

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your shares in **icapital.biz Berhad (674900-X)** ("icapital.biz" or "the Company"), you should at once forward this Circular and the Annual Report 2006 to the purchaser or agent through whom the sale or transfer was contracted for onward transmission to the purchaser or transferee.

The Bursa Malaysia Securities Berhad ("Bursa Securities") takes no responsibility for the contents of this Circular, 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 Circular.

icapital.biz Berhad

(Company No. 674900-X)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (I) PROPOSED SHAREHOLDERS' RATIFICATION FOR PAST RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND**
- (II) PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The ordinary resolution in respect of the above proposals will be tabled at the Second Annual General Meeting of icapital.biz. Notice of the Second Annual General Meeting together with the Form of Proxy are set out in the Annual Report 2006 of the Company dispatched to you together with this Circular.

The Form of Proxy must be completed and lodged at the Registered Office of the Company at Level 14, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan on or before the time and date indicated below should you be unable to attend the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging of Form of Proxy : Thursday, 3 August 2006 at 10.00 a.m.

Date and time of Second Annual General Meeting : Saturday, 5 August 2006 at 10.00 a.m.

Venue of Second Annual General Meeting : Ballroom 1, Lower Ground, Eastin Hotel
13, Jalan 16/11, Pusat Dagang Seksyen 16
46350 Petaling Jaya, Selangor Darul Ehsan

This Circular is dated 14 July 2006

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

Act	:	Companies Act, 1965
AGM	:	Annual General Meeting
Annual Report 2006	:	Annual Report of icapital.biz Berhad for the financial year ended 31 May 2006
Audit Committee	:	Audit Committee of icapital.biz comprising the following:- Dato' Raja Nong Chik bin Raja : Independent Non-Executive Zainal Abidin Director (Chairman of Audit Committee) Yeoh Ah Tu : Independent Non-Executive Director YM Tunku Tan Sri Dato' Seri : Non-Independent Non- Ahmad bin Tunku Yahaya Executive Director
Board	:	Board of Directors of icapital.biz
Bursa Securities	:	Bursa Malaysia Securities Berhad
CDAM or Fund Manager	:	Capital Dynamics Asset Management Sdn. Bhd. (389773-H)
CDSB or Investment Adviser	:	Capital Dynamics Sdn. Bhd. (171744-U)
CEF	:	Closed-end fund
Circular	:	This circular to the shareholders of icapital.biz dated 14 July 2006
EGM	:	Extraordinary General Meeting
icapital.biz or Company	:	icapital.biz Berhad (674900-X)
Issued Shares	:	icapital.biz Shares under the Private Placement and Public Offer in conjunction with the listing of icapital.biz on 19 October 2005.
Listing Date	:	19 October 2005, being the date of admission of icapital.biz's entire issued and paid-up share capital into the Official List of the Main Board of Bursa Securities
Listing Requirements	:	Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
Major Shareholders	:	In accordance with Paragraph 10.02(f) of the Listing Requirements, "major shareholder" includes any person who is or was within the preceding 12 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer as defined under paragraph 1.01 of the Listing Requirements or any other company which is its subsidiary or holding company
Official List	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
Other Permitted Assets	:	Cash, bankers acceptances and other assets permitted under the SC Guidelines-CEF

DEFINITIONS (Cont'd)

Proposed Mandate	:	Proposed shareholders' mandate for RRPTs to be entered into by icapital.biz during the period from the conclusion of the forthcoming Second AGM until the next AGM
Proposed Ratification	:	Proposed shareholders' ratification for past RRPTs
Ratification Period	:	The period during which the RRPTs were entered/to be entered into by icapital.biz, from the Listing Date until the date of forthcoming AGM of the Company
RRPTs	:	Recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of icapital.biz
Related Party	:	A director, major shareholder or person connected with such director or major shareholder as defined under the Listing Requirements
RM and sen	:	Ringgit Malaysia and sen respectively
SC	:	Securities Commission
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
Shares	:	Ordinary shares of RM1.00 each in icapital.biz

Words importing the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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icapital.biz Berhad
(Company No. 674900-X)
(Incorporated in Malaysia)

