

INFORMATION MEMORANDUM

RHB-OSK PRE-IPO & SPECIAL SITUATION FUND 2

Manager

RHB Asset Management Sdn Bhd
(174588-X)
(formerly known as RHB Investment Management Sdn Bhd)
(A member of RHB Banking Group)

Trustee

TMF Trustees Malaysia Bhd
(610812 - W)

Issue Date: 22 July 2014

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE INFORMATION
MEMORANDUM AND IF IN DOUBT, TO OBTAIN PROFESSIONAL ADVICE
BEFORE SUBSCRIBING TO THE FUND.**

Responsibility Statement

This information memorandum has been seen and approved by the directors of RHB Asset Management Sdn Bhd (formerly known as RHB Investment Management Sdn Bhd) and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

Statements of Disclaimer

The Securities Commission Malaysia has authorized the Fund, the subject of this information memorandum, and the authorization shall not be taken to indicate that the Securities Commission Malaysia recommends the investment.

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of RHB Asset Management Sdn Bhd (formerly known as RHB Investment Management Sdn Bhd) and takes no responsibility for the contents of the information memorandum, 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 content of this information memorandum.

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RHB-OSK PRE-IPO & SPECIAL SITUATION FUND 2 (“Fund”)

PARTIES TO THE FUND

1. Manager

RHB Asset Management Sdn Bhd
(formerly known as RHB Investment Management Sdn Bhd) (“Manager”)

Board of directors of the Manager:

- Mr Patrick Chin Yoke Chung
(Independent non-executive chairman)
- Tuan Haji Khairuddin Ahmad
(Senior independent non-executive director)
- Dato’ Othman Jusoh
(Independent non-executive director)
- Encik Abdul Aziz Peru Mohamed
(Independent non-executive director)
- Ms Ong Yin Suen
(Non-independent managing director)

Chief executive officer:

Mr Ho Seng Yee

Principal and Registered Office

19th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Hotline: 1-800-88-3175
Tel: 03-2164 3036
Fax: 03-2164 4226
Web: <http://www.rhbgroup.com>
Email: rhbam@rhbgroup.com

2. Trustee

Registered and Business Office

TMF Trustees Malaysia Berhad (“Trustee”)
10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur.
Tel: 03-2382 4288
Fax: 03-2026 1451

3. Auditors of the Manager and the Fund

Messrs PricewaterhouseCoopers
Level 10, 1 Sentral, Jalan Travers,
Kuala Lumpur Sentral,
50706 Kuala Lumpur.
Tel: 03-2173 1188
Fax: 03-2173 1288

FUND INFORMATION

4. Investment Objective

The Fund aims to provide long term[^] capital appreciation by investing in the shares of RHB-OSK Pre-IPO* & Special Situation Fund.

Note:

The following terms are defined below and are applicable throughout the information memorandum.

[^] “long term” in this context refers to a period of 5 - 6 years.

* “IPO” means initial public offering

5. Investment Strategy

The Fund will principally invest in the US Dollar (USD) denominated shares of the RHB-OSK Pre-IPO* & Special Situation Fund. RHB-OSK Pre-IPO* & Special Situation Fund (“Company”) is an exempted company with limited liability incorporated in the Cayman Islands on 6 December 2013 under the company law of the Cayman Islands. The Company is regulated by the Cayman Islands Registrar of Companies.

The assets of the Company will be managed by RHB OSK Asset Management Pte Ltd, a company incorporated in Singapore on 20 October 2006 to carry out fund management activities and is regulated by the Monetary Authority of Singapore. The investment objective of the Company is to achieve long term[^] capital appreciation through pre-IPO* and special situation investments.

As the Fund solely invests in the shares of the Company, the investment strategy employed will be at the Company level (further details about the Company and its investment objective and strategy are in item 7 (b)).

The Company is structured as a close-ended fund so its invitation to subscribe its shares are only open for a limited period and upon the closure of the invitation to subscribe for the shares of the Company, the Company shall commence business as a private equity investment holding company. As the Company is structured as a close-ended fund with a charter life of five (5) years, the Fund is also structured as a close-ended fund whose tenure and maturity will mirror the charter life of the Company of five (5) years (please also refer to item 14).

At the end of the charter life of the Company, the Company shall divest all its investments and its net assets will be distributed to its investors in cash or in specie, according to their respective shareholdings. In the event the Company makes a final distribution of its investments in specie to the Fund, the Manager will call a Unit Holders meeting to decide on the next course of action. The Company may close before the end of its charter life or extend its charter life (please refer to item 7(a) and item 14 for further details) and should this occur, the Manager will inform the Fund’s unit holders in writing.

As the Fund is passively managed by the Manager with the assets of the Fund principally invested in the Company, investors in this Fund should note that redemption is strictly not allowed during the tenure of this Fund. This is due to the illiquid investment held by the Company. In view of this, the Fund will attempt to make regular distributions to investors. Please read the distribution policy of this Fund (please see items 20 & 21). The remaining assets of the Fund of up to 5% of the Fund’s net asset value will be invested in liquid assets to defray expenses.

6. Asset Allocation

The Fund's portfolio will be structured as follows:

At least 95% of the Fund's net asset value

- Investments in the shares of RHB-OSK Pre-IPO* & Special Situation Fund.

Up to 5% of the Fund's net asset value

- Investments in liquid assets.

7. Information on RHB-OSK Pre-IPO & Special Situation Fund

a) About RHB-OSK Pre-IPO* & Special Situation Fund ("Company")

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 6 December 2013. The Company is structured as a close-ended fund and accordingly, will not fall within the definition of "mutual fund" under the mutual funds law of the Cayman Islands and thus will not be regulated as such under that law. The Company shall commence the activities of a private equity investment holding company immediately upon the closure of the invitation to subscribe for the shares of the Company. The Company was launched on 23 January 2014 with its base currency in USD. Its investment objective is to achieve long term capital appreciation through pre-IPO* and special situation investments. In relation to the Company's special situation investment, the Company may invest in companies which are involved in (or are the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganisations, bankruptcies and similar transactions.

The Company has a charter life of five (5) years from the date of its final closing of the subscription of its shares ("Charter Life"). However, the directors of the Company may in their sole discretion and on advice of the Company's fund manager, extend the Charter Life of the Company for one (1) additional one year period.

At the end of the charter life, the Company shall, as far as possible¹, divest all its investments and its net assets distributed to the investors, in cash or in specie, according to their respective investor's shareholdings.

Notwithstanding the Charter Life, the Company may be liquidated at any time when the net asset value of the Company falls below US\$3,000,000 with the approval of a special resolution of the holders of its shares.

Should the Company be liquidated at any time, the Manager will early terminate the Fund, i.e. reduce the tenure of the Fund in which case the Manager will send a letter to all Unit Holders (as stated in item 14). In such a case, Unit Holders may make a gain or loss depending on the Fund's net asset value on the (early) maturity date.

Note:

¹*If the Company is unable to divest all its investments and distribute net assets to its investors, in cash or in specie, the Fund as a shareholder of the Company will ensure that the Company takes all possible actions including but not limited to private placements and public auctions to liquidate and distribute all of its investments and assets. The Fund will continue to communicate with the board of directors of the Company, which is comprised of reputable and experienced asset management professionals, regarding their responsibilities in fulfilling the goal of the Company in terms of liquidation of the Company by the end of its Charter Life.*

Directors of the Company

The directors of the Company are vested with the primary responsibility for the formulation of corporate policies and long-term strategic plans. In particular, the directors shall review and monitor the investments at regular intervals.

The appointed directors are Mr Gregory Barnes, Ms Eliza Ong Yin Suen, Dr Harrison Wang and Mr Jason Chen.

Mr Gregory Barnes (Chairman)

Mr Greg Barnes is the chief executive officer of RHB OSK Asset Management Pte Ltd. He has over 22 years' experience including working for AMP Limited as the head of Australian fundamental equity team under AMP Capital Investors, Australia. Prior to AMP, he was an executive director in Imprimatur Capital Limited, for venture capital / private equity covering Australia, Singapore, and UK.

Previously, Mr Barnes worked in various positions in JP Morgan Asset Management in Singapore and London as vice president, portfolio manager international equities and head of JP Morgan investment team, Singapore. Prior to that, he was the chief investment officer and director for Jardine Fleming Australia Management Limited. Before that, Mr Barnes was an investment manager covering Australia and China for C.H. Investment Management Limited, and a portfolio manager for Australia State Superannuation Investment & Management Corporation.

Mr Barnes received his MBA degree from Graduate School of Management, Australia, and B.Sc. Degree from Macquarie University, Australia.

Ms Eliza Ong Yin Suen

Ms Eliza Ong Yin Suen is the chairperson of the board of directors of RHB OSK Asset Management Pte Ltd. She was appointed to the board of directors of RHB OSK Asset Management Pte Ltd on 13 October 2008 and to the board of directors of RHB Asset Management Sdn Bhd (formerly known as RHB Investment Management Sdn Bhd) on 1 December 2013.

Ms Ong joined OSK Holdings Berhad in 2002 as the personal assistant to Tan Sri Ong Leong Huat, group managing director/chief executive officer of OSK Holdings Berhad. Prior to that, she worked in Australia with National Australia Bank Limited. During her tenure, she held various positions within the bank and gained exposure within the Global Credit Bureau (with portfolios in wholesale banking and bank and sovereign risk) as well as the asset structuring department.

Ms Ong holds a Master of Business (Banking and Finance) from Monash University, Australia and is a senior associate member of Australasian Institute of Banking and Finance (AIBF), Certified Treasury and Finance Professional (CTFP) and a Certified Financial Planner. She is also a director of Land Management Sdn Bhd, 3 Fairies Holdings Sdn Bhd, Regal Meridian Sdn Bhd and Echelon Sdn Bhd.

Dr Harrison Wang

Dr Harrison Wang is the chairman of the investment committee and the head of alternative investments of RHB OSK Asset Management Pte Ltd. His experience includes being a managing partner of Gryphus Capital, an investment firm set up in Singapore by Deutsche Bank in 2000, and the chief executive officer of Deutsche Bank's e-millennium Asia Fund. Dr Wang was the managing director and head of e-Business Asia Pacific for Deutsch Bank Group. Dr

Wang also managed pools of capital.

