

**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.**

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 THE**

#### **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE**

The ordinary resolution in respect of the above proposal will be tabled as Special Business at the Seventh Annual General Meeting of icapital.biz Berhad to be held at Conference Hall 2, Level 3, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur on Saturday, 1 October 2011 at 9.00 a.m. Notice of the Seventh Annual General Meeting together with the Form of Proxy are set out in the Annual Report 2011 of icapital.biz Berhad for the year ended 31 May 2011 despatched together with this Circular.

The Form of Proxy must be completed and lodged at the Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur on or before the time and date indicated below if you wish to appoint a proxy to attend the Seventh Annual General Meeting on your behalf. 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, 29 September 2011 at 9.00 a.m.

Date and time of Seventh Annual General Meeting : Saturday, 1 October 2011 at 9.00 a.m.

This Circular is dated 29 July 2011

---

## 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 2011	: Annual Report of icapital.biz Berhad for the financial year ended 31 May 2011.
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).
Circular	: This Circular to the shareholders of icapital.biz dated 29 July 2011.
Director	Has the meaning given in section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon a director of icapital.biz.
icapital.biz or Company	: icapital.biz Berhad (674900-X).
Listing Requirements	: Main Market 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 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of icapital.biz as defined under paragraph 1.01 of the Listing Requirements.
Proposed Shareholders' Mandate	: Proposed renewal of shareholders' mandate for RRPTs to be entered into by icapital.biz from the conclusion of the forthcoming Seventh AGM until the next AGM.

---

## DEFINITIONS

---

RRPT	: Recurrent related party transaction of a revenue or trading nature, which is 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.
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.

---

## TABLE OF CONTENTS

---

SECTION	PAGE
<b>LETTER TO THE SHAREHOLDERS OF ICAPITAL.BIZ CONTAINING:-</b>	
<b>1. INTRODUCTION</b>	<b>1</b>
<b>2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE</b>	
2.1 Provisions under the Listing Requirements	2
2.2 Principal Activities of icapital.biz	2
2.3 Classes and Nature of the RRPT	3
2.4 Review Procedures for RRPT	4
2.5 Statement by Audit Committee	5
2.6 Validity period of the Proposed Shareholders' Mandate	5
<b>3. RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE</b>	<b>6</b>
<b>4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE</b>	<b>6</b>
<b>5. CONDITIONS FOR THE PROPOSED SHAREHOLDERS' MANDATE</b>	<b>6</b>
<b>6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS</b>	<b>6</b>
<b>7. DIRECTORS' RECOMMENDATION</b>	<b>7</b>
<b>8. AGM</b>	<b>8</b>
<b>9. ADDITIONAL INFORMATION</b>	<b>8</b>
<b>APPENDIX I – ADDITIONAL INFORMATION</b>	<b>9</b>

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

**Registered Office:-**

Level 18, The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur

29 July 2011

**Board of Directors:-**

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

David Loo Kean Beng (*Independent Non-Executive Director*)

Datuk Ng Peng Hong @ Ng Peng Hay (*Independent Non-Executive Director*)

Harun Bin Halim Rasip (*Independent Non-Executive Director*)

**To: The Shareholders of icapital.biz**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPT OF A REVENUE OR TRADING NATURE**

**1. INTRODUCTION**

At the Sixth AGM held on 14 August 2010, your Company had obtained a mandate from its shareholders for icapital.biz to enter into RRPT which are necessary for its day-to-day operations. This mandate shall lapse at the conclusion of the Seventh AGM unless authority for its renewal is obtained from the shareholders at the Seventh AGM.

On 5 July 2011, your Board had announced to Bursa Securities that your Company proposes to seek the approval of its shareholders for the Proposed Shareholders' Mandate at the forthcoming Seventh AGM.

**The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution to be tabled at the forthcoming Seventh AGM. The Notice of the Seventh AGM and the Form of Proxy are set out in the Annual Report 2011 of the Company despatched to you together with this Circular.**

**You are advised to read carefully the contents of this Circular before voting on the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming Seventh AGM.**

## **2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE**

### **2.1 Provisions under the Listing Requirements**

Under Paragraph 10.09 of the Listing Requirements, a listed issuer may seek a shareholders' mandate for RRPT 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 RRPT is RM1 million or more; or
  - (ii) percentage ratio of such RRPT is 1% or more,whichever is the higher;
- (c) the listed issuer's circular for the shareholder' mandate shall include information as may be prescribed by Bursa Securities;
- (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 with him abstain from voting on the resolution approving the transactions; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer exceeds the estimated value of the RRPT disclosed in the circular by 10% or more.

### **2.2 Principal Activities of icapital.biz**

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

## 2.3 Classes and Nature of the RRPT

The RRPT which will be covered in the Proposed Shareholders' Mandate are as follows:-

Related Party	Nature of the Transaction	Estimated Value as stated in the Circular to Shareholders dated 23 July 2010 (RM)	Actual value transacted from 14 August 2010 to 13 July 2011 * (RM)	Proposed Estimated Value from this AGM to the next AGM (RM)	Interested Directors, Major Shareholders and/or Person Connected to them
CDAM	Acting as Fund Manager to icapital.biz. Responsible for managing the investments of icapital.biz	2,300,000	2,431,000	3,500,000	YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya  Tunku Sara Binti Tunku Ahmad Yahaya

Notes:-

(i) CDAM : A company in which the following person is the director and major shareholder:-

- YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya is a Director of CDAM and has deemed interest of 600,000 shares, representing 30% in CDAM via his shareholdings in Sharikat Langkasuka Sdn Bhd;

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

(ii) Tunku Sara Binti Tunku Ahmad Yahaya : The daughter of YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya. She has deemed interest of 600,000 shares, representing 30% in CDAM via her shareholdings in Sharikat Langkasuka Sdn Bhd.

