

icapital.biz Berhad  
(674900 X)

## **2013 Annual Report**

# About icapital.biz Berhad

## A | Who we are

icapital.biz Berhad (your Fund) is a closed-end fund. The primary investment objective is long-term capital appreciation of its investments whilst dividend and/or interest income from these investments would be of secondary consideration. Your Fund 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 in cash deposits and up to 10% of its asset value in unlisted companies. The asset allocation of your Fund is a function of its value investing philosophy and theoretically, can range from 0% equities to 100% equities.

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 share owners, 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](http://www.icapital.biz) or [www.icapitaleducation.biz](http://www.icapitaleducation.biz)

## D | How to contact us

For more information on your Fund, kindly visit [www.icapital.my](http://www.icapital.my)

The company secretary can be contacted at (603) 2264 8888, at fax no (603) 2282 2733 or at [info@my.tricorglobal.com](mailto: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](mailto:cdam@cdam.biz)

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

# How did we do

**In this section we review the  
performance of icapital.biz  
Berhad for the previous year.**

## A Letter to Share owners

For the period which ended 31 May 2013, your Fund recorded revenue of RM65.954 million, an increase of RM41.132 million or 166% compared with the period which ended 31 May 2012. Your Fund recorded a pretax profit of RM58.976 million for the period which ended 31 May 2013, compared with a pretax profit of RM17.690 million for the last financial year. The increase in pretax profit is due to higher profit levels from the sale of securities. Hence, compared with an after-tax profit of RM15.732 million in the last financial year, your Fund recorded an after-tax profit of RM56.813 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 RM2.86 per share on 31 May 2012 to RM2.99 per share by 31 May 2013, a gain of 5%.

The performance of Bursa Malaysia over the past year has been lack luster due to the uncertainties brought about by the much anticipated 13th General Election and the direction that Malaysia would be heading into after the election. Despite these uncertainties, your Fund, under the prudent management of the Fund Manager and the sound advice from the Investment Adviser, is well prepared to face these challenges. With the substantial financial value that your Fund has been building up over the past year, your Fund is well positioned to take advantage of any investment opportunities that may arise.

The most important task at the present time is to continue to maintain the quality of investment in the Fund, which has always been the policy of the Investment Adviser and Fund Manager since the day your Fund was started.

On behalf of the Board of Directors, I would like to offer my appreciation for the support our share owners showed to the Board and the Fund Manager during the last Annual General Meeting which has been rewarded and demonstrated in this year's performance.

In the light of last year's performance, I am looking forward to another successful year that will continue to see your Fund moving on successfully even in the face of difficulties which will be overcome.

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya  
Chairman  
11 September 2013

# 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 2012 and the current portfolio, in terms of the market value of each stock held, and quantity are shown in **charts 1, 2 and 3** below.

### (ii) Investments sold

For the financial year ended 31 May 2013, your Fund sold 1,000,000 shares of Boustead Holdings Berhad, 596,400 shares of Fraser & Neave Holdings Berhad, 3,700,000 shares of Padini Holdings Berhad, 1,000,000 shares of Parkson Holdings Berhad, 1,500,000 shares of Petronas Dagangan Berhad, 125,180 shares of Pharmaniaga Berhad and 300,000 shares of P.I.E. Industrial Berhad.

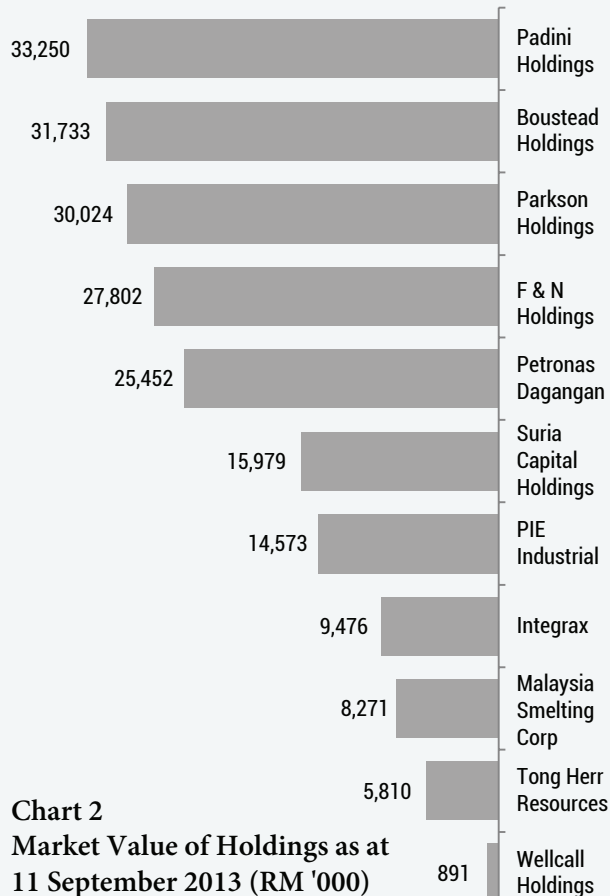
These sales generated realised gains of RM49.126 million with a cost of RM15.597 million.

As at 31 May 2013, your Fund invested RM109.629 million with a market value of RM209.700 million, giving unrealised gains of RM100.071 million. Of the Fund's investments as at 31 May 2013, Padini Holdings, Petronas Dagangan and Fraser & Neave Holdings have substantial unrealised gains.

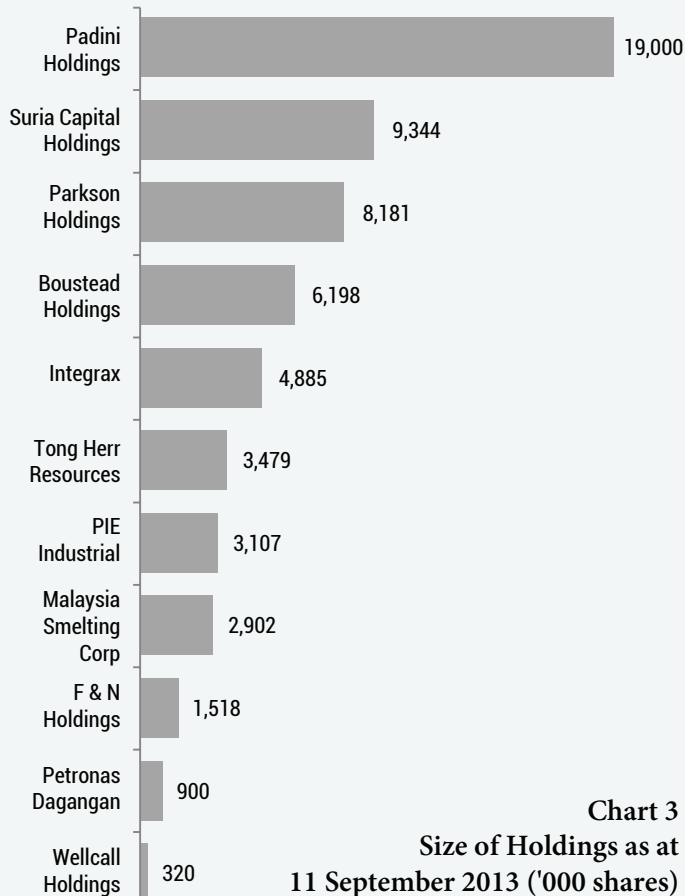
### (iii) Investments made

In the year ending 31 May 2013, your Fund made a new purchase. The new investment was Wellcall Holdings Berhad.

**Chart 1 : Purchases made since 31 May 2012 ('000 shares)**



**Chart 2**  
Market Value of Holdings as at 11 September 2013 (RM '000)



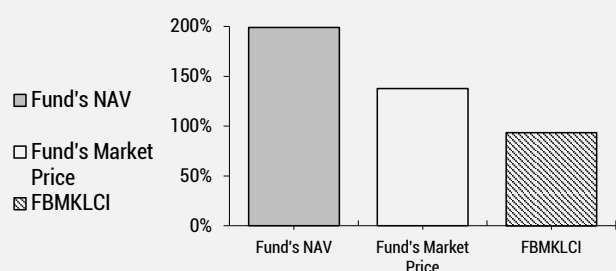
**Chart 3**  
Size of Holdings as at 11 September 2013 ('000 shares)

## HOW DID WE DO

### icapital.biz Berhad's Performance Review

**Chart 4**

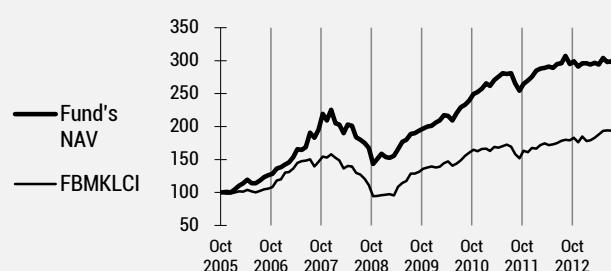
**Gain from 19 Oct 2005 to 11 Sep 2013**



**Chart 5**

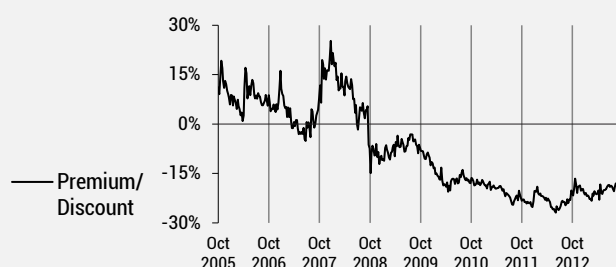
(19/10/2005=100)

**Fund's NAV vs FBMKLCI**



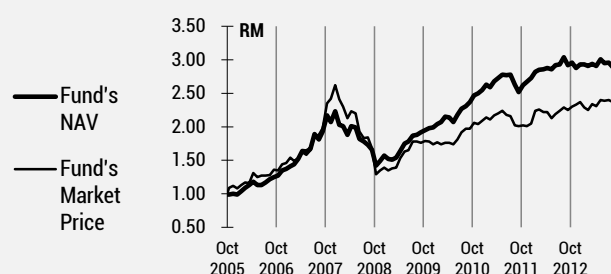
**Chart 6**

**Fund's Premium / Discount**



**Chart 7**

**Fund's NAV vs Market Price**



#### (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 RM2.99 by 31 May 2013. This represents a gain of 202%. Since its listing on 19 October 2005, the market price of your Fund has risen from RM1.01 to RM2.40 by 31 May 2013. This represents a gain of 138%. During the same period, FBMKLCI has risen by only 94%.

From 1 June 2012 to 31 May 2013, the NAV per share of your Fund rose from RM2.86 to RM2.99 by 31 May 2013 or a gain of 5%. From 1 June 2012 to 31 May 2013, the market

price of your Fund has risen from RM2.13 to RM2.40 or a gain of 13%. In the same period, FBMKLCI gained 12%.

**Chart 5** shows the performance of your Fund in comparison with the FBMKLCI. **Chart 6** shows your Fund's premium/discount to NAV and **chart 7** shows the NAV per share and market price.

#### (v) Comparative Performance

The performance of icapital.biz Bhd has, since its listing in October 2005, beaten the KL stock market, whether measured in terms of NAV or market price, as shown in **tables 1** and **2** below.

**Table 1**

**Cumulative Return From 19 October 2005 To**

Ending Date	Fund's NAV	Fund's Market Price	FBMKLCI	Fund's Cash Level
31-Dec-05	0.00%	8.00%	-1.57%	71.18%
31-Dec-06	38.38%	46.00%	19.92%	42.98%
31-Dec-07	125.25%	162.00%	58.07%	30.38%
31-Dec-08	58.59%	39.00%	-4.09%	34.56%
31-Dec-09	101.01%	74.00%	39.23%	14.49%
31-Dec-10	157.58%	109.00%	66.15%	29.87%
31-Dec-11	175.76%	105.00%	67.44%	34.92%
31-Dec-12	195.96%	137.00%	84.75%	34.34%
11-Sep-13	198.99%	140.00%	93.45%	50.84%

Table 2

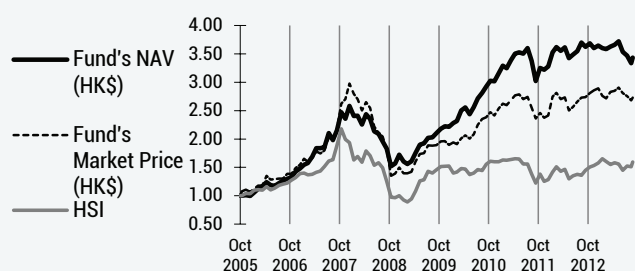
Ending Date	Annualised Return From 19 October 2005 To			
	Fund's NAV	Fund's Market Price	FBMKLCI	Fund's Cash Level
31-Dec-05	0.00%	46.93%	-7.62%	71.18%
31-Dec-06	31.09%	37.08%	16.34%	42.98%
31-Dec-07	44.65%	54.93%	23.14%	30.38%
31-Dec-08	15.49%	10.83%	-1.30%	34.56%
31-Dec-09	18.07%	14.09%	8.19%	14.49%
31-Dec-10	19.94%	15.22%	10.25%	29.87%
31-Dec-11	17.77%	12.27%	8.67%	34.92%
31-Dec-12	16.25%	12.72%	8.89%	34.34%
11-Sep-13	14.87%	11.72%	8.71%	50.84%

Your Fund has also beaten the performance of leading regional markets.

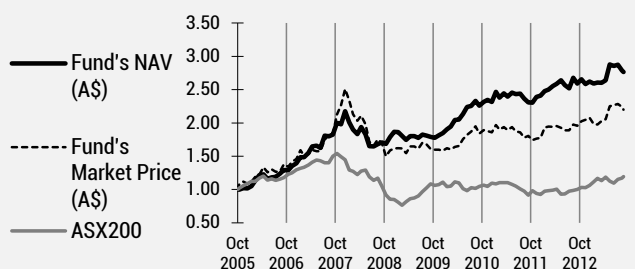
**Chart 8** shows the performance of your Fund, in Hong Kong dollar terms, outperforming the Hang Seng index. **Chart 9** shows the performance of your Fund, in Australian dollar terms, outperforming the ASX 200. This

strong performance is despite the fact that the AUD has been one of the strongest currencies in the world. **Chart 10** shows the performance of your Fund, in Singapore dollar terms, beating the Straits Times Industrial index. Owning shares of icapital.biz Bhd has been far more rewarding than investing in Sydney, Hong Kong or Singapore, even when they are expressed in their own respective currencies.

**Chart 8**  
Fund's Performance vs HSI



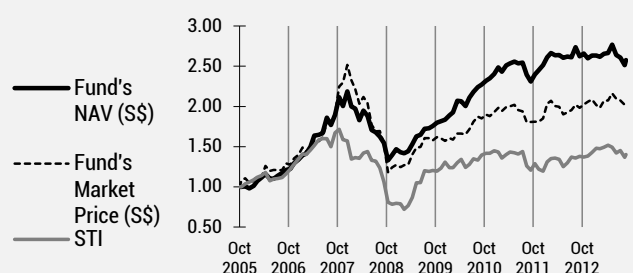
**Chart 9**  
Fund's Performance vs ASX200



#### (vi) What we think

icapital.biz Berhad has been listed for almost 8 years. During this period, it has sold its investments in a substantial way only a few times. In the 2013 financial year, your Fund disposed a relatively large number of shares across its portfolio, generating sales proceeds of RM64.723 million and realising gains of RM49.126 million. Your Fund was only able to utilise a small portion of its cash assets by investing in Wellcall Holdings Bhd. Due mainly to these factors, the cash

**Chart 10**  
Fund's Performance vs STI



## HOW DID WE DO

### icapital.biz Berhad's Performance Review

level of your Fund rose further to RM208.005 million (or RM1.49 per share) from RM133.736 million as at 31 May 2012.

Why did we sell? As America, the world's largest economy, recovered, investors were apprehensively looking at the time when the monetary stimulus would be withdrawn. All it took for the financial markets to reel was for Ben Bernanke to launch his "verbal" tapering or monetary tightening in May 2013. Emerging economies were so badly affected that many were asking whether the 1997 Asian Crisis would repeat. Now, as we write this commentary, Americans are in danger of seeing their government shutting down again.

Ironically, across the Pacific Ocean, even though China successfully slowed her economic growth down to a long-term sustainable rate, deep seated scepticisms among many investors and analysts remain.

Locally, 2013 saw Malaysians having to deal with a possibly watershed general election and an economy that was slowing down. We know the outcome of the 13th general election and we know that the Malaysian economy is again facing structural imbalances.

Yet, despite all these, the Kuala Lumpur stock market held its ground. Against a macro backdrop that was often unsettling and a Kuala Lumpur stock market that was rich in valuation, your fund manager and investment adviser were not able to purchase attractive long-term investments in a meaningful quantity.

By taking into account these factors, are we deviating from our eclectic value investing style? The eclectic value investing philosophy of Capital Dynamics, which I formulated and developed, is best understood when compared with bamboo, also known as the poor man's timber.

Despite its humble connotation, the bamboo has a few exceptional qualities. One, it has tensile strength greater than mild steel and can withstand compression better than concrete. The versatile attribute of a bamboo is essential in keeping the plant, which can grow up to 60 metres in height but is only as wide at the base as the very top, from falling over and making it to be able to bend in the wind without breaking. The bamboo has

superb environmental qualities, which are largely based on the sustainability merits of the grass. Its extensive root system substantially reduces the need for intense cultivation practices. It also produces more oxygen from carbon dioxide than trees and more effectively binds soil to prevent erosion.

The eclectic value investment philosophy of Capital Dynamics reflects the qualities of bamboo, that is, adaptability, consistency, and sustainability. Capital Dynamics realises that conventional value investing may be inappropriate in developing countries where strong, established institutions and market forces are still lacking or in an embryonic stage. As such, it adapts and innovates its value investing approach by considering factors like political and macro-economic structures.