Previously, Dr Wang worked for General Electric (GE) where he was the managing director, Asia Pacific business development responsible for mergers and acquisitions for the Asia Pacific region. He was appointed the managing director of the Emerging Market Group, responsible for GE Capital's business in four countries, including Korea, Singapore, Malaysia, and the Philippines.

Prior to GE, Dr Wang had extensive experience in Silicon Valley for venture capital firm, H&Q Asia Pacific, and several technology companies in the field of industrial automation. He led several large scale manufacturing automation projects in China.

Dr Wang has 20 years of board director experience for public and private companies in over 10 countries. Dr Wang received his BS degree from National Taiwan University and his MS and Ph.D. degrees from Stanford University. His doctorate research was on Robotics.

Mr Jason Chen

Mr Jason Chen is a managing partner, alternative investments of RHB OSK Asset Management Pte Ltd. His experience includes being a managing partner of Gryphus Capital, an investment firm set up in Singapore by Deutsche Bank in 2000 to act as an investment advisor for Deutsche Bank's e-millennium Asia Fund.

Prior to Gryphus Capital, Mr Chen was a vice president and head of Asia for AIG Investments Capital Recovery Group, a proprietary group responsible for investing in global distressed and special situations opportunities where he was responsible for origination and underwriting of all investments in Asia. Mr Chen was also AIG's representative director for its US\$1 billion China investment joint venture fund with Deutsche Bank, as well as a director for AIG's Brazilian distressed investment platform. Mr Chen was also a vice president at Pine Tree Equity, a private equity fund set up by AIG for distressed assets investments in China and Korea.

Mr Chen has significant startup operation experience including the Asia rollout of ArrayComm, a world leading company in next generation wireless technology, and took the position as the corporate development manager for Asia, and also the startup operation experience in Singapore and in the United States.

Mr Chen received his BA degree in Economics and Psychology from Stanford University and his MBA from INSEAD. He is a CFA and CAIA charter holder.

The Company's fund manager

Pursuant to a management agreement entered into with the Company, the assets of the Company are managed by RHB OSK Asset Management Pte Ltd ("ROAM"). ROAM is a company incorporated in Singapore on 20 October 2006 to carry out fund management activities and is regulated by the Monetary Authority of Singapore. As the Company's fund manager, ROAM manages the identification, screening, valuation, structuring, closing, monitoring, disposition and exit of the Company's investments subject to the approval by the investment committee established by the directors of the Company with investment and divestment decision power delegated by the directors of the Company ("Company IC"). ROAM and the Company IC are guided in their decisions by the investment strategy of the Company (elaborated below).

The Company IC

The investment committee comprises a team of multi-disciplined professionals to support its private equity activities, and to monitor, review and approve investments and remove or replace existing members of the Company IC. From time to time, the directors of the Company may appoint additional members to the investment committee. For all investment decisions, majority

approval of the members of the investment committee is required. The existing members of the investment committee are Dr Harrison Wang (Chairman), Ms Eliza Ong Yin Suen, Mr Gregory Barnes, Mr Ho Seng Yee, Mr Jason Chen, Mr Steve Ting and Mr Graham Light.

Dr Harrison Wang (Chairman)

Please refer to Dr Harrison Wang's profile above.

Ms Eliza Ong Yin Suen

Please refer to Ms Eliza Ong Yin Suen's profile above.

Mr Gregory Barnes

Please refer to Mr Gregory Barnes's profile above.

Mr Jason Chen

Please refer to Mr Jason Chen's profile above.

Mr Ho Seng Yee

Mr Ho Seng Yee is the chief executive officer of RHB Asset Management Sdn Bhd (formerly known as RHB Investment Management Sdn Bhd). He graduated with a Bachelor of Economics Degree (Honours) in Business Administration from University Malaya. Mr Ho has spent twenty four years in the commercial and financial services industry, predominantly in the financial arena. During that tenure, Mr Ho held various management positions and was actively involved in the sales and marketing of products and the development of new businesses. Mr Ho also oversees/drives the regional retail marketing arms of the asset management business and expansion for Singapore, Indonesia and Hong Kong. He also holds the Capital Markets Services Representative's License for fund management.

Mr Steve Ting

Mr Steve Ting is a managing partner, alternative investments of RHB OSK Asset Management Pte Ltd. His experience includes being a managing partner of Gryphus Capital and the executive chairman and director of BT (British Telecom) Frontline from 2008 until 2010. Previously, Mr Ting was the founder and executive chairman of Frontline Technologies Corp., a company invested in by Deutsche Bank's e-millennium Asia Fund, listed in the main board of Singapore Exchange and acquired by British Telecom in 2008, which changed the company name to BT Frontline.

Mr Ting is a veteran in the information communication technology industry with more than 25 years of experience including management positions in Hewlett Packard and Mentor Graphics. He started Frontline Technologies in 1994 and expanded its presence from Singapore to nine countries in the Asia Pacific region with about 5,000 employees with growth initiatives of acquisition of several companies and also the formation of joint ventures in various Asia Pacific countries. In financial year 2008, Frontline Group total revenue was \$680m.

Mr Ting has served on various committees and boards in tertiary institutions, government organisations, and listed and private companies in the Asia Pacific region. Mr Ting holds a B.Eng. degree from National University of Singapore. He received the Ernst and Young's Entrepreneur of the Year Award in 2002 and a NUS Centennial Entrepreneurship Award in 2005.

Mr Graham Light

Mr Graham Light's experience includes being a partner at Gryphus Capital, an investment firm set up by Deutsche Bank in 2000 to act as an investment advisor for Deutsche Bank's e-

millennium Asia Fund. He was a managing director of Deutsche Bank and was seconded by the bank to set up the fund and was responsible for the investment process and risk management of the fund.

From 2004 to 2007, he was a managing director and divisional board member, head of investment management at WestLB, where he was responsible for restructuring the WestLB balance sheet into a US\$108 billion investment management portfolio incorporating all private equity, hedge fund, distressed/special situations, credit, tax, specialist finance and structured finance vehicles, including over US\$3 billion in third party portfolios.

Mr Light had also held roles in trading and risk management at Tudor proprietary trading, proprietary trading at Tokai Capital Markets, and derivatives and corporate finance at Merrill Lynch and Wood Gundy.

Mr Light holds an M.A. in Physics from Oxford University. He is a Rhodes Scholar.

The directors of the Company may also establish an advisory board by appointing individuals or institutions as advisor to the Company to advise and / or to assist the Company to achieve its investment objective (the “Advisory Board”). The Company’s fund manager at its own discretion may assign any part of its entitlement in the management fee and / or performance fee to any member of the Advisory Board or their permitted assignee. Other than such fee assignment by the Company’s fund manager, the members of the Advisory Board will not receive any other compensation from the Company.

Custodian and Administrator of the Company

The custodian and the administrator of the Company appointed under a fund administration services agreement and a custodian agreement is Standard Chartered Bank, acting through its Singapore Branch (“SCB Singapore”). SCB Singapore is a Singapore registered public trust company, approved by the Monetary Authority of Singapore.

SCB Singapore is responsible for custody of all the Company’s assets and is responsible for providing certain fund administration services to the Company under the aforementioned fund administration service agreement and custodian agreement. SCB provides the following services to the Company:

- (a) Custody services.
- (b) Fund administration services, which includes
 - calculation of the net asset value of the Company and the net asset value per share of the Company.
 - transfer agency services in connection with the subscription and redemption of shares in the Company.

b) Investment objective and strategy of the Company

The investment objective of the Company is to achieve long term¹ capital appreciation through pre-IPO* and special situation investments.

The investment strategy of the Company has been developed by the Company’s fund manager, ROAM, (“Fund Manager”) with the goal of achieving superior² long term¹ investment returns by opportunistically investing in pre-IPO* and special situation deals. Specifically, the Fund Manager targets to invest in securities of listed and/or non-listed companies and/or other assets including but not limited to the following:

- (a) Pre-IPO* private equity investments including late stage pre-IPO* deals and early stage pre-IPO* deals;

- (b) Special situation investments typically with hybrid debt/equity structure; and
- (c) Any Permitted Investment** with attractive³ risk and reward profile and capital appreciation perspective.

The above investments can be structured as asset back investments, portfolio acquisition and specialized financing with features of downside protection and upside sharing. “Asset back investments” means investments that are backed by or collateralized by assets; “Portfolio acquisition” means investment in a portfolio of investment assets; “Specialized financing with features of downside protection and upside sharing” means investment in the form of a customized financing transaction with features of downside protection, which is a typical feature of debt collaterals, and upside sharing, which is a typical feature of equity investment upside.

Note:

² “superior long term investment returns” refers to the unique advantage in term of risk-return profile for long term investment returns for the combination of pre-IPO* investments and special situation investments. During an up-market environment, the IPO* market will be active with strong market demands for IPO* listings, which creates a strong deal flow and return opportunities for pre-IPO* deals. During a down-market or flat-market environment, special situation investment approach with debt/equity hybrid features of downside protection and upside sharing offers an advantageous risk-return profile.

³ “attractive risk and reward profile” means assessing investment transactions of the same return that has lower risk or assessing among investment transactions of the same risk that have higher return.

