

icapital.biz Berhad (674900 X)

2010 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 Market of Bursa Malaysia Securities Berhad (Bursa Securities) and the ACE 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 info@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 2010, your Fund recorded revenue of RM42.224 million, a rise of RM30.81 million or 270% when compared to the period ended 31 May 2009. Your Fund recorded a pretax profit of RM37.644 million for the period ended 31 May 2010, compared to a pretax profit of RM7.489 million for the last financial year. The increase in pretax profit is due to higher profit levels from the sale of securities. Hence, compared to an after tax profit of RM6.269 million in the last financial year, your Fund recorded an after tax profit of RM36.250 million for the current financial year.

In appraising the performance of your Fund, its net asset value (NAV) is the key variable on which to focus. The NAV of your Fund rose from RM1.77 per share on 31 May 2009 to RM2.10 per share by 31 May 2010, a gain of 19%. The KL Composite Index increased 23% in the same period.

This time last year, the world economy was contracting at an alarming rate. Consumers, businessmen and investors were concerned and confused at the turn of events. At that moment in time, few people would have anticipated the scale and speed of the recovery rally which started in March 2009 in the stock markets around the world. It is now accepted that the collapse of Lehman Brothers in September 2008 was responsible for the sudden severe decline in the global economy. Even the US Federal Reserve is now referring to it as the Panic of 2008 ⁽¹⁾.

In understanding the 2008-09 crisis, it is important to identify the cause and effect relationship and to their credit, the Fund Manager and Investment Adviser of your Fund, both identified the "Lehman Panic" as the cause of the crisis. This accurate analysis benefits your Fund and enhances the standing of value investing.

Value investing is a proven and superior investment approach. Essentially it compares the market prices and underlying value of companies. The major advantage of value investing is that it provides a margin of safety and in doing so, it incorporates risk management very early on in the investing process. While others are fearful during bear markets, value investing allows an investor to maintain a sound and rational frame of mind and perspective during such difficult times.

Since the last Annual Report, as forecast by your Fund's Investment Adviser, the global markets and economies have staged a V-shaped recovery. Towards the end of 2009 however, the global rally stalled and new major economic problems emerged. Even as the global recession receded, the debt and fiscal worries appeared over the PIGS situation (Portugal, Ireland, Greece and Spain). Tension was rising between the US and China over the Renminbi currency peg. At the same time, fears were aroused over China's property market and overheating economy.

Value investing allowed the investor to invest with limited downside whilst the global financial markets were turbulent and world economies were scrambling for a solution to their problems. Your fund, based on the value investing philosophy of Capital Dynamics was able to go through the turmoil in its stride, allowing our share owners to sleep comfortably.

Towards the end of March 2010, your Fund sold some stocks and raised its cash level. This is explained in detail in the review by the Designated Person in page 2 - 3 of this Annual Report.

Once again, I wish to remind share owners 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. In short, the balance of your Fund is transparent, and contains no off-balance sheet liabilities. 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 would like to express our sincere appreciation to Mr Michael Vitus Wong Kuan Lee for his service rendered since the inception of your Fund. We wish him long life and contentment in his retirement.

YM Tunku Tan Sri Dato' Seri Ahmad Bin
Tunku Yahaya
Chairman
16 June 2010

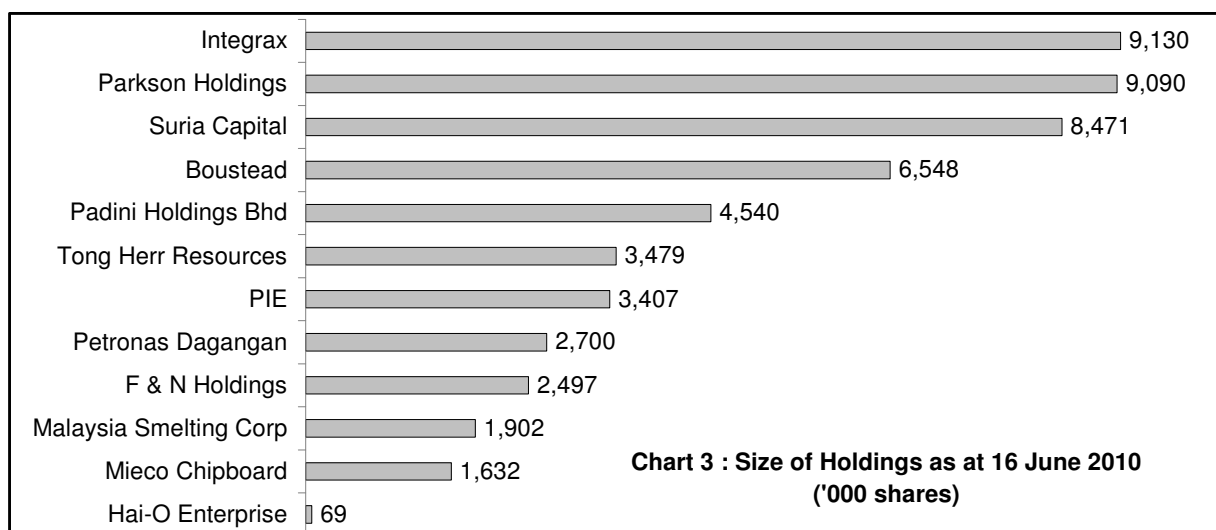
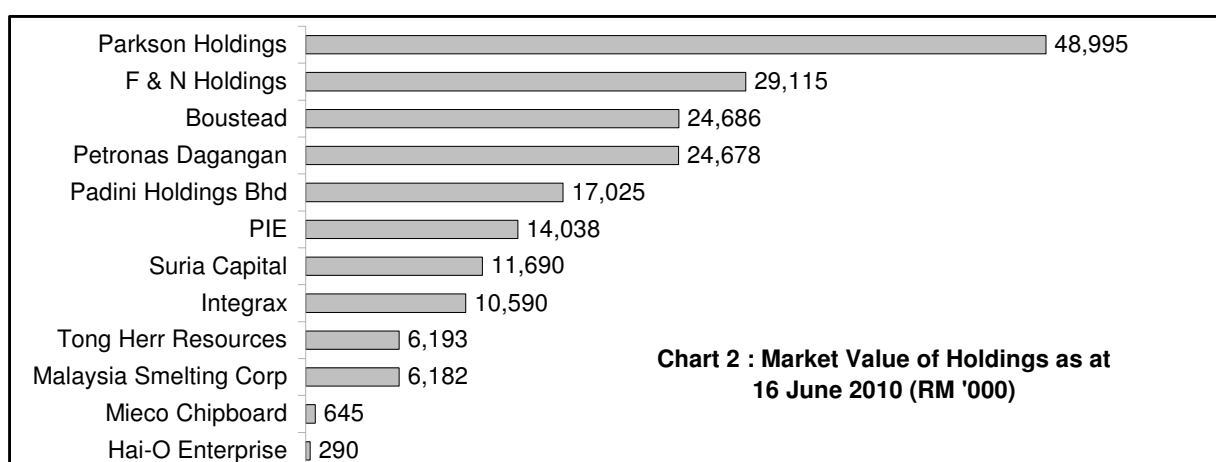
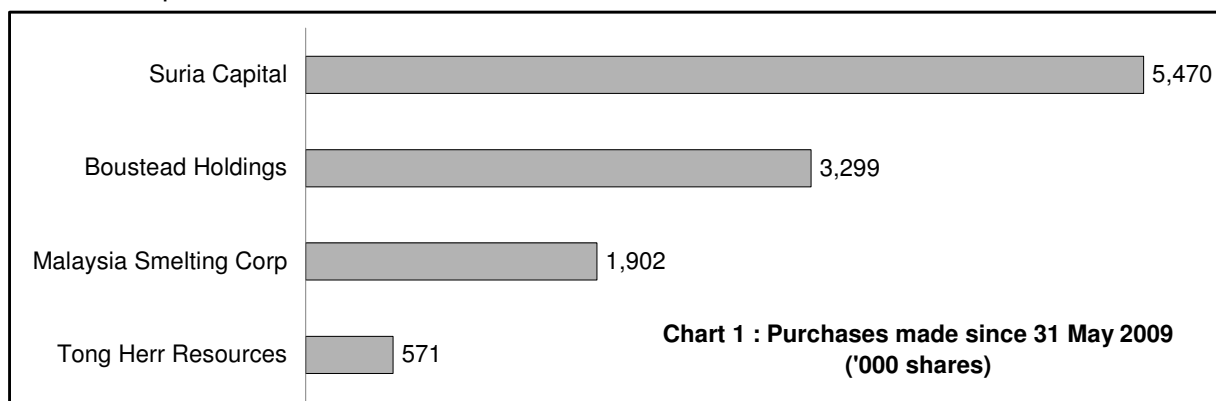
(1) Bullard, J. "Three Lessons for Monetary Policy from the Panic of 2008" Federal Reserve Bank of St. Louis Review Vol 92 No 3

(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 2009 and the current portfolio, in terms of quantities held and their respective market values, are shown in charts 1, 2 and 3 below.



(ii) Investments sold

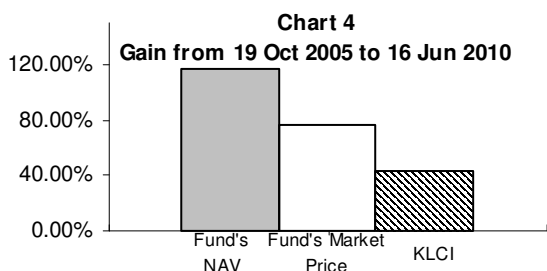
For the financial year ended 31 May 2010, your Fund sold its entire holdings in Astro All Asia Network plc, Kuala Lumpur Kepong Berhad, Lion Diversified Holdings Berhad, Poh Kong Holdings Berhad, Swee Joo Berhad and Telekom Malaysia Berhad. In addition, it substantially sold its holdings of Hai-O Enterprise Berhad. These sales generated realised gains of RM32.724 million with a cost of RM53.772 million.

