

icapital.biz Berhad

(674900 X)

2015 Annual Report

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.icapitaleducation.biz

D | How to contact us

For more information on your Fund, kindly visit 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

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

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

How did we do?

In this section we review the performance of icapital.biz Berhad.

A | Letter to Share Owners

For the financial year ended 31 May 2015, our Fund recorded total revenue of RM21.807 million, a decrease of RM21.875 million or 50% compared with the corresponding period last year. Our Fund recorded a pretax profit of RM11.391 million for the year ended 31 May 2015, compared with a pretax profit of RM35.045 million for the last financial year. The decrease in pretax profit was due to lower profit levels from the sale of securities and lower dividend income. Hence, compared with an after-tax profit of RM33.446 million in the last financial year, our Fund recorded an after-tax profit of RM10.482 million for the current financial year.

In appraising the performance of our Fund, its net asset value (NAV) is the key variable on which to focus on instead of the net profits made as our Fund's primary investment objective is long-term capital appreciation. Although the NAV of our Fund depreciated 5% from RM3.05 per share on 31 May 2014 to RM2.90 per share on 31 May 2015, it still managed to deliver an annualized return of 12.15% per annum since inception to 31 May 2015 despite the volatile market and economic conditions over the last 10 years. This would mean for every RM1,000 invested in our Fund, share owners are getting RM3,011.36 in return.

This year, we are into our 10th anniversary of the listing of our Fund and incidentally, it is my first address to the share owners after joining your Board in 2010 and taking over the Chair from YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya last November.

Our Fund has performed very well since its listing and has continued to deliver good performance. Ironically, it is due to its good performance as can be seen from the steady appreciation of our Fund's NAV that has attracted the interest of certain investors with shorter-term focus to start requesting our Fund to look into other shorter-term options which do not benefit share owners in the longer-term.

I, on behalf of your Board, would like to reemphasize that the original investment objectives and policies of our Fund, as found in the Prospectus, should not be forgotten. The primary investment objective of our Fund is long-term capital appreciation of its investments whilst dividend and/or interest income from these investments would be of secondary consideration. Our Fund was initially set up for the benefits of all investors at large, especially those who are not able to afford the professional expertise that high net worth individuals/entities and institutional investors could have access to. Our Fund was created with a noble objective of providing an affordable investment avenue with superior returns especially to the retail investors.

I will continue the efforts of my predecessor, YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya, to ensure that our Fund continues to outperform and consistently deliver a decent return for its share owners regardless of the uncertain market and economic conditions. Together with your Board, your Fund Manager and your Investment Adviser, we will continue to seek for viable options to address the discount. Nevertheless, one should also look at the other side of the coin, that is, our Fund is relatively undervalued and as a smart and rational value investor, one should take advantage of this situation as well instead of focusing on the discount per se.

On behalf of your Board, I would like to welcome Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan and Dato' Seri Md Ajib Bin Anuar as new members of your Board. Last but not least, together with your Fund Manager and Investment Adviser, we wish you all the best and a fruitful year ahead.

Datuk Ng Peng Hong @ Ng Peng Hay
Chairman
8 July 2015

B | What we have done with your funds

“Investing is most intelligent when it is most business-like”

Benjamin Graham

(i) Investment portfolio

There were no purchases made since 31 May 2014 and the current portfolio, ranked in terms of the market value of each stock and the quantities held are shown in **Charts 1** and **2** below.

(ii) Investments sold

For the financial year ended 31 May 2015, your Fund sold 800,000 shares of Fraser & Neave Holdings Bhd, 7,100 shares of Petronas Dagangan Berhad and 300,000 shares of Suria Capital Holdings Berhad. These sales generated realised gains of RM8.278 million with a cost of RM5.712 million.

As at 31 May 2015, your Fund invested RM95.687 million with a market value of RM145.597 million, giving unrealised gains of RM52.816 million. Of your Fund's investments as at 31 May 2015, Padini Holdings Berhad, P.I.E. Industrial Berhad and Suria Capital Holdings Bhd have substantial unrealised gains.

(iii) Investments made

For the financial year ended 31 May 2015, your Fund received 979,907 shares as share dividend from Parkson Holdings Berhad and 621,440 shares as bonus share from P.I.E. Industrial Berhad.

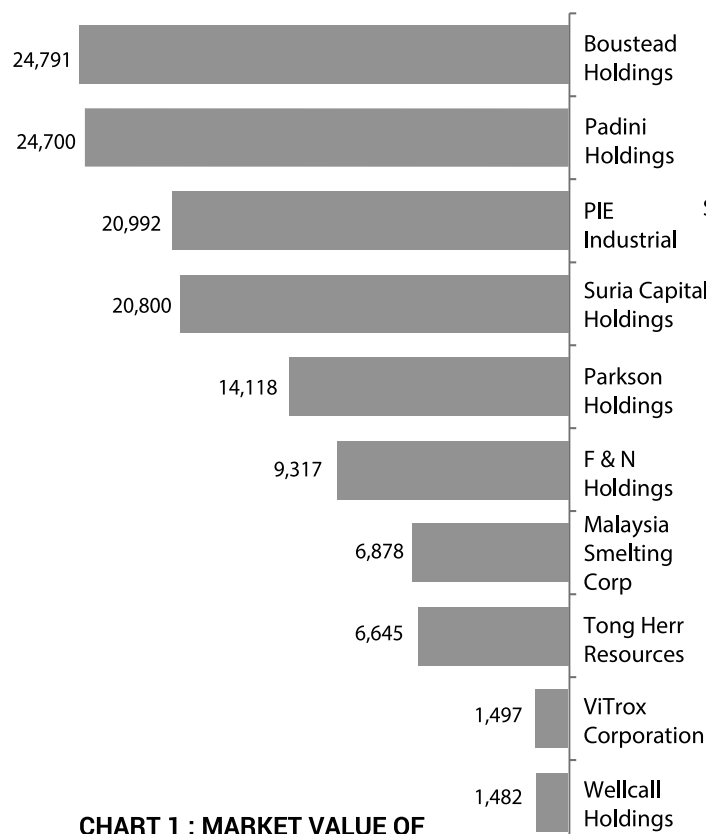


CHART 1 : MARKET VALUE OF HOLDINGS AS AT 8 JULY 2015 (RM '000)

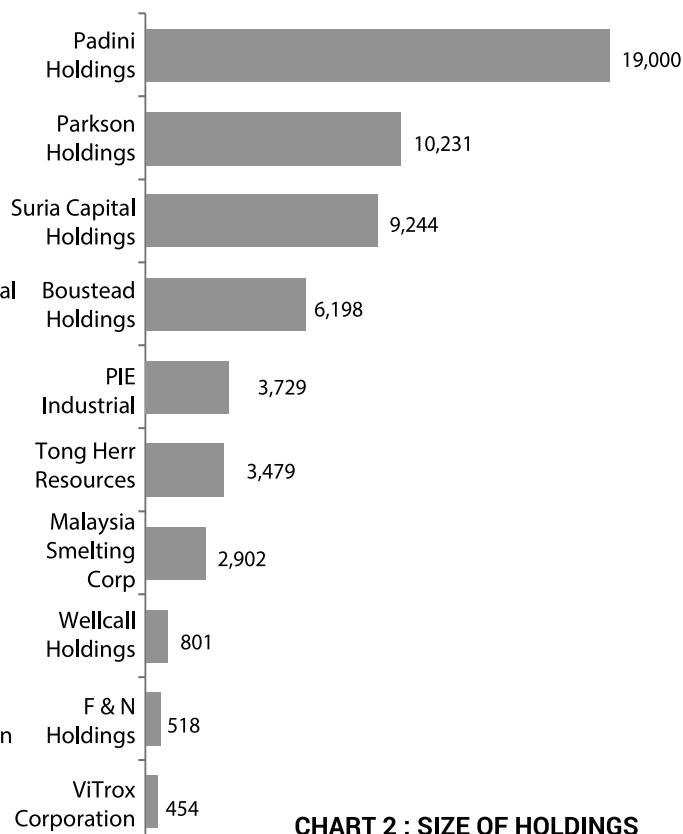


CHART 2 : SIZE OF HOLDINGS AS AT 8 JULY 2015 ('000 SHARES)

HOW DID WE DO?

icapital.biz Berhad's performance review

CHART 3: GAIN FROM 19 OCT 2005 TO 08 JUL 2015

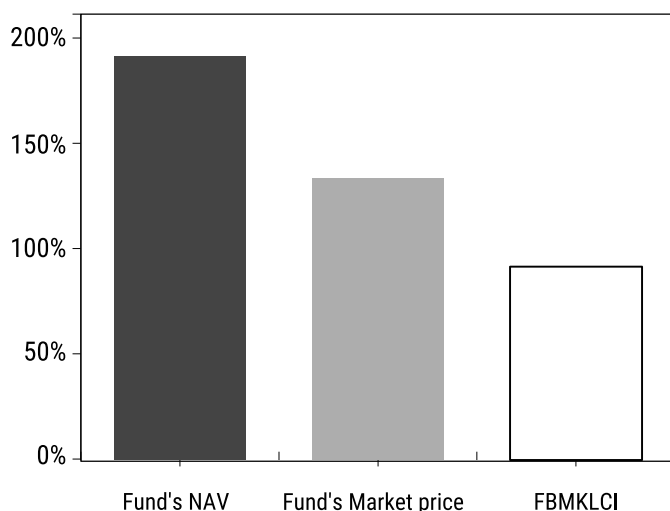
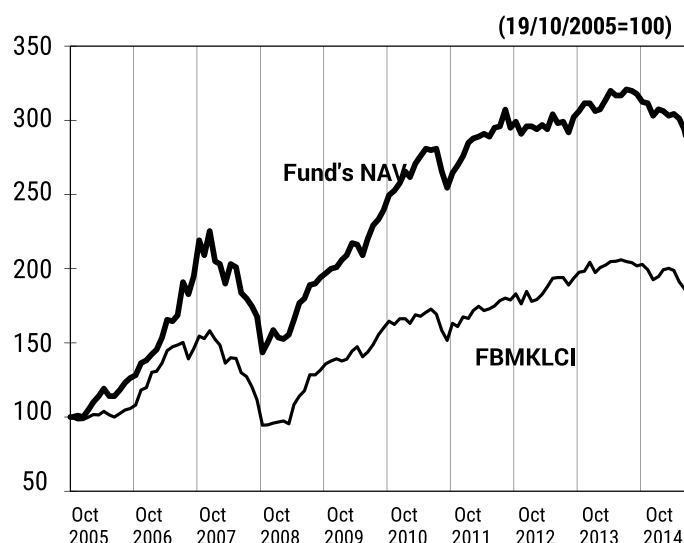


CHART 4: FUND'S NAV VS FBMKLCI



(iv) Performance : NAV and market price

Since its listing on 19 October 2005, the NAV per share of your Fund has risen from RM0.99 to RM2.90 by 31 May 2015 – see **Chart 3**. This represents a gain of 193%. Since its listing on 19 October 2005, the market price of your Fund has risen from RM1.01 to RM2.32 by 31 May 2015. This represents a gain of 130%. During the same period, FBMKLCI has risen by 91%.