Pre-IPO investments

In general, pre-IPO investments are characterised by relatively short (i.e. less than 2 years) term investment horizons compared to traditional venture capital deals which investment horizons would typically more than 2 years. Investments are made before the certainty of a successful IPO*, and generally divestments are made at or shortly after the IPO*. Evaluations of such investments centre on an assessment of the probability of the investee achieving an IPO*. The factors to consider in making this assessment are (i) execution risk, being the likelihood that the IPO* process will be stalled due to, inter alia, structural, financial, or regulatory issues; and (ii) market risk, being the possibility that the IPO* market conditions will turn adverse thus delaying the IPO*. Companies that are preparing for an IPO* would have reached a more stable stage of growth such that the business risks are manageable (unlike a traditional venture capitalist investee). However, while lower weightage is assigned to the business risks of the investee in making the investment evaluation, business risks may still become an important factor if there is a long delay in the IPO* process caused by execution risk factors which allow the business fundamentals to vary before a realisation of the security can be made.*

Generally, pre-IPO deals may be divided into two categories, both carrying different levels of execution risks:-*

(a) Late Stage Pre-IPO Deals*

Most of the pre-IPO deals will be in the form of “Late-stage” pre-IPO* deals, which are generally those that have already engaged a team of IPO* professionals, including issue managers, solicitors and reporting accountants (the “IPO Professionals”). The IPO Professionals would have conducted adequate financial and legal due diligence reviews, completed corporate restructurings, prepared the accountants’ reports and prepared all relevant listing application documents and are close to being ready for submission to the relevant authorities to apply for listing on a Recognised Stock Exchange. In some cases, the pre-IPO* investor may be allowed to benefit from part of the pertinent information generated by the IPO*

Professionals to perform a clearer investment evaluation or even to rely to some extent on the assessments made by the IPO Professionals. For a few rare opportunities, the listing applications may have already been submitted. In exceptional cases, we may have opportunities to invest in deals whereby the approval from the Recognised Stock Exchange is imminent or already obtained. The availability of such deals of low execution risk depends heavily on the relationship between the Fund Manager and/or the IPO issue manager and the IPO* client because in most cases, the IPO client is not in need of the equity infusion at such a late stage.*

(b) Early stage Pre-IPO Deals*

“Early-stage” pre-IPO deals are deals whereby a listing submission is not yet ready, and the team of IPO Professionals may or may not be assembled yet. The investee may require equity infusion for various reasons, including (i) to improve balance sheets, (ii) to provide mezzanine financing for short term working capital and (iii) to settle any related-party financing with the shareholders. The investments in such companies come with considerable risks, and the investments can only be realised after the companies have been listed on a Recognised Stock Exchange. Should the companies fail for any reason to list on the Recognised Stock Exchange, the investments may be extremely difficult to realise unless there are ready buyers.*

Notwithstanding the above, before the Company fully invests its capital in pre-IPO* and special situation investments, the Company may invest from time to time in the interim period (not more than the Company’s investment period of 3 years).

- (a) in public listed shares⁴ within five (5) years of IPO* or such other period the investment committee of the Company may decide or
- (b) in other Permitted Investments**.

⁴ The Company’s investments in public listed shares are those pre-IPO* deals which became listed on a stock exchange.

The Fund Manager believes that a combination of pre-IPO* investments and special situation investments offer a unique advantage in terms of risk-return profile. During an up-market environment, the IPO* market will be active with strong market demands for IPO* listings, which creates a strong deal flow and return opportunities for pre-IPO* deals. During a down-market or flat-market environment, special situation investment approach with debt/equity hybrid features of downside protection and upside sharing offers an advantageous risk-return profile.

The Fund Manager plans to take a balanced approach between making late stage and early stage pre-IPO* investments. For early stage pre-IPO* deals, the Fund Manager will consider the growth and risk aspects of the investment targets and the outlook for exit through IPO* or trade sales. For late stage pre-IPO* deals, the Fund Manager will consider the prospects of IPO* and the risk-return profile.

For special situation investments, the Fund Manager will flexibly structure investment deals based on the circumstances of the target company or assets, adopting a combination of debt features such as collaterals and guarantees for downside protection; interests and coupons for current income; and options, convertibility, equity kickers, and cash flow sharing for upside opportunities. Special situation investment generally refers to investments with a hybrid of debt/equity investment features. The debt features typically include collaterals, interest and principal payback, and other commonly used debt terms, while the equity features include typically uncapped dividends and share price upsides (versus the capped interest return of debt investment). Since the special situation investments is a hybrid of various debt/equity investment features, the adoption of exactly which specific debt/equity investment feature has to be based on a case by case situation of the investment target and the transaction. The Fund Manager will flexibly structure investment deals based on the risk and return considerations to decide whether

or not to structure in debt features of interest payments and asset collateral, or equity features of warrants or shares convertibility. The Fund Manager has to flexibly adopt the debt/equity features in order to achieve the best interest of the Company's shareholders.

The Fund Manager plans to utilize the investment banking network of its parent company group, RHB Investment Bank Berhad ("RHB"), one of the largest investment banking groups in ASEAN⁵, for deal origination as well as to utilize other financial institutions covered by the broad RHB relationship network for deal origination. The Fund Manager also plans to utilize the extensive industry and management experience of its professional investment personnel under the alternative investments arm of the Fund Manager for deal origination and analysis. The Fund Manager expects that most of its deal sources will be proprietary and not offered to the general market.

⁵http://www.rhb.com.my/corporate_profile/media/2014/02-11.html

As part of the investment process, the Fund Manager will perform due diligence on the target companies and assets. Legal advisors will usually be appointed to advise on investment agreements and regulatory or legal matters. Often times (usually but not always), the Fund Manager's investment professionals may take board seats in the portfolio companies (i.e. refers to the companies invested by the Company) to represent the Company's interest to help drive growth, utilizing both the experience of the investment professionals and the capabilities and network of RHB.

The Fund Manager puts a high emphasis, as its management philosophy, on considering and evaluating the prospect for the potential investment exit, where the investment principal and returns are received back by the Company, for the Company's investments.. For the exit of the private equity investments, the Fund Manager typically seeks the following channels:

- (a) IPO* or reverse take over ("RTO")
- (b) Trade sales
- (c) Put option or redemption by the obligor
- (d) Asset sales
- (e) Self liquidating structure
- (f) Re-capitalization or re-financing

"Self-liquidating structure" refers to any investment structure that has a governing mechanism which will self-liquidate and distribute proceeds to its investors. "Re-capitalization" refers to restructuring of a company's debt/equity mixture. "Re-capitalization" can be used as an exit strategy for the investors of a specific class of securities of the company e.g. where redeemable shares held by the investors being redeemed by the company. "Re-financing" refers to changing the debt structure of a company. "Re-financing" can be used by a company to generate cash to pay back for the exit of an investor in the company.

The Fund Manager will target to invest, although it cannot be guaranteed, that the portfolio will achieve the following composition:

Indicative allocation between pre- IPO* investments and special situations investments:

- (a) pre- IPO* investments: 50%
- (b) Special situation investments: 50%

Indicative geographic allocation:

- (a) ASEAN: 50%
- (b) North Asia: 30%
- (c) Rest of the world: 20%

The above allocation represents an initial target and it may be adjusted from time to time by the Fund Manager based on market conditions and opportunities.

c) **Investment policies of the Company**

The Fund Manager has broad powers of investment within the investment objective and approach of the Company, subject to the following limited investments guidelines in respect of the management of the assets of the Company:

- (a) the Company shall not invest in any securities having unlimited liability;
- (b) the Company shall not borrow, mortgage, pledge, hypothecate or in any manner transfer as security for any indebtedness any securities owned or held by the Company with recourse to the shareholders of the Company. The Company may procure financing from financial institutions for the purpose of making and managing Permitted Investments**, provided that such financing has no recourse to its shareholders;
- (c) the Company shall not invest in physical commodities;
- (d) the Company shall not underwrite securities of any IPO* issue; and
- (e) the value of the Permitted Investments** may be up to 98% of the Company's net asset value.

The above are guidelines only, not absolute restrictions, and the Fund Manager may exceed these guidelines with the approval of the directors of the Company from time to time. These are investment policies of the Company the Fund Manager must adhere to but they are not absolute restrictions because they will be amended or exceeded from time to time with the approval of directors of the Company. It should be noted that the directors' decisions have to serve the best interest of the Company's shareholders.

Notes:

***Permitted Investment means:*

- (a) *any Quoted Investments;*
- (b) *any Unquoted Investments;*
- (c) *any Investment in any currency;*
- (d) *any Investment which is a futures, option, forward, swap, collar, floor or other derivative, provided that any such investment in derivatives will only be for hedging of currency; or*
- (e) *any other investment not covered by paragraphs (a) to (d) of this definition but selected by the Fund Manager for investment of the deposited property of the Company, whereby,*

Any selection of investments by the Fund Manager as a Permitted Investment will always subject to the investment objective of the Company.

“Investments” means any share, stock, warrant, option or other stock purchase right, interest-bearing instrument, bond, convertible bond, discount bond, note, discount note, exchange fund note, debenture, debenture stock, banker's acceptance, debt security, loan, loan convertible into security, loan stock, money market instrument, certificate of deposit, currency deposit, commercial paper, promissory note, unit or sub-unit in any unit trust scheme, share or participation in a mutual fund, share or other interest in a real estate investment trust company, share or unit or sub-unit or participation or other interest in any collective investment scheme, treasury bill, trade bill, bill of exchange, fixed or floating rate debt instrument, futures, forward, swap, floor, cap, collar or other derivative or derivative transactions, index and forward currency exchange contract, futures contract, contract for derivatives or other derivative or financial transaction or any other instrument^^ or security (all the foregoing denominated in any currency) which may be selected by the Fund Manager for the purpose of investment of the deposited property of the Company or which may for the time being form part thereof;

^^“other instrument” refers to other financial instrument such as banking instruments, capital market instruments, and legal instruments. “Capital market instruments” refers to the

instruments that are traded in the capital market whereas the “legal instruments” are private transactions defined by legal documents agreed between buyer and seller and are not traded in the capital market.

