

icapital.biz Berhad (674900 X)

2009 Annual Report

About icapital.biz Berhad

(a) Who we are

icapital.biz Berhad (your Fund) is a closed-end fund that invests in undervalued companies which are listed on the Main and Second Boards of Bursa Malaysia Securities Berhad (Bursa Securities) and the MESDAQ Market of Bursa Securities. It can also invest up to 10% of its asset value in unlisted companies.

With a RM140 million paid-up capital, your Fund has a fixed number of outstanding shares at any point in time. Like other publicly traded companies, its share price is determined entirely by market supply and demand. Similarly, shares of your Fund are bought and sold in the stock market via licensed stockbroking companies.

Even before its listing on 19 October 2005, the aim has been to increase the value of your Fund. This is achieved by adhering to a value investing philosophy. As a value investor, investments will be selected based on their market prices and underlying values.

Unless approved by the shareholders, your Fund is not allowed to borrow.

(b) Why we exist

icapital.biz Berhad exists for one simple reason : to allow long-term shareholders or more aptly called share owners, to benefit from value investing. Investing in your Fund allows the power of compounding to work for you. If we succeed in achieving this, we would have also shown that serious long-term investing in Bursa Securities can offer superior returns.

(c) Who runs your Fund

Set up as a company under the Companies Act 1965, icapital.biz Berhad

is represented by its Board of Directors. The Board members are non-executive and undertake a supervisory role to ensure that your Fund operates in an orderly fashion at all times.

Your Fund does not have any staff. Its operations are outsourced to independent service providers. The main service providers are the fund manager, the investment adviser, the custodian and the administrator.

The assets are managed by the fund manager, in accordance with the approved investment policies and objectives while the investment research and analysis is provided by the investment adviser. The assets are safe kept by the custodian while the accounting and administrative services are outsourced to the administrator.

Your Fund also requires the services of a corporate secretary, share registrar, external auditor and tax agent and has outsourced the internal audit function. The internal auditor reports directly to the Audit Committee.

There are major differences between a unit trust fund and a closed-end fund. For a copy of the report explaining these, please contact the investment adviser, Capital Dynamics Sdn Bhd or please visit www.icapital.biz or www.icapitaleducation.biz

(d) How to contact us

The company secretary can be contacted at (603) 2264 8888, at fax no (603) 2282 2733 or at enquiry@my.tricorglobal.com

The fund manager can be contacted at (603) 2070 2106, at fax no (603) 2070 6653 or at cdam@cdam.biz

The investment adviser can be contacted at (603) 2070 2104, at fax no (603) 2070 2103 or at cdsb@icapital.biz

(a) Letter to Share Owners

For the period ended 31 May 2009, your Fund recorded revenue of RM11.414 million, a fall of RM34.252 million or 75% when compared with the period ended 31 May 2008. Your Fund recorded a pretax profit of RM7.489 million for the period ended 31 May 2009, compared with a pretax profit of RM41.119 million for the last financial year. The decline in pretax profit is due to lower profits from the sale of securities. Hence, from a profit after taxation of RM39.080 million in the last financial year, your Fund recorded an after tax profit of RM6.269 million for the current financial year.

Needless to say that in appraising the performance of your Fund, its net asset value (NAV) is the key variable to focus on. The NAV of your Fund fell from RM1.95 per share on 31 May 2008 to RM1.77 per share by 31 May 2009 or a loss of 9%. The KL Composite Index declined 18% in the same period.

This time last year, the world economy was still expanding. A year later, the world economy looks very different as many economies grappled with a sudden contraction in economic activities. The period since the third annual report has been described by various people as the worst in many decades.

Many observers have blamed this situation on the US housing related problems. Superficially, it may look this way but a closer analysis would show that global economic activities contracted only after the collapse of Lehman Brothers on 15 September 2008.

Investors may never know why Lehman Brothers was allowed to go under by the US authorities but this single event triggered a chain of events that rapidly brought global economic activities to a halt. Since then, many governments have introduced numerous measures to bolster confidence and boost economic activities. At the time of writing this Letter, this appears to be working.

Last year, I alluded to the fact that your Fund was intentionally structured in such a

way that it cannot borrow unless it receives unanimous approval from its share owners and that it does not invest in derivatives or engage in short selling. Unlike the opaque balance sheets of many US and European financial institutions, the balance sheet of your Fund is transparent, debt-free and contains no off-balance sheet liabilities.

Subsequent to last year's annual report, the market price of your Fund traded at a premium to its NAV but this was subsequently affected by the collapse of Lehman Brothers. I thought the benefits of our conservative approach would be seen when serious problems arose. Unfortunately, although the discount to the NAV has been narrowing since September 2008, the fact that there is a discount showed that investors have blindly and naively lumped the good and bad investments together.

John Templeton advised that the time to invest is at the point of maximum pessimism. There is much wisdom to this as such time typically occurs when an asset is undervalued. The price of your Fund closed at RM1.16 on 29 October 2008, representing a hefty discount of 24.7% to its NAV. Since then, the price has appreciated 45.7%. With hindsight, 29 October appears to be a point of maximum pessimism.

Similarly, your Fund, as a value investor, had taken advantage of the depressed situation. It had around RM60.000 million in cash last year. It has since then declined to just over RM41 million as your Fund increased its investments.

Your Fund is a value investor, and hopefully its owners are as well. In conclusion, on behalf of the Board, I once again look forward to a long and rewarding relationship.

On behalf of your Fund, I wish to express our sincere appreciation to YB Dato' Raja Nong Chik Bin Raja Zainal Abidin for his past service.

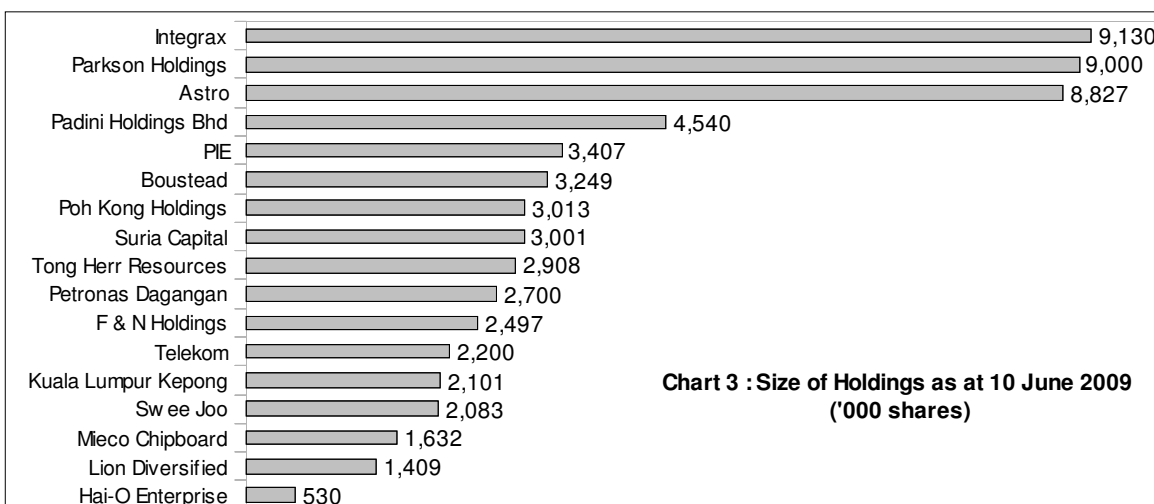
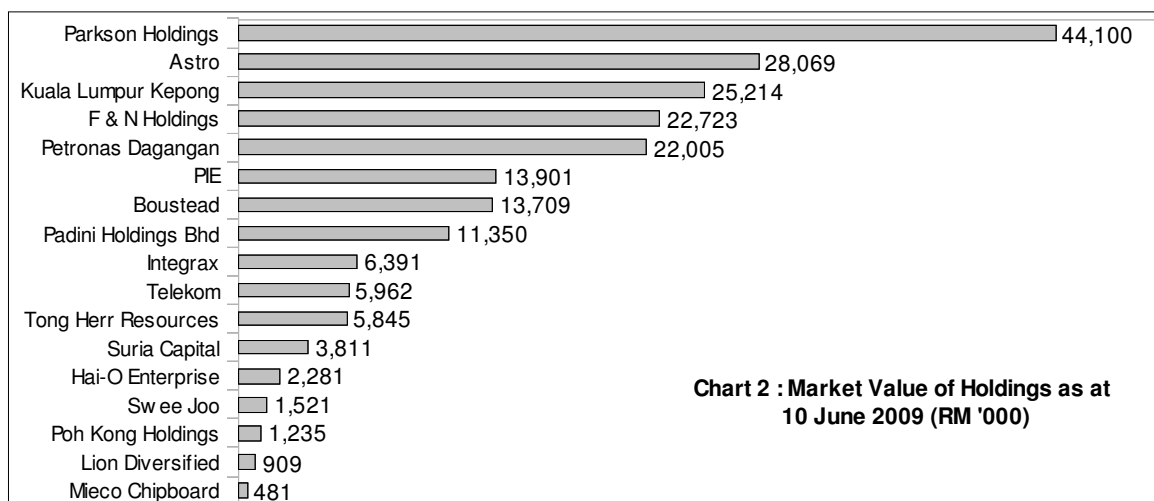
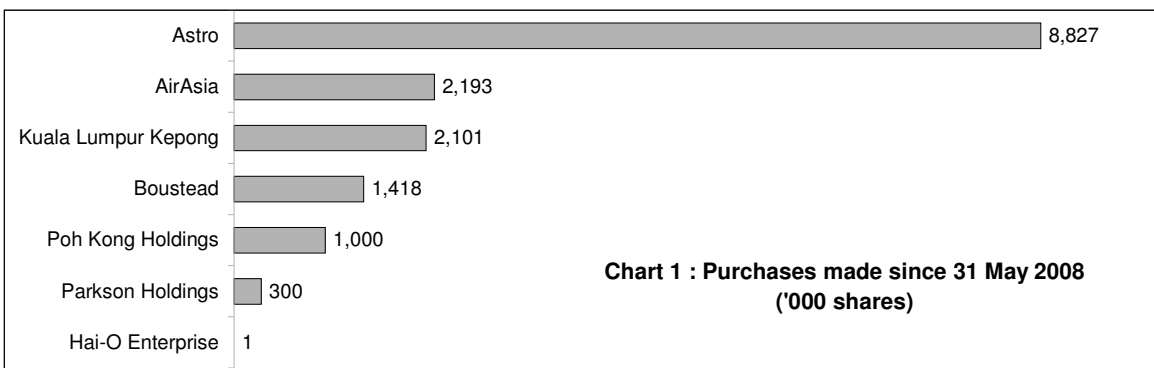
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya
Chairman
10 June 2009

(b) What we have done with your funds

“Investing is most intelligent when it is most business-like” – Benjamin Graham

(i) Investment portfolio

The purchases made since 31 May 2008 and the current portfolio, in term of quantity held and their respective market value, are shown in charts 1, 2 and 3 below.



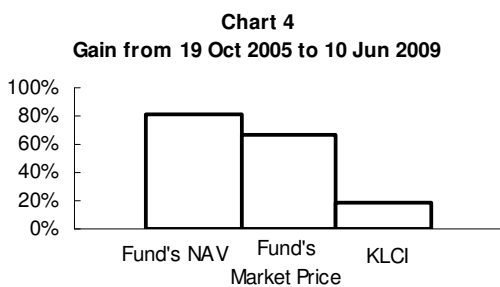
(ii) Investments sold

For the financial year ending 31 May 2009, your Fund sold its entire holdings in Axiata Group Berhad (formerly known as TM International Berhad), VADS Berhad and Air Asia Berhad. These sales generated realised gains of RM221,146 with a cost of RM30.078 million.

As at 31 May 2009, your Fund invested RM156.441 million with a market value of RM206.247 million, giving unrealised gains of RM49.806 million. Of the Fund's investments as at 31 May 2009, Parkson, Petronas Dagangan, Fraser & Neave, Padini, Kuala Lumpur Kepong, PIE and Astro have substantial unrealised gains.

(iii) Investments made

In the year ending 31 May 2009, your Fund made a number of purchases. New investments were Kuala Lumpur Kepong, Astro and Air Asia. For Air Asia, your Fund sold it during the year. Your Fund also made additional investments in Boustead, Hai-O Enterprise, Parkson, Poh Kong Holdings and Axiata.



(iv) NAV and market price

Since its listing on 19 October 2005, the NAV per share of your Fund has risen from RM0.99 to RM1.77 by 31 May 2009. This represents a gain of 78.79%. Since its listing on 19 October 2005, the market price of your Fund has risen from RM1.01 to RM1.63 by 31 May 2009. This represents a gain of 61.39%. In the same period, KLCI has risen by only 14.21%.

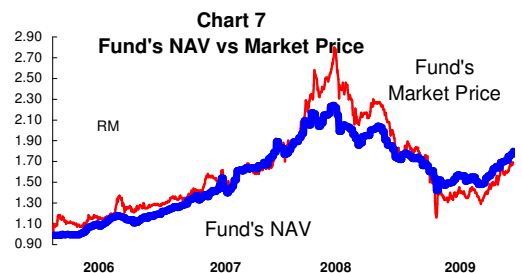
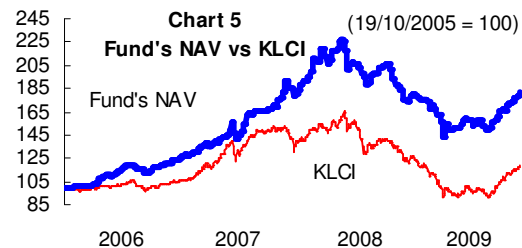
From 1 June 2008 to 31 May 2009, the NAV per share of your Fund has fallen from RM1.95 to RM1.77 by 31 May 2009. This represents a loss of 9.23%. Since 1 June 2008, the market price of your Fund has fallen from RM2.20 to RM1.63 by 31 May 2009 or a loss of 25.91%. In the same period, KLCI has fallen by 18.18%.