Chart 4 shows the performance of your Fund's NAV in comparison with the FBMKLCI.

From 1 June 2014 to 31 May 2015, the NAV per share of your Fund dropped from RM3.05 to RM2.90 or a loss of 5% and the market price fell from RM2.52 to RM2.32 or a loss of 8%. In the same period, FBMKLCI lost 7%.

The performance of icapital.biz Berhad since its listing in October 2005 is shown in **Tables 1** and **2**.

Your Fund has also outperformed leading regional markets, in particular, the Hong Kong, Sydney and Singapore stock markets even when they are expressed in their own respective currencies.

Table 1	Cumulative Return From 19 October 2005 To			
	Fund's NAV	Fund's Market Price	FBMKLCI	Fund's Cash Level
Ending Date				
31-Dec-05	0.00%	8.00%	-1.57%	62.39%
31-Dec-06	38.38%	46.00%	19.92%	33.79%
31-Dec-07	125.25%	162.00%	58.07%	15.58%
31-Dec-08	58.59%	39.00%	-4.09%	32.97%
31-Dec-09	101.01%	74.00%	39.23%	10.51%
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%
31-Dec-13	211.48%	147.37%	104.22%	50.73%
31-Dec-14	203.21%	140.16%	92.66%	63.16%
8-Jul-15	189.75%	131.91%	85.50%	66.52%

Table 2

Annualised 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%	46.93%	-7.62%	62.39%
31-Dec-06	31.09%	37.08%	16.34%	33.79%
31-Dec-07	44.65%	54.93%	23.14%	15.58%
31-Dec-08	15.49%	10.83%	-1.30%	32.97%
31-Dec-09	18.07%	14.09%	8.19%	10.51%
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%
31-Dec-13	14.85%	11.67%	9.09%	50.73%
31-Dec-14	12.81%	9.98%	7.38%	63.16%
8-Jul-15	11.56%	9.04%	6.56%	66.52%

(v) What we think

At the time of writing this commentary, your Fund has around RM261 million cash and near cash, compared with RM240 million more than a year ago. As a fund manager, I do not have a high cash strategy (for the record, the cash level of your Fund has varied from a low of 10.5% to its current level over its 10 year history). As explained many times, the high cash level is a by-product of the fact that the Kuala Lumpur stock market has been richly valued. Your fund manager is committed to finding investment ideas for your Fund. The cash holding is not because the fund manager lacks investment ideas; it is because the many investment ideas are not selling at attractive prices.

In November 1999, Warren Buffett gave one of his rare opinions of the stock market outlook. He counselled then that if an investor was to achieve juicy profits in the market, a few things need to happen:

One, interest rates must fall further.

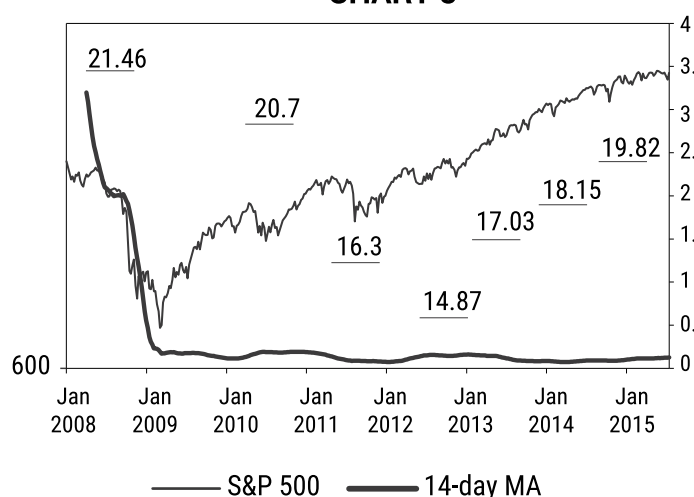
Two, US corporate profitability in relation to US GDP must rise.

The same counsel applies now.

With abnormally low interest rates prevailing, and thus the abnormally high market valuations, interest rates need to rise and normalise instead. At the same time, US corporate profitability as a percentage of US GDP is at an all-time high, a development that cannot persist unless one is prepared for major socio-economic problems to break out.

Chart 5 brings us to the current situation (the figure shows the S&P 500, a 14-day average of the federal funds rate and the annual PE ratio). When the US once again led the world into a global financial crisis in 2008, the federal funds rate plunged. By 2009, it was close to zero and has remained there since, approaching an unprecedented 7-year stretch. Although the US recession ended in June 2009, it was only in late 2010 that the US unemployment rate peaked. The New York Stock Exchange (NYSE) bottomed out before the official end of the recession and it has since been climbing

CHART 5



HOW DID WE DO?

icapital.biz Berhad's performance review

against a backdrop of almost zero interest rate alongside earnings growth and share buyback – the NYSE rally has lasted almost as long as the zero interest rate has. From 2011 to 2013, valuation of the NYSE fell; by 2014, however, its valuation was again rising. By now, the PE ratio for the S&P 500 is around 21 times, a level so high that even the patriotic American, Warren Buffett, cannot find any bargains. When the federal funds rate is raised from its almost zero level, these circumstances will be the backdrop, creating a situation opposite to that of the early Nineties and the 2004-to-2005 period. In some ways, 2015 is more similar to 1987. US interest rate is going to rise when the NYSE is already overvalued, when the US unemployment rate is already at a full employment level and when the prevailing federal funds rate is even below the current low inflation rate.

When the federal funds rate is at almost zero level, the tide rises and a rising tide lifts all boats, junks, sampans, etc. But tides ebb and flow: when the federal funds rate rises, the tide ebbs. When it ebbs or goes out, we get to find out who is swimming naked. If that is so, there is a lot of ebbing for the tide to do and we suspect we will discover a lot of investors swimming naked in its wake.

The Bank for International Settlements summed the prevailing situation aptly in its 85th Annual Report:

“Monetary policy has been overburdened for far too long. It must be part of the answer but cannot be the whole answer. The unthinkable should not be allowed to become routine.”

When there are investments yielding sufficient margin of safety, the cash assets of your Fund will be deployed. When it is right for the cash level to drop, it will drop. However, the relatively high cash holdings may temporarily affect the short-term performance of your Fund.

No one would deny that Warren Buffett is one of the greatest investors in the world. Even then, there will be periods when his returns will be sub-par. **Charts 6 and 7** show his company, Berkshire Hathaway, has underperformed the S&P 500 over a 5 and 10-year periods.

Judging his performance over a 5 or 10-year period would be very arbitrary and more importantly, it would not give an accurate picture of Warren Buffett's superior long-term performance. The same conclusion can be made with regards to the performance of your Fund which has outperformed the KLCI in its 10 years of listing.

BERKSHIRE VERSUS S&P500 ANNUAL COMPOUND RETURN

(From April 2010 to April 2015)

(From April 2005 to April 2015)

CHART 6

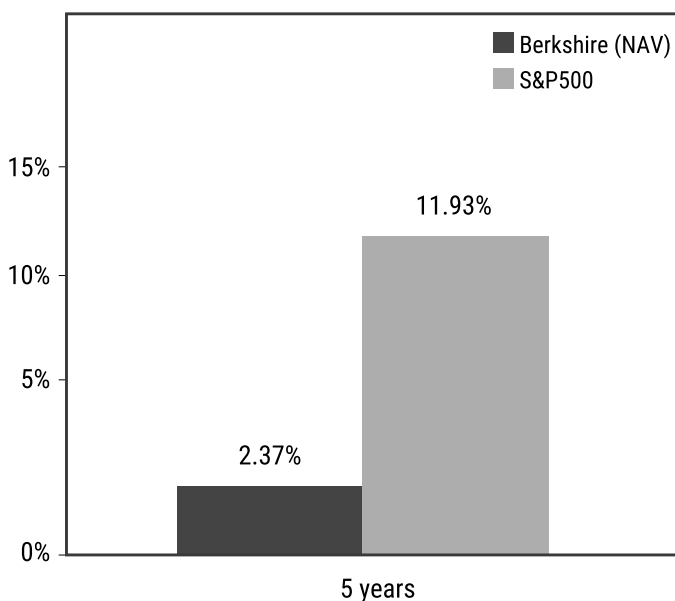
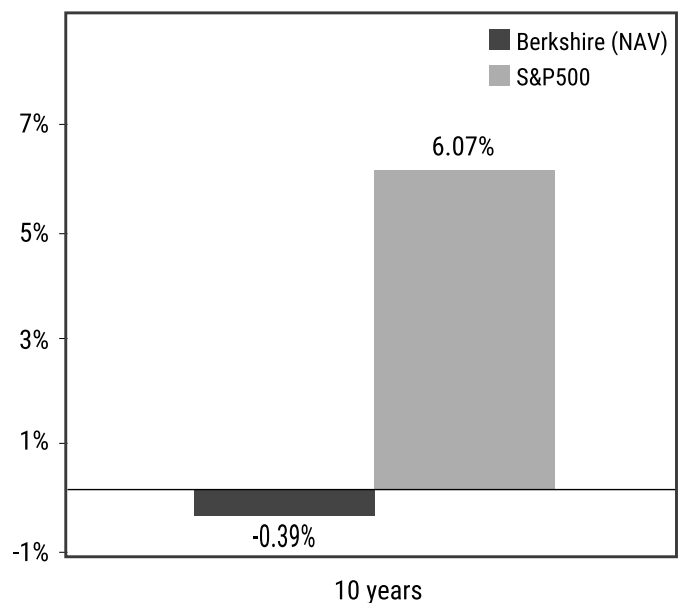


CHART 7



AGM, Adjourned AGM and the 2015 Investor Day

Last year's AGM of your Fund, unfortunately, had to be adjourned. As Rita Benoy Bushon, CEO of The Minority Shareholder Watchdog Group wrote on 21 November 2014:

“The recent AGM was postponed after approval by shareholders attending and voting, was triggered by the request made by the fund manager who is also a shareholder. This was a result of the 2 activist shareholders’ proxy given to the Chairman to oppose the re-appointment of the Independent Director above age 70 years. Best practices do encourage shareholders, especially institutional ones to make clear their reasons for opposing directors’ re-appointments, especially independent directors.”