Your fund sold all its Astro All Asia shares as the upside was limited. For the rest of the disposal, your Fund sold all of them before 15 April 2010 as it wanted to raise its cash holdings. It was extremely worried over a full-scale currency and trade war breaking out between the US and China. Such an outbreak would be extremely harmful to the global economy.

As at 31 May 2010, your Fund invested RM128.727 million with a market value of RM188.263 million, giving unrealised gains of RM59.536 million. Of the Fund's investments as at 31 May 2010, Parkson, Petronas Dagangan, Fraser & Neave and Padini have substantial unrealised gains.

(iii) Investments made

In the year ending 31 May 2010, your Fund made a number of purchases. A new investment was Malaysia Smelting Corporation Berhad. Your Fund also made additional investments in Boustead Holdings Berhad, Suria Capital Holdings Berhad and Tong Herr Resources Berhad.



(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 RM2.10 by 31 May 2010. This represents a gain of 112.12%. Since its listing on 19 October 2005, the market price of your Fund has risen from RM1.01 to RM1.74 by 31 May 2010. This represents a gain of 72.28%. In the same period, KLCI has risen by only 40.57%.

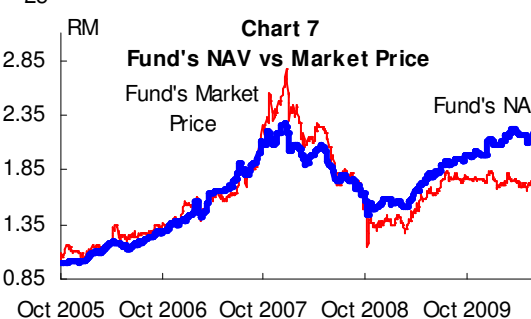
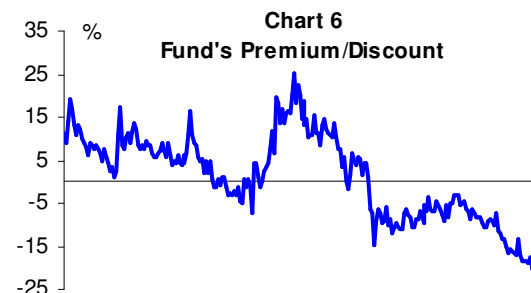
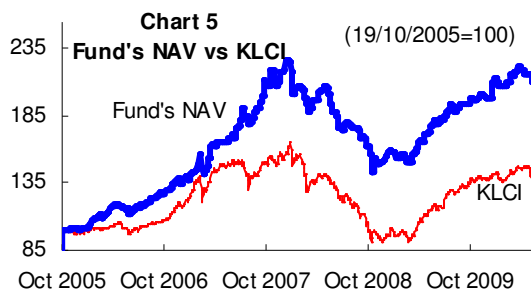
From 1 June 2009 to 31 May 2010, the NAV per share of your Fund has risen from RM1.77 to RM2.10 by 31 May 2010. This represents a gain of 18.64%. Since 1 June 2009, the market price of your Fund has risen from RM1.63 to RM1.74 by 31 May 2010 or a gain of 6.75%. In the same period, KLCI has risen by 23.07%.

The statistics showing the performance of your Fund in 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 September 2008, the global economy and financial markets have been hit by an endless list of problems, caused by many events including the now famous Lehman Panic, the Icelandic volcano eruption, too much debt in Europe, the continued China bashing and Malaysia's political developments and the list goes on. Since our last review last year, global equity markets have surged and the world economy is recovering across many fronts. While there are still without doubt many lingering worries, at the end of it all, one wonders whether such events, many of them unprecedented, should have an impact on one's investment. Given the right investment strategy, the answer would be no. Why? When investing, the market will always move up and down. Managing such a fickle minded beast is simple if we remember what we are doing. It is vital that we do not deviate from our "Intelligently Eclectic" value investing style.



Tan Teng Boo
 Designated Person
 Capital Dynamics Asset Management Sdn Bhd
 16 June 2010

(a) Siapakah kami

icapital.biz Bhd (Dana anda) merupakan sebuah dana tertutup yang melabur di dalam syarikat-syarikat yang tersenarai di Pasaran Utama dan Pasaran ACE 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 penyenaaraiannya pada 19 Oktober 2005, matlamat utama adalah untuk menggandakan 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 info@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 cdsb@icapital.biz

Tinjauan Prestasi icapital.biz Berhad

(a) Surat kepada Pemilik Saham

Bagi tahun berakhir 31 Mei 2010, Dana anda telah merekodkan perolehan sebanyak RM42.224 juta, kenaikan sebanyak RM30.81 juta atau 270% berbanding 31 Mei 2009. Dana anda telah merekodkan keuntungan sebelum cukai sebanyak RM37.644 juta bagi tempoh berakhir 31 Mei 2010, berbanding keuntungan sebelum cukai sebanyak RM7.489 juta pada tahun kewangan lepas. Kenaikan bagi keuntungan sebelum cukai disebabkan oleh peningkatan keuntungan daripada penjualan sekuriti. Dengan itu, berbanding keuntungan selepas cukai sebanyak RM6.269 juta pada tahun kewangan lepas, Dana anda merekodkan keuntungan selepas cukai sebanyak RM36.250 juta bagi tahun kewangan semasa.

Dalam menilai prestasi Dana anda, elemen utama yang perlu diberi fokus adalah nilai aset bersih (NAB). NAB Dana anda meningkat dari RM1.77 sesaham pada 31 Mei 2009 kepada RM2.10 sesaham pada 31 Mei 2010, keuntungan sebanyak 19%. Indeks Komposit KL pula meningkat sebanyak 23% dalam tempoh yang sama.

Pada masa yang sama tahun lepas, ekonomi dunia berada pada tahap yang membimbangkan. Para pengguna, peniaga dan pelabur bimbang dan bingung terhadap keadaan itu. Pada saat itu, sebilangan orang menjangkakan skala dan kelajuan rali pemulihan di dalam pasaran saham seluruh dunia bermula pada Mac 2009. Sekarang barulah diterima bahawa kejatuhan Lehman Brothers pada September 2008 adalah penyebab utama terhadap kejatuhan ekonomi global secara mendadak. Bahkan, Simpanan Persekutuan AS juga merujuknya sebagai Kepanikan 2008⁽¹⁾.

Dalam memahami krisis 2008-09, adalah penting untuk mengenalpasti hubungan antara sebab dan kesan serta kredit mereka, yang mana Pengurus Dana dan Penasihat Pelaburan Dana anda, kedua-duanya mengenalpasti bahawa "Kepanikan Lehman" adalah penyebab kepada krisis itu. Analisis yang tepat ini memberi manfaat kepada Dana anda dan meningkatkan nilai pelaburan.

Pelaburan berasaskan nilai adalah pendekatan pelaburan yang telah terbukti dan unggul. Pada dasarnya ia membandingkan harga pasaran dan nilai dasar sesebuah syarikat. Kelebihan utama bagi pelaburan berasaskan nilai adalah ia mempunyai margin keselamatan dan dengan berbuat demikian, ia dapat menggabungkan risiko pengurusan di awal proses pelaburan. Sementara yang lain takut ketika pasaran menurun, pelaburan berasaskan nilai membenarkan pelabur untuk mengekalkan rangka pemikiran yang sihat dan rasional serta perspektif sepanjang masa yang sukar.

Sejak Laporan Tahunan yang lepas, seperti yang diramalkan oleh Penasihat Pelaburan Dana anda, pasaran global dan ekonomi telah mengadakan pemulihan berbentuk V. Namun, menjelang akhir tahun 2009, rali global terhenti dan muncul pula masalah-masalah ekonomi utama yang baru. Walaupun kemelesetan global telah beransur pulih, kebimbangan hutang dan fiskal telah muncul melalui situasi PIGS (Portugal, Ireland, Greece dan Spain). Ketegangan telah meningkat antara AS dan China melalui pasak matawang Renminbi. Pada masa yang sama, ketakutan telah ditimbulkan oleh pasaran hartanah di China dan ekonomi yang melampau.

Pelaburan berasaskan nilai membenarkan pelabur untuk melabur dengan kelemahan yang terhad sementara pasaran kewangan global bergolak dan ekonomi dunia berlumba untuk menyelesaikan masalah mereka. Dana anda, berdasarkan kepada falsafah pelaburan berasaskan nilai Capital Dynamics mampu menembusi huru-hara ini dengan langkahnya sendiri, membolehkan pemilik saham kami untuk tidur dengan selesa.

Menjelang akhir Mac 2010, Dana anda telah menjual sebahagian sahamnya dan meningkatkan tahap tunainya. Hal ini dijelaskan secara terperinci di dalam ulasan oleh Pegawai Lantikan Khas dalam muka surat 6 – 7 di dalam Laporan Tahunan ini.

Sekali lagi, saya ingin mengingatkan pemilik saham bahawa Dana anda sengaja dirangka supaya ianya tidak boleh meminjam melainkan mendapat kelulusan sebulat suara daripada pemilik sahamnya dan ianya juga tidak melabur dalam derivatif atau terlibat dalam jualan singkat. Secara ringkas, baki Dana anda adalah telus dan tidak mengandungi liabiliti yang tidak seimbang. Dana anda adalah pelabur berasaskan nilai dan berharap pemiliknya juga demikian. Kesimpulannya, bagi pihak Lembaga Pengarah, saya sekali lagi mengalu-alukan hubungan yang berterusan dan menguntungkan.