The statistics showing the performance of your Fund and comparison with the KL Composite Index (KLCI) is shown in chart 5. Chart 6 shows your Fund's premium/discount and chart 7 shows the NAV per share and market price.

(v) What we think

Since our review last year, global equity markets have tumbled and the world

economy came to a sudden halt in September 2008 when the collapse of Lehman Brothers created the "Lehman Panic." Many observers have said that the global recession was caused by the US housing-related problems. An objective analysis of the situation, however, would show that the "Lehman Panic" caused the heart of the capitalist system, that is, the credit market, to cease functioning and, not surprisingly, the impact on the global economy was immediate. Since then, governments have responded with all kinds of measures. The global economy has regained its balance and is now recovering. In this recovery, the emerging economies, led by China, will be at the forefront. For Malaysia, she now has a new prime minister but the political landscape remains filled with uncertainties. Navigating through such troubled waters will be challenging and it is important that we do not deviate from our "Intelligently eclectic" value investing style.



Tan Teng Boo
Designated Person
Capital Dynamics Asset Management Sdn Bhd
10 June 2009

(a) Siapakah kami

icapital.biz Bhd (Dana anda) merupakan sebuah dana tertutup yang melabur di dalam syarikat-syarikat yang tersenarai di Papan Utama dan Kedua dan Pasaran MESDAQ Bursa Malaysia Securities Berhad (Bursa Securities) yang terkurang nilai. Ia juga boleh melabur 10% daripada nilai asetnya di dalam syarikat-syarikat yang tidak tersenarai.

Dengan modal berbayar sebanyak RM140 juta, Dana anda mempunyai bilangan saham terbitan yang tetap pada bila-bila masa. Seperti syarikat lain yang didagangkan secara awam, harga sahamnya ditentukan sepenuhnya oleh penawaran dan permintaan pasaran. Transaksi jual beli saham Dana anda juga dilaksanakan dalam pasaran saham melalui syarikat broker saham yang berlesen. Walaupun sebelum penyenaiaannya pada 19 Oktober 2005, matlamat utama adalah untuk mengandakan nilai Dana anda. Ini dicapai dengan mengikuti falsafah pelaburan berasaskan nilai. Sebagai seorang pelabur berasaskan nilai, pemilihan pelaburan akan dipilih berdasarkan kepada harga pasaran dan nilai dasar pelaburan tersebut.

Kecuali dengan kebenaran pemegang saham, Dana anda tidak dibenarkan untuk meminjam.

(b) Kenapa kami wujud

icapital.biz Berhad wujud hanya untuk satu tujuan: untuk membolehkan pemegang saham jangka panjang atau lebih sesuai dipanggil pemilik saham memperoleh manfaat daripada pelaburan berasaskan nilai. Melabur dalam Dana anda membenarkan anda mendapat keuntungan melalui kuasa gandaan faedah. Sekiranya kami berjaya mencapai matlamat ini, kami juga dapat membuktikan bahawa pelaburan jangka panjang yang serius dalam Bursa Securities boleh menawarkan pulangan yang lumayan.

(c) Siapa yang mengurus Dana anda

Ditubuhkan sebagai sebuah syarikat di bawah Akta Syarikat 1965, icapital.biz Bhd diwakili oleh Ahli Lembaga Pengarah. Ahli

Lembaga adalah bukan eksekutif dan memainkan peranan sebagai penyelia untuk memastikan bahawa Dana anda beroperasi mengikut cara yang telah ditetapkan pada setiap masa.

Dana anda tidak mempunyai pekerja. Operasinya dipertanggungjawabkan kepada pembekal perkhidmatan yang bebas. Pembekal perkhidmatan yang utama ialah pengurus dana, penasihat pelaburan, penjaga dana dan pentadbir dana.

Segala aset diuruskan oleh pengurus dana, sejajar dengan polisi dan objektif pelaburan yang dibenarkan sementara penyelidikan dan analisis pelaburan disediakan oleh penasihat pelaburan. Segala aset dipegang dan dijaga oleh penjaga dana, sementara perkhidmatan perakaunan dan pengurusan pentadbiran dipertanggungjawabkan kepada pentadbir dana.

Dana anda juga memerlukan perkhidmatan daripada setiausaha korporat, pendaftar saham, juruaudit luar dan agen cukai dan fungsi audit dalaman telah dipertanggungjawabkan kepada pihak luar. Juruaudit dalaman melapor terus kepada Jawatankuasa Audit.

Terdapat perbezaan yang ketara di antara amanah saham dan dana tertutup. Untuk salinan laporan yang menerangkan perbezaan ini, sila hubungi penasihat pelaburan, Capital Dynamics Sdn Bhd atau layari laman web www.icapital.biz atau www.icapitaleducation.biz

(d) Bagaimana menghubungi kami

Setiausaha syarikat boleh dihubungi di talian (603) 2264 8888, nombor faks (603) 2282 2733 atau e-mel enquiry@my.tricorglobal.com

Pengurus dana boleh dihubungi di talian (603) 2070 2106, nombor faks (603) 2070 6653 atau e-mel cdam@cdam.biz

Penasihat Pelaburan boleh dihubungi di talian (603) 2070 2104, nombor faks (603) 2070 2103 atau e-mel [cgsb@icapital.biz](mailto:cdsb@icapital.biz)

(a) Surat kepada Pemilik Saham

Bagi tahun berakhir 31 Mei 2009, Dana anda telah merekodkan perolehan sebanyak RM11.414 juta, kejatuhan sebanyak RM34.252 juta atau 75% berbanding 31 Mei 2008. Dana anda telah merekodkan keuntungan sebelum cukai sebanyak RM7.489 juta bagi tempoh berakhir 31 Mei 2009, berbanding keuntungan sebelum cukai sebanyak RM41.119 juta pada tahun kewangan lepas. Penurunan bagi keuntungan sebelum cukai disebabkan oleh kekurangan keuntungan daripada penjualan sekuriti. Walau bagaimanapun, daripada keuntungan selepas cukai sebanyak RM39.080 juta pada tahun kewangan lepas, Dana anda merekodkan keuntungan selepas cukai sebanyak RM6.269 juta bagi tahun kewangan semasa.

Tidak perlu disangkal lagi bahawa dalam menilai prestasi Dana anda, elemen utama yang perlu diberi fokus adalah nilai aset bersih (NAB). NAB Dana anda menurun dari RM1.95 sesaham pada 31 Mei 2008 kepada RM1.77 sesaham pada 31 Mei 2009 atau kerugian sebanyak 9%. Indeks Komposit KL pula menurun sebanyak 18% dalam tempoh tersebut.

Pada masa yang sama tahun lepas, ekonomi dunia masih lagi berkembang. Setahun selepas itu, ekonomi dunia dilihat sangat berbeza di mana kebanyakannya bergelut dengan kontraksi yang mendadak di dalam aktiviti ekonomi. Tempoh sejak laporan tahunan ketiga telah digambarkan pelbagai orang sebagai yang paling teruk dalam banyak dekad.

Ramai pemerhati telah menyalahkan situasi ini yang berkaitan dengan masalah sektor perumahan AS. Pada zahirnya, ia mungkin disebabkan oleh keadaan ini tetapi analisis yang mendalam menunjukkan bahawa aktiviti-aktiviti ekonomi global mula mengecut hanya selepas kejatuhan Lehman Brothers pada 15 September 2008.

Para pelabur mungkin tidak tahu kenapa Lehman Brothers tidak diselamatkan oleh pihak berkuasa AS tetapi peristiwa tunggal ini mencetuskan satu rangkaian peristiwa yang membawa kepada terhentinya aktiviti-aktiviti ekonomi global. Sejak itu, kebanyakan kerajaan telah memperkenalkan beberapa langkah untuk memperkukuhkan keyakinan dan menggalakkan aktiviti-aktiviti ekonomi. Pada masa menulis Surat ini, ia menunjukkan bahawa keberkesananannya.

Pada tahun lepas, saya menyentuh kepada fakta bahawa Dana anda sengaja dirangka

supaya ianya tidak boleh meminjam melainkan menerima kelulusan sebulat suara daripada pemilik sahamnya dan tidak melabur dalam derivatif atau terlibat dalam jualan singkat. Tidak seperti kunci kira-kira kebanyakan institusi kewangan AS dan Eropah yang sukar difahami, kunci kira-kira Dana anda adalah telus, bebas hutang dan tidak mengandungi liabiliti yang tidak seimbang.

Berdasarkan kepada laporan tahunan tahun lepas, harga pasaran Dana anda telah didagangkan pada tahap premium ke atas NAB tetapi ianya terjejas berikutan kejatuhan Lehman Brothers. Saya berpendapat bahawa faedah-faedah bagi pendekatan konservatif kami akan dapat dilihat apabila masalah yang serius timbul. Malangnya, walaupun diskaun ke atas NAB telah mengecil sejak September 2008, fakta bahawa adanya diskaun menunjukkan para pelabur secara membabi buta dan naif serta tidak bijak telah mencampurkan pelaburan yang baik dan buruk bersama-sama.

John Templeton menasihatkan bahawa masa melabur adalah di titik pesimisme maksimum. Terdapat banyak kebijaksanaan untuk ini seperti lazimnya berlaku apabila sesuatu aset itu terkurang nilai. Harga Dana anda ditutup RM1.16 pada 29 Oktober 2008, menunjukkan diskaun yang tinggi sebanyak 24.7% ke atas NAB. Sejak itu, harganya telah meningkat sebanyak 45.7%. Dengan pengalaman lalu, 29 Oktober menunjukkan titik pesimisme maksimum.

Begitu juga dengan Dana anda, sebagai pelabur berasaskan nilai, telah mengambil kesempatan akibat daripada situasi kemelesetan ini. Ia mempunyai lingkungan RM60.000 juta tunai bagi tahun lepas. Ia kemudiannya merosot kepada hanya RM41 juta disebabkan Dana anda telah menambah pelaburannya.

Dana anda adalah pelabur berasaskan nilai dan berharap pemiliknya juga demikian. Sebagai kesimpulan, bagi pihak Lembaga Pengarah, saya sekali lagi megalu-alukan hubungan yang berterusan dan menguntungkan.

Bagi pihak Dana anda, saya ingin menyampaikan setulus penghargaan kepada YB Dato' Raja Nong Chik Bin Raja Zainal Abidin atas perkhidmatan beliau.

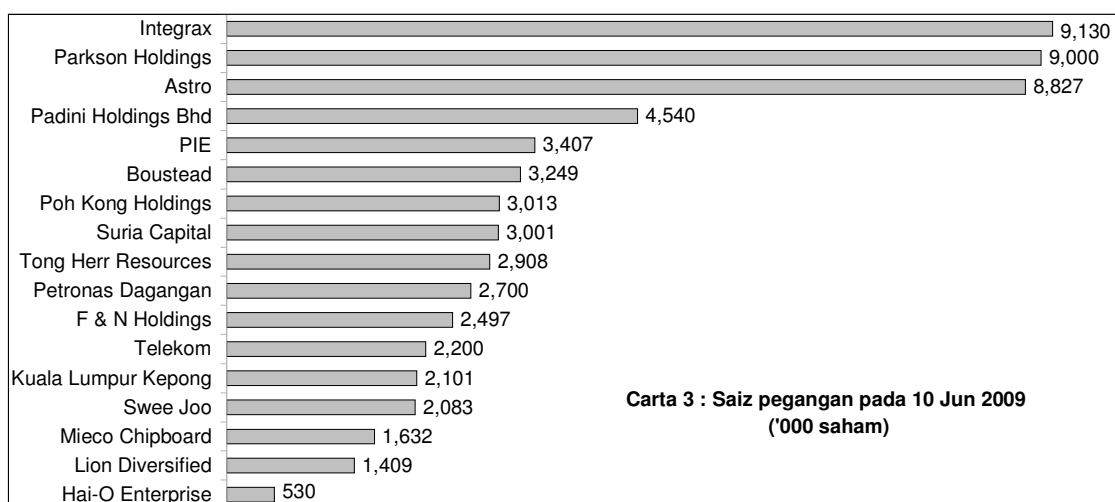
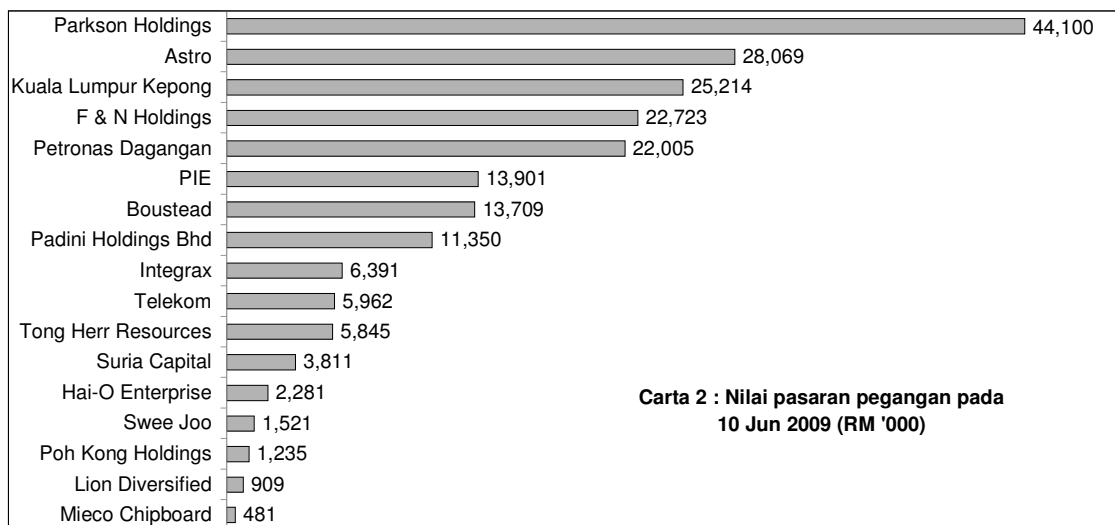
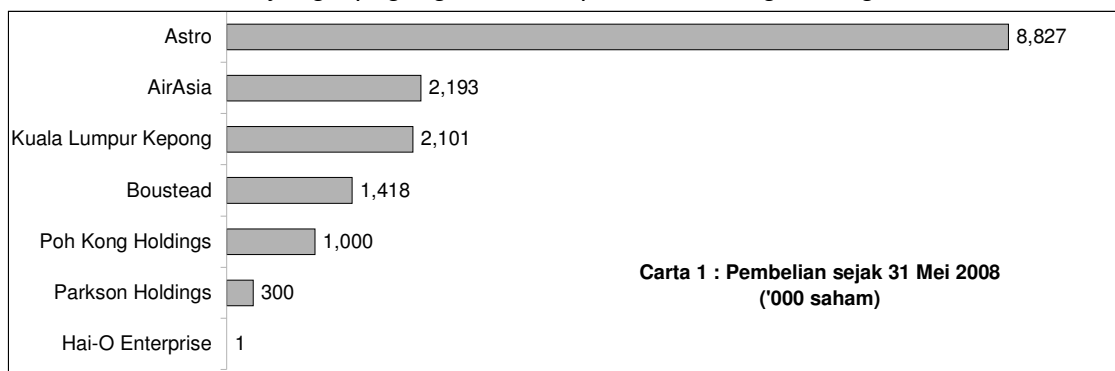
YM Tunku Tan Sri Dato' Seri Ahmad Bin
Tunku Yahaya
Pengerusi
10 Jun 2009

