence" and "Integrity" in the provision of its fund management services.

Independence of thought and action comes naturally at CDAM. This is because CDAM is not associated with any financial institutions, large corporations or government organisations, allaying potential conflicts of interest. With a clear focus, its efforts are concentrated on providing the best possible fund management service.

CDAM does not act on tips, rumours, hearsay, etc. but only on an intimate knowledge of investments, based on intelligent and objective analysis.

While it sounds abstract, CDAM believes that integrity will in the long run show in the investment returns you receive.

Anchored on the values of these 3 'T's, CDAM has gradually and successfully built up its recognition and reputation in the investment industry, locally and regionally. The persistent application of the 3 'T's philosophy holds the key to CDAM's consistent success in the stock market. Please refer to Section 5.1.3 and Section 6.9.1 of this Prospectus for CDAM's performance track record.

(ii) Adaptation

There are various investment approaches which are applied by investors worldwide. Nevertheless, the concern is the ability of fund managers to identify or if necessary, modify and adapt a suitable approach/method to suit the investing environment and the needs of their clients. Backed by Tan Teng Boo's innate understanding of the Malaysian economy, Bursa Securities and the companies listed on Bursa Securities, his insight into the major foreign economies and equity markets, and his familiarity of the different methods of investment analysis, CDAM has the knowledge and experience in modifying and adapting the various investment methods to suit the investing environment and the investment objectives.

What comprises CDAM's value investing philosophy?

CDAM's value investing investment philosophy is formulated within CDAM's investment framework set out above. Aptly summarised as "Intelligently Eclectic", it contains the following two (2) components; (1) Value investing; and (2) Top-down analysis.

1. Value investing

CDAM's objective is to seek capital appreciation while reducing the margin of error when investing. This is achieved with a rigorous, innovative and well-defined value investing approach. This ensures that CDAM's main guiding principle of having a margin of safety is adhered to.

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

CDAM's stock selections are based on divergences between market prices and the underlying intrinsic values of the companies. This way a margin of safety is built in. The wider the divergence, the higher the margin of safety.

Guided by Benjamin Graham's famous counsel "*Investing is most intelligent when it is most business-like*", the vital goal is to determine the company's value and what is driving the valuation. Various valuation methods are used such as discounted cash flow, dividend yield, price-earnings ratio, free cash flow and asset value depending on how appropriately it reflects the company's intrinsic value. Key qualitative factors such as management quality and economics of the business are also taken into consideration.

A value investor will not be easily influenced by market trends and conditions. For instance, during a market downturn, the investment decision of a value investor will not be affected by investors' behavioural decision to sell down their stocks. It is neither a one-decision approach nor is it a buy-and-hold strategy.

Value investing has demonstrated itself as a superior investment approach over long periods of time. Famous practitioners of this approach include Benjamin Graham, Warren Buffett, Philip Fisher and more.

2. Top-down analysis

The top-down component starts with a broad analysis of the global economy, paying close attention to the major foreign economies before proceeding to analysing the Malaysian economy in detail. CDAM's objective is to obtain a sound framework that allows it to have a clear perspective of how economies, sentiments and markets interact and how this interaction influences the investment of CDAM. In this respect, CDAM emphasises the following three (3) fundamental drivers for its top-down approach:

- (a) Economic growth;
- (b) Inflation and interest rates; and
- (c) Corporate earnings.

Why not use only value investing?

When investing in Bursa Securities, CDAM adapt its value investing philosophy by incorporating some top-down elements that affect company valuations.

CDAM's research and experience tells it that different countries and stock markets with different economic, political and corporate structures may demand different investment approaches. In some equity markets, for example, value investing can be used to the exclusion of the other methods while in others, a top-down bias may be more suitable. For Bursa Securities, CDAM recognises that the Malaysian economy is small and very open i.e., its external trade is high in relation to its GDP. In addition, the majority of the companies listed on Bursa Securities have their operations oriented towards the economy of Malaysia. Hence, their earnings and businesses are easily and significantly affected by the local and global business cycles and conditions.

CDAM believes that incorporating economic variables and structure into its investment philosophy plays an essential part in its value investing framework.

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

Why not use only top-down analysis?

Based on CDAM's research and experience, it has found that a major weakness of any top-down approach is that investment analysts cannot forecast with sufficient accuracy. This makes a portfolio constructed with such an approach inherently speculative and cannot be employed with consistent success. CDAM understands and recognizes this weakness. This is the main reason why its investment philosophy is driven primarily by value investing.

The ability to translate the significance of events and interpret them in terms of the market has enabled CDAM to successfully incorporate the top-down elements into its value investing philosophy.

Why an "Intelligently Eclectic" investment philosophy?

CDAM's distinctive value approach is developed, amongst others, from Graham & Dodd, Warren Buffett, price-earnings ratio, discounted cash flow, economic analysis and cycles and much more. CDAM believes that no technology application, i.e. computers with its mechanical system or formula, can replace human judgement. CDAM puts continuous efforts in studying various investment approaches, focusing on their strengths and weaknesses and their suitability/application to the local market. Constant innovation and adaptation are made to suit the local environment.

Equipped with this thorough research, CDAM takes on an "Intelligently Eclectic" investment philosophy. CDAM believes that the application of the two (2) components, ie value investing and top-down analysis, is crucial to its philosophy. At the same time, CDAM has the ability and experience to modify, incorporate and integrate these two components into an investment approach to enable CDAM to deliver better results. CDAM believes that this will provide it with an unsurpassed edge in identifying investment opportunities for the Company.

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5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

5.1.3 Performance

ACGR of return of CDAM

Table 1 below shows the ACGR of return of funds under CDAM's management as compared with those of local indices:-

Table 1 : ACGR of return of funds under CDAM's management, KLCI and EMAS Index from 27 April 1998 – 31 December 2004

ACGR of return of funds under CDAM's management (%) ⁽¹⁾	22.32
ACGR of return of KLCI (%) ⁽²⁾	5.84
ACGR of return of EMAS Index (%) ⁽²⁾	4.82

Note:

(1) Source: Messrs. Hewitt Associates

(2) Source: Daily Diary issued by Bursa Securities and www.bursamalaysia.com

Based on Table 1, funds under CDAM's management achieved an impressive ACGR of return of 22.32% for the period between 27 April 1998 and 31 December 2004 and has outperformed the KLCI and Emas Index by at least 16.48 percentage points and 17.50 percentage points, respectively.

Annual Return

Table 2 and Chart 1 shows that funds under CDAM's management have not experienced any negative year of return despite the turbulent and difficult environment in the Malaysian economy during the last seven (7) years:-

Table 2: Annualised returns of fund under CDAM's management, KLCI and EMAS Index

	Annualised return (%)				
	CDAM ⁽¹⁾	KLCI ⁽²⁾	CDAM outperformed KLCI	EMAS Index ⁽²⁾	CDAM outperformed EMAS Index
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
1998 ⁽³⁾	33.83	-8.11	41.94	-8.77	42.60
1999	57.18	38.59	18.59	40.46	16.72
2000	0.95	-16.33	17.28	-22.59	23.54
2001	8.70	2.42	6.28	3.42	5.28
2002	12.71	-7.15	19.86	-4.83	17.54
2003	39.65	22.84	16.81	24.37	15.28
2004	16.21	14.29	1.92	9.56	6.65
Cumulative (%)	284.56	46.17	238.39	37.00	247.56

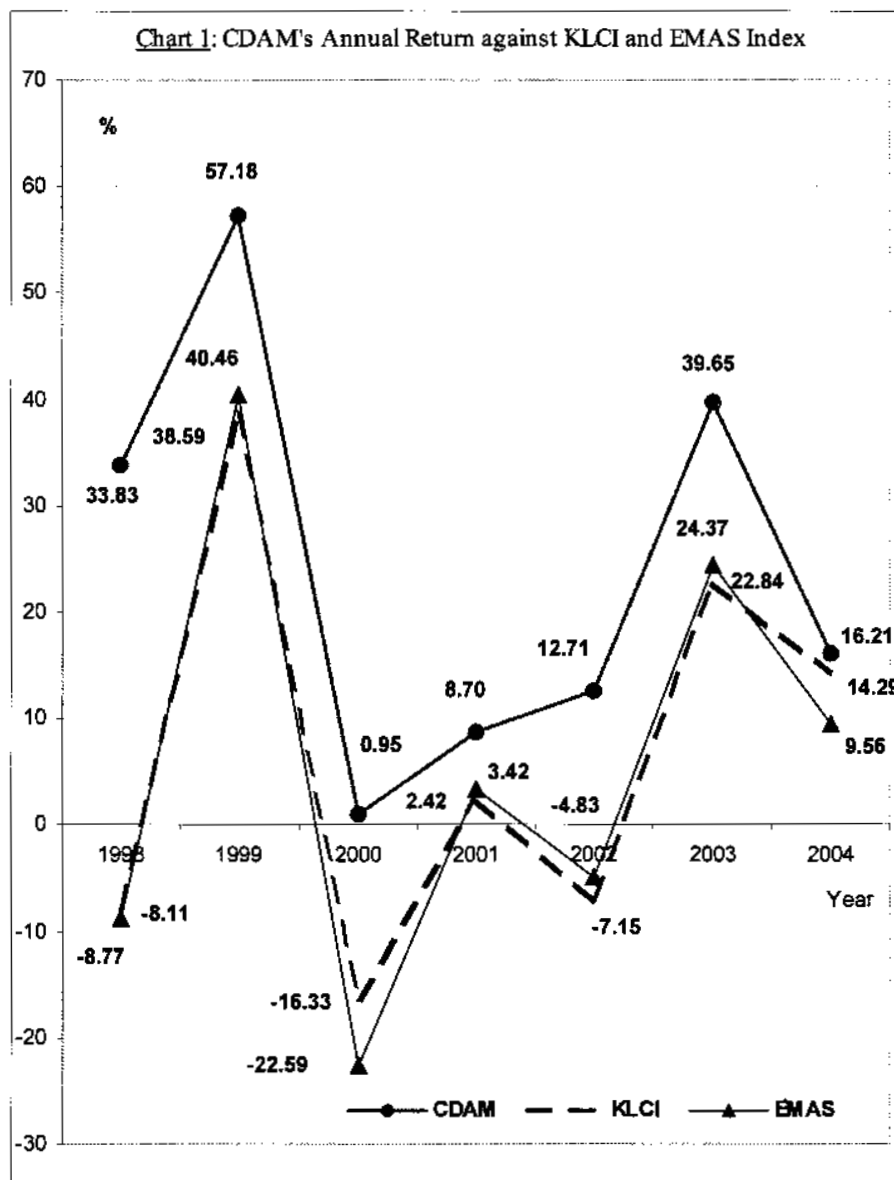
Note :

(1) Source: Messrs. Hewitt Associates

(2) Source: Daily Diary issued by Bursa Securities and www.bursamalaysia.com

(3) Annualised from 27 April 1998 to 31 December 1998

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)



Based on **Chart 1**, funds under CDAM's management have consistently outperformed the local indices from the period between 27 April 1998 to 31 December 2004.

In 1998, funds under CDAM's management achieved a positive return of 33.83% against negative returns of 8.11% for the KLCI and negative returns of 8.77% for the EMAS Index.

In addition, funds under CDAM's management achieved a positive return of 0.95% as compared to the KLCI and EMAS Index, which registered negative returns of 16.33% and 22.59% respectively in 2000.

Finally, in 2002, funds under CDAM's management once again achieved a positive return of 12.71% while the KLCI recorded a negative return of 7.15% and the EMAS Index recorded a negative return of 4.83%.

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

5.1.4 Salient Terms of the Fund Management Agreement

A summary of the salient terms of the Fund Management Agreement is as follows:-

(i) Primary duties of the Fund Manager

The primary duties of the Fund Manager are, amongst others, to purchase, subscribe or otherwise acquire, sell, redeem, retain, exchange, close out, vary or otherwise invest on behalf of icapital.biz in any Securities and/or Other Permitted Assets.

(ii) Conditions of the Fund Management Agreement

- (a) the Fund Management Agreement is conditional upon the satisfaction by icapital.biz of the conditions prescribed by Bursa Securities for the listing and quotation of the entire enlarged issued and paid-up share capital of icapital.biz on the Main Board being effected within six (6) months from the date of the Fund Management Agreement or such other period which CDAM and icapital.biz may agree upon ("FMA Approval Period");
- (b) in the event that Bursa Securities or the SC or other relevant authorities impose any material or adverse conditions on CDAM or icapital.biz or the terms of the Fund Management Agreement, an appeal can be made as per the terms of the Fund Management Agreement; and
- (c) if all the approvals are not satisfied or waived within the FMA Approval Period or at any time any of the approvals is not obtained, CDAM or icapital.biz may elect to terminate the Fund Management Agreement by written notice to the other party.

(iii) Fees payable to CDAM by icapital.biz

(a) The first quarter payment:

$(0.75\% \text{ divided by } 4) \text{ multiply by } NAV^{(\text{first quarter})}$

$NAV^{(\text{first quarter})}$, being the NAV of the portfolio initially deposited by icapital.biz in the accounts held and maintained by the Custodian.

(b) Quarterly payments thereafter:

$(0.75\% \text{ divided by } 4) \text{ multiply by } NAV^{(\text{quarter})}$

$NAV^{(\text{quarter})}$, being the NAV of the portfolio based on the last business day of the preceding quarterly fee period.

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

(iv) Termination

- (a) Save as otherwise provided in the Fund Management Agreement, it shall continue and remain in full force unless and until terminated by CDAM or icapital.biz by giving to the other party not less than six (6) months' notice in writing.
- (b) icapital.biz is at liberty to terminate the appointment of CDAM by notice in writing to CDAM, if SC revokes its approval for CDAM to provide fund management services to icapital.biz or CDAM is disqualified under the SC Guidelines-CEF to provide fund management services.
- (c) Either party is at liberty to terminate the Fund Management Agreement by notice in writing to the other party upon the happening of any of the following events:
 - if the other party commits a material breach of the Fund Management Agreement which is incapable of remedy or which if capable of being remedied, is not remedied by the expiry of thirty (30) days of service of a written notice by the non-defaulting party requiring it to be remedied;
 - if the other party passes a resolution to wind-up (other than for the purpose of reconstruction, amalgamation or merger) or an order is passed for the winding-up of the other party; or
 - a receiver or receiver and manager is appointed over the assets of the other party or upon the happening of a like event.
- (d) Save for termination as provided in paragraphs (iv) (b) and (iv) (c) above, any termination of the Fund Management Agreement by icapital.biz will require the prior approval of the shareholders of icapital.biz by way of a special resolution in accordance with the provisions of the Articles of Association of icapital.biz.

5.1.5 CDAM's Directors' Profile

The profiles of the Directors of CDAM are as follows:-

- (a) YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya

YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya, aged 76, is an honours graduate in Economics from the University of Bristol and a fellow of the Chartered Association of Certified Accountants. YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya was the Group Chief Executive Officer of Sime Darby Berhad from 1982 to 1993 before assuming his current position as the Independent Non-Executive Director and Deputy Chairman of Sime Darby Berhad.

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya started his career at Dunlop Estates Bhd in 1959 and later moved on to join DMIB Berhad in 1962. In 1979, he moved to Sime Darby Berhad.

He was a Director of Bank Negara Malaysia ("BNM") from 1966 to 1995 and during his tenor with BNM, YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya was appointed as Chairman of BNM's Audit Committee from 1989 to 1995.

His other directorships include Tractors Malaysia Holdings Berhad and the Kuala Lumpur City Centre group of companies including the Chairman of KLCC Property Holdings Berhad.

(b) Michael Vitus Wong Kuan Lee

Michael Vitus Wong Kuan Lee, aged 67, holds a Law Degree from the University of Singapore. He is currently a consultant and former chief executive partner of Shook Lin & Bok, a leading legal firm in Kuala Lumpur.

He started his career as Division 1 officer in the Malaysian Department of Inland Revenue in 1962 and later moved on to join Shook Lin & Bok in 1964.

Prior to his appointment as a Director of Bank Negara Malaysia from 1981 to 1987, he was a Senator in Parlimen Malaysia from 1977 to 1981.

Michael Vitus Wong Kuan Lee was a director in Sime Darby Berhad between 1991 and 2005 and in Tractors Malaysia Holdings Berhad between 2004 and 2005. He currently holds a directorship in Keck Seng (M) Berhad and Malaysia Deposit Insurance Corporation.

(c) Tan Teng Boo

Please refer to Section 5.1.6 for the profile of Tan Teng Boo.

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5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

5.1.6 The Designated Person

Tan Teng Boo is the person appointed by the Fund Manager as the Designated Person and will be responsible for managing the investments of icapital.biz.

The profile of Tan Teng Boo is as follows:-

Tan Teng Boo, aged 51, is the founder and Managing Director of CDAM and CDSB. He has been involved in the investment industry since 1988 when he founded CDSB. He holds a valid Fund Manager's Representative's Licence issued under the SIA, which expires on 22 May 2006, after which he will apply for the necessary renewal.

Tan Teng Boo graduated with an honours degree in Economics from Sussex University in 1977 and started his career as an economics reporter with Reuters in 1974. Backed by vast experiences in journalism, rubber, stockbroking and the property industries, he founded CDSB in 1988. CDSB was set up by him to specifically provide independent investment advisory and research services. CDSB is Malaysia's first independent licensed investment adviser that provides quality, independent and objective research to subscribers. Testament to CDSB's quality in its investment advice, the company has passed the test of time under the helm of Tan Teng Boo and has been continuously involved in the same business for the last sixteen (16) years and supported by a following of long-term subscribers. Some of i Capital's subscribers include Parlimen Malaysia, Bursa Securities, Public Bank Berhad, Permodalan Nasional Berhad, Kumpulan Wang Simpanan Pekerja, Khazanah Nasional Berhad and Cundill Investment Research Ltd (an international fund management company that is based in Canada).

Tan Teng Boo is instrumental in the formation and management of CDAM and CDSB since their inception. As Managing Director, he has grown CDAM from a fund manager with a small portfolio in 1998 to a portfolio value of approximately RM160.7 million as at 31 August 2005. With both local and foreign investors and an investment focus on Malaysian securities, he has successfully steered CDAM to become one of Malaysia's leading independent fund managers whose funds under his management have consistently outperformed the KLCI and the EMAS Index in terms of annual compounded growth rate of return and annual return over the last seven (7) years by a wide margin. Funds under CDAM's management have consistently outperformed the local indices in the range of between 1.92 percentage points and 42.60 percentage points (since the commencement of its operations on 27 April 1998 to 31 December 2004) and has never recorded a negative return during the same period. Further details on the performance of funds under CDAM's management are set out in Sections 5.1.3 and 6.9.1 of this Prospectus.

As a highly regarded investment expert in Malaysia, the views and opinions of Tan Teng Boo are frequently sought by the mass media which include Bloomberg, Financial Times, The Asian Wall Street Journal, International Herald Tribune, Far Eastern Economic Review, CNBC Asia, The Star, Nanyang Siang Pau, Sin Chew Daily, Oriental Daily, The Business Times Singapore, etc.

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

Due to his enthusiasm in the stock market coupled with his working experiences, academic background, research and analysis, he has developed insights into the local stock market and various foreign equity markets over the last thirty-three (33) years. In addition, he possesses an innate understanding of the Malaysian economy and is very well versed with the major foreign economies. His passion in fund management over the years has enabled him to be very familiar with the different methods of investment analysis and approaches, i.e. understanding strengths and weaknesses of the respective investment analysis and approaches and their suitability of application for different investment objectives and circumstances. A great proponent of CDAM's 3 'I' investment philosophy, Tan Teng Boo, together with his insights and business acumen, maintains this investment approach in order to provide the best professional service to his clients.

The salient terms of appointment of Tan Teng Boo, as the designated person is as follows:-

(i) Primary duty of the Designated Person

The primary duty of the Designated Person is to manage the investments of icapital.biz.

(ii) Commencement and termination of appointment

(a) The commencement of the Designated Person's appointment shall be the date icapital.biz is listed on the Main Board ("Effective Date") and, subject to paragraphs (b) and (c) below, continue for so long as the Fund Management Agreement remains in effect.

(b) The appointment of the Designated Person may be terminated by the Designated Person or the Fund Manager by giving ninety (90) days' prior written notice.

(c) Notwithstanding paragraph (b), in the event that any of the following occurs:

- the Designated Person becomes permanently incapacitated by accident or ill health from performing his duties for an aggregate period of ninety (90) days in any period of three hundred and sixty-five (365) consecutive days;
- the Designated Person commits any serious or persistent breach of his appointment as Designated Person and such breach remains unremedied for a period of fourteen (14) days following receipt of a written notice from the Fund Manager informing the Designated Person of such breach or non-compliance;
- the Designated Person has committed an act of bankruptcy or compounded with any of his creditors generally;
- the Designated Person resigns or is removed as the Managing Director of the Fund Manager; or

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

- the Designated Person is in breach of his representations and warranties set out in the letter of appointment and such breach remains unremedied for a period of fourteen (14) days following receipt of a written notice from the Fund Manager informing the Designated Person of such breach or non-compliance,

the Fund Manager shall be entitled by notice in writing to the Designated Person to terminate his appointment without prior notice and without payment in lieu of notice (save for any amounts by way of quantum meruit).

(iii) Fees and Expenses

- (a) The Designated Person will be paid an annual fee of RM120,000 by the Fund Manager, payable quarterly in advance, and the first payment of RM30,000 being due on the first day of the month following the Effective Date, and thereafter, payable on a quarterly basis.
- (b) The Designated Person will be entitled to be reimbursed by the Fund Manager for all expenses, costs and fees incurred by him in performing his duties as Designated Person.

5.1.7 Material litigation

CDAM is not engaged in any material litigation or arbitration proceedings either as plaintiff or defendant and the Board of Directors of CDAM has no knowledge of any proceedings pending or threatened against CDAM or any facts likely to give rise to any proceedings which might materially affect the financial position and business of CDAM.

5.2 INFORMATION ON THE CUSTODIAN

5.2.1 Introduction

Deutsche Bank established a presence in Kuala Lumpur in 1967 and has since expanded its activities in the Malaysian market. Deutsche Bank combines local expertise with the resources of its regional and global network to offer a vast range of products and services to both international and domestic clients. These include amongst others, banks, stockbrokers, insurance companies, fund managers and trustee corporations.

Deutsche Bank's custody department began operations in 1994 and as at 31 August 2005, employs twenty-four (24) staff, comprising eighteen (18) employees in an executive capacity and six (6) employees in a non-executive capacity.

The directors of Deutsche Bank are YAB Tun Mohamed Dzaiddin bin Haji Abdullah, Kuah Hun Liang, Dato' Mohamed Nizam bin Abdul Razak, Kenneth Charles Borda and Chim Wai Kin.

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

5.2.2 Custodial Services

The Custodian is a multinational corporation with a satisfactory financial standing with a good reputation and will have sufficient resources to assume the duties of a Custodian of the Company. The Custodian on behalf of icapital.biz will hold the investments of the Company. The Company will maintain a securities account with the Custodian who will handle all matters relating to the registration of securities acquired by the Company. The Custodian, on behalf of the Company, will also receive all dividends and distribution paid on the Company's investment.

The Custodian does not have any equity holding in the Company nor has it extended any credit facility to the Company.

5.2.3 Salient Terms of the Custodian Agreement

A summary of the salient terms of the Custodian Agreement is as follows:-

(i) Primary duties of the Custodian

The primary duties of the Custodian are to:

- (a) accept all Securities and/or Other Permitted Assets which may from time to time be deposited by icapital.biz with the Custodian;
- (b) administer the portfolio of icapital.biz in accordance with and subject to the provisions of the Custodian Agreement; and
- (c) follow the instructions of the Fund Manager in accordance with and subject to the terms of the Custodian Agreement.

(ii) Conditions of the Custodian Agreement

- (a) the Custodian Agreement is conditional upon the satisfaction by icapital.biz of the conditions prescribed by Bursa Securities for the listing and quotation of the entire enlarged issued and paid-up share capital of icapital.biz on the Main Board being effected within six (6) months of the date of the Custodian Agreement or such other period which Deutsche Bank and icapital.biz may agree upon ("Custodian Approval Period");
- (b) in the event that Bursa Securities, the SC or other relevant authorities impose any material or adverse conditions on Deutsche Bank or icapital.biz or the terms of the Custodian Agreement, an appeal can be made as per the terms of the Custodian Agreement; and
- (c) if all the approvals are not satisfied or waived within the Custodian Approval Period or at any time any of the approvals is not obtained, Deutsche Bank or icapital.biz may elect to terminate the Custodian Agreement by written notice to the other party.

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

(iii) Fees payable to Deutsche Bank by icapital.biz

The fees payable to the Custodian are as follows:-

A portfolio fee of 0.04% per annum and a transaction fee of RM65 per receipt/delivery. The Custodian's portfolio fee is calculated based on icapital.biz's asset valuation (Securities only) on a monthly basis. The transaction fee is incurred when there is a receipt or delivery of Securities in and out of icapital.biz's custody account with the Custodian, whether against payment or free of payment. These fees are inclusive of registration services and corporate action services. Cash transactions directly related to securities settlement will be waived. Clean cash payments will be subject to normal bank charges.

(iv) Termination

- (a) Save as otherwise provided in the Custodian Agreement, it shall continue and remain in full force unless and until terminated by icapital.biz by giving the Custodian not less than thirty (30) days' notice in writing or terminated by the Custodian by giving icapital.biz not less than ninety (90) days' notice in writing.
- (b) icapital.biz is at liberty to terminate the appointment of Deutsche Bank by notice in writing to Deutsche Bank, if SC revokes its approval for Deutsche Bank to provide custodial services to icapital.biz or Deutsche Bank is no longer permitted to provide custodial services.
- (c) Either party is at liberty to terminate the Custodian Agreement by notice in writing to the other party upon the happening of any of the following events:
 - if the other party commits a material breach of the Custodian Agreement which is incapable of remedy or which if capable of being remedied, is not remedied by the expiry of thirty (30) days of service of a written notice by the non-defaulting party requiring it to be remedied;
 - if the other party passes a resolution to wind-up (other than for the purpose of reconstruction, amalgamation or merger) or an order is passed for the winding-up of the other party; or
 - a receiver or receiver and manager is appointed over the assets of the other party or upon the happening of a like event.

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

5.2.4 Key Personnel's Profile

Kamala Devi, Head Domestic Custody Operations of Deutsche Bank, has been in the securities industry for twenty (20) years. She has extensive experience in registrar services and custodial services and was part of the pioneer team involved in setting up the global securities services of Deutsche Bank ten (10) years ago.

Juliana John, Deputy Head Domestic Custody Operations of Deutsche Bank, has worked with Mayban Securities Sdn Bhd, CIMB Securities Sdn Bhd and United Overseas Bank (Malaysia) Bhd prior to joining Deutsche Bank ten (10) years ago. In total she has approximately eighteen (18) years of experience in securities settlement. Equipped with extensive product knowledge and skills, she is responsible for team building, client delivery, risk management and compliance to internal/regulatory requirements.

5.2.5 Financial Information

The financial highlights of Deutsche Bank for the past three (3) financial years ended 31 December 2004 are set out as follows:-

	FYE 2002	FYE 2003	FYE 2004
	RM mil	RM mil	RM mil
Paid-up capital	125.043	143.043	143.043
Shareholders' fund	361.674	345.274	448.528
Operating profit / (loss) (before provisions)	129.193	(38.035)	192.404
Pre-tax profit / (Loss)	73.330	(81.418)	127.258
Profit after tax and minority interest	48.658	(55.400)	103.254

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5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

5.3 INFORMATION ON THE INVESTMENT ADVISER

5.3.1 Introduction

CDSB was incorporated on 5 July 1988 under the Act as a private limited company and commenced operations when it obtained its Investment Adviser's licence in 1989. CDSB is Malaysia's first independent licensed Investment Adviser. As at the Latest Practicable Date, the issued and paid-up share capital of CDSB is RM500,000 comprising 500,000 ordinary shares of RM1.00 each.