Bagi pihak Dana anda, saya ingin menyampaikan setulus penghargaan kepada Encik Michael Vitus Wong Kuan Lee di atas khidmat yang telah diberikan sejak penubuhan Dana anda. Kami mendoakan beliau panjang umur dan berpuas hati dalam persaraan beliau.

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya
Pengerusi
16 Jun 2010

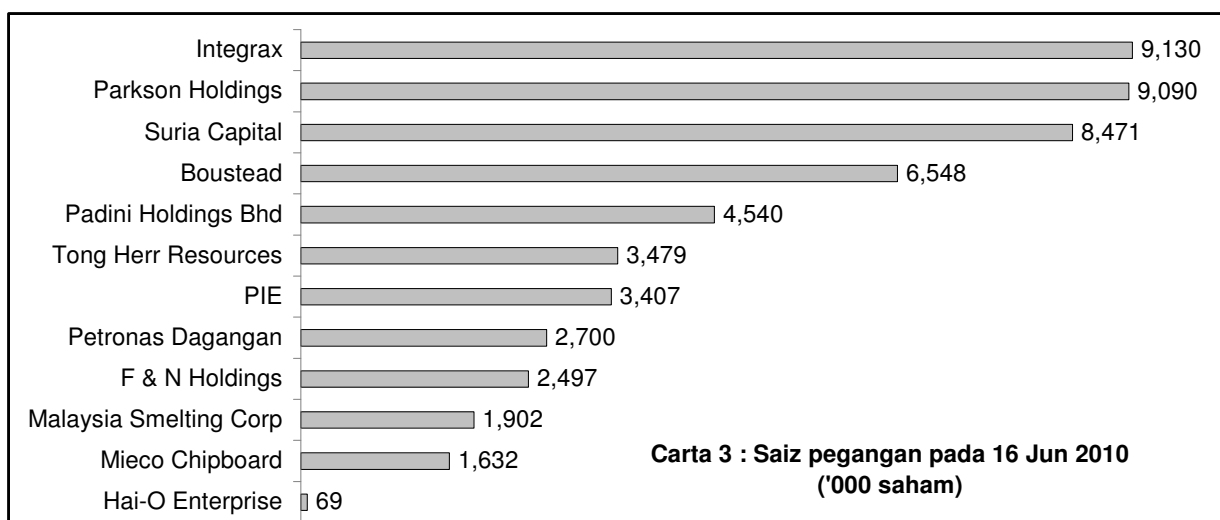
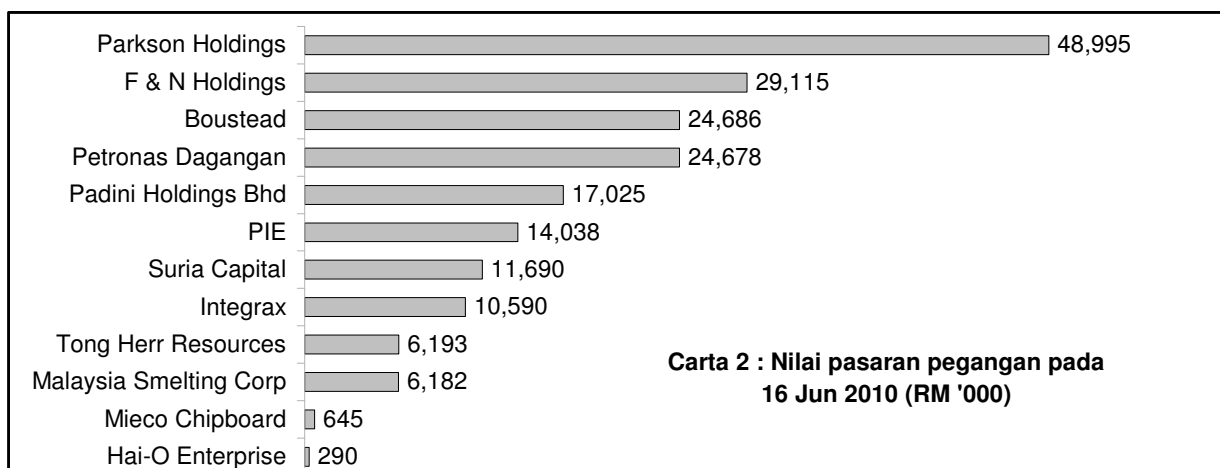
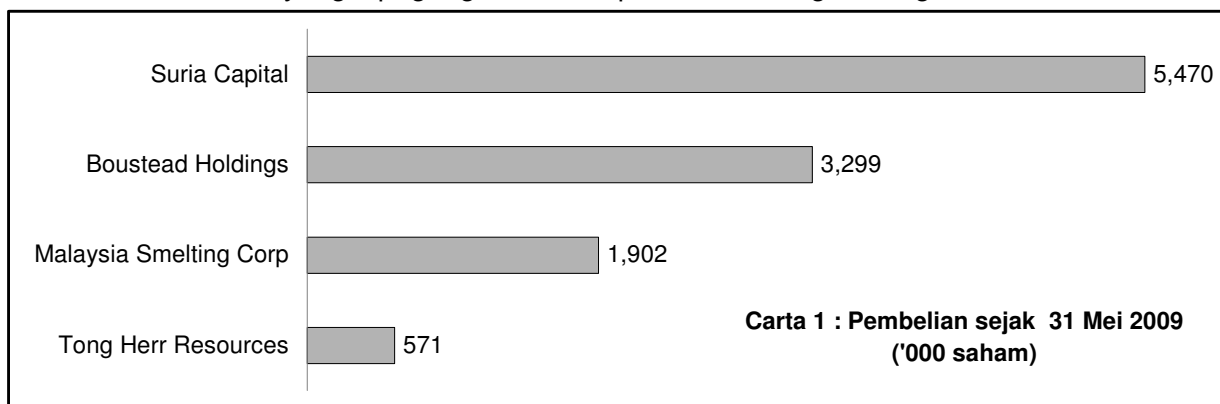
(1) Bullard, J. "Three Lessons for Monetary Policy from the Panic of 2008" Federal Reserve Bank of St. Louis Review Vol 92 No 3

(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 2009 dan portfolio semasa, dalam bentuk kuantiti yang dipegang serta nilai pasaran masing-masing.



(ii) Pelaburan yang telah dijual

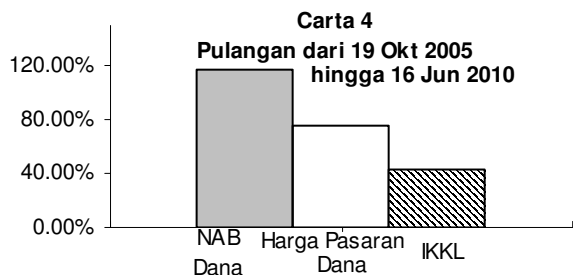
Bagi tahun kewangan berakhir 31 Mei 2010, Dana anda telah menjual seluruh pegangannya dalam Astro All Asia Network plc, Kuala Lumpur Kepong Berhad, Lion Diversified Holdings Berhad, Poh Kong Holdings Berhad, Swee Joo Berhad dan Telekom Malaysia Berhad. Selain itu, ia juga menjual sebahagian besar pegangannya dalam Hai-O Enterprise Berhad. Penjualan ini menghasilkan keuntungan yang direalisasi sebanyak RM32.724 juta dengan kos sebanyak RM53.772 juta.

Dana anda telah menjual semua saham Astro All Asia kerana perubahannya adalah terhad. Bagi penjualan saham-saham yang lain, Dana anda telah menjualnya sebelum 15 April 2010 bagi meningkatkan pegangan tunai. Ia sangat membimbangkan disebabkan oleh skala penuh matawang dan perang dagang yang berlaku antara AS dan China. Keadaan ini sangat berbahaya kepada ekonomi global.

Pada 31 Mei 2010, Dana anda telah melabur sejumlah RM128.727 juta dengan nilai pasaran sebanyak RM188.263 juta, memberikan keuntungan yang belum direalisasi sebanyak RM59.536 juta. Di antara pelaburan Dana anda pada 31 Mei 2010, Parkson, Petronas Dagangan, Fraser & Neave dan Padini mempunyai keuntungan yang belum direalisasi terbesar.

(iii) Pelaburan yang telah dibuat

Pada tahun berakhir 31 Mei 2010, Dana anda telah membuat beberapa pembelian. Pelaburan baru adalah Malaysia Smelting Corporation Berhad. Dana anda juga telah menambah pelaburannya dalam Boustead Holdings Berhad, Suria Capital Holdings Berhad dan Tong Herr Resources Berhad.



(iv) NAB dan harga pasaran

Sejak disenaraikan pada 19 Oktober 2005, NAB sesaham Dana anda telah meningkat dari RM0.99 kepada RM2.10 pada 31 Mei 2010. Ini merupakan keuntungan sebanyak 112.12%. Sejak penyenaiaannya pada 19 Oktober 2005, harga pasaran Dana anda telah meningkat dari RM1.01 kepada RM1.74 pada 31 Mei 2010. Ini merupakan keuntungan sebanyak 72.28%. Dalam tempoh yang sama, Indeks Komposit KL (IKKL) hanya meningkat sebanyak 40.57%.