(b) Apa yang telah kami lakukan dengan dana anda

“Pelaburan adalah paling bijak apabila ianya berupa perniagaan” – Benjamin Graham

(i) Portfolio Pelaburan

Carta 1, 2 dan 3 menunjukkan pembelian yang dibuat sejak 31 Mei 2008 dan portfolio semasa, dalam bentuk kuantiti yang dipegang serta nilai pasaran masing-masing.



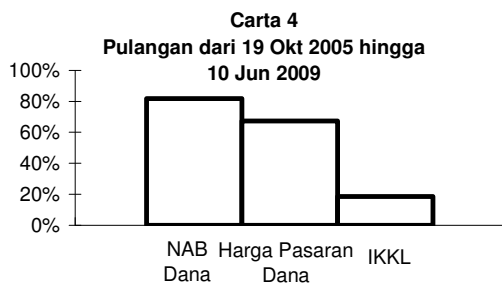
(ii) Pelaburan yang telah dijual

Pada tahun berakhir 31 Mei 2009, Dana anda telah menjual seluruh pegangannya dalam Axiata Group Berhad (dahulunya dikenali sebagai TM International Berhad), VADS Berhad dan Air Asia Berhad. Penjualan ini menghasilkan keuntungan realis sebanyak RM221,146 dengan kos sebanyak RM30.078 juta.

Pada 31 Mei 2009, Dana anda telah melabur sejumlah RM156.441 juta dengan nilai pasaran sebanyak RM206.247 juta, memberikan keuntungan belum realis sebanyak RM49.806 juta. Di antara pelaburan Dana anda pada 31 Mei 2009, Parkson, Petronas Dagangan, Fraser & Neave, Padini, Kuala Lumpur Kepong, PIE and Astro mempunyai keuntungan belum realis yang besar.

(iii) Pelaburan yang telah dibuat

Dalam tahun kewangan berakhir 31 Mei 2009, Dana anda telah membuat beberapa pembelian. Pelaburan baru adalah Kuala Lumpur Kepong, Astro and Air Asia. Bagi Air Asia, Dana anda telah menjualnya pada tahun semasa. Dana anda juga telah menambah pelaburan dalam Boustead, Hai-O Enterprise, Parkson, Poh Kong Holdings and Axiata.



(iv) NAB dan harga pasaran

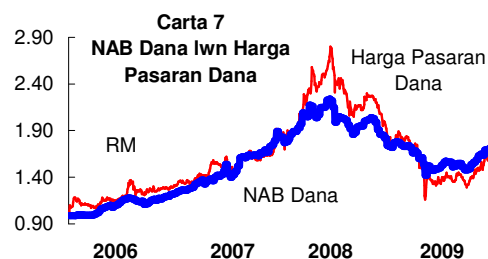
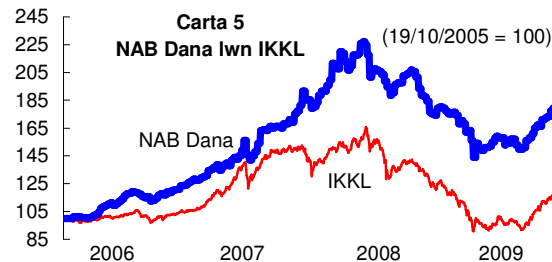
Sejak disenaraikan pada 19 Oktober 2005, NAB sesaham Dana anda telah meningkat daripada RM0.99 kepada RM1.77 menjelang 31 Mei 2009. Ini mewakili pulangan sebanyak 78.79%. Sejak penyenaiaannya pada 19 Oktober 2005, harga pasaran Dana anda telah meningkat daripada RM1.01 kepada RM1.63 menjelang 31 Mei 2009. Ini mewakili pulangan sebanyak 61.39%. Dalam tempoh yang sama, Indeks Komposit KL (IKKL) hanya meningkat sebanyak 14.21%.

Daripada 1 Jun 2008 sehingga 31 Mei 2009, NAB sesaham Dana anda telah mengalami kejatuhan daripada RM1.95 kepada RM1.77 menjelang 31 Mei 2009. Ini mewakili kerugian sebanyak 9.23%. Sejak 1 Jun 2008, harga pasaran Dana anda telah mengalami kejatuhan daripada RM2.20 kepada RM1.63 menjelang 31 Mei 2009 atau kerugian sebanyak 25.91%. Dalam tempoh yang sama, IKKL telah menurun sebanyak 18.18%.

Statistik yang menunjukkan perbandingan prestasi Dana anda dengan IKKL ditunjukkan di dalam carta 5. Carta 6 menunjukkan premium/diskaun Dana anda, manakala carta 7 menunjukkan NAB sesaham dan harga pasaran.

(v) Pendapat kami

Sejak ulasan kami pada tahun lepas, pasaran ekuiti global telah mengalami kejatuhan menjunam dan ekonomi dunia terhenti secara tiba-tiba pada September 2008 apabila kejatuhan Lehman Brothers mewujudkan "Lehman Panic." Kebanyakan pemerhati berkata bahawa kemelesetan global adalah disebabkan oleh masalah berkaitan sektor perumahan AS. Walau bagaimanapun, satu analisis yang objektif mengenai situasi ini menunjukkan bahawa "Lehman Panic" telah menyebabkan fungsi utama sistem kapitalis iaitu pasaran kredit, telah gagal berfungsi dan tidak memeranjatkan telah memberi kesan terhadap ekonomi global dengan serta-merta. Sejak itu, kebanyakan kerajaan telah memberikan respons dengan pelbagai langkah. Ekonomi global telah mendapat pulangan balik daripada bakinya dan kini berada di tahap pemulihan. Dalam pemulihan ini, ekonomi yang baru muncul, diketuai oleh China, akan berada di barisan depan. Bagi Malaysia, dia kini mempunyai perdana menteri baru tetapi landskap politiknya masih diisi dengan ketidakpastian. Mengemudi melalui masalah seumpama ini adalah mencabar dan yang pentingnya kami tidak menyimpang dari gaya pelaburan berasaskan nilai kami iaitu "elektik pintar".



Tan Teng Boo
Pegawai Lantikan Khas
Capital Dynamics Asset Management Sdn Bhd
10 Jun 2009

(a) 我们是谁

资本投资有限公司(您的基金)是依
据1965年公司法而成立。董事
们皆在担任非执行董事的角色。
我们是一个主要的投资公司，其
资产投资于马来西亚的公开市
场。我们的主要业务是提供
专业的基金管理、托管及
行政服务。我们并没有
任何与公共基金、信托
或投资公司相关的业务。
我们是一个主要的投资公司，其
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或投资公司相关的业务。

您的基金拥有 RM1 亿 4 千 万
的缴足资本。在行市上，您的
基金资产由完全托管人
管理。我们提供外
国及本地股票、
债券、互惠基金、
商品及另类投资
服务。我们提供
专业的基金管理、
托管及行政服务。

您的基金目标一直都是在市
场增值，而今年10月19日
的股价已决定其
潜在价值。我们
提供外国的股票、
债券、互惠基金、
商品及另类投资
服务。我们提供
专业的基金管理、
托管及行政服务。

除非获得股东的同意，要
不然，您的基金不能借贷。

(b) 我们存在的理由

资本投资有限公司的存
在理由：我们提供
专业的基金管理、
托管及行政服务。
我们并没有任何
与公共基金、信托
或投资公司相关的
业务。

(c) 谁管理您的基金

资本投资有限公司是依
据1965年公司法而成立。
董事们皆在担任非
执行董事的角色。
我们提供专业的
基金管理、托管及
行政服务。我们并
没有与公共基金、
信托或投资公司相
关的业务。

我们的基金并没有
任何与公共基金、
信托或投资公司相
关的业务。我们并
没有与公共基金、
信托或投资公司相
关的业务。

基金资产由完全
托管人管理。我们
提供外国的股票、
债券、互惠基金、
商品及另类投资
服务。我们提供
专业的基金管理、
托管及行政服务。

您的基金也雇用了
秘书、内部审计
及核数师。我们
提供外国的股票、
债券、互惠基金、
商品及另类投资
服务。我们提供
专业的基金管理、
托管及行政服务。

信托基金与关闭式
基金有详细的情
况。请联络我们
或访问 www.icapital.biz 或
www.icapitaleducation.biz

(d) 如何联络我们

您可以通过 (603) 2264 8888
或 (603) 2282 2733 (传真号
码) 抑或将电邮寄往
enquiry@my.tricorglobal.com
以联络公司秘书。

您可以通过 (603) 2070 2106
或 (603) 2070 6653 (传真
号码) 抑或 cdam@cdam.biz 联
络基金经理。

您可以通过 (603) 2070 2104
或 (603) 2070 2103 (传真
号码) 抑或 cdsb@icapital.biz 联
络投资顾问。

(a) 给股东们的信

截至 2009 年 5 月 31 日为止，您的基金报上了 RM1 千 141 万 4 千的收益。与 2008 年 5 月 31 日相比，下滑了 75% 或 RM3 千 425 万 2 千。与上个财政年度相比，您的基金截至 2009 年 5 月 31 日是 RM748 万 9 千。这一下滑是鉴于出售证券所获得的较低利润。因此，您的基金从上个财政年度的 RM3 千 908 万税后盈利，却在在本财政年度只报上 RM626 万 9 千。

在评估您的基金业绩时，资产净值无疑是需关注的主要变量。您的基金资产净值从 2008 年 5 月 31 日的每股 RM1.95 下滑 9% 至 2009 年 5 月 31 日的每股 RM1.77。同期的隆综合指数下滑了 18%。

去年这时期，世界经济仍在扩张中。一年后，世界经济却在很大的转变，因为许多国家必须应对这突如其来经济萎缩。自第三次年报表后，这年间被各界人士形容为数十年来最糟糕的一次。

很多观察员将此情形责怪于美国房地产业所造成问题。表面上，这情形看似如此，但是进一步的分析却显示了全球经济萎缩是在雷曼兄弟于 2008 年 9 月 15 日崩盘后才发生。

投资者将永远不会明白为什么美国当局任由雷曼兄弟倒闭，但是此事却引发了连锁反应，致使全球经济活动停滞不前。自此，多政府推行无数政策提升信心及推动经济活动。写这封信的同时，这些措施看似都奏效。

去年，提及您的基金是特意被设立成不可进行借贷，除非其股东

一致同意，且不可投资于衍生金融工具，卖空。资产负债表是透明的，资产负债表没有账外负债。

自去年年报后，您基金的市价以自溢弟的交易影响在重。大问题的折价方式将在很不幸地，但这是折价了，但是这折价的事实显示为

约翰·邓普顿 (John Templeton) 的忠告 -- 投资的好时机就是在行情最悲观时候。这句话是非常有智慧的，因为该时期的资产通常都被低估了。您的基金于 2008 年 10 月 29 日的收盘价是 RM1.16，显示了 24.7% 的高额资产净值折价。自那时起，价格涨了 45.7%。事后我们才明白，10 月 29 日就是最悲观时期。