Each year, hundreds of share owners and supporters from near and far come to attend the AGM of icapital.biz Berhad. Come this October, your Fund would have been listed on Bursa Malaysia for 10 years, making this AGM rather special. As the person most closely associated with the development, promotion and

management of icapital.biz Berhad, I would personally invite all share owners and supporters to attend this auspicious event and make it even more successful than before.

For your Fund to succeed, attracting the right investors is very crucial. Hence, it is useful to occasionally remind ourselves, as share owners, on why our Fund exists. As stated in its annual report,

“It exists for one simple reason : to allow long-term shareholders or more aptly called share owners, to benefit from value investing.”

If we depart from value investing, we destroy the raison d'être or the reason for existence of icapital.biz Berhad. To succeed, your Fund needs investor or share owners who can enjoy Mondays to Fridays without looking at stock prices, just like on Saturdays and Sundays.

This year, the 2015 Investor Day will be held on 19 and 20 September 2015 at the KL Convention Centre. Besides the AGM, we would encourage all share owners, their families, friends and all Malaysians to attend Asia's most innovative investment event.

I would like to express my sincere welcome to Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan and Dato' Seri Md Ajib Bin Anuar as the new directors of the Board. Finally, I would like to also extend my sincere welcome to Datuk Ng Peng Hong @ Ng Peng Hay as the new Chairman of your Board.

Tan Teng Boo

Designated Person

Capital Dynamics Asset Management Sdn Bhd

8 July 2015

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 penyenaiaannya 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.

Dana anda tidak dibenarkan untuk meminjam kecuali mendapat kebenaran daripada pemilik saham.

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.icapitaleducation.biz

D | Bagaimana menghubungi kami

Untuk maklumat lanjut mengenai Dana anda, sila layari www.icapital.my

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

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

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

Bagaimanakah Pencapaian Kami?

Tinjauan prestasi icapital.biz Berhad

A | Surat kepada pemilik saham

Bagi tahun kewangan berakhir 31 Mei 2015, Dana kita telah merekodkan perolehan sebanyak RM21.807 juta, menurun sebanyak RM21.875 juta atau 50% berbanding tempoh yang sama tahun lepas. Dana kita telah merekodkan keuntungan sebelum cukai sebanyak RM11.391 juta bagi tempoh berakhir 31 Mei 2015, berbanding keuntungan sebelum cukai sebanyak RM35.045 juta bagi tahun kewangan yang lepas. Penurunan bagi keuntungan sebelum cukai adalah disebabkan oleh tahap keuntungan daripada penjualan sekuriti dan pendapatan dividen yang rendah. Dengan itu, berbanding keuntungan selepas cukai sebanyak RM33.446 juta pada tahun kewangan lepas, Dana kita telah merekodkan keuntungan selepas cukai sebanyak RM10.482 juta bagi tahun kewangan semasa.

Dalam menilai prestasi Dana kita, elemen utama yang perlu diberi fokus adalah nilai aset bersih (NAB) dan bukannya keuntungan bersih yang dihasilkan kerana objektif utama pelaburan Dana kita adalah peningkatan nilai modal jangka panjang. Walaupun NAB Dana kita menyusut sebanyak 5% daripada RM3.05 sesaham pada 31 Mei 2014, kepada RM2.90 sesaham pada 31 Mei 2015, ia masih mampu untuk memberi pulangan tahunan sebanyak 12.15% setahun sejak penyenaiaannya hingga 31 Mei 2015 meskipun dalam keadaan pasaran dan ekonomi yang tidak menentu dalam tempoh 10 tahun lepas. Ini bermakna bagi setiap RM1,000 yang dilaburkan dalam Dana kita, pemilik saham mendapat RM3,011.36 sebagai pulangan.

Tahun ini, kita akan menyambut ulang tahun ke-10 penyenaiaian Dana kita dan secara kebetulan, ia merupakan amanat pertama saya kepada pemilik saham selepas menyertai Lembaga Pengarah anda pada tahun 2010 dan mengambil alih jawatan Pengerusi dari YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya pada bulan November tahun lepas.

Dana kita telah mencatatkan dan memberikan prestasi yang amat baik sejak penyenaiaannya. Secara ironinya, prestasi yang baik ini dapat dilihat dari peningkatan NAB Dana kita yang mantap dimana ianya telah menarik minat para pelabur tertentu yang mempunyai fokus jangka pendek mulai memohon Dana kita untuk mencari pilihan jangka pendek lain

yang tidak memberi manfaat kepada para pemilik saham dalam jangka masa panjang.

Saya, bagi pihak Lembaga Pengarah, ingin menegaskan semula bahawa objektif dan polisi asal pelaburan Dana kita, seperti yang tertera di dalam Prospektus, tidak patut dilupakan. Objektif utama pelaburan Dana kita adalah peningkatan nilai modal jangka panjang manakala pendapatan dividen dan/atau pendapatan faedah dari hasil pelaburan ini merupakan pertimbangan sekunder. Pada mulanya Dana kita ditubuhkan untuk memberi manfaat kepada semua pelabur, terutama sekali kepada mereka yang tidak mampu untuk mendapatkan kepakaran profesional yang hanya boleh diakses oleh individu/entiti yang mempunyai taraf kekayaan yang tinggi dan para pelabur institusi. Dana kita telah diwujudkan dengan objektif murni iaitu menyediakan saluran pelaburan yang berpatutan dengan pulangan yang tinggi terutamanya kepada pelabur runcit.

Saya akan meneruskan usaha-usaha bekas Pengerusi iaitu YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya, bagi memastikan bahawa Dana kita akan terus cemerlang dan memberikan pulangan yang lumayan untuk pemilik saham tanpa mengira keadaan pasaran dan ekonomi yang tidak menentu. Bersama-sama dengan Lembaga Pengarah, Pengurus Dana dan Penasihat Pelaburan anda, kami akan terus mencari pilihan yang berdaya maju bagi menangani diskaun. Walau bagaimanapun, kita juga harus melihat dari sudut yang lain iaitu, Dana kita agak berkurangan-nilai dan sebagai pelabur berasaskan nilai yang pintar dan rasional, seseorang itu perlu mengambil kesempatan daripada situasi ini dan bukannya memberi tumpuan kepada diskaun semata-mata.

Bagi pihak Lembaga Pengarah, saya ingin mengucapkan selamat datang kepada Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan dan Dato' Seri Md Ajib Bin Anuar sebagai ahli Lembaga Pengarah anda yang baru. Akhir kata, bersama-sama dengan Pengurus Dana dan Penasihat Pelaburan anda, kami mengucapkan selamat maju jaya dan semoga tahun yang akan datang dapat menjana hasil yang lumayan untuk anda semua.

Datuk Ng Peng Hong @ Ng Peng Hay
Pengerusi
8 Julai 2015

B Apa yang telah kami lakukan dengan dana anda

“Pelaburan paling bijak adalah apabila ianya berupa perniagaan”

Benjamin Graham

(i) Portfolio Pelaburan

Tiada pembelian dibuat sejak 31 Mei 2014 dan **Carta 1** dan **2** dibawah menunjukkan portfolio semasa, disenaraikan mengikut nilai pasaran setiap saham dan kuantiti yang dipegang.

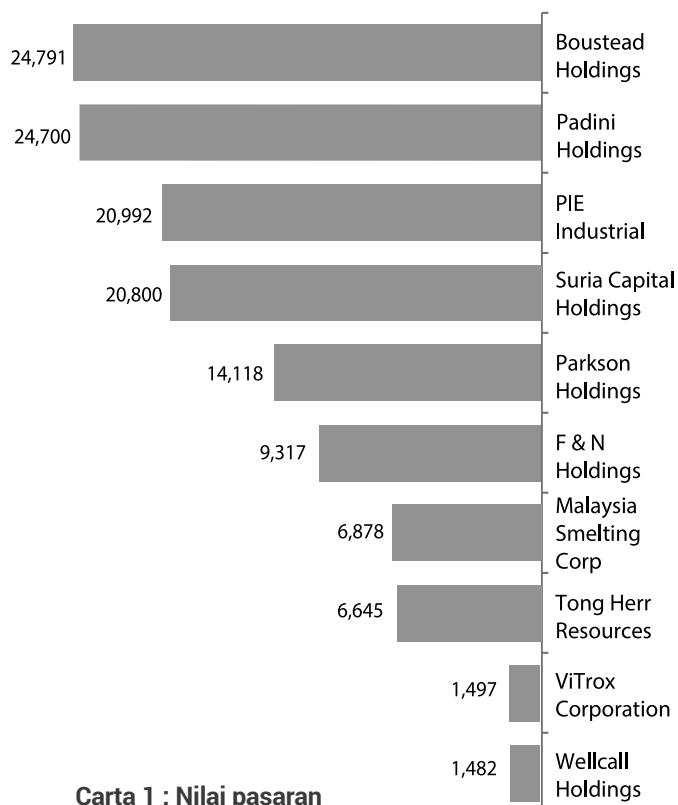
(ii) Pelaburan yang telah dijual

Bagi tahun kewangan berakhir 31 Mei 2015, Dana anda telah menjual 800,000 saham Fraser & Neave Holdings Bhd, 7,100 saham Petronas Dagangan Berhad and 300,000 saham Suria Capital Holdings Berhad. Penjualan ini menghasilkan keuntungan yang direalisasikan sebanyak RM8.278 juta dengan kos pembelian sebanyak RM5.712 juta.