Currently, CDSB holds a valid Investment Adviser's licence which expires on 13 April 2006, after which CDSB will apply for the necessary renewal. In addition, CDSB also holds two permits for publication issued under the Printing Presses and Publications Act, 1984 for *i* Capital and 《资本投资》, its English and Chinese newsletters respectively, which expires on 31 August 2006 and 15 January 2006, respectively, after which CDSB will apply for the necessary renewals.

The obligations of the Investment Adviser to icapital.biz are to provide continuous advice and recommendations to icapital.biz as to the purchase, holding or disposal of any or all of the Securities or other assets which icapital.biz may own or contemplate acquiring from time to time after having regard to the investment policies and objectives of icapital.biz. As at 31 August 2005, CDSB has seventeen (17) employees in an executive capacity and one (1) employee in a non-executive capacity.

The salient terms of the Investment Advisory Agreement are set out in Section 5.3.3 of this Prospectus.

The Investment Adviser does not have any equity holding in the Company nor has it extended any credit facility to the Company. Pursuant to the Public Issue, icapital.biz had also entered into the Licensing Agreement with CDSB for the use of the Trade Marks. The salient terms of the Licensing Agreement are set out in Section 5.3.4 of this Prospectus.

5.3.2 Key Strengths

CDSB realises that there is a continuous growing demand for investment advisory services. Since 1989, the publication of a weekly investment report, *i* Capital and 《资本投资》, in two (2) languages, i.e. English and Chinese has marked a milestone for CDSB in widening its recognition in the local financial industry. The investment advisory services are provided by a team of experienced analysts, headed by Tan Teng Boo.

On 23 July 2002, CDSB successfully marked another milestone with the launch of its first investment portal, www.icapital.biz, available for subscription by the public. www.icapital.biz has been operating as an independent investment advisory portal since then. The portal also contains no advertisement to remain free from any possible conflicts of interest.

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

Its subscribers comprise of listed and unlisted corporations, institutions and individuals. Amongst others are Parlimen Malaysia, Bursa Securities, Public Bank Berhad, Permodalan Nasional Berhad, Khazanah Nasional Berhad, Kumpulan Wang Simpanan Pekerja and Cundill Investment Research Ltd (an international fund management company that is based in Canada). Certain of these subscribers have been long standing customers of CDSB for more than fifteen (15) years, a reflection of their confidence in CDSB's credibility and credentials.

5.3.3 Salient Terms of the Investment Advisory Agreement

A summary of the salient terms of the Investment Advisory Agreement is as follows:-

(i) Primary duty of the Investment Adviser

The primary duty of the Investment Adviser is to provide continuous advice and recommendations to icapital.biz as to the purchase, holding or disposition of any or all of the Securities and/or Other Permitted Assets or other assets which icapital.biz may own or contemplate acquiring from time to time.

(ii) Conditions of the Investment Advisory Agreement

- (a) the Investment Advisory Agreement is conditional upon the satisfaction by icapital.biz of the conditions prescribed by Bursa Securities for the listing and quotation of the entire enlarged issued and paid-up share capital of icapital.biz on the Main Board being effected within six (6) months from the date of the Investment Advisory Agreement or such other period which CDSB and icapital.biz may agree upon ("IAA Approval Period");
- (b) in the event that Bursa Securities, the SC or other relevant authorities impose any material or adverse conditions on CDSB or icapital.biz or the terms of the Investment Advisory Agreement, an appeal can be made as per the terms of the Investment Advisory Agreement; and
- (c) if all the approvals are not satisfied or waived within the IAA Approval Period or at any time any of the approvals is not obtained, CDSB or icapital.biz may elect to terminate the Investment Advisory Agreement by written notice to the other party.

(iii) Fees payable to CDSB by icapital.biz

The fees payable to CDSB under the Investment Advisory Agreement and the frequency of payments are as follows:-

(a) The first quarter payment:

(0.75% divided by 4) multiply by NAV^(first quarter)

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

NAV^(first quarter), being the NAV of the portfolio initially deposited by icapital.biz in the accounts held and maintained by the Custodian.

- (b) Quarterly payments thereafter:

(0.75% divided by 4) multiply by NAV^(quarter)

NAV^(quarter), being the NAV of the portfolio based on the last business day of the preceding quarterly fee period.

- (iv) Termination

- (a) Save as otherwise provided in the Investment Advisory Agreement, it shall continue and remain in full force unless and until terminated by CDSB or icapital.biz by giving to the other party not less than six (6) months' notice in writing.
- (b) icapital.biz is at liberty to terminate the appointment of CDSB by notice in writing to CDSB, in the event the Investment Adviser's licence of CDSB is not renewed for any reason.
- (c) Either party is at liberty to terminate the Investment Advisory Agreement by notice in writing to the other party upon the happening of any of the following events:
- if the other party commits a material breach of the Investment Advisory Agreement which is incapable of remedy or which if capable of being remedied, is not remedied by the expiry of thirty (30) days of service of a written notice by the non-defaulting party requiring it to be remedied;
 - if the other party passes a resolution to wind-up (other than for the purpose of reconstruction, amalgamation or merger) or an order is passed for the winding-up of the other party; or
 - a receiver or receiver and manager is appointed over the assets of the other party or upon the happening of a like event.
- (d) Save for termination as provided in paragraphs (iv) (b) and (iv) (c) above, any termination of the Investment Advisory Agreement by icapital.biz will require the prior approval of the shareholders of icapital.biz by way of a special resolution in accordance with the provisions of the Articles of Association of icapital.biz.

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

5.3.4 Salient terms of the Licensing Agreement

A summary of the salient terms of the Licensing Agreement is as follows:-

(i) Conditions of the Licensing Agreement

The Licensing Agreement is conditional upon the satisfaction by icapital.biz of the conditions prescribed by Bursa Securities in the approval-in-principle of Bursa Securities for the listing and quotation of the entire enlarged issued and paid-up share capital of icapital.biz on the Main Board being effected within a period of six (6) months from the date of the Licensing Agreement or such other period which CDSB and icapital.biz may agree upon ("LA Approval Period").

(ii) License fee payable to CDSB by icapital.biz

In consideration of CDSB granting icapital.biz a non-transferable and non-exclusive licence to use the Trade Marks as part of the name of icapital.biz, icapital.biz shall pay an annual fee of RM10.00 to CDSB.

(iii) Termination

(a) Upon the happening of (1) the termination of the Investment Advisory Agreement for any reason whatsoever; or (2) the termination of the Fund Management Agreement for any reason whatsoever, the Licensing Agreement shall be terminated automatically on the same day as the termination of the Investment Advisory Agreement and/or the Fund Management Agreement.

(b) Upon happening of the following events:-

- icapital.biz fails to satisfy the conditions prescribed by Bursa Securities in its approval in principle within the LA Approval Period;
- A petition is filed or a resolution is passed to wind up icapital.biz;
- If icapital.biz commits a material breach of any law, regulation or directive governing it and does not or cannot rectify such material breach and in CDSB's reasonable opinion, the occurrence of such material breach or the continuation of such material breach is prejudicial to the reputation and goodwill of CDSB; or
- If icapital.biz commits any breach of the Licensing Agreement and such breach (capable of being remedied) is not rectified within a period of fourteen (14) days from the date of written notice is given by CDSB demanding rectification of such breach or if icapital.biz commits any breach of the Licensing Agreement and such breach cannot be rectified,

CDSB shall be at liberty to terminate the Licensing Agreement summarily by giving ninety (90) days notice in writing to icapital.biz.

5 INFORMATION ON THE FUND MANAGER, THE CUSTODIAN AND THE INVESTMENT ADVISER (Cont'd)

On termination of the Licensing Agreement, icapital.biz shall take all requisite steps to effect the change of name of icapital.biz so that the new name of icapital.biz does not contain any of the Trade Marks.

5.4 KEY INVESTMENT PERSONNEL OF CDAM AND CDSB

The key investment personnel in CDAM are as follows:-

Tan Teng Boo, whose profile is set out in Section 5.1.6.

Farah Sabrina binti Roslan joined CDAM in 2005 as an investment analyst. Her work focuses on research and analysis of a portfolio of listed companies and the relevant industries. She graduated from the University of South Australia with a Bachelor of Management, majoring in Marketing and also holds a Diploma in Banking (Dean's List) from Universiti Teknologi MARA (UiTM). She is also currently pursuing a Masters of Science in Finance from Strathclyde University, UK. She has passed the Fund Manager's Representative's examination conducted by the SC and has yet to obtain the Fund Manager's Representative licence pending the fulfilment of the pre-requisite working experience of three (3) years. Prior to this, she was in the banking industry, focusing on unit trust investments.

The key investment personnel in CDSB are as follows:-

Low Guat Meng joined CDSB as an economics analyst in 1994. Her current research responsibilities focus on the economies of Malaysia, the PRC and Japan. In the past 10 years, her work has entailed extensive research and analysis of various economies and major economic issues.

She holds a Bachelor of Economics (Honours) from La Trobe University, Australia. She is also a Director of CDSB and a licensed Investment Representative.

Sim Biow Ming Myra joined CDSB in 2000 as an Executive Assistant to the Managing Director. She holds a Bachelor of Commerce, majoring in Economics, from the University of Otago, New Zealand. Amongst others, she is responsible for the Chinese edition of the company's investment analysis and assists the Managing Director in company research.

Nor Azian binti Aminnudin joined CDSB as a Research Support Assistant in 1997. She is responsible for maintaining an in-house investment library and research databases. She graduated from Universiti Teknologi MARA (UiTM) Shah Alam with a Diploma in Statistics and is currently pursuing a degree in Mass Communications.

Looi Kean Heng joined CDSB as an investment analyst in 2002. His work focuses on research and analysis on a portfolio of listed companies and the relevant industries. Prior to this, he was engaged in the civil engineering field. He graduated from the University of Birmingham, UK with a First Class Honours in Civil Engineering and has passed Level III of the Chartered Financial Analyst program.

Lim Tze Cheng joined CDSB in 2003 as an investment analyst. His work focuses on research and analysis on a portfolio of listed companies and the relevant industries. Prior to this, he was in the audit industry, attached with BDO Binder. He is a graduate of the University of Malaya with a First Class Honours in Accounting.

6 INDUSTRY OVERVIEW

6.1 THE CLOSED-END FUND INDUSTRY

A Brief History

CEFs, or investment trusts as they are commonly known in the UK, have been around a lot longer than unit trusts. The oldest, Foreign & Colonial Investment Trust Plc, made its debut way back in 1868. Its stated objectives were “to give the investor of moderate means the same advantages as the large capitalist in diminishing the risk of investing in Foreign and Colonial Government Stocks, by spreading the investment over a number of stocks”.

During the ‘Roaring Twenties’, CEFs mushroomed in the US. This was a time of immense economic, political and social prosperity. But during the Great Crash of 1929, CEFs were among the worst hit. The fault lies in the extensive use of borrowings by fund managers, pyramiding (funds buying other funds), and shenanigans. Although various legislations were introduced to regulate the industry and protect shareholders, CEFs remained sidelined for decades, eventually becoming overshadowed by open-end funds or unit trusts.

CEFs or investment trusts in the UK managed to escape the Great Crash of 1929 almost unscathed. In the early 1930s, investment trusts in the UK still put most of their money into fixed interest securities. The move into equities only took off at the end of the 1930s. By the mid-1960s, however, investment trusts began to lose favour among small investors due to the rise of the welfare state and the competing attractions of investment alternatives such as pension schemes and life insurance plans. At this stage, big institutions like the insurance companies and pension funds found themselves short of expertise to manage the influx of funds. Investment trusts stepped in to fill this gap. But this proved short-lived as the big institutions started moving their investment management activities in-house by the mid-1970s.

During this time, when CEFs were largely shunned by individual investors and big institutions alike, shares of many CEFs traded at discounts, with market prices significantly lower than their NAV. This triggered off a string of hostile takeover bids, often from big institutions, which identified an opportunity to buy a portfolio of investments on the cheap. For many, this spelt the demise of CEFs. But not quite.

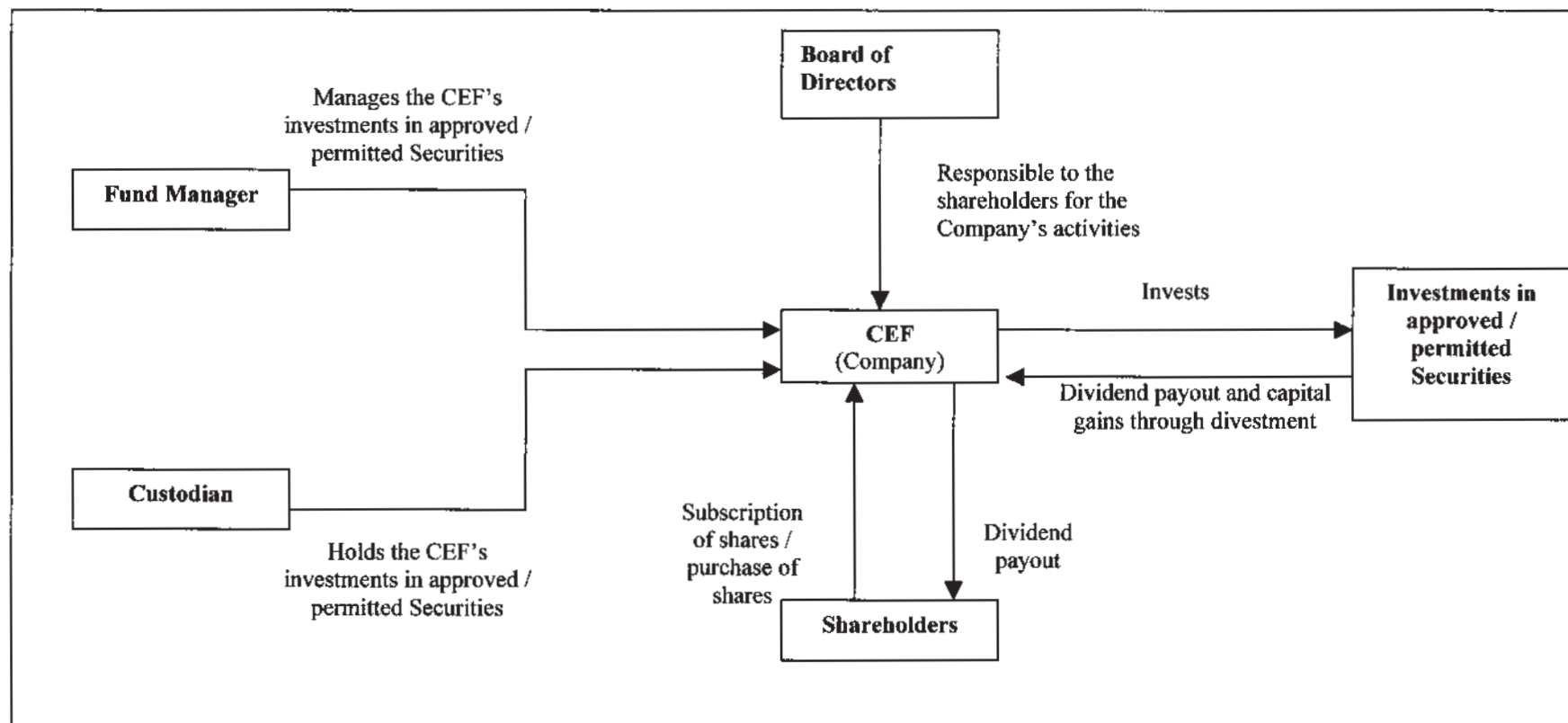
CEFs made a comeback in the mid-1980s, revitalised by innovative variations to the types of funds available. The spectacular performance of emerging market equities in the early 1980s revived investor interest. Closed-end country funds, with its fixed capitalisation, were regarded as a more suitable vehicle for investing in emerging market economies rather than the open-end alternative. The growing popularity of closed-end sector funds in the late 1980s and 1990s further stimulated the CEF industry. The introduction of what the financial press called ‘celebrity funds’ by a number of well-known fund managers also added some zest to the industry. However a better reflection of the investing public’s renewed appreciation of CEFs is the narrowing of discounts or even premiums to NAV.

(Source: Investment Trusts, Anthea Masey, Chapter 3: The History of the Investment Trust, ‘Closed-End Fund’ Gabelli & Company Inc. and ‘Using Funds to Invest in Developing Securities Market’, William G. McBride, Lipper Analytical Services Inc)

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6 INDUSTRY OVERVIEW (Cont'd)

Basic Structure



6 INDUSTRY OVERVIEW (Cont'd)

6.2 TYPES OF CLOSED-END FUNDS

The different types of CEFs include:

(i) *Diversified Equity Funds*

These CEFs focus on common stocks traded on stock exchanges. They usually consist of stocks issued by a broad mix of companies and diversified across many industries, geographic regions and economic sectors. Some of them specialize in a particular asset class or investment style, such as large-cap, small-cap, growth and value. For example, Amanah Millenia Fund Berhad (*formerly known as Amanah Smallcap Fund Berhad*) ("AMFB") invests primarily in equities listed on Bursa Securities and other stock exchanges in the region.

(ii) *Sector and Specialty Funds*

Contrary to the diversified equity funds, these CEFs concentrate on stocks of a particular industry, such as banking, technologies, properties and others, or on specialized securities such as preferred stocks or convertible securities. For instance, Petroleum and Resources Corporation, Emerging Markets Telecommunications Fund Inc, Polar Capital Technology Trust Plc, etc.

(iii) *Single Country Funds*

As suggested by its name, these funds focus on securities of a single country. These funds became popular in the early 1980s due to the impressive performance of emerging market equities. Some of the examples of single country funds include, Malaysia Fund Inc, China Fund Inc, Germany Fund, etc.

(iv) *Regional Funds*

Some CEFs focus on regions rather than individual countries. Examples of regional funds are Asia Pacific Fund Inc, European Assets Plc, Pacific Horizon Plc, etc.

(v) *Global / International Funds*

While regional funds concentrate on a particular region, global funds take a global perspective by investing in global markets. For example, Global Income Fund Inc, World Trust Fund Plc, etc.

(Source: Compilation by CDSB)

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6 INDUSTRY OVERVIEW (Cont'd)

6.3 THE BENEFITS OF CLOSED-END FUNDS

(i) *Power of Pooling*

CEFs pool money from many investors and assemble a portfolio of stocks, bonds and other securities to meet the CEF's investment objectives. The pooling of assets from multiple shareholders allows a CEF to diversify more broadly than a single investor would be able to. This is aptly expressed in Foreign and Colonial Investment Trust Plc's investment objective, which is "to give the investor of moderate means the same advantages as the large capitalist in diminishing the risk of investing in Foreign and Colonial Government Stocks by spreading the investment over a number of stocks" (Source: *Investment Trusts, Anthea Masey, Chapter 3: The History of the Investment Trust*). Thus, where an investor with RM10,000 could buy only a small number of a particular stock(s), a CEF with an asset size of say RM100 million, will be able to buy far more.

(ii) *Management Expertise*

Each CEF has its own investment policy and objective. Fund managers conduct the investment research and make the necessary investment decisions based on this mandate. Many individual investors neither have the time, energy, skills, experience, resource nor desire to follow the stock market and research investments on a full time basis. With CEFs, all the investors need to do is make the initial choice of which CEF to invest in. This decision will be based primarily on two (2) factors: the CEF's investment objective, and who the fund manager is.

(iii) *Stable Pool of Funds*

In contrast to open-end funds or unit trusts, the pool of assets available for investment remains stable for CEFs. CEF fund managers do not have to worry about having enough liquidity to meet redemption requests or identify enough opportunities to invest inflow of funds, which in the case of open-end funds, are beyond the fund manager's control. As a consequence, CEF fund managers have much greater flexibility to put the assets to work on a long-term strategy as the fund manager's investment decisions are totally separated from the shareholders' decision in relation to their shareholdings in CEFs. It was for this reason that the PRC decided to introduce CEFs in the early 1990s before unit trusts, which was introduced only in 2001 (Source: www.stock888.net).

(iv) *Better Investment Opportunities*

With a stable pool of assets, CEFs have a much broader range of investment choices and greater flexibility in deciding where and how to invest. For example, CEFs have more leeway to invest in illiquid and small capital securities that may offer potentially higher returns as well as allows CEFs to be more focused when investing.

6 INDUSTRY OVERVIEW (Cont'd)

(v) Lower Expenses

Ceteris paribus, lower expenses may generate better returns for investors. Open-end funds or unit trust funds are marketed with the support of well-established distribution networks, which includes financial planners, banks and insurance companies. With CEFs, there is no need for such marketing and distribution expenses.

Additionally, the CEF's stable pool of assets implies lower portfolio turnover, which translates into lower commission expenses.

(vi) Less Reinvestment Problems

With less buying and selling activities compared to an open-ended fund, there would be less reinvestment decisions for the CEF to make. The more reinvestment decisions to be made, the higher the risks of making the wrong decisions and thus the higher the chances that the performance of a fund would be inferior. As a result, chances of success for CEFs are much higher.

(vii) Additional Return Potential

The market price of CEFs is determined by the interplay between demand and supply. Consequently, the market price of a CEF need not equal its NAV. When demand is greater than supply, CEFs may sell at a premium to its NAV. Likewise, when supply exceeds demand, CEFs may sell at a discount to NAV. This feature gives investors the potential for additional returns. When the CEF discount narrows or its premium widens, the price return of the CEF will be greater than the NAV return. This is illustrated in the examples below.

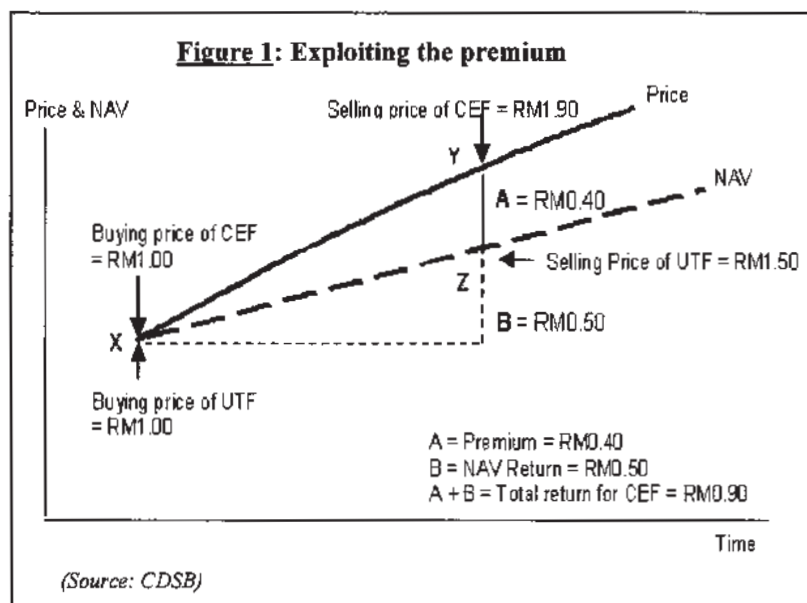
- **Exploiting the premium**

The first example is shown by **Figure 1** below. It shows the return to an investor in a situation where the CEF is issued at par during the IPO stage and subsequently moves to a consistent premium. This can happen when the fund manager has a consistently superior track record and investors are confident that the NAV of the CEF will expand. It shows how CEF investors can exploit a premium widening.

A UTF investor would buy and sell based on NAV. In **Figure 1**, a UTF investor buys at point X or RM1.00 and sells at point Z or RM1.50, giving him a return of RM0.50 (before subtracting loading charges). A CEF investor buys at the same point as the UTF investor, ie point X or RM1.00. Over time, the CEF moves into a premium. The CEF investor sells at the same time as the UTF investor, which corresponds to point Y or RM1.90. This gives the CEF investor a total return of RM0.90 (A+B), which consists of a NAV return of RM0.50 (B) and a premium of RM0.40 (A).

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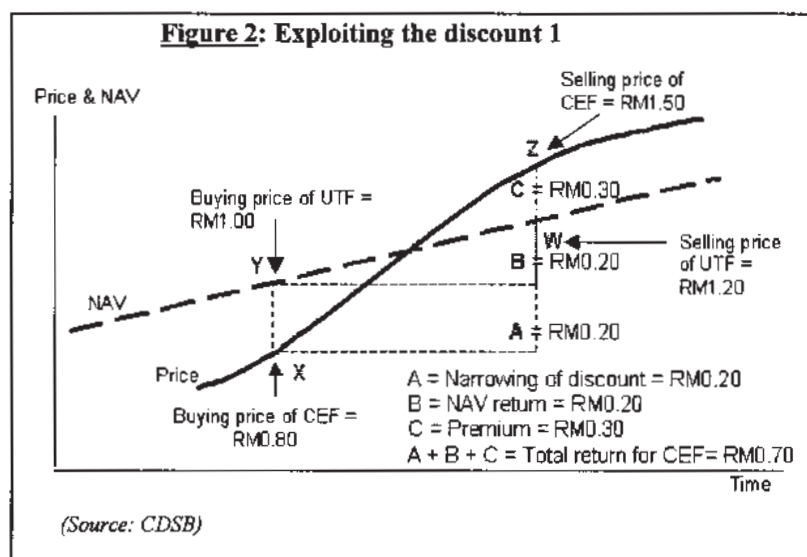
6 INDUSTRY OVERVIEW (Cont'd)



- **Benefiting from the discount**

Figure 2 shows the second example where a CEF moves from a discount to a premium. Assume that an investor buys a CEF at point X or at RM0.80, when the CEF is trading at a 20% discount to NAV. Over time, the discount evaporates and turns into a premium. The CEF investor decides to sell the CEF at point Z or at a price of RM1.50.

The CEF investor's total returns are made up of 3 parts : (i) The narrowing of the discount – Part (A) = RM0.20, (ii) The return on NAV, Part (B) = RM0.20, and (iii) The RM0.30 premium, Part (C). Had the investor invested in a UTF at the same time as he bought the CEF, he would have bought at point Y or at RM1.00. If he sells his UTF at the same time as he sold the CEF, he would have done so at point W or RM1.20. His gross returns from the UTF would only be RM0.20 (before subtracting any loading) or Part B. Obviously, this is much less than the returns of the CEF investor.



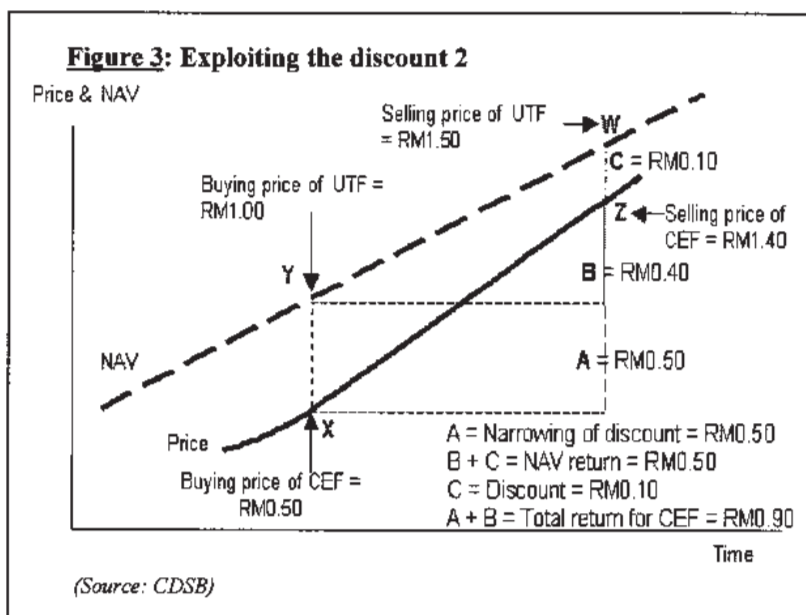
6 INDUSTRY OVERVIEW (Cont'd)

The third simple example is captured by **Figure 3**. It illustrates the return to an investor in a situation where the discount of a CEF narrows but does not move into a premium. Again, assume that an investor buys a CEF at point X or RM0.50, when the CEF is trading at a 50% discount to NAV. Over time, the discount narrows but does not disappear. At point Z or RM1.40, the investor decides to sell the CEF, which is then trading at a smaller discount.