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

14 July 2006

Board of Directors:-

YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	<i>(Chairman/Non-Independent Non-Executive Director)</i>
Michael Vitus Wong Kuan Lee	<i>(Non-Independent Non-Executive Director)</i>
Dato' Raja Nong Chik bin Raja Zainal Abidin	<i>(Independent Non-Executive Director)</i>
Yeoh Ah Tu	<i>(Independent Non-Executive Director)</i>

To: The Shareholders of icapital.biz

Dear Sir/Madam,

- (I) **PROPOSED SHAREHOLDERS' RATIFICATION FOR PAST RRPTs OF A REVENUE OR TRADING NATURE; AND**
- (II) **PROPOSED SHAREHOLDERS' MANDATE FOR RRPTs OF A REVENUE OR TRADING NATURE**

1. INTRODUCTION

Your Board had on 19 June 2006 announced to Bursa Securities that your Company proposes to seek its shareholders' ratification for the RRPTs entered and/or to be entered into by icapital.biz during the Ratification Period and procure its shareholders' mandate for RRPTs, to be entered into by icapital.biz from the period commencing from the conclusion of the forthcoming AGM to the conclusion of the next AGM.

Your Board wishes to inform that icapital.biz had on 27 September 2005 made an application to Bursa Securities to seek approval for extension of time for your Company to obtain its shareholders' approval for the Proposed Ratification. Subsequently, Bursa Securities had, vide its letter dated 3 October 2005, granted an approval for the application, subject to the following:

- (a) icapital.biz is required to obtain its shareholders' approval in relation to the RRPTs in the forthcoming AGM to be held no later than 30 November 2006; and
- (b) icapital.biz is required to comply with the disclosure obligations in relation to the RRPTs as set out in paragraph 2.0 of Practice Note No. 12/2001 of the Listing Requirements.

The purpose of this Circular is to provide you with the relevant information on the Proposed Ratification and the Proposed Mandate and to seek your approval for the relevant ordinary resolution to be tabled at the forthcoming AGM. The Notice of the Second AGM together with the Form of Proxy are set out in the Annual Report 2006 of the Company dispatched to you together with this Circular.

The shareholders of icapital.biz are advised to read carefully the contents of this Circular before voting on the ordinary resolution pertaining to the Proposed Ratification and the Proposed Mandate at the forthcoming AGM.

2. PROPOSED RATIFICATION AND PROPOSED MANDATE

2.1 DETAILS OF THE PROPOSED RATIFICATION AND THE PROPOSED MANDATE

2.1.1 Provisions under the Listing Requirements

Under Paragraph 10.09 of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of the RRPTs, which are necessary for its day-to-day operations, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:-
 - (i) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or
 - (ii) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,
whichever is the lower;
- (c) the listed issuer's circular for the shareholders' mandate shall include information as specified in the Listing Requirements; and
- (d) in the general meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected to a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected to him abstain from voting on the resolution approving the transactions.

2.1.2 The Proposed Ratification and the Proposed Mandate

In order to comply with Paragraph 10.09 of the Listing Requirements, your Board hereby seeks its shareholders' ratification for the RRPTs transacted or to be transacted by icapital.biz during the Ratification Period and procures its shareholders' mandate for RRPTs to be entered into from the conclusion of the forthcoming AGM until:-

- (a) the conclusion of the next AGM of the Company following the Second AGM at which the Proposed Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or

- (b) the expiration of the period within the next AGM of the Company after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

The RRPTs are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of icapital.biz.

2.1.3 Principal Activities of icapital.biz

icapital.biz is principally engaged in investing in a diversified portfolio of quoted securities.