同样地，您的基金，身为一位价值投资者，已善用这低迷时期。该基金于去年坐拥 RM6 千万的现金。自此以后您的基金现金余额已随着作出更多的投资而仅下滑 RM4 千 100 万。

您的基金是价值投资者，希望其拥有者也是。总得来说，我再次感谢您的董事局，期待一个长远且互惠的关系。

我谨代表您的基金向 YB Dato' Raja Nong Chik Bin Raja Zainal Abidin 为他在往年的任职致上真诚的谢意。

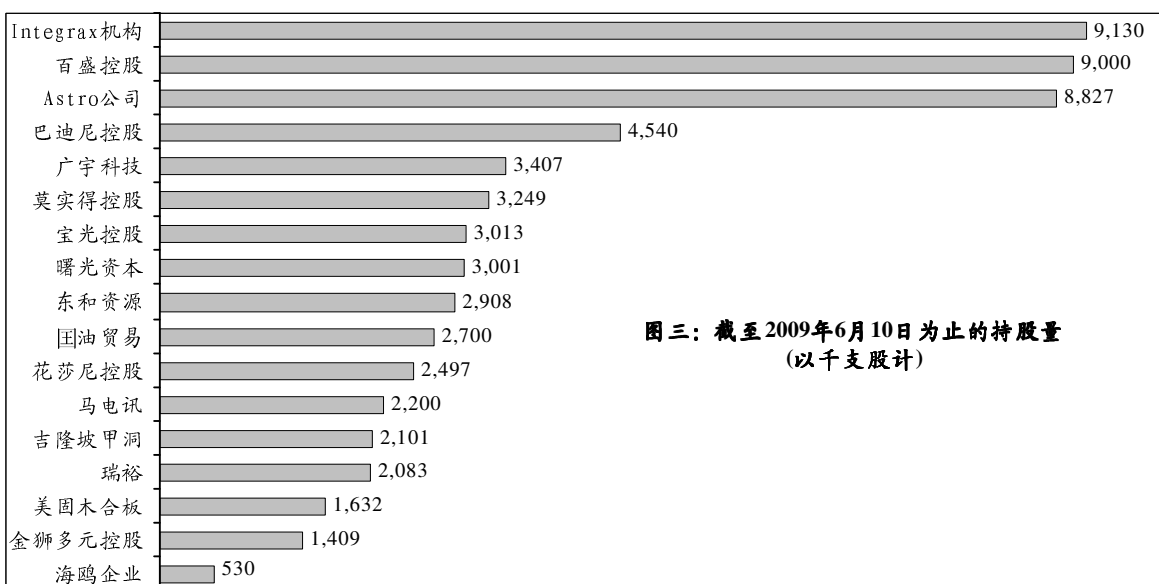
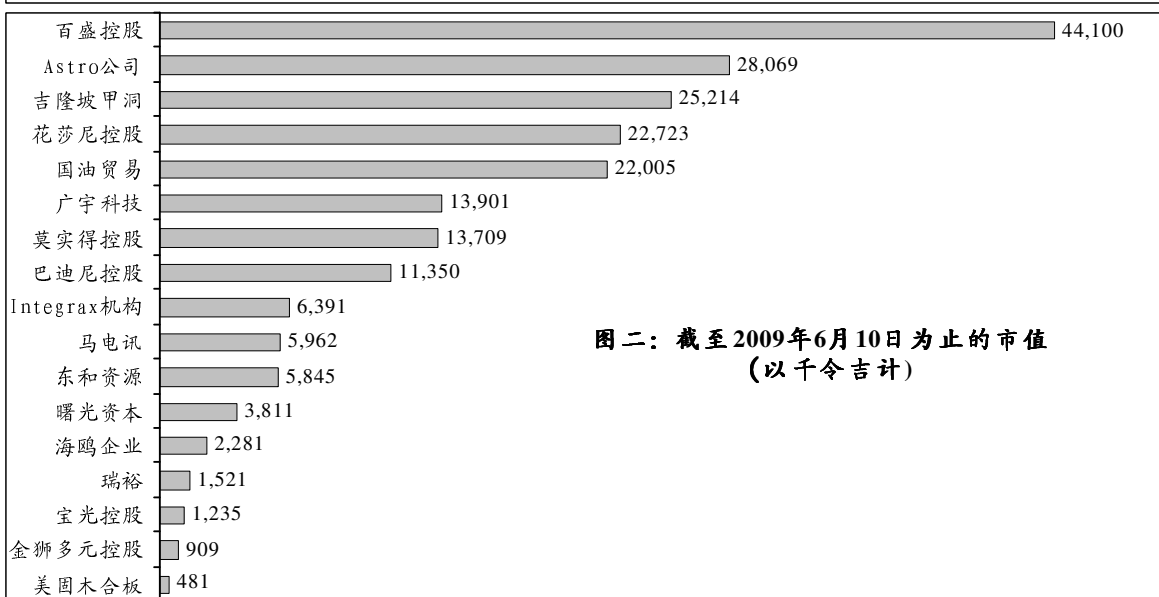
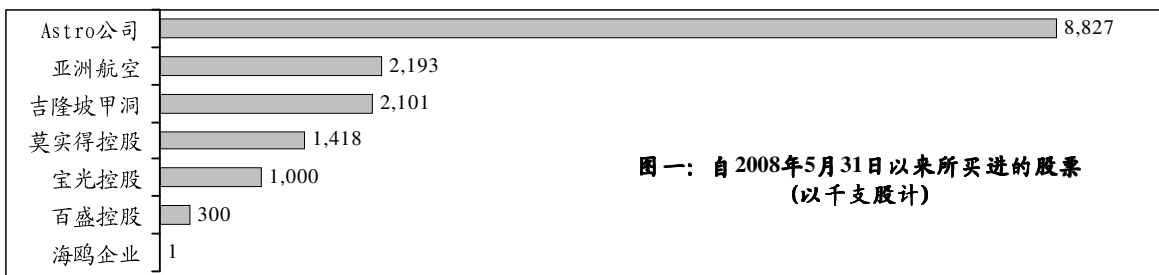
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya
董事局主席
2009 年 6 月 10 日

(b) 我们如何善用您的基金

“当您把投资看待成投资于一门生意时，这是最聪明的” - Benjamin Graham

(i) 投资组合

以下的图一、图二与图三显示自 2007 年 5 月 31 日以来所买进的股票和投资组合现有的股项数量以及各自的市值。



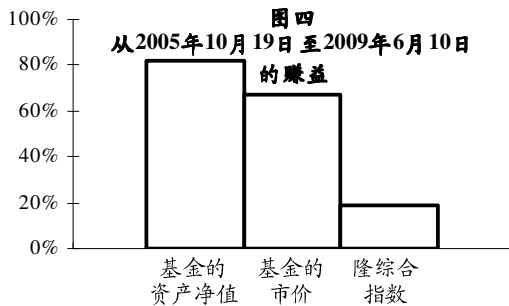
(ii) 售出的股项投资

截至 2009 年 5 月 31 日为止的财政年度，您的基金售出了在亚通集团（前称为马电讯国际）、VADS 公司和亚洲航空的所有持有股。这出售带来了 RM22 万 1 千 146 的收益，投资成本为 RM3 千零 7 万 8 千。

截至 2009 年 5 月 31 日为止，您的基金共作出了 RM1 亿 5 千 644 万 1 千的总投资，而市值为 RM2 亿零 624 万 7 千，为 RM4 千 980 万 6 千的套现盈利。截至 2009 年 5 月 31 日止，您基金未套现盈利的分主要来自于百盛控股、花莎尼控股、吉隆坡甲洞、广宇科技和 Astro 公司的投资。

(iii) 所作出的投资

您基金在截至 2009 年 5 月 31 日为止的财政年度里作出了一些购买。新投资为吉隆坡甲洞、Astro 公司和亚洲航空。至于亚洲航空，您的基金也已在今年里将其卖出了。另外，您的基金也增加了其在莫实得控股、海鸥企通、百盛控股、宝光控股和



(iv) 资产净值与市价

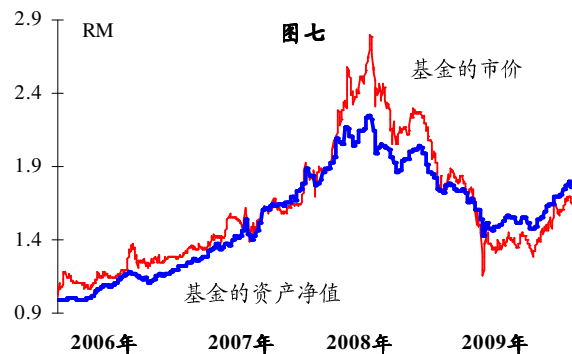
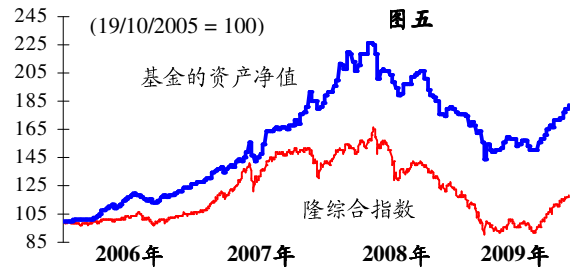
自 2005 年 10 月 19 日上市以来至 2009 年 5 月 31 日为止，您基金的每股资产净值已从 RM0.99 上涨至 RM1.77。这代表着 78.79% 的增长。另外，自其于 2005 年 10 月 19 日上市以来至 2009 年 5 月 31 日为止，您基金的市价已从 RM1.01 上扬至 RM1.63。这代表着 61.39% 的上扬。隆综合指数在同期里仅报上了 14.21% 的增长。

您基金于 2009 年 5 月 31 日的每股资产净值从 2008 年 6 月 1 日的 RM1.95 下滑至 RM1.77。这代表着 9.23% 的亏损。您基金的市价则从 2008 年 6 月 1 日的 RM2.20 下挫至 2009 年 5 月 31 日的 RM1.63，或相等于 25.91% 的下跌。隆综合指数在同期里下跌了 18.18%。

图五比较了您的基金与隆综合指数的表现。图六显示了您的基金的溢价/折价，而图七则显示了每股资产净值以及市价。

(v) 我们的见解

全球股市崩盘，许多国家经济陷入衰退，但显示经济正在复苏。然而，由于全球金融危机，许多国家的经济正在经历前所未有的挑战。在这种情况下，投资者应该保持谨慎，并寻找具有良好增长潜力的投资机会。您的基金在 2008 年经历了大幅波动，但整体表现仍然稳健。我们预计，随着全球经济的逐步复苏，您的基金将继续保持增长态势。



陈鼎武
指定基金经理
资威资产管理私人有限公司
2009 年 6 月 10 日

Profile of Directors

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya

Chairman/Non-Independent Non-Executive Director, Member of the Audit Committee and Nomination Committee, 80 years of age – Malaysian

Tunku Ahmad Yahaya was appointed to your Board of Directors on 29 June 2005. He obtained his BA (Econ) from the University of Bristol and is a fellow of the Association of Chartered Certified Accountants, United Kingdom. He was the Group Chief Executive Officer of the Sime Darby Berhad Group from 1982 to 1993.

Tunku Ahmad Yahaya started his career with Dunlop Estates Berhad in 1959 before moving on to join DMIB Berhad in 1962 and becoming Managing Director. On 4 January 1979 he joined

Sime Darby Berhad and resigned as Deputy Chairman on 27 November 2007. He was a Director of Bank Negara Malaysia from 1966 to 1995 and the Chairman of the Audit Committee from 1989 to 1995.

Tunku Ahmad Yahaya is the Chairman of KLCC Property Holdings Berhad and several other limited companies in Malaysia. He is also a director and indirect shareholder of Capital Dynamics Asset Management Sdn. Bhd.

Michael Vitus Wong Kuan Lee

Non-Independent Non-Executive Director, 71 years of age – Malaysian

Michael Vitus Wong Kuan Lee was appointed to your Board of Directors on 11 December 2004. He holds a Law Degree from the University of Singapore. He joined Messrs Shook Lin & Bok in 1964 and resigned in 1991 as its Chief Executive Partner but remains as a consultant. He previously served as a Senator in the Malaysian Parliament and director of Bank Negara Malaysia.

Michael Vitus Wong Kuan Lee was a director of Sime Darby Berhad from 1991 to 2005 and Tractors Malaysia Holdings Berhad from 2004 to 2005. He currently sits on the board of Keck Seng (M) Berhad and Malaysia Deposit Insurance Corporation. He is also a director and shareholder of Capital Dynamics Asset Management Sdn. Bhd.

David Loo Kean Beng

Independent Non-Executive Director, Member of the Audit Committee and Chairman of Nomination Committee, 46 years of age – Malaysian

David Loo Kean Beng was appointed to your Board of Directors on 15 May 2008. He started his career with Sime Darby Berhad in 1987 and was Senior Adviser prior to leaving in 1997. David Loo Kean Beng subsequently joined Zain & Co. and was made a Partner in

2000. After his retirement from Zain & Co, he established Messrs Mak Loo & Co in June 2006. Currently he also sits on the board of Boustead REIT Managers Sdn. Bhd., the manager of Al-Hadharah Boustead REIT.

YM Tengku Yunus Kamaruddin

Independent Non-Executive Director, Chairman of the Audit Committee and Member of Nomination Committee, 68 years of age – Malaysian

Tengku Yunus Kamaruddin was appointed to your Board of Directors on 22 June 2009. He obtained his Bachelor of Arts (Honours) degree in Economics from the University of Wales, United Kingdom and is a Fellow of the Institute of Chartered Accountants of England and Wales, a member of the Malaysian Association of Certified Public Accountants and the Malaysian Institute of Accountants.