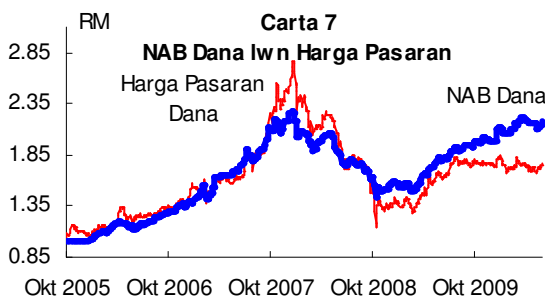
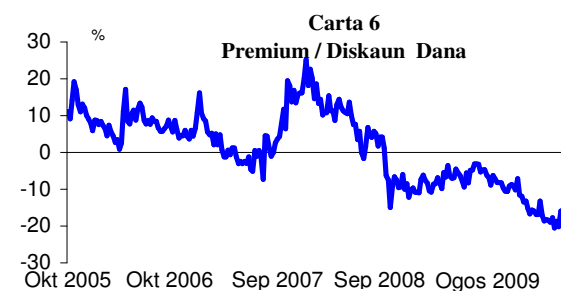
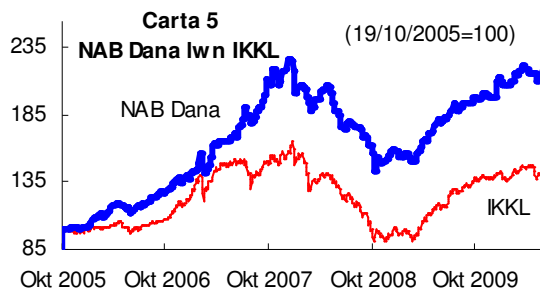
Dari 1 Jun 2009 sehingga 31 Mei 2010, NAB sesaham Dana anda telah meningkat dari RM1.77 kepada RM2.10 pada 31 Mei 2010. Ini merupakan keuntungan sebanyak 18.64%. Sejak 1 Jun 2009, harga pasaran Dana anda telah meningkat dari RM1.63 kepada RM1.74 menjelang 31 Mei 2010 atau keuntungan sebanyak 6.75%. Dalam tempoh yang sama, IKKL telah meningkat sebanyak 23.07%.

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 September 2008, ekonomi global dan pasaran kewangan telah ditimpa dengan pelbagai masalah yang tiada penghujungnya disebabkan oleh pelbagai sebab. Meliputi dari Lehman Panic yang sangat dikenali sekarang ini sehingga ke letusan gunung berapi Iceland, ditambah dengan krisis hutang di negara Eropah, dan pertumbuhan yang lebih lembap di China, serta perkembangan-perkembangan politik di Malaysia, menyebabkan masalah ini masih berterusan. Sejak ulasan kami pada tahun lepas, pasaran ekuiti global telah melonjak dan pemulihan ekonomi dunia bergerak ke hadapan merentasi segalanya. Sementara masih tiada keraguan membimbangkan yang berpanjangan, di penghujung semua ini, tidak hairanlah jika ada orang berpendapat perkara sebegini, kebanyakannya belum pernah berlaku sebelum ini, akan memberikan kesan terhadap pelaburan seseorang. Dengan adanya strategi pelaburan yang betul, kesannya tidak akan ada. Kenapa? Apabila melabur, pasaran selalunya naik dan turun. Menguruskan orang yang mempunyai pemikiran yang berubah-ubah adalah mudah jika mereka ingat apa yang kami lakukan. Ini adalah amat penting supaya kami tidak menyimpang dari gaya pelaburan berasaskan nilai kami iaitu "eklektik pintar."



Tan Teng Boo
Pegawai Lantikan Khas
Capital Dynamics Asset Management Sdn Bhd
16 Jun 2010

(a) 我们是谁

资本投资有限公司(您的基金)是马来西亚创业板上市的公司。我们专注于为投资者提供投资于非上市公司的机会。我们的基金投资于马来西亚的上市公司。我们的基金投资于非上市的公司。我们的基金投资于非上市的公司。

您的基金拥有 RM1 亿 4 千万的资产。我们的基金拥有 RM1 亿 4 千万的资产。我们的基金拥有 RM1 亿 4 千万的资产。我们的基金拥有 RM1 亿 4 千万的资产。

您的基金的目标一直都是在 2005 年 10 月 19 日上市。我们的基金的目标一直都是在 2005 年 10 月 19 日上市。我们的基金的目标一直都是在 2005 年 10 月 19 日上市。

除非获得股东的同意，否则您的基金不能借贷。

(b) 我们存在的理由

资本投资有限公司的存在理由：我们提供卓越的投资服务。我们的基金投资于非上市的公司。我们的基金投资于非上市的公司。我们的基金投资于非上市的公司。

(c) 谁管理您的基金

资本投资有限公司是依据 1965 年的公司法而成立。我们的基金由董事局所代表。我们的基金由董事局所代表。我们的基金由董事局所代表。

您的基金由专业的基金经理管理。我们的基金由专业的基金经理管理。我们的基金由专业的基金经理管理。我们的基金由专业的基金经理管理。

您的基金由专业的基金经理管理。我们的基金由专业的基金经理管理。我们的基金由专业的基金经理管理。我们的基金由专业的基金经理管理。

您的基金由专业的基金经理管理。我们的基金由专业的基金经理管理。我们的基金由专业的基金经理管理。我们的基金由专业的基金经理管理。

信托基金与关闭式基金有天渊之别。欲知这方面详情，请浏览 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 info@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 2010 年 5 月 31 日为止，您的基金报上了 RM4 千 222 万 4 千的收益。与 2009 年 5 月 31 日相比，增长了 270% 或 RM3 千零 81 万。与上个财政年度的 RM748 万 9 千税前盈利相比，您的基金截至 2010 年 5 月 31 日是 RM3 千 764 万 4 千。这上涨是鉴于出售证券所获得的较高利润率。因此，您的基金从上个财政年度的 RM626 万 9 千税后盈利，在本财政年度报上 RM3 千 625 万。

在评估您的基金业绩时，资产净值是需要关注的主要变量。您的基金资产净值从 2009 年 5 月 31 日的每股 RM1.77 增长 19% 至 2010 年 5 月 31 日的每股 RM2.10。同期的隆综合指数增长了 23%。

去年的这个时侯，世界正以惊人的速度萎缩着。消费者、商人们以及投资者都感到困惑。当注于并感到世界开始如雷曼兄弟于 2008 年 9 月份的倒闭被公认为 2008 年的全球经济严重衰退也称之为 2008 年的恐慌 (1)。

了解 2008 至 2009 年的危机，雷曼的崩溃是重要因素。您的基金在 2008 年 9 月 15 日，即雷曼兄弟倒闭后，迅速于 2009 年 3 月 9 日，即雷曼兄弟破产保护后，恢复了其投资地位。您的基金在 2009 年 5 月 31 日，即雷曼兄弟破产保护后，恢复了其投资地位。您的基金在 2009 年 5 月 31 日，即雷曼兄弟破产保护后，恢复了其投资地位。

价值投资是一种经证实及卓越的投资方式。本质上，它是将公司的价值与市场价格相比较，以寻找被低估的股票。这种策略要求投资者在投资前，对股票的基本面进行深入的研究，并评估其长期增长潜力。这种策略强调安全边际，即在投资时，买入价格应低于股票内在价值，以提供一定的缓冲空间。这种策略要求投资者具备良好的耐心和纪律，能够在市场波动时保持冷静，并坚持长期投资计划。

自去年的投资顾问所呈现的 V 型复苏，正如其名，全球市场在 2009 年年初时，全球经济出现新的衰退，已令全球市场陷入困境。葡萄牙、爱尔兰、希腊及西班牙的债务问题，以及欧元区国家所面临的困境，使得全球市场陷入困境。此外，美国房地产市场也出现了问题，这进一步加剧了全球市场的困境。在这种情况下，投资者需要寻找新的投资机会，并评估其长期增长潜力。

正当全球金融市场动荡及世界寻找经济复苏的契机时，我们的基金正以稳健的步伐，在动荡的市场中，寻找投资机会。我们的基金在 2009 年 5 月 31 日，即雷曼兄弟破产保护后，恢复了其投资地位。我们的基金在 2009 年 5 月 31 日，即雷曼兄弟破产保护后，恢复了其投资地位。

在接近 2010 年 3 月 31 日，您的基金净值增长了一些，这主要得益于我们在 2009 年 5 月 31 日，即雷曼兄弟破产保护后，恢复了其投资地位。您的基金在 2009 年 5 月 31 日，即雷曼兄弟破产保护后，恢复了其投资地位。

再金是，我欲提醒，股除非，您基的基股行是，其进和余是，是位一也事局。我欲提醒，股除非，您基的基股行是，其进和余是，是位一也事局。我欲提醒，股除非，您基的基股行是，其进和余是，是位一也事局。