Being versatile in analysing companies in differing environment, Capital Dynamics does not deviate from its core value investing approach, which draws on the underlying intrinsic value of a company and the principle of margin of safety. The fact that Capital Dynamics is able to consistently achieve superior returns has shown that its eclectic investment philosophy is sound and sustainable. It does not believe that high risk equals high return or low risk equals low return. In fact, our bamboo value investing philosophy would reduce risk by taking care of the downside, and achieve consistent superior returns by being pragmatic. This is similar to the bamboo which is low in cost yet high in value.

In the 8th Annual General Meeting, almost 87% of our share owners voted against and defeated a well-orchestrated attempt to appoint 3 new directors. The said Annual General Meeting was lengthy. As a result, our annual Investor Day, which is part of our corporate responsibility programme, could not be held.

The key to happiness is to think about others instead of oneself. Capital Dynamics has been selfless since day one. Little did many know that our loyal supporters continuously commend us for transforming their lives. At Capital Dynamics, transforming lives is what we are aiming for. We are more than just a business; we are your partner in writing your good life story. The voting at 2012 AGM was a triumph for the good old-fashioned value of trustworthiness.



This year, the 2013 Investor Day is themed as “Great Beginnings”, where we will share with the public that in investing, all it takes is the first right step. We would encourage all share owners, their families and friends to attend Asia’s most innovative investment event on Saturday, 26th October 2013.

More information on the 2013 Investor Day and a registration form for guests of shareowners to attend the 9th AGM is attached.

Then, there was a report or two showcasing the fund management and investment advisory fees to Capital Dynamics, implying that we are overpaid. The basis of these reports is they compared the fees paid with your Fund’s realised profit, giving financial years 2009 and 2012 as evidence **table 3** below shows the total expense ratio of your fund from inception until now. The ratio has been declining.

**Table 3**

Financial Year	2006	2007	2008	2009	2010	2011	2012	2013
<b>Total Expenses Ratio</b>	2.86%	2.04%	2.36%	1.98%	1.95%	1.55%	1.78%	1.67%

In the run-up to the 8th AGM last year, my intention to retire as fund manager of your Fund was reported by some as a “veiled threat”. Contrary to these reports, there was no threat. The purpose of my announcement then was simple. It was to clear any misperception that we are only taking measures that would selfishly protect our position as fund manager and thus our fees. If by resigning the sustainable intrinsic value of your Fund would be increased, I would be the first to retire. My message was that we would do whatever is humanly possible to protect the long-term interests of share owners.

Forget about a fund. Think of your own portfolio. Imagine, would you value it based on a particular year’s realised profit or loss instead of what your portfolio would be worth? Would you pay yourself handsomely, say, in 2009 for realising profit even though your portfolio is suffering from massive unrealised losses? The net asset value has to be the basis.

Finally, a word on premium and discount. Investors pay a premium when buying unit trusts and sell at a discount when selling them. Food for thought.

Tan Teng Boo  
Designated Person  
Capital Dynamics Asset Management Sdn Bhd  
11 September 2013



# Mengenai icapital.biz Berhad

## A | Siapakah kami

icapital.biz Berhad (Dana anda) merupakan sebuah dana tertutup. Objektif utama pelaburannya adalah peningkatan nilai modal jangka panjang, manakala pendapatan dividen dan/atau pendapatan faedah dari hasil pelaburan ini merupakan pertimbangan sekunder. Dana anda melabur dalam syarikat-syarikat yang terkurang nilai yang disenaraikan di Pasaran Utama dan Pasaran ACE Bursa Malaysia Securities Berhad (Bursa Securities). Ia juga boleh melabur dalam deposit tunai dan sehingga 10% daripada nilai asetnya di dalam syarikat-syarikat yang tidak tersenarai. Peruntukan aset Dana anda adalah fungsi bagi falsafah pelaburan berasaskan nilai dan secara teorinya, boleh berkisar dari 0% ekuiti hingga 100% ekuiti.

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 penyenaraian 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 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](http://www.icapital.biz) atau [www.icapitaleducation.biz](http://www.icapitaleducation.biz)

## D | Bagaimana menghubungi kami

Untuk maklumat lanjut mengenai Dana anda, sila layari [www.icapital.my](http://www.icapital.my)

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

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

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

# Bagaimana Kami Lakukan

**Dalam bahagian ini kami  
mengkaji semula prestasi  
icapital.biz Berhad bagi  
tahun sebelumnya**

## A | Surat kepada Pemilik Saham

Bagi tahun berakhir 31 Mei 2013, Dana anda telah merekodkan perolehan sebanyak RM65.954 juta, meningkat sebanyak RM41.132 juta atau 166% berbanding 31 Mei 2012. Dana anda telah merekodkan keuntungan sebelum cukai sebanyak RM58.976 juta bagi tempoh berakhir 31 Mei 2013, berbanding keuntungan sebelum cukai sebanyak RM17.690 juta pada tahun kewangan yang lepas. Peningkatan bagi keuntungan sebelum cukai disebabkan oleh peningkatan keuntungan daripada penjualan sekuriti. Dengan itu, berbanding keuntungan selepas cukai sebanyak RM15.732 juta pada tahun kewangan lepas, Dana anda telah merekodkan keuntungan selepas cukai sebanyak RM56.813 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 RM2.86 sesaham pada 31 Mei 2012 kepada RM2.99 sesaham pada 31 Mei 2013, keuntungan sebanyak 5%.

Prestasi Bursa Malaysia sejak setahun lalu kurang menyerlah disebabkan oleh ketidaktentuan yang dibawa oleh Pilihan Raya Umum ke-13 yang dinanti-nantikan dan hala tuju Malaysia selepas pilihan raya. Walaupun dengan ketidaktentuan ini, Dana anda, di bawah pengurusan berhemat Pengurus Dana dan nasihat terbaik dari Penasihat Pelaburan, bersedia untuk menghadapi cabaran ini. Dengan nilai kewangan besar yang telah dibina oleh Dana anda sejak setahun lalu, Dana anda dalam kedudukan yang baik untuk mengambil kesempatan daripada peluang-peluang pelaburan yang mungkin timbul.

Tugas yang paling penting pada masa ini adalah untuk terus mengekalkan kualiti pelaburan dalam Dana, yang sentiasa menjadi dasar Penasihat Pelaburan dan Pengurus Dana sejak hari Dana anda bermula.

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan penghargaan saya atas sokongan yang telah ditunjukkan oleh pemilik saham kami kepada Lembaga Pengarah dan Pengurus Dana semasa Mesyuarat Agung Tahunan lepas yang telah membawa kepada ganjaran dan prestasi tahun ini.

Memandangkan prestasi tahun lepas, saya tidak sabar untuk satu lagi tahun yang berjaya yang akan terus melihat Dana anda terus berjaya walaupun dalam menghadapi kesukaran yang akhirnya akan dapat diatasi.

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya  
Pengerusi  
11 September 2013

**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 di bawah menunjukkan pembelian yang dibuat sejak 31 Mei 2012 dan portfolio semasa, dalam bentuk kuantiti dan nilai pasaran bagi setiap saham yang dipegang.

**(ii) Pelaburan yang telah dijual**

Bagi tahun kewangan berakhir 31 Mei 2013, Dana anda telah menjual 1,000,000 unit saham Boustead Holdings Berhad, 596,400 unit saham Fraser & Neave Holdings Berhad, 3,700,000 unit saham Padini Holdings Berhad, 1,000,000 unit saham Parkson Holdings Berhad, 1,500,000 unit saham Petronas Dagangan Berhad, 125,180 unit saham Pharmaniaga Berhad dan 300,000 unit saham P.I.E. Industrial Berhad. Penjualan ini

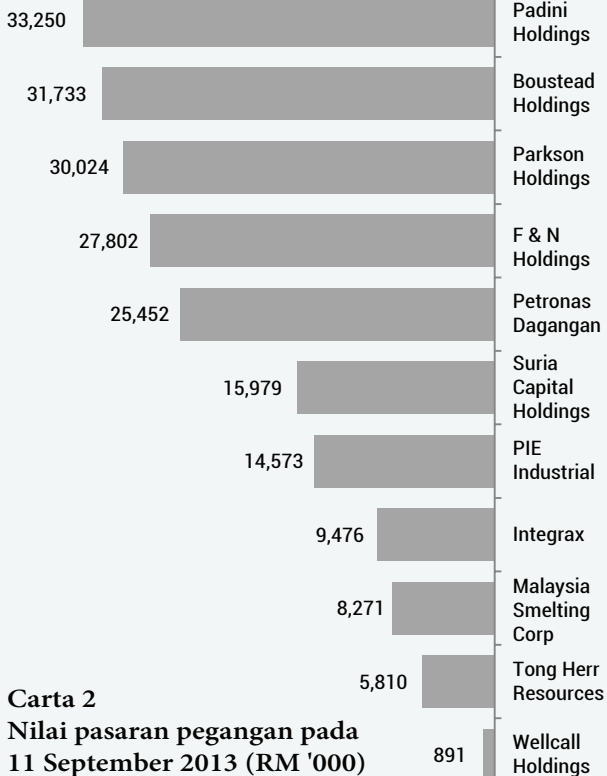
menghasilkan keuntungan yang direalisasi sebanyak RM49.126 juta dengan kos pembelian sebanyak RM15.597 juta.

Pada 31 Mei 2013, Dana anda telah melabur sejumlah RM109.629 juta dengan nilai pasaran sebanyak RM209.700 juta, memberikan keuntungan yang belum direalisasi sebanyak RM100.071 juta. Di antara pelaburan Dana anda pada 31 Mei 2013, Padini Holdings, Petronas Dagangan dan Fraser & Neave Holdings mencatat keuntungan yang belum direalisasi terbesar.

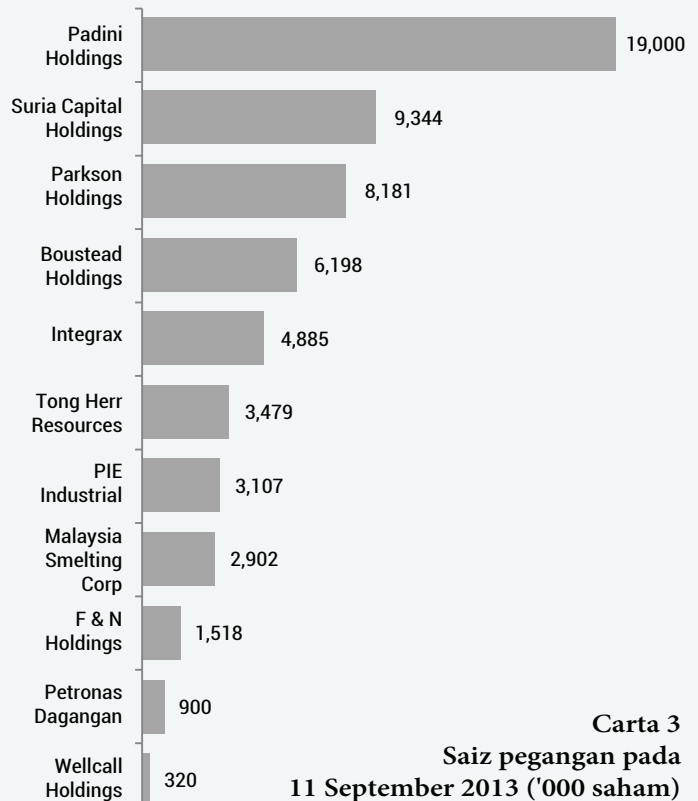
**(iii) Pelaburan yang telah dibuat**

Pada tahun berakhir 31 Mei 2013, Dana anda telah membuat satu pembelian baru. Pelaburan baru itu adalah Wellcall Holdings Berhad.

**Carta 1 : Pembelian sejak 31 Mei 2012  
(‘000 saham)**

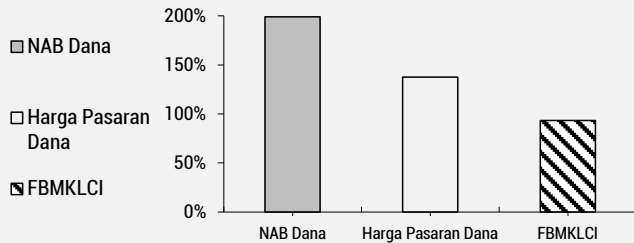


**Carta 2  
Nilai pasaran pegangan pada  
11 September 2013 (RM '000)**

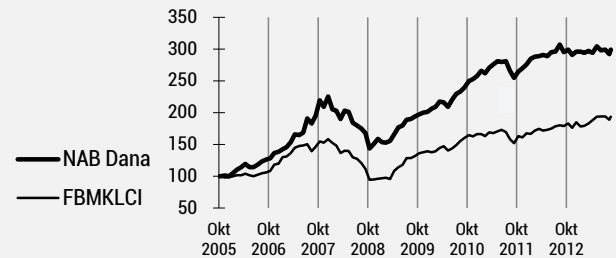


**Carta 3  
Saiz pegangan pada  
11 September 2013 ('000 saham)**

**Carta 4**  
Pulangan dari 19 Okt 2005 hingga 11 Sep 2013



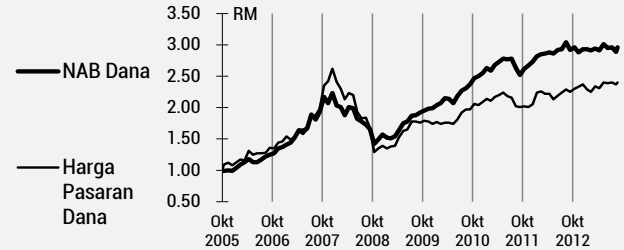
**Carta 5**  
NAB Dana Iwn FBMKLCI (19/10/2005=100)



**Carta 6**  
Premium / Diskaun Dana



**Carta 7**  
NAB Dana Iwn Harga Pasaran



#### (iv) NAB dan harga pasaran

Sejak disenaraikan pada 19 Oktober 2005, NAB sesaham Dana anda telah meningkat dari RM0.99 kepada RM2.99 pada 31 Mei 2013. Ini merupakan keuntungan sebanyak 202%. Sejak penyenaraian pada 19 Oktober 2005, harga pasaran Dana anda telah meningkat dari RM1.01 kepada RM2.40 pada 31 Mei 2013. Ini merupakan keuntungan sebanyak 138%. Dalam tempoh yang sama, FBMKLCI hanya meningkat sebanyak 94%.

Dari 1 Jun 2012 sehingga 31 Mei 2013, NAB sesaham Dana anda telah meningkat dari RM2.86 kepada RM2.99 pada 31 Mei 2013 atau keuntungan sebanyak 5%. Sejak 1 Jun 2012 sehingga 31 Mei 2013, harga pasaran Dana

anda telah meningkat dari RM2.13 kepada RM2.40 atau keuntungan sebanyak 13%. Dalam tempoh yang sama, FBMKLCI telah meningkat sebanyak 12%.

**Carta 5** menunjukkan perbandingan prestasi Dana anda dengan FBMKLCI. **Carta 6** menunjukkan premium/diskaun Dana anda ke atas NAB and **carta 7** menunjukkan NAB sesaham dan harga pasaran.

#### (v) Perbandingan Prestasi

Prestasi icapital.biz Berhad sejak penyenaraian pada bulan Oktober 2005, telah mengatasi pasaran saham Kuala Lumpur, sama ada dinilai berdasarkan NAB atau harga pasaran, seperti yang ditunjukkan dalam **jadual 1** dan **2** dibawah.

Jadual 1 Tarikh Berakhir	Pulangan Terkumpul Dari 19 Oktober 2005 Hingga			Tahap Tunai Dana
	NAB Dana	Harga Pasaran Dana	FBMKLCI	
31-Dis-05	0.00%	8.00%	-1.57%	71.18%
31-Dis-06	38.38%	46.00%	19.92%	42.98%
31-Dis-07	125.25%	162.00%	58.07%	30.38%
31-Dis-08	58.59%	39.00%	-4.09%	34.56%
31-Dis-09	101.01%	74.00%	39.23%	14.49%
31-Dis-10	157.58%	109.00%	66.15%	29.87%
31-Dis-11	175.76%	105.00%	67.44%	34.92%
31-Dis-12	195.96%	137.00%	84.75%	34.34%
11-Sep-13	198.99%	140.00%	93.45%	50.84%

## BAGAIMANA KAMI LAKUKAN

Tinjauan Prestasi icapital.biz Berhad

Jadual 2 Tarikh Berakhir	Pulangan Tahunan Dari 19 Oktober 2005 Hingga			
	NAB Dana	Harga Pasaran Dana	FBMKLCI	Tahap Tunai Dana
31-Dis-05	0.00%	46.93%	-7.62%	71.18%
31-Dis-06	31.09%	37.08%	16.34%	42.98%
31-Dis-07	44.65%	54.93%	23.14%	30.38%
31-Dis-08	15.49%	10.83%	-1.30%	34.56%
31-Dis-09	18.07%	14.09%	8.19%	14.49%
31-Dis-10	19.94%	15.22%	10.25%	29.87%
31-Dis-11	17.77%	12.27%	8.67%	34.92%
31-Dis-12	16.25%	12.72%	8.89%	34.34%
11-Sep-13	14.87%	11.72%	8.71%	50.84%

Dana anda juga telah mengatasi prestasi pasaran-pasaran serantau yang terkemuka.

**Carta 8** menunjukkan prestasi Dana anda, dalam matawang Hong Kong, mengatasi indeks Hang Seng. **Carta 9** menunjukkan prestasi Dana anda, dalam matawang Australia, mengatasi ASX 200. Prestasi yang kukuh walaupun pada hakikatnya matawang Australia (AUD) merupakan salah satu matawang terkuat di dunia. **Carta 10** menunjukkan prestasi Dana anda,

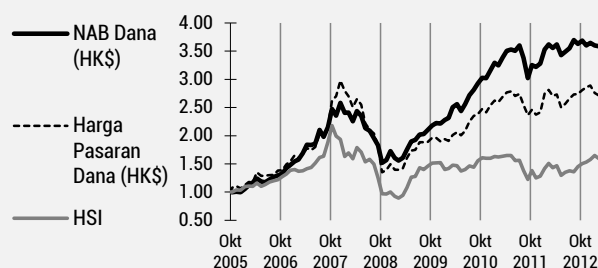
dalam matawang Singapura, menewaskan Indeks Perusahaan Straits Times. Memiliki saham icapital.biz Berhad adalah jauh lebih menguntungkan daripada melabur di Sydney, Hong Kong atau Singapura, walaupun dinyatakan dalam matawang negara masing-masing.