2.1.4 Classes and Nature of the RRPTs

The RRPTs for which the shareholders' approval will be sought in the forthcoming AGM on the Proposed Ratification and the Proposed Mandate are in respect of the following:-

(a) Proposed Ratification

Related Party	Nature of the Transaction	Interested Directors, Major Shareholders and/or Person Connected to them	Estimated Value from the Listing Date to the Forthcoming Second AGM
CDAM	Acting as Fund Manager to icapital.biz. Responsible for managing the investments of icapital.biz	<ul style="list-style-type: none"> ▪ YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya ▪ Michael Vitus Wong Kuan Lee ▪ <i>Tan Teng Boo</i>⁽¹⁾ ▪ Ong Siok A 	RM860,000
CDSB	Acting as Investment Adviser to icapital.biz. Responsible for providing 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	<ul style="list-style-type: none"> ▪ <i>Tan Teng Boo</i>⁽¹⁾ 	RM860,000

Related Party	Nature of the Transaction	Interested Directors, Major Shareholders and/or Person Connected to them	Estimated Value from the Listing Date to the Forthcoming Second AGM
CDSB	Granting icapital.biz a non-transferable and non-exclusive rights to use the Trade Marks as part of the name of icapital.biz	<ul style="list-style-type: none"> ▪ <i>Tan Teng Boo</i>⁽¹⁾ 	RM10

Notes:-

(i) CDAM : A company in which the following persons are the directors and major shareholders:-

- YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya
- Michael Vitus Wong Kuan Lee
- Tan Teng Boo

Remarks:-

- *YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya and Michael Vitus Wong Kuan Lee do not hold any executive position in CDAM and are not involved in the daily operations and management of CDAM. In view thereof, conflicts of interest do not arise.*
- *Tan Teng Boo ceased to be a major shareholder of icapital.biz on 12 October 2005.⁽¹⁾*

(ii) CDSB : A company in which Tan Teng Boo is a director and major shareholder.

Remark:-

- *Tan Teng Boo ceased to be a major shareholder of icapital.biz on 12 October 2005.⁽¹⁾*

(iii) Ong Siok A : The spouse of Michael Vitus Wong Kuan Lee

(b) Proposed Mandate

Related Party	Nature of the Transaction	Interested Directors, Major Shareholders and/or Person Connected to them	Estimated Value from the Conclusion of Forthcoming Second AGM to the next AGM
CDAM	Acting as Fund Manager to icapital.biz. Responsible for managing the investments of icapital.biz	<ul style="list-style-type: none"> ▪ YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya ▪ Michael Vitus Wong Kuan Lee ▪ Ong Siok A 	RM1,300,000

Notes:-

(i) CDAM : A company in which the following persons are the directors and major shareholders:-

- YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya
- Michael Vitus Wong Kuan Lee

Remarks:-

- *YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya and Michael Vitus Wong Kuan Lee do not hold any executive position in CDAM and are not involved in the daily operations and management of CDAM. In view thereof, conflicts of interest do not arise.*

(ii) Ong Siok A : The spouse of Michael Vitus Wong Kuan Lee

2.1.5 Review Procedures for RRPTs

Your Board will ensure that the following measures are carried out after taking into consideration the pricing, level and quality of services to ensure that the RRPTs are undertaken on an arm's length basis and on normal commercial terms consistent with your Company's usual business practices and policies, which are not more favourable to the Related Parties than those extended to third parties or public and are not prejudicial to the minority shareholders:-

- (a) The pricing of services shall be determined based on the usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/considerations.
- (b) All records pertaining to RRPTs will be maintained to capture all RRPTs.
- (c) The internal and external auditors shall review all RRPTs as part of the audit programme.
- (d) The annual internal audit programme shall incorporate a review of the RRPTs entered into pursuant to the Proposed Ratification and the Proposed Mandate to ensure that relevant approvals have been obtained and that the internal control and procedures in respect of the RRPTs have been adhered to.
- (e) The Board and the Audit Committee shall have overall responsibility for the determination of the review procedures, including addition of new review procedures where applicable. The Board and Audit Committee may also appoint an independent party to examine the RRPTs, as they deem appropriate. If a Board and the Audit Committee member has an interest, he will abstain from any deliberation and decision making by the Board or the Audit Committee in respect of the said transaction.
- (f) Disclosure will be made in the Company's annual report or in icapital.biz's audited financial statements of the breakdown of the aggregate value of RRPTs during the financial year, amongst others, based on the following information:-
 - (i) the type of the RRPTs made; and
 - (ii) the names of the Related Parties involved in each type of the RRPTs made and their relationship with the Company.