我谨代表您的基金向 Michael Vitus Wong Kuan Lee 先生为他的基金服务至今而致以真诚的谢意。我们祝愿他寿比南山及退休愉快。

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya
董事局主席
2010 年 6 月 16 日

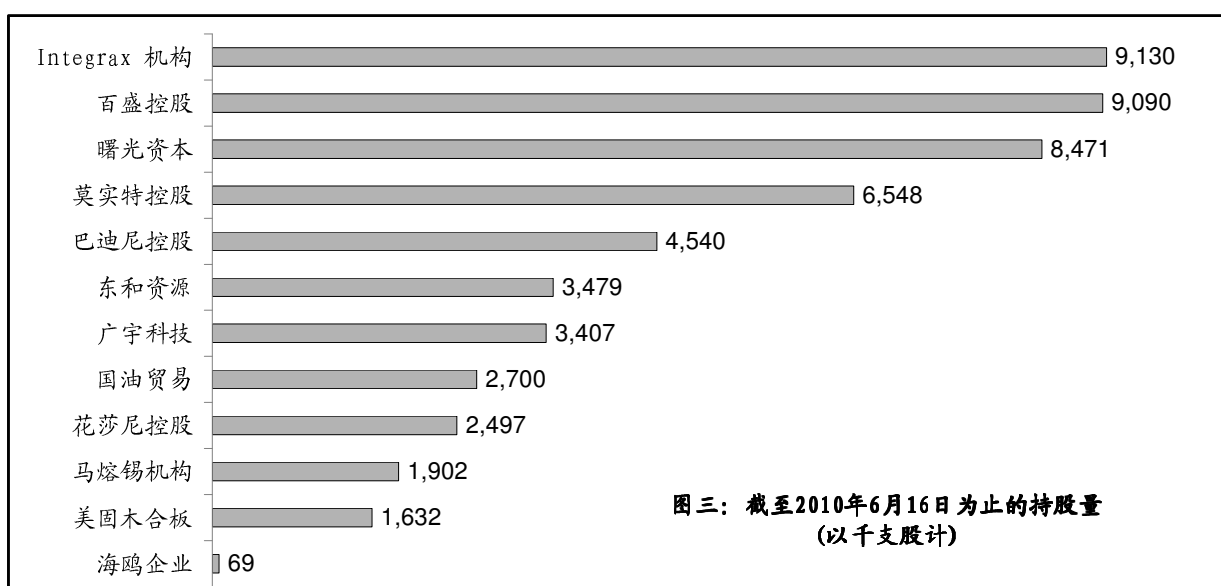
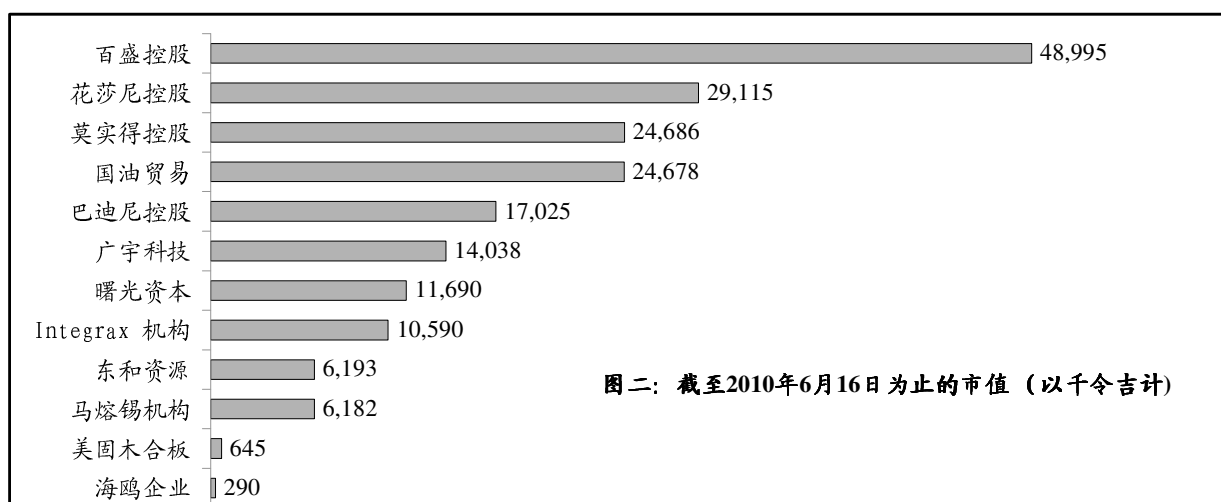
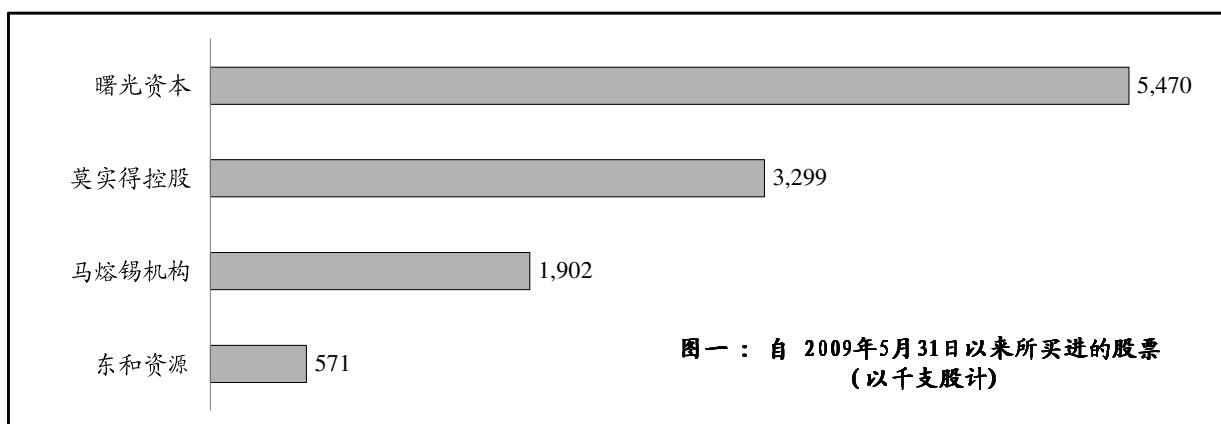
(1) Bullard, J. "Three Lessons for Monetary Policy from the Panic of 2008" Federal Reserve Bank of St. Louis Review Vol 92 No 3

(b) 我们如何善用您的基金

“当您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 2009 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

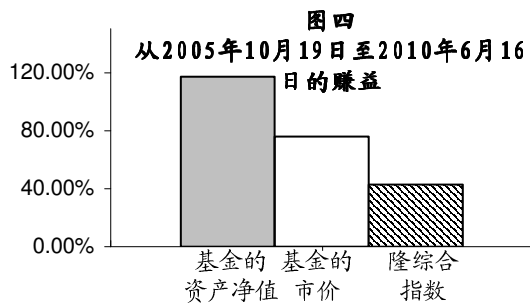
截至 2010 年 5 月 31 日为止的财政年度，您的基金售出了在 Astro 公司、吉隆坡甲洞、金狮多元控股、宝光控股、瑞裕及马电讯的所有持有股。另外，其也售出在海鸥企业的大部分持有股。这出售带来了 RM3 千 272 万 4 千的收益，投资成本则为 RM5 千 377 万 2 千。

您的基金出售了其在 Astro 公司的股票。至 2010 年 4 月 15 日之前，您的基金于 2010 年 4 月 15 日之前将它们出售是因为其现金水平。其对于中、美贸易的打击。

截至 2010 年 5 月 31 日为止，您的基金共作出了 RM1 亿 2 千 872 万 7 千的投资，而市值为 RM1 亿 8 千 826 万 3 千，意味着 RM5 千 953 万 6 千的未套现盈利。截至 2010 年 5 月 31 日为止，您的基金未套现盈利的主要部分来自百盛控股、国油控股、花莎尼控股以及巴迪尼控股的投资。

(iii) 所作出的投资

您的基金在截至 2010 年 5 月 31 日为止的财政年度里作出了一些新的投资。新投资增加了其在莫实得控股、曙光资本及东和资源的投资。



(iv) 资产净值与市价

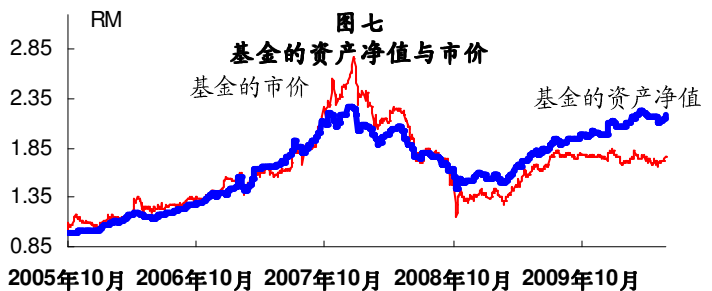
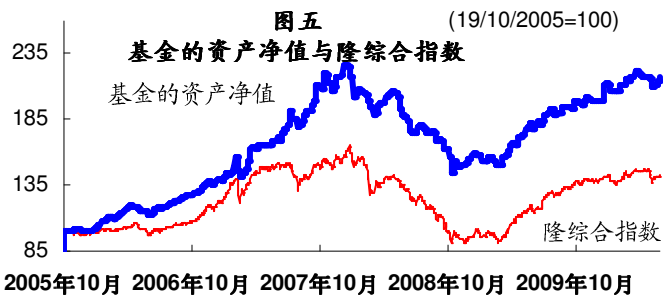
2005 年 10 月 19 日上市以来至 2010 年 5 月 31 日为止，您基金的每股资产净值已从 RM0.99 上涨至 RM2.10。这代表着 112.12% 的增长。另外，自其于 2005 年 10 月 19 日上市以来至 2010 年 5 月 31 日为止，您基金的市价已从 RM1.01 上扬至 RM1.74。这代表着 72.28% 的上扬。隆综合指数在同期里仅报上了 40.57% 的增长。

您的基金于 2010 年 5 月 31 日的每股资产净值从 2009 年 6 月 1 日的 RM1.77 上扬至 RM2.10。这代表着 18.64% 的盈利。您的基金的市价则从 2009 年 6 月 1 日的 RM1.63 上扬至 2010 年 5 月 31 日的 RM1.74，或相等于 6.75% 的上升。隆综合指数在同期里上扬了 23.07%。

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溢价/折价及市价。

(v) 我们的见解

自 2008 年 9 月份以来，全球经济和金融市场被一系列由不同原因所致的问题所困扰。包括雷曼的破产、欧洲债务危机、冰岛等国的问题、以及全球大宗商品价格的波动。这些因素导致了全球经济的衰退，并引发了全球性的金融危机。在这样的背景下，投资者需要重新评估其投资组合，并寻找具有长期增长潜力的投资机会。我们建议投资者保持谨慎乐观的态度，并关注具有良好基本面和成长潜力的股票和债券。



陈鼎武
指定基金经理
资威资产管理私人有限公司
2010 年 6 月 16 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, 81 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, 72 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 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, 47 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 Legal Adviser prior to

leaving in 1997. David Loo Kean Beng is a partner of Messrs Wong-Cheng Kiat -Loh. He also sits on the board of Boustead REIT Managers Sdn. Bhd., the manager of Al-Hadharah Boustead REIT.