“Quoted Investment” means any Investment which is listed, quoted or dealt with on any Recognised Stock Exchange or OTC Market;

“Unquoted Investment” means any Investment which is not quoted, listed or dealt with on any Recognised Stock Exchange or OTC Market;

“Recognised Stock Exchange” means any stock exchange, futures exchange and organised securities exchange on which securities are regularly invested in any part of the world and in relation to any particular Permitted Investment, shall be deemed to include any responsible firm, corporation or association in any part of the world dealing in the Permitted Investment which the Fund Manager may from time to time elect; and

“OTC Market” means any over-the-counter market or over-the-telephone market in any country in any part of the world, and in relation to any particular Permitted Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Permitted Investment which the Fund Manager may from time to time elect.

d) Investment process of the Company

The Fund Manager intends to generally employ a series of procedures and methods in performing the investment process involving the key steps of deal sourcing, deal analysis and due diligence, portfolio management, and exit. The following are examples of such procedures and methods:

(a) Deal sourcing

- Utilize the relationship network of the Fund Manager and members of the investment committee and (any) advisory board of the Company for proprietary deal sourcing
- Follow an investment rubric for efficient screening of potential investment deals
- Continuously assess investment risks and red flags
- Employ a screen system for productivity and efficiency

(b) Deal analysis and due diligence

- Research-driven approach that analyzes multiple aspects of a potential opportunity
- Access to domain experts through the relationship network of the Fund Manager, investment committee members and (any) advisory board members
- Disciplined analysis and underwriting with thorough risk assessment
- Conduct due diligence under high professional standards
- Detailed valuation analysis under various scenarios
- Consensus based investment approval within the Company’s investment committee

(c) Portfolio management

- May take on board seats in the company invested for governance and guidance
- Apply the Fund Manager’s industry and operational experiences for growth
- Provide assistance and guidance in acquisitions, joint ventures and partnerships

(d) Exit

- Systematically evaluate possible options for an exit and actively pursue possible opportunities
- Provide direct guidance for IPOs*
- Leverage the investment banking and corporate finance capabilities of the Fund

Manager's parent group companies to help identify potential trade sale buyers and to assist or advise the Fund Manager as needed

- Use put options, redemptions, asset sales, refinancing, recapitalization, and other financial structures to achieve exit without dependence on IPO* or trade sales

e) **Compulsory Redemption of the Shares of the Company**

The directors of the Company may compulsorily redeem all or part of any shareholder's holding of shares of the Company at any time without any reason upon not less than five (5) business days' prior written notice. The compulsory redemption only applies in extreme and unforeseen circumstances other than as detailed in the following paragraph and compulsory redemption is only made when determined to be in the best interests of the Company.

But if the directors of the Company, in their sole discretion, determine that the shares of the Company are acquired or held by a person in the circumstances set out below, they may compulsorily redeem the relevant Shares without prior written notice:

- (a) any person in breach of the law or requirements of any country or governmental authority which in the opinion of the directors of the Company might result in the Company to be in breach of any law or regulation relevant to the Company; or
- (b) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the directors of the Company or the Fund Manager to be relevant) which in the opinion of the directors of the Company might result in the Company or the associates or agents of the Company or any shareholder of the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered; or
- (c) any person which may result in the Company being required to comply with any registration or filing requirement in any jurisdiction with which it would not otherwise be required to comply; or
- (d) any person such as to be harmful or injurious to the business or reputation of the Company or any of its service providers; or
- (e) any person who is not or who ceases to be a "qualifying investor", as described below:

A "qualifying investor" is:

- (a) an individual investor;
- (b) a bona fide non-resident non-individual investor (excluding a permanent establishment in Singapore) that:
 - (aa) does not have a permanent establishment in Singapore (other than a fund investment manager) and does not carry on a business in Singapore; or
 - (bb) carries on an operation in Singapore through a permanent establishment in Singapore but does not use funds from its operation in Singapore to invest in the qualifying fund;
- (c) a designated person, i.e. the Government of Singapore Investment Corporation Pte Ltd, any statutory board or any company which is wholly owned, directly or indirectly, by the Minister for Finance and approved by him; and
- (d) an investor other than those listed in (a), (b) and (c) which, alone or with his associates:
 - (aa) beneficially owns not more than 30% of the total value of issued securities of the qualifying fund if the fund has less than 10 investors; or

- (bb) beneficially owns not more than 50% of the total value of issued securities of the qualifying fund if the fund has 10 or more investors.

Note: For avoidance of doubt, the Fund qualifies as a qualifying investor.

The redemption price of a share of the Company is the net asset value per share of the Company. The directors of the Company shall have the sole and absolute discretion to determine the methodology of calculation of the net asset value of the Company in compliance with laws and regulations and prevailing accounting standards.

Notwithstanding the foregoing, the directors of the Company may compulsorily redeem all or part of any shareholder's holding of shares of the Company at any time for the purpose of carrying out the Company's automatic distribution mechanism as described below (item 7(f)). When the Company compulsorily redeems all or part of the shares belonging to the Fund, the Fund will receive the cash and the Fund may make a capital repayment on a capital distribution date (please see item 20).

f) Automatic Distribution Mechanism by the Company and the Performance Fee

Due to the illiquid nature of certain of the Company's private equity assets, such as investments in pre-IPO securities, which may not have a liquid trading market before the IPO, it would not be practical to allow for redemption by a shareholder in the Company. In lieu of redemption, the Company provides an automatic distribution mechanism to the shareholders.

Distributions shall be made by the Company to its shareholders by way of dividend distributions and/or compulsory redemption of its shares at the discretion of the directors of the Company and in accordance with applicable laws of the Cayman Islands.

Consequently, the Fund will likewise distribute the capital received by way of compulsory redeeming units of the Fund to unit holders of the Fund in their respective proportions to facilitate such capital repayment of the Fund (please refer to item 20).

During the charter life of the Company:

The Company will distribute 100% of the Net Realized Investment Profit, subject to provisions for any liabilities, cost, expenses, fees, commissions, debts and taxes, to the shareholders of the Company within 10 business days after the completion of the financial accounts at the end of each Quarter, or such other day or days as the directors of the Company may designate from time to time.

Performance fee payable to the Fund Manager by the Company:

The Company will pay a performance fee to the Fund Manager based on the following within 10 business days after the completion of the financial accounts at the end of each Quarter, or such other day or days as the directors of the Company may designate from time to time:

- a) the performance fee shall be 20% of the aggregate Net Realized Investment Profit of all of the Investments sold or realized in the Quarter which has a minimum 20% Net Investment Return in the relevant Quarter;
- b) 50% of the performance fee payable shall be paid to the Fund Manager; and
- c) 50% of the performance fee payable shall be set aside into a separate account (as the "Performance Fee Reserve"), which can only be paid to the Fund Manager at the end of the

charter life of the Company subject to Investment Loss Claw Back (as defined hereinafter).

If there has been any sale or disposition of any Permitted Investment at a loss as at the last Business Day of each Quarter, or such other day or days as the directors of the Company may designate from time to time, the Company will distribute to the shareholders from, and up to the limit of, the balance of the Performance Fee Reserve, an amount equal to 20% of the investment loss of such Permitted Investment (the "Investment Loss Claw Back").

At the end of each fiscal year and the Charter Life, if the Net Investment Return of all of the Realized Investments up to such time in aggregate is higher than 20%, the Company will, if necessary, make an adjustment payment to the performance fee to bring the total cumulative payment of performance fee to 20% of the Net Investment Return of all of the Realized Investments in aggregate up to such time.

Investors are advised that this performance fee is an indirect fee payable by the investor.

At the end of the Investment Period:

All of the Liquid Assets, subject to provisions for any liabilities, cost, expenses, commissions, debts, and taxes incurred by the Company, shall be distributed by the Company to the shareholders.

After the Investment Period:

After the Investment Period, upon any sale or disposition of any Permitted Investment, the principal portion (i.e. cost to acquire such Permitted Investment) of the cash proceeds received by the Company after deduction of any cost, expenses, commissions, debts, and taxes incurred, subject to provisions for any liabilities, cost, expenses, commissions, debts, and taxes incurred by the Company, shall be distributed to the shareholders.

At the end of the Charter Life:

At the end of the Charter Life, all of the assets of the Company shall be liquidated, and the amount net of any cost, expenses, commissions, debts, and taxes incurred shall be distributed by the Company to the shareholders. The balance of the Performance Fee Reserve shall be paid to the Fund Manager.

Notwithstanding the foregoing, the Company's investments would be expected to progressively mature and appropriate opportunities for partial or full liquidation of investments shall be identified by the Fund Manager.

For the purpose of this section,

"Quarter" means each 3 month period ending on the last day of March, June, September and December of each calendar year respectively.

"Investment Period" means the period commencing from the date of the initial closing of the invitation to subscribe shares of the Company ("Invitation") and expiring at the end of a period of three (3) years from the final closing of the Invitation. The initial closing shall take place either on 1 April 2014 or such earlier date as may be determined by the directors of the Company, with subsequent closings not later than four (4) months from the initial closing, provided that the directors may extend the final closing by up to two (2) additional months at their sole discretion.

"Net Realized Investment Profit" means in respect of any Permitted Investment, any cash proceeds including but not limited to:

- 1) interest, dividends or other income, and
- 2) profits from the sale or disposition of such Permitted Investment, after deduction of any

costs, expenses, commissions, debts, and taxes incurred or attributed thereto.

“**Net Investment Return**” means the Net Realized Investment Profit of any Permitted Investment divided by the cost of investment;

“**Realized Investment**” means a Permitted Investment which has been sold or disposed. If a Permitted Investment is partially sold or disposed, the portion of the Permitted Investment that has been sold or disposed should be treated separately as a Realized Investment; and

“**Liquid Assets**” means cash, cash equivalent assets, or any asset which can be converted into cash quickly and with minimal impact to the value of the assets.

8. Financial Derivatives

As the shares of the Company that the Fund is investing in is denominated in US Dollar, the Manager may participate in financial derivatives, which include but is not limited to forwards and swaps, for the purpose of hedging this Fund’s exposure to foreign currency. The sole interest is to protect the value of the portfolio. The Fund’s net market exposure to financial derivative instruments will not at any time exceed its net asset value.

9. Leverage

The Fund may borrow cash on a temporary basis (i.e. not more than one month) from financial institutions. Such borrowing shall not exceed ten (10) percent of the Fund’s net asset value at the time the borrowing is incurred and assets of the Fund may only be pledged as collateral with financial institutions for borrowing of this nature.

10. Permitted Investments and Restrictions

This Fund will principally invest in one company, i.e. the shares of the RHB-OSK Pre-IPO & Special Situation Fund, participate in financial derivatives, invest in money market instruments, and place cash with any financial institutions, and any other investments as agreed between the Trustee and the Manager from time to time, provided that there is no inconsistency with the Fund’s objective.

11. Valuation of Assets

The Fund will be valued at least once every month on the last Business Day of each month (“Valuation Day”) except during the Offer Period (please see item 17 and 33 for definition of Offer Period and Business Day).

At each Valuation Day, the net asset value per share of the Company at the close of the last Business Day of each month shall be used for valuation of the Fund.

Further, as the Fund’s assets are valued on each Valuation Day, i.e. last Business Day of each month, the published price of the Fund (the net asset value per Unit) of each Valuation Day will remain the same until the next Valuation Day. Nonetheless this computed price of the Fund will be published daily in the newspaper and will also be available to investors upon request.

