
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
	<u>1,282</u>	<u>57,801,280</u>	<u>137,201,280</u>
CURRENT LIABILITIES			
Other payables	(140,013)	(140,013)	(140,013)
	<u>(138,731)</u>	<u>57,661,267</u>	<u>137,061,267</u>
NET CURRENT (LIABILITIES) /ASSETS	<u>(138,731)</u>	<u>57,661,267</u>	<u>137,061,267</u>
(REPRESENTED)/ FINANCED BY:-			
Share capital	2	60,000,000	140,000,000
Accumulated loss	(138,733)	(2,338,733)	(2,938,733)
Shareholders' equity	<u>(138,731)</u>	<u>57,661,267</u>	<u>137,061,267</u>
Number of ordinary shares of RM1 each in issue	<u>2</u>	<u>60,000,000</u>	<u>140,000,000</u>
Net tangible (liabilities)/assets per share (RM)	<u>(69,366)</u>	<u>0.96</u>	<u>0.98</u>

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 Projeks Berhad <i>(formerly known as Kuala Lumpur City Centre Berhad)</i>	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

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.

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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.

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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.



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.



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.



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.

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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.

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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>2</u>
Gross loss per share (RM)	<u>(69,366)</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.

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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
		<u>1,282</u>	<u>57,801,280</u>	<u>137,201,280</u>
CURRENT LIABILITIES				
Other payables		<u>(140,013)</u>	<u>(140,013)</u>	<u>(140,013)</u>
NET CURRENT (LIABILITIES) /ASSETS				
		<u>(138,731)</u>	57,661,267	137,061,267
		<u><u>(138,731)</u></u>	<u><u>57,661,267</u></u>	<u><u>137,061,267</u></u>
(REPRESENTED)/ FINANCED BY:-				
Share capital	8.1	2	60,000,000	140,000,000
Accumulated loss	8.2	<u>(138,733)</u>	<u>(2,338,733)</u>	<u>(2,938,733)</u>
Shareholders' equity		<u><u>(138,731)</u></u>	<u><u>57,661,267</u></u>	<u><u>137,061,267</u></u>
Number of ordinary shares of RM1 each in issue				
		<u>2</u>	<u>60,000,000</u>	<u>140,000,000</u>
Net tangible (liabilities)/assets per share (RM)				
		<u>(69,366)</u>	<u>0.96</u>	<u>0.98</u>