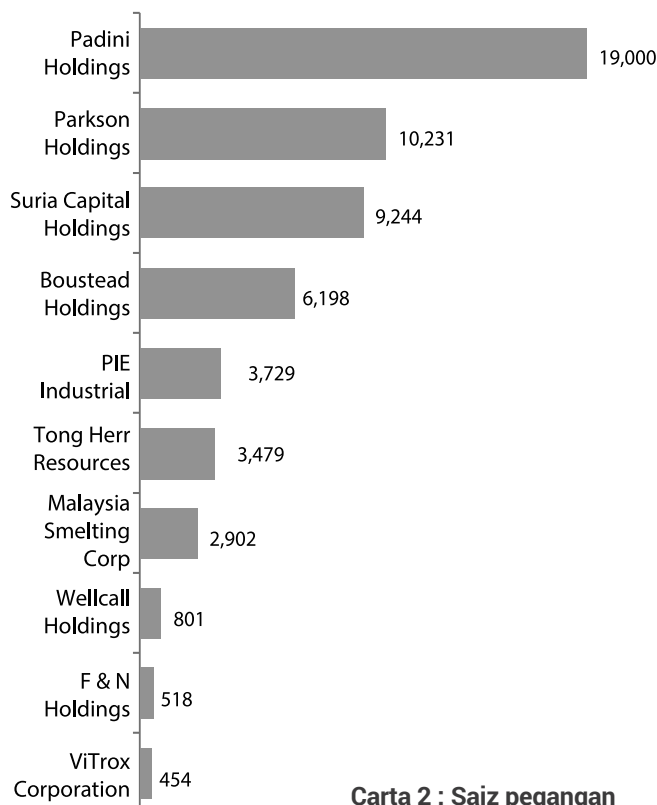
Pada 31 Mei 2015, Dana anda telah melabur sejumlah RM95.687 juta dengan nilai pasaran sebanyak RM145.597 juta, memberikan keuntungan yang belum direalisasi sebanyak RM52.816 juta. Di antara pelaburan Dana anda pada 31 Mei 2015, Padini Holdings Berhad, P.I.E. Industrial Berhad dan Suria Capital Holdings Bhd mencatat keuntungan yang belum direalisasi terbesar.

(iii) Pelaburan yang telah dibuat

Pada tahun kewangan berakhir 31 Mei 2015, Dana anda telah menerima 979,907 saham sebagai dividen dari Parkson Holdings Berhad dan 621,440 saham sebagai bonus dari P.I.E. Industrial Berhad.

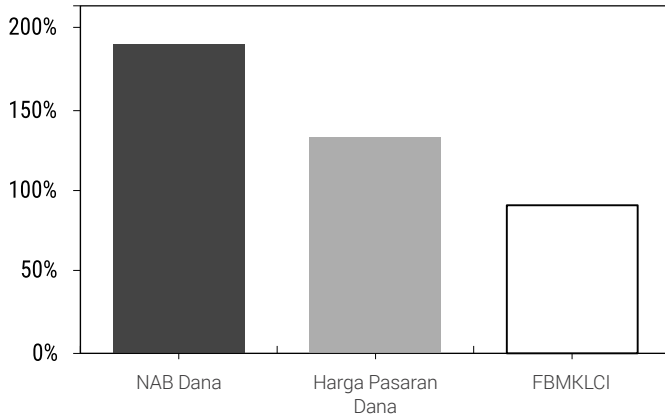


Carta 1 : Nilai pasaran pegangan pada 8 Julai 2015 (RM '000)



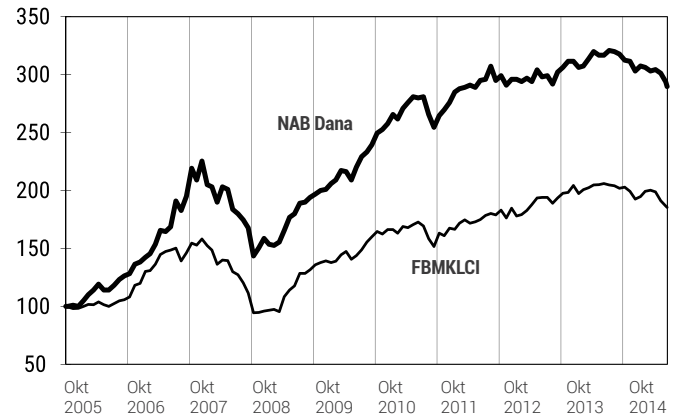
Carta 2 : Saiz pegangan pada 8 Julai 2015 ('000 saham)

CARTA 3 : PULANGAN DARI 19 OKT 2005 HINGGA 8 JUL 2015



CARTA 4: NAB DANA LWN FBMKLCI

(19/10/2005=100)



(iv) Prestasi : NAB dan harga pasaran

Sejak disenaraikan pada 19 Oktober 2005, NAB sesaham Dana anda telah meningkat dari RM0.99 kepada RM2.90 pada 31 Mei 2015 – lihat **Carta 3**. Ini merupakan keuntungan sebanyak 193%. Sejak penyenaraian pada 19 Oktober 2005, harga pasaran Dana anda telah meningkat dari RM1.01 kepada RM2.32 pada 31 Mei 2015. Ini merupakan keuntungan sebanyak 130%. Dalam tempoh yang sama, FBMKLCI hanya meningkat sebanyak 91%.

Carta 4 menunjukkan prestasi NAB Dana anda dibandingkan dengan FBMKLCI.

Dari 1 Jun 2014 hingga 31 Mei 2015, NAB sesaham Dana anda telah menurun dari RM3.05 kepada RM2.90 atau kerugian sebanyak 5% dan harga pasaran Dana anda telah menurun dari RM2.52 kepada RM2.32 atau kerugian sebanyak 8%. Dalam tempoh yang sama, FBMKLCI kerugian sebanyak 7%.

Prestasi icapital.biz Berhad sejak penyenaraian pada bulan Oktober 2005 adalah seperti yang ditunjukkan dalam **Jadual 1** dan **2** di bawah.

Dana anda juga telah mengatasi prestasi pasaran serantau yang terkemuka, khususnya, Hong Kong, Sydney dan Singapura walaupun dinyatakan dalam mata wang negara masing-masing.

Jadual 1

Pulangan Terkumpul Dari 19 Oktober 2005 Hingga

Tarikh Berakhir	NAB Dana	Harga Pasaran Dana	FBMKLCI	Tahap Tunai Dana
31-Dis-05	0.00%	8.00%	-1.57%	62.39%
31- Dis -06	38.38%	46.00%	19.92%	33.79%
31- Dis -07	125.25%	162.00%	58.07%	15.58%
31-Dec-08	58.59%	39.00%	-4.09%	32.97%
31- Dis -09	101.01%	74.00%	39.23%	10.51%
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%
31- Dis -13	211.48%	147.37%	104.22%	50.73%
31- Dis -14	203.21%	140.16%	92.66%	63.16%
8-Jul-15	189.75%	131.91%	85.50%	66.52%

BAGAIMANAKAH PENCAPAIAN KAMI?

Tinjauan prestasi icapital.biz Berhad

Jadual 2

Pulangan Tahunan Dari 19 Oktober 2005 Hingga

Tarikh Berakhir	NAB Dana	Harga Pasaran Dana	FBMKLCI	Tahap Tunai Dana
31-Dis-05	0.00%	46.93%	-7.62%	62.39%
31- Dis -06	31.09%	37.08%	16.34%	33.79%
31- Dis -07	44.65%	54.93%	23.14%	15.58%
31- Dis -08	15.49%	10.83%	-1.30%	32.97%
31- Dis -09	18.07%	14.09%	8.19%	10.51%
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%
31- Dis -13	14.85%	11.67%	9.09%	50.73%
31- Dis -14	12.81%	9.98%	7.38%	63.16%
8-Jul-15	11.56%	9.04%	6.56%	66.52%

(v) Pendapat kami

Semasa menulis ulasan ini, Dana anda mempunyai kira-kira RM261 juta tunai dan hampir tunai, berbanding RM240 juta, lebih setahun yang lalu. Sebagai pengurus dana, saya tidak mempunyai strategi untuk tunai yang tinggi (melihat kepada rekod, tahap tunai Dana anda telah berubah dari serendah 10.5% ke paras semasa sepanjang 10 tahun sejarahnya). Seperti yang telah dijelaskan berkali-kali, tahap tunai yang tinggi adalah hasil sampling yang nyata bahawa pasaran saham Kuala Lumpur mempunyai nilai yang lumayan. Pengurus Dana anda komited untuk mencari idea-idea pelaburan untuk Dana anda. Pegangan tunai tersebut bukan kerana pengurus Dana kekurangan idea pelaburan; ini adalah kerana idea-idea pelaburan dijual pada harga yang tidak menarik.