The total return to the CEF investor is Parts B + (A - C). Part B + Part C represent the NAV return of RM0.50 (RM0.40 + RM0.10). Part A represents the initial discount of RM0.50. However, as the CEF is still trading at a RM0.10 discount at point Z, Part C is deducted from Part A (RM0.50 - RM0.10). So the total return to the CEF investor is Part A + Part B or RM0.50 + RM0.40 = RM0.90.

Had the investor invested in a UTF instead, buying at point Y and selling at point W, he would have made a gross return of Parts B+C, which is the NAV return of RM0.50 (before subtracting loading). In Malaysia, the front-end or back-end loadings can range from 2% to 7% of NAV. The load is added to the NAV of the shares when calculating the offer and redemption price. Consequently, the net returns to a UTF investor would be Parts B + C less the front-end and/or back-end load.

It is important to note that in a situation where the discount is narrowing, Part C can never be greater than Part A. From this, we can deduce a very important point. Parts A+B will always be greater than Parts B+C. So, when the discount narrows or when the premium widens, the returns from investing in a CEF will always be greater than the returns from investing in a UTF.



6 INDUSTRY OVERVIEW (Cont'd)

6.4 PERFORMANCE OF CLOSED-END FUNDS

Various share market indices are commonly used as benchmarks to assess the performance of CEFs. There are two (2) distinct but related measures to evaluate the performance of a CEF.

- (i) An assessment based on the return on NAV; and
- (ii) An assessment based on the return on market value.

The former measures the performance of the fund manager while the latter measures the actual investment returns (price performance) of the CEF.

Table 1: Comparison between Investment Trusts / CEFs and unit trusts (based on market value)

Category: Far East ex-Japan - Top 3 Investment Trusts / CEFs and unit trusts as at 7 March 2005

Fund type	Fund name	5-year %
Investment Trust / CEF	Aberdeen New Thai	+171.1
	Scottish Orient Small	+160.2
	Aberdeen Asian Smaller Companies	+113.0
	Average (out of 21 funds)	+34.5
Unit Trust	Lincoln Far East	+72.1
	Baring Korea	+58.0
	First State Asia Pacific A	+54.2
	Average (out of 57 funds)	+2.9

(Source: TrustNet Limited¹)

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¹ TrustNet Limited is a free daily updated fund information service regulated by the Financial Services Authority of the UK.

6 INDUSTRY OVERVIEW (Cont'd)

Table 1 shows the top 3 performing UK investment trusts / CEFs and unit trusts within the Far East ex-Japan category, ranked by their 5-year market value return. It clearly shows that investment trusts / CEFs have outperformed their unit trust counterparts. Looking at returns over 5 years, the average cumulative return of investment trusts / CEFs of 34.5% is about 12 times higher than the average 2.9% return of unit trusts.

Table 2: Performance comparison between investment trusts / CEFs and unit trusts (based on NAV)

Category: Far East ex-Japan -Top 3 investment trusts / CEFs and unit trusts as at 7 March 2005

Fund type	Fund name	5-year %
Investment Trust / CEF	Aberdeen New Thai	+142.9
	Scottish Orient Small	+95.2
	Aberdeen Asian Smaller Companies	+68.9
	Average (out of 21 funds)	+13.7
Unit Trust	Lincoln Far East	+72.1
	Baring Korea	+58.0
	First State Asia Pacific A	+54.2
	Average (out of 57 funds)	+2.9

(Source: TrustNet Limited¹)

Table 2 further reaffirms the superior performance of investment trusts / CEFs over their unit trusts peers, this time on the basis of NAV return. It shows the top 3 performing UK CEFs and unit trusts within the Far East Ex-Japan category, ranked by their 5-year NAV return. Again, CEFs performed better than unit trusts.

This is without taking into account the additional returns available to CEF investors due to the existence of discounts and premiums. As shown in **Table 1** and **Table 2**, CEFs made a 13.7% NAV return on average, while the average market value return was 34.5%. This implies that CEF investors achieved approximately 20.8 percentage points more return simply from narrowing discounts or widening premiums.

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¹ TrustNet Limited is a free daily updated fund information service regulated by the Financial Services Authority of the UK.

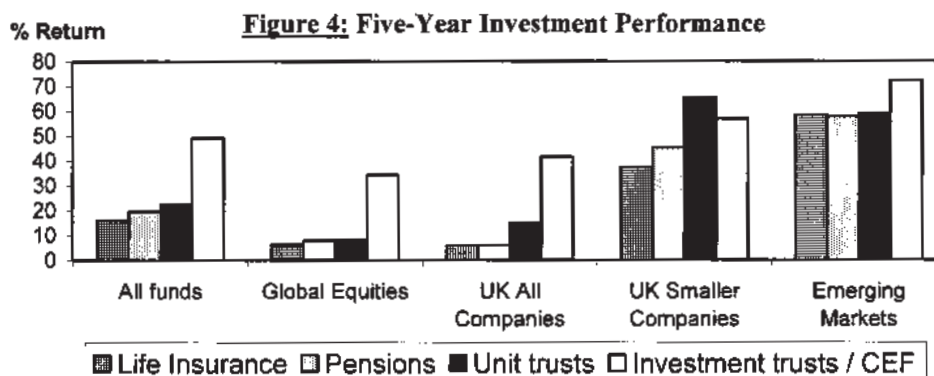
6 INDUSTRY OVERVIEW (Cont'd)

A similar story is told when the performance of CEFs is compared with other asset classes such as life insurance and pensions in the UK, as shown in Table 3 and Figure 4 below.

Table 3: 5-Year Investment performance of various fund classes

	Life insurance	Pensions	Unit trusts	Investment trusts / CEFs
All funds	16.0%	19.6%	22.5%	49.2%
Global equities	6.3%	7.9%	8.3%	34.4%
UK All Companies	6.1%	6.0%	14.8%	41.6%
UK Smaller Companies	37.5%	45.3%	65.4%	56.9%
Emerging Markets	58.1%	57.7%	59.1%	72.3%

(Source: 'Closed-ended funds: the weapon of choice for sophisticated investors', International Investment, January 2004, p22)



(Source: Based on 'Closed-ended funds: the weapon of choice for sophisticated investors', International Investment, January 2004, p22)

PAST PERFORMANCE OF THE FUND MANAGER IS NOT AN INDICATION OF FUTURE PERFORMANCE.

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6 INDUSTRY OVERVIEW (Cont'd)**6.5 PLAYERS, COMPETITION AND SUBSTITUTE PRODUCTS/SERVICES**

In Malaysia, listed CEFs were introduced in 1997 with the launch of AMFB. AMFB has a life span of ten (10) years and will mature in 2007, after which shareholders will decide whether to continue or wind-up the fund. AMFB was launched when the market was at its peak. AMFB remains the only CEF listed on Bursa Securities to date.

While there is only one CEF listed on Bursa Securities, the presence of CEFs in the major markets of New York, London, Shanghai and Shenzhen are sizable as shown in Table 4.

Table 4: CEFs on stock exchanges

Exchange	New York Stock Exchange (as at 31 Jan 2005)	London Stock Exchange (as at 31 Jan 2005)	Shanghai Stock Exchange (as at 31 Jan 2005)	Shenzhen Stock Exchange (as at 31 Jan 2005)	Bursa Securities (as at 31 Jan 2005)
No. of CEFs	658	334	25	30	1
Total listings	2,773	1,299	842	544	974
% of listings	23.7 %	25.7 %	3.0 %	5.5 %	0.1 %

(Source: Based on information extracted from New York Stock Exchange, London Stock Exchange, Bursa Securities, www.p5w.net, Association of Investment Trust Companies, Closed-end Fund Center)

Taking into consideration that there is only one listed CEF on Bursa Securities, the competition within the listed CEF industry in Malaysia is minimal. As such, icapital.biz faces competition from various other such investment funds, which includes amongst others, funds managed by provident and pension funds, unit trusts, asset management companies and insurance companies.

6.6 LAWS AND REGULATIONS

A CEF is governed by the SC Guidelines-CEF and the Listing Requirements. A CEF shall also comply with the Securities Commission Act 1993, SIA, Act, and relevant circulars and directives issued by the SC to CEFs. In addition, a CEF shall comply with all applicable exchange control laws, regulations and notices at all times.

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6 INDUSTRY OVERVIEW (Cont'd)

6.7 MANAGING DISCOUNTS

A CEF and/or its shareholders have the power to take action to narrow or eliminate the discount. Some of the options that may be available include share repurchase, open-ending, takeover, liquidation, managed distribution policy and shareholder activism.

(i) Shareholder Activism

CEFs are structured as public limited companies whereby there is no controlling shareholder. In Malaysia, the SC Guidelines - CEF stipulate that no shareholder can hold more than 20% of the total capital of the CEF. Therefore, shareholders have the power to pressure management to do something positive to narrow the discount. Active shareholders may attempt to realise the full value of the CEF by proposing a share repurchase, conversion to an open-end structure², takeover or liquidation. This is clearly illustrated in the case of Asia Tigers Fund Inc as explained below.

Figure 5: Asia Tigers Fund, Inc



(Source: www.ETFconnect.com)

Asia Tigers Fund (ATF) is a non-diversified CEF that seeks long-term capital appreciation by investing primarily in Asian equity securities. ATF has been trading on New York Stock Exchange since 19 November 1993. In January 2000, Harvard University bought 2.28 million ATF shares or 11% capital in ATF. At that time, ATF was trading at a 25% discount. By December 2002, Harvard University owned 3 million shares, or almost 23% of ATF's voting stock. Harvard University and other shareholders pressured ATF to convert to an interval fund, which is a CEF that offers to repurchase shares periodically to reduce the discount. By November 2003, the discount narrowed to 7% and Harvard University sold its ATF stake. Between January 2000 to November 2003, ATF's share price and NAV grew 45% and 27% respectively, as shown in **Figure 5**.

(Sources: USA Today, Article entitled 'Squeezing the Discount Out of Closed-End Fund', 26 March 2004, John Waggoner)

(ii) Share Repurchase

CEFs may offer to repurchase shares in order to narrow the discount. Share repurchases give investors the impression that fund managers are trying to reduce the discount, which helps to boost demand. Furthermore, when the CEF buys back shares at a discount to NAV, the NAV per share for the remaining shareholders increases if the shares bought back were cancelled. Share repurchase exercises are subjected to relevant laws and guidelines on share repurchase / share buyback.

² Although open ending of a CEF is an option available in foreign markets, there is no precedent of such open ending in Malaysia and is subjected to the SC's approval.

6 INDUSTRY OVERVIEW (Cont'd)**(iii) Open-Ending²**

CEFs could choose to convert to an open-end structure like that of unit trusts. Once a CEF open-ends, investors can sell their shares in the fund back to the fund manager, who redeems them at NAV. If the CEF does not have enough cash to meet redemptions, the fund manager can sell the assets from the portfolio to raise cash. A CEF's discount narrows considerably after an open-ending announcement is made as can be seen in Table 5.

Table 5: Narrowing of discount upon open-ending

CEF	Discount (before announcement)	Discount (after announcement)	Change
Alliance Global Environment	19.18%	4.95%	74.18%
GT Global Developing Markets	14.68%	8.44%	42.52%
New Age Media	19.09%	7.71%	59.64%
Oppenheimer World Bond	9.28%	4.24%	54.29%
Pilgrim America Bank & Thrift	11.65%	6.78%	41.84%
Quest for Value Dual Purpose Fund	5.41%	4.75%	12.34%
Schroder Asian Growth	13.60%	10.20%	25.01%
Worldwide Value Fund	13.59%	5.34%	60.69%

(Source: Closed-End Fund Centre, Wiesenberger Study of Closed-End Fund that Open End, 21 September 1998)

(iv) Takeover

A CEF that trades at a discount or has an attractive portfolio may be a target for a takeover as it represents an opportunity to buy assets on the cheap. Since a CEF has no controlling shareholder, an unfriendly party may attempt a hostile takeover by buying a large block of shares. In Malaysia, the maximum number of shares an investor can hold in a CEF is capped at 20%. While this may make hostile takeover attempts more difficult, however, since no single party can have voting control, it is relatively easier for shareholders to exert influence over the direction and affairs of the CEF. Shareholders may attempt a takeover to replace existing management or change existing investment policy.

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² Although open ending of a CEF is an option available in foreign markets, there is no precedent of such open ending in Malaysia and is subjected to the SC's approval.

6 INDUSTRY OVERVIEW (Cont'd)

(v) Liquidation

Alternatively, shareholders of a CEF may opt for liquidation, which essentially terminates the CEF. As the CEF approaches the liquidation date, the discount narrows. At the close of business, all assets are liquidated and shareholders are returned an amount equal to the NAV per share.

Table 6: France Growth Fund Inc liquidation

Date	Price (USD)	NAV (USD)	Discount
25 March 2004	7.40	8.45	12.43%
8 April 2004	8.31	8.81	5.68%
14 May 2004	7.93	8.28	4.23%
4 June 2004	8.43	8.61	2.09%

Table 6 shows the series of events from the announcement of liquidation to the actual liquidation of France Growth Fund, Inc (FGF). On 6 April 2004, FGF announced that it would call a special meeting of shareholders to vote on its liquidation. Following the announcement, the discount narrowed to 5.68% as at 8 April 2004, from the 12.43% discount recorded on 25 March 2004. On 27 May 2004, FGF's shareholders voted and approved the liquidation. By 4 June 2004, the discount narrowed to 2.09%. 18 June 2004 marked the last trading day of FGF shares. And on 21 June 2004, FGF reported liquidating distributions at USD8.42 per share, which was the NAV per share at the close of business.

(Source: www.francegrowthfund.com)

(vi) Managed Distribution Policy

Another method used to stimulate interest in CEFs is via a managed distribution policy. CEFs are introducing or increasing the frequency of dividend payments to shareholders in order to avoid shares from trading at a discount. Generally, dividends are in the form of regular fixed payments or payments based on a percentage of NAV. When CEFs are trading at a discount, these dividend payments offer investors an opportunity for higher dividend yields. For example, investors may pay only RM0.80 for shares in a CEF trading at a 20% discount, but collect dividends from a portfolio worth RM1.00, thus allowing them higher dividend yields. Nevertheless, such consistent cash outflows could compromise the performance of CEFs, especially in periods of underperformance. During bad times, CEFs may not be able to cover the distributions from other revenue streams, which could lead to a scenario involving a return of capital.

6.8 DEMAND AND SUPPLY CONDITIONS

The demand for a CEF depends on the ability of its fund manager to continuously perform and deliver results. The performance of a CEF depends on the appreciation in values of the underlying assets. As such, a value investing philosophy and prudent investment selections will assist a CEF to continuously deliver results. In addition, a CEF may attempt to increase the demand for its shares by offering dividends, engaging in tender offers (where the CEF offers to purchase its shares directly from shareholders at NAV), or instituting a share repurchase program (where the CEF buys its shares in the open market).

6 INDUSTRY OVERVIEW (Cont'd)

The supply for a CEF is, on the other hand, dependent on the expectations and behaviour of investors. Given that the investment objective of icapital.biz is long-term capital appreciation, investors who expect return in the shorter term may not be able to enjoy the appreciation. Investors who are easily influenced by market sentiments tend to withdraw from investing during bear markets, thus increasing the supply. Conversely, these same investors will tend to buy aggressively during bull markets, forcing the demand for the CEF to rise.

6.9 PROSPECTS OF THE COMPANY

CEFs (or investment trusts) have come a long way since 1868 when it was first introduced in the UK. In many ways, it is one of the best-kept secrets of the investment world. Buying a CEF is one of the cheapest and simplest ways of accessing the stock market.

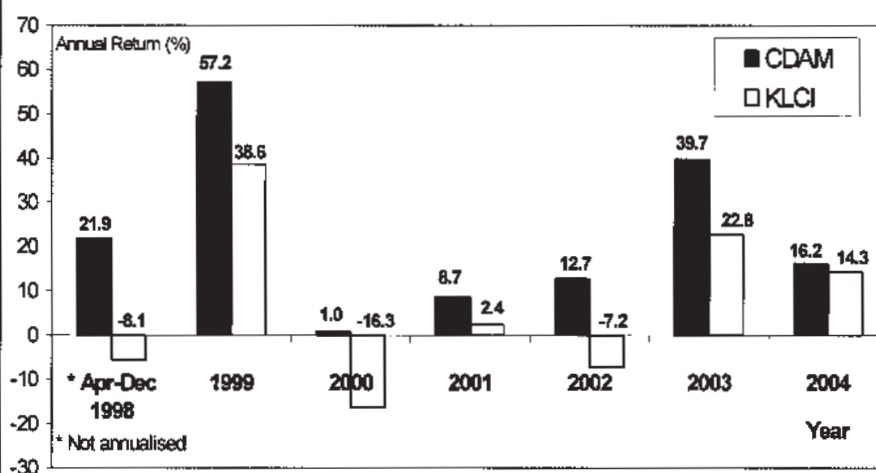
The one important factor that differentiates CEFs is the quality of the fund manager. In order to enjoy superior investment returns, having the right fund manager is imperative.

6.9.1 PERFORMANCE OF FUNDS UNDER CDAM'S MANAGEMENT

Since its inception, the annual returns (net of all expenses) of funds under CDAM's management have consistently outperformed the KLCI and the EMAS Index.

- (i) Funds under CDAM's management have beaten the KLCI and the EMAS Index in every single year;
- (ii) Funds under CDAM's management have beaten the KLCI and the EMAS Index on a cumulative basis;
- (iii) No negative returns have been recorded in any year; and
- (iv) In 1998, 2000 and 2002, CDAM registered positive returns despite the negative returns recorded by the bearish general market – see Figure 6.

Figure 6: Performance of funds under CDAM's management versus KLCI



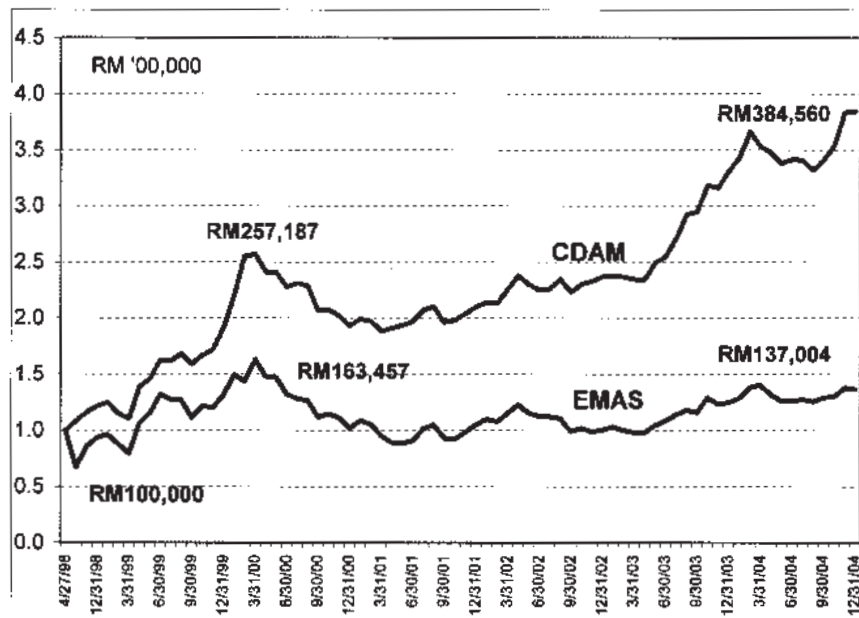
(Source: Data on CDAM – Messrs Hewitt Associates)

(Source: Data on KLCI – Daily Diary issued by Bursa Securities and www.bursamalaysia.com)

6 INDUSTRY OVERVIEW (Cont'd)

From 27 April 1998 to 31 December 2004, funds under CDAM's management earned an annual compound return of 22.32%, compared with only 5.84% and 4.82% for the KLCI and EMAS Index respectively. In other words, an initial investment of RM100,000 invested with CDAM in April 1998 would have grown to RM384,560 by December 2004 as opposed to RM146,173 and RM137,004 for the KLCI and EMAS Index- see Figure 7. Even if an investor started to invest with CDAM during the peak period in March 2000 with RM257,187, his investment would still grow to RM384,560 by December 2004 or a positive return of 49.53%. When this is compared to the investment made in EMAS Index during the same period, the initial investment is RM163,457 and will only be worth RM137,004 as at December 2004, generating a negative return of 16.2% (Source: CDAM).

Figure 7: Cumulative returns of funds under CDAM's management versus EMAS Index



(Source: Data on CDAM – Messrs Hewitt Associates)

(Source: Data on EMAS Index – Daily Diary issued by Bursa Securities and www.bursamalaysia.com)

Going Beyond an Impressive Track Record

While CDAM's track record is impressive, it is already history. What matters is future performance. Contrary to what is commonly perceived, the track record is not the most important factor in choosing a fund manager. The really key question is this - how can the fund manager sustain its superior performance and ensure future investment success? How can a client be sure that the past performance is not due to luck? How does CDAM deliver a consistent and sustainable performance to its clients?

The only thing that can ensure future investment success, which is what matters most, is to have a sound, rational investment approach and the discipline to apply them consistently. It is of utmost importance to carefully evaluate the philosophy and the underlying investment approach of the fund manager rather than just focus on past performance.

CDAM's investment philosophy/approach is outlined in Section 5.1.2 of this Prospectus.

6 INDUSTRY OVERVIEW (Cont'd)

PAST PERFORMANCE OF THE FUND MANAGER IS NOT AN INDICATION OF FUTURE PERFORMANCE.

6.9.2 INVESTMENT OUTLOOK

The best time to invest in a CEF is when the market is undervalued or when there is a lack of excessive optimism. Comparing **Figure 8** with **Figure 9** shows that the Bursa Securities is currently trading at the low end of its valuation, despite the Malaysian economy recording healthy economic performance in recent years.

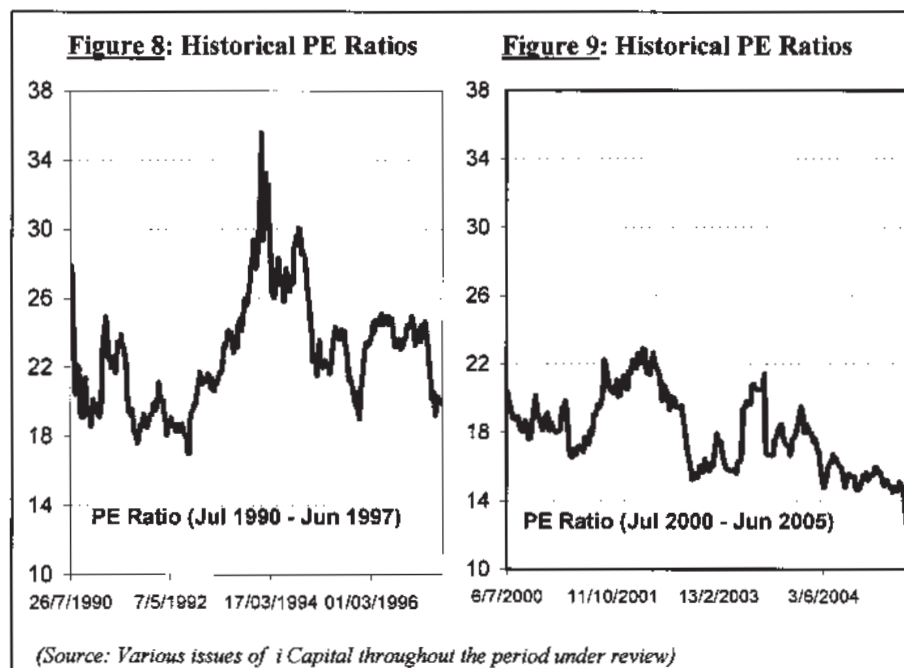


Table 7, which measures the market capitalisation to GDP ratio, also indicates that the valuation of Bursa Securities is undemanding. Clearly, such a scenario makes for a positive environment to launch icapital.biz.

Table 7: Nominal GDP and total market capitalisation

Year	Market capitalisation (RM billion)	Nominal GDP (RM billion)	Market capitalisation/ GDP
1990	131.66	119.08	1.11
1991	161.39	135.12	1.19
1992	245.82	150.68	1.63
1993	619.64	172.19	3.60
1994	508.85	195.46	2.60
1995	565.63	222.47	2.54
1996	806.77	253.73	3.18
1997	375.80	281.80	1.33
1998	374.52	283.24	1.32
1999	552.69	300.76	1.84
2000	444.35	343.22	1.29
2001	464.98	334.40	1.39
2002	481.62	361.62	1.33
2003	640.28	394.20	1.62
2004	722.04	447.55	1.61

(Source: Various reports issued by Bank Negara Malaysia)

6 INDUSTRY OVERVIEW (Cont'd)

6.9.3 REVIEW AND OUTLOOK OF THE MALAYSIAN ECONOMY

The launch of icapital.biz is further complemented by Malaysia's favourable economic outlook. Despite being hit severely by the financial crisis in 1997/98, Malaysia's economy managed to recover quickly in 1999. As shown in Table 8, Malaysia's economic performance has been strong compared with the regional countries.

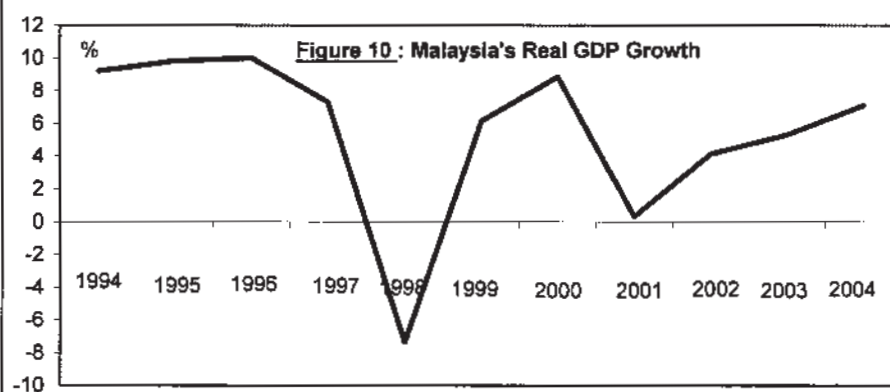
Table 8 : Real GDP Growth in East Asian Countries

(%)	1998	1999	2000	2001	2002	2003	2004	2005*
Malaysia	-7.4	6.1	8.9	0.3	4.4	5.4	7.1	5.7
Singapore	-0.8	6.8	9.6	-2.0	3.2	1.4	8.4	2.5
Hong Kong	-5.0	3.4	10.2	0.5	1.9	3.1	8.1	6.0
S. Korea	-6.9	9.5	8.5	3.8	7.0	3.1	4.6	2.7
Taiwan	4.3	5.3	5.8	-2.2	3.9	3.3	5.7	2.5
Indonesia	-13.1	0.8	4.9	3.4	4.3	4.5	5.1	6.4
Thailand	-10.5	4.4	4.8	2.2	5.3	6.9	6.1	3.3
Philippines	0.4	3.4	4.4	1.8	3.3	4.6	6.1	4.6

* 1st Quarter 2005

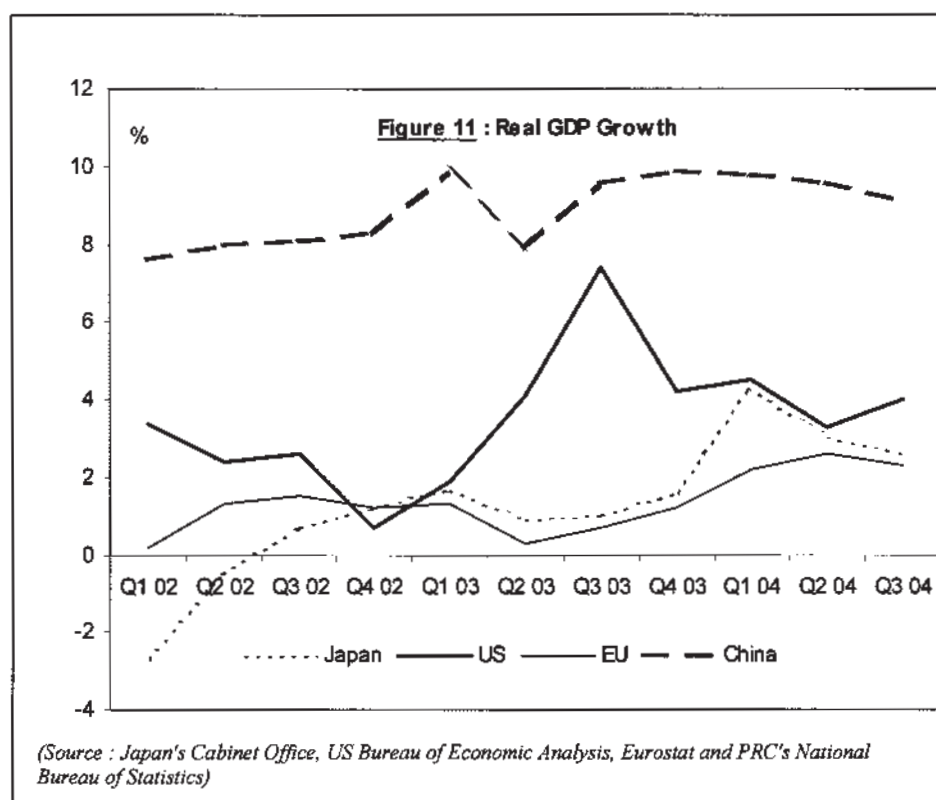
(Source: Department of Statistics, Malaysia, Bank Negara Malaysia, Singapore's Department of Statistics, Hong Kong's Census & Statistics Department, Korea National Statistics Office, Taiwan's National Statistics Office, National Economic and Social Development Board of Thailand, Central Bank of the Philippines, and Statistics Indonesia)

Malaysia's economy also rebounded swiftly after the technology bubble burst in 2000 – see Figure 10. In 2004, Malaysia's economy grew by 7.1%. *i Capital*, the newsletter by CDSB, expects another healthy economic growth for the Malaysian economy in 2005.