In undertaking any of the Fund’s investments, the Manager will ensure that all the assets of the Fund will be valued appropriately, that is, at market value, failing which, such assets will be valued at fair value and at all times in compliance with the relevant laws (including approved accounting standards).

Accordingly:

- (i) The shares of the Company will be valued by reference to the Fund Manager's last published net asset value per share of the Company for the relevant Business Day.
- (ii) Financial derivatives positions will be "marked-to-market" at the close of each trading day.
- (iii) Cash placed with financial institutions will be valued each day by reference to the principal value of such investments and the interest accrued thereon for the relevant period.
- (iv) Foreign exchange translation of US Dollar ("USD") to Ringgit Malaysia ("RM") for a particular Business Day is determined based on the bid rate quoted by Bloomberg at 4.00 p.m. (United Kingdom time) or such other time as may be prescribed from time to time by the relevant laws.

Unless otherwise prescribed by the relevant laws (including approved accounting standards), the valuation method for an asset is to be determined by the Manager, verified by the auditors of the Fund and approved by the Trustee.

12. Risk Factors of the Fund

Investing in this Fund is associated with the following risks:

(a) Management risk

As this Fund invests at least 95% of its net asset value in the shares of RHB-OSK RE-IPO & Special Situation Fund ("Company"), it is subject to the expertise of the Company's fund manager, RHB OSK Asset Management Pte Ltd ("Fund Manager"). Poor management of the Company by the Fund Manager will jeopardise the investment of this Fund in the Company and in turn, the unit holders' investment through the risk of reduced returns and in some cases the unit holders of the Fund may also lose their capital invested in this Fund.

(b) Currency and country risk

As the base currency of the Company is in US Dollar and as the Company is domiciled in the Cayman Islands, this Fund may be subject to currency and country risk. Changes in rates of exchange between the currencies of USD and RM may cause the value of the Fund's investment in the Company to diminish or increase which in turn will affect the value of unit holders' investments. The Fund's investments in the Company may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in the Cayman Islands.

Also, as the Company may invest in securities denominated in currencies other than US Dollar, the Company is also subject to currency risk (as elaborated in sub-section (5) – Currency Risks on page 19).

(c) Suitability standards

Investing in the Fund which invests principally in the Company is only suitable for investors who understands the degree of risks involved and believe that the investment

is suitable based upon their investment objectives and financial needs; accept the investment strategy of the Company according to their risk appetite; have no need for liquidity of the investment monies; and who are able to bear the loss of a substantial portion or even all of the money they invest in. Investors are therefore advised to seek independent professional advice on the implications of investing in the Fund.

- (d) No redemption is allowed by the Fund

REDEMPTION OF UNITS BY UNIT HOLDERS OF THE FUND IS NOT ALLOWED. This is because the Fund will not be able to redeem its share holdings in the Company. Due to the illiquid nature of some of the Company's private equity assets, such as investments in pre-IPO* securities, which may not have a liquid trading market before the IPO*, it would not be practical to allow for redemption of shares held in the Company by the Fund. Moreover, units of the Fund are only transferable to other Qualified Investors. However, in lieu of redemption, the Company has an automatic distribution mechanism to the Fund (please see item 7(f) and 20 for details).

- (e) Risk of early termination

The Company, which the Fund principally invests in, may be liquidated at any time. Should the Company be liquidated at any time, the Manager will early terminate the Fund, i.e. reduce the tenure of the Fund. In such a case, Unit Holders may make a gain or loss depending on the Fund's net asset value on the (early) maturity date.

Investments in the Company are associated to the following risks:

- (1) *Nature of Investments Generally*

All investments risk the loss of capital (i.e. investment capital). No guarantee or representation is made that the Company will achieve its investment objective. An investment in the Company is speculative and involves certain considerations and risk factors which prospective investors should consider before subscribing.

- (2) *Effects of General Economic and Market Conditions*

Successful implementation of the Company's strategy by the Fund Manager requires accurate assessments of general economic and market conditions. Even with the most careful analysis, there can be no assurance that the Company's strategy will be successful and an unsuccessful strategy may result in significant losses to the Company.

Notwithstanding the amount of due diligence which may be carried out by the Fund Manager prior to investments in any portfolio or company, such portfolio or company may nevertheless fail for a variety of reasons which may not be foreseeable by the Fund Manager. General economic conditions may affect the Company's portfolio or the invested company's performance which may not be foreseeable by the Fund Manager. Interest rates, general levels of economic activity, the price of securities and participation by the other investors in the financial market may affect the value of the Company's investment.

The portfolio of the Company or the companies invested under the portfolio is subject to operating and financial risks which correlated to general economic and market conditions. Over the investment period, the portfolio of the Company or the companies invested under the portfolio will be subject to changes in economic environment, technology, regulatory environment, market conditions and competition, and potential management execution shortcomings.

(3) *Increased Regulatory Oversight*

The financial services industry, including the activities of alternative investment vehicles and their managers, has been subject to increasing regulation and oversight. This may increase the Company's and the Fund Manager's exposure to legal, compliance and other related costs. Increased regulatory oversight can also impose administrative burdens on the Fund Manager, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the Fund Manager's time, attention and resources from portfolio management activities.

It is anticipated that, in the normal course of business, the Fund Manager will have contact with government authorities, be required to respond to questionnaires or examinations, and/or address regulatory inquiries concerning the Company's investments.

(4) *Legal Risk*

Some of the products and services developed and sold by issuers and/or intermediaries may be subject to patent infringement or product liability suits. If such suits are made and/or succeed against these issuers and/or intermediaries, they can potentially divert management time and resources away from core operations and have a materially adverse financial impact on the Company's investments in these products and services.

(5) *Currency Risks*

The Company may invest in securities denominated in currencies other than US Dollar and any income from those investments will be received in those currencies, some of which may fall in value against the US Dollar. The Company will value its assets in US Dollar and there is therefore a currency exchange risk which may affect the value of the Company's assets. The Company may invest its assets in countries which have exchange control restrictions, which may cause difficulties or delay in the receipt of its divestments.

(6) *Currency Exchange Exposure and Currency Hedging*

To the extent the Company seeks to hedge its currency exposure, it may not always be practicable to do so. Moreover, hedging may not alleviate all currency risks. Furthermore, the Company may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer will normally offer to sell currency to the Company at one rate, while offering a lesser rate of exchange should the Company desire immediately to resell that currency to the dealer. The Company conducts its currency exchange transactions either on a spot (i.e. cash) basis at the spot rate prevailing in the currency exchange market, or through entering into a number of different types of hedging transactions including, without limitation, forward or futures to purchase or sell currencies, and entering into foreign currency borrowings.

Techniques used to hedge currency exposure may reduce but will not eliminate the risk of loss due to unfavourable currency fluctuations and they tend to limit any potential gain that might result from favourable currency fluctuations. Some countries restrict conversion of their currency into other currencies, including the US Dollar, and for some currencies, there is no significant foreign exchange market.

There can be no guarantee that instruments suitable for hedging currency or market shifts will be available at the time the Company wishes to use them, or will be able to be liquidated when the Company wishes to do so. In addition, the Company may choose not to enter into hedging transactions with respect to some or all of its positions.

(7) *Market Value Volatility for Portfolio Investments*

This risk is related to market value volatility for investing in private portfolio companies. Investments in private companies involve a higher degree of business and financial risk that can result in substantial losses. Some of the companies invested may lack fully developed products, cash resources, proven markets for their products or distribution alliances. Such companies may fail or significantly decline in value at any stage of operation.

(8) *Acts of God, Acts of War, Epidemics and Geopolitical Events*

Geopolitical events, such as natural disasters, man-made disasters, terrorist attacks and outbreaks of diseases may cause disruptions to commerce, reduced economic activity or market liquidity and continued volatility in markets throughout the world. Such events could have an adverse impact on instruments held by the Company. The Fund Manager cannot predict the manner in which and the extent to which the instruments held by the Company would be affected by such events. Such events could also result in incidents or circumstances that would disrupt the normal operations of the Fund Manager, the administrator, the brokers, the custodian, the prime brokers (if any) or any of the Company's broker-dealers, which could also have negative effects on the investment performance of the Company.

(9) *Policy and Regulatory Environment Risk*

The net asset value per share of the Company may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, imposition of confiscatory taxation and/or withholding taxes on interest payments, changes in interest rates and other developments in law or regulations and, in particular, the risk of, and change in, legislation relating to the level of foreign ownership, including nationalisation and expropriation of assets.

(10) *Political and Economic Factors*

The Company will be exposed to the direct and indirect consequences of potential political, economic, social, or diplomatic conflicts in the countries in which it invests.

(11) *Repatriation of Capital, Interest and Other Income Risks*

It may not be possible for the Company to repatriate capital, interest and other income from certain countries, or it may require government consent to do so. The Company could be adversely affected by the introduction of the requirement for any such consent, or delays in or the failure to grant any such consent, for the repatriation of funds or by any official intervention affecting the process of settlement of transactions which may in turn affect the repatriation of funds. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

(12) *Settlement, Clearing and Registration Risks*

Some of the countries in which the Company may invest are undergoing rapid expansion. There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in some of these markets. Where organised securities markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to the local postal and banking systems in many less developed markets, no guarantee can be given that all entitlements attaching to quoted and over-the-counter traded securities acquired by the Company, can be realised. Some markets currently dictate that a local broker receives monies for settlement by a number of days in advance of settlement, and that assets are not transferred until a number of days after settlement.

(13) *Market Risk*

Financial markets are increasingly more volatile. Wide swings in market prices that have been a feature of smaller and less developed markets are also becoming common in major financial markets. In many instances, market prices defy rational analysis or expectation for prolonged periods and are influenced by movements of large funds as a result of short-term factors, counter-speculative measures or other reasons. Market volatility of large enough magnitude can sometimes weaken what is deemed a sound fundamental basis for investing in a particular market. Investment expectations may therefore fail to be realised in such instances.

(14) *Inflation*

Some of the countries in which the Company intends to invest have experienced extremely high rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have negative effects on the economies and securities markets of certain emerging countries. Inflation results in uncertainty over the future value of investments and reduces the purchasing power of money. Therefore, as return of an investment is subject to inflation rate, the performance of the Company could be affected by rates of inflation in countries in which the Company invests.