Pada bulan November 1999, Warren Buffet telah memberikan satu pandangan yang jarang berlaku terhadap prospek

pasaran saham. Beliau kemudiannya memberi kaunseling bahawa jika pelabur ingin mencapai keuntungan yang berterusan di pasaran, beberapa perkara perlu dilakukan :

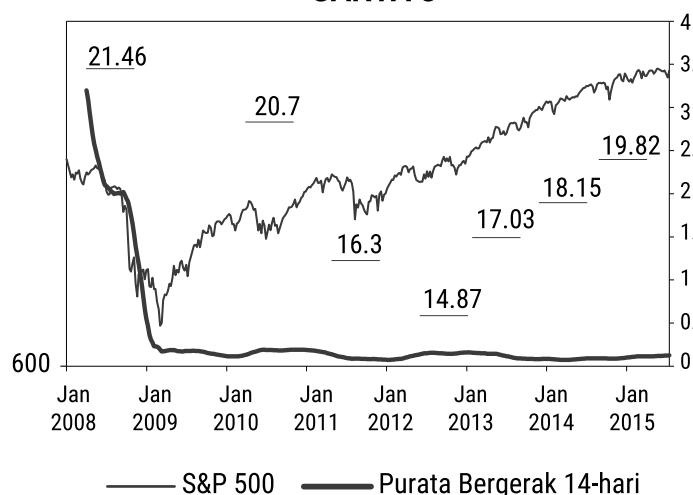
Pertama, kadar faedah mesti diturunkan lagi.

Kedua, keuntungan korporat AS berkaitan dengan KDNK AS mesti meningkat.

Nasihat yang sama masih digunakan.

Dengan kadar faedah rendah dan penilaian pasaran tinggi yang luar biasa, kadar faedah sebaliknya perlu ditingkatkan dan dinormalkan. Pada masa yang sama, keuntungan korporat AS sebagai peratusan KDNK AS adalah tinggi setiap masa, pembangunan tidak boleh berterusan melainkan seseorang bersedia untuk keluar dari masalah sosio-ekonomi yang besar.

CARTA 5



Carta 5 menunjukkan kepada kita keadaan semasa (angka itu menunjukkan S&P 500, purata 14 hari kadar dana persekutuan dan nisbah harga perolehan tahunan). Apabila Amerika Syarikat sekali lagi membawa dunia ke dalam krisis kewangan global pada tahun 2008, kadar dana persekutuan menjunam. Menjelang tahun 2009, kadar dana persekutuan berada hampir diparas sifar dan kekal selama hampir 7 tahun dimana ianya belum pernah terjadi sebelum ini. Walaupun kemelesetan ekonomi AS berakhir pada bulan Jun 2009, kadar pengangguran AS hanya mula meningkat pada akhir tahun 2010. Bursa Saham New York (NYSE) telah jatuh ke paras paling rendah sebelum kemelesetan ekonomi berakhir secara rasminya dan sejak itu ia telah meningkat bagi mengatasi kadar faedah yang berada hampir diparas sifar bersama pertumbuhan perolehan dan pembelian balik saham - pemulihan NYSE berlanjutan hampir sama dengan kadar faedah sifar. Dari tahun 2011 hingga 2013, penilaian

NYSE jatuh, akan tetapi, pada tahun 2014, penilaiannya meningkat semula. Pada masa ini, nisbah harga perolehan untuk S&P500 lebih kurang 21 kali ganda, tahap yang begitu tinggi bahkan ahli patriotik Amerika, Warren Buffett juga tidak mendapat apa-apa keuntungan. Apabila kadar dana persekutuan telah bangkit dari paras hampir sifar, keadaan ini akan mewujudkan situasi yang bertentangan dengan awal tahun Sembilan Puluhan dan tempoh 2004 hingga 2005. Boleh dikatakan, tahun 2015 adalah lebih kurang sama dengan tahun 1987. Kadar faedah AS akan meningkat apabila NYSE sudah terlebih-nilai, kadar pengangguran AS sudah berada pada tahap guna tenaga sepenuhnya dan kadar dana persekutuan adalah lebih rendah daripada kadar inflasi semasa.

Apabila kadar dana persekutuan berada hampir diparas sifar, ianya umpama air pasang yang akan membangkitkan semua bot, tongkang, sampan, dan lain-lain. Tetapi air pasang akan surut bila kadar faedah dana persekutuan meningkat. Apabila ia surut, kita akan dapat mengetahui siapa yang sedang 'berenang telanjang'. Oleh itu, terdapat banyak penambakan untuk air pasang surut perlu dilakukan dan kami meramalkan akan menemui ramai pelabur yang 'berenang telanjang'.

Kesimpulan yang tepat mengenai keadaan semasa dilaporkan dalam Laporan Tahunan Bank for International Settlements yang ke-85:

“Polisi kewangan telah terlalu lama dibebani dengan masalah ini. Ia mesti menjadi sebahagian daripada jawapan tetapi tidak boleh menjadi jawapan kepada semua masalah. Yang tidak masuk akal itu tidak seharusnya dibenarkan menjadi rutin.”

Apabila terdapat pelaburan yang menghasilkan margin keselamatan yang mencukupi, aset tunai Dana anda akan digunakan. Apabila tiba masa tahap tunai untuk jatuh, ia akan jatuh. Walau bagaimanapun, pegangan tunai yang tinggi boleh memberi kesan kepada prestasi jangka pendek Dana anda buat sementara waktu.

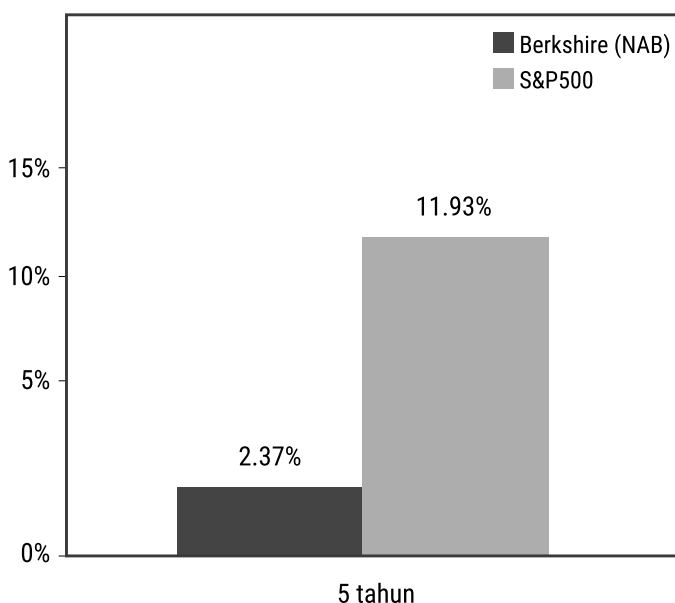
Tiada siapa yang boleh menafikan bahawa Warren Buffett merupakan salah seorang pelabur terhebat di dunia. Namun begitu, ada tempoh tertentu dimana pulangan pelaburan seliaan beliau berada di bawah par. **Carta 6** dan **7** menunjukkan syarikatnya, Berkshire Hathaway, telah berada di bawah jangkaan prestasi S&P500 masing-masing untuk tempoh 5 dan 10 tahun.

BERKSHIRE LWN S&P500 PULANGAN MAJMUK TAHUNAN

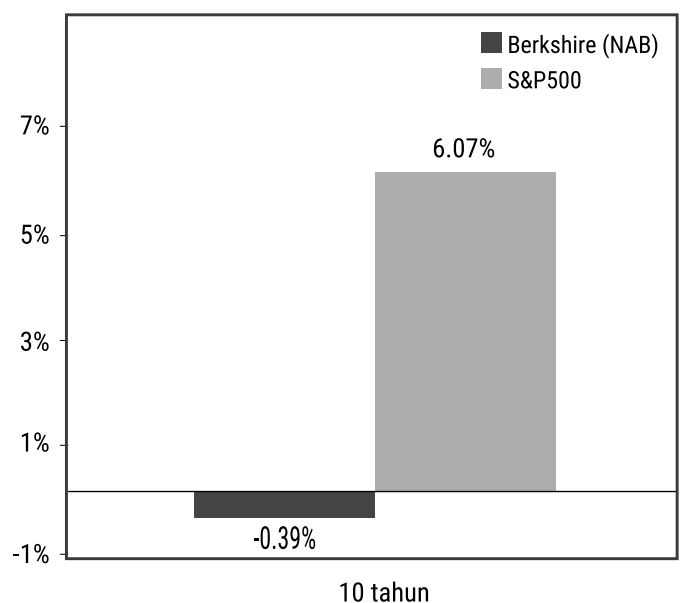
(Dari April 2010 hingga April 2015)

(Dari April 2005 hingga April 2015)

CARTA 6



CARTA 7



BAGAIMANAKAH PENCAPAIAN KAMI?

Tinjauan prestasi icapital.biz Berhad

Berdasarkan prestasinya dalam tempoh 5 atau 10 tahun yang sangat tidak konsisten dan yang lebih penting adalah ianya tidak memberi gambaran yang tepat mengenai prestasi unggul Warren Buffett untuk jangka masa yang panjang. Kesimpulan yang sama boleh dibuat berhubung dengan prestasi Dana anda yang telah mengatasi Indeks Komposit Kuala Lumpur (IKKL) dalam tempoh 10 tahun penyenaraannya.

Mesyuarat Agung Tahunan (MAT), MAT Tertanggung dan Hari Pelabur 2015

MAT Dana anda tahun lepas, malangnya, terpaksa ditangguhkan. Seperti yang dinyatakan oleh Rita Benoy Bushon, Ketua Pegawai Eksekutif Badan Pengawas Pemegang Saham Minoriti Berhad pada 21 November 2014:

“MAT baru-baru ini telah ditangguhkan selepas kelulusan dari pemegang saham yang hadir dan mengundi diperolehi, apabila tercetusnya permintaan dari pengurus dana yang juga pemegang saham. Ini adalah hasil daripada 2 proksi pemegang saham aktivis yang diberikan kepada Pengerusi untuk menentang pelantikan semula Pengarah Bebas berumur lebih 70 tahun. Ini adalah cara terbaik bagi menggalakkan pemegang saham, terutama institusi untuk menjelaskan sebab-sebab penentangan mereka terhadap pelantikan semula pengarah, terutamanya pengarah bebas”.