Datuk Ng Peng Hong @ Ng Peng Hay

Independent Non-Executive Director, 58 years of age – Malaysian

Datuk Ng Peng Hong was appointed to your Board of Directors on 26 April 2010. He was the State Assemblyman for Tengkeru Constituency of Barisan Nasional between 1982 and 1986. He then served as a Senator in the Malaysian Parliament from 1987 to 1993. His first involvement in social activities was upon completing his secondary education. He has been appointed as the Investment Coordinator by the Melaka State Development Corporation to handle direct investments in the State of Melaka since 1988. Together with his team of officials and his excellent public relations, he has helped in attracting numerous Taiwanese, Singaporean and Chinese investors to the State of Melaka.

In recognition of his efforts and dedication, he was conferred the Darjah Mulia Seri Melaka by his Excellency, the Governor of Melaka in 1992. On 17 July 1999, the Taiwanese Government awarded him the Economics Medal.

He is the Chairman of MCA, 7th Branch Melaka since 1982. He is also the Chairman of Malacca State Malaysia Crime Prevention Foundation (MCPF) since the year 1997 and a Board member of Malaysian Investment Development Authority (MIDA).

He currently sits on the board of Bonia Corporation Berhad, Komarkcorp Berhad, Ta Win Holdings Berhad, Farm's Best Berhad and is the Chairman of Wellcall Holdings Berhad.

Harun Bin Halim Rasip

Independent Non-Executive Director, Chairman of the Audit Committee and Member of Nomination Committee, 56 years of age – Malaysian

Harun Bin Halim Rasip was appointed to your Board of Directors on 21 May 2010. He graduated from the University of Western Australia with a Bachelor of Commerce Degree (Accounting). He articulated with Price Waterhouse in Perth, Western Australia for admission to the Institute of Chartered Accountants in Australia. He joined Price Waterhouse, Kuala Lumpur in 1978 and left in 1983. Thereafter, he was appointed as Managing Director of Halim Rasip Holdings Sdn Bhd Group, overseeing the functions of promotion, finance, business development and management.

He is an Executive Director and Co-Chief Executive Officer of Integrax Berhad. He is also a member of the Executive Committee of the Federation of Public Listed Companies Bhd since 2004 and has been serving as a member of its Technical and Regulatory Committee and Accounting Standards Sub-Committee since 2003.

Harun Bin Halim Rasip is also the President Director of P.T. Indoexchange Tbk, a subsidiary of Integrax Berhad which is listed on the Indonesia Stock Exchange.

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 shareholder.
- 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 2010. 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 five (5) non-executive Directors; three (3) of whom are independent. This is in compliance with the Main Market 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 pages 12 to 13 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 2010, a total of six (6) 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	6 out of 6
Michael Vitus Wong Kuan Lee	6 out of 6
David Loo Kean Beng	5 out of 6
YM Tengku Yunus Kamaruddin (resigned on 23 February 2010)	4 out of 6
Datuk Ng Peng Hong@Ng Peng Hay (appointed on 26 April 2010)	-
Harun Bin Halim Rasip (appointed on 21 May 2010)	-

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 the 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.

7.2 Nomination Committee

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

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*)

Harun Bin Halim Rasip - (*Independent Non-Executive Director*) (*appointed on 21 May 2010*)

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' fees for the financial year ended 31 May 2010 is as below:-

<u>Directors</u>	<u>Fees (RM)</u>
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya	20,000
YM Tengku Yunus Kamaruddin (resigned on 23 February 2010)	13,534
Michael Vitus Wong Kuan Lee	20,000
David Loo Kean Beng	20,000
Datuk Ng Peng Hong @ Ng Peng Hay (appointed on 26 April 2010)	1,973
Harun Bin Halim Rasip (appointed on 21 May 2010)	603
Total	<u>76,110</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.

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 2010, the Directors' continuing education programme included the following:-

- Getting up to speed with Governance.
- Financial Reporting Standards 139 – Financial Instruments: Recognition and Measurement.
- Navigating the Vortex.
- Briefings by the Company Secretary, Internal Auditors and External Auditors on the relevant updates on statutory and regulatory requirements and financial reporting standards.

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 16 to 18 of this Annual Report.

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.

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, www.icapital.my 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.

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.

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

The Statement by Directors pursuant to Section 169(15) of the Companies Act 1965 is set out on page 19 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 pages 15 to 16 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 17 of this Annual Report.

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 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 is complete, 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 risks is 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 2010.

Audit Committee Report

The Audit Committee was established by your Board on 30 June 2005. On 21 May 2010, Harun Bin Halim Rasip, an Independent Non-Executive Director, was appointed as the Chairman of the Audit Committee to replace YM Tengku Yunus Kamaruddin who resigned on 23 February 2010.

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 2010 are set out below:-

Audit Committee

Harun Bin Halim Rasip* (appointed on 21 May 2010)

YM Tengku Yunus Kamaruddin* (resigned on 23 February 2010)

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya

David Loo Kean Beng

Status of Directorship	Attendance
Chairman / Independent Non-Executive Director	-
Chairman / Independent Non-Executive Director	3 out of 3
Member / Non-Independent Non-Executive Director	3 out of 3
Member / Independent Non-Executive Director	3 out of 3

* Member of the Malaysian Institute of Accountants

Note: The Audit Committee met 3 times instead of 4 during the financial year as there was insufficient quorum to hold an Audit Committee Meeting due to the vacancy created by the resignation of YM Tengku Yunus Kamaruddin.

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:

- must be a member of the Malaysian Institute of Accountants; or
- if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
 - 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
- 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 2010 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 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.

Directors' Report

The Directors hereby submit their report and the audited financial statements of your Fund for the financial year ended 31 May 2010.

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.

Results

Profit after taxation for the financial year

RM
36,250,266

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.

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.

Reserves and Provisions

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

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.

Issues of Shares and Debentures

During the financial year,

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

Contingent and Other Liabilities

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

- (a) 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.

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.

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.

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.

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.

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.

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. Datuk Ng Peng Hong @ Ng Peng Hay (appointed on 26 April 2010)
5. Harun Bin Halim Rasip (appointed on 21 May 2010)
6. YM Tengku Yunus Kamaruddin (resigned on 23 February 2010)

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 1.6.2009	Bought	Sold	At 31.5.2010
<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	889,000	-	-	889,000 ⁽¹⁾
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	789,000	3,000,000	-	3,789,000 ⁽²⁾
Harun Bin Halim Rasip (Acquired on 5.10.2005)	39,900	-	-	39,900 ⁽³⁾

Notes:

1. Deemed interest by virtue of his spouse direct shareholding and his shareholding in Capital Dynamics Asset Management Sdn Bhd.
2. Deemed interest by virtue of his daughter's direct shareholding and he and his daughter's indirect shareholding in Capital Dynamics Asset Management Sdn Bhd.
3. Deemed interest by virtue of his shareholding in Halim Rasip Holdings Sdn Bhd.

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. Crowe Horwath (formerly known as Messrs. Horwath), have expressed their willingness to continue in office.

Signed in Accordance with a Resolution of the Directors dated 23 June 2010.

YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya

David Loo Kean Beng

Statement by Directors

We, YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya and David Loo Kean Beng, being two of the Directors of icapital.biz Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 21 to 29 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 2010 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 23 June 2010.

YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya

David Loo Kean Beng

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 21 to 29 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 23rd day of June 2010.

Before me

Tan Teng Boo

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

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 2010, 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 21 to 29.

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 require 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 2010 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.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants
Kuala Lumpur
23 June 2010

Onn Kien Hoe
Approval No: 1772/11/10(J/PH)
Chartered Accountant

Balance Sheet at 31 May 2010 (RM)

	Notes	2010	2009
ASSETS			
Non-current asset			
Investments	6	128,726,903	156,441,247
Current assets			
Other receivables	7	1,783,229	4,044,934
Current tax assets		557,935	799,669
Short-term deposits	8	103,677,127	37,420,000
Cash and bank balances		248,133	21,815
		106,266,424	42,286,418
Current liability			
Other payables	9	149,243	133,847
Net current assets			
		106,117,181	42,152,571
		234,844,084	198,593,818
Financed by:-			
Share capital	10	140,000,000	140,000,000
Retained profits	11	94,844,084	58,593,818
Shareholders' equity		234,844,084	198,593,818
Net assets per ordinary share (RM)	12	1.68	1.42
Net asset value per ordinary share (RM)	13	2.10	1.77

Statement of Changes in Equity for the Financial Year Ended 31 May 2010 (RM)

	Share Capital	Retained Profits (Distributable)	Total
Balance at 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 2009/1 June 2009	140,000,000	58,593,818	198,593,818
Profit after taxation for the financial year	-	36,250,266	36,250,266
Balance at 31 May 2010	140,000,000	94,844,084	234,844,084

Income Statement for the Financial Year Ended 31 May 2010 (RM)

	Notes	2010	2009
Interest income		964,749	1,828,270
Dividend income		8,535,159	9,364,932
Net gain on disposal of quoted investments		32,723,629	221,146
Revenue		42,223,537	11,414,348
Less: Operating expenses			
Accounting and administrative fees		91,000	91,000
Annual general meeting expenses		95,630	33,411
Audit fee			
- for the financial year		10,000	10,000
- overprovision in previous financial years		(2,100)	-
Custodian expenses		98,558	69,584
Directors' fee		76,110	82,137
Fund management fee		2,018,555	1,747,606
Investment advisory fee		2,018,555	1,747,606
Professional fee		124,241	111,234
Service tax		9,660	8,337
Others		39,300	24,191
Profit before taxation		37,644,028	7,489,242
Income tax expense	14	(1,393,762)	(1,220,128)
Profit after taxation attributable to equity holders of your Fund		36,250,266	6,269,114
Basic earnings per ordinary share (RM)	15	0.26	0.04

Cash Flow Statement for the Financial Year Ended 31 May 2010 (RM)

	Notes	2010	2009
Profit before taxation		37,644,028	7,489,242
Adjustment for: Net gain on disposal of quoted investments		(32,723,629)	(221,146)
Operating profit before working capital changes		4,920,399	7,268,096
Changes in working capital:			
Decrease/(Increase) in other receivables		2,261,705	(2,321,812)
Increase/(Decrease) in other payables		15,396	(2,586,696)
Capital repayment from quoted investment		-	2,156,000
Proceeds from disposal of quoted investments		86,495,436	30,299,086
Purchase of quoted investments		(26,057,463)	(56,537,559)
Cash from/(for) operations		67,635,473	(21,722,885)
Net income tax paid		(56,696)	(299,441)
Income tax deducted at source		(1,095,332)	(1,767,512)
Net cash from/(for) operating activities		66,483,445	(23,789,838)
Net increase/(decrease) in cash and cash equivalents		66,483,445	(23,789,838)
Cash and cash equivalents at beginning of the financial year		37,441,815	61,231,653
Cash and cash equivalents at end of the financial year	16	103,925,260	37,441,815

Notes to the Financial Statements for the Financial Year Ended 31 May 2010

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 23 June 2010.