\* Being the latest practicable date prior to the printing of this Circular.

## 2.4 Review Procedures for RRPT

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 RRPT is undertaken on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders and that they are conducted at an arm's length basis and on normal commercial terms consistent with your Company's usual business practices and policies and will not be prejudicial to 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 RRPT will be maintained to capture all RRPT.
- (c) The internal and external auditors shall review all RRPT as part of the audit programme.
- (d) The annual internal audit programme shall incorporate a review of the RRPT entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and that the internal control and procedures in respect of the RRPT 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 RRPT, as they deem appropriate. If a Board member or an Audit Committee member has an interest, he shall declare his interest in the RRPT and 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](http://icapital.biz)'s audited financial statements of the breakdown of the aggregate value of RRPT during the financial year, amongst others, based on the following information:-
  - (i) the type of the RRPT made; and
  - (ii) the names of the Related Parties involved in each type of the RRPT made and their relationship with the Company.
- (g) Where practical and/or feasible at least 2 other contemporaneous transactions with unrelated third parties for similar services will be used as comparison wherever possible to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the price will be determined in accordance with the Company's usual business

practices and policies for the same or substantially similar type of transactions made by the Company with unrelated third parties and that the RRPT is not detrimental to the Company.

icapital.biz does not have specific thresholds for approval of the RRPT. The RRPT is reviewed by the Audit Committee and approved by the Board of Directors. The Directors who have interest (direct or indirect) in any RRPT shall abstain from deliberation and voting in respect of the transaction.

## **2.5 Statement by Audit Committee**

icapital.biz has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

The Audit Committee has seen and reviewed the terms of the Proposed Shareholders' Mandate and is satisfied that the procedures for RRPTs mentioned in Section 2.4 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.

## **2.6 Validity period of the Proposed Shareholders' Mandate**

If approved at the forthcoming Seventh AGM, the Proposed Shareholders' Mandate is subject to annual review. In this respect, any authority conferred by the Proposed Shareholders' Mandate shall only continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the Seventh AGM at which the Proposed Shareholders' 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 RRPT is in the ordinary course of business and is on terms not more favourable to the Related Parties than those generally available to the public and is not detrimental to the minority shareholders of icapital.biz.

### **3. RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Shareholders' 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 Shareholders' Mandate is 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.

### **4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE**

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

### **5. CONDITIONS FOR THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate is conditional upon approval being obtained from the shareholders of the Company at the forthcoming Seventh AGM to be convened.

The Proposed Shareholders' Mandate being procured from the shareholders of icapital.biz shall only continue to be in force until the period as stated in Section 2.6.

### **6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

Save as disclosed in Section 2.3, none of the other Directors of icapital.biz or persons connected to them as defined in the Listing Requirements, have any interest, direct or indirect, in the Proposed Shareholders' Mandate. icapital.biz does not have any Major Shareholder.

The direct and indirect shareholdings of the interested Director 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	%
Interested Director				
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	-	-	3,489,000 <sup>^</sup>	2.71
Interested Person Connected				
Tunku Sara Binti Tunku Ahmad Yahaya	2,700,000	1.93	-	-

Notes:

<sup>^</sup> Deemed interest by virtue of the shares held by:-

- (a) his daughter, Tunku Sara Binti Tunku Ahmad Yahaya, who holds 2,700,000 shares in *icapital.biz*; and
- (b) CDAM, which holds 789,000 shares in *icapital.biz*.

The interest of the Director and Person Connected to him of *icapital.biz* in the RRPTs are set out in Section 2.3 of this Circular. Accordingly, the interested Director has abstained and will continue to abstain from deliberations and voting at the relevant audit committee meetings and board meetings pertaining to the Proposed Shareholders' Mandate, and shall abstain from voting in respect of his indirect shareholdings on the Proposed Shareholders' Mandate at the forthcoming Seventh AGM. He has also undertaken to ensure that person connected to him will abstain from voting in respect of his indirect shareholdings on the resolution approving the Proposed Shareholders' Mandate at the forthcoming Seventh AGM.

## 7. DIRECTORS' RECOMMENDATION

Your Board (save for YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya, who has abstained from giving any opinion and recommendation) having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion, that the Proposed Shareholders' Mandate is 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 ) recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming Seventh AGM.

**8. AGM**

The forthcoming Seventh AGM, Notice of which is enclosed in the Annual Report 2011 of the Company, will be held at Conference Hall 2, Level 3, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur on Saturday, 1 October 2011 at 9.00 a.m. for the purpose of considering and if thought fit, passing the ordinary resolution to give effect to the Proposed Shareholders' Mandate.

If you are unable to attend and vote in person at the forthcoming Seventh AGM, you are requested to complete, sign and return the 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.

**9. 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**

Harun Bin Halim Rasip  
Independent Non-Executive Director

## **APPENDIX I**

### **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**

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, other than contracts entered into in the ordinary course of business.

#### **3. MATERIAL LITIGATION**

icapital.biz is not engaged as plaintiff or defendant in any material litigation, claims or 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 Seventh AGM:-

- (a) Memorandum and Articles of Association of icapital.biz; and
- (b) The Audited Financial Statements of the Company for the years ended 31 May 2010 and 31 May 2011.