### (vi) Pendapat kami

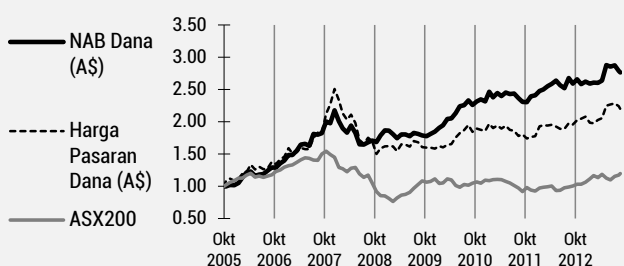
icapital.biz Berhad telah disenaraikan selama hampir 8 tahun. Sepanjang tempoh ini, ia telah menjual sebahagian besar pelaburannya hanya beberapa kali. Pada tahun kewangan 2013, Dana anda telah menjual sebahagian besar saham di dalam portfolionya, menjana hasil jualan sebanyak RM64.723 juta dan memberi keuntungan yang direalisasi sebanyak RM49.126 juta. Dana anda hanya dapat menggunakan sebahagian kecil daripada aset tunainya dengan melabur dalam Wellcall Holdings Bhd. Disebabkan oleh faktor utama ini, tahap tunai Dana anda terus meningkat kepada RM208.005 juta (atau RM1.49 sesaham) daripada RM133.736 juta pada 31 Mei 2012.

Mengapa kami menjual? Seperti Amerika yang merupakan ekonomi terbesar di dunia, walaupun telah

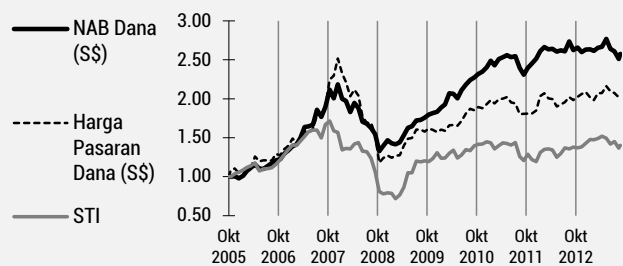
**Carta 8**  
Prestasi Dana lwn HSI



**Carta 9**  
Prestasi Dana lwn ASX200



**Carta 10**  
Prestasi Dana lwn STI



pulih, para pelabur masih bimbang dan melihat bilakah rangsangan kewangan akan ditarik balik. Semua masa yang diambil bagi membolehkan pasaran kewangan berakhir adalah bila Ben Bernanke melancarkan “lisan” tirusnya atau pengetatan kewangan pada Mei 2013. Ekonomi yang sedang pesat membangun begitu teruk terjejas menyebabkan ramai yang bertanya sama ada Krisis Asia 1997 akan berulang. Kini, seperti yang kami tulis diulaskan ini, rakyat Amerika berada dalam bahaya melihat kerajaan mereka ditutup sekali lagi.

Secara ironinya, merentasi Lautan Pasifik, walaupun China berjaya memperlambatkan pertumbuhan ekonominya ke kadar yang mampan untuk jangka panjang, kecurigaan yang mendalam di kalangan para pelabur dan penganalisis masih kekal.

Di dalam negara, 2013 menyaksikan rakyat Malaysia perlu berurusan dengan sebuah pilihanraya umum yang berkemungkinan akan berubah dan ekonomi yang perlahan. Kita telah pun mengetahui keputusan Pilihanraya Umum ke-13 dan kita juga mengetahui bahawa ekonomi Malaysia menghadapi ketidakseimbangan struktur sekali lagi.

Namun, di sebalik semua ini, pasaran saham Kuala Lumpur masih berada dilandasannya. Walaupun berlatar belakang makro yang sering tidak menyenangkan dan pasaran saham Kuala Lumpur yang kaya dengan penilaian, pengurus dana dan penasihat pelaburan tidak mampu untuk membeli pelaburan jangka panjang yang menarik dalam kuantiti yang bermakna.

Dengan mengambil kira faktor-faktor ini, adakah kami menyimpang dari nilai pelaburan eklektik kami? Falsafah nilai pelaburan eklektik Capital Dynamics, yang saya gubal dan kembangkan, adalah terbaik untuk difahami bila dibandingkan dengan buluh, juga dikenali sebagai kayu orang miskin.

Walaupun konotasinya yang merendah diri, buluh mempunyai beberapa kualiti yang luar biasa. Satu, ia mempunyai kekuatan tegangan yang lebih besar daripada keluli lembut dan boleh menahan mampatan lebih baik daripada konkrit. Sifat serba boleh daripada buluh adalah penting dalam memelihara tumbuhan, yang boleh membesar sehingga 60 meter tinggi tetapi hanya lebar di pangkalnya sebagai bahagian paling

atas, dari jatuh dan menjadikannya mampu melentur ditiup angin tanpa pecah. Buluh mempunyai kualiti persekitaran yang hebat, yang sebahagian besarnya berdasarkan merit kemampunan rumput. Sistem akarnya yang luas mengurangkan keperluan untuk amalan penanaman sengit. Ia juga menghasilkan lebih banyak oksigen daripada karbon dioksida dibandingkan dengan pokok-pokok dan lebih berkesan mengikat tanah untuk mengelakkan hakisan.

Falsafah nilai pelaburan eklektik Capital Dynamics mencerminkan sifat-sifat buluh, iaitu, penyesuaian, konsisten, dan kemampunan. Capital Dynamics menyedari bahawa nilai pelaburan konvensional mungkin tidak sesuai di negara-negara membangun di mana kekuatan, institusi yang mantap dan kuasa pasaran masih kurang atau di peringkat embrio. Oleh itu, ia menyesuaikan diri dan membuat pembaharuan pendekatan nilai pelaburan dengan mempertimbangkan faktor-faktor seperti struktur politik dan ekonomi makro.

Sebagai yang serba boleh menganalisis di dalam syarikat-syarikat yang berbeza persekitarannya, Capital Dynamics tidak menyimpang dari nilai pendekatan teras pelaburannya, yang menarik kepada nilai asas intrinsik sebuah syarikat dan prinsip margin keselamatan. Hakikat bahawa Capital Dynamics mampu untuk mencapai pulangan yang lebih tinggi secara konsisten telah menunjukkan bahawa falsafah pelaburan eklektik adalah berkesan dan mampan. Ia tidak percaya bahawa risiko yang tinggi bersamaan dengan pulangan yang tinggi atau risiko yang rendah bersamaan pulangan yang rendah. Hakikatnya, falsafah nilai pelaburan buluh kami akan mengurangkan risiko dengan menjaga penurunan, dan mencapai pulangan yang lebih tinggi selaras dengan menjadi pragmatik. Ini adalah serupa dengan buluh yang rendah kosnya lagi tinggi nilainya.

Dalam Mesyuarat Agung Tahunan ke-8, hampir 87% daripada pemilik saham kami mengundi bagi membantah dan menewaskan satu percubaan yang dirancang untuk melantik 3 pengarah baru. Mesyuarat Agung Tahunan itu telah memakan masa yang panjang. Hasilnya, Hari Pelabur tahunan kami, yang merupakan sebahagian daripada program tanggungjawab korporat kami, tidak boleh diadakan.



## BAGAIMANA KAMI LAKUKAN

Tinjauan Prestasi icapital.biz Berhad

Kunci kepada kebahagiaan adalah berfikir tentang orang lain dan bukannya diri sendiri. Capital Dynamics tidak mementingkan diri sendiri sejak hari pertama. Tidak ramai yang tahu bahawa penyokong setia kami sentiasa memuji kami kerana mengubah kehidupan mereka. Di Capital Dynamics, mengubah kehidupan adalah apa yang kami sasarkan. Kami bukan sekadar perniagaan, kami adalah rakan kongsi anda dalam menulis cerita kehidupan anda yang baik. Pengundian pada AGM 2012 adalah kemenangan untuk nilai fesyen lama yang baik yang boleh dipercayai.

Pada tahun ini, Hari Pelabur 2013 bertemakan “Permulaan Besar”, di mana kami akan berkongsi dengan orang ramai bahawa dalam pelaburan, apa yang

menjadi yang pertama untuk bersara. Mesej saya adalah bahawa kami akan melakukan apa sahaja yang mungkin manusia akan lakukan untuk melindungi kepentingan jangka panjang pemilik saham.

Kemudian, terdapat satu atau dua laporan mempamerkan yuran pengurus dana dan penasihat pelaburan yang dibayar kepada Capital Dynamics, membayangkan bahawa ianya terlebih bayar. Asas laporan-laporan ini adalah mereka membandingkan bayaran yang dibayar dengan keuntungan realisasi Dana anda, memberi tahun kewangan 2009 dan 2012 sebagai bukti. **Jadual 3** dibawah menunjukkan nisbah jumlah perbelanjaan Dana anda sejak ditubuhkan sehingga sekarang. Nisbah ini telah menurun.

**Jadual 3**

Tahun Kewangan	2006	2007	2008	2009	2010	2011	2012	2013
Nisbah Jumlah Perbelanjaan	2.86%	2.04%	2.36%	1.98%	1.95%	1.55%	1.78%	1.67%

diperlukan adalah langkah pertama yang betul. Kami menggalakkan semua pemilik saham, keluarga dan rakan-rakan mereka untuk menghadiri acara pelaburan Asia yang paling inovatif pada hari Sabtu, 26 Oktober 2013.

Maklumat lanjut mengenai Hari Pelabur 2013 dan borang pendaftaran untuk tetamu bagi menghadiri Mesyuarat Agung Tahunan Ke-9 dilampirkan.

Dalam Mesyuarat Agung Tahunan ke-8 tahun lepas, niat saya untuk bersara sebagai pengurus dana bagi Dana anda telah dilaporkan oleh sesetengah pihak sebagai satu “ancaman tertutup”. Berbeza dengan laporan-laporan ini, tidak ada ancaman. Tujuan pengumuman saya adalah mudah. Ia adalah untuk membersihkan mana-mana tanggapan yang salah bahawa kami hanya mengambil langkah-langkah untuk melindungi kepentingan kedudukan kami sendiri sebagai pengurus dana dan juga yuran kami. Jika dengan meletakkan jawatan nilai mampan intrinsik Dana anda akan meningkat, saya akan

Lupakan mengenai dana. Fikirkan portfolio anda sendiri. Bayangkan, adakah anda akan menilainya berdasarkan keuntungan atau kerugian tahun tertentu ataupun berapakah nilai portfolio anda? Adakah anda akan membayar diri anda ganjaran yang lumayan, katakan, pada tahun 2009 untuk merealisasikan keuntungan walaupun portfolio anda mengalami kerugian tidak direalisasi yang besar? Nilai aset bersih telah menjadi asas.

Akhir sekali, sepatah kata berkenaan premium dan diskaun. Para pelabur membayar premium apabila membeli unit amanah dan menjual pada diskaun apabila menjualnya. Fikirkan dan pertimbangkanlah.

Tan Teng Boo  
Pegawai Lantikan Khas  
Capital Dynamics Asset Management Sdn Bhd  
11 September 2013



# 关于资本投资有限公司

## A | 关于我们

资本投资有限公司(您的基金)是一家封闭式基金。其主要投资目标乃是为其投资取得长期的资本增值,而来自投资的股息及/或利息则是次要的考虑因素。您的基金投资于大马证券交易所主板及创业板内被低估的公司。它也可以将其现金存款及不超过10%的资产价值投资于非上市公司。您的基金的资产配置乃是基于价值投资的理念。从理论上说,范围可以是0%至100%的股权。

您的基金拥有RM1亿4千万的缴足资本且在任何时候都拥有固定的已发行股。就如其它挂牌上市的公司般,其股价完全由市场的供应以及需求所决定。同样地,您能够通过拥有执照的股票经纪行在股市买卖您的基金股票。

您的基金的目标一直都是要让它增值,而这目标甚至是早在它于2005年10月19日上市前就已被设定了。这是通过坚守价值投资理念而达成。身为一位价值投资者,您的基金的投资决定是随股票的市价以及其潜在价值而定。

除非获得股东们的同意,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全赖于一个简单的理由:允许长期股东从价值投资中获益。投资于您的基金允许复合回酬的威力为您效劳。若能成功地达到这目标,我们将证明长期性且认真地投资于大马证券交易所也能提供卓越的回酬。

## C | 谁管理您的基金

资本投资有限公司是依据1965年的公司法令而成立,并由董事局所代表。董事们皆属非执行董事,

并且扮演监管的角色以确保您的基金在任何时候都有条理地在运作。

您的基金并没有任何职员。其运作皆外包予独立的专业公司。主要的专业公司是基金管理公司、投资顾问公司、托管公司以及行政服务公司。

基金管理公司根据被批准的投资政策及目标来管理资产,而投资研究以及分析则由投资顾问公司所提供。资产则被托管公司所掌管,而会计与行政服务则外包予行政服务公司。

您的基金也雇用了秘书、注册服务公司、审核公司以及税务公司的服务。内部审核也被外包。内部审核员将直接向审核委员会进行汇报。

信托基金与封闭式基金有天渊之别。欲知这方面的详情,请联络投资顾问,资威私人有限公司或请浏览[www.icapital.biz](http://www.icapital.biz)或[www.icapitaleducation.biz](http://www.icapitaleducation.biz)

## D | 如何联络我们

欲知有关您的基金的更多详情,请游览[www.icapital.my](http://www.icapital.my)

您可以通过(603) 2264 8888 或 (603) 2282 2733 (传真号码) 抑或电邮至[info@my.tricorglobal.com](mailto: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](mailto: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](mailto:cdsb@icapital.biz)联络投资顾问。

# 我们的 业绩表现

回顾资本投资有限公司的表现

## A | 给股东们的信

截至于2013年5月31日为止，您的基金报上了RM6千595万4千的营业额。相较于2012年5月31日，其增长了166%或RM4千113万2千。相较于上个财政年度RM1千769万的税前盈利，您的基金在截至于2013年5月31日报上RM5千897万6千的税前盈利。这税前盈利的上涨是鉴于出售证券所获得的较高盈利。因此，相较于上个财政年度RM1千573万2千的净盈利，您的基金在本财政年度报上RM5千681万3千的净盈利。

在评估您的基金业绩时，资产净值是需要关注的主要变量。在2013年5月31日，您的基金资产净值从2012年5月31日的每股RM2.86增长5%至RM2.99。

在过去一年，大马证券交易所因期待已久的第13届大选及大马在大选后走向的不确定性而表现逊色。尽管如此，您的基金在基金经理的谨慎管理及投资顾问的明智献议下已做好准备以应对这些挑战。基于您的基金在过去一年所建立的可观财务价值，因此，您的基金在取利于可能出现的投资机会上占有优势。

当前的首要任务是继续保持您基金的投资质量。此政策从您的基金开始时已一直被投资顾问及基金经理所遵循。

我在此代表董事局向股票拥有者于上一届股东常年大会给予董事局及基金经理的支持深表谢意。此谢意也被回馈及反映在今年的表现上。

鉴于去年的业绩，我期待您的基金将克服困难并继续迈进另一个丰硕的一年。

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya

董事局主席

2013年9月11日

## B | 我们如何善用您的基金

“当您将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2012年5月31日起所作的收购和投资组合目前所持有的股项数量以及各自的市值。

### (ii) 售出的股项投资

截至于2013年5月31日为止的财政年度，您的基金售出了莫实得控股有限公司的100万支股、花莎尼控股有限公司的59万6千400支股、巴迪尼控股有限公司的370万支股、百盛控股有限公司的100万支股、国油贸易有限公司的150万支股、发马有限公司的12万5千180支股以及广宇科技有限公司的30万支股。这

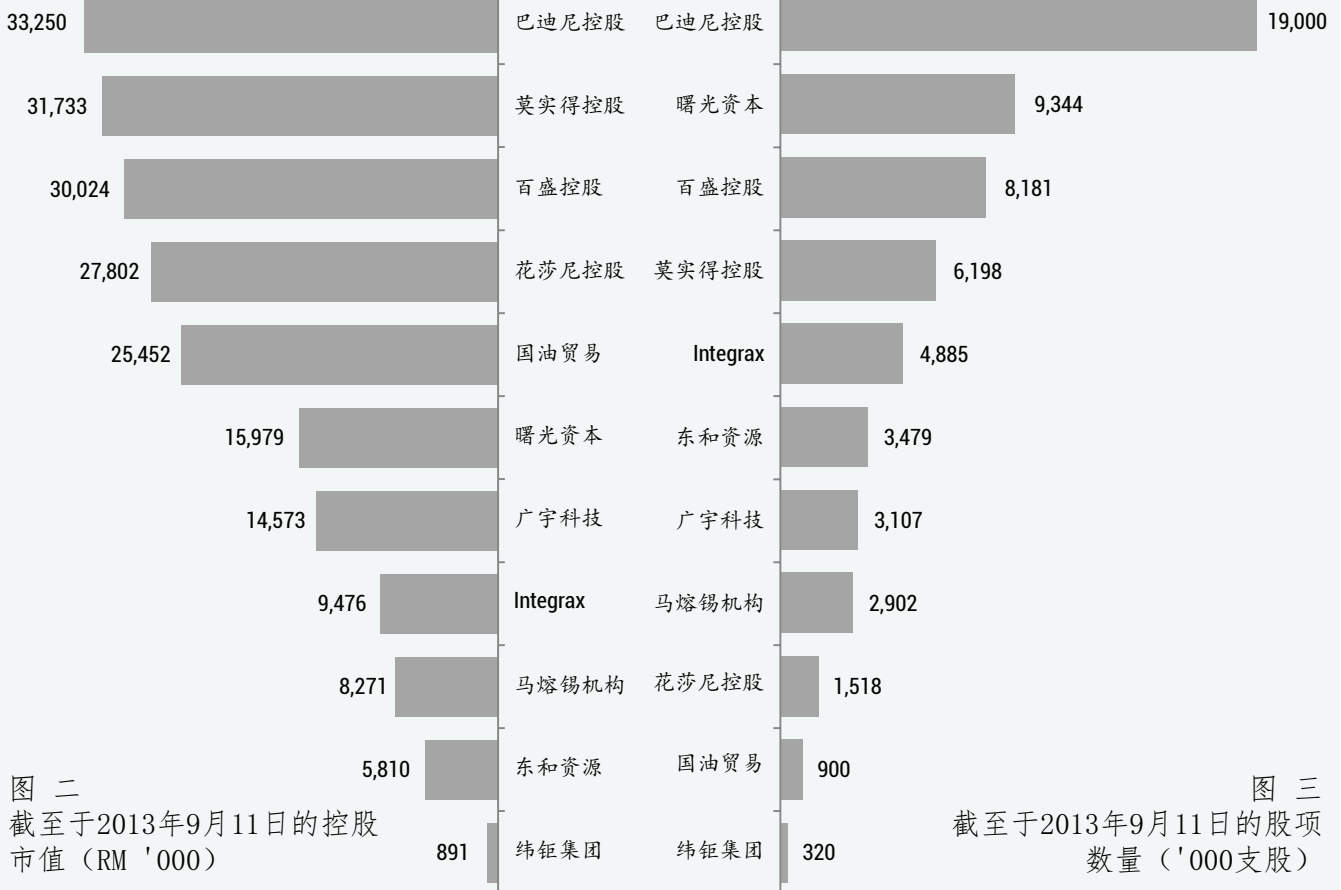
些脱售带来了RM4千912万6千的收益，而投资成本则为RM1千559万7千。

截至于2013年5月31日为止，您的基金作出价值RM1亿零962万9千的投资，而市值则为RM2亿零970万。这带来了RM1亿零7万1千的未套现收益。截至于2013年5月31日为止的基金投资，巴迪尼控股、国油贸易及花莎尼控股拥有庞大的未套现收益。