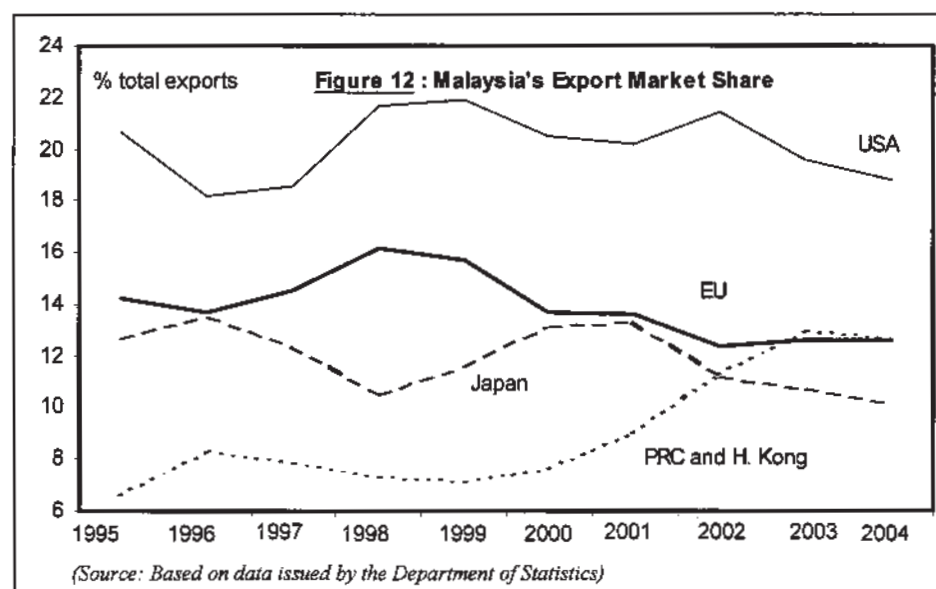


(Source: Department of Statistics)

6 INDUSTRY OVERVIEW (Cont'd)

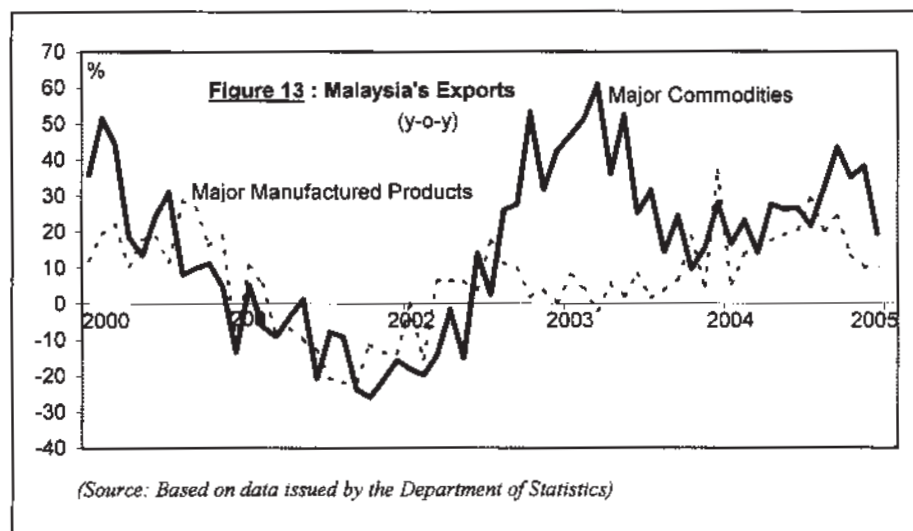


Economic growth in the last few years has been sustained by strong external demand as well as stable domestic demand. The synchronised world economic recovery has benefited an export-dependent economy like Malaysia. **Figure 11** shows economic growth of the major economies in the last few years. **Figure 12** shows Malaysia's exports to her major export markets. Malaysia's exports to the PRC has demonstrated an uptrend since 1999, in line with the rapid growth of the PRC's economy.



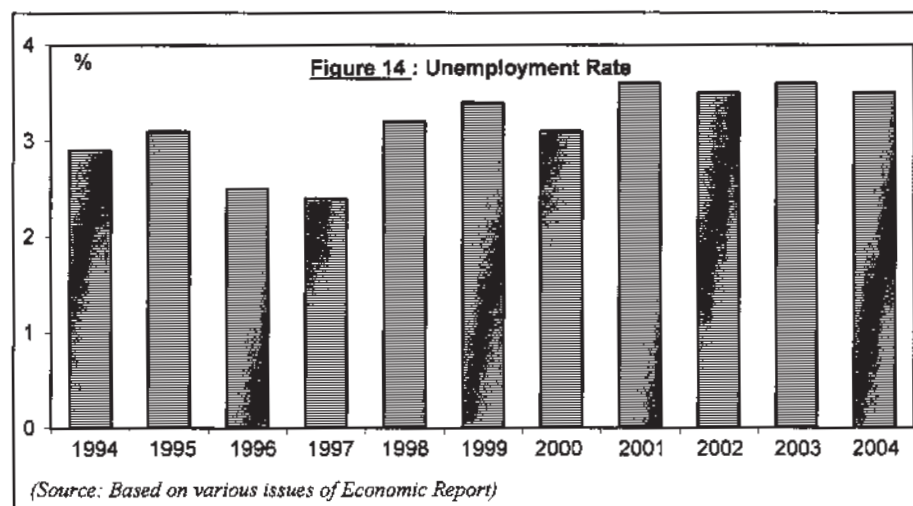
6 INDUSTRY OVERVIEW (Cont'd)

Besides the synchronised global recovery, Malaysia has also benefited from the rise in commodity prices, as she is also rich in natural resources. Although exports of electrical and electronic products are important to Malaysia's overall export performance, exports of commodities have remained significant. As shown in **Figure 13**, buoyant exports of palm oil, natural gas, crude oil, etc have contributed to sustaining Malaysia's exports and thus economic growth. With the PRC, India, and other East Asian countries expected to continue growing strongly, demand for palm oil, natural gas, crude oil, rubber, timber, and other commodities is expected to remain strong.



As of 21 July 2005 the RM is no longer pegged to the US Dollar. Although the peg has been removed, Bank Negara Malaysia is expected to monitor the RM's exchange rate closely to ensure that the RM trades closely to its fair value. The huge international reserves would enable Bank Negara Malaysia to comfortably manage the RM's exchange rate in the interest of Malaysia's exports.

On the other hand, growth in domestic demand was underpinned by strong private consumption as well as continued supportive fiscal policy and accommodative monetary policy. Although the Malaysian government has been trying to consolidate her fiscal position, the cut back in public sector expenditure has been mild. Private consumption has been able to grow strongly due to a stable labour market condition (see **Figure 14**), low interest rate and high commodity prices.



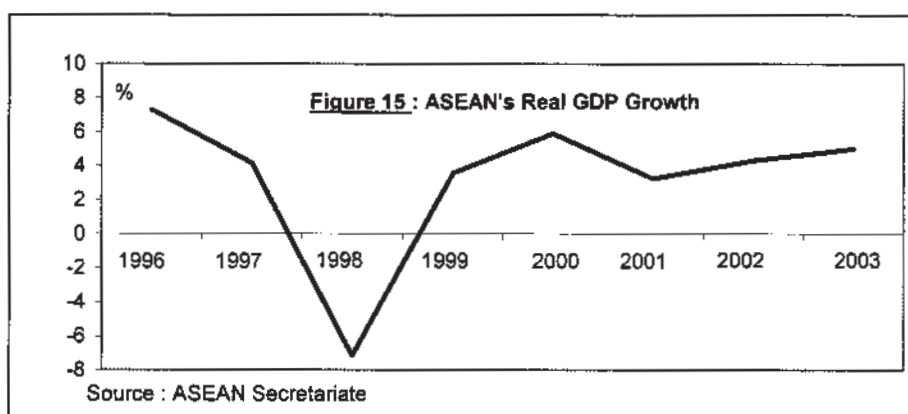
6 INDUSTRY OVERVIEW (Cont'd)

The landslide win in the 2004 election proved a simple but highly important point about Malaysia. It is certainly not a nation of extremists. Despite big swings in voting trends amidst a multi-ethnic, multi-religious society, Malaysia has been able to maintain political stability for nearly all of its independent years. The massive mandate given by the electorate to the current ruling coalition provides an opportune time for the new administration to address the structural problems Malaysia faces by speedily implementing reform programmes. These reforms are expected to further enhance the fundamentals strength of the Malaysian economy.

Malaysia's economic outlook remains favourable. Externally, although world economic growth is expected to moderate in 2005, the slowdown is expected to be relatively mild. According to the International Monetary Fund, the world economy is projected to expand by 4.3% in 2005, slightly slower than the 5.0% expected for 2004. On the domestic front, Malaysia's economic fundamentals stay strong. Despite having a low unemployment rate, inflationary pressure stays benign. In addition, the current account of the balance of payments has been recording huge surpluses for many years and this favourable performance is expected to continue given the positive world economic outlook. Malaysia's international reserves have been on a steady climb for some time and are currently at a comfortable level. At the end of 2004, Malaysia's international reserves stood at RM253.5 billion or USD66.7 billion. This was sufficient to finance 8.2 months of retained imports and was 6.1 times the short-term external debt. Although the federal government's financial position has been in a deficit for 7 continuous years, about 80% of the deficit is financed by domestic savings. Foreign debt remains low. The external debt service ratio as at the end of September 2004 was a low 4.6%. In addition, the government has taken measures to reduce the fiscal deficit. For 2005, *i Capital* has forecasted that Malaysia's economy would grow in the range of 5.0%-6.0%.

6.9.4 REVIEW AND OUTLOOK OF THE REGIONAL ECONOMIES

South East Asia's economies were hit hard during the Asian financial crisis. Real GDP of ASEAN contracted 7.1% in 1998. However, after undergoing positive changes, both politically and economically, optimism is returning to the region again. This is reflected from the huge run up in the region's stock markets. **Figure 15** shows the growth rate of ASEAN from 1996 to 2003. The region as a whole holds much promise for investors in light of its huge population and rising level of per capita income – see **Table 9**.



6 INDUSTRY OVERVIEW (Cont'd)**Table 9: Population and Gross National Income per capita**

	Indonesia	Malaysia	Philippines	Singapore	Thailand	Vietnam
2003 population (million)	214.5	24.8	81.5	4.3	62.0	81.3
2003 Gross national income per capita (USD)	810	3,780	1,080	21,230	2,190	480

(Source : www.worldbank.org)

With the region's huge potential as well as positive political and economic changes, i Capital is confident that foreign direct investment flow into ASEAN could return to or even surpass the levels before the Asian financial crisis – see Table 10.

Table 10 : Foreign direct investment (USD million)

	1992-97 annual average	1998	1999	2000	2001	2002	2003
Malaysia	5,816	2,714	3,895	3,788	554	3,203	2,474
Singapore	8,295	7,690	16,067	17,217	15,038	5,730	11,409
Thailand	2,269	7,491	6,091	3,350	3,813	1,068	1,802
Indonesia	3,518	-241	-1,866	-4,550	-2,977	145	-597
Philippines	1,343	2,212	1,725	1,345	982	1,792	319

(Source : United Nations Conference on Trade and Development)

i Capital believes that the rapid emergence of the PRC and India further boosts the attractiveness of the region. Almost 40% of the world's population live in these two countries. Given their huge population and rising income levels, the potentials of the PRC and India are immeasurable – see Table 11.

Table 11: Economic Indicators for India and the PRC

	PRC			India		
	GDP growth (%)	Gross national income per capita (USD)	Population (million)	GDP growth (%)	Gross national income per capita (USD)	Population (million)
1999	7.1	780	1,253.7	7.1	440	999.0
2000	8.0	840	1,262.6	3.9	450	1,015.9
2001	7.5	900	1,271.8	5.2	460	1,032.5
2002	8.0	960	1,280.4	4.6	470	1,048.6
2003	9.1	1,100	1,288.4	8.0	530	1,064.4

(Source : www.worldbank.org)

6 INDUSTRY OVERVIEW (Cont'd)

In summary, the prospects for icapital.biz looks bright. At its core, icapital.biz is supported by a top performing fund manager. CDAM's consistent success is attributed to its sound intellectual framework for making investment decisions. This investment framework provides CDAM with an unsurpassed edge in identifying investment opportunities and delivering results for icapital.biz. On top of having the right fund manager, the prospect of icapital.biz is further enhanced by a positive investment environment. Bursa Securities is at the low end of its valuation and Malaysia's economic outlook remains favourable. All in all, these factors put forth a compelling case for investing in icapital.biz.

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7 FINANCIAL INFORMATION

7.1 FINANCIAL HIGHLIGHTS

The following information has been extracted from the Accountant's Report in Section 13 of this Prospectus and should be read in conjunction with the notes thereto. There were no audit qualifications for the financial period under review. The summarised results of icapital.biz since incorporation on 11 December 2004 to 31 May 2005 are as follows:-

	Financial Period from 11.12.2004 (date of incorporation) to 31.5.2005 RM
Turnover	-
Administrative expenses	(138,733)
Loss before taxation	<u>(138,733)</u>
Depreciation	-
Interest expense	-
Loss before interest, depreciation, tax and amortisation	<u>(138,733)</u>
Less: Depreciation	-
Interest expense	-
Loss before taxation	<u>(138,733)</u>
Taxation	-
Loss after taxation	<u><u>(138,733)</u></u>
Number of ordinary shares of RM1 each in issue	<u><u>2</u></u>
Gross loss per share (RM)	<u><u>(69,366)</u></u>
Net loss per share (RM)	<u><u>(69,366)</u></u>

Notes to the income statements of icapital.biz:-

- (a) *icapital.biz was dormant for the financial period under review.*
 (b) *All expenses of icapital.biz for the financial period under review were mainly due to preliminary expenses, pre-operating expenses and professional fees, in respect of the Public Issue.*

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7 FINANCIAL INFORMATION (Cont'd)

The following information has been extracted from the Accountants' Report in Section 13 of this Prospectus and should be read in conjunction with the notes thereto. The proforma balance sheets of icapital.biz as at 31 May 2005 and the corresponding effects of the Public Issue are as follows:-

	As at 31 May 2005	Proforma I After Public Issue	
	RM	Minimum Subscription RM	Maximum Subscription RM
CURRENT ASSETS			
Other receivables, deposits and prepayments	1,280	1,280	1,280
Cash in hand	2	57,800,000	137,200,000
	1,282	57,801,280	137,201,280
CURRENT LIABILITIES			
Other payables	(140,013)	(140,013)	(140,013)
NET CURRENT (LIABILITIES) /ASSETS	(138,731)	57,661,267	137,061,267
	(138,731)	57,661,267	137,061,267
(REPRESENTED)/ FINANCED BY:-			
Share capital	2	60,000,000	140,000,000
Accumulated loss	(138,733)	(2,338,733)	(2,938,733)
Shareholders' equity	(138,731)	57,661,267	137,061,267
Number of ordinary shares of RM1 each in issue	2	60,000,000	140,000,000
Net tangible (liabilities)/assets per share (RM)	(69,366)	0.96	0.98

7.2 TAXATION POLICY

Information concerning the tax status and policy of the Company and the taxation of shareholders residing in Malaysia is contained in Section 14 of this Prospectus.

If any potential investor is in any doubt about the taxation consequences of acquiring, holding or disposing the icapital.biz Shares or whether he is subject to tax (whether in Malaysia or in any jurisdiction other than Malaysia), he should seek advice from his own professional adviser.

7.3 DIVIDEND POLICY

icapital.biz carries a dividend policy that will be in line with its objectives. The Board may recommend the payment of either cash or stock dividends, while maintaining the NAV at an appropriate level.

7 FINANCIAL INFORMATION (Cont'd)

7.4 DIRECTORS' DECLARATION ON FINANCIAL PERFORMANCE

As at the Latest Practicable Date, and save for the risk factors disclosed in Section 3 of this Prospectus, the financial conditions and operations of the Company are not affected by any of the following:-

- (a) known trends, demands, commitments, events or uncertainties that have had or that the Company reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of the Company;
- (b) unusual, infrequent events or transactions or any significant economic changes that materially affected the financial performance, position and operations of the Company;
- (c) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position; and
- (d) pending and threatened litigation and arbitration proceedings having an impact on the financial position of the Company.

7.5 CAPITAL COMMITMENT

As at the Last Practicable Date, icapital.biz has no capital commitments (approved and not contracted for).

7.6 WORKING CAPITAL, BORROWINGS, MATERIAL LITIGATION AND CONTINGENT LIABILITIES

As at the Latest Practicable Date:-

- (i) icapital.biz and CDAM have no outstanding material contingent liabilities;
- (ii) icapital.biz and CDAM have no borrowings;
- (iii) icapital.biz and CDAM have no contracted capital commitments; and
- (iv) icapital.biz and CDAM are not engaged in any material litigation or arbitration proceedings either as plaintiff or defendant and the respective Boards of Directors of icapital.biz and CDAM have no knowledge of any proceedings pending or threatened against the respective company, or any facts likely to give rise to any proceedings which might materially affect the position and business of the respective company.

7.7 FUTURE FINANCIAL INFORMATION

Due to the uncertainty of the revenue arising from the nature of the business of the Company, the Board has decided not to include any future financials in this Prospectus.

8 INFORMATION ON SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL

8.1 INFORMATION ON SUBSTANTIAL SHAREHOLDERS AND DIRECTORS

The shareholdings of the substantial shareholders and directors of icapital.biz as at the Latest Practicable Date are as follows:-

	Nationality	Before the Public Issue				After the Public Issue			
		Shareholding		Shareholding		Shareholding		Shareholding	
		Direct	%	Indirect	%	Direct	%	Indirect	%
Substantial Shareholders									
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	Malaysian	1	50.00	-	-	See Note 1			
Tan Teng Boo ²	Malaysian	1	50.00	-	-	-	-	-	-
Directors									
Michael Vitus Wong Kuan Lee	Malaysian	-	-	-	-	-	-	See Note 3	
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	Malaysian	1	50.00	-	-	See Note 1		-	-
Dato' Raja Nong Chik bin Raja Zainal Abidin	Malaysian	-	-	-	-	-	-	See Note 4	
Yeoh Ah Tu	Malaysian	-	-	-	-	-	-	-	-

Note:

- 1 YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya has applied for 3,000,000 Shares under the Private Placement and the final allocation will only be confirmed after the closing date. Assuming 3,000,000 Shares are allotted to YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya through the Private Placement, his shareholding in icapital.biz will range between 2.14% (under the Maximum Subscription) and 5.00% (under the Minimum Subscription).
- 2 Tan Yuen-Lin, the son of Tan Teng Boo has applied for 300,000 Shares under the Private Placement and the final allocation will only be confirmed after the closing date. Assuming 300,000 Shares are allotted to Tan Yuen-Lin through the Private Placement, his shareholding in icapital.biz will range between 0.21% (under the Maximum Subscription) and 0.50% (under the Minimum Subscription).
- 3 Ong Siok A, the spouse of Michael Vitus Wong Kuan Lee has applied for 400,000 Shares under the Private Placement and the final allocation will only be confirmed after the closing date. Assuming 400,000 Shares are allotted to Ong Siok A through the Private Placement, Michael Vitus Wong Kuan Lee's indirect shareholding in icapital.biz will range between 0.29% (under the Maximum Subscription) and 0.67% (under the Minimum Subscription).
- 4 Rasma Corporation Sdn Bhd, a company in which Dato' Raja Nong Chik bin Raja Zainal Abidin is a director and holds substantial shareholdings, has applied for 500,000 Shares under the Private Placement and the final allocation will only be confirmed after the closing date. Assuming 500,000 Shares are allotted to Rasma Corporation Sdn Bhd through the Private Placement, Dato' Raja Nong Chik bin Raja Zainal Abidin's indirect shareholding in icapital.biz will range between 0.36% (under the Maximum Subscription) and 0.83% (under the Minimum Subscription).

8 INFORMATION ON SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

8.1.1 Profile and Track Record of Substantial Shareholders and Directors

The profile and track record of substantial shareholders and directors of the Company are outlined in Section 8.2 below.

8.2 SUBSTANTIAL SHAREHOLDERS AND DIRECTORS

(i) Profile

(a) YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya

The profile of YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya is set out in Section 5.1.5 of this Prospectus.

(b) Michael Vitus Wong Kuan Lee

The profile of Michael Vitus Wong Kuan Lee is set out in Section 5.1.5 of this Prospectus.

(c) Dato' Raja Nong Chik bin Raja Zainal Abidin

Dato' Raja Nong Chik bin Raja Zainal Abidin, aged 52, holds a degree in Economics (Honours) from the University of Wales. Dato' Raja Nong Chik bin Raja Zainal Abidin is an accountant by profession. He is a member of the Chartered Institute of Management Accountant (CIMA), Malaysia Institute of Accountants (MIA) and the Institute of Chartered Secretaries and Administrators (ICSA).

He is currently the Managing Director and major shareholder of Rasma Corporation Sdn Bhd, a Class A mechanical and electrical contractor. He is also a Director of Pharmaniaga Berhad, a pharmaceutical-based company listed on the Main Board of Bursa Securities. He is also a director of Kumpulan RZA Sdn Bhd, a company involved in investments and logistics.

He started his career with FELCRA Berhad in 1978 and later moved on to Kumpulan FIMA as the Manager in Corporate Planning and Finance in 1979. He subsequently joined OYL Industries Berhad ("OYL") in 1982 and was attached with OYL for nine (9) years. He was appointed as the Executive Director of OYL from 1982 to 1990.

Currently, Dato' Raja Nong Chik is the President of Bumiputra Manufacturers' and Services Industry Association Malaysia.

(d) Yeoh Ah Tu

Yeoh Ah Tu, aged 54, holds a degree in Accountancy from the University of Singapore. He is a fellow member of the Certified Practising Accountants of Australia.

He started his career in 1975 as a tutor in financial accounting and cost accounting in a private institution in Singapore.

8 INFORMATION ON SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

Yeoh Ah Tu founded Systematic group of colleges in 1977. Under his guidance, the company was listed in 1995 on the Second Board of Bursa Securities and he was on the company's board of directors until 2000.

Yeoh Ah Tu has been on the Board of Directors of Sentral Education Sdn Bhd and SCI Sentral Sdn Bhd since 2001. These companies are involved in education and training activities.

(ii) Directorships and Substantial Shareholdings in other Public Companies

Save as disclosed below, none of the directors of the Company hold or held any directorships or substantial shareholdings (5% or more of the issued and paid-up share capital) in other public companies for the past two (2) years:-

	Company	Principal Activities	Designation	No. of shares held	%
Michael Vitus Wong Kuan Lee	Sime Darby Berhad*	Plantation, property, heavy equipment and motor vehicle distribution, energy and trading	Independent Non-Executive Director	-	-
	Keck Seng (Malaysia) Berhad	Oil palm refining and property development	Independent Non-Executive Director	-	-
	Tractors Malaysia Holdings Berhad *	Investment holdings and provision of management and ancillary services to its subsidiary companies	Independent Non-Executive Director	-	-
	Malaysia Deposit Insurance Corporation	Insurance deposit	Director	-	-
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	Sime Darby Berhad	Plantation, property, heavy equipment and motor vehicle distribution, energy and trading	Deputy Chairman / Independent Non-Executive Director	-	-
	Sime Trust (Labuan) Berhad (in members' voluntary liquidation)	Trust services	Non-Independent Non-Executive Director	-	-
	Tractors Malaysia Holdings Berhad	Investment holdings and provision of management and ancillary services to its subsidiary companies	Non-Independent Non-Executive Director	-	-

8 INFORMATION ON SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

	Company	Principal Activities	Designation	No. of shares held	%
	KLCC (Holdings) Berhad	Investment holding	Director	-	-
	KLCC Projek Berhad (formerly known as Kuala Lumpur City Centre Berhad)	Project management	Director	-	-
	KLCC Property Holdings Berhad	Property investment and provision of management services	Chairman and Independent Non-Executive Director	50,000	0.005
	Kuala Lumpur City Centre Development Berhad	Dormant	Director	-	-
	Kuala Lumpur City Park Berhad	Leaseholder of the KLCC Park	Director	-	-
Dato' Raja Nong Chik bin Raja Zainal Abidin	Pharmaniaga Bhd	Trading and manufacturing of pharmaceutical products	Non-Independent Non-Executive Director	27,000 (direct)	0.03

Note:

* Resigned in 2005

(iii) **None of the directors of the Company is or was involved in the following events whether in or outside Malaysia:-**

- (a) A petition under any bankruptcy or insolvency laws filed against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) Conviction in a criminal proceedings or is a named subject of a pending criminal proceedings; and
- (c) The subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or government body temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

(iv) **None of the directors of the Company have entered into any service agreements with the Company**

There are no service agreements entered into with the directors of the Company.

8 INFORMATION ON SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

(v) Directors' Remuneration and Benefits

There are no remunerations paid to the directors of the Company for the period ended 31 May 2005. For the financial year ending 31 May 2006, the remuneration payable to the directors of the Company is estimated up to RM100,000.

The number of Directors in the various remuneration bands are set out below:-

	← Aggregate Remuneration →	
	← Financial period ended 31 May 2005 →	← FYE 31 May 2006 →
Up to RM100,000	-	4

8.3 AUDIT COMMITTEE

The composition of the Audit Committee is as follows:-

Name	Designation	Directorship
Dato' Raja Nong Chik bin Raja Zainal Abidin	Chairman of the Audit Committee	Independent Non-Executive Director
Yeoh Ah Tu	Member of the Audit Committee	Independent Non-Executive Director
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	Member of the Audit Committee	Chairman/Non-Independent Non-Executive Director

The Audit Committee, comprising two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, is responsible for the recommendations to the Board regarding the selection of the external auditors, reviewing the results and scope of the audit and other services provided by the Company's external auditors. In addition, the Audit Committee reviews and evaluates the Company's internal audit and control functions. The Audit Committee is also responsible for the assessment of financial risk and matters relating to related party transactions and conflict of interests. The Audit Committee may obtain advice from independent parties and other professionals in the performance of its duties.

8.4 KEY INVESTMENT PERSONNEL

icapital.biz is assisted by the Designated Person, the Fund Manager and the Investment Adviser. The Investment Adviser has a team of dynamic investment personnel involved in investment analysis and selection. Particulars of the key investment personnel of the Fund Manager and the Investment Adviser are set out in Section 5.4 of this Prospectus.