Tengku was an audit partner of one of the leading international accounting firms from 1982 to 1996. He was appointed by Bank Negara Malaysia to the board of Bank Bumiputra Malaysia Bhd and its subsidiaries, namely Bumiputra Merchant Bankers Bhd and BBMB Kewangan Bhd from 1985 to 1990. He currently sits on the Board of Aluminium Company of Malaysia Bhd and Keck Seng (Malaysia) Bhd.

Note:-

- Save as disclosed none of the Directors have any family relationship with any Director of your Fund nor conflict of interest involving your Fund. Your Fund does not have any substantial shareholders.
- None of the Directors have been convicted for any offences within the past 10 years other than traffic offences (if any).

Statement of Corporate Governance

The Code

Your Board of Directors (your Board) supports the Principles of Corporate Governance as laid out in the Malaysian Code on Corporate Governance (the Code) and recognises that the adoption of the high standards of corporate governance is imperative for the performance of icapital.biz Berhad (your Fund) and enhancement of share owners' values.

Your Board is pleased to disclose your Fund's application of the Principles and the extent to which your Fund has complied with the Best Practices of the Code during the financial year ended 31 May 2009. Your Board is of the opinion that it has, in all material respects, complied with the Principles and Best Practices of the Code.

1. Board of Directors

1.1 Composition

Your Board comprises four (4) non-executive Directors; two (2) of whom are independent. This is in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), which requires two (2) or at least one-third of your Board, whichever is higher, to be independent directors.

1.2 Duties and Responsibilities

The primary responsibilities of your Board include, amongst others, determining your Fund's investment policies and ensuring that the financial and operational objectives of your Fund are met.

2. Board Balance

Your Fund is led by an experienced Board. Members of your Board who are professionals from varied backgrounds, bring depth and diversity in experience, expertise and perspectives to your Fund. Their profiles are presented on page 12 of this Annual Report.

Your Board is ensured of a balanced view at all board deliberations, as all Directors are non-executive and therefore not involved in the day-to-day operations of your Fund. The management of your Fund's investments, the adviser for your Fund's investments and custodian of its assets have been outsourced to Capital Dynamics Asset Management Sdn. Bhd. (the Fund Manager), Capital Dynamics Sdn. Bhd. (the Investment Adviser) and Deutsche Bank (Malaysia) Berhad (the Custodian) respectively. Your Board has expressed its satisfaction and confidence in the services provided by various parties involved in the operations of your Fund.

Your Board has not appointed a senior independent non-executive director to whom concerns can be conveyed as all Members of your Board participate actively during Board meetings.

3. Board Meetings

During the financial year ended 31 May 2009, a total of four (4) Board meetings were held and the attendance of each Director is as shown below:-

Name	Number of meetings attended
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya	4 out of 4
Michael Vitus Wong Kuan Lee	3 out of 4
David Loo Kean Beng	4 out of 4
Dato' Raja Nong Chik Bin Raja Zainal Abidin (resigned on 7 May 2009)	4 out of 4
Yeoh Ah Tu (retired on 2 August 2008)	1 out of 4
YM Tengku Yunus Kamaruddin (appointed on 22 June 2009)	-

4. Supply of Information

The Directors of your Fund have unrestricted access to all information of your Fund's business and affairs, whether on an individual basis or as a full board, so as to enable them to discharge their responsibilities. In addition, Board papers containing the full details of the agenda are given to all Directors in advance of meetings, in order to allow for sufficient time for review and obtain explanations.

Your Directors also have access to Company Secretary and independent professional advice in furtherance of their duties.

5. Appointments and Re-Election of the Directors

In accordance with your Fund's Articles of Association, at least one-third of the Directors, or if their number is not three (3), then the number nearest to one-third, shall retire from office at every Annual General Meeting provided always that all Directors shall retire from office once in every three (3) years but shall be eligible for re-election.

Directors who are appointed by your Board to fill a casual vacancy during the year shall hold office only until the next Annual General Meeting following their appointment and shall be eligible for re-election.

Section 129 of the Companies Act 1965 provides that Directors who are over the age of seventy (70) shall retire at every Annual General Meeting but may offer themselves for re-appointment.

6. Directors' Training

Your Board acknowledges the fact that continuous education is vital for your Board members to keep abreast with the developments of the economy and further enhance their knowledge to discharge their duties and responsibilities more effectively.

During the financial year ended 31 May 2009, the Directors' continuing education programme involved the following:-

- Malaysian Code of Corporate Governance Revised 2007 and Financial Reporting Standards Exposure Draft 7 & 8.
- Briefings by the Company Secretary, Internal Auditors and External Auditors on the relevant updates on statutory and regulatory requirements.
- Code of Corporate Compliance and Ethical Conduct on 18 December 2008 organised by Bursatra.

Dato' Raja Nong Chik Bin Raja Zainal Abidin resigned as Director on 7 May 2009. Yeoh Ah Tu retired as Director on 2 August 2008.

7. Board Committees

In order to ensure the effective discharge of its fiduciary duties, your Board has delegated certain responsibilities to Board Committees, namely, the Audit Committee and the Nomination Committee. These Committees have their written terms of reference approved by your Board. Your Board, however, retains full responsibility for the direction and control of your Fund.

7.1 Audit Committee

The functions, composition, terms of reference and the summary of activities of the Audit Committee are laid down on pages 15 to 17 of this Annual Report.

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

Members:

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

YM Tengku Yunus Kamaruddin - (*Independent Non-Executive Director*) (*appointed on 22 June 2009*)

The Nomination Committee is empowered by your Board to, amongst others, recommend to your Board, suitable candidates for appointment as directors. In addition, the Nomination Committee assesses the effectiveness of your Board and the Committees of your Board annually to ensure that your Board has an appropriate balance of skills, expertise and core competencies.

An analysis of the aggregate Directors' remuneration for the financial year ended 31 May 2009 is as below:-

<u>Directors</u>	<u>Fees (RM)</u>
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya	20,000
Dato' Raja Nong Chik Bin Raja Zainal Abidin (resigned on 7 May 2009)	18,685
Michael Vitus Wong Kuan Lee	20,000
David Loo Kean Beng	20,000
Yeoh Ah Tu (retired on 2 August 2008)	3,452
Total	<u>82,137</u>

9. Communication with Share Owners and Investors

Your Fund recognises the importance of maintaining transparency and accountability to its share owners and investors. An important channel used to reach share owners and investors is the Annual Report. Timely release of financial results on a quarterly basis also enables share owners to have an overview of the performance of your Fund.

Your Fund's Annual General Meeting is also an important forum for communication and dialogue with its share owners. Your Board encourages share owners to attend and participate in the Annual General Meeting. Your Board and relevant advisers are on hand to answer questions raised and give clarifications required. Contacts for the Fund Manager and Investment Adviser can be found on the inside back cover.

Weekly updates on your Fund's NAV per share can be found in www.bursamalaysia.com and www.icapital.biz.

10. Accountability and Audit

10.1 Financial Reporting

Your Board aims to provide and present a clear, balanced and comprehensive assessment of your Fund's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly results as well as your Letter to Share Owners in the Annual Report.

Your Board is assisted by the Audit Committee to oversee the financial reporting process and the quality of its financial reporting.

10.2 Statement of Directors' Responsibility

Directors are required pursuant to Section 169(15) of the Companies Act 1965 to state whether your Fund's Financial Statements for the financial year are drawn up in accordance with approved accounting standards so as to give a true and fair view of your Fund's state of affairs and of the results of your Fund's business operations for the financial year.

7.2 Nomination Committee

The Nomination Committee was established on 19 June 2006 and comprises the following members: -

8. Directors' Remuneration

Your Board is of the opinion that the need for the establishment of a Remuneration Committee does not arise as there are no Executive Directors on your Board. The determination of fees of the Non-Executive Directors is a matter for your Board as a whole and the fees payable are presented to the share owners of your Fund at every Annual General Meeting for approval.

In preparing the Financial Statements, your Directors have:-

- applied the appropriate and relevant accounting policies on a consistent basis;
- ensured that applicable accounting standards have been followed;
- made judgements and estimates that are prudent and reasonable;
- ensured that proper accounting records are kept so as to enable the presentation of the Financial Statements with reasonable accuracy; and
- prepared the Financial Statements on an ongoing basis.

The Statement by Directors pursuant to Section 169(15) of the Companies Act 1965 is set out on page 18 of this Annual Report.

10.3 Internal Control

Your Board acknowledges that it is responsible for maintaining a sound system of internal controls. Your Fund's Statement on Internal Control, which provides an overview of the state of internal control is set out on page 15 of this Annual Report.

10.4 Internal Auditors

Your Fund has appointed Advent Corporate Advisory Sdn Bhd, a professional service firm, to carry out your Fund's Internal Audit function. As the Internal Auditors report directly to the Audit Committee, they are independent of your Fund's activities and perform their duties with professionalism and impartiality.

10.5 Relationship with External Auditors

The Audit Committee and your Board communicate regularly with the External Auditors and they are invited to attend Audit Committee meetings, whenever appropriate. During the said meetings, the External Auditors will be invited to present their yearly audit plans and audit findings, if any, for the discussion of the members of the Audit Committee.

The role of the Audit Committee in relation to the External Auditors is set out on page 16 of this Annual Report.

Statement of Internal Control

Board Responsibilities

Your Board recognises the importance of maintaining sound internal control and effective risk management practices in your Fund. Your Board acknowledges its overall responsibility and reviews the adequacy and integrity of the system on internal control. Nonetheless, it recognises that such a system can only provide reasonable but not absolute assurance because of limitations inherent in any system of internal control against material misstatements or fraud and is designed to manage rather than eliminate the risk of failure to achieve business objectives.

As a closed-end fund, your Fund employs an external management structure, whereby all of your Fund's functions are undertaken by external service providers. Your Board's main internal control responsibilities are to oversee and review the function of these parties, in particular, the Fund Manager, the Investment Adviser, the Custodian Bank and the Administrator.

In achieving these objectives, your Board has outsourced its internal audit function to an independent professional services firm that provides independent and objective reports directly to the Audit Committee, which assists the Audit Committee in discharging its duties and responsibilities.

Internal Control Elements

Your Fund's overall internal control system includes:-

(i) Control Environment

The Fund Manager is responsible for managing the investments of your Fund, while the Investment Adviser provides continuous advice and recommendations to your Fund as to the purchase, holding and disposal of investments. The Administrator is responsible for keeping the accounting records relating to your Fund's portfolio. The custodian function is performed by an independent custodian bank, which maintains custody

Audit Committee Report

The Audit Committee was established by your Board on 30 June 2005. On 22 June 2009, YM Tengku Yunus Kamaruddin, an Independent Non-Executive Director, was appointed as the Chairman of the Audit Committee to replace Dato' Raja Nong Chik Bin Raja Zainal Abidin who had resigned on 7 May 2009.

Members and Meetings

The members of the Audit Committee and details of attendance of each member at committee meetings during the financial year ended 31 May 2009 are set out below:-

Audit Committee

YM Tengku Yunus Kamaruddin-Chairman*(Appointed on 22 June 2009)
Dato' Raja Nong Chik Bin Raja Zainal Abidin (resigned on 7 May 2009)
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya – Member
Yeoh Ah Tu – Member (retired on 2 August 2008)
David Loo Kean Beng – Member

* Member of the Malaysian Institute of Accountants

of your Fund's investments and cash. The Internal Auditors adopt a risk-based approach in evaluating the effectiveness of your Fund's system of internal control.

Reconciliation of cash and stock holdings is performed on a weekly and monthly basis by the Administrator and verified by the Fund Manager. Quarterly and annual financial statements are prepared by the Administrator, reviewed by the Audit Committee and approved by your Board prior to submission to Bursa Securities and released to share owners.

(ii) Information and Communication

Your Board has the authority to assess the state of internal control as it deems necessary. In doing so, your Board has the right to request information and clarification from the service providers as well as seek inputs from the Audit Committee, external and internal auditors, and other experts at your Fund's expense.

(iii) Audit Committee

Your Board has established the Audit Committee, comprising two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Details of composition, terms of reference and report of the Audit Committee are disclosed below.

(iv) Risk Management

Your Board recognises that to ensure the review process for identifying, evaluating and managing the significant risks affecting your Fund, the internal control procedures with clear lines of accountability and delegated authority have to be established. Your Board, throughout the current financial year, has identified and evaluated the significant risks faced by your Fund through the monitoring of your Fund's operational efficiency. As a closed-end fund, a significant portion of your Fund's risk are managed by your Fund Manager, Investment Adviser and the Custodian Bank.

Conclusion

After due consideration and review of the information provided, your Board is satisfied that there is no significant control failure or weaknesses that would result in material losses or require disclosure in your Fund's Annual Report identified during the financial year ended 31 May 2009.

Status of Directorship	Attendance
Independent Non-Executive Director	-
Independent Non-Executive Director	4 out of 4
Chairman / Non-Independent Non-Executive Director	4 out of 4
Independent Non-Executive Director	1 out of 4
Independent Non-Executive Director	4 out of 4

Terms of Reference

1. Composition Of Audit Committee

The Audit Committee shall be appointed by the Board of Directors from amongst their members and shall consist of at least three (3) members, all of them must be non-executive directors with a majority of them being independent directors.

At least one (1) member of the Audit Committee:

- (a). must be a member of the Malaysian Institute of Accountants; or
- (b). if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
 - (i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or (ii) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (c). fulfils such other requirements as prescribed or approved by Bursa Securities.