(15) *Counterparty Risk*

The Company will transact most of its investments through financial institutions including but not limited to brokers, dealers and banks. All transactions will carry counterparty risks until the transactions have settled. All deposits of securities or cash with a custodian, bank or financial institution will carry counterparty risk. Upon default by a counterparty, the Company may be forced to unwind certain transactions and the Company may encounter delays and difficulties with respect to court procedures in seeking recovery of the Company's assets.

(16) *Broker Insolvency*

The Company's assets may be held in one or more accounts maintained for the Company by its brokers, prime brokers (if any) or at other broker-dealers. Such brokers, prime broker (if any) or other broker-dealers may also be appointed by the Custodian as sub-custodian of the Company's assets. There is a risk that any such brokers, prime brokers or broker-dealers (including any of their affiliates) may become insolvent. There is a possibility that the insolvency of a broker, prime broker or broker-dealer may significantly impair the operational capabilities of the Company and the Company's assets. Although it is the intention of the Fund Manager to regularly monitor the

financial condition of the brokers, prime brokers or broker-dealers, if any of the brokers, prime brokers or broker-dealers (or their respective affiliates) were to become insolvent under applicable laws, there is a risk that the recovery of the Company's securities and other assets from such brokers, prime brokers or broker-dealers may become protracted and/or be of a value less than the value of the securities or assets originally entrusted to such brokers, prime brokers or broker-dealers.

(17) *Reliance on Fund Manager*

The success of the Company may depend in part upon the skill and expertise of the members of the investment committee established by the directors of the Company. Subscribers of the shares of the Company, including the Fund, have no right to participate in the management of the Company or to make any decisions with respect to the investments to be made by the Company. There can be no assurance that such professionals in the investment committee may continue to be associated with the Fund Manager throughout the charter life of the Company, and any departure or resignation of any of the investment committee members or other key employee of the Fund Manager could have an adverse impact on the performance of the Company.

(18) *Shareholders Will Not Participate in Management*

A shareholder of the Company, including the Fund, has no right to participate in the management of the Company or in the conduct of its business. There exists broad discretion to expand, revise, or contract the Company's business without the consent of the shareholders of the Company. Any decision to engage in a new activity (which within the permitted investment of the Company) could result in the exposure of the Company's capital to additional risks which may be substantial.

(19) *Conflicts of Interest*

The Fund Manager may in future establish other investment funds with similar investment objectives or strategies to those of the Company.

The directors, the administrator, the brokers, the custodian, the prime brokers (if any) and the Fund Manager may from time to time act as directors, managers, brokers, administrators or custodians in relation to or otherwise be involved in other companies established by parties other than the Fund Manager, that have similar objectives to those of the Company. In such event should a conflict of interest arise, the directors of the Company will endeavour to ensure that it is resolved fairly.

The Fund Manager may have a conflict of interest when allocating and/or recommending investment opportunities between the Company and other clients. However, when making investments where a conflict of interest may arise, Fund Manager will endeavour to act in a fair and equitable manner as between the Company and other clients.

There will be no limitation with respect to the Fund Manager's other activities and investments or with respect to the activities of other investment portfolios managed by the Fund Manager. Accordingly, conflicts of interest may occur.

(20) *Performance Fee and Speculative Investments*

The payment to the Fund Manager of the performance fee (please see details in item 7(f)) may create an incentive for the Fund Manager to cause the Company to make investments that are riskier or more speculative than would be the case if the

performance fee was based solely on a flat percentage of assets under management.

(21) *Lack of Liquidity and Illiquidity of Investments*

The Company will invest in assets that are subject to legal or other restrictions on transfer and which are illiquid. The Company may not be able to sell them when it desires to do so or to realize their fair value.

(22) *Lack of Transparency*

The Company may not have access to reliable or detailed information, including both general economic data and information concerning the operations, financial results, capitalization and financial obligations of companies invested in certain countries. The quality and reliability of information available to the Company might be less than what might be available when investing in developed countries. Certain countries may limit the obligations on companies to publish information, which would further restrict the Fund Manager's ability to carry out due diligence. The Fund Manager may be compelled to make investment decisions on the basis of financial information that will be less complete and reliable than that customarily available in developed countries.

(23) *No Redemption or Transfer*

The Company does not allow for redemption by any shareholder and only has a distribution mechanism to distribute certain proceeds to the shareholders of the Company. There is no guarantee on the liquidity events for the shareholders of the Company. There is no secondary market for the shares of the Company. No shareholders of the Company, including the Fund may transfer its shares in the Company without the consent of the directors of the Company, whose consent may be withheld in their sole and absolute discretion.

(24) *Compulsory Redemption of a Shareholder's Shares of the Company*

The directors of the Company may compulsorily redeem a shareholder's holdings in the Company without any notice in certain circumstances, for example, if they, in their sole discretion, determine that the continued participation of such shareholder in the Company may result in the Company or its shareholders as a whole incurring any legal, tax, regulatory, pecuniary or material administrative disadvantage. The directors of the Company may also compulsorily redeem a shareholder's shares by giving not less than five (5) Business Days' written notice.

The directors of the Company have the right to compulsorily redeem the shares held by "non-qualifying investors" based on applicable taxation and regulatory considerations.

(25) *Possible Indemnification Obligations*

The Company is generally obliged to indemnify the Company's administrator, the Fund Manager and possibly other parties under the various agreements entered into with such persons against any liability they or their respective affiliates may incur in connection with their relationship with the Company.

(26) *Possible Adverse Tax Consequences*

No assurance may be given that the manner in which the Company will be managed and operated, or that the composition of its direct and indirect portfolio investments, will be tax efficient for any particular shareholder or group of shareholders. The Company does

not intend to provide its shareholders with information regarding the percentage ownership of its shares held by residents of any country. The Company's books and records might be audited by the tax authorities of countries where the Company's portfolio is managed, or where a portion of its direct and indirect portfolio investments are made, or where a particular shareholder or group of shareholders reside. Any such audits could subject the Company to tax, interest and penalties, as well as incremental accounting and legal expenses. Should the Company be required to incur additional taxes or expenses as a result of the subscriptions made by any shareholder, or become subject to any record keeping or reporting obligations as a result of permitting any person to remain or be admitted as an shareholders of the Company, the Company will seek reimbursement of the costs of such taxes, expenses or obligations from such person.

(27) *Risk of Private Equity Investments*

The Company may be subject to the risks inherent in private equity investing. The task of identifying good companies that may become successful and generate good capital gains is difficult. Such task is referring to identify desirable companies which are expected to generate desirable capital gains i.e. returns that meet the expectation of the Fund Manager. The future performance of any entity into which any part of the Company is invested ("the Investee Companies") and therefore the value of the Company's investment portfolio may be subject to many factors over which the Company may have limited or no control.

(28) *Time Required for Maturity of Investments*

There can be no assurance as to when investments in the companies invested by the Company may mature so that gains, if any, can be realised. Successful private equity investments generally take from three to five years from the date of investment before any liquidity event occurs. In addition, there is a risk that the failed investments may happen and the investment losses be realized faster than the realization of the successful investment income.

(29) *Effect of Competition*

The Company will be competing for investment opportunities with a large number of other funds, as well as other investors and corporate buyers. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available and adversely affecting the terms upon which such investment can be made.

(30) *Additional Funding Resources*

Most of the investee companies may require financing in addition to that provided by the Company. If such additional financing was to be unavailable or more at a higher costs than anticipated, the investee companies' performance may be affected.

(31) *Operating History*

The Company has not yet commenced operations and has no performance history. Any performance track record or past achievements of the management team of the Fund Manager do not indicate that it could be repeated or could achieve similar profits or losses for the Company.

(32) *Uncertainties in Capital Market*

As the predominant means to realise investments shall be the major capital markets, not all investments may be realised through a listing within the expected holding period. Furthermore, investments made in companies in Asia may have to be realised through a listing on a regional capital market (as opposed to major capital market). The regional capital markets are generally smaller, less sophisticated, less liquid and generally more volatile than other major capital markets. The primary market for listing non-asset based technology companies could also be limited from time to time.

(33) *Special Situations Investment*

In relation to the Company's special situation investment, the Company may invest in companies which are involved in (or are the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganisations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Company of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Company may be required to sell its investment at a loss. Because there is a substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Company may invest, there is a potential risk of loss by the Company of its investment in such companies.

(34) *Repurchase Agreements*

The Company may enter into repurchase agreements with respect to securities issued by governments and institutions. Repurchase agreements involve credit risk to the extent that the Company's counterparties may avoid such obligations in bankruptcy or insolvency proceedings, thereby exposing the Company to unanticipated losses. The amount of credit risk incurred by the Company with respect to a particular repurchase agreement will depend in part on the extent to which the obligation of the Company's counterparty is secured by sufficient collateral.

(35) *Credit / Default Risk*

The Company may invest in debt instruments which may be subject to risk relating to the creditworthiness of the issuers and its expected ability to make timely payment of interest and/or principal. Default happens when the issuers are not able to make timely payments of interest and principal. Debt instruments are subject to both actual and perceived measures of creditworthiness of the issuer of the debt instruments.

(36) *Custody Risk*

There are risks involved in dealing with custodians or prime brokers who hold assets of the Company and who settle the Company's trades. Securities and other assets deposited with custodians or prime brokers may not be clearly identified as being assets of the Company, and hence the Company may be exposed to a credit risk with regard to such parties. In some jurisdictions, the Company may only be an unsecured creditor of its prime broker or custodian in the event of bankruptcy or administration of such broker. Further, there may be practical or time problems associated with enforcing the Company's rights to its assets in the event of the insolvency of any such party (including sub-custodians or agents appointed by the custodian in jurisdictions where sub-custodians are not available).

Recent apparently significant losses incurred by many hedge funds in relation to the bankruptcy and/or administration of financial institutions illustrate the risks incurred in both derivatives trading and custody and prime brokerage arrangements. Assets deposited with prime brokers or custodians which are fully paid (being those not held by the prime broker as margin) may be held in segregated safe custody in accordance with the prime brokerage and custodian agreements. Assets held as collateral by the prime brokers or custodians in relation to facilities offered to the Company and assets deposited as margin with the custodians and prime brokers may therefore be available to the creditors of such persons in the event of their insolvency.