8 INFORMATION ON SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY PERSONNEL (Cont'd)

8.5 CHANGES IN MAJOR SHAREHOLDERS AND THEIR RESPECTIVE SHAREHOLDINGS IN THE COMPANY SINCE INCORPORATION

The Subscribers' Shares held by YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya and Tan Teng Boo will be placed out under the Private Placement. YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya has subscribed for 3,000,000 Shares under the Private Placement. The final allocation will be confirmed after the closing date.

8.6 RELATIONSHIPS AND ASSOCIATIONS

There are no family relationships or associations between the substantial shareholders and directors of icapital.biz.

CDSB is a substantial shareholder of CDAM.

Tan Teng Boo is a substantial shareholder of both CDAM and CDSB.

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9 APPROVALS AND CONDITIONS

9.1 CONDITIONS TO THE APPROVALS AND COMPLIANCE THEREOF

The SC approved the Public Issue on 6 June 2005, 28 July 2005 and 22 August 2005. The conditions imposed by the SC and the status of compliance are set out as follows:-

Conditions	Status of compliance
(i) SC's approval for the members of the Board is subject to there being no adverse findings from the vetting process conducted on all candidates. icapital.biz or its adviser must inform SC of the date of appointment of the directors of the Board within 2 weeks after the appointments are made effective;	YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya, Dato' Raja Nong Chik bin Raja Zainal Abidin and Yeoh Ah Tu were appointed to the Board on 29 June 2005 while Tan Teng Boo resigned from the Board on 30 June 2005. Complied. The SC has been informed of these appointments and termination within two (2) weeks from their respective effective dates of appointments or termination.
(ii) The adviser to submit the draft prospectus of icapital.biz at least 30 days before the date of the prospectus;	Complied. The first draft of the prospectus was submitted to the SC on 22 July 2005.
(iii) The adviser to inform SC of the listing date of icapital.biz prior to the listing of icapital.biz;	Complied. The SC was informed on the tentative listing date of icapital.biz on 19 September 2005.
(iv) The listing of icapital.biz must be completed within six (6) months from the date of the SC's approval. The SC's approval is deemed lapse if icapital.biz fails to do so within the stipulated timeframe; and	To be complied. The listing of icapital.biz is expected to be on 19 October 2005 which is within six (6) months from the SC's approval.
(v) icapital.biz, CDAM and Deutsche Bank to fully comply with relevant requirements of the SC Guidelines-CEF, the Listing Requirements, the Securities Commission Act 1993 ("SC Act") and any notices that are issued from time to time (where relevant).	Complied. As at the Latest Practicable Date icapital.biz, CDAM and Deutsche Bank have complied with the relevant requirements of the SC Guidelines – CEF and the SC Act, save for the waivers set out in Section 9.2 of this Prospectus.

Bursa Securities provided its approval-in-principle for the Listing on 5 September 2005. The listing and quotation of the entire issued and paid-up share capital of icapital.biz will commence two (2) market days after receipt of the relevant listing documents by Bursa Securities.

9 APPROVALS AND CONDITIONS (Cont'd)

9.2 WAIVERS GRANTED BY THE SC AND BURSA SECURITIES

9.2.1 Waivers granted by the SC

In the SC's approval dated 6 June 2005, the following waivers were granted to icapital.biz:-

(i) Minimum issued and paid-up share capital

Paragraph 3.1 of the SC Guidelines-CEF stipulates that a CEF shall have a minimum issued and paid-up share capital of RM100 million comprising 100 million ordinary shares of RM1.00 each.

The SC has granted icapital.biz a waiver from compliance with the said minimum issued and paid-up share capital requirement of RM100 million for icapital.biz. The paid-up share capital of icapital.biz will be between a minimum of RM60 million and a maximum of RM140 million, depending on the level of subscription received from the Private Placement, Public Offer to the Entitled Subscribers and the Public Offer to the general public.

(ii) Shareholding spread

Paragraph 3.3.1 of the SC Guidelines-CEF stipulates that a CEF shall issue its securities such that at least 25% of the issued and paid-up capital would be in the hands of the public, provided that at least 10% or RM15 million, whichever is greater, of that issued and paid-up capital is held by not less than 500 shareholders (referred to hereon as "Public Shareholders") holding not more than 30,000 shares and not less than 1,000 shares each.

The SC has granted icapital.biz a waiver from having to comply with the above and icapital.biz is to follow the following rules on shareholding spread applicable to companies seeking a listing on the Main Board:-

- (a) at least 25% of the total number of shares for which listing is sought in the hands of a minimum of 1,000 Public Shareholders holding not less than 100 shares each, pursuant to the Listing Requirements; and
- (b) the shares offered under the (balloted) public offer portion should constitute at least 5% of icapital.biz's enlarged issued and paid-up capital or an aggregate of RM3 million in par value, whichever is higher, pursuant to the SC Guidelines.

(iii) Underwriting requirements

Paragraph 3.5.1 of the SC Guidelines-CEF stipulates that underwriting arrangements shall be made (whether by way of firm underwriting arrangements or written irrevocable undertakings) such that the net proceeds of the offer shall be no less than RM 100 million.

Instead, the SC has allowed for underwriting arrangements to be made only in respect of the 13,000,000 Issue Shares to be offered to the general public and the Entitled Subscribers under the minimum subscription. The remaining icapital.biz Shares are to be allocated by way of private placement and will not be underwritten, as irrevocable undertakings will be procured from the placees prior to the listing of icapital.biz.

9 APPROVALS AND CONDITIONS (Cont'd)

9.2.2 Waivers granted by Bursa Securities

In Bursa Securities' approval dated 29 July 2005, the following waivers were granted to icapital.biz:-

(i) Shareholding Spread

Paragraph 4.06(2) of the Listing Requirements stipulates that a CEF must ensure that out of its public shareholding, at least 10% or RM15 million, whichever is greater, is held by not less than 500 Public Shareholders, each holding not more than 30,000 shares and not less than 100 shares.

Bursa Securities has granted icapital.biz a waiver from having to comply with the above and icapital.biz is to follow paragraph 3.05(1) of the Listing Requirements. Under this paragraph, icapital.biz must have at least 25% of the total number of shares for which listing is sought in the hands of a minimum of 1,000 public shareholders holding not less than 100 shares each.

(ii) Minimum issued and paid-up share capital

Paragraph 4.05 of the Listing Requirements stipulates that a CEF shall have a minimum issued and paid-up share capital of RM100 million comprising 100 million ordinary shares of RM1.00 each.

Bursa Securities has granted icapital.biz a waiver from compliance with the said minimum issued and paid-up share capital requirement of RM100 million for icapital.biz. The paid-up share capital of icapital.biz will comprise a minimum of RM60 million ordinary shares of RM1.00 each.

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10 RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

10.1 Save as disclosed below, there have been no related party transactions, existing or proposed to be entered into by icapital.biz which involves the interest, direct or indirect, of a director, major shareholder or person connected with such director or major shareholder, within the meaning of the SC Guidelines:-

(a) the Fund Management Agreement, by virtue of:-

- YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya being a director of icapital.biz and a director and substantial shareholder of CDAM, the Fund Manager.

YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya does not hold any executive position in CDAM and is not involved in the daily operations and management of CDAM. In view of this, a situation of conflicts of interest does not arise.

- Michael Vitus Wong Kuan Lee being a director of icapital.biz and a director and substantial shareholder of CDAM, the Fund Manager.

Michael Vitus Wong Kuan Lee does not hold any executive position in CDAM and is not involved in the daily operations and management of CDAM. In view of this, a situation of conflicts of interest does not arise.

- Tan Teng Boo being a substantial shareholder of icapital.biz, namely the holder of one of the Subscribers' Share (as at the date of this Prospectus) and a director and substantial shareholder of CDAM, the Fund Manager. Tan Teng Boo will cease to be a substantial shareholder of icapital.biz upon the Listing.

(b) the Investment Advisory Agreement, by virtue of:-

- Tan Teng Boo being a substantial shareholder of icapital.biz, namely the holder of one of the Subscribers' Share (as at the date of this Prospectus) and a director and substantial shareholder of CDSB, the Investment Adviser. Tan Teng Boo will cease to be a substantial shareholder of icapital.biz upon the Listing.

(c) the Licensing Agreement, by virtue of:-

- Tan Teng Boo being a substantial shareholder of icapital.biz, namely the holder of one of the Subscribers' Share (as at the date of this prospectus) and a director and substantial shareholder of CDSB, the Investment Adviser. Tan Teng Boo will cease to be a substantial shareholder of icapital.biz upon the Listing.

10.2 None of the Directors and/or substantial shareholders of the Company and/or person(s) connected with any of them has any interest, direct or indirect, in the promotion of or in any material assets which have, within the two (2) years preceding the date of this Prospectus, been acquired or disposed of by or leased to the Company, or are proposed to be acquired, or disposed of by or leased to the Company.

10.3 As at the Latest Practicable Date, none of the Directors and/or substantial shareholders of icapital.biz has any interest, direct or indirect, in any businesses and corporations carrying on a similar trade as that of the Company.

10 RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST (Cont'd)

- 10.4 The Fund Manager will ensure that no conflicts of interest will arise from its capacity as the fund manager of icapital.biz. The steps to mitigate any potential conflicts of interest have been provided for in the Fund Manager's Code of Practice.
- 10.5 Declaration of the advisers to the Public Issue:-
- (i) Kenanga hereby confirms that there are no existing or potential conflicts of interest in its capacity as the Adviser, Underwriter and Placement Agent for the Public Issue.
 - (ii) Messrs. Foong & Partners has given their confirmation that there are no existing or potential conflicts of interest in its capacity as the Corporate and Due Diligence Solicitors for the Public Issue.
 - (iii) Messrs. Skrine has given their confirmation that there are no existing or potential conflicts of interest in its capacity as the Documentation Solicitors.
 - (iv) Messrs. Horwath has given their confirmation that there are no existing or potential conflicts of interest in its capacity as Auditors and Reporting Accountant for the Public Issue.
 - (v) Messrs. Horwath KL Tax Sdn Bhd has given their confirmation that there are no existing or potential conflicts of interest in its capacity as Tax Adviser for the Public Issue.

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11. OTHER INFORMATION CONCERNING THE COMPANY

11.1 LANDED PROPERTIES

As at the Latest Practicable Date, the Company does not own any landed properties.

11.2 LICENCES AND PERMITS

As at the Latest Practicable Date, the Company does not hold any licences or permits.

11.3 INSURANCE

As at the Latest Practicable Date, the Company does not have any insurance coverage.

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12 DIRECTORS' REPORT
(Prepared for the inclusion in this Prospectus)

ICAPITAL.BIZ BERHAD (674900-X)
(Incorporated in Malaysia)

Registered Office :- Level 14 Uptown 1, No. 1 Jalan SS21/58,
Damansara Uptown, 47400 Petaling Jaya,
Selangor Darul Ehsan

Level 14, Uptown 1
No. 1 Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

19 SEP 2005

The Shareholders of icapital.biz Berhad

Dear Sir/ Madam

On behalf of the Board of Directors of icapital.biz Berhad ("icapital.biz"), I report after due enquiry that during the period from 31 May 2005 (being the date of the last audited accounts of icapital.biz were made) to **19 SEP 2005** (being a date not earlier than fourteen (14) days before the issuance of this Prospectus) :-

- (i) the business of the Company has, in the opinion of the Directors, been satisfactorily maintained;
- (ii) in the opinion of the Directors, no circumstances have arisen subsequent to the last audited accounts of the Company which have adversely affected the trading or the value of the assets of the Company;
- (iii) the current assets of the Company appear in the books at values, which are believed to be realisable in the ordinary course of business;
- (iv) no contingent liabilities have arisen by reason of any guarantees or indemnities given by the Company;
- (v) the Company has no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings in which they are aware of; and
- (vi) save as disclosed in the Accountants' Report in this Prospectus, there have been no material changes in the published reserves nor any unusual factors affecting the profits of the Company.

Yours faithfully
For and on behalf of the Board of Directors
icapital.biz Berhad



YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya
Chairman/Non-Executive Non-Independent Director

13 ACCOUNTANTS' REPORT



The Board of Directors
icapital.biz Berhad
Level 14 Uptown 1
1 Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

Horwath AF No 1018
Kuala Lumpur Office
Chartered Accountants

Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur

603.2166.0000 Main
603.2166.1000 Fax

www.horwath.com.my
horwath@po.jaring.my

ICAPITAL.BIZ BERHAD ("icapital.biz or the Company")

ACCOUNTANTS' REPORT

1. PURPOSE OF REPORT

This report has been prepared by Horwath, an approved company auditor, for inclusion in the Prospectus of icapital.biz to be dated 26 September 2005 in connection with the listing of icapital.biz on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities"). The details of the listing scheme are disclosed in paragraph 2.3 of this report.

2. DETAILS OF ICAPITAL.BIZ

2.1 THE COMPANY

The Company was incorporated in Malaysia on 11 December 2004 under the Malaysian Companies Act, 1965 as a public company limited by shares.

2.1.1 PRINCIPAL ACTIVITIES

icapital.biz's principal activities are to engage in the business of investing in Malaysian securities and/or Other Permitted Assets (as defined in the Prospectus) for the purpose of:-

- (i) spreading investment risk; and
- (ii) managing a portfolio of investments, to gain revenue and profit for the benefit of its shareholders.

2.2 FUND MANAGER

The fund manager is Capital Dynamics Asset Management Sdn Bhd ("CDAM") and the details of CDAM are shown in Note 11 of this report.

The financial statements of the CDAM have been included for reference only. The results of CDAM do not form part of icapital.biz's results.

13 ACCOUNTANTS' REPORT (Cont'd)



2. DETAILS OF icapital.biz (CONT'D)

2.3 LISTING SCHEME

In conjunction with and as an integral part of the listing of icapital.biz on the Main Board of Bursa Securities, the Company is proposing to undertake the following transactions which have been approved by the relevant authorities:-

- (a) Public issue of a minimum of 60,000,000 ordinary shares of RM1.00 each ("Shares") at an issue price of RM1.00 per Share payable in full comprising:
 - (i) a minimum of 47,000,000 Shares available for application under private placement;
 - (ii) a minimum of 10,000,000 Shares available for application by the Entitled Subscribers*; and
 - (iii) a minimum of 3,000,000 Shares available for application by the Malaysian public, companies, societies, co-operatives and institutions;

and a maximum of 140,000,000 Shares at an issue price of RM1.00 per Share.

*Note *: Subscribers of i Capital (the investment publication of CDSB), 《资本投资》 or "Zi Ben Tou Zi" (the investment publication (Chinese version) of CDSB) and www.icapital.biz (the internet edition of i Capital) as at 15 August 2005*

- (b) The listing of and quotation for the entire enlarged issued and paid-up share capital of icapital.biz comprising between 60,000,000 and up to 140,000,000 ordinary shares of RM1.00 each on the Main Board of Bursa Securities.

13 ACCOUNTANTS' REPORT (Cont'd)**3. SHARE CAPITAL**

As at the date of this report, the authorised share capital of icapital.biz is RM1,000,000,000 comprising 1,000,000,000 ordinary shares of RM1.00 each.

The issued and paid-up share capital of icapital.biz as of the date of this report is RM2 comprising 2 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of the Company since the date of incorporation are as follows:-

Date of Allotment	Number of ordinary shares issued	Resultant number of ordinary shares in issue	Par Value per share RM	Consideration/ Type of issue	Cumulative issued and paid-up ordinary share capital RM
11 December 2004	2	2	1.00	Subscribers shares	2

Upon completion of the Public Issue as detailed in paragraph 2.3, the issued and fully paid-up share capital of icapital.biz will be enlarged to between RM60,000,000 and RM140,000,000 comprising between 60,000,000 and 140,000,000 ordinary shares of RM1.00 each.

4. ACCOUNTING STANDARDS AND POLICIES**4.1 BASIS OF PREPARATION**

The financial statements of icapital.biz are prepared under the historical cost convention and modified to include other bases of valuation as disclosed under significant accounting policies below. The financial statements comply with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

13 ACCOUNTANTS' REPORT (Cont'd)



4. ACCOUNTING STANDARD AND POLICIES (CONT'D)

4.2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Company in the preparation of this report are as follows:

(a) Financial Instruments

Financial instruments are recognised in the balance sheet when the Company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expenses or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

(b) Investments

Quoted investments are stated at the lower of cost and market value on an aggregate portfolio basis. Cost is determined on the weighted average of purchase price of quoted securities basis while market value is determined based on market values at balance sheet date. Increases or decreases in the carrying amount of the quoted investment are recognised in the income statement. On disposal of the quoted investment, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

(c) Impairment of Assets

The carrying amounts of assets, other than those to which MASB 23 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

13 ACCOUNTANTS' REPORT (Cont'd)



4. ACCOUNTING STANDARD AND POLICIES (CONT'D)

4.2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Impairment of Assets (cont'd)

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(d) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(e) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(f) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as liabilities when declared before the balance sheet date. A dividend proposed or declared after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date but as an appropriation from retained earnings and treated as a separate component of equity. Upon the approval of the proposed dividend, it will be accounted for as liability.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

13 ACCOUNTANTS' REPORT (Cont'd)



4. ACCOUNTING STANDARD AND POLICIES (CONT'D)

4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Taxation

Taxation for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantially enacted at the balance sheet date.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

(i) Revenue Recognition

(i) Interest Income

Interest income is recognised on an accrual basis.

(ii) Dividend Income

Dividend income from investments is recognised when the right to receive payment is established.

(iii) Investments

The realised gain or loss on sale of investments is measured as the difference between the net disposal proceeds and the carrying amount of the investments, calculated on the weighted average cost basis.

13 ACCOUNTANTS' REPORT (Cont'd)



5. AUDITORS AND AUDIT REPORTS

5.1 AUDITORS

We have acted as auditors for icapital.biz since the date of incorporation.

5.2 AUDIT REPORTS

The audited financial statements for icapital.biz for financial period ended 31 May 2005 were reported upon without any qualification.

13 ACCOUNTANTS' REPORT (Cont'd)**6. INCOME STATEMENTS**

The summarised income statements of icapital.biz based on the audited financial statements for the financial period ended 31 May 2005 are set out below:

	Financial Period from 11.12.2004 (date of incorporation) to 31.5.2005 ("FP2005") RM
Turnover	-
Administrative expenses	(138,733)
Loss before taxation	<u>(138,733)</u>
Depreciation	-
Interest expense	-
Loss before interest, depreciation, tax and amortisation	<u>(138,733)</u>
Less: Depreciation	-
Interest expense	-
Loss before taxation	<u>(138,733)</u>
Taxation	-
Loss after taxation	<u><u>(138,733)</u></u>
Number of ordinary shares of RM1 each in issue	<u><u>2</u></u>
Gross loss per share (RM)	<u><u>(69,366)</u></u>
Net loss per share (RM)	<u><u>(69,366)</u></u>

Notes to the income statements of icapital.biz:-

- (a) *icapital.biz was dormant for the financial period under review.*
- (b) *All expenses of icapital.biz for FP2005 were mainly due to preliminary expenses, pre-operating expenses and professional fees.*

7. DIVIDENDS

No dividend has been declared or paid by the Company since its incorporation.

13 ACCOUNTANTS' REPORT (Cont'd)**8. PROFORMA STATEMENTS OF ASSETS AND LIABILITIES**

The Proforma Statements of Assets and Liabilities of icapital.biz as at 31 May 2005 are prepared based on the audited financial statements of icapital.biz as at 31 May 2005 for illustrative purposes only to show the effects of the minimum and maximum subscriptions of the enlarged share capital as if these transactions had been completed as at 31 May 2005.

The Proforma Statements of Assets and Liabilities should be read in conjunction with the accompanying notes thereon.

		As at 31 May 2005	Proforma I After Public Issue	
	Note	RM	Minimum Subscription RM	Maximum Subscription RM
CURRENT ASSETS				
Other receivables, deposits and prepayments		1,280	1,280	1,280
Cash in hand		2	57,800,000	137,200,000
		1,282	57,801,280	137,201,280
CURRENT LIABILITIES				
Other payables		(140,013)	(140,013)	(140,013)
NET CURRENT (LIABILITIES) /ASSETS		(138,731)	57,661,267	137,061,267
		(138,731)	57,661,267	137,061,267
(REPRESENTED)/ FINANCED BY:-				
Share capital	8.1	2	60,000,000	140,000,000
Accumulated loss	8.2	(138,733)	(2,338,733)	(2,938,733)
Shareholders' equity		(138,731)	57,661,267	137,061,267
Number of ordinary shares of RM1 each in issue		2	60,000,000	140,000,000
Net tangible (liabilities)/assets per share (RM)		(69,366)	0.96	0.98

13 ACCOUNTANTS' REPORT (Cont'd)**8. PROFORMA STATEMENTS OF ASSETS AND LIABILITIES (CONT'D)**

Notes to the Proforma Statements of Assets and Liabilities:-

8.1 SHARE CAPITAL

Authorised:-	RM			
Ordinary shares of RM1 each	100,000			
Issued and Fully Paid-up Share Capital:-	Minimum Subscription		Maximum Subscription	
Ordinary share of RM1 each	Number of Ordinary Shares	Ordinary Shares RM	Number of Ordinary Shares	Ordinary Shares RM
As at 31 May 2005	2	2	2	2
Public Issue	59,999,998	59,999,998	139,999,998	139,999,998
Per Proforma I	60,000,000	60,000,000	140,000,000	140,000,000

8.2 ACCUMULATED LOSS

	Minimum Subscription RM	Maximum Subscription RM
Accumulated loss as at 31 May 2005	(138,733)	(138,733)
Listing expenses	(2,200,000)	(2,800,000)
	(2,338,733)	(2,938,733)

9. NET TANGIBLE ASSETS PER ORDINARY SHARE

The net tangible assets cover of icapital.biz based on the Proforma Statements of Assets and Liabilities as at 31 May 2005 as set out in Paragraph 8 above is illustrated below:

	Minimum Subscription RM	Maximum Subscription RM
Shareholders' equity before Public Issue as at 31 May 2005	(138,731)	(138,731)
Increase in net tangible assets arising from Public Issue	59,999,998	139,999,998
Less: Estimated listing expenses	(2,200,000)	(2,800,000)
Proforma Net Tangible Assets ("NTA")	57,661,267	137,061,267

13 ACCOUNTANTS' REPORT (Cont'd)**9. NET TANGIBLE ASSETS PER ORDINARY SHARE (CONT'D)**

Number of ordinary shares of RM1.00 each in icapital.biz that are in issue:

	Minimum Subscription	Minimum Subscription
Existing ordinary share in issue	2	2
Additional shares to be issued pursuant to the Public Issue	59,999,998	139,999,998
Enlarge share capital after the Public Issue	<u>60,000,000</u>	<u>140,000,000</u>

On the basis of the enlarged issued and paid-up share capital of 60,000,000 and 140,000,000 ordinary shares of RM1.00 each, icapital.biz's net tangible assets backing per ordinary share of is RM0.96 and RM0.98, respectively.

10. AUDITED FINANCIAL STATEMENT

As of the date of this report, no audited financial statements have been prepared in respect of any period subsequent to 31 May 2005 for icapital.biz.

11. DETAILS OF CAPITAL DYNAMICS ASSET MANAGEMENT SDN. BHD. ("CDAM")**11.1 BACKGROUND INFORMATION**

CDAM was incorporated on 8 June 1996 in Malaysia as a private limited company under the Malaysian Companies Act, 1965.

CDAM is principally engaged in the business as a licensed fund manager.

The financial information on CDAM have been included for reference only. The results of CDAM do not form part of the results of icapital.biz.

11.2 SHARE CAPITAL

As at the date of this report, the authorised share capital of CDAM is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each.

The issued and paid-up share capital of CDAM as of the date of this report is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each.

13 ACCOUNTANTS' REPORT (Cont'd)**11. DETAILS OF CAPITAL DYNAMICS ASSET MANAGEMENT SDN. BHD. ("CDAM") (CONT'D)****11.2 SHARE CAPITAL (CONT'D)**

The changes in the issued and paid-up share capital of the CDAM since the date of incorporation are as follows:-

Date of Allotment	Number of ordinary shares issued	Resultant number of ordinary shares in issue	Par Value per share RM	Consideration/ Type of issue	Cumulative issued and paid-up ordinary share capital RM
8 June 1996	4	4	1.00	Subscribers shares	4
22 January 1997	1,999,996	2,000,000	1.00	Cash consideration	2,000,000

11.3 SUMMARISED INCOME STATEMENT

The summarised results of CDAM based on the audited financial statements for the last five financial years ended are set out below:-

	Financial year ended 31 December				
	2004 RM	2003 RM	2002 RM	2001 RM	2000 RM
Revenue	1,297,961	757,677	523,160	391,800	409,227
Profit before taxation	2,074,267	550,169	242,723	157,989	537,138
Taxation	(170,679)	(115,184)	(32,853)	(43,900)	(64,600)
Profit after taxation	1,903,588	434,985	209,870	114,089	472,538

Dividends declared by CDAM based on the audited financial statements for the last five financial years are as follows:-

Financial year ended 31 December	Issued And Paid-up Share Capital RM	Dividend Rate (Gross) %	Net Dividend RM
2003 – interim dividend	2,000,000	10	144,000
2003 – final dividend	2,000,000	10	144,000
2004 – interim dividend	2,000,000	10	144,000
2004 – final dividend	2,000,000	20	288,000

13 ACCOUNTANTS' REPORT (Cont'd)



11. DETAILS OF CAPITAL DYNAMICS ASSET MANAGEMENT SDN. BHD. ("CDAM") (CONT'D)

11.4 SUMMARISED STATEMENT OF CHANGES IN RETAINED PROFITS

The summarised Statements of Changes in Retained Profits of CDAM based on the audited financial statements for the last five financial years are set out below:-

	Financial year ended 31 December				
	2004 RM	2003 RM	2002 RM	2001 RM	2000 RM
Retained profits brought forward	1,136,622	845,637	635,767	521,678	49,140
Net profit for the year	1,903,588	434,985	209,870	114,089	472,538
Dividends declared	(288,000)	(144,000)	-	-	-
Retained profits carried forward	2,752,210	1,136,622	845,637	635,767	521,678

11.5 SUMMARISED BALANCE SHEET

The summarised balance sheets of the CDAM based on the audited financial statements for the last five financial years are set out below:-

	As at 31 December				
	2004 RM	2003 RM	2002 RM	2001 RM	2000 RM
Non-current assets:-					
Plant and equipment	11,594	11,882	20,321	19,513	73,342
Investment	4,250,464	2,751,019	2,696,802	1,868,418	1,602,707
Development expenditure	10,000	10,000	10,000	-	-
Deferred tax asset	756	317	-	-	-
Current assets	644,697	507,501	253,880	838,012	1,010,709
Current liabilities	(165,301)	(144,097)	(134,976)	(90,076)	(160,880)
Net current assets	479,396	363,404	118,904	747,936	849,829
	4,752,210	3,136,622	2,846,027	2,635,867	2,525,878
Financed by:-					
Share capital	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Retained profits	2,752,210	1,136,622	845,637	635,767	521,678
	4,752,210	3,136,622	2,845,637	2,635,767	2,521,678
Deferred taxation	-	-	390	100	4,200
	4,752,210	3,136,622	2,846,027	2,635,867	2,525,878

13 ACCOUNTANTS' REPORT (Cont'd)



11. DETAILS OF CAPITAL DYNAMICS ASSET MANAGEMENT SDN. BHD. ("CDAM") (CONT'D)

11.6 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by CDAM in the preparation of this report are as follows:-

(a) General

All significant accounting policies set out below are consistent with those applied in the previous year.

(b) Basis of Preparation

The financial statements are prepared under the historical cost convention unless otherwise indicated in this summary significant accounting policies. The financial statements comply with applicable approved Accounting Standards in Malaysia, and the provisions of the Companies Act, 1965.

(c) Plant and Equipment and Depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated on the straight line method to write off the costs of property, plant and equipment over the estimated useful lives of the assets concerned.