2.1.6 **Statement by Audit Committee**

The Audit Committee has seen and reviewed the terms of the Proposed Ratification and Proposed Mandate and is satisfied that the procedures for RRPTs mentioned in Section 2.1.5 are appropriate to ensure that these RRPTs will be made at arm's length terms and is in accordance with icapital.biz's normal commercial terms, and on terms which are not more favourable to the Related Parties than those generally available to the public and hence, will not be prejudicial to the interests of the shareholders or disadvantageous to the Company.

2.2 **RATIONALE FOR THE PROPOSED RATIFICATION AND THE PROPOSED MANDATE**

The Proposed Ratification would eliminate the need to convene a separate general meeting subsequent to the Listing Date until the date of the forthcoming AGM, thereby reducing substantially administrative time, effort, inconvenience and expenses associated with convening such meeting without compromising the business opportunities available to icapital.biz. The Proposed Ratification thereby enables icapital.biz to ratify the RRPTs yet to be approved by the shareholders of icapital.biz, which have been entered into from the Listing Date until the forthcoming AGM/EGM.

The Proposed Mandate will enable icapital.biz to continue to carry out recurrent transactions necessary for the Company's day-to-day operations and enhance the Company's ability to pursue business opportunities, which are time-sensitive in nature in a more expeditious manner. This will eliminate the need to announce and convene separate general meetings from time to time to seek shareholders' approval as and when potential recurrent transactions with a related party arise. It will also substantially reduce expenses associated with the convening of such meetings on an ad hoc basis and improve administrative efficiency.

Further, the Proposed Ratification and Proposed Mandate are intended to facilitate transactions entered into in the ordinary course of business of the Company which are transacted from time to time with the Related Parties at arm's length, on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of icapital.biz.

2.3 **EFFECTS OF THE PROPOSED RATIFICATION AND THE PROPOSED MANDATE**

The Proposed Ratification and the Proposed Mandate are administrative in nature, and are therefore not expected to have any material effect on the share capital, shareholdings of the major shareholders and dividend of the Company; and earnings and net assets of icapital.biz.

2.4 **CONDITIONS FOR THE PROPOSED RATIFICATION AND THE PROPOSED MANDATE**

The Proposed Ratification and the Proposed Mandate are conditional upon approval being obtained from the shareholders of the Company at the forthcoming AGM to be convened.

The Proposed Mandate being procured from the shareholders of icapital.biz shall only continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the Second AGM at which the resolution for the Proposed Mandate has been passed, at which time it will lapse, unless by a resolution passed at an AGM whereby authority is renewed;
- (b) the expiration of the period within the next AGM of the Company after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

3. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed in Section 2.1.4, none of the other Directors of icapital.biz or persons connected to them have any interest, direct or indirect, in the Proposed Ratification and the Proposed Mandate. icapital.biz does not have any Major Shareholders.

The direct and indirect shareholdings of the interested Directors and interested Person Connected to them in the issued and paid up share capital of icapital.biz as at the date of this Circular are as follows:-

Interested Directors/Person Connected	Direct		Indirect	
	No. of Shares Held	%	No. of Shares Held	%
<u>Interested Directors</u>				
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	3,000,000	2.14	-	-
Michael Vitus Wong Kuan Lee	-	-	377,400*	0.27
<u>Interested Person Connected</u>				
Ong Siok A ^	377,400	0.27	-	-

Notes :

* *Indirect interest by virtue of the shares held by his spouse, Ong Siok A via her direct shareholding in icapital.biz.*

^ *Ong Siok A is the spouse of Michael Vitus Wong Kuan Lee.*

The interests of the Directors and Person Connected to them of icapital.biz in the RRPTs are set out in Section 2.1.4 of this Circular. Accordingly, the interested Directors have abstained and will continue to abstain from deliberations and voting at the relevant audit committee meetings and board meetings pertaining to the Proposed Ratification and the Proposed Mandate, and shall abstain from voting in respect of their direct and indirect shareholdings on the Proposed Ratification and the Proposed Mandate at the forthcoming AGM. They will undertake that persons connected to them will abstain from voting in respect of their direct and indirect shareholdings at the forthcoming AGM.