### (iii) 所作出的投资

截至于2013年5月31日为止的财政年度，您的基金已作出新的收购。该新投资为纬钜集团有限公司。

图一  
自 2012年5月31日以来所买进的股票  
( '000支股)



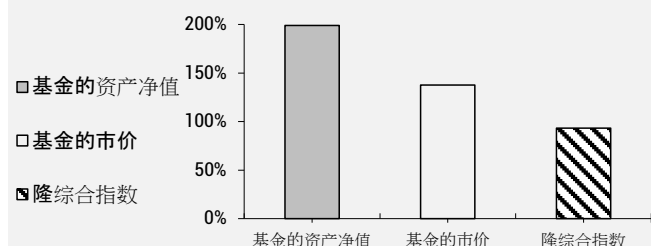
图二  
截至于2013年9月11日的控股  
市值 (RM '000)

图三  
截至于2013年9月11日的股项  
数量 ( '000支股)

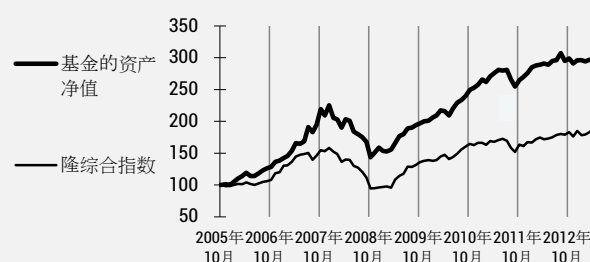
## 我们的业绩表现

### 回顾资本投资有限公司的表现

图四  
从2005年10月19日至2013年9月11日的回酬



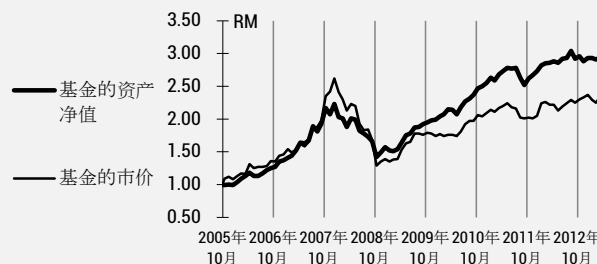
图五  
基金的资产净值与隆综合指数 (19/10/2005=100)



图六  
基金的溢价/折价



图七  
基金的资产净值与市价



#### (iv) 资产净值与市价

自2005年10月19日上市以来至2013年5月31日为止，您基金的每股资产净值已从RM0.99上涨至RM2.99。这代表着202%的增长。另外，自2005年10月19日上市以来至2013年5月31日为止，您基金的市价已从RM1.01上扬至RM2.40。这代表着138%的收益。同期的隆综合指数仅报上了94%的增长。

从2012年6月1日至2013年5月31日，您基金于2013年5月31日的每股资产净值从RM2.86上扬至RM2.99。这代表着5%的收益。您基金的市价从2012年6月1日

的RM2.13上升至2013年5月31日的RM2.40，或相当于13%的上涨。同期的隆综合指数则上扬了12%。

图五显示您的基金与隆综合指数的表现比较。图六显示了您基金资产净值的溢价/折价，而图七则显示每股资产净值以及市价。

#### (v) 表现的比较

无论是以资产净值或市价而言，资本投资有限公司自其于2005年10月份上市以来的表现无可否认皆已超越了隆股市—参阅表一及表二。

表一  
从2005年10月19日开始的复合回酬

截至	基金的资产净值	基金的市价	隆综合指数	基金的现金水平
2005年12月31日	0.00%	8.00%	-1.57%	71.18%
2006年12月31日	38.38%	46.00%	19.92%	42.98%
2007年12月31日	125.25%	162.00%	58.07%	30.38%
2008年12月31日	58.59%	39.00%	-4.09%	34.56%
2009年12月31日	101.01%	74.00%	39.23%	14.49%
2010年12月31日	157.58%	109.00%	66.15%	29.87%
2011年12月31日	175.76%	105.00%	67.44%	34.92%
2012年12月31日	195.96%	137.00%	84.75%	34.34%
2013年9月11日	198.99%	140.00%	93.45%	50.84%

表二

从2005年10月19日开始的年均回酬

截至至	基金的资产净值	基金的市价	隆综合指数	基金的现金水平
2005年12月31日	0.00%	46.93%	-7.62%	71.18%
2006年12月31日	31.09%	37.08%	16.34%	42.98%
2007年12月31日	44.65%	54.93%	23.14%	30.38%
2008年12月31日	15.49%	10.83%	-1.30%	34.56%
2009年12月31日	18.07%	14.09%	8.19%	14.49%
2010年12月31日	19.94%	15.22%	10.25%	29.87%
2011年12月31日	17.77%	12.27%	8.67%	34.92%
2012年12月31日	16.25%	12.72%	8.89%	34.34%
2013年9月11日	14.87%	11.72%	8.71%	50.84%

您的基金也超越了其它主要区域市场的表现。

以港币计算，图八显示您基金的表现超越了恒生指数。此外，图九以澳币作单位展示了您基金的表现超越了ASX200指数。尽管澳币一直是全球强劲货币之一，您基金仍取得强劲表现。以新币计算，图十显示您基金的表现超越了新加坡证券交易所新海峡时报指数。

简而言之，长期持有资本投资有限公司的股票已远远超越投资于悉尼、香港或新加坡的投资回酬，即使按她们各自的汇率计算。

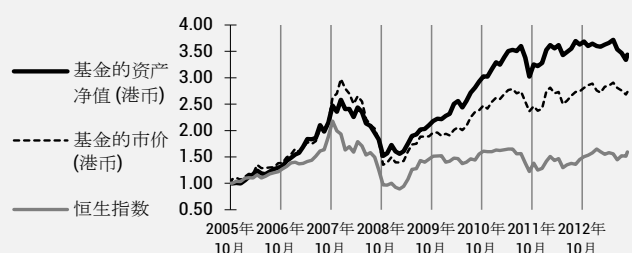
(vi) 我们的见解

迄今，资本投资有限公司已上市了长达8年。在这期间，其仅有几次大量脱售其投资。于2013财政年度，您的基金脱售了相对其投资组合中较大的股项数量，从而产生了RM6千472万3千的营业额及RM4千912万6千的套现收益。您的基金仅能用其小部分的现金资产投资于纬矩集团有限公司。鉴于以上的因素，您的基金的现金水平从截至至2012年5月31日的RM1亿3千373万6千进一步上涨至RM2亿零800万零5千（或每股RM1.49）。

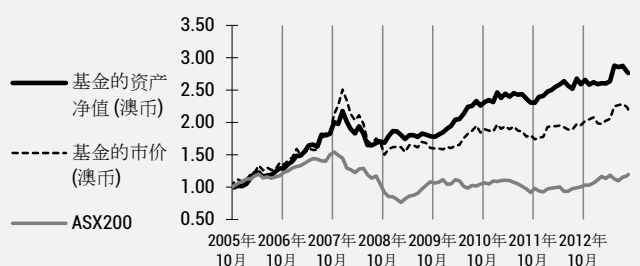
我们为何脱售呢？随着世界最大经济体美国的复苏，投资者对美国何时撤回货币刺激政策感到担忧。伯南克于2013年5月份口头推出货币逐渐减量或紧缩政策足以让金融市场彷徨。新兴经济体受到严重地影响以致许多人不禁询问1997年亚洲金融危机是否会重演。现在，当我们撰写这篇述评时，美国人正观察着他们的政府可能再次关闭的险境。

讽刺的是，尽管太平洋彼岸的中国已成功地将她的经济放缓至长期可持续的速度，许多投资者及分析员之间根深蒂固的怀疑论依然存在。

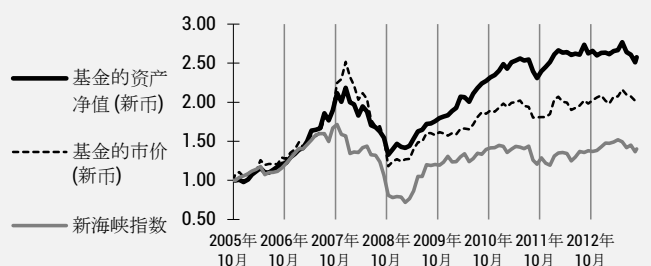
图八  
基金的表现对恒生指数



图九  
基金的表现对ASX200



图十  
基金的表现对新海峡指数





## 我们的业绩表现

### 回顾资本投资有限公司的表现

在本地，2013年看到了大马人须面对可能是分水岭的大选及放缓的经济。我们知道第十三届大选的结果并知晓大马经济正再次面临结构性的失衡。

但是，尽管如此，吉隆坡股市依然屹立。在面对往往令人不安的宏观环境及估值丰富的吉隆坡股市下，您的基金经理及投资顾问未能以具意义的数量收购诱人的长期投资。

考虑到上述因素，我们是否已乖离了我们的知性折衷价值投资风格呢？通过与穷人的木材，即竹子的比较最容易明白我所制定及发展的资威知性折衷价值投资。

纵使其内涵谦逊，竹子拥有数项特别的品质。第一，其拥有较软钢更强的伸展力及较混凝土更佳的抗压性。竹子多功能的属性是保持该植物屹立不倒且迎风摇摆但不折断的关键。其可长高至60米但其基部却仅有顶部般的宽大。竹子拥有极好的环境质量，即主要基于草的持续性优点。其广泛的根部系统大幅的减少激烈的栽培活动。其也较树木将一氧化氮转换成更多的氧气，并有效地结合土壤以防止水土流失。

资威的知性折衷价值投资理念反映竹子的品质，即适应性、一致性及可持续性。资威意识到传统的价值投资可能不适用于仍然缺乏强大及具规模或处于萌芽阶段的机构和市场力量的发展中国家。因此，其通过将如政治和宏观经济结构般的要素纳入考量而调整及革新其价值投资方法。

幸福的钥匙在于为他人而非自己设想。资威自首日起一直无私地奉献。仅有小部分人知道我们忠诚的支持者持续赞扬我们改变了他们的生活。对资威而言，改变生活是我们的目标。我们不仅仅是一门生意，我们也是编写您美好生活的伙伴。在2012年股东常年大会的表决是一个老式诚信价值的胜利。

今年，2013年投资者日的主题是“重大起点”。我们将与大众分享投资最需要的是正确的第一步。我们鼓励所有的股票拥有者、他们的家人及友人于2013年10月26日（星期六）出席亚洲最具创新性的投资活动。

后附有关于2013年投资者日的更多详情及供宾客出席第九届股东常年大会的报名表格。

在筹备去年的第八届股东常年大会时，我欲辞退作为您基金的基金经理一职被某些人报道为隐含的威胁。与这些报道相反，当中并无牵涉任何的威胁。我作出宣布的目的非常简单。那是为了清除我们只会自私地采取措施保护我们作为基金经理及收费的任何误解。若您基金的永续内在价值会因我的辞职而上升，我将会在第一时间辞呈。我的信息是我们将竭尽所能地保护股票拥有者的长远利益。

此外，有一两分报道暗示支付予资威的基金管理及投资顾问费用过高。这些报道将所支付的费用与您基金的套现盈利相较，并引用2009财政年度及2012财政年度作为证据。表三显示您的基金自成立以来的开支比率。该比率持续下降。

表三

财政年度	2006	2007	2008	2009	2010	2011	2012	2013
总开支比率	2.86%	2.04%	2.36%	1.98%	1.95%	1.55%	1.78%	1.67%

在不同的环境灵活地分析各个公司，资威并未乖离其核心价值投资方法，即根据公司的潜在内在价值及安全边际原则。资威能够持续实现卓越的回酬显示其知性折衷价值投资理念是健全和可持续的。其并不认同高风险相等于高回报或低风险等同低回报。事实上，我们的竹子价值投资理念将通过照料下行风险而减低风险，并透过务实的态度实现一贯的卓越回报。这与廉宜但高价值的竹子相似。

于第八届的股东常年大会，我们近87%的股票拥有者投票反对并击败了一个企图委任三名新董事的精心布局。该股东常年大会甚为耗时。因此，我们无法举办作为我们部分企业社会责任的年度投资者日。

抛开作为一个基金的事实，想想您自身的投资组合。试想一下，您会否按某年的套现盈利或亏损而非按您投资组合的价值评估它？您会否于2009年因套现盈利而无视您投资组合正深陷庞大未套现的亏损而对自己作出可观的付费？资产净值乃是基础。

最后，针对溢价及折价的一席良言。投资者支付溢价购买信托单位，并以折价将它们脱售。确实耐人寻味！

陈鼎武  
指定基金经理  
资威资产管理私人有限公司  
2013年9月11日

# Who runs icapital.biz Berhad

## 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, 84 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 also a Director and has indirect shareholding in Capital Dynamics Asset Management Sdn. Bhd.

Datuk Ng Peng  
Hong @ Ng  
Peng Hay  
**Deputy Chairman / Senior Independent Non-Executive Director, Chairman of the Nomination Committee, 61 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 Malaysian Chinese Association, 7th Branch Melaka since 1982. Presently, he is the Chairman of Koperasi Jayadiri Malaysia, a Board Member of Malaysian Investment Development Authority (MIDA) and a Director of The Tun Hussein Onn National Eye Hospital.

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

David Loo Kean  
Beng  
**Independent Non-Executive Director, Member of the Audit Committee and Nomination Committee, 50 years of age – Malaysian**

David Loo Kean Beng was appointed to your Board of Directors on 15 May 2008. He holds a Bachelor of Arts (Honours). 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 Mak Loo & Co. He also sits on the board of Boustead REIT Managers Sdn Bhd, the manager of Al-Hadharah Boustead REIT.

Harun Bin  
Halim Rasip  
**Independent Non-Executive Director, Chairman of the Audit Committee and Member of Nomination Committee, 59 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. He articulated with Price Waterhouse in Perth, Western Australia for admission and acceptance into 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, solely responsible for the functions of project promotion, finance and corporate matters, business development, project development and management to date.

Harun Bin Halim Rasip is also the President Director



## WHO RUNS ICAPITAL.BIZ BERHAD

### Profile of Directors

of PT Tanah Laut Tbk, a company listed on the Indonesia Stock Exchange engaged in marine services and port development activities in Indonesia.

#### Dato' Dr. Norraesah Binti Mohamad

**Independent Non-Executive Director, Member of the Audit Committee and Nomination Committee, 65 years of age - Malaysian**

Dato' Dr. Norraesah Binti Mohamad was appointed to your Board of Directors on 22 November 2011. She holds a PhD in Economic Science from International Economics and International Finance, University of Paris I, Pantheon-Sorbonne, France.

Dato' Dr. Norraesah Binti Mohamad is currently a member of the World Islamic Economic Forum (WIEF) Board of Trustees and sits as a member of its International Advisory panel. She is also the Chairman of the WIEF Businesswomen Network.

She is also a director of My E.G. Services Berhad, Ya Horng Electronic (M) Berhad, Adventa Berhad, Malaysian Genomics Resource Centre Berhad and Utusan Melayu (Malaysia) Berhad.

#### Tunku Abdul Aziz Bin Tunku Ibrahim

**Independent Non-Executive Director, 79 years of age - Malaysian**

Tunku Abdul Aziz Bin Tunku Ibrahim was appointed to

your Board of Directors on 21 December 2011. He graduated from the University of Tasmania with a Bachelor of Arts Degree majoring in History and Political Science.

Tunku Abdul Aziz Bin Tunku Ibrahim began his business career with Guthrie Corporation Ltd after completing his professional education in England and tertiary education at the University of Tasmania, Australia. He then moved to the Central Bank of Malaysia as Advisor. He returned to the private sector, joining Dunlop Malaysian Industries before being appointed as the Group Director of Sime Darby Limited. He left Malaysia to take up a directorship at the Commonwealth Secretariat in London, returning to Malaysia on retirement in 1992.