The principal annual rates used are:-

Office equipment	20% to 33%
Furniture and fittings	20%
Reference books	10%

Plant and equipment are reviewed for impairment in accordance with the company's accounting policy for impairment of assets.

(d) Impairment of Assets

The carrying amounts of non current assets (other than deferred tax assets and other investments) are reviewed for impairment at each balance sheet date. Impairment losses are provided when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use which is measured by reference to discounted future cash flows.

13 ACCOUNTANTS' REPORT (Cont'd)



11. DETAILS OF CAPITAL DYNAMICS ASSET MANAGEMENT SDN. BHD. ("CDAM") (CONT'D)

11.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Impairment of Assets (Cont'd)

An impairment loss is charged to the income statement unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is recognised directly against the revaluation surplus account for that asset to the extent that the impairment loss does not exceed the amount held in revaluation surplus account.

An impairment loss is only reversed to the extent of previously recognised impairment losses on an asset. All reversals of an impairment loss is credited to the income statement unless the sheet is carried at revalued amount where the reversal is recognised directly to the revaluation surplus account of the same asset.

(e) Development expenditure

Development expenditure comprises direct and related expenses incurred on the development of web related business application software products and programs. These expenses are capitalised as development assets to the extent that such expenditure is expected to generate future economics benefits.

Development expenditure is amortised to the income statement upon the commencement of commercial use of the application software products and programs to which such expenditure relate on a straight line basis over the period of their expected benefits of three years. The development expenditure and the amortisation period are reviewed annually and the carrying amount of such expenditure will be written off when the directors consider that a continuing benefit will not accrue.

(f) Investments

Investments are stated at cost. An allowance is made only when the directors consider that there is a diminution in value which is other than temporary.

(g) Trade and Other Receivables

Receivables are carried at anticipate realisable value. Bad debts are written off as and when ascertained and allowance is made for any debts considered to be doubtful of collection.

13 ACCOUNTANTS' REPORT (Cont'd)



11. DETAILS OF CAPITAL DYNAMICS ASSET MANAGEMENT SDN. BHD. ("CDAM") (CONT'D)

11.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Provisions

Provisions are recognised when the company has a present legal and constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

(i) Share Capital

Ordinary shares are classified as equity. Distributions to holders of ordinary shares are debited directly to equity and dividends declared on or before the balance sheet date are recognised as liabilities. Costs directly attributable to equity transactions are accounted for as a deduction, net of tax, from equity.

(j) Statement of Cash Flows

Cash and cash equivalents in the cash flow statement comprise cash and bank balances, deposits and short term investments which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, reduced by bank overdrafts. The statement of cash flows is prepared using the indirect method.

(k) Revenue Recognition

Revenue from fund management activity is recognised upon the rendering of services and is calculated based on the terms agreed with clients.

(l) Taxation

Tax expense/income is the aggregate amount of current and deferred tax included in the determination of net profit or loss for the year.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided using the balance sheet liability method on temporary differences at balance sheet date between the carrying amounts of assets and liabilities and the amounts used for taxation purposes.

13 ACCOUNTANTS' REPORT (Cont'd)



11. DETAILS OF CAPITAL DYNAMICS ASSET MANAGEMENT SDN. BHD. ("CDAM") (CONT'D)

11.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Taxation (cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unabsorbed tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

The carrying amount of deferred tax assets is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Tax rates enacted or substantively enacted at the balance sheet date are used to determine deferred tax.

(m) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries and social security contributions, paid annual leave and paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees of the company.

(ii) Defined Contribution Plan

Defined contribution plans are post-employment benefits plans under which the company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The company's contribution to the state pension scheme and the employer's provident fund (EPF) are recognised as an expense in the period to which they relate.

(n) Operating Lease

Leases of assets under which all the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease.

13 ACCOUNTANTS' REPORT (Cont'd)



11. DETAILS OF CAPITAL DYNAMICS ASSET MANAGEMENT SDN. BHD. ("CDAM") (CONT'D)

11.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial Instruments

Financial instruments are recognised when a contractual relationship has been established.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income and distributions in respect of financial instruments classified as equity are charged to equity.

Financial instruments are offset when the company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

11.7 AUDITORS' REPORT

11.7.1 AUDITORS

The financial statements of CDAM for the financial years ended 31 December 2000, 2001, 2002, 2003 and 2004 were audited by another firm of chartered accountants.

11.7.2 AUDIT REPORTS

The audited financial statements of CDAM for the financial years were reported upon without any qualification.

Yours faithfully

A handwritten signature in black ink, appearing to be "J. Kim", written over a horizontal line.

Horwath
Firm No: AF 1018
Chartered Accountants

A handwritten signature in black ink, appearing to be "Onn Kien Hoe", written over a horizontal line.

Onn Kien Hoe
Approval No: 1772/11/06 (J/PH)
Partner

14 TAX ADVISER'S LETTER



19 September 2005

The Board of Directors
icapital.biz Berhad
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Dear Sirs

TAXATION OF CLOSED-END FUND COMPANY AND SHAREHOLDERS

This letter has been prepared for inclusion in this Prospectus to be dated 26 September 2005 in connection with the Public Issue of shares in icapital.biz Berhad (the "Company").

1. TAXATION OF COMPANY

The taxation of the Company is governed principally by Section 60H of the Malaysian Income Tax Act, 1967 ("ITA") which deals specifically with the taxation of closed-end fund companies resident in Malaysia.

The company will be regarded as resident for Malaysian tax purposes if the control and management of its business are exercised in Malaysia at any time during the year.

The chargeable income of the Company is ascertained by deducting deductible expenses specified in 1.3 below and approved gifts under Section 44(1)(c) of the ITA from the gross taxable income specified in 1.1 below. The applicable corporate tax rate on the chargeable income is 28 per cent. In arriving at the net tax liability, credit will be allowed for tax deducted at source from dividends received as stated in 1.1.1 below.

1.1 DIVIDEND AND INTEREST INCOME

1.1.1 Dividend income

Dividend income other than those below will be subject to income tax. Dividends received from Malaysian Companies will be net of tax deducted at source of 28 per cent. The tax credit will be available for offset against the Company's tax liability.

a) Tax exempt dividend income

Tax exempt dividend income is not subject to tax if the dividend received is a First Tier or Second Tier dividend. A First Tier dividend is a dividend paid by a company which originally derived the exempt income on its own or which derived it from foreign sourced income as specified in (b) below. A Second Tier dividend is a dividend paid by a company which derived the exempt income from a First Tier tax

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exempt dividend received. If the dividend received is a First Tier dividend, the said dividend may be credited to an "exempt income" account for the distribution of tax exempt dividends to shareholders. If the dividend received is a Second Tier dividend, the income may not be so credited.

b) *Foreign dividends*

Dividend income derived from foreign sources such as those paid by non-Malaysian companies will be exempt from tax. If the dividend is remitted to Malaysia, the dividend income may be credited to an "exempt income" account for the distribution of tax exempt dividends to shareholders.

1.1.2 **Interest income**

a) *Malaysian interest income*

Interest income from investments other than those below will be subject to Malaysian income tax:

- (i) securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) debentures, other than convertible loan stock, approved by the Securities Commission;
- (iii) Bon Simpanan Malaysia issued by the Central Bank of Malaysia;
- (iv) bonds or securities issued by Pengurusan Danaharta Nasional Berhad;
- (v) bonds, other than convertible loan stocks, paid or credited by any company listed on the Malaysian Exchange of Securities Dealing and Automated Quotation Berhad (MESDAQ).

b) *Foreign interest income*

Interest income derived from sources outside Malaysia will be exempt from Malaysian income tax. If the interest income is remitted to Malaysia, the income may be credited to an "exempt income" account for the distribution of tax exempt dividends. However, interest income may have suffered withholding tax in the paying country.

1.2 **GAINS FROM REALISATION OF INVESTMENTS**

Gains from the realisation of investments (whether local or foreign) by the Company will be exempt from income tax and real property gains tax.

1.3 **DEDUCTIBLE EXPENSES**

Expenses generally allowable for deduction under Section 33 and 34 of the ITA such as interest expense incurred in financing of investments, will not be allowed as a deduction.

Close-end fund companies are allowed the following deductions:

1.3.1 **Proportion of permitted expenses**

The allowable deduction is 10 per cent of the total permitted expenses or the following proportion of permitted expenses, whichever is higher:

14 TAX ADVISER'S LETTER (Cont'd)



Proportion of permitted expenses =

$$A \times \frac{B}{4C}$$

where

A	is the total of the permitted expenses incurred for that basis period;
B	is the gross income consisting of dividend and interest chargeable to tax for that basis period; and
C	is the aggregate of the gross income consisting of dividend and interest (whether exempt or not) and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period.

Permitted expenses mean expenses incurred by the Company in respect of the manager's remuneration, maintenance of register of shareholders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

Any unabsorbed proportion of the permitted expenses will not be allowed for carry forward to future years.

1.3.2 Approved gifts

Deduction is allowed for approved gifts under Section 44(1)(c) but is restricted to 5 per cent of the aggregate income of the Company.

2. TAXATION OF SHAREHOLDERS

2.1 NON-TAX EXEMPT DIVIDENDS RECEIVED

Non-tax exempt dividends received from the Company are taxable in Malaysia at the rates below but attributable tax credits are available for offset against the tax payable:

- Individuals and non-corporate shareholders who are resident in Malaysia will be taxed at graduated rates ranging from 1 per cent to 28 per cent.
- Individuals and non-corporate shareholders who are not resident in Malaysia will be taxed at the non-resident tax rate of 28 per cent.
- Corporate shareholders whether resident or non-resident in Malaysia will be taxed at the corporate tax rate of 28 per cent. Recipients which are small and medium scale companies defined as companies with paid-up capital of RM2.5 million and below will be subject to tax at the corporate tax rate of 20 per cent on chargeable income of up to RM500,000 and 28 per cent on the excess of RM500,000 with effect from year of assessment 2004.

Any excess of tax credits over tax chargeable will be due as a tax refund.

14 TAX ADVISER'S LETTER (Cont'd)



2.2 TAX EXEMPT DIVIDENDS RECEIVED

Exempt dividends received by shareholders will be exempt from tax if the dividend is a First Tier dividend or Second Tier dividend. A First Tier dividend is a dividend distributed by the Company from exempt income received originally on its own or from foreign sourced income whilst a Second Tier dividend is a dividend distributed from exempt income derived by the Company from First Tier dividends received.

2.3 GAIN ON DISPOSAL OF SHARES IN THE COMPANY BY SHAREHOLDERS

Gains realised by shareholders (other than dealers in securities, insurance companies or financial institutions) on disposal of shares in the Company will be treated as capital gains and not subject to income tax in Malaysia.

We hereby confirm that, as at the date of this letter, the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. Shareholders of the Company are advised to seek professional advice on their respective tax positions.

Yours faithfully
Horwath KL Tax Sdn Bhd

A handwritten signature in black ink, appearing to read "Poon Yew Hoe".

Poon Yew Hoe
Director

15 STATUTORY AND OTHER GENERAL INFORMATION

15.1 SHARE CAPITAL

- (i) No securities will be allotted or issued on the basis of this Prospectus later than twelve (12) months after the date of the issue of this Prospectus.
- (ii) There are no founder, management or deferred shares. There is only one (1) class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank *pari passu* with one another.
- (iii) No person has been or is entitled to be given an option to purchase or subscribe for any shares, stocks or debentures of the Company.
- (iv) No shares or debentures of the Company have been or is proposed to be issued partly or fully paid-up in cash or otherwise than in cash within the two (2) years preceding the date of this Prospectus.
- (v) The Company has no outstanding convertible debt securities.

15.2 ARTICLES OF ASSOCIATION

The following provisions are reproduced from the Company's Articles of Association (the words and expressions appearing in the following provision shall bear the same meanings used in the Company's Articles of Association)

Transfer of shares

Article 32:-

- (1) There shall be no restrictions on the transfer of fully paid up shares in the Company except as required by law.
- (2) The transfer of any securities or class of securities of the Company which are Deposited Securities shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to subsection 107C(2) of the Act and any exemption that may be made from compliance with subsection 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities.

Article 33:-

A share which is not a Deposited Security may be transferred by an instrument of transfer prescribed under the Act or by an instrument in writing in any common form or in any other form which the Directors may approve. Such instrument of transfer shall be executed by or on behalf of the transferor and transferee and, the transferor shall be deemed to remain the holder of the share until the name of the transferor is entered in the Register of Members in respect thereof. All instruments of transfer, when registered, may be retained by the Company. There shall be no restriction on the transfer of fully paid securities of the Company which are quoted or to be quoted, except where required by law including the Guidelines.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 34:-

The Directors may, in their discretion, refuse to register a transfer of any share (not being a fully paid share) and which is not a Deposited Security, and they may also refuse to register a transfer of any share on which the Company has a lien or which transfer would result in a breach of the law including the Guidelines. If the Directors refuse to register a transfer they shall within thirty (30) days after the date on which the transfer was lodged with the Company send to the transferor, the lodging broker and the transferee notice of the refusal in accordance with Section 105 of the Act and the precise reason thereof. Any instrument of transfer which the Directors may decline to register shall be returned to the person who tendered the same for registration save and except in cases where the Directors suspect fraud.

Article 35:-

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Article 36:-

In respect of shares which are not Deposited Securities, the Directors may decline to recognise any instrument of transfer, unless:-

- (a) Such fee, not exceeding Ringgit Malaysia Three (RM3.00) per transfer plus the amount of the proper duty with which each certificate is chargeable under the law relating to stamp duty as the Directors may from time to time require, is paid to the Company in respect thereof;
- (b) The instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so; and
- (c) The instrument of transfer is in respect of only one class of share.

All instruments of transfer which are registered may be retained by the Company.

Article 37:-

The Company shall maintain a book called "Register of Transfers" which shall be kept by the Secretary or such other person authorised by the Directors. Particulars of the transfer or transmission of every share which is not a Deposited Security shall be entered into the Register of Transfers.

Article 38:-

Subject to the provisions of the Central Depositories Act and the Rules, the registration of transfers may be suspended at such time and for such period as the Directors may from time to time determine. At least twelve (12) market days' notice or such other period as may be specified, extended or prescribed by the Exchange of intention to close shall be given by advertisement in a daily newspaper in Malaysia and to the Exchange stating the period and the purpose or purposes of such closure. The Company shall also give notice in accordance with the Rules to prepare the appropriate Record of Depositors.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 39:-

There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title of any share which is not a Deposited Security, such fee, not exceeding Ringgit Malaysia Three (RM3.00) as the Directors may from time to time require or prescribe.

Article 40:-

Subject to the provisions of the Central Depositories Act and the Rules, nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

Article 41:-

Neither the Company nor the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or the Directors or other officers be legally in-operative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee of the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

Transmission of Securities

Article 42:-

In the case of the death of a member, the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder shall be the only persons recognised by the Company as having any title to interest in his shares; but nothing herein contained shall release the estate of the deceased share holder (whether sole or joint holder) from any liability in respect of any share which had been held by him alone or jointly with some other person.

Article 43:-

In respect of Deposited Securities:-

- (a) a transfer of such share by any person becoming entitled to such share in consequence of the death or bankruptcy of a member may be carried out by the person becoming so entitled in accordance with the Rules and other applicable laws;
- (b) where the person becoming so entitled elects to have such share transferred to him, he shall comply with all other procedures prescribed by the Depository and lodge all documents pertaining to transfer of securities.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 44:-

In respect of shares which are not Deposited Securities;

- (a) any person becoming entitled to such share in consequence of the death or bankruptcy of any member may upon such evidence of title being produced as may from time to time be required by the Directors (but subject to the provisions hereinafter contained) elect either to be registered himself as a member in respect of such shares or to have some person nominated by him registered as transferee thereof but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy. Before recognising any executor or administrator, the Directors may require him to take out probate or letters of administration as evidence;
- (b) if the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice of transfer were a transfer signed by that member; and
- (c) a person entitled to shares in consequence of the death or bankruptcy of a member shall be entitled upon the production of such evidence as may from time to time be properly required by the Directors in that behalf to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a member, unless and until he shall have become a member in respect of the shares. Where two or more persons are jointly entitled to any share in consequence of the death of the registered holder they shall, for the purposes of these Articles, be deemed to be the joint holders of the share.

Article 45:-

(1) Where: -

- (a) the securities of the Company are listed on an Approved Market Place; and
- (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 securities,

the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder 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") provided that there shall be no change in the ownership of such securities.

- (2) For the avoidance of doubt, where the Company fulfils the requirements of subparagraphs (a) and (b) of Article 45(1), the Company shall not allow any transmission of Securities from the Malaysian Register into the Foreign Register.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Remuneration of directors

Article 104:-

The fees of the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office Provided Always that:-

- (a) fees payable to non-executive Directors shall be by a fixed sum and not by a commission on or percentage of profits or turnover;
- (b) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting; and
- (c) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 105:-

- (1) The Directors shall be entitled to be reimbursed for all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of the Audit Committee or any committee established by the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.
- (2) If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged.

Voting and Borrowing Powers of Directors

Article 111:-

- (1) Subject to the unanimous approval of the members in general meeting, the Directors may exercise all the powers of the Company to borrow for the purposes of the Company such sums of money as they think proper not exceeding 30% of the Net Asset Value or other restrictions imposed by the SC from time to time, and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party. PROVIDED ALWAYS that nothing contained in these Articles shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (2) Notwithstanding the Guidelines, the Company shall not enter into or undertake any borrowing without the unanimous approval of members present at a members' meeting and voting thereat.
- (3) The Directors shall cause a proper register to be kept in accordance with Section 115 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 108 of the Act in regard to the registration of mortgages and charges therein specified and otherwise.
- (4) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

Article 121:-

Subject to these Articles, questions arising at any meeting of the Directors shall be decided by a majority of votes. Where two (2) Directors form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a second or casting vote.

Article 125:-

A Director who is also an alternate Director shall be entitled, in addition to his own vote, to a separate vote on behalf of the Director whom he is representing, unless Article 127 applies.

Article 126:-

Every Director shall comply with the provisions of Sections 131 and 135 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.

Article 127:-

- (1) No Director may deliberate and vote in respect of any other contract or proposed contract or arrangement in which he is interested, directly or indirectly, nor any contract or proposed contract or arrangement with any other company in which he is interested, directly or indirectly, either as an officer of that other company or as a holder of shares or other securities in that other company. 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 in accordance with the provisions of the Act.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 129:-

A Director of the Company may be or become Director or other officer of or otherwise interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation, which is directly or indirectly interested in the Company 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 interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Director may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as Directors of such other corporation in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them Directors or other officers of such corporation) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid provided always that he has complied with Section 131 and all other relevant provisions of the Act and of these Articles.

Changes in capital & variation of class rights

Article 13:-

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

Article 58:-

The Company may from time to time, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company by the resolution authorising such increase directs.

Article 59:-

Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company. All new shares shall be subject to the provisions herein contained with reference to allotments, the payment of calls and instalments, transmissions, forfeiture, lien or otherwise.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Article 60:-

- (1) Subject to the Guidelines, the Act and any applicable law or regulation, the Company may from time to time by ordinary resolution:-
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
 - (b) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the Act and the Guidelines) and so that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.
 - (c) cancel any shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- (2) The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner authorised by the Act and subject to any consent required by law.

Article 61:-

Notwithstanding Article 62 hereof the repayment of preference share capital other than redeemable preference capital, or any other alteration of preference shareholders' rights, shall only be made pursuant to a special resolution of the preference shareholders concerned, PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Article 62:-

If at any time the share capital is divided into different classes of shares, the right 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 or abrogated with the consent in writing of the holders of three-fourths 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 two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy 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.

Article 63:-

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

Amendment to Investment Policies and Objectives

Article 108:-

- (3) The Company shall not change its Investment Policy and Objectives within the first three (3) years from the date the Company is listed. Any amendment to the Investment Policy and Objectives thereafter shall be approved by the members by way of a special resolution. The Company shall inform the SC and the Exchange or any other relevant regulatory authority of any proposal to change its Investment Policy and Objectives.

Maximum Control

Article 110:-

- (2) The Directors shall ensure that the Company shall not either on its own or in conjunction with any other person take legal or effective management control of its underlying investments.

Maximum Holdings

Article 16:-

- (2) Notwithstanding anything contained in these Articles to the contrary, no member shall hold more than 20% of the total issued and paid up capital of the Company.

Prohibition against Conduct of Other Business

Article 108:-

- (2) The Directors shall ensure that the Company shall not conduct any business other than that of a Closed-end fund.

15.3 INVESTMENT RESTRICTIONS

- (a) It is the Company' intention to observe the investment restrictions as imposed on it by the relevant authorities in order to maintain its listing on Bursa Securities.
- (b) The restrictions imposed on the Company include the following:
- (i) the Company may invest in securities of any other entity listed on Bursa Securities as long as the value of the investment is less than ten percent (10%) of the issued capital of the listed entity or ten percent (10%) of the Company's NAV, whichever is lower;
 - (ii) the Company may invest up to twenty percent (20%) of its NAV in securities listed on foreign stock exchanges in the region which the SC has prescribed as approved stock exchanges;
 - (iii) the Company will not invest in other collective investment vehicles unless it is the most appropriate mechanism for investing in a particular country;
 - (iv) the Company may invest up to a maximum of ten percent (10%) of its NAV in unlisted Malaysian companies;

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (v) the Company shall not enter into or undertake any borrowings without the unanimous approval of its shareholders present at a general meeting and such borrowings shall not exceed thirty percent (30%) of its NAV at any time; and
- (vi) the Company will only enter into foreign exchange transactions where such transactions are incidental to the management of its investments.

15.4 DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- (i) The names, addresses and occupations of the Directors of icapital.biz are set out in the Corporate Directory section at the front of this Prospectus.
- (ii) A director of the Company is not required to hold any qualification shares in the Company.
- (iii) There are no remunerations paid to the directors of the Company for the financial period ended 31 May 2005. For the financial year ending 31 May 2006, the remuneration payable to the directors of the Company is estimated up to RM100,000.

The number of Directors in the various remuneration bands are set out below:-

	Aggregate Remuneration	
	Financial period ended 31 May 2005	FYE 31 May 2006
Up to RM100,000	-	4

- (iv) None of the Directors of the Company had or has any interest, direct or indirect, in the promotion of or in any assets acquired or proposed to be acquired or assets disposed of or proposed to be disposed of or leased to or proposed to be leased to the Company within the two (2) years preceding the date of this Prospectus.
- (v) None of the Directors and/or substantial shareholders of the Company has any interest, direct or indirect, in any businesses and corporations carrying on a similar trade as any of the Company.
- (vi) None of the Directors save as disclosed above have received any amounts or benefits paid or given by the Company other than by the virtue of their directorships as disclosed in Section 15.4 of this Prospectus within the two (2) years preceding the date of the Prospectus, or intended to be so paid or given.
- (vii) Save as disclosed in Section 10.1, none of the Directors and substantial shareholders have any interest in any contract or arrangement which is significant in relation to the business of the Company subsisting at the date of this Prospectus.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (viii) According to the Register of Directors and Register of Substantial Shareholders, the direct and indirect interests of the Directors and substantial shareholders are as follows:-

	Nationality	Before the Public Issue				After the Public Issue			
		Shareholding		Shareholding		Shareholding		Shareholding	
		Direct	%	Indirect	%	Direct	%	Indirect	%
Substantial Shareholders									
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	Malaysian	1	50.00	-	-	See Note 1			
Tan Teng Boo ²	Malaysian	1	50.00	-	-	-	-	-	-
Directors									
Michael Vitus Wong Kuan Lee	Malaysian	-	-	-	-	-	-	See Note 3	
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	Malaysian	1	50.00	-	-	See Note 1		-	-
Dato' Raja Nong Chik bin Raja Zainal Abidin	Malaysian	-	-	-	-	-	-	See Note 4	
Yeoh Ah Tu	Malaysian	-	-	-	-	-	-	-	-

Note:

- 1 YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya has applied for 3,000,000 Shares under the Private Placement and the final allocation will only be confirmed after the closing date. Assuming 3,000,000 Shares are allotted to YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya through the Private Placement, his shareholding in icapital.biz will range between 2.14% (under the Maximum Subscription) and 5.00% (under the Minimum Subscription).
- 2 Tan Yuen-Lin, the son of Tan Teng Boo has applied for 300,000 Shares under the Private Placement and the final allocation will only be confirmed after the closing date. Assuming 300,000 Shares are allotted to Tan Yuen-Lin through the Private Placement, his shareholding in icapital.biz will range between 0.21% (under the Maximum Subscription) and 0.50% (under the Minimum Subscription).
- 3 Ong Siok A, the spouse of Michael Vitus Wong Kuan Lee has applied for 400,000 Shares under the Private Placement and the final allocation will only be confirmed after the closing date. Assuming 400,000 Shares are allotted to Ong Siok A through the Private Placement, Michael Vitus Wong Kuan Lee's indirect shareholding in icapital.biz will range between 0.29% (under the Maximum Subscription) and 0.67% (under the Minimum Subscription).
- 4 Rasma Corporation Sdn Bhd, a company in which Dato' Raja Nong Chik bin Raja Zainal Abidin is a director and holds substantial shareholdings, has applied for 500,000 Shares under the Private Placement and the final allocation will only be confirmed after the closing date. Assuming 500,000 Shares are allotted to Rasma Corporation Sdn Bhd through the Private Placement, Dato' Raja Nong Chik bin Raja Zainal Abidin's indirect shareholding in icapital.biz will range between 0.36% (under the Maximum Subscription) and 0.83% (under the Minimum Subscription).

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (ix) Save for the risk factors which are described in Section 3 of this Prospectus, the Board is not aware of any material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Company.
- (x) Save as disclosed in Section 10.1 of this Prospectus, none of the Directors and/or substantial shareholders of the Company and/or person(s) connected with them are interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company taken as a whole.

15.5 GENERAL

- (i) The nature of the Company's business and the names of all corporations, which are deemed to be related to the Company by virtue of Section 6 of the Act are set out in Section 4 of this Prospectus.
- (ii) The manner in which copies of this Prospectus together with the Application Form may be obtained is set out in Section 16.1 of this Prospectus.
- (iii) The time of the opening of the Application List of the Public Issue is set out in Section 16.1 of this Prospectus.
- (iv) The amount payable in full on application is RM1.00 per Issue Share.
- (v) Save as disclosed in Section 3 of this Prospectus, the financial condition and operations of the Company are not affected by any of the following:-
 - (a) known trends, demands, commitments, events or uncertainties that have had or that the Company reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of the Company;
 - (b) unusual, infrequent events or transactions or any significant economic changes that materially affected the financial performance, position and operations of the Company;
 - (c) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position; and
 - (d) pending and threatened litigation and arbitration proceedings having an impact on the financial position of the Company.
- (vi) As at the date of this Prospectus, the Company does not have any outstanding convertible debt securities.
- (vii) Particulars relating to the working capital, borrowings, material litigation and contingent liabilities of the Company are disclosed in Section 7.6 of this Prospectus.
- (viii) The name and address of the Auditors and Reporting Accountants of the Company are set out under the "Corporate Directory" of this Prospectus.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

15.6 MANAGEMENT AND ADMINISTRATION CHARGES

Under the terms of the Fund Management Agreement, the Fund Manager is entitled to receive a management fee as disclosed in Section 5.1.4 of this Prospectus.

Under the terms of the Investment Advisory Agreement, the Investment Adviser is entitled to receive an advisory fee as disclosed in Section 5.3.3 of this Prospectus.

Under the terms of the Custodian Agreement, the Custodian is entitled to receive a fee as disclosed in Section 5.2.3 of this Prospectus.

Under the terms of the Administrator Agreement, the Administrator is entitled to receive a fee as disclosed in Section 15.10 of this Prospectus.