No alternate Director(s) shall be appointed as member(s) of the Audit Committee.

The members of the Audit Committee shall elect a Chairman from amongst its members, who shall be an Independent Director.

2. Meetings

The quorum for meeting of the Audit Committee shall be two (2) members of which the majority of members present must be Independent Directors.

The Audit Committee shall meet not less than four (4) times a year and as many times as the Audit Committee deems necessary with due notice of issues to be discussed.

The Company Secretary shall be the Secretary of the Audit Committee.

The presence of external auditors and internal auditors at any meeting of the Audit Committee can be requested if required by the Audit Committee.

Other members of your Board and officers of your Fund may attend the meeting (specific to the relevant meeting) upon the invitation of the Audit Committee.

3. Authority

The Audit Committee shall in accordance with the procedure determined by the Board and at the cost of your Fund:

- (a). have authority to investigate any matter within the terms of reference;
- (b). have the resources which the Audit Committee requires to perform its duties;
- (c). have full and unrestricted access to any information, which the Audit Committee requires in the course of performing its duties;
- (d). have direct communication channels with the external auditors and persons carrying out the internal audit function;
- (e). be able to obtain independent professional or other advice in the performance of its duties at the cost of your Fund; and
- (f). be able to convene meetings with the external auditors, internal auditors or both without the attendance of other Directors and service providers of your Fund, whenever deemed necessary. Other Directors may attend only at the Audit Committee's invitation.

4. Duties And Responsibilities

The duties and responsibilities of the Audit Committee are to review the following and report the same to the Board of Directors:

- (a). Matters relating to External Audit
 - To review the nomination of external auditors and the external audit fee;
 - To discuss with the external auditors, the nature, scope and quality of external audit plans/arrangements;
 - To review the evaluation of the systems of internal control with the external auditors;
 - To review quarterly results and year end financial statements of your Fund, prior to approval by your Board, focusing in particular on the going concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues and unusual events arising from the audit and major judgement issues;
 - To review the external auditors' audit report on the financial statements;
 - To review any management letter sent by the external auditors to your Fund and the service providers' response to such letters;
 - To review any letter of resignation from the external auditors;
 - To consider and review whether there is reason (supported by grounds) to believe that your Fund's external auditors are not suitable for re-appointment;
 - To review the assistance given by your Fund's officers and service providers to external auditors; and
 - To discuss problems and reservations arising from the interim and final audits and any matters that the external auditors may wish to discuss.
- (b). Matters relating to Internal Audit function
 - To review the effectiveness and competency of the internal audit function;
 - To review the internal audit programme and results of the internal audit process or investigation undertaken and whether or not appropriate action is taken on the recommendation of the internal audit function;
 - To review the follow up actions by the service providers on the weaknesses of internal accounting procedures and controls;
 - To review all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels;
 - To review the assistance and co-operation given by your Fund's officers and service providers to the internal auditors;
 - To review any appraisal or assessment of the performance of staff of the internal audit function, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgement issues; and
 - To review any letter of resignation from internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (c). Roles and Rights of the Audit Committee
 - To consider and review any significant transactions, which are not within the normal course of business and any related party transactions that may arise within your Fund;
 - To report to Bursa Securities on any matter reported by the Board of your Fund which has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities; and
 - To carry out any other function that may be mutually agreed upon by the Audit Committee and your Board which would be beneficial to your Fund and ensure the effective discharge of the Audit Committee's duties and responsibilities.

(d). Retirement and Resignation of Member of Audit Committee

- A member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to your Fund so that a replacement may be appointed before he leaves. In the event of any vacancy in the Audit Committee, your Fund shall fill the vacancy not later than three (3) months.

Summary of Activities of the Audit Committee

The activities of the Committee for the financial year ended 31 May 2009 included:-

- reviewing the quarterly results and audited financial statements before submission to your Board for approval, focusing on the key changes (if any) to the accounting policies, compliance to regulatory requirements and the new introduction of the financial reporting standards ("FRS");
- reviewing the internal audit fee;
- discussing with the internal auditors on its nature, scope and quality of internal audit and approving the internal audit strategy, plans/arrangements thereof;
- reviewing the audit findings and recommendations by the internal auditors, representations made and corrective actions

Directors' Report

The Directors hereby submit their report and the audited financial statements of your Fund for the financial year ended 31 May 2009.

Principal Activity

Your Fund is a closed-end fund and is principally engaged in investing in a diversified portfolio of quoted securities. There has been no significant change in the nature of this activity during the financial year.

Results

Profit after taxation for the financial year

RM
6,269,114

Dividends

No dividend was paid since the end of the previous financial year and the Directors do not recommend the payment of any dividend for the current financial year.

Reserves and Provisions

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

Issues of Shares and Debentures

During the financial year,

- there were no changes in the authorised and issued and paid-up share capital of your Fund; and
- there were no issues of debentures by your Fund.

Options Granted Over Unissued Shares

During the financial year, no options were granted by your Fund to any person to take up any unissued shares in your Fund.

Bad and Doubtful Debts

Before the financial statements of your Fund were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there are no known bad debts and that no allowance for doubtful debts is required.

taken by the relevant service providers in addressing and resolving issues;

- discussing with the external auditors on its nature, scope and quality of external audit and the compliance with the revised FRS;
- approving the audit planning memorandum of the external auditors; and
- reviewing any related party transactions that may arise in your Fund.

Internal Audit Function

Your Fund has outsourced its Internal Audit function to an independent professional services firm to assist the Audit Committee in discharging its duties and responsibilities more effectively.

The priority of the Internal Auditors is to focus on the review of internal controls implemented by the service providers of your Fund to ensure that the assets of your Fund are adequately safeguarded and to report any audit findings directly to the Audit Committee. The costs incurred for the Internal Audit function in respect of the financial year was RM9,600.

Your Fund is managed by a fund manager, Capital Dynamics Asset Management Sdn. Bhd. ("the Fund Manager"), a company incorporated in Malaysia. The principal activity of the Fund Manager is the provision of fund management services.

At the date of this report, the Directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for doubtful debts in the financial statements of your Fund.

Current Assets

Before the financial statements of your Fund were made out, the Directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of your Fund, have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

Valuation Methods

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of your Fund misleading or inappropriate.

Contingent and Other Liabilities

At the date of this report, there does not exist:-

- any charge on the assets of your Fund that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of your Fund which has arisen since the end of the financial year.

No contingent or other liability of your Fund has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of your Fund to meet its obligations when they fall due.

Change of Circumstances

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of your Fund which

would render any amount stated in the financial statements misleading.

Items of an Unusual Nature

The results of the operations of your Fund during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of your Fund for the financial year.

Directors

The Directors who served since the date of the last report are as follows:-

1. YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya
2. Michael Vitus Wong Kuan Lee
3. David Loo Kean Beng
4. YM Tengku Yunus Kamaruddin (appointed on 22 June 2009)
5. Dato' Raja Nong Chik bin Raja Zainal Abidin (resigned on 7 May 2009)
6. Yeoh Ah Tu (retired on 2 August 2008)

Directors' Interest

According to the register of directors' shareholdings, the interests of Directors holding office at the end of the financial year in shares in your Fund during the financial year are as follows:-

Your Fund	Number of Ordinary Shares of RM1 each			At 31.5.2009
	At 1.6.2008	Bought	Sold	
<u>Direct Interest</u> YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	3,000,000	-	-	3,000,000
<u>Indirect Interests</u> Michael Vitus Wong Kuan Lee	639,000	250,000	-	889,000
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	539,000	250,000	-	789,000

The other Directors holding office at the end of the financial year had no interest in shares in your Fund during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by your Fund or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may

be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain Directors have substantial financial interests as disclosed in Note 18 to the financial statements.

Neither during nor at the end of the financial year, was your Fund a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of your Fund or any other body corporate.

Auditors

The auditors, Messrs. Horwath, have expressed their willingness to continue in office.

Signed in Accordance with a Resolution of the Directors dated 26 June 2009.

YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya

YM Tengku Yunus Kamaruddin

Statement by Directors

We, YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya and YM Tengku Yunus Kamaruddin, being two of the Directors of icapital.biz Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 20 to 27 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Company at 31 May 2009 and of its results and cash flows for the financial year ended on that date.

Signed in Accordance with a Resolution of the Directors dated 26 June 2009.

YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya

YM Tengku Yunus Kamaruddin

Statutory Declaration

I, Tan Teng Boo, I/C No. 540211-02-5441, being the director of Capital Dynamics Asset Management Sdn. Bhd. primarily responsible for the financial management of icapital.biz Berhad, do solemnly and sincerely declare that the financial statements set out on pages 20 to 27 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
Tan Teng Boo, I/C No. 540211-02-5441,
at Kuala Lumpur in the Federal Territory
on this 26 June 2009

Before me
P.Saroja (PPN)
(W402)
Commissioner For Oaths

Tan Teng Boo

Financial Statements

Independent Auditors' Report to the Members of icapital.biz Berhad Report on the Financial Statements

We have audited the financial statements of icapital.biz Berhad, which comprise the balance sheet as at 31 May 2009, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 20 to 27.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 May 2009 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Horwath
Firm No: AF 1018
Chartered Accountants
Kuala Lumpur
26 June 2009

James Chan Kuan Chee
Approval No: 2271/10/09 (J)
Partner

Balance Sheet at 31 May 2009 (RM)

	Notes	2009	2008
ASSETS			
Non-current asset			
Investments	6	156,441,247	132,137,628
Current assets			
Other receivables	7	4,044,934	1,723,122
Current tax assets		799,669	-
Short-term deposits	8	37,420,000	58,590,000
Cash and bank balances		21,815	2,641,653
		42,286,418	62,954,775
Current liabilities			
Other payables	9	133,847	2,720,543
Current tax payable		-	47,156
		133,847	2,767,699
Net current assets		<u>42,152,571</u>	<u>60,187,076</u>
		198,593,818	192,324,704
Financed by:-			
Share capital	10	140,000,000	140,000,000
Retained profits	11	58,593,818	52,324,704
Shareholders' equity		198,593,818	192,324,704
Net assets per ordinary share (RM)	12	1.42	1.37
Net asset value per ordinary share (RM)	13	1.77	1.95

Statement of Changes in Equity for the Financial Year Ended 31 May 2009 (RM)

	Share Capital	Retained Profits (Distributable)	Total
Balance at 1 June 2007	140,000,000	13,244,329	153,244,329
Profit after taxation for the financial year	-	39,080,375	39,080,375
Balance at 31 May 2008/1 June 2008	140,000,000	52,324,704	192,324,704
Profit after taxation for the financial year	-	6,269,114	6,269,114
Balance at 31 May 2009	140,000,000	58,593,818	198,593,818

Income Statement for the Financial Year Ended 31 May 2009 (RM)

	Notes	2009	2008
Interest income		1,828,270	1,815,602
Dividend income		9,364,932	7,124,667
Net gain on disposal of quoted investments		221,146	36,725,726
Revenue		11,414,348	45,665,995
Less: Operating expenses			
Accounting and administrative fees		91,000	91,000
Annual general meeting expenses		33,411	15,919
Audit fee		10,000	10,000
Custodian expenses		69,584	96,058
Directors' fee		82,137	80,000
Fund management fee		1,747,606	2,055,442
Investment advisory fee		1,747,606	2,055,442
Professional fee		111,234	113,791
Service tax		8,337	9,235
Others		24,191	20,231
Profit before taxation		7,489,242	41,118,877
Income tax expense	14	(1,220,128)	(2,038,502)
Profit after taxation attributable to equity holders of your Fund		6,269,114	39,080,375
Basic earnings per ordinary share (RM)	15	0.04	0.28

Cash Flow Statement for the Financial Year Ended 31 May 2009 (RM)

	Notes	2009	2008
Profit before taxation		7,489,242	41,118,877
Adjustment for: Net gain on disposal of quoted investments		(221,146)	(36,725,726)
Operating profit before working capital changes		7,268,096	4,393,151
Changes in working capital:			
(Increase)/Decrease in other receivables		(2,321,812)	69,814
(Decrease)/Increase in other payables		(2,586,696)	2,594,666
Capital repayment from quoted investment		2,156,000	-
Proceeds from disposal of quoted investments		30,299,086	62,410,219
Purchase of quoted investments		(56,537,559)	(61,820,563)
Cash (for)/from operations		(21,722,885)	7,647,287
Income tax paid		(299,441)	(290,645)
Income tax deducted at source		(1,767,512)	(1,543,850)
Net cash (for)/from operating activities		(23,789,838)	5,812,792
Net (decrease)/increase in cash and cash equivalents		(23,789,838)	5,812,792
Cash and cash equivalents at beginning of the financial year		61,231,653	55,418,861
Cash and cash equivalents at end of the financial year	16	37,441,815	61,231,653

Notes to the Financial Statements for the Financial Year Ended 31 May 2009

1. General Information

Your Fund is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of your Fund is Malaysia. The registered office, which is also the principal place of business, is at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 26 June 2009.

2. Principal Activity

Your Fund is a closed-end fund and is principally engaged in investing in a diversified portfolio of quoted securities. There has been no significant change in the nature of this activity during the financial year.

Your Fund is managed by a fund manager, Capital Dynamics Asset Management Sdn. Bhd. ("the Fund Manager"), a company incorporated in Malaysia. The principal activity of the Fund Manager is the provision of fund management services.