He was a member of the Council of the Federation of Malaysian Manufacturers, the Malaysian National Shippers Council, the Asean Business Council, the Asean-US Business Council and the Asian-EU Business Council. He was, for two terms, the Chairman of the Asean Chambers of Commerce and Industry Working Group on Industrial Complementation that produced the Asean Motor Industry Guidelines. He also served on the Employers' Panel of the Industrial Court of Malaysia for several years.

He founded the Malaysian Chapter of Transparency International, the global coalition against corruption of which he was the President until December 2004.

He is also a member of several anti-corruption and good

governance advisory groups initiated by the World Bank and the United Nations as well as being a board member of the International Institute for Public Ethics. In February 2004 he was appointed a member of the Royal Commission inquiring into police services.

In February 2006, Tunku Abdul Aziz Bin Tunku Ibrahim was appointed as Special Adviser to the Secretary General of the United Nations and pioneered the establishment of the UN Ethics Office. He returned from New York on completion of his work in January 2007. He is a columnist for the New Straits Times. He was a national vice-chairman of the Democratic Action Party of Malaysia and one of two senators in the Malaysian Parliament nominated by Pakatan Rakyat Government of the State of Penang. On 12 August 2011, his alma mater, the University of Tasmania conferred on him the degree of Doctor of Laws honoris causa for his fight against corruption and promoting integrity in business and government in Malaysia and overseas.

#### Dato' Tan Ang Meng

**Independent Non-Executive Director, Member of the Audit Committee, 57 years of age - Malaysian**

Dato' Tan Ang Meng was appointed to your Board of Directors on 10 November 2012. He is a Certificated Public Accountant and was

admitted to the membership of the Malaysian Institute of Certified Public Accountants in 1980.

Dato' Tan Ang Meng started his career in 1975 with PriceWaterhouseCoopers, Kuala Lumpur. He left the firm in 1981 to join UMW. In 1983, he joined Guinness Malaysia Berhad. Following the merger between Guinness Malaysia Berhad and Malayan Breweries (M) Sdn Bhd, he was transferred to Malayan Breweries Limited in 1991 (which later changed its name to Asia Pacific Breweries Ltd) and served within the Group until January 2001. During that period, he held various senior management positions as well in various regional offices in the group. His last position was that of Regional Director based in Singapore with responsibility for the brewery operations in China, Vietnam, Cambodia and Myanmar.

In 2001, he was appointed Chief Executive Officer and Executive Director of the Fraser and Neave Holdings Berhad a position which he held until his retirement in November 2010.

He also sits on the board of United Malacca Berhad and Mega First Corporation Berhad.

#### Note

i. None of the Directors have any family relationship with any Director or major shareholder of your Fund nor conflict of interest involving your Fund.

ii. 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 2012 (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 2013. Your Board is of the opinion that it has, in all material respects, complied with the Principles and Best Practices of the Code.

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.

## 1 | Establish Clear Roles and Responsibilities

### 1.1. Board Charter

Your Board established a Board Charter on 2 July 2013 to ensure that all Board members are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and to ensure that the principles of good Corporate Governance are applied in all their dealings in respect and on behalf of your Fund.

The Board Charter is made available for reference in your Fund's website at [www.icapital.my](http://www.icapital.my).

### 1.2 Duties and Responsibilities

The primary responsibilities of your Board include, amongst others, determining your Fund's investment policies, which include performance targets and long-term goals of your Fund and regularly review the division of responsibilities in ensuring that the financial and operational objectives of your Fund are met.

As a closed-end fund, the Fund employs an external management structure whereby all the Fund's functions are undertaken by service providers. Your Board's duties and responsibilities include the following:

- i. ensure that the Fund adheres to its investment objectives, investment policies and investment restrictions;
- ii. review and evaluate the performance of the service providers i.e. the Fund Manager, Investment Adviser, the Custodian, the Administrator, the Company Secretaries, External Auditors, Internal Auditors and any other service providers as may be appointed from time to time;
- iii. review the adequacy and integrity of the system on internal control of the service providers;
- iv. review and oversee succession plan for the Board and service providers (if necessary); and
- v. ensure that the Fund adheres to high standards of ethic and corporate governance.

### 1.3. Board Balance

The Board shall comprise of Non-

Executive Directors who shall be qualified individuals of good repute and with diverse professional background, skills, necessary experience and knowledge for the performance of their duties. Their profiles are presented on page 20 to 21 of this Annual Report.

The appointment of a new Director is a matter for consideration and decision by your Board, upon the recommendation from the Nomination Committee. In making this recommendation, the Nomination Committee will consider the required mix of skills, experience and diversity, including gender, where appropriate, which the potential candidate would bring to your Board.

Your Board has appointed Datuk Ng Peng Hong @ Ng Peng Hay, the Chairman of Nomination Committee, on 2 July 2013 as the Senior Independent Non-Executive Director who will also attend to any queries or concerns raised by the share owners.

Your Board is ensured of a balanced view at all board deliberations, as all your Directors are non-executives 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 oversees the performance of the management of your Fund and has expressed its satisfaction and confidence in the services provided by various parties involved in the operations of your Fund.

### 1.4. Directors' Code of Ethics and Conduct

Your Fund adopted the Directors' Code of Ethics and Conduct on 2 July 2013 ("the Code of Conduct") contained in the Board Charter. Your Board periodically reviews and is guided by the Code of Conduct in discharging its oversight role effectively. The Code of Conduct requires your Board to observe high ethical business standards and apply these values to all aspects of your Fund's business and professional practice and act in good faith in the best interests of your Fund and its share owners. Details of the Code of Conduct which are contained in the Board Charter are available on the corporate website.

Your Board does not have a Whistleblowing Policy because your Fund does not employ any employees.

### 1.5. 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 your 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.

### 1.6. 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 your 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.

### 1.7. Succession Planning

Your Fund has not adopted any written succession planning standards for your Directors. Your Board has not established any succession plan for senior management as your Fund does not have any management. As a closed-end fund, your Fund employs an external management structure whereby all your Fund's functions are undertaken by service providers.

The Nomination Committee, with the guidance of the Board as a whole, is responsible for ensuring that your Directors are qualified individuals of good repute and with diverse professional background, skills, necessary experience and knowledge for the performance of their duties by:-

- a. making recommendations to your Board concerning the appointment of new Directors; and

b. making recommendations to your Board concerning the recommendation to share owners for re-election of any Director retiring by rotation pursuant to the Fund's Articles of Association and re-appointment of any Director who has reached or is over the age of 70.

### 1.8. Strategies Promoting Sustainability

Your Board promotes good corporate governance in the application of sustainability practices throughout your Fund, the benefits of which are believed to translate into better corporate performance. Additionally, your Fund's activities on corporate social responsibilities are disclosed on pages 29 and 60 of this Annual Report and on the corporate website.

### 1.9. Qualified and Competent Company Secretaries

The Company Secretaries play an advisory role to your Board in relation to your Fund's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries support your Board by ensuring that all Board meetings are properly conducted and deliberations at your Board and Board Committee meetings are well captured and recorded. The Company Secretaries also keep your Board updated on changes in the Bursa Malaysia Securities Berhad ("the Bursa Securities") Main Market Listing Requirements and directives issued by the regulatory authorities, and the resultant implications to your Fund and your Directors in relation to their duties and responsibilities. All your Board Members, particularly the Chairman, have unrestricted access to the

advice and services of the Company Secretaries for the purposes of the Board's affairs and the business.

## 2 | Strengthen Composition

### 2.1. 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.

### 2.2. Audit Committee

The functions, composition, terms of reference and the summary of activities of the Audit Committee are laid down on pages 32 to 35 of this Annual Report.

### 2.3. Nomination Committee

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

#### Chairman:

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

#### Members:

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

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

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

**Dato' Dr Norraesah Binti Mohamad**  
(Independent Non-Executive Director)

The Nomination Committee is empowered by your Board to, amongst others, recommend to your Board, suitable candidates for appointment as your 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.

### 2.4. Gender Diversity Policy

Your Board is presently of the view that there is no necessity to fix a specific gender diversity policy as your Board has a female director and the appointment of any Directors should be based on their merit, qualification and working experience.

### 2.5. 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. An analysis of the aggregate Directors' remuneration for the financial year ended 31 May 2013 is as below:-



Directors	Fees (RM)
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya	40,000
David Loo Kean Beng	40,000
Datuk Ng Peng Hong @ Ng Peng Hay	40,000
Harun Bin Halim Rasip	40,000
Dato' Dr Norraesah Binti Mohamad	40,000
Tunku Abdul Aziz Bin Tunku Ibrahim	40,000
Dato' Tan Ang Meng (appointed on 10 November 2012)	22,247
<b>Total</b>	<b>262,247</b>

### 3 Reinforce Independence

#### 3.1. Annual Assessment of Independent Directors

Your Board, through the Nomination Committee, assesses the independence of Independent Directors annually. The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and your Fund and his involvement in any significant transaction with your Fund. Based on the assessment of the independence of the Independent Non-Executive Directors conducted by the Nomination Committee, your Board is satisfied that all Independent Non-Executive Directors are able to provide check and balance to your Board's decision making process and bring independent and objective judgment to your Board deliberations.

Your Board composition has met the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Code for a balanced board which is fulfilled with Independent Directors constituting more than one-third of your Board.

#### 3.2. Tenure of Independent Directors

Your Board noted that one of the recommendations of the Code is that the tenure of an independent director should not exceed a cumulative term of nine (9) years unless share owners' approval is obtained to retain such Director as an Independent Non-Executive Director. Amongst your Board members, none of the Independent Non-Executive Directors have served on the Board for more than nine (9) years.

Your Board would seek share owners' approval at the Annual General Meeting if an Independent Director who has served in that capacity for more than nine (9) years shall remain as an Independent Director. The Nomination Committee will assess the independence of the Independent Director based on the assessment criteria developed by the Nomination Committee, and recommend to your Board for recommendation to share owners for approval. Justification for your Board's recommendation would be provided to share owners, where applicable.

#### 3.3. Separation of the Positions of the Chairman and the Chief Executive Officer ("CEO")

The Code states that the positions of the Chairman of your Board and the CEO should be held by different individuals, and the Chairman must be a non-executive member of your Board. Your Fund complies with this recommendation as the position Chairman is held by YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya and your Fund does not have any management. The roles of CEO have been delegated to the respective service providers. The Chairman leads your Board to ensure its effectiveness and your Board as a whole is responsible for overseeing the operations of your Fund are carried out in an efficient and effective manner.

#### 3.4. Composition of Your Board

Your Board led by a Non-Independent and Non-Executive Chairman, is made up of seven (7) Non-Executive Directors; six (6) of whom are an Independent. Your Board composition has met the Bursa Securities' Main Market Listing Requirements, which requires at least two (2) or one-third (1/3) of your Board, whichever is higher, to be independent directors. The Non-Executive Directors

contribute in areas such as policy and strategy, performance monitoring, as well as improving governance and controls. The Non-Executive Directors are independent from management and free of any relationship which could materially interfere with the exercise of their independent judgment and objective participation and decision making process of your Board.

## 4 | Fostering Commitment

### 4.1. Time Commitment

Your Directors observe the recommendation of the Code that they are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

To ensure that your Directors have the time to focus and fulfil their roles and responsibilities effectively, none of your Directors except for Dato' Norraesah Binti Mohamad holds directorships of more than five (5) public listed companies. Dato' Norraesah presently holds directorships in six (6) public listed companies. Her directorship in

Ya Horng Electronic (M) Berhad ("Ya Horng") will remain until the delisting of the said company by the fourth quarter of 2013 at the request of the Board of Directors of Ya Horng.

Your Board is satisfied with the level of time commitment given by your Directors towards fulfilling their roles and responsibilities as your Directors of your Fund.

During the financial year ended 31 May 2013, a total of seven (7) Board meetings were held and the attendance of each of your Director is as shown below :-

Name	Number of meetings attended
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya	6 out of 7
David Loo Kean Beng	5 out of 7
Datuk Ng Peng Hong @ Ng Peng Hay	6 out of 7
Harun Bin Halim Rasip	7 out of 7
Dato' Dr Norraesah Binti Mohamad	5 out of 7
Tunku Abdul Aziz Bin Tunku Ibrahim	7 out of 7
Dato' Tan Ang Meng (appointed on 10 November 2012)	1 out of 2

### 4.2. Directors' Training

In addition to the Mandatory Accreditation Programme as required by the Bursa Securities, your Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes. This will enable your Directors to effectively discharge their duties and maintain active participation in your Board deliberations. With assistance from the Nomination Committee, your Board shall assess the training needs of your Directors on an ongoing basis.

Your Board shall ensure compliance of the Mandatory Accredited Programme of Bursa Securities by your newly

appointed Directors and appropriate induction programme for your newly appointed Directors shall also be carried out with the assistance of the Fund Manager. During the financial year ended 31 May 2013, the Directors' continuing education programme included the following:-

- Balanced Leadership for 21st Century.
- Changing Trends, New Opportunities .
- Stress Management – transforming business pressure into proactive energy.
- 18th Annual Coaltrans Asia 2012.
- Briefings by the Company Secretary, Internal Auditors and

External Auditors on the relevant updates on statutory and regulatory requirements.

## 5 | Uphold Integrity In Financial Reporting

### 5.1. 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,

Letters to Share owners in the Annual Reports as well as a presentation on the Fund's investment portfolios by the Fund Manager to the share owners immediately after the conclusion of every Annual General Meeting.

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

### 5.2. 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 Audit Committee had obtained written assurance from its external auditors, Messrs Crowe Horwath, confirmed that they are, and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The role of the Audit Committee in relation to the External Auditors is set out on page 31 to page 32 on this Annual Report.

### 5.3. 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 judgments and estimates that are prudent and reasonable;
- ensured that proper accounting records are kept so as to enable the presentation of the Financial Statements with reasonable accuracy; and
- prepared the Financial Statements on an ongoing basis.

The Statement by Directors pursuant to Section 169(15) of the Companies Act 1965 is set out on page 38 of this Annual Report.

## 6

## Recognise And Manage Risks

### 6.1. Sound Framework To Manage Risk

Your Board acknowledges its responsibilities of setting up and maintaining an effective system of risk management and internal control in ensuring a proper risk management environment. In achieving this, your Board has ensured that the system of internal control had taken into account the process of identifying key risks, the likelihood of occurrence and materiality. Your Board defines the level of risk appetite, approving and overseeing the operation of your Fund's Risk Management Framework, assessing its effectiveness and

reviewing any major/significant risk facing your Fund.

The Audit Committee reviews the risk management framework of your Fund and the Enterprise Risk Management and advises your Board on areas of high risk faced by your Fund and the adequacy of compliance and control throughout your Fund.

The Audit Committee also reviews the action plan implemented and makes relevant recommendations to your Board to manage residual risks. Your Fund continues to maintain and review its internal control procedures to ensure the protection of its assets and its share owners' investment.

### 6.2. Internal Control

Your Board acknowledges that it is responsible for maintaining a sound system of internal controls. Your Fund's Statement on Internal Control, which provides an overview of the state of internal control is set out on page 33 to 35 of this Annual Report.

### 6.3. 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.

## 7

## Ensure Timely and High Quality Disclosure

### 7.1. Corporate Disclosure Policy and Procedures

As regards Corporate Disclosure



Policy and Procedures, your Fund shall be guided by the Corporate Disclosure Guide issued by Bursa Securities to ensure communications to the public are timely, factual, accurate, complete, broadly disseminated and where necessary, filed with regulators in accordance with applicable laws. The Board as a whole with the assistance of Fund Manager and Company Secretary is responsible for determining materiality of information and ensuring timely, complete and accurate disclosure of material information to the investing public in accordance with securities laws and stock exchange rules and regulations, monitoring compliance with this policy and overseeing the disclosure controls and procedures.

Sufficient information would be provided by the respective service providers to the Company Secretary for drafting of necessary announcements.

Your Board is mindful that information which is expected to be material must be announced immediately, and that the confidential information should be handled properly to avoid leakage

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and improper use of such information.

## Strengthen Relationship Between Company and Share Owners

### 8.1. Encourage Poll Voting

At the Eighth Annual General Meeting of your Fund held on

10 November 2012, all resolutions with the exception of 2 resolutions put forth for share owners' approval at the meeting were voted by a poll. Your Board will seek share owners' approval on the proposed amendments to Articles of Association to allow the share owners to appoint proxies by electronic means. With regard to adopting electronic voting to facilitate greater shareholder participation, your Board will consider it as and when appropriate.

The Chairman will ensure that share owners will be informed of their rights to demand a poll vote at the commencement of the forthcoming Annual General Meeting.

### 8.2. 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 and corporate website. Timely release of financial results on a quarterly basis also enables share owners to have an overview of the performance of your Fund.

The means of communication to share owners and investors, amongst others, are as follows:

- i. the general meetings of the Fund;
- ii. timely announcements and disclosures made to the Bursa Securities, which includes release of financial results on quarterly basis and any other material information that may affect the decisions of the share owners and investors;
- iii. press conference and/or press release to the media;

- iv. conducts regular dialogues with financial analysts; and
- v. Investor Day hosted by the Fund Manager, as and when necessary.

Your Fund's Annual General Meeting and presentation on the Fund's investment portfolios by the Fund Manager after conclusion of the Annual General Meeting are also important forums for communication and dialogue with its share owners. Your Board encourages share owners to attend and participate in the Annual General Meeting and aforesaid presentation. 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 of the Annual Report.

Weekly updates on your Fund's NAV per share can be found in [www.bursamalaysia.com](http://www.bursamalaysia.com), [www.icapital.my](http://www.icapital.my) and [www.icapital.biz](http://www.icapital.biz).

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## Compliance Statement

Your Board is supportive of all the Recommendations of the Code and will take reasonable steps and also review the existing policies and procedures in place from time to time to ensure full compliance thereof.

Your Board is satisfied that the Company has substantially complied with the Principles and Recommendations of the Code.

This statement is made in accordance with a Directors' resolution passed on 11 September 2013.

# Corporate Responsibility

icapital.biz Berhad is committed to maintaining a balance between our commercial ambitions and responsible corporate practices, to improving and nurturing a more harmonious society, be it for its share owners, investors and the community at large.