15.7 FEES AND COMMISSIONS RELATING TO THE PUBLIC ISSUE

The total fees and commissions relating to the Public Issue are as follows:-

- (i) listing expenses (excluding underwriting, brokerage and placement fees) payable to various parties ranging from RM1,575,000 to RM1,682,000 (depending on the level of subscription of the Public Issue) representing between 1.20% and 2.63% of the gross proceeds of the Public Issue;
- (ii) placement commission of one point five percent (1.5%) of the Issue Price for the aggregate of the total value of the Issue Shares successfully placed out by the Placement Agent;
- (iii) placement management fee of point five percent (0.5%) of the Issue Price for the aggregate of the total value of the Issue Shares placed out by way of Private Placement;
- (iv) underwriting commission of two percent (2.0%) of the Issue Price of the aggregate value of the Issue Shares to be issued pursuant to the Public Offer which have been underwritten by Kenanga; and
- (v) brokerage fees of one percent (1.0%) of the Issue Price per Issue Share in respect of successful applications which bear the stamps of Kenanga, a member company of Bursa Securities or the Issuing House.

THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THE FEES AND CHARGES BEFORE INVESTING IN THE COMPANY. Other fees and charges applicable to icapital.biz are set out in Sections 5 and 15.6 of this Prospectus.

15.8 PUBLIC TAKE-OVERS

During the last financial year and the current financial year, there were no:-

- (i) public take-over issues by third parties in respect of the Company's securities; or
- (ii) public take-over offers by the Company in respect of other corporations' securities.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

15.9 MATERIAL LITIGATION

As at the Latest Practicable Date, the Company is not engaged as plaintiff or defendant in any other legal action, proceeding, arbitration or prosecution for any criminal offences, which has a material and adverse effect on the financial position of the Company and the Board does not know of any other proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially and adversely affect the position or business of Company.

15.10 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by the Company within the two (2) years preceding the date of this Prospectus:-

- (i) Fund Management Agreement, entered into between icapital.biz of the one part and CDAM, of the other part under which the Fund Manager agrees to manage the investments of the Company subject to the terms and conditions set out therein. The salient terms of the Fund Management Agreement are set out in Section 5.1.4 of this Prospectus;
- (ii) Investment Advisory Agreement, entered into between icapital.biz of the one part and CDSB, of the other part under which the Investment Adviser agrees to advise on the Company's investment subject to the terms and conditions set out therein. The salient terms of the Investment Advisory Agreement are set out in Section 5.3.3 of this Prospectus;
- (iii) The Custodian Agreement, entered into between icapital.biz of the one part and Deutsche Bank, of the other part under which the Custodian agrees to act as the custodian of the Company's investments subject to the terms and conditions set out therein. The salient terms of the Custodian Agreement are set out in Section 5.2.3 of this Prospectus;
- (iv) The Administration Agreement, entered into between icapital.biz of the one part and PFA, of the other part under which the Administrator agrees to act as the administrator of the Company's investments subject to the terms and conditions set out therein. Total fees of RM91,000 per annum is payable to the Administrator for administrative, accounting and reporting services, including the preparation of quarterly and annual financial reports;
- (v) Underwriting Agreement, entered into between icapital.biz of the one part and Kenanga, of the other part for the underwriting of 13,000,000 Issue Shares to be issued pursuant to the Public Offer ("Underwritten Shares") for an aggregate underwriting commission of 2.0% of the issue price of RM1.00 per Underwritten Share;
- (vi) Placement agreement dated 1 July 2005, entered into between icapital.biz of the one part and Kenanga of the other part for the placement of a minimum of 46,999,998 Issue Shares to be issued pursuant to the Private Placement and the Subscribers' Shares ("Private Placement Shares") for an aggregate placement fee of 1.5% of the issue price of RM1.00 per Private Placement Share placed out by Kenanga; and

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (vii) Placement management letter dated 1 July 2005, entered into between icapital.biz of the one part and Kenanga of the other part for the management of the Private Placement for a management fee of 0.5% of the aggregate amount raised through the Private Placement; and
- (viii) Licensing Agreement, entered into between icapital.biz of the one part and CDSB of the other part, under which CDSB grants icapital.biz a non-transferable and non-exclusive rights to use the Trade Marks (as defined therein) as part of the name of icapital.biz for a consideration of RM10 per annum (payable in advance) subject to the terms and conditions set out therein. The salient terms are set out in Section 5.3.4 of this Prospectus.

15.11 MATERIAL AGREEMENTS

As at the Latest Practicable Date, there are no agreements which are or may be material which have been entered into by the Company.

15.12 LETTERS OF CONSENT

- (i) The written consents of the Corporate and Due Diligence Solicitors, Documentation Solicitors, Registrar, Adviser, Underwriter and Placement Agent, Company Secretaries, Issuing House and Messrs. Hewitt Associates to the inclusion in this Prospectus of their names in the manner and form in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion of their name and the Accountants' Report in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (iii) The written consent of the Tax Adviser to the inclusion of their name and their letter in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (iv) The written consent of the Fund Manager, the Investment Adviser, the Custodian and the Administrator to the inclusion of their name and their letter in the manner and form in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.

15.13 RESPONSIBILITY STATEMENTS

- (i) This Prospectus has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable inquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.
- (ii) Kenanga acknowledges that, based on all information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the Public Issue.

15 STATUTORY AND OTHER GENERAL INFORMATION (Cont'd)

- (iii) The information relating specifically to CDAM, CDSB and Deutsche Bank have been provided by the respective Board of Directors of CDAM, CDSB and Deutsche Bank. The respective Board of Directors of CDAM and CDSB and the authorised representatives of Deutsche Bank, collectively and individually have in respect of the relevant companies, accepted responsibility that the information given herein relating to the relevant companies respectively are true, accurate and complete, after making all reasonable enquiries and to the best of their knowledge and belief, there are no facts the omission of which would make any statement herein false or misleading. The sole responsibility of the Board of Directors of icapital.biz is to ensure that such information has been accurately and correctly extracted and reproduced from these sources.

15.14 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of icapital.biz during normal office hours for a period of twelve (12) months from the date of this Prospectus:-

- (i) Memorandum and Articles of Association of icapital.biz;
- (ii) The Directors' Report, Accountants' Report and Tax Adviser's Letter, referred to in Sections 12, 13 and 14 respectively of this Prospectus;
- (iii) The material contracts referred to in Section 15.10 of this Prospectus;
- (iv) Audited accounts of the Company for financial period ended 31 May 2005; and
- (v) The letters of consent referred to in Section 15.12 of this Prospectus.

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16. PROCEDURE FOR APPLICATION AND ACCEPTANCE

16.1 OPENING AND CLOSING OF APPLICATION

Applications will be accepted from 10:00 a.m. on 26 September 2005 and will remain open until 5:00 p.m. on 7 October 2005 or for such other later date or dates as the Board and the Underwriter may in their absolute discretion mutually decide. Late applications will not be accepted.

In the event the closing date for the applications is extended, applicants will be notified of such extension by way of advertisements placed in a widely circulated English and Bahasa Malaysia newspaper in Malaysia.

Copies of the Application Forms together with the Prospectus may be obtained, subject to availability, from MIH, Kenanga and ADA who is also a Bursa Securities member.

16.2 METHODS OF APPLICATION

Applications for the Issue Shares may be made using either of the following ways:

- (i) Application Forms; or
- (ii) Electronic Share Application.

16.3 PRIVATE PLACEMENT AND PUBLIC OFFER PROCEDURES

The Issue Shares made available for subscription by way of Private Placement and Public Offer to the Entitled Subscribers and the Malaysian public, companies, societies and institutions are as follows:-

- (a) Minimum Subscription

	Number of icapital.biz Shares
(i) Private Placement	47,000,000
(ii) Public Offer to the Entitled Subscribers	
▪ Subscribers of i Capital and 《资本投资》	8,800,000
▪ Subscribers of www.icapital.biz	1,200,000
(iii) Public Offer to the general public	3,000,000
Total Issue Shares	60,000,000

The allocation of the Issue Shares between the Private Placement, the Public Offer to the Entitled Subscribers and the Public Offer to the general public is subject to adjustment. In the event that either categories are undersubscribed and there is a corresponding oversubscription in the other categories, the Issue Shares may be clawed back from the undersubscribed category and reallocated to the oversubscribed category. The clawback and reallocation shall not apply in the event of over-subscription, i.e. when the aggregate subscriptions of the Issue Shares amount to more than 60,000,000 Shares.

- (b) Subscription of between 60,000,000 and 140,000,000 Shares

Should the aggregate subscription of the Issue Shares for all categories, i.e. the Private Placement, the Public Offer to the Entitled Subscribers and the Public Offer to the general public amount to between 60,000,000 Shares and 140,000,000 Shares, all applications for subscription of the Issue Shares will be accepted.

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

(c) **Maximum Subscription**

The maximum subscription of the Issue Shares shall be an aggregate of 140,000,000 Shares.

The basis of allocation to be determined under (c) above shall take into account the desirability of distributing the Issue Shares to a reasonable number of applicants with a view of broadening the shareholding base of icapital.biz to meet the public spread requirements and to establish a liquid and an adequate market in icapital.biz Shares.

16.3.1 Procedures for application by investors under the Private Placement

- (i) The potential investors will be pre-identified by the Placement Agent.
- (ii) Upon the closing of the Application List, in the event of under-subscription for the Issue Shares under Sections 16.3.2 and/or 16.3.3, Shares may be transferred from the Private Placement tranche and allocated by way of Public Offer to Entitled Subscribers and/or the general public.

Investors under the Private Placement are not precluded from making additional applications using the **White Application Forms** under the Malaysian public category. An investor who has been successfully allocated shares under the Private Placement may also, at the discretion of the Board, be allocated Shares under the Public Offer to the Malaysian public.

If the investors under the Private Placement are subscribers of *i* Capital, 《资本投资®》 or www.icapital.biz, they are also not precluded from making additional applications using the **Green Application Forms** or **Yellow Application Forms** respectively under the Public Offer to the Entitled Subscriber's category, details of which are set out in Section 16.3.2. An investor who is an Entitled Subscriber and has been successfully allocated Shares under the Private Placement may also, at the discretion of the Board, be allocated Shares under the Public Offer to Entitled Subscribers.

16.3.2 Procedures for application by Entitled Subscribers

- (i) Applications by entitled subscribers of *i* Capital and 《资本投资®》

Applications for 8,800,000 Issue Shares made available for application by the entitled subscribers of *i* Capital and 《资本投资®》 must be made on the **Green Application Forms** provided only and NOT by way of other Application Forms or by way of Electronic Share Application.

The **Green Application Forms**, together with copies of the Prospectus will be sent directly to the entitled subscribers of *i* Capital and 《资本投资®》. Copies of the **Green Application Forms** are also available at Capital Dynamics Sdn Bhd, Lot 3.01A, Third Floor, Plaza Warisan, Jalan Tun HS Lee, 50000 Kuala Lumpur.

- (ii) Applications by entitled subscribers of www.icapital.biz

Applications for 1,200,000 Issue Shares made available for application by the entitled subscribers of www.icapital.biz must be made on the **Yellow Application Forms** provided only and NOT by way of other Application Forms or by way of Electronic Share Application.

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

The **Yellow Application Forms**, together with copies of the Prospectus will be sent directly to the entitled subscribers of www.icapital.biz. Copies of the **Yellow Application Forms** are also available at Capital Dynamics Sdn Bhd, Lot 3.01A, Third Floor, Plaza Warisan, Jalan Tun HS Lee, 50000 Kuala Lumpur.

The Entitled Subscribers are not precluded from making additional applications using the **White Application Forms** under the Malaysian public category. An Entitled Subscriber who has been successfully allocated shares under the Public Issue for Entitled Subscribers may also, at the discretion of the Board, be allocated shares under the Private Placement and/or Public Offer to the Malaysian public.

16.3.3 Procedures for application by the Malaysian public, companies, societies, co-operatives and institutions

- (i) Applications for the Issue Shares made available for application by the public must be made on the **White Application Forms** provided or by way of Electronic Share Application.
- (ii) As the issuing house, MIH will, on opening of the Application List, send out the Prospectus to all ADAs which are registered Bursa Securities members together with the **White Application Forms**. **White Application Forms** are available from the respective ADA.
- (iii) **White Application Forms** together with copies of this Prospectus may be obtained, subject to availability, from Kenanga, member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia and MIH.

Upon closing of the Application List, in the case of over-subscription of the Issue Shares, balloting will be carried out by MIH in a manner approved by the Board.

A summary of the application procedures are as set out below:-

Applicants	Application method
Entitled Subscribers:-	
(i) Subscribers of i Capital and 《资本投资》	Green Application Form only
(ii) Subscribers of www.icapital.biz	Yellow Application Forms only
Pre-identified investors	Blue Application Forms only
Public	White Application Form only
(eg. corporations, institutions, etc)	
Public (Individuals)	White Application Form or Electronic Share Application*

Note:-

- * Only individual applicants, who are Malaysian citizens residing in Malaysia, with CDS Accounts are eligible to apply for the Issue Shares using the Electronic Share Application.

Applications shall be made in connection with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of icapital.biz.

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Only one (1) Application Form from each applicant will be considered and applications must be for 100 ordinary shares or multiples thereof. **Multiple applications under the public tranche will not be accepted. A person who submit multiple applications in his own name or by using the name of others, with or without their consents, commits an offence under Section 87A of the Securities Industry Act, 1983 ("SIA") and if convicted, may be punished with a minimum fine of RM1,000,000 and to a jail term of up to 10 years under Section 88B of the SIA.**

Persons submitting applications by way of Application Forms or Electronic Share Applications **must have a CDS account.**

The amount payable in full on application is RM1.00 per Issue Share. Persons submitting applications by way of Applications Forms may not submit applications by way of Electronic Share Applications and vice versa. A corporation or institution cannot apply for shares by way of Electronic Share Application.

IN THE CASE OF AN INDIVIDUAL APPLICANT OTHER THAN A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME AND NATIONAL REGISTRATION IDENTITY CARD NUMBER OF THE APPLICANT MUST BE EXACTLY THE SAME AS STATED IN:

- (i) (a) THE APPLICANT'S IDENTITY CARD ("NRIC");
(b) ANY VALID TEMPORARY IDENTITY DOCUMENT AS ISSUED BY THE NATIONAL REGISTRATION DEPARTMENT FROM TIME TO TIME; OR
(c) THE APPLICANT'S RESIT PENGENALAN SEMENTARA ("JPN 1/9") ISSUED PURSUANT TO PERATURAN 5(5), PERATURAN-PERATURAN PENDAFTARAN NEGARA 1990; AND
- (ii) THE RECORDS OF BURSA DEPOSITORY.

WHERE THE APPLICANT IS A MEMBER OF THE ARMED FORCES OR POLICE, THE NAME AND THE ARMED FORCES OR POLICE PERSONNEL NUMBER, AS THE CASE MAY BE, MUST BE EXACTLY THE SAME AS THAT STATED IN HIS/HER AUTHORITY CARD.

IN THE CASE OF A CORPORATE/INSTITUTIONAL APPLICANT, THE NAME AND THE CERTIFICATE OF INCORPORATION NUMBER OF THE APPLICANT MUST BE EXACTLY THE SAME AS THAT STATED IN THE APPLICANT'S CERTIFICATE OF INCORPORATION.

No acknowledgement of the receipt of the Application Form or application monies will be made by the Company and/or MIH.

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.3.4 TERMS AND CONDITIONS

Applications by way of Application Forms shall be made on, and subject to, the terms and conditions appearing below:

- (a) Applicant who is an individual must be a Malaysian Citizen residing in Malaysia with Malaysian address. Applicant must have a CDS Account.
- (b) Applicant which are corporations/institutions incorporated or operating in Malaysia must have a CDS account.
- (c) Applicant which are corporations/institutions incorporated or operating in Malaysia must be subjected to the following:
 - (i) If the corporation/institution has a share capital, more than half of the issued share capital is held by Malaysian citizens; and
 - (ii) There is a majority of Malaysian citizens on the board of Directors/trustee.
- (d) Applicant which is a superannuation, provident or pension fund must be established or operating in Malaysia and has a CDS account.
- (e) Applications will not be accepted from trustees, any person under 18 years of age, sole proprietorships, partnerships or other incorporated bodies or associations, other than corporations/institutions referred to in Sections 16.3.4 (b) and (c) above or the trustees thereof.
- (f) Application for the Issue Shares must be made on the respective Application Forms issued together with this Prospectus and must be completed in accordance with the Notes and Instructions printed on the reverse side of the Application Form and this Prospectus. In accordance with Section 41(2) of the Securities Commission Act, 1993, the Application Form together with the notes and instructions printed therein is accompanied by this Prospectus. Applications, which do not STRICTLY conform to the terms of this Prospectus or Application Form or notes and instructions printed therein or which are illegible will not be accepted.
- (g) EACH COMPLETED APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY EITHER:
 - BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR; OR
 - CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES IN MALAYSIA AND DRAWN ON A BANK IN KUALA LUMPUR; OR
 - MONEY ORDER OR POSTAL ORDER (FOR APPLICANTS FROM SABAH AND SARAWAK ONLY); OR
 - GUARANTEED GIRO ORDER ("GGO") FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD; OR
 - ATM STATEMENT OBTAINED ONLY FROM:
 - AFFIN-ACF FINANCE BERHAD;
 - ALLIANCE BANK MALAYSIA BERHAD;
 - AMBANK (M) BERHAD;
 - BUMIPUTRA-COMMERCE BANK BERHAD;
 - EON BANK BERHAD;
 - HONG LEONG BANK BERHAD;

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- MALAYAN BANKING BERHAD;
- PUBLIC BANK BERHAD;
- RHB BANK BERHAD;
- SOUTHERN BANK BERHAD; OR
- SOUTHERN FINANCE BERHAD

AND MUST BE MADE OUT IN FAVOUR OF "MIH SHARE ISSUE ACCOUNT NO. 388" AND CROSSED "A/C PAYEE ONLY" (EXCLUDING ATM STATEMENTS) AND ENDORSED ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT. APPLICATIONS ACCOMPANIED BY MODE OF PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES OR INAPPROPRIATE BANKER'S DRAFTS/CASHIER'S ORDERS/CHEQUE ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES/MONEY ORDERS/ATM STATEMENT/GGO WILL NOT BE ACCEPTED. DETAILS OF REMITTANCES MUST BE COMPLETED IN THE APPROPRIATE BOXES PROVIDED ON THE APPLICATION FORMS.

- (h) AN APPLICANT MUST STATE HIS CDS ACCOUNT NUMBER IN THE SPACE PROVIDED IN THE APPLICATION FORM AND HE SHALL BE DEEMED TO HAVE AUTHORISED BURSA DEPOSITORY TO DISCLOSE INFORMATION PERTAINING TO THE CDS ACCOUNT TO THE ISSUING HOUSE/COMPANY.
- (i) THE NAME AND ADDRESS OF THE APPLICANT MUST BE WRITTEN ON THE REVERSE SIDE OF THE BANKER'S DRAFT, CASHIER'S ORDER, ATM STATEMENT, MONEY ORDER, CHEQUES ISSUED BY PARTICIPATING LICENSED FINANCE COMPANIES OR GGO FROM BANK SIMPANAN NASIONAL MALAYSIA BERHAD.
- (j) The Board reserves the right to require any successful applicant to appear in person at the registered office of MIH within 14 days of the date of the notice issued to him to ascertain the regularity or propriety of the application. The Board shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (k) MIH under the authority of the Board reserves the right to reject applications which do not conform to these instructions or which are illegible or which are accompanied by remittances improperly drawn.
- (l) MIH under the authority of the Board reserves the right not to accept any application or accept any application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
- (m) Where an application is not accepted or accepted in part only, the full amount or the balance of the application monies, as the case may be, without interest, will be returned and despatched to the applicant within ten (10) market days from the date of the final ballot of the applications lists by ordinary post at the applicant's address last maintained with Bursa Depository or where the application is not accepted due to the applicant not having provided a CDS account, to the address per the National Registration Identity Card or "Resit Pengenalalan Sementara (JPN 1/9)" or any valid temporary identity document as issued by the National Registration Department from time to time.

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (n) The applicant shall ensure that his/her personal particulars stated in the Application Form are identical with the records maintained by Bursa Depository. The applicant must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to his/her registered or correspondence address last maintained with Bursa Depository.
- (o) MIH under the authority of the Board reserves the right to bank in all application monies from unsuccessful applicants and partially successful applicants, which would subsequently be refunded without interest by registered post.
- (p) Each completed Application Form accompanied by the appropriate remittance and legible photocopy of the relevant documents must be despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
P.O. Box 13269
50804 Kuala Lumpur

or **DELIVERED BY HAND AND DEPOSITED** in the Drop-in Boxes provided at the back portion of Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, so as to arrive not later than 5:00 p.m. on 7 October 2005.

Applications may also be delivered in a drive-in-manner at Stadium Hoki Tun Razak, Jalan Duta, Kuala Lumpur on 7 October 2005 between 10.00 a.m. to 5.00 p.m. only.

- (q) Directors and employees of MIH and their immediate families are strictly prohibited from applying for the Issue Shares.
- (r) **PLEASE DIRECT ALL ENQUIRIES IN RESPECT OF THE WHITE APPLICATION FORM TO MIH.**

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16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.3.5 PRIVATE PLACEMENT

The applicant must return the completed **BLUE Application Form** and accompanying remittance to the Placement Agent by **ORDINARY POST, COURIER SERVICE OR DELIVERED BY HAND** before the closing of the application on 7 October 2005, at the following:-

K & N Kenanga Bhd
801, 8th Floor, Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur

so as to arrive not later than **5.00 p.m. on 7 October 2005** or such further period or periods, as the Board and Kenanga at their discretion may decide. The extension of the closing period is subject to the approval of Bursa Securities and the SC. Late applications will not be accepted.

EACH COMPLETED BLUE APPLICATION FORM MUST BE ACCOMPANIED BY REMITTANCE IN RINGGIT MALAYSIA FOR THE FULL AMOUNT PAYABLE BY A BANKER'S DRAFT OR CASHIER'S ORDER PURCHASED WITHIN MALAYSIA ONLY AND DRAWN ON A BANK IN KUALA LUMPUR AND SUCH REMITTANCE MUST BE MADE OUT IN FAVOUR OF "**K&N KENANGA BHD**" AND CROSSED "**A/C PAYEE ONLY**" AND WRITTEN ON THE REVERSE SIDE WITH THE NAME AND ADDRESS OF THE APPLICANT AND THE SERIAL NUMBER OF THE APPLICATION FORM.

16.4 PROCEDURES FOR APPLICATION AND ACCEPTANCE (USING ELECTRONIC SHARE APPLICATIONS)

(i) Steps for Electronic Share Application through a Participating Financial Institution's ATM

- (a) The applicant must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account.
- (b) The applicant must have a CDS account.
- (c) The applicant is to apply for the Issue Shares via the ATM of the Participating Financial Institution by choosing the Electronic Share Application option. Mandatory statements required in the application are set out in Section 16.4(ii) below.

The applicant is to enter at least the following information through the ATM where the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so:

- Personal Identification Number (PIN);
- MIH Share Issue Account Number 388;
- CDS Account Number;
- Number of Issue Shares applied for and/or the RM amount to be debited from the account; and
- Confirmation of several mandatory statements.

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

(ii) Terms and Conditions

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions (the "Steps"). The Steps set out the actions that the applicant must take at the ATM to complete an Electronic Share Application. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application. Any reference to "applicant" in the terms and conditions for Electronic Share Application and the Steps shall mean the applicant who applies for shares through an ATM of any of the Participating Financial Institutions. Applications must be made in accordance with the procedures set out on the ATM screens of the relevant Participating Financial Institutions and the instructions, terms and conditions printed in this Prospectus.

Only an applicant who is an individual and who is a Malaysian citizen residing in Malaysia and has a CDS Account can make an Electronic Share Application.

The applicant must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Financial Institutions before he can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one (1) of the Participating Financial Institutions cannot be used to apply for shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of his Electronic Share Application transaction, the applicant will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of his Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by the Company or MIH. The Transaction Record is for retention by the applicant and should not be submitted with any Application Form.

Upon the closing of the offer for the application for the Issue Shares, on 7 October 2005 at 5.00 p.m. ("Closing Date and Time"), the Participating Financial Institution shall submit a magnetic tape containing its respective customers' applications for the Issue Shares to MIH as soon as practicable but not later than 12.00 p.m. on the second business day after the Closing Date and Time.

An applicant will be allowed to make an Electronic Share Application for shares via an ATM that accepts the ATM cards of the Participating Financial Institution with which he has an account and its branches, subject to the applicant making only one (1) application. An applicant who has a bank account with a Participating Financial Institution and has been issued an ATM card will be allowed to apply for shares via an ATM of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to the applicant making only one (1) application.

AN APPLICANT MUST ENSURE THAT HE USES HIS OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. AN APPLICANT OPERATING A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION MUST ENSURE THAT HE ENTERS HIS OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO HIM IN HIS OWN NAME. HIS APPLICATION WILL BE REJECTED IF HE FAILS TO COMPLY WITH THE FOREGOING.

The Electronic Share Application shall be made on, and subject to, the terms and conditions contained herein as well as the terms and conditions appearing below:

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (a) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and the Memorandum and Articles of Association of the Company.
- (b) The applicant is required to confirm the following statement (by depressing predesignated keys or buttons on the ATM keyboard) and undertake that the following information given is true and correct:
- I have attained 18 years of age as at the closing date of the share application;
 - I am a Malaysian citizen residing in Malaysia;
 - I have read the relevant Prospectus and understood and agreed with the terms and conditions of this application;
 - This is the only application that I am submitting; and
 - I hereby give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining to myself and my account with the Participating Financial Institution and Bursa Depository to MIH and other relevant authorities.

The application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless the applicant completes all the steps required by the Participating Financial Institution. By doing so, the applicant shall be treated as signifying his confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 97 of the Banking and Financial Institutions Act, 1989 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of the applicant's particulars to MIH, or any relevant regulatory bodies.

- (c) THE APPLICANT CONFIRMS THAT HE IS NOT APPLYING FOR SHARES AS A NOMINEE OF ANY OTHER PERSONS AND THAT ANY ELECTRONIC SHARE APPLICATION THAT HE MAKES IS MADE BY HIM AS BENEFICIAL OWNER. THE APPLICANT SHALL ONLY MAKE ONE (1) ELECTRONIC SHARE APPLICATION AND SHALL NOT MAKE ANY OTHER APPLICATION FOR THE ISSUE SHARES, WHETHER AT THE ATM OF ANY PARTICIPATING FINANCIAL INSTITUTION OR ON THE PRESCRIBED APPLICATION FORMS.
- (d) The applicant must have sufficient funds in his account with the relevant Participating Financial Institution at the time he makes his Electronic Share Application, failing which his Electronic Share Application will not be completed. Any Electronic Share Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (e) The applicant agrees and undertakes to subscribe for or purchase and to accept the number of shares applied for as stated on the Transaction Record or any lesser number of shares that may be allotted or allocated to him in respect of his Electronic Share Application. In the event that the Company decides to allot or allocate any lesser number of such shares or not to allot or allocate any shares to the applicant, the applicant agrees to accept any such decision as final. If the applicant's Electronic Share Application is successful, his confirmation (by his action of pressing the designated key or button on the ATM) of the number of shares applied for shall signify, and shall be treated as, his acceptance of the number of shares that may be allotted or allocated to him and to be bound by the Memorandum and Articles of Association of the Company.
- (f) MIH under the authority of the Board reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in part only on a non-discriminatory basis without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the shares to a reasonable number of applicants with a view to establishing an adequate market for the shares.
- (g) Where an Electronic Share Application is not successful or successful in part only, the relevant Participating Financial Institution will be informed of the non-successful or partially successful applications. Where the Electronic Share Application is not successful, the relevant Participating Financial Institution will credit the full amount of the application monies without interest into the applicant's account with that Participating Financial Institution within two (2) market days after the receipt of confirmation from MIH. MIH shall inform the Participating Financial Institutions of the non-successful or partially successful applications within two (2) market days after the balloting date. The applicants may check their accounts on the fifth market day from the balloting date.

Where an Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of the application monies without interest into the applicant's account with the Participating Financial Institution within two (2) market days after the receipt of confirmation from MIH. A number of applications will, however, be held in reserve to replace any successfully balloted applications which are subsequently rejected. For such applications which are subsequently rejected, the application monies without interest will be refunded to applicants by MIH by way of cheques issued by MIH. The cheques will be issued to the applicants not later than ten (10) market days from the day of the final ballot of the Application List.