3. Financial Risk Management Policies

Your Fund's financial risk management policy seeks to ensure that adequate financial resources are available for the development of your Fund's business whilst managing its single issuer, market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activity are as follows:-

(a) Single Issuer Risk

The investment of your Fund in any quoted securities shall not exceed 10% of its net asset value or 10% of the issued capital of the issuer, whichever is lower. Under such restriction, the exposure risk to the securities of any issuer is mitigated.

(b) Market Risk

(i) Foreign Currency Risk

Your Fund does not have material foreign currency transactions, assets or liabilities and hence is not exposed to any significant or material currency risks.

(ii) Interest Rate Risk

Your Fund does not have any interest-bearing borrowings. Surplus funds are placed with licensed financial institutions at the most favourable interest rates.

(iii) Price Risk

Your Fund has investments in quoted equity shares under fund management, which are subject to price risk as the market values of these securities are affected by changes in market prices. The Fund Manager manages its exposure to price risk by maintaining a portfolio of equities with different risk profiles.

(c) Credit Risk

Your Fund's exposure to credit risks, or the risk of counterparties defaulting, arises from the ability to make timely payments of interest, principals and proceeds from realisation of investments. It is your Fund's policy to monitor the financial standing of those counterparties on an ongoing basis to ensure that your Fund is exposed to minimal credit risk.

(d) Liquidity and Cash Flow Risks

Your Fund's exposure to liquidity and cash flow risks arises mainly from business activities. It practises prudent liquidity risk management by maintaining sufficient cash balances.

4. Basis of Preparation

The financial statements of your Fund are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

(a) During the current financial year, your Fund has adopted the following:-

(i) FRSs issued and effective for financial periods beginning on or after 1 July 2007:-

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting

FRS 137 Provisions, Contingent Liabilities and Contingent Assets

FRS 111 and FRS 120 are not relevant to your Fund's operations. The adoption of the other standards did not have any material impact on the form and content of disclosures presented in the financial statements.

(ii) Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – *Net Investment in a Foreign Operation* issued and effective for financial periods beginning on or after 1 July 2007.

This amendment is not relevant to your Fund's operations.

(iii) IC Interpretations issued and effective for financial periods beginning on or after 1 July 2007:-

IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above IC Interpretations are not relevant to your Fund's operations.

(b) Your Fund has not adopted the following FRSs and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for your Fund:-

(i) FRS issued and effective for financial periods beginning on or after 1 July 2009:-

FRS 8 Operating Segments

FRS 8 replaces FRS 114₂₀₀₄ Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of your Fund. This FRS is expected to have no material impact on the financial statements of your Fund upon its initial application.

(ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:-

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement

FRS 4 is not relevant to your Fund's operations. The possible impacts of FRS 7 and FRS 139 on the financial statements upon their initial application are not disclosed by virtue of the exemptions given in these standards.

FRS 123 is not relevant to your Fund's operations.

(iii) Amendments issued and effective for financial periods beginning on or after 1 January 2010:-

Amendments to FRS 1 and FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 2	Vesting Conditions and Cancellations

The above amendments are not relevant to your Fund's operations.

(iv) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:-

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The above IC Interpretations are not relevant to your Fund's operations.

5. Significant Accounting Policies

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of your Fund's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. Your Fund recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

(ii) Fair Value Estimates for Certain Financial Assets and Liabilities

Your Fund carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if your Fund uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and equity.

(b) Financial Instruments

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

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

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

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item. There are no financial instruments not recognised in the balance sheet.

(c) Functional and Presentational Currency

The functional currency of your Fund is measured using the currency of the primary economic environment in which your Fund operates. The financial statements of your Fund are presented in Ringgit Malaysia ("RM") which is the functional and presentation currency.

(d) Investments

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

(e) Receivables

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

(f) Payables

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

(g) Income Taxes

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

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

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(h) Equity Instruments

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

(i) Cash and Cash Equivalents

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

(j) Related Parties

A party is related to an entity if:-

- (i) directly, or indirectly through one or more intermediaries, the party:-
 - controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - has an interest in the entity that gives it significant influence over the entity; or
 - has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venturer;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(k) Revenue Recognition

- (i) Investments
The realised gain or loss on sale of investments is measured as the difference between the net disposal proceeds and the carrying amount of the investments, calculated on the weighted average cost basis.
- (ii) Interest Income
Interest income is recognised on an accrual basis, based on the effective yield on the investment.
- (iii) Dividend Income
Dividend income from investment is recognised when the right to receive dividend payment is established.

6. Investments

In RM	2009	2008
At cost: Quoted securities in Malaysia, at 1.6.2008/1.6.2007	132,137,628	96,001,558
Additions for the financial year	56,537,559	61,820,563
Disposals during the financial year	(30,077,940)	(25,684,493)
Capital repayment from quoted investment	(2,156,000)	-
Quoted securities in Malaysia, at 31.5.2009/2008	156,441,247	132,137,628
Market value of quoted investments in Malaysia	206,246,717	213,538,110

7. Other Receivables

In RM	Note	2009	2008
Other receivables		3,453,143	1,004,901
Deposit		500	500
Prepayments		302,479	365,694
Related party	18	288,812	352,027
		4,044,934	1,723,122

8. Short-term Deposits

In RM	2009	2008
Deposits with licensed financial institutions	37,420,000	58,590,000

The weighted average effective interest rate of short-term deposits at the balance sheet date was 1.95% (2008 – 3.45%) per annum. The average maturity period of the deposits is 25 days (2008 – 31 days).

9. Other Payables

In RM	2009	2008
Other payables	10,910	2,606,843
Accruals	122,937	113,700
	133,847	2,720,543

10. Share Capital

Ordinary shares of RM1 each: -	2009	2008	2009	2008
	Number of shares		RM	
Authorised	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued and fully paid-up	140,000,000	140,000,000	140,000,000	140,000,000

11. Retained Profits

Subject to agreement with the tax authorities, your Fund has sufficient tax credits under Section 108 of the Income Tax Act, 1967 and tax-exempt income to frank the payment of dividends out of its entire retained profits without incurring any additional tax liabilities.

Effective 1 January 2008, your Fund has been given the option to make an irrevocable election to move to a single tier tax system or continue to use its tax credits under Section 108 of the Income Tax Act, 1967 for the purpose of dividend distribution until the tax credits are fully utilised or latest by 31 December 2013.

12. Net Assets per Ordinary Share

The net assets per ordinary share of your Fund is calculated based on the net assets at the balance sheet date of RM198,593,818 (2008 – RM192,324,704) divided by the number of ordinary shares in issue at the balance sheet date of 140,000,000 (2008 – 140,000,000).

13. Net Asset Value per Ordinary Share

Net asset value represents the net assets of your Fund after taking into consideration the surplus of the market value over the carrying value of the quoted investments as at the balance sheet date, calculated as follows:-

In RM	2009	2008
Net assets	198,593,818	192,324,704
Surplus of market value over carrying value of quoted investments	49,805,470	81,400,482
Net asset value	248,399,288	273,725,186
Number of ordinary shares of RM1 each, issued and fully paid-up	140,000,000	140,000,000
Net asset value per ordinary share (RM)	1.77	1.95

14. Income Tax Expense

In RM	2009	2008
Current tax:-		
For the financial year	1,683,683	2,038,502
Overprovision in the previous financial years	(463,555)	-
	1,220,128	2,038,502

During the financial year, the statutory tax rate was reduced from 26% to 25%, based on the Malaysian Budget 2008.

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of your Fund is as follows:-

In RM	2009	2008
Profit before taxation	7,489,242	41,118,877
Tax at the statutory tax rate of 25% (2008 – 26%)	1,872,310	10,690,908
Tax effects of: Non-taxable income	(55,286)	(9,548,689)
Tax-exempt dividends	(592,009)	(336,287)
Non-deductible expenses	458,668	1,232,570
Overprovision of current tax in previous financial years	(463,555)	-
Tax for the financial year	1,220,128	2,038,502

15. Earnings per Share

The basic earnings per ordinary share is arrived at by dividing the earnings for the financial year of RM6,269,114 (2008 – RM39,080,375) over the number of ordinary shares of your Fund in issue during the financial year of 140,000,000 (2008 – 140,000,000).

16. Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:-

In RM	2009	2008
Short-term deposits with licensed financial institutions	37,420,000	58,590,000
Cash and bank balances	21,815	2,641,653
	<u>37,441,815</u>	<u>61,231,653</u>

17. Segmental Information

No segmental information is presented as your Fund is a closed-end fund and operates primarily in Malaysia.

18. Related Party Disclosures

(a) Identities of related parties

- (i) Your Fund has a related party relationship with Capital Dynamics Asset Management Sdn. Bhd. ("CDAM"), the Fund Manager of your Fund. The Directors of your Fund, YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya and Michael Vitus Wong Kuan Lee, are directors and substantial shareholders of CDAM; and
- (ii) key management personnel of your Fund.

(b) In addition to the transactions detailed elsewhere in the financial statements, your Fund carried out the following transactions with its related parties during the financial year:-

In RM	Note	2009	2008
Fund management fees paid to CDAM		1,747,606	2,055,442
Amount owing by a related party	7	288,812	352,027

(c) Key management personnel compensation

The amount of emoluments receivable by the key management personnel of your Fund during the financial year was as follows:-

In RM	2009	2008
Directors of your Fund		
- Short-term employee benefits	82,137	80,000

Details of the Directors' emoluments receivable for the financial year in bands of RM50,000 are as follows:-

In number	2009	2008
Non-executive Directors' fees – Below RM50,000	5	4

19. Fair Values of Financial Instruments

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:-

(a) Investments

The fair value of the investments of your Fund at the balance sheet date is as follows:-

In RM	2009		2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Quoted securities	156,441,247	206,246,717	132,137,628	213,538,110

The fair value of the investments represents the closing market price of the quoted securities at the balance sheet date.

(b) Cash and Bank Balances and Other Short-term Receivables/Payables

The carrying amounts approximated their fair values due to the relatively short-term maturity of these instruments.

Investment Portfolio

As of 10 June 2009, details of the investment portfolio of your Fund are as follows:-

Companies	Shares	Cost (RM)	Value (RM)	Unrealised Profit/(Loss) (RM)
1 Astro All Asia Networks PLC TV network services, etc	8,826,700	22,774,192	28,068,906	5,294,714
2 Boustead Holdings Berhad Conglomerate	3,248,500	13,084,667	13,708,670	624,003
3 Fraser & Neave Holdings Berhad Manufacturing drinks, glass, etc	2,497,000	15,885,366	22,722,700	6,837,334
4 Hai-O Enterprise Berhad Retailing of herbs and medicine, etc	530,400	1,698,305	2,280,720	582,415
5 Integrax Berhad Port operation, etc.	9,129,700	8,221,264	6,390,790	-1,830,474
6 Kuala Lumpur Kepong Berhad Plantation, manufacturing, etc	2,101,200	20,178,255	25,214,400	5,036,145
7 Lion Diversified Holdings Berhad Steel, etc	1,409,000	449,552	908,805	459,253
8 Mieco Chipboard Berhad Makes chipboard	1,632,100	2,103,832	481,470	-1,622,362
9 Padini Holdings Berhad Apparel and shoes retailing, etc	4,540,000	6,423,435	11,350,000	4,926,565
10 Parkson Holdings Berhad Retailing	9,000,000	22,455,274	44,100,000	21,644,726
11 Petronas Dagangan Berhad Marketing of petroleum products	2,700,000	11,137,812	22,005,000	10,867,188
12 Poh Kong Holdings Berhad Trading of gold ornaments, etc	3,012,500	1,121,912	1,235,125	113,213
13 P.I.E. Industrial Berhad Manufactures electronics, etc	3,407,200	10,242,055	13,901,376	3,659,321
14 Suria Capital Holdings Berhad Port operation, bunkering service, etc	3,000,600	6,322,047	3,810,762	-2,511,285
15 Swee Joo Berhad Shipping and related businesses	2,083,100	2,858,552	1,520,663	-1,337,889
16 Telekom Malaysia Berhad Telecommunication services	2,200,000	4,791,795	5,962,000	1,170,205
17 Tong Herr Resources Berhad Manufacturing fasteners	2,908,000	6,692,932	5,845,080	-847,852
Total		156,441,247	209,506,467	53,065,220

As of 10 June 2009, no provision for diminution in value was made in respect of the above investments since the date they were acquired. In addition, the following investments were disposed during the financial year ended 31 May 2009:-

Companies	Shares	Cost (RM)	Disposal Value (RM)	Realised Profit/(Loss) (RM)
1 AirAsia Berhad Air transportation services	2,193,000	2,166,760	2,715,401	548,641
2 Axiata Group Berhad (formerly known as TM International Berhad) Telecommunication services	3,000,000	21,909,930	7,746,374	-14,163,556
3 VADS Berhad Manages network services, etc	2,774,400	6,001,252	19,837,313	13,836,061
Total		30,077,942	30,299,088	221,146

Security Transaction Information

Total number of transactions in securities entered into for the financial year ended 31 May 2009 amounted to 51 trades with total brokerage paid of RM180,677.92.

Gross Revenue of the Closed-end Fund

The information on your Fund's gross revenue is presented on page 21 in the audited income statement for the financial year ended 31 May 2009 as attached in this Annual Report.

Additional Information

1. Share Buy-backs

Your Fund does not have any share buy-back programme in place.

2. Options, Warrants or Convertible Securities

Your Fund has not issued any options, warrants or convertible securities in respect of the financial year.