## Share owner value

Share owner value creation remains a core corporate responsibility for icapital.biz Berhad. By adhering to its eclectic value investing philosophy, icapital.biz Berhad is committed to maximising its average annual rate of gain in its net asset value, which is the most critical factor in safeguarding the long-term interests of our share owners.

## Investor Day

At icapital.biz Berhad, we believe that everyone should have access to sound quality investment education. This forms the fundamental basis for our non-profit annual investor education event, the Investor Day. As part of icapital.biz Berhad's corporate responsibility efforts, we have reached out to the community through investment education, choosing to host Investor Day, a free non-profit event opened to both our share owners and the investing public, be they budding value investors or retirees seeking more prudent investments for their old age. The Investor Day is one of Asia's most innovative investment events.

The first Investor Day, held in 2010 at the Kuala Lumpur Convention Centre, was the first of its kind to be

held in Asia and was a huge success. The 2011 Investor Day, held in the same venue, was no different, with an unprecedented number of attendees, all seeking to learn about value investing, a core theme of the event.

This coming Investor Day, icapital.biz Berhad is again hosting a series of educational talks and forums, exciting exhibition booths and valuable Q&A sessions with the senior management of the listed companies which icapital.biz Berhad has holdings in. Topics of the talks will range from making sound investment decisions for your future to Malaysia's economic outlook and more. icapital.biz Berhad aims to make a positive contribution towards the community through providing such investment talks and forums and helping the community learn about the benefits of sound value investing. Mr Tan Teng Boo himself will be kicking off the events in the Plenary Hall, Kuala Lumpur Convention Centre, providing insights into his eclectic "Bamboo" value investing style.

The 2013 Investor Day is premised on the theme of "Great Beginnings", illuminating the notion that all it takes is the first right step. Some of the most exciting enterprises of the 2013 Investor Day are our new *i Challenge* (an investment game) and our *i Charity* initiatives, which intertwine the theme of the Day with our corporate responsibility.

## *i Challenge*

The Investor Day is one of Asia's most innovative investment events, and the

investment game adds a new element of immersion – participants attend various talks and visit exhibition booths to correctly complete a set of questions in order to win the challenge. icapital.biz Berhad views the investment game as an interactive engagement activity and an avenue of education for participants in the 2013 Investor Day.

## *i Charity*

Another of icapital.biz Berhad's corporate responsibility efforts is the *i Charity* initiative, taking place in the 2013 Investor Day. *i Charity* will see a selected charity receive a 5 Ringgit donation from icapital.biz Berhad for every registered attendee at the 2013 Investor Day, subject to a ceiling of RM50,000. Be sure to attend 2013 Investor Day and help us hit this ceiling for our *icharity* initiative. A giant eye structure will progressively light up with every participant contributing to the ultimate donation to the charity of choice.

Be sure to attend 2013 Investor Day to gain valuable insights into value investing, compete in the *ichallenge* and to contribute to our *i Charity* initiative. The 2013 Investor Day will be held from 9.00am to 5.30pm on Saturday, 26 October 2013 at the Kuala Lumpur Convention Centre.

icapital.biz Berhad prides itself on being a conscientious corporate citizen, and will continue to implement effective corporate responsibility initiatives now and into the future.

# Audit Committee Report

The Audit Committee was established by your Board on 30 June 2005.

## 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 2013 are set out below:-

Directors	Status of Directorship	Attendance
Harun Bin Halim Rasip*	Chairman/ Independent Non-Executive Director	4 out of 4
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya	Member/ Non-Independent Non-Executive Director	3 out of 4
David Loo Kean Beng	Member/ Independent Non-Executive Director	3 out of 4
Dato' Dr Norraesah Binti Mohamed	Member/ Independent Non-Executive Director	4 out of 4
Dato' Tan Ang Meng (Appointed on 2 July 2013)*	Member/ Independent Non-Executive Director	-

\* Member of the Malaysian Institute of Accountants

## Terms of Reference

### 1. CONSTITUTION

The Board of Directors has established a Committee of the Board to be known as the Audit Committee.

### 2. COMPOSITION OF AUDIT COMMITTEE

2.1 The Audit Committee shall be appointed by the Board of Directors from amongst their members and shall consist of at least three (3) members.

2.2 All the Audit Committee members must be Non-Executive Directors with a majority of them being Independent Directors.

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

(i) must be a member of the Malaysian Institute of Accountants; or

(ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-

(aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or

(bb) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountant Act 1967; or

(iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

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

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

### 3. MEETINGS

#### 3.1 Quorum

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

### 3.2 Frequency of Meeting

At least four (4) meetings are held in a year. However, meetings are also held as and when required or upon the request of the external auditors to consider any matters that the external auditors believe should be brought to the attention of the Directors and/or shareholders.

### 3.3 Proceedings of Meeting

(i) Except in the case of an emergency, reasonable notice of every meeting shall be given in writing and the notice of each meeting shall be served to the member either personally or by fax or e-mail or by post or by courier to his registered address as appearing in the Register of Directors or to the address provided by the Audit Committee member, as the case may be.

(ii) The Audit Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the Audit Committee members as a whole to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting.

(iii) If at any meeting, the Chairman of the Audit Committee is not present within fifteen (15) minutes of the time appointed for holding the same, the members of the Audit Committee present shall choose one of their number who shall be an Independent Non-Executive Director to be Chairman of such meeting.

(iv) The Chairman shall report on each meeting to the Board. The Company Secretary shall be the Secretary of the Audit Committee.

(v) Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the

Chairman of the Audit Committee shall have a second or casting vote.

### 3.4 Attendance at Meeting

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

(ii) Other members of the Board and officers and service providers of the Company may attend the meeting (specific to the relevant meeting) upon the invitation of the Audit Committee.

### 3.5 Keeping and Inspection of Minutes

(i) The Company shall cause minutes of all proceedings of the Audit Committee Meeting to be entered in books kept for that purpose.

(ii) Those minutes to be signed by the Chairman of the Audit Committee Meeting at which the proceedings were had or by the Chairman of the next succeeding meeting shall be evidence of the proceedings to which it relates.

(iii) The books containing the minutes of proceedings of the Audit Committee Meeting shall be kept at the Registered Office or other place as may be determined by the Board and shall be open to the inspection of any members of the Board of Directors or Audit Committee members without charge.

## 4. AUTHORITY

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

- (i) have authority to investigate any matter within the terms of reference;
- (ii) have the resources which the

Audit Committee requires to perform its duties;

(iii) have full and unrestricted access to any information which the Audit Committee requires in the course of performing its duties.

(iv) have direct communication channels with the external auditors and person carrying out the internal audit function;

(v) be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company; and

(vi) be able to convene meetings with the external auditors, internal auditors or both without the attendance of other directors and service providers of the Company, whenever deemed necessary. Other directors or service providers may attend meetings only at the Audit Committee's invitation.

## 5. DUTIES AND RESPONSIBILITIES

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

- (i) To review the nomination of external auditors and the external audit fee;
- (ii) To discuss with the external auditors, the nature, scope and quality of external audit plan/arrangements;
- (iii) To review the evaluation of the systems of internal control with the external auditors;
- (iv) To review quarterly results and year end financial statements of the Company, prior to approval by the 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;

(v) To review the external auditors' audit report on the financial statement;

(vi) To review any management letter sent by the external auditors to the Company and the service providers' response to such letter;

(vii) To review any letter of resignation from the external auditors;

(viii) To consider and review whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;

(ix) To review the assistance given by the Company's officers and service providers to the external auditors;

(x) To discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss.

(xi) To establish policies and procedures to assess the suitability and independence of external auditors;

(xii) To review and monitor suitability and independence of the external auditors;

(xiii) To establish policies and procedures in governing circumstances for contracts of non-audit services to be entered with external auditors;

(xiv) To obtain written assurance from the external auditors confirming their independence throughout the conduct of the audit engagement in accordance with relevant professional and regulatory requirements;

(xv) To review the effectiveness and competency of the internal audit function;

(xvi) 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;

(xvii) To review the follow up actions by the service providers on the weakness of internal accounting procedures and controls;

(xviii) To review on all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels; and

(xix) To review the assistance and co-operation given by the Company's officers and service providers to the internal auditors;

(xx) To review any appraisal or assessment of the performance of persons carrying out 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;

(xxi) To review the resignation of the internal auditors and provide the resigning internal auditors an opportunity to submit reasons for their resignation.

## **6. ROLES AND RIGHTS OF THE AUDIT COMMITTEE**

The roles and rights of the Audit Committee are:-

(i) 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 the Company;

(ii) to report to Bursa Securities on any matter reported by the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities;

(iii) to carry out any other function that may be mutually agreed upon by the Audit Committee and the Board which would be beneficial to the Company and ensure the effective discharge of the Audit Committee's duties and responsibilities.

## **7. RETIREMENT AND RESIGNATION OF MEMBER OF AUDIT COMMITTEE**

### **7.1 Retirement/Resignation**

A member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

### **7.2 Vacancy**

In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraphs 15.09(1) of the Main Market Listing Requirements of Bursa Securities, the Company shall fill the vacancy not later than three (3) months.

## **8. CIRCULAR RESOLUTIONS**

A resolution in writing signed or approved via letter, telex, facsimile, email by all Committee members shall be effective for all purposes as a resolution passed at a meeting of the Audit Committee duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in the like form signed by one or more members.

### Summary of the Internal Audit Function and Audit Committee During The Financial Year Ended 31 May 2013

The activities for the financial year ended 31 May 2013 included:-

- reviewed the extend of your Fund's compliance with the provisions set out under the Malaysian Code on Corporate Governance 2012 for the purpose of preparing the Corporate Governance Statement and the Statement on Risk Management and Internal Control pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- reviewed 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");

- discussed with the internal auditors on its nature, scope and quality of internal audit and approving the internal audit strategy, plans/ arrangements thereof;
- reviewed 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;
- discussed with the external auditors on its nature, scope and quality of external audit and the compliance with the revised FRS;
- approved the audit planning memorandum of the external

auditors; and

- reviewed 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 RM12,000.

# Statement of Risk Management and Internal Control

## Introduction

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound

system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. The Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements

require directors of public listed companies to include a statement in their annual reports on the state of their risk management and internal controls framework. The Bursa Securities' Statement

on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“Guidelines”) provides guidance for compliance with these requirements. Set out below is your Board’s Statement on Risk Management and Internal Control, which has been prepared in accordance with the Guidelines.

### **Board Responsibilities**

Your Board recognises the importance of maintaining sound internal control and effective risk management practices in your Fund. Your Board acknowledges its primary responsibility to ensure that risks in your Fund are identified, measured and managed with appropriate system of risk management and internal controls, and to ensure that the effectiveness, adequacy and integrity of the risk management and internal control systems are reviewed on an ongoing basis. The review covers, inter alia, financial, operational and compliance system controls and risk management procedures of 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.

### **Internal Control Functions**

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

The internal audit function reviews the internal controls in the key activities of your Fund’s service providers based on the annual audit plan, which is presented to the Audit Committee for approval. Since the adoption of the risk policy, the internal audit function has taken on a risk-based approach when preparing its audit strategy and plans, after having considered the risk profiles of the operating of your Fund. The system of internal control has been structured in such a manner that it has provided reasonable assurance that the likelihood of a significant adverse impact on objectives arising from a future event or situation is at a level acceptable to the business. It achieved this through a combination of preventive, detective and corrective measures.

The internal audit reports that were tabled to the Audit Committee for their deliberation on quarterly basis include management response and corrective actions taken or to be taken in regard to the specific findings and recommendations. The external management as a whole is responsible for ensuring that the necessary corrective actions on reported weaknesses are promptly

taken. The Audit Committee presents its findings regularly to your Board.

### **Other Internal Control Elements**

Your Fund’s overall other internal control elements include:-

#### **(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.

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. The Fund does not have any material joint ventures and associated companies.

#### **(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



STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

from the Audit Committee, external and internal auditors, and other experts at the Fund’s expense.

**(iii) Audit Committee**  
Your Board has established the Audit Committee, comprising four (4) 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 in the Audit Committee Report on page 30 to 33.

**(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 (“the ERM framework”). As a closed-end fund, a significant portion of your Fund’s risk is managed by your Fund Manager, Investment Adviser, the Custodian Bank and is assisted by independent external consultants and presented to and approved by your Board.

At the date of the annual report, the ERM framework, policy and the Group risk profile have been implemented and subject to periodic review as and when necessary.

The external auditors have reviewed the Statement On Risk Management and Internal Control and reported to your Board that nothing has come to their attention that causes them to believe the statement is inconsistent with their understanding of the process

adopted by your Board in reviewing the adequacy and integrity of the group system of internal controls.

Conclusion

Your Board has received assurance from the Fund Manager, Custodian and Administrator that your Fund’s risk management and internal control system is operating adequately and effectively, in all material aspect, based on the risk management and internal control of your Fund system.

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 2013.

Director’s Report

The Directors hereby submit their report and the audited financial statements of your Fund for the financial year ended 31 May 2013.

**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 56,813,351**

**Dividends**  
No dividend was paid since the end of the previous financial year.

On 22 August 2013, the Directors declared a special dividend of 9.5 sen per ordinary share less 25% tax amounting to RM9,975,000 in respect of the current financial year. This dividend will be accounted for in the financial statements for the financial year ending 31 May 2014.

### **Reserves and Provisions**

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

### **Issues of Shares and Debentures**

During the financial year,

- (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.

### **Options Granted Over Unissued Shares**

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

### **Bad and Doubtful Debts**

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

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 impairment losses on receivables in the financial statements of your Fund.

### **Current Assets**

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

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

### **Valuation Methods**

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

### **Contingent and Other Liabilities**

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

- (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.

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

### **Change of Circumstances**

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of your Fund which would render any amount stated in the financial statements misleading.

### **Items of an Unusual Nature**

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

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

### **Directors**

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

1. YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya
2. David Loo Kean Beng
3. Datuk Ng Peng Hong @ Ng Peng Hay
4. Harun Bin Halim Rasip
5. Dato' Dr Norraesah Binti Mohamad

## WHAT THE DIRECTORS SAY

### Directors' Report

6. Tunku Abdul Aziz Bin Tunku Ibrahim  
7. Dato' Tan Ang Meng (appointed on 10 November 2012)

### 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:-

	Number of Ordinary Shares of RM1 each			
	At 1.6.2012	Bought	Sold	At 31.5.2013
<b>Indirect Interests</b>				
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya	3,499,000 <sup>(1)</sup>	90,000	-	3,589,000 <sup>(1)</sup>
Harun Bin Halim Rasip	39,900 <sup>(2)</sup>	-	-	39,900 <sup>(2)</sup>
Tunku Abdul Aziz Bin Tunku Ibrahim	-	405,000 <sup>(3)</sup>	-	405,000 <sup>(3)</sup>

#### NOTES

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

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 17 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, have expressed their willingness to continue in office.

**Signed in Accordance with a Resolution of the  
Directors dated 27 August 2013.**

**YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya**

**Harun Bin Halim Rasip**

# Statement by Directors

We, YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya and Harun Bin Halim Rasip, being two of the Directors of icapital.biz Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 41 to 56 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 2013 and of its results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 21, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

**Signed in Accordance with a Resolution of the Directors  
dated 27 August 2013.**

**YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya**

**Harun Bin Halim Rasip**

# 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 41 to 56 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 27th day of August 2013

Before me

Datin Hajah Raihela Wanchik  
(No. W 275)  
Commissioner For Oaths

**Tan Teng Boo**

# Financial Statements

## **Independent Auditors' Report to the Members of icapital.biz Berhad**

### Report on the Financial Statements

We have audited the financial statements of icapital.biz Berhad, which comprise the statement of financial position as at 31 May 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 41 to 56.