Should applicants encounter any problems in their applications, they may refer to the Participating Financial Institutions.

- (h) The applicant requests and authorises the Company:-
 - (i) to credit the shares allotted or allocated to the applicant into the CDS account of the applicant; and
 - (ii) to issue share certificate(s) representing such shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (i) The applicant, acknowledging that his Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of the Company, MIH or the Participating Financial Institution, irrevocably agrees that if:
 - (i) the Company or MIH does not receive the applicant's Electronic Share Application; or
 - (ii) data relating to the applicant's Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to the Company or MIH,the applicant shall be deemed not to have made an Electronic Share Application and the applicant shall not claim whatsoever against the Company, MIH or the Participating Financial Institutions for the shares applied for or for any compensation, loss or damage.
- (j) All particulars of the applicant in the records of the relevant Participating Financial Institution at the time he makes his Electronic Share Application shall be deemed to be true and correct and the Company, MIH and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (k) The applicant shall ensure that his personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, his Electronic Share Application is liable to be rejected. The applicant must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allotment or allocation will be sent to his registered or correspondence address last maintained with Bursa Depository.
- (l) By making and completing an Electronic Share Application, the applicant agrees that:
 - (i) in consideration of the Company agreeing to allow and accept the making of any application for shares via the Electronic Share Application facility established by the Participating Financial Institutions at its respective ATMs, his Electronic Share Application is irrevocable;
 - (ii) the Company, the Participating Financial Institutions, Bursa Depository and MIH shall not be liable for any delays, failures or inaccuracies in the processing of data relating to his Electronic Share Application to the Company due to a breakdown or failure of transmission or communication facilities or to any cause beyond their control;
 - (iii) notwithstanding the receipt of any payment by or on behalf of the Company, the acceptance of the offer made by the applicant to subscribe for and purchase the shares for which the applicant's Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allotment for prescribed securities, in respect of the said shares;

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iv) the applicant irrevocably authorises Bursa Depository to complete and sign on his behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the shares allotted or allocated to the applicant; and
- (v) the Company agrees that, in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the Electronic Share Application scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that the Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (m) The Board reserves the right to require any successful applicant to appear in person at the registered office of MIH within fourteen (14) days of the date of the notice issued to him to ascertain the regularity or propriety of the application. The Board shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any expenses incurred or to be incurred by the successful applicant for the purpose of complying with this provision.
- (n) MIH on the authority of the Board reserves the right to reject applications which do not conform to these instructions.
- (o) Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches:-
 - AMBANK (M) BERHAD;
 - BANK MUAMALAT MALAYSIA BERHAD;
 - BUMIPUTRA-COMMERCE BANK BERHAD;
 - HSBC BANK MALAYSIA BERHAD;
 - MALAYAN BANKING BERHAD;
 - OCBC BANK (MALAYSIA) BERHAD; OR
 - STANDARD CHARTERED BANK MALAYSIA BERHAD (at selected branches only).
- (p) A surcharge of RM2.50 per Electronic Share Application will be charged by the respective Participating Financial Institutions.

16.5 APPLICATIONS AND ACCEPTANCES

MIH on the authority of the Board reserves the right not to accept any application which does not strictly comply with the instructions or to accept any application in part only without assigning any reason therefor.

The submission of an Application Form does not necessarily mean that the application will be successful.

ALL APPLICATIONS MUST BE FOR 100 ORDINARY SHARES OR MULTIPLES THEREOF.

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

In the event of an over-subscription, acceptance of applications shall be subject to ballot to be conducted in the manner approved by the Board. Due consideration will be given to the desirability of distributing the Issue Shares, to a reasonable number of applicants with a view to broaden the shareholding base and establishing an adequate market in the shares of the Company. Pursuant to the Listing Requirements of Bursa Securities, the Company needs to have at least 25% of the total number of shares for which listing is sought in the hands of a minimum of 1,000 public shareholders holding not less than 100 Shares upon admission to the Main Board. In the event thereof, monies paid in respect of all applications will be returned without interest if the said permission for listing and quotation is not granted. Applicants will be selected in a manner to be determined by the Board.

In the event of an under-subscription by the eligible business associates, such shares will be made available for application by the Malaysian public.

Directors and employees of MIH and their immediate families are strictly prohibited from applying for the Issue Shares.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED BY ORDINARY POST OR REGISTERED POST RESPECTIVELY TO THE APPLICANT WITHIN TEN (10) MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS AT THE ADDRESS REGISTERED WITH THE BURSA DEPOSITORY AT THE APPLICANT'S OWN RISK.

NO APPLICATION SHALL BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCES HAVING BEEN PRESENTED FOR PAYMENT.

MIH RESERVES THE RIGHT TO BANK IN ALL APPLICATION MONIES FROM PARTIALLY SUCCESSFUL APPLICANTS. REFUND MONIES IN RESPECT OF UNSUCCESSFUL APPLICANTS WHOSE MONIES HAVE BEEN BANKED-IN AND PARTIALLY SUCCESSFUL APPLICANTS WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANTS WITHIN TEN (10) MARKET DAYS FROM THE DATE OF THE FINAL BALLOT OF THE APPLICATION LISTS BY REGISTERED POST AT THE ADDRESS REGISTERED WITH THE BURSA DEPOSITORY AT THE APPLICANT'S OWN RISK.

16.6 CDS ACCOUNTS

Pursuant to Section 29 of the Securities Industry (Central Depositories) Act, 1991, all dealings in the Issue Shares will be by book entries through CDS Account. No share certificates will be issued to successful applicants.

Only an applicant who has a CDS account can make an application by way of an Application Form. An applicant should state his CDS account number in the space provided on the Application Form and he/she shall be deemed to have authorised Bursa Depository to disclose information pertaining to the CDS account to MIH/the Company. Where an applicant does not presently have a CDS account, he/she should open a CDS account at an ADA prior to making an application for the Issue Shares.

In the case of an application by way of Electronic Share Application, only an applicant who has a CDS account can make an Electronic Share Application and the applicant shall furnish his CDS account number to the Participating Financial Institution by way of keying in his CDS account number if the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so.

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Failure to comply with these specific instructions or inaccuracy in the CDS account number, arising from use of invalid, third party or nominee accounts, may result in the application being rejected. If a successful applicant fails to state his/her CDS account number, MIH on the authority of the Company will reject the application. MIH on the authority of the Board also reserves the right to reject any incomplete and inaccurate application. Applications may also be rejected if the applicants' particulars provided in the Application Forms, or in the case of Electronic Share Application, if the records of the Participating Financial Institutions at the time of making the Electronic Share Application differ from those in Bursa Depository's records, such as the identity card number, name and nationality.

16.7 NOTICES OF ALLOTMENT

Shares allotted to all successful or partially successful applicants will be credited to their respective CDS accounts. A notice of allotment will be despatched to the successful or partially successful applicant at his address last maintained with the Bursa Depository at the applicant's own risk prior to the listing of icapital.biz. For Electronic Share Application, the notice of allotment will be despatched to the successful or partially successful applicant at his address last maintained with the Bursa Depository at the applicant's own risk prior to the listing of icapital.biz. This is the only acknowledgement of acceptance of the application.

All applicants must inform Bursa Depository of his/her updated address promptly by adhering to certain rules and regulation of the Bursa Depository, failing which, the notification letter on successful allotment shall be sent to the applicant's address last maintained with Bursa Depository.

Applicants may also check the status of their application by logging on to the MIH website at www.mih.com.my or by calling their respective ADAs at the telephone number as stated in Section 16.8 of this Prospectus or MIH Enquiry Services at 03-2693 2075 (10 lines), five (5) to ten (10) market days (during office hours only) after the balloting date.

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16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)**16.8 LIST OF ADAs**

The list of ADAs and their respective Broker codes is as follows:-

Name	Address and Telephone Number	Broker Code	Name	Address and Telephone Number	Broker Code
KUALA LUMPUR					
AFFIN-UOB SECURITIES SDN BHD	Level 3, Menara Keck Seng 203, Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : 03-21438668	028-001	AMSECURITIES SDN BHD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20782788	086-001
AVENUE SECURITIES SDN BHD	Ground Floor & Level 1 THB Satu, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No : 03-20891800	052-001	BIMB SECURITIES SDN BHD	1st & 2nd Floor, Podium Block AMDB Building No. 1, Jalan Lumut 50400 Kuala Lumpur Tel No : 03-40433533	024-001
CIMB SECURITIES SDN BHD	9th Floor, Commerce Square Jalan Semantan, Damansara Heights 50490 Kuala Lumpur Tel No : 03-20849999	065-001	ECM LIBRA SECURITIES SDN BHD	8A Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21781888	099-001
HLG SECURITIES SDN BHD	Level 5, Wisma Kia Peng No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No : 03-21681168	066-001	HWANG-DBS SECURITIES BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No : 03-77106688	068-009
HWANG-DBS SECURITIES BERHAD	Nos. 34-5, 36-5, 38-5, 40-5, 42-5 & 44-5 5th Floor, Cheras Commercial Centre Jalan 5/101C Off Jalan Kaskas, 5th Mile Cheras 56100 Kuala Lumpur Tel No : 03-91303399	068-012	HWANG-DBS SECURITIES BERHAD	Suite 7-03, 7th Floor Suite 12-02 & Part of Suite 12-01 12th Floor, Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : 03-27112775	068-014
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No 1, Jalan Imbi 55100 Kuala Lumpur Tel No : 03-21171888	054-001	JUPITER SECURITIES SDN BHD	7th-9th Floor, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20341888	055-001
K & N KENANGA BHD	8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No : 03-21649080	073-001	KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	30th Floor, Menara Weld No. 76, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20201600	053-001
KUALA LUMPUR CITY SECURITIES SDN BHD	No. 8, Jalan Binjai Off Jalan Ampang 50450 Kuala Lumpur Tel No : 03-21667922	076-001	KUALA LUMPUR CITY SECURITIES SDN BHD	Ground, 1st & 2nd Floor No. 33, Plaza Crystaville Jalan 23/70A Desa Sri Hartamas 50480 Kuala Lumpur Tel No : 03-62033366	076-010

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code	Name	Address and Telephone Number	Broker Code
EONCAP SECURITIES SDN BHD	Level 18, Wisma Cyclecarri 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No : 03-26928899	061-001	M & A SECURITIES SDN BHD	Level G-2, No. 45 & 47 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel No : 03-22821820	057-002
MAYBAN SECURITIES SDN BHD	Level 5-13, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No : 03-22978888	098-001	MERCURY SECURITIES SDN BHD	Lot 6-05, Level 6, Tower Block Menara Milenium 8, Jalan Damansara Bukit Damansara 50490 Kuala Lumpur Tel. No. : 03-20942828	093-002
MIDF SECURITIES SDN BHD	17th & 18th Floor, Empire Tower 182, Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-21668888	026-001	OSK SECURITIES BERHAD	20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No : 03-21624388	056-001
OSK SECURITIES BERHAD	No. 62 & 64, Vista Magna Jalan Prima 1 Pusat Niaga Metro Prima 52100 Kuala Lumpur Tel No : 03-62575869	056-028	OSK SECURITIES BERHAD	Ground Floor No. M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No : 03-42804798	056-054
OSK SECURITIES BERHAD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-90587222	056-058	PB SECURITIES SDN BHD	27th Floor, Public Bank Building No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : 03-20313011	051-001
PM SECURITIES SDN BHD	Ground & 1st Floor, MUI Plaza Jalan P. Ramlee 50250 Kuala Lumpur Tel No : 03-21463000	064-001	RHB SECURITIES SDN BHD	Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-92852233	087-001
SIME SECURITIES SDN BHD	21st Floor, Sime Bank Building 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : 03-22749288	097-001	TA SECURITIES HOLDINGS BERHAD	Floor 13, 15-18, 20, 23, 28-30, 34 & 35 Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No : 03-20721277	058-003

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16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code	Name	Address and Telephone Number	Broker Code
SELANGOR DARUL EHSAN					
AFFIN SECURITIES SDN BHD	2nd, 3rd & 4th Floor Wisma Amsteel Securities No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439999	028-002	AMSECURITIES SDN BHD	4 th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77106613	086-003
HWANG-DBS SECURITIES BERHAD	16th, 18th-20th Floor, Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No : 03-55133288	068-002	HWANG-DBS SECURITIES BERHAD	East Wing & Centre Link Floor 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56356688	068-010
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No : 03-87361118	079-001	JF APEX SECURITIES BERHAD	15th & 16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : 03-76201118	079-002
K & N KENANGA BHD	13th Floor, Menara Yayasan Selangor No. 18A, Jalan Persiaran Barat Off Jalan Timur 46000 Petaling Jaya Selangor Darul Ehsan Tel No : 03-79562169	073-005	K & N KENANGA BHD	1st Floor, Wisma UEP Pusat Perniagaan USJ 10 Jalan USJ 10/1A 47620 Subang Jaya Selangor Darul Ehsan Tel No : 03-80241682	073-006
K & N KENANGA BHD	Room 7.02, Level 7, Menara ING Intan Millenium Square No. 68 Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel No : 03-30057550	073-007	SBB SECURITIES SDN BHD	1st, 2nd & 3rd Floor Plaza Damansara Utama No. 2, Jalan SS 21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77297345	090-002
OSK SECURITIES BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78736366	056-011	OSK SECURITIES BERHAD	No. 37 Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No : 03-87363378	056-045
OSK SECURITIES BERHAD	Ground & 1st Floor No. 15, Jalan Bandar Rawang 4 48000 Rawang Selangor Darul Ehsan Tel No : 03-60928916	056-047	OSK SECURITIES BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439180	056-048
PM SECURITIES SDN BHD	No. 157 & 159, Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-80700773	064-003	PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33415300	064-007

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code	Name	Address and Telephone Number	Broker Code
SJ SECURITIES SDN BHD	Level 3, Holiday Villa No. 9, Jalan SS 12/1, Subang Jaya 47500 Petaling Jaya Selangor Darul Ehsan Tel No : 03-56340202	096-001			
MELAKA					
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang, P. O. Box 248 75250 Melaka Tel No : 06-3371533	012-001	OSK SECURITIES BERHAD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No : 06-2825211	056-003
PM SECURITIES SDN BHD	No. 11 & 13, Jalan PM2 Plaza Mahkota 75000 Melaka Tel No : 06-2866008	064-006	RHB SECURITIES SDN BHD	Lot 9 & 10, 1st Floor Tabung Haji Building Jalan Bandar Kaba 75000 Melaka Tel No : 06-2833622	087-002
PERAK DARUL RIDZUAN					
AVENUE SECURITIES SDN BHD	No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2422828	052-002	HWANG-DBS SECURITIES BERHAD	21, Jalan Stesen 34000 Taiping Perak Darul Ridzuan Tel No : 05-8060888	068-003
HWANG-DBS SECURITIES BERHAD	Ground & 1st Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2559988	068-015	KUALA LUMPUR CITY SECURITIES SDN BHD	No. 43 & 44, Ground Floor Taman Sentosa, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6910910	076-008
M & A SECURITIES SDN BHD	M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : 05-2419800	057-001	MAYBAN SECURITIES SDN BHD	55, 57 & 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2558233	098-002
OSK SECURITIES BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2415100	056-002	OSK SECURITIES BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6236498	056-014
OSK SECURITIES BERHAD	1st Floor, No. 23 & 25, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6921228	056-016	OSK SECURITIES BERHAD	Ground Floor, 28, Jalan Maharaja Taman Bagan Serai Baru 34300 Bagan Serai Perak Darul Ridzuan Tel No : 05-7231888	056-018

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code	Name	Address and Telephone Number	Broker Code
OSK SECURITIES BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : 05-8088229	056-034	OSK SECURITIES BERHAD	No. 72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No : 05-4671801	056-044
OSK SECURITIES BERHAD	Ground & 1st Floor No. 181, Jalan Besar 31100 Sungai Siput Perak Darul Ridzuan Tel No.: 05-5951001	056-049	OSK SECURITIES BERHAD	Ground Floor No. 2, Jalan Wawasan 4 Taman Wawasan 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-7170888	056-052
SBB SECURITIES SDN BHD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2530888	090-001	TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor, Plaza Teh Teng Seng No. 227, Jalan Kampar 30250 Ipoh Perak Darul Ridzuan Tel No : 05-2531313	058-001
PULAU PINANG					
A.A. ANTHONY SECURITIES SDN BHD	No. 41-1-1 & 41-2-1 Jalan Cantonment 10250 Pulau Pinang Tel No : 04-2299318	078-002	AVENUE SECURITIES SDN BHD	No. 111, Jalan Macalister 10400 Pulau Pinang Tel No : 04-2281868	052-003
ECM LIBRA SECURITIES SDN BHD	7th Floor, Menara PSCI 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2283355	099-002	HWANG-DBS SECURITIES BERHAD	Level 2, 3, 4, 7 & 8, Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : 04-2636996	068-001
HWANG-DBS SECURITIES BERHAD	Ground, 1st & 2nd Floor 1620 & 1621, Jalan Permatang Batu Taman Industri Permatang Batu 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5372882	068-006	K&N KENANGA BHD	Lot 1.02, Level 1, Menara KWSP 38, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2106666	073-013
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth Seberang Prai, Pulau Pinang Tel No : 04-3322123	093-001	OSK SECURITIES BERHAD	64, Bishop Street 20F & 20G, Penang Street 10200 Pulau Pinang Tel No : 04-2634222	056-004
OSK SECURITIES BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai Pulau Pinang Tel No : 04-3900022	056-005	OSK SECURITIES BERHAD	Ground & Upper Floor No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5402888	056-015
OSK SECURITIES BERHAD	No. 834 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Pulau Pinang Tel No : 04-5831888	056-032	OSK SECURITIES BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5 & 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No : 04-6404888	056-042

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code	Name	Address and Telephone Number	Broker Code
PM SECURITIES SDN BHD	Level 25, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2273000	064-004	THONG & KAY HIAN SECURITIES SDN BHD	Wisma Sri Pinang, Level 5 & 6 60, Green Hall 10200 Pulau Pinang Tel No : 04-2635481	070-001
INTER PACIFIC SECURITIES SDN BHD	6th, 10th & 12th Floor Mayban Trust Building 3, Penang Street 10200 Pulau Pinang Tel No : 04-2626644	054-002			
PERLIS INDRA KAYANGAN					
KUALA LUMPUR CITY SECURITIES SDN BHD	2nd Floor, Podium Block KWSP Building 01000 Kangar Perlis Indra Kayangan Tel No : 04-9765200	076-003			
KEDAH DARUL AMAN					
HWANG-DBS SECURITIES BERHAD	No. 70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4256666	068-011	KUALA LUMPUR CITY SECURITIES SDN BHD	2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No : 04-7317088	076-004
OSK SECURITIES BERHAD	Ground Floor, Swiss Inn Hotel No. 1, Jalan Pahlawan 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4204888	056-017	OSK SECURITIES BERHAD	No. 35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No : 04-4964888	056-019
OSK SECURITIES BERHAD	Ground & 1st Floor, 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7209888	056-021			
NEGERI SEMBILAN DARUL KHUSUS					
HWANG-DBS SECURITIES BERHAD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7612288	068-007	HWANG-DBS SECURITIES BERHAD	No. 6, Upper Level, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553188	068-013
OSK SECURITIES BERHAD	Ground, 1st & 2nd Floor No. 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7641641	056-024	OSK SECURITIES BERHAD	1st Floor, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No : 06-4421000	056-037

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code	Name	Address and Telephone Number	Broker Code
OSK SECURITIES BERHAD	1st & 2nd Floor No. 168, Jalan Mewah (Pusat Perniagaan UMNO Bahagian Jempol) 71200 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553011	056-040	OSK SECURITIES BERHAD	Ground & Mezzanine Floor No. 346 & 347, Batu ½, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No : 06-6461234	056-046
PM SECURITIES SDN BHD	1st, 2nd & 3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7623131	064-002			
JOHOR DARUL TAKZIM					
A.A. ANTHONY SECURITIES SDN BHD	Suite 8.2, Level 8 Menara Sarawak Enterprise No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No: 07-3332000	078-001	AMSECURITIES SDN BHD	2 nd & 3 rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4342282	086-002
AVENUE SECURITIES SDN BHD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9532222	052-004	ENG SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2231211	081-001
HWANG-DBS SECURITIES BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2222692	068-004	K & N KENANGA BHD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3333600	073-004
K & N KENANGA BHD	No. 31 Lorong Dato' Ahmad Jalan Khalidi 84000 Muar Johor Darul Takzim Tel No : 06-9542711	073-008	K & N KENANGA BHD	No. 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : 07-9333515	073-009
K & N KENANGA BHD	No. 33 & 35 (Ground & 1st Floor A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No : 07-7771161	073-010	K & N KENANGA BHD	No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No : 06-9782292	073-011
KUALA LUMPUR CITY SECURITIES SDN BHD	No. 46 & 48 Jalan Dato' Kapten Ahmad 86000 Kluang Johor Darul Takzim Tel No : 07-7717922	076-006	OSK SECURITIES BERHAD	6 th floor, Wisma Tiong-Hua 8, Jalan Keris Taman Seri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No : 07-2788821	056-006
OSK SECURITIES BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4380288	056-009	OSK SECURITIES BERHAD	No. 33-1, 1 st and 2 nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 07-6868018	056-023

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code	Name	Address and Telephone Number	Broker Code
OSK SECURITIES BERHAD	Ground & 1st Floor No. 19, Jalan Pesta 1-1 Taman Tun Dr. Ismail 1, Jalan Bakri 84000 Muar Johor Darul Takzim Tel No : 06-9538262	056-025	OSK SECURITIES BERHAD	Ground & 1st Floor 10, Jalan Bendahara 12 Taman Ungku Tun Aminah 81300 Skudai Johor Darul Takzim Tel No : 07-5577628	056-029
OSK SECURITIES BERHAD	Ground & 1st Floor No. 28 Jalan Tengku Ahmad 85000 Segamat Johor Darul Takzim Tel No : 07-9321543	056-030	OSK SECURITIES BERHAD	Ground, 1st & 2nd Floor No. 17 Jalan Manggis 86000 Kluang Johor Darul Takzim Tel No : 07-7769655	056-031
OSK SECURITIES BERHAD	240 & 240A, Jalan Besar 83700 Yong Peng Johor Darul Takzim Tel No : 07-4675388	056-033	OSK SECURITIES BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : 07-6626288	056-035
OSK SECURITIES BERHAD	Ground Floor, No. 7, Jalan Jaya 81900 Kota Tinggi Johor Darul Takzim Tel No : 07-8822018	056-036	OSK SECURITIES BERHAD	Ground, 1st & 2nd Floor No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No : 06-9787180	056-038
OSK SECURITIES BERHAD	1st Floor, No. 2 Jalan Makmur, Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No : 07-9256881	056-039	OSK SECURITIES BERHAD	Ground & 1st Floor No. 1 & 1-01, Jalan Rosmerah 2/11 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3522293	056-043
PM SECURITIES SDN BHD	Suite 5.1, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-2781813	064-005	PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4333680	064-008
PM SECURITIES SDN BHD	Ground Floor No. 118, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : 07-9333418	064-009			
PAHANG DARUL MAKMUR					
KUALA LUMPUR CITY SECURITIES SDN BHD	A-397, A-399 & A-401 Taman Sri Kuantan III, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No : 09-5660800	076-002	OSK SECURITIES BERHAD	A-27 & A-29, Lorong Tun Ismail 9 Seri Dagangan Kuantan Business Centre 25000 Kuantan Pahang Darul Makmur Tel No : 09-5163811	056-007
OSK SECURITIES BERHAD	Ground Floor, 98 Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No : 09-2234943	056-022	OSK SECURITIES BERHAD	Ground Floor No. 43 Jalan Bunga Tanjung 28400 Mentakab Pahang Darul Makmur Tel No : 09-2771541	056-026

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code	Name	Address and Telephone Number	Broker Code
OSK SECURITIES BERHAD	Ground Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No : 05-4914913	056-041			
KELANTAN DARUL NAIM					
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7432288	058-004	KUALA LUMPUR CITY SECURITIES SDN BHD	Lot 6 & 7, Section 25 Jalan Sultan Yahya Petra Bandar Kota Bharu 15200 Kota Bharu Kelantan Darul Naim Tel No : 09-7432588	076-007
OSK SECURITIES BERHAD	No. 3953-H Ground & 1st Floor Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : 09-7430077	056-020			
TERENGGANU DARUL IMAN					
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6238128	021-001	KUALA LUMPUR CITY SECURITIES SDN BHD	No. 1D, Ground & Mezzanine No. 1E, Ground, Mezzanine 1st & 2nd Floor, Jalan Air Jerneh 20300 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6317922	076-009
OSK SECURITIES BERHAD	Ground & 1 st Floor, 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No : 09-8583109	056-027	OSK SECURITIES BERHAD	31A, Ground Floor 31A & 31B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6261816	056-055
SARAWAK					
HWANG-DBS SECURITIES BERHAD	Lot 328, Jalan Abell 93100 Kuching Sarawak Tel No : 082-236999	068-005	HWANG-DBS SECURITIES BERHAD	192, Bintulu Parkcity Commerce Square Lot 3478, Bintulu Town District 97000 Bintulu Sarawak Tel No : 086-330008	068-016
K & N KENANGA BHD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No : 085-435577	073-002	K & N KENANGA BHD	Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No : 082-338000	073-003

16. PROCEDURE FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and Telephone Number	Broker Code	Name	Address and Telephone Number	Broker Code
K & N KENANGA BHD	No. 11-12 (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibul Sarawak Tel No : 084-313855	073-012	OSK SECURITIES BERHAD	Ground, 1st & 6th Floor Wisma Chinese Chambers Lot 357, Section 47, K.T.L.D. Jalan Bukit Mata Kuching 93100 Kuching Sarawak Tel No : 082-422252	056-008
OSK SECURITIES BERHAD	Lot 1168, Ground Floor Wisma Interhill Miri Waterfront Commercial Centre 98008 Miri Sarawak Tel No : 085-422788	056-012	OSK SECURITIES BERHAD	101 & 102, Pusat Pedada, Jalan Pedada 96000 Sibul Sarawak Tel No : 084-329100	056-013
OSK SECURITIES BERHAD	Ground Floor No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No.: 084-654100	056-050	OSK SECURITIES BERHAD	Ground Floor No. 11, Lorong Maju 96500 Bintangor Sarawak Tel No.: 084-693100	056-051
OSK SECURITIES BERHAD	Ground Floor No. 177, Taman Sri Dangang 97000 Bintulu Sarawak Tel No : 086-311770	056-053	OSK SECURITIES BERHAD	No. 299, Ground & 1st Floor Lot 373, Jalan Serian-By-Pass Serian Town District 94700 Serian Sarawak Tel No : 082-872118	056-059
OSK SECURITIES BERHAD	Ground & 1st Floor Lot 1085, Jalan Buangsiol 98700 Limbang Sarawak Tel No : 085-213188	056-060	TA SECURITIES HOLDINGS BERHAD	12G, H & I, Jalan Kampung Datu 96000 Sibul Sarawak Tel No : 084-319998	058-002
SABAH					
HWANG-DBS SECURITIES BERHAD	Room Nos. 106-109, Mezzanine Floor Room Nos. 207-212, 2nd Floor Gaya Centre, Jalan Tun Fuad Stephens 88400 Kota Kinabalu Sabah Tel No : 088-311688	068-008	INNOSABAH SECURITIES BERHAD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No : 088-234090	020-001
KUALA LUMPUR CITY SECURITIES SDN BHD	Suite 1-9-E1, 9th Floor, CPS Tower No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No : 088-253922	076-005	OSK SECURITIES BERHAD	5th Floor, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel No : 088-269788	056-010
OSK SECURITIES BERHAD	1st Floor, TB-3338, Wisma Jin Ho Town Extension No. 2 Jalan St. Patrick 91008 Tawau Sabah Tel No : 089-779815	056-056	OSK SECURITIES BERHAD	Ground Floor, Block 2 Lot 4 & Lot 5, Bandar Indah, Mile 4 North Road 91000 Sandakan Sabah Tel No : 089-222275	056-057