Setiap tahun, beratus-ratus pemilik saham dan penyokong dari jauh dan dekat datang untuk menghadiri MAT icapital.biz Berhad. Menjelang bulan Oktober ini, Dana anda telah disenaraikan di Bursa Malaysia selama 10 tahun, sekaligus

membuatkan MAT ini agak istimewa. Sebagai orang yang paling rapat dengan pembangunan, promosi dan pengurusan icapital.biz Berhad, saya secara peribadi akan menjemput semua pemilik saham dan penyokong untuk menghadiri acara yang mulia ini dan menjadikannya lebih berjaya daripada sebelumnya.

Untuk kejayaan Dana anda, adalah sangat penting untuk menarik pelabur yang tepat. Oleh itu, ia adalah berguna untuk mengingatkan diri kita sendiri, sebagai pemilik saham, mengapa Dana kita wujud. Seperti yang dinyatakan dalam laporan tahunan,

“Ia wujud hanya untuk satu tujuan : untuk membolehkan pemegang saham jangka panjang atau lebih dipanggil pemilik saham memperoleh manfaat daripada pelaburan berasaskan nilai.”

Jika kami menyimpang daripada pelaburan berasaskan nilai, kami akan memusnahkan sebab terpenting atau sebab kewujudan icapital.biz Berhad. Untuk berjaya, Dana anda memerlukan pelabur atau pemilik saham yang boleh menikmati hari Isnin hingga Jumaat tanpa melihat harga saham, sama seperti pada hari Sabtu dan Ahad.

Pada tahun ini, Hari Pelabur 2015 akan diadakan pada 19 dan 20 September 2015 di Pusat Konvensyen Kuala Lumpur. Selain MAT, kita akan menggalakkan semua pemilik saham, keluarga, rakan-rakan dan seluruh rakyat Malaysia untuk menghadiri acara pelaburan yang paling inovatif di Asia ini.

Saya dengan tulus ikhlas ingin mengucapkan selamat datang kepada Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan dan Dato' Seri Md Ajib Bin Anuar sebagai ahli Lembaga Pengarah yang baru. Akhir sekali, saya juga ingin mengalu-alukan kedatangan Datuk Ng Peng Hong @ Ng Peng Hay sebagai Pengerusi Lembaga Pengarah anda yang baru.

Tan Teng Boo

Pegawai Lantikan Khas

Capital Dynamics Asset Management Sdn Bhd

8 Julai 2015

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报。

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.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

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) 抑或电邮至 cdam@cdam.biz以联络基金经理。

您可以通过(603) 2070 2104 或 (603) 2070 2103 (传真号码) 抑或电邮至 cdsb@icapital.biz以联络投资顾问。

我们的业绩表现？

回顾资本投资有限公司的表现

A | 致股东们的信

截至于2015年5月31日的财政年，我们的基金报上了RM2千180万7千的总营业额，与去年同时期相比下跌了RM2千187万5千或50%。截至于2015年5月31日年度，我们的基金报上了RM1千139万1千的税前盈利，相较于去年财政年RM3千504万5千的税前盈利。税前盈利的下滑是由于证券销售较低的盈利水平及较低的股息收入所致。因此，相较于去年财政年RM3千344万6千的税后盈利，我们的基金在本财政年报上了RM1千零48万2千的税后盈利。

由于我们基金的主要投资目标为长期资本增值，所以在评估我们的基金的表现时必须注意的关键因素为资产净值而非净盈利。尽管我们基金的资产净值从2014年5月31日的每股RM3.05下跌了5%至2015年5月31日的RM2.90，其自成立日以来至2015年5月31日仍然报上每年12.15%的年度回报，尽管过去十年市场及经济状况大幅波动。这意味着在我们的基金投资每RM1千将会带给股东们RM3,011.36的回报。

今年，我们将迈进基金上市十周年。今年也是我自2010年加入了董事会并于去年11月份从YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya接手后首次写信给股东们。

我们的基金自上市以来一直表现良好并持续报上优良的成绩。具讽刺意味的是，鉴于我们的优良表现—基金的资产净值稳健增值，其已吸引了某些较短期投资者的注意并要求我们的基金开始研

究其他较短期的选择，但这就较长期而言无益于股东。

我代表董事会再次强调我们基金的初始投资目标及政策，如招股书中所述的，这些目标及政策不应被遗忘。我们基金的主要投资目标为长期资本增值而股息及/或利息收入则为次要。我们的基金以利益大众为主，尤其是对那些未能如高净值个人/实体及机构投资者般能够获取专业服务的人士。我们的基金是以提供实惠的投资渠道及丰厚的回报（特别是对散户投资者）为崇尚的目标。

我将持续YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya的努力以确保我们的基金能够持续跑赢及交出可观的回报予股东们，尽管市场及经济状况不明确。随同董事会、您的基金经理及投资顾问，我们将持续寻找可行方案以解决折价一事。然而，人们应该看一看事情的另一面，即我们的基金相当被低估，作为一位聪明及理性的价值投资者，人们应该得益于这个状况而非专注于折价一事。

我代表董事会欢迎Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan 以及Dato' Seri Md Ajib Bin Anuar成为董事会的新成员。最后，连同您的基金经理及投资顾问，我们祝愿您一帆风顺及拥有一个丰收年。

拿督黄炳火
董事会主席
2015年7月8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

自2014年5月31日起并未买进任何股项，图一和图二显示目前以市场价值及投资数量排列的投资组合。

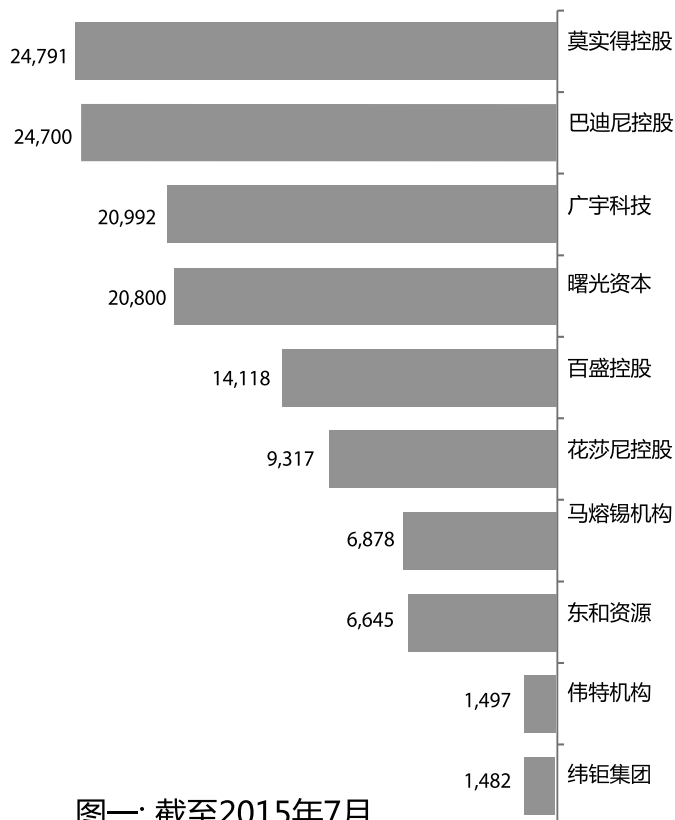
(ii) 已卖出的股项

截至2015年5月31日财政年，您的基金卖出了花莎尼控股的80万支股、国油贸易的7千100支股及曙光资本的30万支股。这些脱售以RM571万2千的成本带来了RM827万8千的收益。

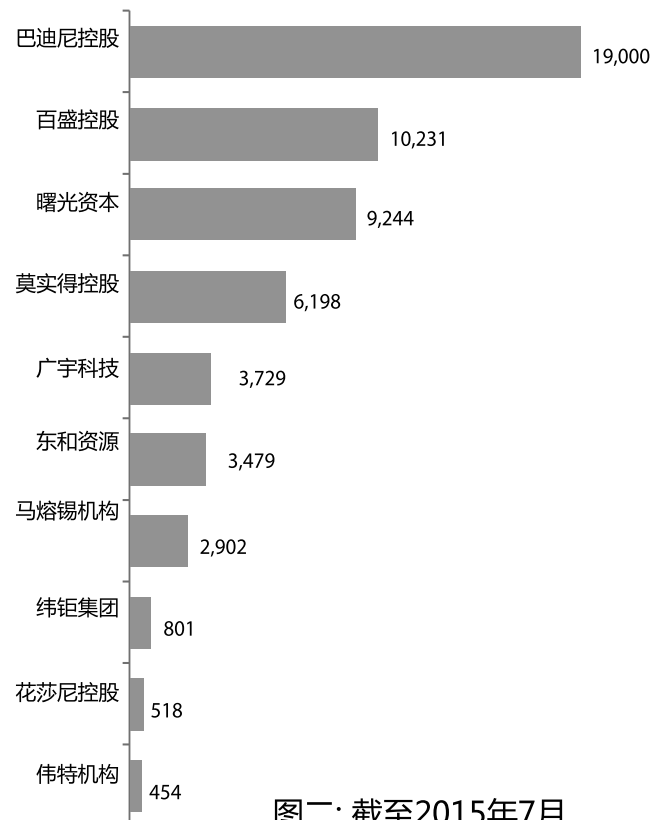
截至2015年5月31日为止，您的基金作出了RM9千568万7千的投资，而市值则为RM1亿4千559万7千，并报上RM5千281万6千的未套现收益。截至2015年5月31日为止基金所投资其中的巴迪尼控股、广宇科技以及曙光资本获取了巨大未套现收益。