#### **Directors' Responsibility for the Financial Statements**

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **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 about 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 of financial statements that give a true and fair view 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 give a true and fair view of the financial position of the Company as of 31 May 2013 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

## 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.

The supplementary information set out in Note 21 on page 56 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (“MIA Guidance”) and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

## Other Matters

1. As stated in Note 3.1 to the financial statements, icapital.biz Berhad adopted Malaysian Financial Reporting Standards on 1 June 2012 with a transition date of 1 June 2011. These standards were applied retrospectively by directors to the comparative information of these financial statements, including the statements of financial position as at 31 May 2012 and 1 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 May 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 31 May 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 June 2012 do not contain misstatements that materially affect the financial position as of 31 May 2013 and financial performance and cash flows for the financial year then ended.
2. 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  
27 August 2013

**Chua Wai Hong**  
Approval No: 2974/09/13(J)  
Chartered Accountant

## FINANCIAL STATEMENTS

### Statement of Financial Position at 31 May 2013 (RM)

ASSETS	Notes	31.5.2013	31.5.2012	1.6.2011
<b>Non-current asset</b>				
Investments	5	209,700,211	262,657,722	270,506,528
<b>Current assets</b>				
Other receivables	6	1,949,769	3,253,129	2,271,569
Tax recoverable		-	375,844	178,320
Short-term deposits	7	207,033,700	133,571,466	115,704,397
Cash and bank balances		971,328	164,045	203,553
		209,954,797	137,364,484	118,357,839
<b>Current liability</b>				
Other payables	8	329,442	263,009	635,446
Provision for taxation		407,003	-	-
		736,445	263,009	635,446
<b>Net current assets</b>		209,218,352	137,101,475	117,722,393
		418,918,563	399,759,197	388,228,921
<b>Financed by:-</b>				
Share capital	9	140,000,000	140,000,000	140,000,000
Reserves	10	278,918,563	259,759,197	248,228,921
<b>Shareholders' equity</b>		418,918,563	399,759,197	388,228,921
Net assets per ordinary share (RM)	11	2.99	2.86	2.77
Net asset value per ordinary share (RM)	11	2.99	2.86	2.77

### Statement of Changes in Equity for the Financial Year Ended 31 May 2013 (RM)

	Non-Distributable		Distributable	Total Equity
	Share Capital	Fair Value Reserve	Retained Profits	
Balance at 1 June 2011	140,000,000	141,926,384	106,302,537	388,228,921
Profit after taxation	-	-	15,731,710	15,731,710
Other comprehensive income				
- Fair value gain on investments for the financial year	-	4,127,369	-	4,127,369
- Reclassification to profit or loss on investments disposed	-	(8,328,803)	-	(8,328,803)
Total comprehensive income for the financial year	-	(4,201,434)	15,731,710	11,530,276
Balance at 31 May 2012/1 June 2012	140,000,000	137,724,950	122,034,247	399,759,197
Profit after taxation	-	-	56,813,351	56,813,351
Other comprehensive income				
- Fair value gain on investments for the financial year	-	11,472,349	-	11,472,349
- Reclassification to profit or loss on investments disposed	-	(49,126,334)	-	(49,126,334)
Total comprehensive income for the financial year	-	(37,653,985)	56,813,351	19,159,366
Balance at 31 May 2013	140,000,000	100,070,965	178,847,598	418,918,563

**Statement of Comprehensive Income for the Financial Year Ended 31 May 2013 (RM)**

	Notes	2013	2012
<b>Revenue</b>			
Interest income		4,162,829	3,827,981
Dividend income		12,664,458	12,664,958
Net gain on disposal of quoted investments		49,126,334	8,328,803
		<u>65,953,621</u>	<u>24,821,742</u>
Less: Operating expenses			
Accounting and administrative fees		91,000	91,000
Annual general meeting expenses		98,980	267,515
Audit fee			
- for the financial year		21,000	21,000
- underprovision in previous financial year		-	11,000
Custodian expenses		106,444	104,041
Directors' fee		262,247	198,904
Fund management fee		3,089,891	2,894,863
Investment advisory fee		3,089,891	2,894,863
Professional fee		141,323	109,743
Service tax		12,144	11,568
Others		64,296	527,479
		<u>6,977,226</u>	<u>7,131,976</u>
<b>Profit before taxation</b>		58,976,395	17,689,766
Income tax expense	12	(2,163,044)	(1,958,056)
<b>Profit after taxation</b>		56,813,351	15,731,710
Other comprehensive income	13	(37,653,985)	(4,201,434)
Total comprehensive income for the financial year		19,159,366	11,530,276
<b>Profit after taxation attributable to your Fund</b>		56,813,351	15,731,710
<b>Total comprehensive income attributable to your Fund</b>		19,159,366	11,530,276
Basic earnings per ordinary share (RM)	14	0.41	0.11

**Statement of Cash Flows for the Financial Year Ended 31 May 2013 (RM)**

	Notes	2013	2012
Cash flows from operating activities			
Profit before taxation		58,976,395	17,689,766
Adjustment for: Net gain on disposal of quoted investments		(49,126,334)	(8,328,803)
Operating profit before working capital changes		<u>9,850,061</u>	<u>9,360,963</u>
Decrease/(Increase) in other receivables		1,303,360	(981,560)
(Decrease)/Increase in other payables		66,433	(372,437)
Proceeds from disposal of quoted investments		64,723,024	11,976,175
Purchase of quoted investments		(293,164)	-
Cash from operations		<u>75,649,714</u>	<u>19,983,141</u>
Net income tax paid		(329,054)	(1,023,243)
Income tax deducted at source		(1,051,143)	(1,132,337)
Net cash from operating activities		<u>74,269,517</u>	<u>17,827,561</u>
Net increase in cash and cash equivalents		74,269,517	17,827,561
Cash and cash equivalents at beginning of the financial year		133,735,511	115,907,950
Cash and cash equivalents at end of the financial year	15	<u>208,005,028</u>	<u>133,735,511</u>

# Notes to the Financial Statements for the Financial Year Ended 31 May 2013

## 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 27 August 2013.

## 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. 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 Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia..

3.1 These are your Fund’s first set of financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the previous financial year, the financial statements of your Fund were prepared in accordance with Financial Reporting Standards (“FRSs”).

3.2 The Company has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>		<b>Effective Date</b>
MFRS 9	Financial Instruments	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013

MFRSs and IC Interpretations (Including The Consequential Amendments)		Effective Date
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Venture	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities		1 January 2013
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures		1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance		1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities		1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities		1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine		1 January 2013
Annual Improvements to MFRSs 2009 – 2012 Cycle		1 January 2013

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

(i) MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss.

(ii) MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Company upon its initial application but may impact its future disclosures.

(iii) The Annual Improvements to MFRSs 2009 – 2012 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Company upon their initial application.

#### 4. 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 provisions in the year in which such determination is made.

### **(ii) Impairment of Available-for-sale Financial Assets**

Your Fund reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. Your Fund also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, your Fund evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

## **(b) Functional and Presentation 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.

## **(c) Financial Instruments**

Financial instruments are recognised in the statements of financial position 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.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

### **(i) Financial Assets**

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

#### **• Financial Assets at Fair Value Through Profit or Loss**

As at the end of the reporting period, there were no financial assets classified under this category.

• **Held-to-maturity Investments**

As at the end of the reporting period, there were no financial assets classified under this category.

• **Loans and Receivables Financial Assets**

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

• **Available-for-sale Financial Assets**

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when your Fund's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

**(ii) Financial Liabilities**

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

**(iii) Equity Instruments**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

**(d) Impairment**

**(i) Impairment of Financial Assets**

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or

prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

### **(ii) Impairment of Non-Financial Assets**

The carrying values of assets, other than those to which MFRS 136 Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

## **(e) Income Taxes**

Income tax for the year comprises 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 end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases

of assets and liabilities and their carrying amounts in the financial statements.

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

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 end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

## **(f) Cash and Cash Equivalents**

Cash and cash equivalents comprise 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.

## **(g) Segmental Information**

An operating segment is a component of your Fund that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of your Fund's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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 result, 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.

## (h) Related Parties

A party is related to an entity (referred to as the “reporting entity”) if:-

- (a) A person or a close member of that person’s family is related to a reporting entity if that person:-
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:-
  - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii. Both entities are joint ventures of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - vi. The entity is controlled or jointly controlled by a person identified in (a) above.
  - vii. A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

## (i) Revenue Recognition

### (a) Sale of Investments

The gain or loss on sale of investments is measured as the difference between the net disposal proceeds and the carrying amount of the investments.

### (b) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

### (c) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

In RM	2013	2012
At market value		
Quoted securities in Malaysia, at 1.6.2012/2011	262,657,722	270,506,528
Additions for the financial year	293,164	-
Disposals during the financial year	(15,596,690)	(3,647,372)
Fair value adjustments	(37,653,985)	(4,201,434)
Quoted securities in Malaysia, at 31.5.2013/2012	209,700,211	262,657,722



## 5. Investments

In RM	Note	2013	2012
Other receivables		919,763	2,224,224
Deposit		500	500
Prepayments		520,587	521,036
Related party	17	508,919	507,369
		1,949,769	3,253,129

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

The amount owing is to be settled in cash.

## 7. Short-term Deposits

In RM	2013	2012
Deposits with licensed financial institutions	207,033,700	133,571,466

The deposits with licensed financial institutions of your Fund at the end of the reporting period bore an effective interest rate of 2.87% (2012 – 2.83%) per annum. The average maturity period of the deposits is 38 days (2012 – 49 days).

## 8. Other Payables

In RM	2013	2012
Other payables	63,195	64,105
Accruals	266,247	198,904
	329,442	263,009

## 9. Share Capital

	2013	2012	2013	2012
Ordinary shares of RM1 each: -	Number of shares		RM	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

## 10. Reserves

### (a) Fair Value Reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of available-for-sale financial assets until they are disposed of or impaired.

### (b) Retained Profits

Subject to agreement with the tax authorities, at the end of the reporting period, your Fund has:-

- (a) tax-exempt income of approximately RM145,461,000 (2012 – RM96,334,000) available for the purpose of

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paying tax-exempt dividends; and

(b) tax credits under Section 108 of the Income Tax Act 1967 to frank the payment of dividends of approximately RM10,038,000 (2012 – RM10,038,000) out of its retained profits.

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 end of the reporting period, 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 the 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.

### 11. Net Assets per Ordinary Share/ Net Asset Value per Ordinary Share

The net assets per ordinary share/ net asset value per ordinary share of your Fund is calculated based on the net assets at the end of the reporting period of RM418,918,563 (2012 - RM399,759,197) divided by the number of ordinary shares in issue at the end of the reporting period of 140,000,000 (2012 – 140,000,000).

### 12. Income Tax Expense

In RM	2013	2012
Current tax:-		
For the financial year	2,163,044	1,958,056

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	2013	2012
Profit before taxation	58,976,395	17,689,766
Tax at the statutory tax rate of 25% (2012 – 25%)	14,744,099	4,422,442
Tax effects of: Non-taxable income	(12,281,583)	(2,082,201)
Tax-exempt dividends	(1,900,756)	(2,033,903)
Non-deductible expenses	1,601,284	1,651,718
Tax for the financial year	2,163,044	1,958,056

### 13. Other Comprehensive Income

The components of other comprehensive income are as follows:-

In RM	2013	2012
Fair value gain on investments for the financial year	11,472,349	4,127,369
Reclassification to profit or loss on investments disposed	(49,126,334)	(8,328,803)
	(37,653,985)	(4,201,434)

## 14. Earnings per Share

The basic earnings per ordinary share is arrived at by dividing the earnings for the financial year of RM56,813,351 (2012 – RM15,731,710) over the number of ordinary shares of your Fund in issue during the financial year of 140,000,000 (2012 – 140,000,000).

## 15. Cash and Cash Equivalents

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

In RM	2013	2012
Short-term deposits with licensed financial institutions	207,033,700	133,571,466
Cash and bank balances	971,328	164,045
	<u>208,005,028</u>	<u>133,735,511</u>

## 16. Segmental Information

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

Your Fund's investments are managed as a portfolio of equity investments. The fund manager of your Fund is responsible for allocating resources for investment in accordance with the overall investment strategies as set out in the prospectus. The fund manager assesses the performance of the investments portfolio and provides updates to the Board of Directors on the financial performance of your Fund's investments.

## 17. 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. A Director of your Fund, YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya, is a director 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	2013	2012
Fund management fees paid to CDAM		<u>3,089,891</u>	<u>2,894,863</u>
Amount owing by a related party	6	<u>508,919</u>	<u>507,369</u>

### (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	2013	2012
Directors of your Fund		
- Short-term employee benefits	<u>262,247</u>	<u>198,904</u>

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

In number	2013	2012
Non-executive Directors' fees – Below RM50,000	7	6

### 18. Dividend

On 22 August 2013, the directors declared a special dividend of 9.5 sen per ordinary share less 25% tax amounting to RM9,975,000 for the financial year ended 31 May 2013. This dividend will be accounted for in the financial statements for the financial year ending 31 May 2014.

### 19. Financial Instruments

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 market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk.

#### (a) Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:-

##### (i) 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.

##### (ii) Market Risk

###### (i) Equity Price Risk

Your Fund's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Fund Manager manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

#### Equity price risk sensitivity analysis

Your Fund is exposed to price risk of listed equity securities quoted on Bursa Malaysia Securities Berhad. This arises from investments held by your Fund for which prices in the future are uncertain. All equity security investments present a risk of loss of capital.

The table below summarises the impact of an increase/decrease of the market prices of quoted securities of your Fund's net assets value at 31 May 2013/2012. The analysis is based on the assumption that the market prices of the quoted securities in which your Fund invested changes by +/-10% (2012: +/-10%) with all other variables held constant. The selected 10% change does not reflect what could be considered the best or worst case scenarios. Market prices for equity securities are subject to fluctuation and consequently the amount realised in the subsequent sale of an investment may differ from the reported market value. Fluctuation in the market price of a security may results from perceived changes in the underlying economics characteristics of the investee and general market conditions.

In RM	Impact on other comprehensive income / net asset value	
	Price Risk	
	-10%	+10%
31 May 2013	(20,970,021)	20,970,021
31 May 2012	(26,265,772)	26,265,772

**(ii) Foreign Currency Risk**

Your Fund does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

**(iii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Your Fund's exposure to interest rate risk arises mainly from its interest-earning financial assets. Your Fund's policy is to obtain the most favourable interest rate available.

**Interest rate risk sensitivity analysis**

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

In RM	2013	2012
	Increase/(Decrease)	Increase/(Decrease)
<b>Effects on profit after taxation</b>		
Increase of 100 basis points (bp)	1,552,753	1,001,786
Decrease of 100 bp	(1,552,753)	(1,001,786)
<b>Effect on equity</b>		
Increase of 100 bp	1,552,753	1,001,786
Decrease of 100 bp	(1,552,753)	(1,001,786)

**(iii) 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.

**Credit risk concentration profile**

Your Fund does not have any major concentration of credit risk related to any individual or counterparty.

**Exposure to credit risk**

As your Fund does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

**(iv) Liquidity Risk**

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

The following table sets out the maturity profile of the financial liability as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

2013	Weighted average effective rate (%)	Carrying amount (RM)	Contractual undiscounted cash flows (RM)	Within 1 year (RM)	1 – 5 years (RM)	Over 5 years (RM)
Other payables and accruals	-	329,442	329,442	329,442	-	-



2012	Weighted average effective rate (%)	Carrying amount (RM)	Contractual undiscounted cash flows (RM)	Within 1 year (RM)	1 – 5 years (RM)	Over 5 years (RM)
Other payables and accruals	-	263,009	263,009	263,009	-	-

**(b) Capital Risk Management**

Your Fund manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise share owners' value. To achieve this objective, your Fund may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to share owners or issuing new shares.

Your Fund manages its capital based on debt-to-equity ratio. Your Fund's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. As your Fund has no external borrowings as at the end of the reporting period, the debt-to-equity ratio is not presented.

**(c) Classification of Financial Instruments**

	2013	2012
In RM		
<b>Financial assets</b>		
<b>Available-for-sale financial asset</b>		
Investments, at fair value	209,700,211	262,657,722
<b>Loan and receivables financial assets</b>		
Other receivables	1,429,182	2,732,093
Short-term deposits	207,033,700	133,571,466
Cash and bank balances	971,328	164,045
	<u>209,434,210</u>	<u>136,467,604</u>
<b>Financial liability</b>		
<b>Other financial liability</b>		
Other payables	329,442	263,009

**(d) Fair Value Hierarchy**

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:-

Level 1	Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 May 2013, your Fund's financial instruments carried at fair values are analysed as below:-

## 2013

In RM	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Other investments:				
- quoted shares in Malaysia	209,700,211	-	-	209,700,211

## 2012

In RM	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Other investments:				
- quoted shares in Malaysia	262,657,722	-	-	262,657,722

### (e) Fair Value of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

- (i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The fair value of quoted investments is estimated based on their quoted market prices as at the end of the reporting period.

## 20. Transition To The MFRS Framework

As stated in Note 3.1 to the financial statements, these are the first financial statements of the Company prepared in accordance with MFRSs. The accounting policies in Note 4 to the financial statements have been applied to all financial information covered under this set of financial statements.

The transitions to MFRS does not have financial impact to the financial statements of the Company.

## 21. Supplementary Information

The breakdown of the retained profits of your Fund as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

In RM	2013	2012
Total retained profits of your Fund		
Realised	178,847,598	122,034,247
Unrealised	-	-
At 31 May	178,847,598	122,034,247

# Investment Portfolio

As of 11 September 2013, your Fund has not invested in unlisted investments and all other investments apart from securities listed on Bursa Malaysia Securities Berhad. The investment objectives and policies of your Fund have

been consistently applied to its investment portfolio.

Details of the investment portfolio of your Fund are as follows:-

Companies	Shares	Cost (RM)	Value (RM)	Unrealised Profit/(Loss) (RM)
1 Boustead Holdings Berhad	6,197,850	21,122,656	31,732,992	10,610,336
2 Fraser & Neave Holdings Berhad	1,517,600	10,261,734	27,802,432	17,540,698
3 Integrax Berhad	4,884,500	4,488,837	9,475,930	4,987,093
4 Malaysia Smelting Corporation Berhad	2,902,000	10,082,424	8,270,700	-1,811,724
5 Padini Holdings Berhad	19,000,000	5,490,389	33,250,000	27,759,611
6 Parkson Holdings Berhad	8,180,900	21,202,731	30,023,903	8,821,172
7 Petronas Dagangan Berhad	900,000	3,777,164	25,452,000	21,674,836
8 P.I.E. Industrial Berhad	3,107,200	9,479,546	14,293,120	4,813,574
9 Suria Capital Holdings Berhad	3,107,200	9,479,546	14,572,768	5,093,222
10 Tong Herr Resources Berhad	3,479,300	7,855,311	5,810,431	-2,044,880
11 Wellcall Holdings Berhad	320,400	755,673	890,712	135,039
<b>Total</b>		<b>110,091,755</b>	<b>203,260,792</b>	<b>93,169,037</b>

As of 11 September 2013, 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 2013:-

Companies	Shares	Cost (RM)	Value (RM)	Unrealised Profit/(Loss) (RM)
1 Boustead Holdings Berhad	1,000,000	2,493,590	5,148,682	2,655,092
2 Fraser & Neave Holdings Berhad	596,400	3,479,877	10,786,284	7,306,407
3 Padini Holdings Berhad	3,700,000	933,046	7,116,612	6,183,566
4 Parkson Holdings Berhad	1,000,000	1,252,543	4,505,171	3,252,628

Companies	Shares	Cost	Value	Unrealised Profit/(Loss)
		(RM)	(RM)	(RM)
5 <b>Petronas Dagangan Berhad</b>	1,500,000	6,163,616	34,728,208	28,564,592
6 <b>P.I.E Industrial Berhad</b>	300,000	762,509	1,414,026	651,517
7 <b>Pharmaniaga Berhad</b>	125,180	511,508	1,024,040	512,532
<b>Total</b>		<b>15,596,689</b>	<b>64,723,023</b>	<b>49,126,334</b>

## Description of the Companies Businesses

### **Petronas Dagangan Berhad**

Petronas Dagangan is the principal domestic marketing arm of Petroliaam Nasional Berhad and is Malaysia's leading retailer and marketer of downstream oil and gas products.