3. Non-Audit Fees

The non-audit fees and other services paid to the external auditors in respect of the financial year were RM5,000.00 for the reviewing of financial statements and statement of internal control.

4. Sanctions and/or Penalties

There were no sanctions or penalties imposed on your Fund or its Directors by regulatory bodies.

5. Revaluation of Landed Properties

Your Fund does not own any landed properties.

6. Profit Estimation, Forecast or Projection

Your Fund has not made any profit estimation, forecast or projection in respect of the financial year. There is no material variance between the results for the financial year and the unaudited results previously announced.

7. Profit Guarantee

Your Fund has not given any profit guarantee for the financial year.

8. Material Contracts

Save as disclosed below, your Fund had not entered into any material contracts which involved Directors or major shareholders, either still subsisting at the end of the financial year, or which were entered into since the end of the previous financial year:-

Date	6 September 2005
Party	Capital Dynamics Asset Management Sdn. Bhd. (CDAM)
Nature	Fund Management Agreement
Consideration	RM1,747,606.29 (from 1 June 2008 – 31 May 2009)
Mode of settlement of consideration	Cash
Relationship	The Directors of your Fund namely YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya and Michael Vitus Wong Kuan Lee are the directors and major shareholders in CDAM. They do not hold any executive position in CDAM and are not involved in the daily operations and management of CDAM.

9. Recurrent Related Party Transactions (RRPT) of a Revenue or Trading Nature

Your Fund is seeking Shareholders' Mandate in respect of the RRPT of a revenue or trading nature to be entered into by your Fund as stated in Section 2.3 of the Circular to Shareholders dated 17 July 2009 at the forthcoming Annual General Meeting to be held on 8 August 2009.

The aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year ended 31 May 2009 is disclosed on page 27 of the financial statements.

10. Fund Manager's Interest in your Fund

As at 31 May 2009, the designated person has a direct interest in 10,000 shares and an indirect interest in 457,912 shares, whilst the Fund Manager has a direct interest in 789,000 shares.

11. Employees Share Option Scheme (ESOS)

Your Fund has not implemented any ESOS in respect of the financial year.

12. Utilisation of Proceeds

Your Fund did not raise funds through any corporate proposals during the financial year.

13. Corporate Social Responsibilities

Your Fund is mindful of its corporate social responsibilities towards its share owners, communities, and other stakeholders, as well as the environment. In order to keep the share owners abreast of the investments of your Fund and to enhance their knowledge on the investment in securities, your Fund has invited Mr. Tan Teng Boo, the Designated Person of the Fund Manager, to give a presentation to the share owners immediately after the conclusion of every Annual General Meeting.

Analysis of Shareholdings as at 10 June 2009

Authorised Share Capital	:	1,000,000,000 ordinary shares of RM1.00 each
Issued and Paid-up Capital	:	140,000,000 ordinary shares of RM1.00 each
Voting Rights per share	:	One

Distribution of Shareholdings

	Holdings	No. of Holders	%
Total Holdings			
Less than 100	200	6	0.166
100 to 1,000	595,700	704	19.528
1,001 to 10,000	8,136,800	1,671	46.353
10,001 to 100,000	30,712,721	901	24.993
100,001 to 6,999,999	100,554,579	323	8.960
7,000,000 and above	0	0	0.000
Total	140,000,000	3,605	100.00

Directors' Interest in your Fund

	Direct		Indirect	
	No.	%	No.	%
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya	3,000,000	2.143	789,000	0.563
Michael Vitus Wong Kuan Lee	-	-	889,000	0.635
David Loo Kean Beng	-	-	-	-
YM Tengku Yunus Kamaruddin	-	-	-	-

Substantial Shareholders

Your Fund does not have any substantial shareholders.

Thirty Largest Shareholders

No	Name	No. of Shares	%
1.	YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya	3,000,000	2.143
2.	Lam Fook Shin	2,500,000	1.785
3.	AnnHow Holdings Sdn. Bhd.	2,000,000	1.428
4.	Beh Heng Seong	1,557,100	1.112
5.	Imej Warisan Sdn. Bhd.	1,397,000	0.997
6.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pamela Ling Yueh	1,300,000	0.928
7.	Chua Hang Kuang	1,270,000	0.907
8.	HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Goh Seng Guan	1,262,700	0.901
9.	Leow Kok Meow & Sons Sendirian Berhad	1,250,000	0.892
10.	Ocuvas Sdn. Bhd.	1,123,000	0.802
11.	Wong Yoon Tet	1,080,000	0.771
12.	Soon Khiat Voon	1,000,000	0.714
13.	Lee Siew Lin	980,000	0.700
14.	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yeoh Ah Tu	829,400	0.592
15.	Capital Dynamics Asset Management Sdn. Bhd.	689,000	0.492
16.	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kevin Lee @ Lee Tien Se	650,000	0.464
17.	Goh Eng Ngai	644,400	0.460
18.	Vohran-Merican Sdn. Bhd.	643,200	0.459
19.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kevin Lee @ Lee Tien Se	600,000	0.428
20.	Soo Sing Fatt	600,000	0.428
21.	Tan Yeow Guan	580,000	0.414
22.	Chang Kwong Lit	545,000	0.389
23.	RHB Nominees (Tempatan) Sdn. Bhd. RHB Investment Management Sdn. Bhd. for Lee Thiam Lai	540,000	0.385
24.	Chin Phoy Hoy	535,000	0.382
25.	Wong Hui Beng	530,000	0.378
26.	Lau Sam Siong	524,000	0.374
27.	Lee Hau Hian	519,200	0.370
28.	Pang Kuan Soh	513,300	0.366
29.	Lee Kek Siong	512,100	0.365
30.	Kian Hoe Plantations Berhad	509,000	0.363

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of **icapital.biz Berhad** will be held at Level 1, Sapphire Room, Mandarin Oriental Kuala Lumpur, Kuala Lumpur City Centre, P.O. Box 10905, 50088 Kuala Lumpur, on Saturday, 8 August 2009 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 May 2009 and the Reports of the Directors and Auditors thereon. Resolution 1
2. To approve the payment of Directors' Fees of RM82,137.00 for the financial year ended 31 May 2009. Resolution 2
3. To re-elect YM Tengku Yunus Kamaruddin who retires pursuant to Article 103 of the Company's Articles of Association. Resolution 3
4. To re-appoint Messrs Horwath as Auditors of the Company and authorise the Directors to fix their remuneration. Resolution 4

As Special Business

5. To consider and if thought fit, pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965:-
 - "THAT YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya who is over the age of seventy years and retiring in accordance with Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company and to hold office until the next Annual General Meeting of the Company." Resolution 5
 - "THAT Michael Vitus Wong Kuan Lee who is over the age of seventy years and retiring in accordance with Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company and to hold office until the next Annual General Meeting of the Company." Resolution 6

To consider and if thought fit, to pass the following resolutions, with or without any modification, as Ordinary Resolution of the Company:-

6. Ordinary Resolution
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT approval be and is hereby given to the Company to renew the shareholders' mandate for recurrent related party transactions of a revenue or trading nature to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature and with specified class of the related party as stated in Section 2.3 of the Circular to Shareholders dated 17 July 2009, which are necessary for its day-to-day operations subject to the following:-
 - (i) the transactions are in the ordinary course of business and are entered into on terms which are not more favourable to the related parties involved than generally available to the public and are not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Shareholders' Mandate"); and
 - (ii) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year.

THAT the Proposed Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Shareholders' Mandate shall only continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company following the Fifth Annual General Meeting at which the Proposed Shareholders' Mandate has been passed, at which time it will lapse, unless by a resolution passed at an Annual General Meeting whereby authority is renewed;
 - (b) the expiration of the period within the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 143(1) of the Companies Act 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act 1965); or
 - (c) revoked or varied by a resolution passed by the shareholders in general meeting;
- whichever is the earlier.

By Order of The Board

Kuan Hui Fang (MIA 16876)
Tham Wai Ying (MAICSA 7016123)

Company Secretaries
Kuala Lumpur
17 July 2009

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his place. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply.
2. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies), the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
4. The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the Meeting or any adjournment thereof.

Explanatory Notes on Special Business

5. **Resolution 5:-**
The re-appointment of YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya, a person over the age of 70 years as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company shall take effect if the proposed Resolution 5 is passed by a majority of not less than three-fourths ($\frac{3}{4}$) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution has been duly given.
6. **Resolution 6:-**
The re-appointment of Mr Michael Vitus Wong Kuan Lee, a person over the age of 70 years as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company shall take effect if the proposed Resolution 6 is passed by a majority of not less than three-fourths ($\frac{3}{4}$) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution has been duly given.
7. **Resolution 7:-**
The proposed Resolution 7, if passed, will enable the Company to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are set out in Section 2.3 of the Circular to Shareholders of the Company dated 17 July 2009. This authority, unless revoked or varied by the Company in a General Meeting, will expire at the next Annual General Meeting of the Company.
8. **Presentation of Investment Portfolio of the company**
In order to keep the share owners abreast of the investments of the Company for the year ended 31 May 2009, the Board is pleased to invite the share owners of the Company to attend the Presentation on the Company's Investment Portfolio by Tan Teng Boo, the Designated Person of the Fund Manager, i.e. Capital Dynamics Asset Management Sdn. Bhd., immediately after the conclusion of the Fifth Annual General Meeting.

Statement Accompanying the Notice of Annual General Meeting

Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad

1. NAMES OF DIRECTORS WHO ARE STANDING FOR RE-ELECTION / RE-APPOINTMENT

- (a) Director retiring pursuant to Article 103 of the Company's Articles of Association
 - YM Tengku Yunus Kamaruddin
- (b) Directors who are over the age of seventy (70) and seeking re-appointment
 - YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya; and
 - Michael Vitus Wong Kuan Lee

The details of the Directors who are standing for re-election / re-appointment are set out in the Directors' Profile on page 12 of this Annual Report. Their securities holdings in the Company are set out in the Analysis of Shareholdings on page 30 of this Annual Report.

Notes

Notes

Proxy Form

icapital.biz Berhad (674900-X)
(Incorporated in Malaysia)

CDS Account No.

PROXY FORM

No. of shares held

I/We _____ Tel: _____
of _____
[Full name in block, NRIC No./Company No. and telephone number]

being a member/members of **icapital.biz Berhad**, hereby appoint:-

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or (delete as appropriate)

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Fifth Annual General Meeting of the Company to be held at Level 1, Sapphire Room, Mandarin Oriental Kuala Lumpur, Kuala Lumpur City Centre, P.O. Box 10905, 50088 Kuala Lumpur, on Saturday, 8 August 2009 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:-

NO.	RESOLUTION	FOR	AGAINST
1	Audited Financial Statements		
2	Payment of Directors' Fees		
3	Re-election of YM Tengku Yunus Kamaruddin as Director		
4	Re-appointment of Messrs Horwath as Auditors		
5	Re-appointment of YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya as Director		
6	Re-appointment of Michael Vitus Wong Kuan Lee as Director		
7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____, 2009

Signature of Shareholder/Common Seal

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his place. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply.
2. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies), the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
4. The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the Meeting or any adjournment thereof.

Fold this flap for sealing

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**AFFIX
STAMP**

The Company Secretary
icapital.biz Berhad
Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan

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Corporate Information

Board of Directors

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya
(Chairman / Non-Independent Non-Executive Director)
Michael Vitus Wong Kuan Lee
(Non-Independent Non-Executive Director)
David Loo Kean Beng
(Independent Non-Executive Director)
YM Tengku Yunus Kamaruddin
(Independent Non-Executive Director)

Audit Committee

Chairman: YM Tengku Yunus Kamaruddin

Members:

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya
David Loo Kean Beng

Nomination Committee

Chairman: David Loo Kean Beng

Members:

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya
YM Tengku Yunus Kamaruddin

Stock Exchange Listing

Main Board of Bursa Securities: Date of listing: 19 October 2005

Stock Name: ICAP

Stock Code: 5108

Your Fund does not have any American Depository Receipt nor Global Depository Receipt programme in place.

Fund Manager

Capital Dynamics Asset Management Sdn. Bhd.
16.01B, 16th Floor, Plaza First Nationwide
161, Jalan Tun H.S. Lee, 50000 Kuala Lumpur
Designated Person : Tan Teng Boo
Tel No. : (603) 2070 2106 - 8
Fax No.: (603) 2070 6653
Email : cdam@cdam.biz
Website : www.cdam.biz

Investment Adviser

Capital Dynamics Sdn. Bhd.
16.01A, 16th Floor, Plaza First Nationwide
161, Jalan Tun H.S. Lee
50000 Kuala Lumpur
Tel No. : (603) 2070 2104/5 2070 1654/75
Fax No.: (603) 2070 2103
Email : cdsb@icapital.biz
Website : www.icapital.biz

Administrator

PFA Malaysia Sdn. Bhd.
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

Custodian

Deutsche Bank (Malaysia) Berhad
Level 18 Menara IMC
No. 8 Jalan Sultan Ismail
50250 Kuala Lumpur

Registered Office

Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No.: (603) 2264 8888
Fax No.: (603) 2282 2733
enquiry@my.tricorglobal.com

Registrar

PFA Registration Services Sdn. Bhd.
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No. : (603) 2264 3883
Fax No.: (603) 2282 1886

Secretaries

Kuan Hui Fang (MIA 16876)
Tham Wai Ying (MAICSA 7016123)

Auditors

Horwath (AF1018), Level 16, Tower C
Megan Avenue II, 12 Jalan Yap Kwan Seng
50450 Kuala Lumpur

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