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 not adopted any new accounting standards and interpretations (including the consequential amendments) that are mandatory to your Fund.
- (b) Your Fund has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

FRSs/IC Interpretations
(including the
consequential
amendments)

		Effective date
Revised FRS 1 (2010)	First-time Adoption of Financial Reporting Standards	1 July 2010
Revised FRS 3 (2010)	Business Combinations	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
Revised FRS 101 (2009)	Presentation of Financial Statements	1 January 2010
Revised FRS 123 (2009)	Borrowing Costs	1 January 2010
Revised FRS 127 (2010)	Consolidated and Separate Financial Statements	1 July 2010
Revised FRS 139 (2010)	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 2	Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2	Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 5	Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7, FRS 139 and IC Interpretation 9	Improving Disclosures about Financial Instruments	1 January 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 101 and FRS 132	Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2010
Amendments to FRS 132	Classification of Rights Issues and the Transitional Provision In Relation To Compound Instruments	1 January 2010/1 March 2010
Amendments to FRS 138	Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9	Scope of IC Interpretation 9 and Revised FRS 3 (2010)	1 July 2010
Annual Improvements to FRSs (2009)		1 January 2010

The above accounting standards and interpretations (including the consequential amendments) are not relevant to your Fund's operations except as follows:-

- (a) The possible impacts of FRS 7 (including the subsequent amendments) and the revised FRS 139 (2010) on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.
- (b) 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.
- (c) The revised FRS 101 (2009) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The adoption of this revised standard will only impact the form and content of the presentation of your Fund's financial statements in the next financial year.
- (d) IC Interpretation 9 requires embedded derivatives to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date the entity first became a party to the contract. The possible impacts of IC Interpretation 9 on the financial statements upon its initial application are not disclosed by virtue of the exemptions given under the revised FRS 139 (2010).

- (e) IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of your Fund upon its initial application.
- (f) Amendments to IC Interpretation 9 are a consequential amendment from the revised FRS 3 (2010). These amendments are expected to have no material impact on the financial statements of your Fund upon its initial application.
- (g) Annual Improvements to FRSs (2009) contain amendments to 21 accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. These amendments are expected to have no material impact on the financial statements of your Fund upon their initial application.

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 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 whilst the 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 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.

(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) Segmental Information

Segment revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of investments, receivables and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets do not include income tax assets, whilst segment liabilities do not include income tax liabilities and borrowings from financial institutions. If the interest expense is included in segment results, the related interest-bearing liability is included in segment liabilities.

Segment revenue, expenses and results include transfers between segments. The prices charged on intersegment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

(k) 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.

(l) Revenue Recognition

(i) Investments

The realised gain or loss on the 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	2010	2009
At cost: Quoted securities in Malaysia, at 1.6.2009/1.6.2008	156,441,247	132,137,628
Additions for the financial year	26,057,463	56,537,559
Disposals during the financial year	(53,771,807)	(30,077,940)
Capital repayment from quoted investment	-	(2,156,000)
Quoted securities in Malaysia, at 31.5.2010/2009	128,726,903	156,441,247
Market value of quoted investments in Malaysia	188,263,062	206,246,717

7. Other Receivables

In RM	Note	2010	2009
Other receivables		988,638	3,453,143
Deposit		500	500
Prepayments		415,254	302,479
Related party	18	378,837	288,812
		1,783,229	4,044,934

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

8. Short-term Deposits

In RM	2010	2009
Deposits with licensed financial institutions	103,677,127	37,420,000

The weighted average effective interest rate of short-term deposits at the balance sheet date was 2.38% (2009 – 1.95%) per annum. The average maturity period of the deposits is 20 days (2009 – 25 days).

9. Other Payables

In RM	2010	2009
Other payables	31,333	10,910
Accruals	117,910	122,937
	149,243	133,847

10. Share Capital

	2010	2009	2010	2009
Ordinary shares of RM1 each: -	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.

At the balance sheet date, your Fund has not elected for the single tier tax system. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, your Fund will automatically move to single tier tax system. Under the single tier tax system, tax on your Fund's profits is a final tax, and dividends distributed to the shareholders will be exempted from tax.

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 RM234,844,084 (2009 - RM198,593,818) divided by the number of ordinary shares in issue at the balance sheet date of 140,000,000 (2009 – 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 and is calculated as follows:-

In RM	2010	2009
Net assets	234,844,084	198,593,818
Surplus of market value over carrying value of quoted investments	59,536,159	49,805,470
Net asset value	294,380,243	248,399,288
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)	2.10	1.77

14. Income Tax Expense

In RM	2010	2009
Current tax:-		
For the financial year	1,530,805	1,683,683
Overprovision in previous financial years	(137,043)	(463,555)
	1,393,762	1,220,128

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	2010	2009
Profit before taxation	37,644,028	7,489,242
Tax at the statutory tax rate of 25% (2009 – 25%)	9,411,007	1,872,310
Tax effects of: Non-taxable income	(8,180,907)	(55,286)
Tax-exempt dividends	(661,952)	(592,009)
Non-deductible expenses	962,657	458,668
Overprovision of current tax in previous financial years	(137,043)	(463,555)
Tax for the financial year	1,393,762	1,220,128

15. Earnings per Share

The basic earnings per ordinary share is arrived at by dividing the earnings for the financial year of RM36,250,266 (2009 – RM6,269,114) over the number of ordinary shares of your Fund in issue during the financial year of 140,000,000 (2009 – 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	2010	2009
Short-term deposits	103,677,127	37,420,000
Cash and bank balances	248,133	21,815
	103,925,260	37,441,815

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	2010	2009
Fund management fees paid to CDAM		2,018,555	1,747,606
Amount owing by a related party	7	378,837	288,812

(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	2010	2009
Directors of your Fund		
- Short-term employee benefits	76,110	82,137

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

In number	2010	2009
Non-executive Directors' fees – Below RM50,000	6	5

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	2010		2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Quoted securities	128,726,903	188,263,062	156,441,247	206,246,717

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 16 June 2010, details of the investment portfolio of your Fund are as follows:-

Companies	Shares	Cost	Value	Unrealised Profit/(Loss)
		(RM)	(RM)	(RM)
1 Boustead Holdings Berhad Conglomerate	6,547,900	24,139,980	24,685,583	545,603
2 Fraser & Neave Holdings Berhad Manufacturing drinks, glass, etc	2,497,000	15,885,366	29,115,020	13,229,654
3 Hai-O Enterprise Berhad Retailing of herbs and medicine, etc	69,200	100,755	289,948	189,193
4 Integrax Berhad Port operation, etc.	9,129,700	8,221,264	10,590,452	2,369,188
5 Mieco Chipboard Berhad Makes chipboard	1,632,100	2,103,832	644,680	-1,459,152
6 Malaysia Smelting Corporation Berhad Smelting of tin concentrates	1,902,000	6,299,992	6,181,500	-118,492
7 Padini Holdings Berhad Apparel and shoes retailing, etc	4,540,000	6,423,435	17,025,000	10,601,565
8 Parkson Holdings Berhad Retailing	9,090,000	22,455,274	48,995,100	26,539,826
9 Petronas Dagangan Berhad Marketing of petroleum products	2,700,000	11,137,812	24,678,000	13,540,188
10 P.I.E. Industrial Berhad Contract electronics manufacturing, etc	3,407,200	10,242,055	14,037,664	3,795,609
11 Suria Capital Holdings Berhad Port operation, bunkering service, etc	8,471,000	13,861,827	11,689,980	-2,171,847
12 Tong Herr Resources Berhad Manufacturing fasteners	3,479,300	7,855,311	6,193,154	-1,662,157
Total		128,726,903	194,126,081	65,399,178

As of 16 June 2010, 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 2010:-

Companies	Shares	Cost (RM)	Disposal Value (RM)	Realised Profit/(Loss) (RM)
1 Astro All Asia Networks Plc TV network services	8,826,700	22,774,192	37,348,539	14,574,347
2 Hai-O Enterprise Berhad Retailing of herbs and medicine, etc	1,203,200	1,597,550	5,402,020	3,804,470
3 Kuala Lumpur Kepong Berhad Plantation, manufacturing and retailing, etc	2,101,200	20,178,255	34,284,938	14,106,683
4 Lion Diversified Holdings Berhad Steel, etc	1,409,000	449,552	601,746	152,194
5 Poh Kong Holdings Berhad Trading of gold ornaments, etc	3,012,500	1,121,911	1,158,312	36,401
6 Telekom Malaysia Berhad Telecommunication services	2,200,000	4,791,795	6,694,222	1,902,427
7 Swee Joo Berhad Shipping and related businesses	2,083,100	2,858,552	1,005,659	-1,852,893
Total		53,771,807	86,495,436	32,723,629

Security Transaction Information

Total number of transactions in securities entered into for the financial year ended 31 May 2010 amounted to 130 trades with total brokerage paid of RM218,515.10.