(37) *Risks Related to Valuation of Company's Assets*

The Company's assets are generally valued based on quotes provided by exchanges, brokers and other third party sources. However, these values may not reflect the actual prices which would be realised upon a sale of a particular asset. In addition, the Company may hold loans or privately placed securities for which no public market exists. Valuations of assets undertaken or provided by the Company will be conclusive and binding on all investors.

Prospective investors should be aware that the valuation or pricing of certain asset classes, particularly hard-to-price assets such as illiquid, unlisted and unquoted securities, may result in subjective prices being applied to the Company's administrator's calculations of the net asset value of the Company. This could materially affect the net asset value of the Company, the price of the interest at which the investors will deal and the fees paid by the investors, particularly if the board of directors of the Company's, the Fund Manager's or their third party valuation agents' judgments regarding appropriate valuations or pricing should prove incorrect.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Company. Prospective investors are urged to consult their advisers before deciding to invest in the Company.

13. Benchmark

This Fund aims to achieve a targeted return of at least 100% over the charter life of the Fund.

This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the aforesaid return at the end of the Fund's charter life.

14. Tenure and maturity

The tenure of the Fund will mirror the charter life of the Company, i.e. five (5) years ("Charter Life") and the tenure will be automatically reduced or extended in line with the shorter or extended tenure for the Company. As the directors of the Company may extend the Charter Life of the Company for one (1) additional year, likewise, the extension of the tenure of the Fund shall not exceed a period of one (1) year. Hence, the maximum tenure of the Fund shall be six (6) years.

The Manager will send a letter to all unit holders of the Fund to inform of any reduction or extension of the tenure of the Fund.

The maturity date of the Fund shall be the fifth (5th) anniversary of the Commencement Date or such other date as may be notified in writing to the unit holders of the Fund.

PRODUCT DETAILS

15. Offer Price

RM1.0000 per unit.

16. Launch Date

22 July 2014.

17. Offer Period

45 days, i.e. 22 July 2014 – 4 September 2014, or such period as may be decided by the Manager.

Units are only available for subscription during the Offer Period. No units will be sold after the Offer Period. The Offer Period may be closed earlier or extended for any period of time at the sole discretion of the Manager. Any change to the Offer Period will be notified in writing to the distributors of the Fund. The Fund will be automatically terminated if at the close of the Offer Period the assets of the Fund amount to less than USD8 million or its equivalent in Ringgit Malaysia (“RM”). Upon such automatic termination of the Fund, all monies (including interests, if any) will be returned to investors within two (2) months thereof.

18. Financial Year End

31 October.

19. Pricing Policy

Selling Price is the price (before adding any sales charge) payable by an investor or a unit holder of the Fund for the purchase of a unit of the Fund. The Selling Price is fixed at RM1.0000 per unit during the Offer Period. **No units of the Fund will be sold after the Offer Period.**

A sales charge will be computed separately based on the investment amount / purchase amount, net of bank charges, if any.

THERE WILL BE NO REDEMPTION BY THE UNIT HOLDERS OF THE FUND. Due to the illiquid nature of certain of the Company’s investments, it would not be practical for the Company to allow for redemption by the investors in the Company.

The net asset value of the Fund (“NAV”) is determined by deducting the value of all the Fund’s liabilities from the value of all the Fund’s assets, at the valuation point. The NAV per unit of the Fund is determined when the NAV is divided by the total number of the Fund’s units in circulation at that valuation point.

The NAV per unit of the Fund will be published in the newspapers and will also be available to unit holders upon request.

20. Distribution Policy

Subject to the availability of income, the Fund will declare income distributions quarterly.

In addition, the Manager may at any time make capital repayment to the unit holders of the Fund through the compulsory redemption of the Fund’s units held by the unit holders of the Fund.

The capital repayment is pursuant to the compulsory redemption of the Fund's shareholdings in the Company as part of the Company's automatic distribution mechanism. On a capital repayment date, units will be compulsorily redeemed at the net asset value per unit of the Fund.

21. Distribution Mode

Distributions, if any, after deduction of taxation and expenses (i.e. net distributions) will be payable by cheque to the unit holders of the Fund.

On the maturity date of the Fund, any units remaining that is held by the unit holders of the Fund will be compulsorily redeemed at the net asset value per unit of the Fund at the maturity date.

22. Reporting to Investors

The Manager will send to the unit holders of the Fund monthly statement of accounts; and quarterly and annual reports (within 2 months of the end of the respective financial period / year).

The monthly statement of accounts details all transactions made by the investor in relation to the Fund whereas the quarterly and annual reports, in hard or soft copy format, consists of, among others, audited financial statements (annual reports only), information on the Fund's performance, key risk factors, market outlook and asset allocation of the Fund.

TRANSACTIONS

23. Qualified Investors

Subscription of units of the Fund is open to:

1. An individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence;
2. An individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding twelve months;
3. An individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding twelve months;
4. A corporation with total net assets exceeding RM10million or its equivalent in foreign currencies based on the last audited accounts;
5. A partnership with total net assets exceeding RM10million or its equivalent in foreign currencies;
6. A unit trust scheme or prescribed investment scheme;
7. A private retirement scheme;
8. A closed-end fund;
9. A company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding RM10million or its equivalent in foreign currencies;

10. A corporation that is a public company under the Companies Act 1965 which is approved by the Securities Commission Malaysia to be a trustee under the Capital Market and Services Act 2007 and has assets under management exceeding RM10 million or its equivalent in foreign currencies;
 11. A statutory body established by an Act of Parliament or an enactment of any State;
 12. A pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967;
 13. A holder of a Capital Markets Services Licence;
 14. A licensed institution;
 15. An Islamic bank;
 16. An insurance company licensed under the Financial Services Act 2013;
 17. A takaful operator registered under the Islamic Financial Services Act 2013;
 18. A bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010;
 19. An Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010; and
 20. Any other investor as may be defined by the Securities Commission Malaysia from time to time.
- 24. Minimum Investment during the Offer Period**
- Minimum RM50,000 or such other amount as the Manager may from time to time accept.
- 25. Minimum Holding at all times**
- Not applicable as there will be no redemption by the unit holders of the Fund.
- 26. Minimum Redemption of units**
- Not applicable as there will be no redemption by the unit holders of the Fund.
- 27. Frequency of Creation and Redemption of units**
- Units of the Fund can be purchased during the Offer Period on any working day when the Manager is open for business at the Manager's principal/registered office or any of its branch offices, or from any of its authorised sales agents or participating Institutional Unit Trust Advisers (IUTAs) or Corporate Unit Trust Advisers (CUTAs) before their respective cut-off times. Application forms and the information memorandum of the Fund are also available from these distributors.

NO UNITS WILL BE SOLD AFTER THE OFFER PERIOD. THERE WILL BE NO REDEMPTION BY THE UNIT HOLDERS OF THE FUND.

Compulsory redemption of units in the Fund by the Manager prior to Fund maturity

The Manager may compulsorily redeem all or part of any of the Fund's unit holder's holding of units of the Fund at any time upon not less than five (5) Business Days' prior written notice if the units of the Fund are acquired or held by a person in the circumstances set out below:

- (i) Any person in breach of the law or requirements of any country or governmental authority; or
- (ii) Any person which may result in the Fund being required to comply with any registration or filing requirement in any jurisdiction with which it would not otherwise be required to comply; or
- (iii) Any person such as to be harmful or injurious to the business or reputation of the Fund or any of its service providers; or
- (iv) Any person who is not or who ceases to be a Qualified Investor under the Capital Markets Services Act 2007 (please refer to item 23).

Notwithstanding the above, the Manager may undertake a compulsory redemption of units in the Fund when making a capital repayment to the unit holders of the Fund.

For further information, please call our help-desk Free-Phone number: 1-800-88-3175 at any time during our office hours: Mondays through Fridays from 9.00 a.m. — 5.00 p.m. or e-mail your enquiries to rham@rhbgroup.com.my.

28. Transfer Facility

Transfer is only allowed between Qualified Investors.

29. Switching Facility

Not applicable.

30. Subscription Settlement

Payment on subscription.

31. Redemption Settlement

Redemption by the unit holders of the Fund is not allowed.

However, redemption settlement pursuant to a compulsory redemption to facilitate the Fund's capital repayment by the Manager will be made to the Fund's unit holders within 10 days.

32. Dealing Hours during Offer Period

9:00 a.m. to 4:00 p.m. (Malaysia time) on any business day[#] during the Offer Period.

[#]Note: These are the working days when the Manager is open for business.

33. Business Day

A day (other than Saturdays, Sundays and public holidays) on which banks in Kuala Lumpur are open for business, and a day which is a business day in Singapore (i.e. a day other than Saturdays, Sundays, public holidays and any day determined to be a non-business day by the fund manager of RHB-OSK Pre-IPO & Special Situation Fund).

FEES AND CHARGES

34. Subscription Fee / Sales Charge

Subscription fee / Sales charge by distribution channels	
Corporate Unit Trust Adviser (CUTA)	Up to 5.00% of investment amount.
Institutional Unit Trust Adviser (IUTA)	Up to 5.00% of investment amount.
Tied (Retail) Agent	Up to 5.00% of investment amount.
Direct Sales (Direct investment with the Manager)	Up to 5.00% of investment amount.

An investor can expect differing sales charge to be levied when buying units of the Fund from the various distribution channels and within each distribution channel, subject to the maximum sales charge stipulated above. This is due to the different levels of services provided by each distribution channel and / or the size of the investment undertaken.

Please note that this Fund's investments in the RHB-OSK Pre-IPO & Special Situation Fund will be at its net asset value per unit. The sales charge for investing in the RHB-OSK Pre-IPO & Special Situation Fund will be waived by the Company.

35. Redemption Charge

Not applicable.

36. Switching Fee

Not applicable.

37. Transfer Fee

RM5.00 per transfer.

38. Annual Management Fee

2.50% per annum of the net asset value of the Fund calculated on a daily basis before deducting the Manager's fee and Trustee's fee for that particular day.

A portion of this fee is paid to RHB OSK Asset Management Pte Ltd ("Fund Manager"). As this Fund invests in the shares of RHB-OSK Pre-IPO & Special Situation Fund ("Company"), any management fee charged to the Company by the Fund Manager in relation to the Fund's investments in the Company will be fully refunded to this Fund. Accordingly, there is **NO DOUBLE CHARGING OF MANAGEMENT FEE**. This means that the unit holders of the Fund will incur **ONLY ONE MANAGEMENT FEE and ONLY AT THE FUND'S LEVEL**, i.e. at two point five per cent (2.50%) per annum of the Fund's net asset value.