4. DIRECTORS' RECOMMENDATION

Your Board (save for YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya and Michael Vitus Wong Kuan Lee, who have abstained from giving any opinion and recommendation), having considered all aspects of the Proposed Ratification and the Proposed Mandate, is of the opinion, that the Proposed Ratification and the Proposed Mandate are in the best interest of the Company and its shareholders. Accordingly, your Board (save for YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya and Michael Vitus Wong Kuan Lee), recommends that you vote in favour of the resolutions pertaining to the Proposed Ratification and the Proposed Mandate to be tabled at the forthcoming AGM.

5. AGM

The AGM, Notice of which is enclosed in the Annual Report 2006 of the Company, will be held at Ballroom 1, Lower Ground, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan on Saturday, 5 August 2006 at 10.00 a.m. for the purpose of considering and if thought fit, passing the ordinary resolution to give effect to the Proposed Ratification and the Proposed Mandate.

If you are unable to attend and vote in person at the forthcoming AGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible and in any event so as to arrive at the registered office of the Company no later than forty-eight (48) hours before the time set for the AGM.

The completion and return of the Form of Proxy does not preclude you from attending and voting in person at the forthcoming AGM should you subsequently wish to do so.

6. **ADDITIONAL INFORMATION**

Shareholders are advised to refer to the attached Appendix I for further information.

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

DATO' RAJA NONG CHIK BIN RAJA ZAINAL ABIDIN
Independent Non-Executive Director

ADDITIONAL INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by your Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular in so far as it relates to icapital.biz and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

2. MATERIAL 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 Circular:-

- (a) Fund Management Agreement dated 6 September 2005 entered into between icapital.biz and CDAM under which the Fund Manager agrees to manage the investments of the Company subject to the terms and conditions set out therein;
- (b) Investment Advisory Agreement dated 6 September 2005 entered into between icapital.biz and CDSB under which the Investment Adviser agrees to advise on the Company's investment subject to the terms and conditions set out therein;
- (c) Custodian Agreement dated 6 September 2005 entered into between icapital.biz and Deutsche Bank (Malaysia) Berhad under which the Custodian agrees to act as the custodian of the Company's investments subject to the terms and conditions set out therein;
- (d) Administration Agreement dated 6 September 2005 entered into between icapital.biz and PFA Corporate Services Sdn. Bhd. 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 up to RM91,000 per annum is payable to the Administrator for administrative, accounting and reporting services, including the preparation of quarterly and annual financial reports;
- (e) Underwriting Agreement dated 3 August 2005 entered into between icapital.biz and K & N Kenanga Bhd for the underwriting of 13,000,000 Issued Shares pursuant to the Public Offer ("Underwritten Shares") for an underwriting commission of 2.0% of the issued price of RM1.00 per Underwritten Share;
- (f) Placement Agreement dated 1 July 2005 entered into between icapital.biz and K & N Kenanga Bhd for the placement of a minimum of 46,999,998 Issued Shares pursuant to the Private Placement and the Subscribers' Shares ("Private Placement Shares") for an aggregate placement fee of 1.5% of the issued price of RM1.00 per Private Placement Share placed out by K & N Kenanga Bhd;
- (g) Placement Management Letter dated 1 July 2005 entered into between icapital.biz and K & N Kenanga Bhd for the management of the Private Placement for a management fee of 0.5% of the aggregate amount raised through the Private Placement; and
- (h) Licence Agreement dated 6 September 2005 entered into between icapital.biz and CDSB under which CDSB grants icapital.biz a non-transferable and non-exclusive right 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.

3. **MATERIAL LITIGATION**

icapital.biz is not engaged as plaintiff or defendant in any 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 the Company.

4. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Registered Office of icapital.biz during normal office hours from the date of the Circular to the date of the forthcoming AGM:-

- (a) Memorandum and Articles of Association of icapital.biz;
- (b) The audited Financial Statements of the Company for the period 11 December 2004 (date of incorporation) to 31 May 2005 and for the year ended 31 May 2006; and
- (c) The material contracts referred to in Paragraph 2 above.