Gross Revenue of the Closed-end Fund

The information on your Fund's gross revenue is presented on page 22 in the audited income statement for the financial year ended 31 May 2010 as attached in this Annual Report.

Additional Information

1. Share Buy-backs

Your Fund does not have any share buy-back programmes 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 controls.

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 has 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	RM2,018,555.07 (from 1 June 2009 – 31 May 2010)
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 23 July 2010 at the Sixth Annual General Meeting to be held on 14 August 2010.

The aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year ended 31 May 2010 is disclosed on page 28 of the financial statements.

10. Fund Manager's Interest in your Fund

As at 31 May 2010, the designated person has a direct interest in 10,000 shares and an indirect interest in 428,912 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 16 June 2010

Class of Securities	:	Ordinary shares of RM1.00 each
Authorised Share Capital	:	RM1,000,000,000
Issued and Paid-up Capital	:	RM 140,000,000
Voting Rights	:	One vote per share

Distribution of Shareholdings

	Holdings	No. of Holders	%
Total Holdings			
Less than 100	388	9	0.263
100 to 1,000	535,600	662	19.368
1,001 to 10,000	7,598,600	1,572	45.992
10,001 to 100,000	28,722,545	854	24.985
100,001 to 6,999,999	103,142,867	321	9.392
7,000,000 and above	0	0	0.000
Total	140,000,000	3,418	100.00

Directors' Interest in your Fund

	Direct		Indirect	
	No.	%	No.	%
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya	-	-	3,789,000 ¹	2.706
Michael Vitus Wong Kuan Lee	-	-	889,000 ²	0.635
David Loo Kean Beng	-	-	-	-
Datuk Ng Peng Hong @ Ng Peng Hay	-	-	-	-
Harun Bin Halim Rasip	-	-	39,900 ³	0.029

Notes:

1. Deemed interest by virtue of his daughter's direct shareholding and he and his daughter's indirect shareholding in Capital Dynamics Asset Management Sdn Bhd.
2. Deemed interest by virtue of his spouse direct shareholding and his shareholding in Capital Dynamics Asset Management Sdn Bhd.
3. Deemed interest by virtue of his shareholding in Halim Rasip Holdings Sdn Bhd.

Substantial Shareholders

Your Fund does not have any substantial shareholders.

Thirty Largest Shareholders

No	Name	No. of Shares	%
1.	Tunku Sara Binti Tunku Ahmad Yahaya	3,000,000	2.142
2.	Lam Fook Shin	2,500,000	1.785
3.	AnnHow Holdings Sdn. Bhd.	2,000,000	1.428
4.	Citigroup Nominees (Tempatan) Sdn. Bhd. UBS AG Singapore for Pamela Ling Yueh	1,800,000	1.285
5.	Beh Heng Seong	1,567,200	1.119
6.	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yeoh Ah Tu	1,402,300	1.001
7.	Leow Kok Meow & Sons Sendirian Berhad	1,250,000	0.892
8.	Ocuvas Sdn. Bhd.	1,163,000	0.830
9.	Chua Hang Kuang	1,145,000	0.817
10.	Lee Siew Lin	1,111,000	0.793
11.	Wong Yoon Tet	1,080,000	0.771
12.	Soon Khiat Voon	1,000,000	0.714
13.	Imej Warisan Sdn. Bhd.	759,000	0.542
14.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kelvin Lee @ Lee Tien Se	745,000	0.532
15.	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for The Bank of New York Mellon (Melon ACCT)	734,700	0.524
16.	HDM Nominess (Tempatan) Sdn Bhd Pledged Securities Account for Goh Seng Guan	709,500	0.506
17.	Capital Dynamics Asset Management Sdn. Bhd.	689,000	0.492
18.	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kevin Lee @ Lee Tien Se	658,000	0.470
19.	Goh Eng Ngai	649,400	0.463
20.	Vohran-Merican Sdn. Bhd.	643,200	0.459
21.	Lai Hui Eng	607,400	0.433
22.	Lee Thiam Lai	605,000	0.432
23.	Soo Sing Fatt	600,000	0.428
24.	Wong Hui Beng	591,000	0.422
25.	Tan Yeow Guan	580,000	0.414
26.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt an For Citibank NA, Singapore (Julius Baer)	567,500	0.405
27.	Lee Kek Siong	554,500	0.396
28.	Lau Sam Siong	554,000	0.395
29.	Chang Kwong Lit	525,000	0.375
30.	Lee Hau Hian	519,200	0.370

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting of **icapital.biz Berhad** will be held at Conference Hall 2, Level 3, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, on Saturday, 14 August 2010 at 9.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 May 2010 and the Reports of the Directors and Auditors thereon. Resolution 1
2. To approve the payment of Directors' Fees of RM76,110.00 for the financial year ended 31 May 2010. Resolution 2
3. To re-elect the following Directors who retire pursuant to Article 103 of the Company's Articles of Association.
(i) Datuk Ng Peng Hong @ Ng Peng Hay Resolution 3
(ii) Harun Bin Halim Rasip Resolution 4
4. To re-appoint Messrs Crowe Horwath as Auditors of the Company and authorise the Directors to fix their remuneration. Resolution 5

As Special Business

5. To consider and if thought fit, pass the following resolution 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 conclusion of the next Annual General Meeting of the Company.”

Resolution 6

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

6. Ordinary Resolution

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE WHICH IS IN THE ORDINARY COURSE OF BUSINESS (“PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RRPT”)

Resolution 7

“THAT approval be and is hereby given to the Company to enter into recurrent related party transaction of a revenue or trading nature as specified in Section 2.3 of the Circular to Shareholders dated 23 July 2010, provided that such arrangement and/or transaction which is necessary for the Company’s day-to-day operations is undertaken in the ordinary course of business, at arm’s length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until:-

- i) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or
- ii) the expiration of the period within which the next AGM of the Company 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
- iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders’ Mandate for RRPT.”

By Order of The Board

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

Company Secretaries
Kuala Lumpur
23 July 2010

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

1. **Resolution 6:-**
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 this proposed Resolution 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.
2. **Resolution 7:-**
This proposed Resolution, if passed, will enable the Company to enter into recurrent related party transaction 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 23 July 2010. This authority, unless revoked or varied by the Company in a General Meeting, will expire at the next Annual General Meeting of the Company.
3. **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 2010, 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., after the conclusion of the Sixth Annual General Meeting.

Statement Accompanying the Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

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

- (a) Directors retiring pursuant to Article 103 of the Company's Articles of Association
 - Datuk Ng Peng Hong @ Ng Peng Hay
 - Harun Bin Halim Rasip
- (b) Director who is over the age of seventy (70) and seeking re-appointment
 - YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya

Note: Michael Vitus Wong Kuan Lee who is due for re-appointment pursuant to Section 129(2) of the Companies Act, 1965 has indicated to the Company that he would not seek re-appointment at the Sixth Annual General Meeting. Therefore, Michael Vitus Wong Kuan Lee shall cease to be a Director of the Company at the conclusion of the Sixth Annual General Meeting.

The details of the Directors who are standing for re-election/re-appointment are set out in the Directors' Profile on pages 12 to 13 of this Annual Report. Their securities holdings in the Company are set out in the Analysis of Shareholdings on page 31 of this Report.

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 Sixth Annual General Meeting of the Company to be held at Conference Hall 2, Level 3, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, on Saturday, 14 August 2010 at 9.00 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 Datuk Ng Peng Hong @ Ng Peng Hay as Director		
4	Re-election of Harun Bin Halim Rasip as Director		
5	Re-appointment of Messrs Crowe Horwath as Auditors		
6	Re-appointment of YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya as Director		
7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction 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 _____, 2010

Signature of Shareholder/Common Seal

Notes:

- 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.
- 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.
- 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.
- 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

1st fold here

**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

Then fold here

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)

Datuk Ng Peng Hong @ Ng Peng Hay

(Independent Non-Executive Director)

Harun Bin Halim Rasip

(Independent Non-Executive Director)

Audit Committee

Chairman: Harun Bin Halim Rasip

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

Harun Bin Halim Rasip

Stock Exchange Listing

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

Stock Name: ICAP

Stock Code: 5108

Your Fund does not have any 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

Tricor Business Services 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

info@my.tricorglobal.com

Registrar

Tricor Investor 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

Crowe Horwath (AF1018), Level 16, Tower C

Megan Avenue II, 12 Jalan Yap Kwan Seng

50450 Kuala Lumpur

Contents

About icapital.biz Berhad	Inside front cover
icapital.biz Berhad's Performance Review	1
(a) Letter to Share Owners	
(b) What we have done with your funds	2
Mengenai icapital.biz Berhad	4
Tinjauan Prestasi icapital.biz Berhad	5
(a) Surat kepada Pemilik Saham	
(b) Apa yang telah kami lakukan dengan dana anda	6
关于资本投资有限公司	8
回顾资本投资有限公司的表现	9
(a) 给股东们的信	
(b) 我们如何善用您的资金	10
Profile of Directors	12
Statement of Corporate Governance	13
Statement of Internal Control and Audit Committee Report	15
Directors' Report	18
Statement by Directors	19
Statutory Declaration and Financial Statements	20
Investment Portfolio	29
Additional Information	30
Analysis of Shareholdings as at 16 June 2010	31
Notice of Annual General Meeting	32
Statement Accompanying the Notice of Annual General Meeting	34
Proxy Form	
Corporate Information	Inside back cover