(iii) 所作出的投资

截至2015年5月31日财政年度，您的基金从百盛及广宇科技分别收到了97万9千907支股的股息及62万1千440支红股。



图一：截至2015年7月8日为止的市值（以千令吉计）

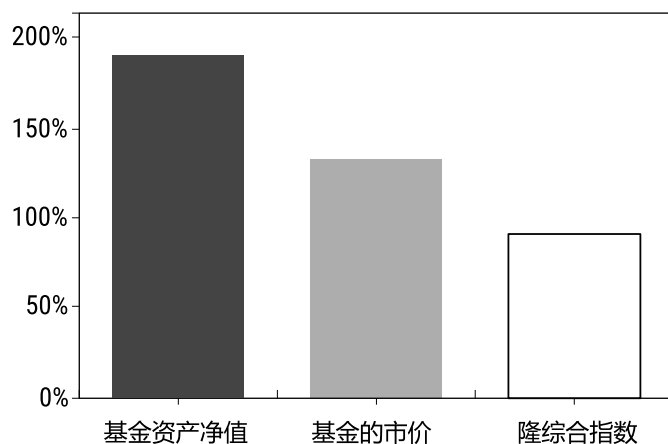


图二：截至2015年7月8日为止的持股量（以千支股计）

我们的业绩表现？

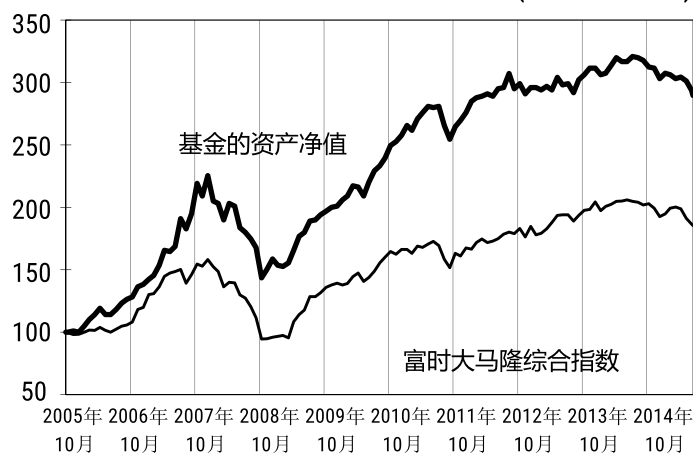
回顾资本投资有限公司的表现

图三：从2005年10月19日至2014年7月8日的回酬



图四：基金的资产净值对富时大马隆综合指数

(19/10/2005=100)



(iv) 表现：资产净值及市价

自2005年10月19日上市以来，您基金的每股资产净值已从RM0.99上升至2015年5月31日的RM2.90，即193%的增长—参阅图三。自2005年10月19日上市以来，您基金的市价已从RM1.01增长至2015年5月31日的RM2.32，即130%的增长。在同期内，富时大马隆综合指数上扬了91%。

图四显示您基金的资产净值表现与富时大马隆综合指数的比较。

从2014年6月1日至2015年5月31日，您基金的每股资产净值从RM3.05下跌至RM2.90或5%的亏损，而市价则从RM2.52下跌至RM2.32或8%的亏损。在同期内，富时大马隆综合指数下滑了7%。

表一及表二显示资本投资有限公司自2005年10月份上市以来的表现。

您的基金亦已跑赢主要区域市场，尤其香港、悉尼及新加坡股市，即便是以它们各自的货币计算。

表一 截至至	从2005年10月19日开始的累积回酬			基金的现金水平
	基金的资产净值	基金的市价	隆综合指数	
2005年12月31日	0.00%	8.00%	-1.57%	62.39%
2006年12月31日	38.38%	46.00%	19.92%	33.79%
2007年12月31日	125.25%	162.00%	58.07%	15.58%
2008年12月31日	58.59%	39.00%	-4.09%	32.97%
2009年12月31日	101.01%	74.00%	39.23%	10.51%
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12月31日	211.48%	147.37%	104.22%	50.73%
2014年12月31日	203.21%	140.16%	92.66%	63.16%
2015年7月8日	189.75%	131.91%	85.50%	66.52%

表二

截至	从2005年10月19日开始的年化回报			基金的现金水平
	基金的资产净值	基金的市价	隆综合指数	
2005年12月31日	0.00%	46.93%	-7.62%	62.39%
2006年12月31日	31.09%	37.08%	16.34%	33.79%
2007年12月31日	44.65%	54.93%	23.14%	15.58%
2008年12月31日	15.49%	10.83%	-1.30%	32.97%
2009年12月31日	18.07%	14.09%	8.19%	10.51%
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12月31日	14.85%	11.67%	9.09%	50.73%
2014年12月31日	12.81%	9.98%	7.38%	63.16%
2015年7月8日	11.56%	9.04%	6.56%	66.52%

(v) 我们的见解

在撰写这篇评论之际，您基金的现金及近现金水平为RM2亿6千100万，相较于一年前的RM2亿4千万。作为一位基金经理，我并没有所谓的高现金策略（您基金的现金水平在过去十年从10.5%的低水平转变至目前的水平）。如我们多番解释的，目前的偏高现金水平为吉隆坡股市被高估值的副产品。您的基金经理致力为您的基金寻找投资点子。我们的基金经理并不是因为缺乏投资点子而持现金的；而是因为许多投资点子的股价并不具吸引力。

于1999年11月份，沃伦·巴菲特给予了他对股市展望难得的意见。他建议如果一位投资者想要在股市达到丰厚的盈利，一些事情必须发生：

第一，利率必须进一步下跌。

第二，美国企业盈利在国内生产总值的占比比须有所增长。

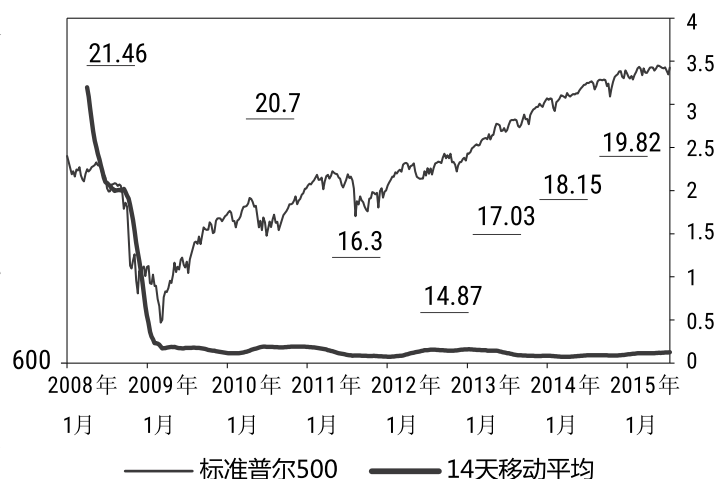
现在，同样的建议可以派上用场了。

随着异常偏低的利率，以及异常偏高的市场

估值，利率必须被上调及正常化。与此同时，美国企业盈利占美国国内生产总值的百分比正处于历史高点，这情况不能持续下去，除非人们作好准备迎来主要社会经济问题的爆发。

图五展示了当今的现状。（它展示了标准与普尔500、联邦基金率的14天平均以及年度本益比）联邦基金利率随着美国在2008年再次导致世界步入全球性的金融危机时大幅下跌了。到了2009年的时候，利率已接近于零，并且从此一直保持在近于零的水平 - 越来越接近成为前所未有的7年之长。虽然

图五



我们的业绩表现？

回顾资本投资有限公司的表现

经济衰退已在2009年6月份结束，但美国的失业率只是在2010年底才见顶的。纽约证交所在经济衰退正式结束之前已见底，而从那时起就一直在近于零的利率及可观的盈利增长的状态下往上爬 - 纽约证交所的上涨形势几乎与近于零的利率趋势持续了相同的时间。从2011年至2013年，纽约证交所的估值有所下降，但到了2014年，其本益比的估值却又再次上升。目前为止，标准普尔500指数的本益比为21倍左右，这个水平是如此超估以致连超级爱国的美国人，沃伦·巴菲特，也找不到任何能逢低买入的股票。当联邦基金利率在2015年从接近零的水平被调高时，这些情况将会成为事态的背景，即与90年代初与2004年至2005年期间的情景有所不同。在某些方面，2015年更相似于1987年。美国利率会在纽约证券交易所已经被高估时上涨，而美国的失业率也已经处于充分就业水平，联邦基金利率甚至低于目前的偏低通货膨胀率。

当联邦基金利率处在几乎为零的水平时，市场趋势就如潮水般上涨，而水涨会撑起众船，帆船，舢板等。但潮水起起落落，当联邦基金利率上升时，潮水便会退潮。当退潮之时，我们就能得知谁是在这潮水中裸泳着的。

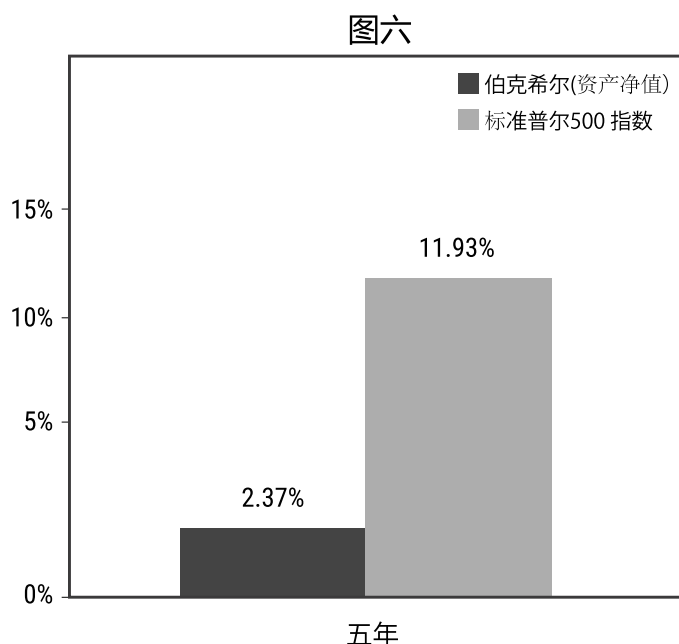
国际清算银行在其第八十五届年度报告中恰当的总结当时的情况：

“货币政策已不堪重负过久。其必定是答案的一部分但却不会是完整的答案。不应让不堪设想的事情变成常规。”