### **Malaysia Smelting Corporation Berhad**

The MSC Group is currently one of the world's leading integrated producers of tin metal and tin based products and a global leader in tin smelting.

### **Wellcall Holdings Berhad**

Wellcall Holdings is a leading industrial rubber hose manufacturer, catering to the air & water, oil & fuel, automobile, ship building, food & beverages, and welding & gas markets.

### **Tong Herr Resources Berhad**

Tong Herr Resources is a leading manufacturer of stainless steel fasteners and has expanded into the manufacture of aluminium extrusion products and steel billets in Vietnam.

### **P.I.E. Industrial Berhad**

P.I.E. Industrial offers an integrated contract electronic manufacturing service for various electronics, telecommunications and computer peripheral products, besides manufacturing and assembling cables and wires.

### **Frasers & Neave Holdings Berhad**

Frasers & Neave Holdings (F&N) is a leading manufacturer and distributor of soft drinks and dairy products under various brands. F&N's property division was formed to unlock the value of its freehold properties in the Klang Valley.

### **Padini Holdings Berhad**

Padini is a leading retailer of its own fashion labels through freestanding stores, franchised outlets and consignment counters in Malaysia and abroad.

### **Parkson Holdings Berhad**

Parkson is a leading operator of department stores in Malaysia, China, Vietnam and Indonesia.

### **Suria Capital Holdings Berhad**

Suria Capital is the leading port operator in Sabah. Apart from the port operations, the group has ventured into other businesses, including property development.

### **Boustead Holdings Berhad**

Boustead Holdings is one of the largest conglomerates in Malaysia, with businesses spanning 6 sectors; namely, plantation, heavy industries, property, finance and investment, pharmaceutical, and trading and industrial.

### **Integrax Berhad**

Integrax is the owner and operator of two port facilities in Lumut, Perak, Malaysia.

### **Security Transaction Information**

Total number of transactions in securities entered into for the financial year ended 31 May 2013 amounted to 36 trades with total brokerage paid of RM130,328.65.

### **Gross Revenue of the Closed-end Fund**

The information on your Fund's gross revenue is presented on page 42 in the audited income statement for the financial year ended 31 May 2013 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 RM9,000.00 for the reviewing of financial statements, statement of internal controls and determination of realised and unrealised gain and losses.

## 4. Sanctions and/or Penalties

There were no sanctions or penalties imposed on your

Fund or its Directors by regulatory bodies.

## 5. 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.

## 6. Profit Guarantee

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

## 7. Material Contracts

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

<b>Date</b>	6 September 2005
<b>Party</b>	Capital Dynamics Asset Management Sdn. Bhd. (CDAM)
<b>Nature</b>	Fund Management Agreement
<b>Consideration</b>	RM3,089,891.35 (from 1 June 2012 – 31 May 2013)
<b>Mode of settlement of consideration</b>	Cash
<b>Relationship</b>	The Director of your Fund namely YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya is a director of CDAM and has indirect interest pursuant to Section 134(12)(c) of the Companies Act, 1965. He does not hold any executive position in CDAM and is not involved in the daily operations and management of CDAM.

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

Your Fund is not seeking to renew Shareholders' Mandate in respect of the RRPT of a revenue or trading nature to be entered into by your Fund at the Ninth Annual General Meeting to be held on 25 October 2013.

The aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year

ended 31 May 2013 is disclosed on page 52 of the financial statements.

## 9. Fund Manager's Interest in your Fund

As at 31 May 2013, the designated person has a direct interest in 10,000 shares and an indirect interest in 11,000 shares, whilst the Fund Manager has a direct interest in 789,000 shares. Other funds managed by the Designated Person have not invested in your Fund.



# 10. Employees Share Scheme (ESS)

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

# 11. Utilisation of Proceeds

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

# 12. Corporate Social Responsibilities

Your Fund is mindful of its corporate social responsibilities ("CSR") 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.

# 13. Depository Receipt Programme

Your Fund does not have a Depository Receipt Programme.

# Analysis of Shareholdings

as at 29 August 2013

**Authorised Share Capital :** RM1,000,000,000 divided into 1,000,000,000 ordinary shares of RM1.00 each

**Issued and Paid-up Capital :** RM140,000,000 divided into 140,000,000 ordinary shares of RM1.00 each

**Voting Rights per share :** One

## Distribution of Shareholdings

### Total Holdings

Less than 100  
100 to 1,000  
1,001 to 10,000  
10,001 to 100,000  
100,001 to 6,999,999  
7,000,000 and above

### Total

No. of Holders	Holdings	%
17	431	0.000
735	546,411	0.390
1,453	6,947,200	4.962
787	26,712,767	19.081
262	95,358,291	68.113
1	10,434,900	7.454
<b>3,255</b>	<b>140,000,000</b>	<b>100.00</b>

## Directors' Interest in your Fund

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya  
Datuk Ng Peng Hong @ Ng Peng Hay  
David Loo Kean Beng  
Harun Bin Halim Rasip  
Dato' Dr. Norraesah Binti Mohamad  
Tunku Abdul Aziz Bin Tunku Ibrahim  
Dato' Tan Ang Meng

Direct		Indirect	
No.	%	No.	%
-	-	3,589,000	2.564
-	-	-	-
-	-	-	-
-	-	39,900	0.029
-	-	-	-
-	-	405,000	0.289
-	-	-	-

## ANALYSIS OF SHAREHOLDINGS

### Substantial Shareholder

	Direct		Indirect	
	No.	%	No.	%
City of London Investment Management Company Ltd	-	-	12,786,900	9.133

### Thirty Largest Shareholders

No	Name	No. of Shares	%
1.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for The Bank of New York Mellon (Mellon Acct)	10,434,900	7.453
2.	Chong Ah Him @ Chong Kum Kwan	4,300,000	3.071
3.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for Credit Suisse Securities (Europe) Limited (CLTAC N-Treaty)	2,998,391	2.141
4.	Tunku Sara Binti Tunku Ahmad Yahaya	2,800,000	2.000
5.	Lam Fook Shin	2,119,100	1.513
6.	AnnHow Holdings Sdn. Bhd.	2,000,000	1.428
7.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for The Bank of New York Mellon (BNYM AS E & A)	1,740,200	1.243
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Yeoh Ah Tu	1,737,000	1.240
9.	Ocuvas Sdn. Bhd.	1,370,000	0.978
10.	Leow Kok Meow & Sons Sendirian Berhad	1,250,000	0.892
11.	Wong Yoon Tet	1,080,000	0.771
12.	Vohrah-Merican Sdn. Bhd.	1,078,200	0.770
13.	Lai Hui Eng	1,070,400	0.764
14.	Lee Siew Lin	1,020,000	0.728
15.	Tong Chong Kong	1,010,000	0.721
16.	Soon Khiat Voon	1,002,000	0.715
17.	Loh Kian Chong	883,000	0.630
18.	Yeoh Ah Tu	800,000	0.571
19.	Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt AN for Phillip Capital Management Sdn Bhd (EPF)	753,100	0.537
20.	AIBB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Beh Heng Seong (M0016)	722,000	0.515
21.	Goh Eng Ngai	719,400	0.513
22.	Heng Kim Siang	694,200	0.495
23.	Capital Dynamics Asset Management Sdn Bhd	689,000	0.492
24.	Lee Hau Hian	680,000	0.485
25.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kevin Lee @ Lee Tien Se (E-LBG)	665,000	0.475
26.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kevin Lee @ Lee Tien Se	658,000	0.470
27.	Beh Heng Seong	656,200	0.468
28.	Wong Hui Beng	640,000	0.457
29.	Soo Sing Fatt	600,000	0.428
30.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Soh Boon Chen	561,000	0.400

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Ninth Annual General Meeting of icapital.biz Berhad will be held at the Plenary Hall, Level 1, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, on Friday, 25 October 2013 at 3.00 p.m. for the following purposes:-

## AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 May 2013 and the Reports of the Directors and Auditors thereon.	<b>Resolution 1</b>
2.	To approve the payment of Directors' Fees of RM262,247.00 for the financial year ended 31 May 2013.	<b>Resolution 2</b>
3.	To re-elect David Loo Kean Beng who retires by rotation pursuant to Article 96(1) of the Company's Articles of Association.	<b>Resolution 3</b>
4.	To re-elect Harun Bin Halim Rasip who retires by rotation pursuant to Article 96(1) of the Company's Articles of Association.	<b>Resolution 4</b>
5.	To re-appoint Messrs Crowe Horwath as Auditors of the Company and authorise the Directors to fix their remuneration.	<b>Resolution 5</b>

### Special Business

- |    |   |                     |
|----|---|---------------------|
| 6. | To consider and if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:-<br><br>"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." | <b>Resolution 6</b> |
| 7. | To consider and if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:-<br><br>"THAT Tunku Abdul Aziz Bin Tunku Ibrahim 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."                 | <b>Resolution 7</b> |

## NOTICE OF ANNUAL GENERAL MEETING

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

Special Resolution

### **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

“THAT the proposed amendments to the Articles of Association of the Company as contained in the Appendix I be hereby approved.” **Resolution 8**

9. To transact any other business for which due notice shall have been given pursuant to the Companies Act, 1965.

By Order of The Board

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

11 September 2013  
Kuala Lumpur

#### **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. A member [that is not as described as (2) and (3) below] shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.*
2. *A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, can appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
6. *The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or notarially certified copy of that power of authority shall be deposited at the Company's Registered Office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the Meeting or adjourned meeting.*
7. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 18 October 2013. Only a Member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend and vote on his/her behalf.*

**Explanatory Notes on Special Business****(a) 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.

**(b) Resolution 7:-**

The re-appointment of Tunku Abdul Aziz Bin Tunku Ibrahim, 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.

**(c) Resolution 8:-**

This proposed Resolution, if passed, will amend the Company's Articles of Association. The purpose of the amendments is to allow for appointment of proxies by electronic means and provide better clarity on voting by a show of hands.

**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 2013, the Board is pleased to invite the share owners of the Company to attend the Presentation on the Company's Investment Portfolio by Tan Teng Boo, the Designated Person of the Fund Manager, i.e. Capital Dynamics Asset Management Sdn. Bhd., immediately after the conclusion of the Ninth 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

**DIRECTORS WHO ARE STANDING FOR RE- APPOINTMENT:-**

The details of YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya and Tunku Abdul Aziz Bin Tunku Ibrahim who are standing for re-appointment are set out in the Directors' Profile on pages 20 and 21 of this Annual Report.

The securities holding of YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya and Tunku Abdul Aziz Bin Tunku Ibrahim in the Company are set out in the Analysis of Shareholdings on page 61 of this Annual Report.

**APPENDIX 1****PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION****Existing Articles****Proposed amendments to the Articles**

2.(m) -

2.(m)

"hard copy form" means any document sent or supplied in a paper copy or similar form capable of being read by the recipient.



- |   |  |
|---|--|
| <p>2. Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.</p>  | <p>2. <b>References to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form and documents and information sent or supplied in electronic form or made available on a website are "in writing" for the purposes of these Articles.</b></p> <p><b>References to address in relation to any electronic communication shall include any number or address used for sending or receiving documents or information by electronic means.</b></p> <p><b>References to a document or information sent or supplied in electronic form shall include a document or information sent by electronic means (for example, by email or facsimile) or by any other means while in an electronic form (for example, sending a CD-ROM or Universe Serial Bus flash drive etc by post).</b></p> <p><b>References to a document or information sent or supplied by electronic means shall include a document or information:-</b></p> <p><b>(i) sent initially and received at its destination by means of electronic equipment for processing (which expression includes digital compression) or storage of data, and</b></p> <p><b>(ii) entirely transmitted, conveyed and received by wire, by radio, by optical means or any other electromagnetic means,</b></p> <p><b>and shall include provision of any information or document on a website.</b></p> |
| <p>84.(2) Subject to any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with these Articles, at meetings of members or classes of members each members entitled to vote may vote in person or by proxy or by attorney or other duly authorised representatives. On a resolution to be decided on a show of hands, every member holding ordinary shares or preference shares present in person or by proxy or by attorney or other duly authorised representative and entitled to vote shall be entitled to one (1) vote. A proxy or attorney or other duly authorised representative shall be entitled to vote on a show of hands on any question at any general meeting.</p> | <p>84.(2) Subject to any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with these Articles, at meetings of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney or by duly authorised representative.</p> <p><b>On a resolution to be decided on a show of hands, every member holding ordinary shares or preference shares present in person and entitled to vote shall be entitled to one (1) vote and every proxy or attorney or duly authorised representative appointed by a member entitled to vote shall be entitled to one (1) vote except where he has been duly appointed by more than</b></p>  |

one member entitled to vote on the resolution and he has been instructed:-

(i) by one or more of those members to vote for the resolution and by one or more of those members to vote against the resolution; or

(ii). by one or more of those members to vote in the same way on the resolution (whether for or against) and one or more of those members has given him discretion as to how to vote,

in which case, he shall have one (1) vote for and one (1) vote against the resolution.

On a resolution to be decided on a poll every member present in person or by proxy or by attorney or duly authorised representative shall have one (1) vote **for every share of which he is the holder or in respect of which his appointment as proxy or attorney or authorised representative has been made and he** need not use all his votes or cast all the votes he uses on a poll in the same way.

On a resolution to be decided on a poll, every member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each share he holds. A person entitled to more than one vote need not use all his votes or cast all the votes he uses on a poll in the same way.

90.(i) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer.

90.(i) **The appointment of a proxy shall be made in writing and shall be in any usual form or in any other form which the Board may approve. Subject thereto, the appointment of a proxy may be (a) in hard copy form, or (b) in electronic form. The appointment of a proxy, whether made in hard copy form or in electronic form, shall be executed in such manner as may be determined by the Board from time to time. Subject thereto, the appointment of a proxy shall be executed by the appointor or any person duly authorised by the appointor or, if the appointor is a corporation, executed by a duly authorised person or under its common seal or in any other manner authorised by its constitution. The Board may, but shall not be bound to require evidence of the authority given by the appointor.**

**Where the Company has given an electronic address—**

**(a) in a notice calling a meeting,**

**(b) in an instrument of proxy sent out by the Company in relation to the meeting, or**

**(c) in an invitation to appoint a proxy issued by the company in relation to the meeting, it is deemed to have agreed that any document or information relating to proxies for that**

92. 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 Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

meeting may be sent by electronic means to that address (subject to any conditions or limitations specified in the notice).

The appointment of a proxy must:

(i) in the case of an appointment made in hard copy form, be deposited at the Office or such other place within Malaysia as may be specified by the Company for the depositing of appointments of proxy in hard copy form not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote together with (if required by the Board) any authority under which it is made or a copy of the authority, certified notarially or in some other manner approved by the Board;

(ii) in the case of an appointment made by electronic means, be received at the address specified by the Company for the depositing of appointments of proxy by electronic means not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. Any authority pursuant to which such an appointment is made or a copy of the authority, certified notarially or in some other manner approved by the Board, must, if required by the Board, be received at such address or at the Office or such other place within Malaysia as may be specified by the Company for the receipt of such documents not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

(iii) in the case of a poll, be received as aforesaid not less than 24 hours before the time appointed for the taking of the poll.

An appointment of a proxy which is not, or in respect of which the authority or copy thereof is not, received in a manner so permitted shall be invalid.

When two (2) or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting or poll, the one which is last received (regardless of its date or of the date of its execution or submission) shall be treated as replacing and revoking the other as regards that share. If the Company is unable to determine which appointment was last received, none of them shall be treated as valid in respect of that share. The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. The proceedings at a general meeting shall not be invalidated where an appointment of a proxy in respect of that meeting is sent in electronic form as provided in these Articles, but because of a technical problem it cannot be read by the Company.

[illegible]

## NOTES

[illegible]

[illegible]



**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.]*

being member(s) 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 Ninth Annual General Meeting of the Company to be held at Plenary Hall, Level 1, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur on Friday, 25 October 2013 at 3.00 p.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 David Loo Kean Beng 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	Re-appointment of Tunku Abdul Aziz Bin Tunku Ibrahim as Director		
8	Proposed Amendments to the Articles of Association of the Company		

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 \_\_\_\_\_, 2013

\_\_\_\_\_  
 Signature of Shareholder/Common  
 Seal

**Notes to the Proxy Form:**

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. A member [that is not as described as (2) and (3) below] shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.
2. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, can appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or notarially certified copy of that power of authority shall be deposited at the Company's Registered Office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the Meeting or adjourned meeting.
7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 18 October 2013. Only a Member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, speak and vote on his/her behalf.

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**AFFIX  
STAMP**

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

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# Corporate Information

## Board of Directors

### **YM Tunku Tan Sri Dato' Seri**

#### **Ahmad Bin Tunku Yahaya**

(Chairman / Non-Independent Non-Executive Director)

### **Datuk Ng Peng Hong @ Ng Peng Hay**

(Deputy Chairman / Senior Independent Non-Executive Director)

### **David Loo Kean Beng**

(Independent Non-Executive Director)

### **Harun Bin Halim Rasip**

(Independent Non-Executive Director)

### **Dato' Dr. Norraesah Binti Mohamad**

(Independent Non-Executive Director)

### **Tunku Abdul Aziz Bin Tunku Ibrahim**

(Independent Non-Executive Director)

### **Dato' Tan Ang Meng**

(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

Dato' Dr. Norraesah Binti Mohamad

Dato' Tan Ang Meng

## Nomination Committee

Chairman:

Datuk Ng Peng Hong @ Ng Peng Hay

### **Members:**

YM Tunku Tan Sri Dato' Seri Ahmad

Bin Tunku Yahaya

David Loo Kean Beng

Harun Bin Halim Rasip

Dato' Dr. Norraesah Binti Mohamad

## Stock Exchange

### Listing

Main Market of Bursa Securities:

Date of listing: 19 October 2005

Stock Name: ICAP

Stock Code: 5108

## 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

## 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

## 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

## 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

## 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

Email: 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

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