39. Trustee Fee

0.03% per annum of the net asset value of the Fund, subject to a minimum of RM18,000 per

annum (excluding foreign custodian fees and charges). The trustee fee is calculated on a daily basis before deducting the Manager's fee and Trustee's fee for that particular day.

40. Fee Computation Illustration

Illustration: Calculation of annual management fee

The annual management fee of the Fund is 2.50% per annum and assuming the net asset value (before deducting the Manager's fee and Trustee's fee) of the Fund for a particular day is RM105,000,000.00, the calculation of the annual management fee of the Fund is as follows:

$$\frac{\text{RM105,000,000.00} \times 2.50\%}{365 \text{ days}^*} = \text{RM7,191.78 per day}$$

*Note: In the event of a leap year, the annual management fee will be divided by 366 days.

Illustration: Calculation of annual trustee fee

The annual trustee fee of the Fund is 0.03% per annum and assuming the net asset value (before deducting the Manager's fee and Trustee's fee) of the Fund for a particular day is RM105,000,000.00, the calculation of the annual trustee fee of the Fund is as follows:

$$\frac{\text{RM105,000,000.00} \times 0.03\%}{365 \text{ days}^*} = \text{RM86.30 per day}$$

*Note: In the event of a leap year, the annual management fee will be divided by 366 days.

41. Expenses directly related to the Fund

Auditors' fee, custodial charges, other relevant professional fees, cost of distribution of quarterly / annual reports, tax certificates, distribution cheques and other notices to the Fund's unit holders, and taxes.

42. Other expenses indirectly paid by an investor

None levied by the Manager.

However, as this Fund will invest in the shares of RHB-OSK Pre-IPO & Special Situation Fund ("Company"), there are fees indirectly incurred by this Fund such as performance fee¹, organizational expenses², other expenses and charges³ and administrator and custodian fees⁴ which are incurred at the Company level. Details are as follows:

¹ Please see item 7(f).

² The Company shall pay for all organisational expenses in relation to the formation of the Company and all expenses related to the invitation to subscribe shares of the Company under the private placement memorandum authorised in Singapore ("New Issue" or "Invitation"), including but not limited to the cost and expenses incurred in relation to the marketing and promotion of the New Issue, legal, accounting, company secretarial, and other professional fees and expenses.

³ Other expenses and charges including, without limitation: expenses attributable to normal and extraordinary services provided to the Company by third parties, with respect to the Company's on-going operations and to the proposed investment or divestment by the Company (whether or not any such investment or divestment is consummated), liquidation expenses as well as all

expenses relating to sourcing, analyzing, acquiring, monitoring, valuation and exiting investment deals; any taxes, fees or government charges which may be assessed against the Company; the costs and expenses of communicating with the shareholders of the Company and hosting meetings or conferences with them; the costs and expenses (including travel-related expenses) of convening meetings of the investment committee, fees and other reimbursement of expenses of members of the investment committee if any, all expenses relating to litigation, threatened litigation, indemnification and insurance, fees, expenses for legal, auditing and consulting services, promotional expenses, filing and registration fees, renewal fees and other expenses due to supervisory authorities in various jurisdictions, insurance premiums in respect of Company directors' and officers' liability insurance, legal fees of Company directors pursuant to their performance of duties for the Company, the costs of publishing the net asset value of the Company, marketing expenses and traveling expenses incurred in relation to placement and marketing and the costs of printing and distributing the annual and any periodic reports and statements of or incidental to the Invitation, including the preparation and printing of the authorised private placement memorandum in Singapore (and all updates thereof as may be necessary), all relevant agreements as may be referred to in the authorised private placement memorandum in Singapore, and all other expenses properly chargeable to the activities of the Company. Such expenses will be amortised over the first 36 months of the Company, or such other period as the directors of the Company may determine. The Company will also bear all expenses related to the making or disposal of an investment and fees incurred in connection with the investigation of potential investments for the Company, including third party advisory fees, fees related to conferences and subscriptions to information services, travel expenses, and legal and due diligence costs, whether or not the investments are eventually completed or are abortive

⁴The Company pays the administrator and the custodian fees for its services as agreed from time to time by the Company and the Company's administrator and custodian pursuant to the agreement entered between each other respectively. The Company's administrator and custodian are entitled to be reimbursed by the Company for all reasonable out-of-pocket expenses.

43. Policy on Rebates and Soft Commissions

It is the Manager's policy to credit all rebates to the account of the Fund. However, goods and services ("soft commissions") may be retained by the Manager only if the goods and services are of demonstrable benefit to the unit holders of the Fund, such as research materials and computer software, which are incidental to the investment management activities of the Fund.

OTHER INFORMATION

44. Key Personnel of the Investment Team

The investment team will hold investment meetings every month. The key member of the investment team is:

Chief investment officer/designated person responsible for the Fund is Mr Hoe Cheah How. His profile is as follows:

Mr Hoe Cheah How is the chief investment officer and his primary responsibilities include formulating and executing strategic and tactical portfolio strategies to deliver consistent out-performance under different market trends. He is also responsible for supervising both the investment research and central dealing teams. Mr Hoe joined the Manager in 2011 and has led the fixed income investment and credit assessment teams as head of fixed income before his appointment to his current role. He has vast experience in the financial markets having served in different roles ranging from financial consultant, analyst, proprietary desk bond trader to fixed income portfolio manager.

He holds a Bachelor of Commerce in Finance (1st Class Honors) from Curtin University of Technology, Australia. He is an affiliate member of the Persatuan Pasaran Kewangan Malaysia (PPKM), in which he passed (with Distinction) in the Pasaran Kewangan Malaysia Certificate (PKMC) examination in 2006. He is a qualified Chartered Financial Analyst (CFA) charter holder. He also holds the Securities Commission Malaysia's Capital Markets Services Representative's Licence for fund management.

45. Functions of the Manager

The Manager is responsible for the day-to-day administration of the Fund in accordance with the provisions of the deed of the Fund. The main roles, duties and responsibilities of the Manager include:

- Selecting and managing investments of the Fund;
- Executing, supervising and valuing investments of the Fund;
- Keeping proper records of the Fund;
- Issuing the Fund's quarterly/annual reports to unit holders of the Fund;
- Distribution of income to unit holders of the Fund (if any); and
- Marketing the Fund to potential investors.

In fulfilling these functions, the Manager has in place a strong and cohesive team of staff who are experienced in various aspects of the unit trust industry, i.e. in the administration, marketing and fund management functions.

46. Duties and Responsibilities of the Trustee

TMF Trustees Malaysia Berhad (Company No. 610812-W) was incorporated in Malaysia on 1 April 2003 under the Companies Act 1965 and registered as a trust company under the Trust Companies Act 1949 on 9 October 2003. Its registered and business address is at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia.

The Trustee is part of TMF Group, an independent global service provider in the trust & fiduciary sector. The group has more than 100 offices in 75 jurisdictions in the world. The Trustee started in Malaysia in 1992 with its first office in Labuan International Business Financial Centre (IBFC), providing trust and fiduciary services. The Kuala Lumpur office was established in 2003 to support the Labuan office in servicing Malaysian clients and to undertake domestic trust business.

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of unit holders of the Fund. In carrying out these functions and duties, the Trustee has to exercise all due care, skills, diligence and vigilance and is required to act in accordance with the provisions of the deed, all relevant laws and the Securities Commission Malaysia's Guidelines on Wholesale Funds ("Guidelines"). Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the deed, all relevant laws and the Guidelines.

Trustee's Delegate

The Trustee has appointed Standard Chartered Bank Malaysia Berhad as custodian of the quoted and unquoted investments of the Fund. The assets are held in the name of the Fund through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with instruction from the Trustee.

Standard Chartered Bank Malaysia Bhd was incorporated in Malaysia on 29 February 1984 under the Companies Act 1965 as a public company and is a subsidiary of Standard Chartered PLC (the holding company of a global banking group). Standard Chartered Bank Malaysia was granted licence on 1 July 1994 under the Banking and Financial Institutions Act, 1989.

47. Rights of the unit holders of the Fund

Unit holders of the Fund shall have the right in respect of the Fund in which they hold units of the Fund, amongst others, to the following:

- (a) to receive distributions of the Fund (if any), participate in any increase in the capital value of the units of the Fund and to other rights and privileges as set out in the deed of the Fund;
- (b) to call for a meeting of the Fund's unit holders, and to vote for the removal of the Trustee or the Manager through a special resolution as provided for in the deed of the Fund; and
- (c) to receive quarterly and annual reports of the Fund.

No unit holder of the Fund shall be entitled to require the transfer to him of any assets comprised in the Fund or be entitled to interfere with or question the exercise by the Trustee or the Manager on his behalf of the rights of the Trustee as owner of such assets.

48. Liabilities of unit holders of the Fund

The liability of unit holders of the Fund shall be limited to their investment participation in the Fund. Unit holders of the Fund shall not be liable to indemnify the Trustee or the Manager against any liabilities whatsoever arising in respect of their duties and obligations as trustee and manager of the Fund which exceeds the value of the assets of the Fund. Any claims against the Fund shall be entirely restricted to the Fund.

49. Power to call for a Meeting by unit holders of the Fund

Unit holders of the Fund have the right to request the Manager to call for a unit holders' meeting provided any such request is made in writing by not less than fifty (50) or one-tenth (1/10) of all the unit holders of the Fund, and the request must state the purpose of the proposed meeting.

50. Termination of the Fund

The Fund will automatically terminate upon its maturity at the end of its tenure. However, the Fund may be terminated before the end of its tenure:

- (a) By the Manager at any time in its absolute discretion subject to compliance with the relevant laws.
- (b) By the Trustee if a Unit Holders meeting is summoned by the Trustee to pass a special resolution in order to terminate and wind-up the Fund and therefore the Trustee must obtain an order from the court to confirm the said special resolution.
- (c) By the Unit Holders if a Unit Holders meeting is summoned by the Unit Holders to pass a special resolution to terminate and wind-up the Fund.
- (d) By the Securities Commission Malaysia at any time, where authorisation of the Fund's establishment is revoked.