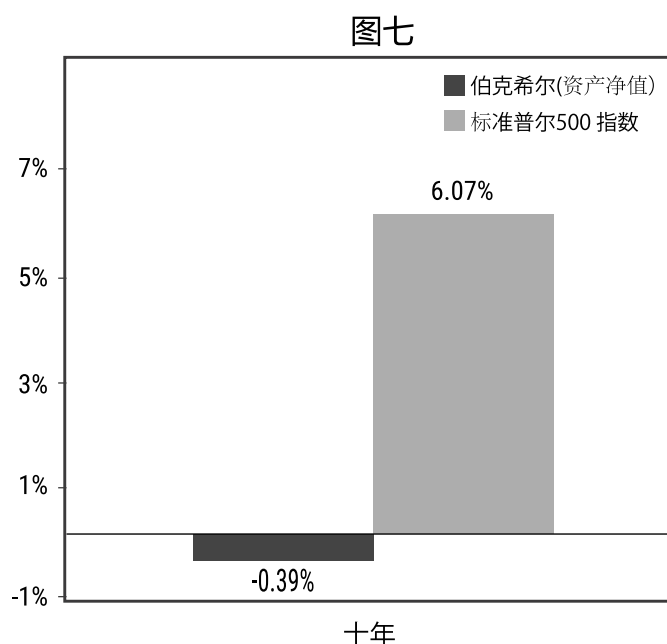
当拥有足够安全边际的股项出现时，那么您基金的现金资产将被运用。在现金水平适当下降的时候，它将会下降。然而，持有相对偏高的现金水平可能将暂时性地影响您基金的短期表现。

伯克希尔与标准普尔500指数 年复合回酬

（从2010年4月份至2015年4月份）



（从2005年4月份至2015年4月份）



沃伦·巴菲特为全球最伟大的投资者之一是一个无人能否定的事实。即使那样，他的投资回报也会有欠佳的时候。图六及图七显示他的公司——伯克希尔哈撒韦在五年及十年期限内跑输标准普尔500指数。

以五年或十年期限判断他的表现极为不准确及更重要的是，这将不能反映沃伦·巴菲特长期优越的表现。您可为您的基金在其上市的十年内跑赢隆综合指数的表现可作出相同的结论。

年度股东大会，展延股东大会及2015年投资者日

您的基金在去年的年度股东大会很不幸的必须被展延。如小股東利益监管机构首席执行官Rita Benoy Bushon于2014年11月21日写道：

“最近的年度股东大会在得到了股东的投票表决后被展延，这是由作为股东的基金经理作出的要求所引起的。这是因为两位维权股东给予主席权利反对一位年超七十独立董事的连任所致。最佳作习鼓励股东，尤其是机构股东清楚表明他们反对董事连任的理由，尤其是独立董事。”

每年，上百位远近四方的股东、贵宾以及朋友均参与资本投资有限公司的年度股东大会。即将来临的10月份将会是您的基金上市

十周年，这将是一个相当特别的年度股东大会。身为资本投资有限公司的发展、营销及管理最为关键的人物，我想亲自邀请所有的股东及支持者前来参加这项吉祥的活动并使其变得更成功。

吸引对的投资者对您基金的成功而言非常重要。因此，身为股东的我们偶尔自我提醒基金存在的原因甚为有用。如其年度报告所述，

“其存在的理由非常简单：
为让长期股东从价值投资中
获益。”

若我们偏离了价值投资，我们就等于破坏了资本投资有限公司的目的或存在的理由。为达到成功，您的基金极需那些不看股价也能够享受周一至周五的投资者或股东们，就像周六及周日一样。

今年，2015年投资者日将于2015年9月19日及20日于吉隆坡会展中心举办。除了年度股东大会，我们鼓励所有的股东、他们的家人、朋友及全部大马人前来参与这个亚洲最具创新的投资活动。

在此，我想要衷心的欢迎董事会的新董事——Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan及Dato' Seri Md Ajib Bin Anuar。最后，我也诚挚的欢迎董事会的新任主席拿督黄炳火。

陈鼎武
指定基金经理
资威资产管理私人有限公司
2015年7月8日

Who runs icapital.biz Berhad

Datuk Ng Peng Hong @ Ng Peng Hay

- **Chairman**
- **Chairman of the Nomination Committee**
- **Independent Non-Executive Director**
- **63 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 has been the Chairman of Malaysian Chinese Association, 7th Branch Melaka since 1982. Presently, he is the Chairman

of Koperasi Jayadiri Malaysia and a Board Member of Malaysian Investment Development Authority (MIDA).

He is also the Chairman of Wellcall Holding Berhad, an Executive Director of Farm's Best Berhad and the Senior Independent Non-Executive Director of Bonia Corporation Berhad.

David Loo Kean Beng

- **Independent Non-Executive Director**
- **Member of the Audit Committee and Nomination Committee**
- **52 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.

Harun Bin Halim Rasip

- **Senior Independent Non-Executive Director**
- **Chairman of the Audit Committee and Member of Nomination Committee**
- **61 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 of PT Tanah Laut Tbk, a company listed on the Indonesia Stock Exchange engaged in marine services and port development activities in Indonesia.

Dato' Tan Ang Meng

- **Independent Non-Executive Director**
- **Member of the Audit Committee**
- **59 years of age – Malaysian**

Dato' Tan Ang Meng was appointed to your Board of Directors on 10 November 2012. He is a Certified Public Accountant and was admitted to the membership of the Malaysian Institute of Accountants in 1980.

Dato' Tan Ang Meng started his career in 1975 with PriceWaterhouseCoopers,

WHO RUNS ICAPITAL.BIZ BERHAD

Profile of Directors

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 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, Mega First Corporation Berhad, Red Sena Berhad and Red Sena F&B Berhad (in members' voluntary winding up).

Dato' Seri Md Ajib Bin Anuar

- **Independent Non-Executive Director**
- **Member of the Audit Committee**
- **64 years of age – Malaysian**

Dato' Seri Md Ajib Bin Anuar was appointed to your Board of Directors on 8 January 2015. He holds the professional qualification of the Association of Chartered Certified Accountants, United Kingdom.

Dato' Seri Md Ajib Bin Anuar has more than 43 years of experience and expertise in the global tin and mineral resources industry. Currently, he serves as the President of the Malaysian Chamber of Mines and the Chairman of the Malaysian Tin Industry (Research

and Development) Board as well as the President of ASEAN Federation of Mining Associations. He is also the Chairman of the Kuala Lumpur Tin Market, a Director of ITRI Ltd and ITRI Innovation Ltd, United Kingdom (the research and development body of the world's tin industry) and a member of the Tin Committee of the London Metal Exchange.

He was the Group Chief Executive Officer ("Group CEO") and Executive Director of Malaysia Smelting Corporation Berhad ("MSC") from June 1994 to December 2013. MSC is one of the world's leading integrated tin mining and smelting groups. It is currently the second largest supplier of tin metal in the world.

Prior to his appointment as the Group CEO of MSC, Dato' Seri Md Ajib Bin Anuar spent 23 years in Malaysia Mining Corporation Berhad Group of Companies (now known as MMC Corporation Berhad Group of Companies) serving in various senior positions including General Manager of the Finance Division, Director of Business Development and Managing Director of MMC's International Marketing Division. He had also served two terms as the President of ITRI Ltd, United Kingdom (2002 to 2006 and 2012 to 2014), the Deputy Chairman of the Kuala Lumpur Commodity Exchange (1988 to 1993) as well as the Chairman of Malaysian Futures Clearing Corporation (1990 to 1993).

Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan

- **Independent Non-Executive Director**
- **Member of the Nomination Committee**
- **61 years of age – Malaysian**

Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan was appointed to your Board of Directors on 3 December 2014. He graduated from University Kebangsaan Malaysia with a Bachelor of Arts (Honours) - Degree in Political Science and Advanced Diploma Strategic Studies.

He commenced his career with the Royal Malaysian Police Force as a Special Branch Officer in Kelantan on 1 October 1977.

He served various positions within the Police Force as a Special Branch Officer in Penang, Training Officer in Bukit Aman, Kuala Lumpur ("Bukit Aman"), Compliance Officer in Bukit Aman, Narcotics Officer in Kedah, Deputy Officer in Charge of Police District of Kulim, Kedah and Criminal Investigation Officer in Perak.

After completing his further studies in 1997, he served as the Assistant Director of Interational Criminal Police Organisation, Bukit Aman until 2002. He was later appointed as the Deputy Chief of the Criminal Investigation Department in Kuala Lumpur before being posted as the Chief of Criminal Investigation Department in Penang. Subsequently, he was appointed as the Deputy Director, Criminal Investigation Department in Bukit Aman.

From 2007 to 2010, he served as the Chief Police of Kedah, and was later appointed as the Director of the Commercial Crime Investigation Department in October 2010, a position he held until his retirement in January 2014.

Note:-

1. None of the Directors have any family relationships with each other or any major shareholder nor conflict of interest involving your Company.
2. 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

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

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 2015. Your Board is of the opinion that it has, in all material aspects, complied with the Principles and Best Practices of the Code.

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 as well as 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.

1.2 Duties and Responsibilities

The primary responsibilities of your

experience and knowledge for the performance of their duties. Their profiles are presented on pages 21 to 22 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, ethnicity and age, where appropriate, which the potential candidate would bring to your Board.

On 27 July 2015, your Board has appointed Harun Bin Halim Rasip as Senior Independent Non-Executive Director who will attend to any queries or concerns raised by the share owners in place of Datuk Ng Peng Hong @ Ng Peng Hay, the Chairman of the Board and Nomination Committee of your Fund.

The aforesaid change is to enable the Senior Independent Non-Executive Director to act as a sounding board for the Board Chairman if necessary.

Your Board is ensured of a balanced view at all board deliberations as all your Directors are non-executives and therefore are 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 has adopted a Whistleblowing Policy on 21 July 2014 and this policy is available on the corporate website. Your Board also has provided an avenue for stakeholders and members of the public to disclose any improper conduct of your Fund via post to the Chairman of the Audit Committee at the registered office of the Fund.

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 to allow for sufficient time for review and obtain explanations.

Your Directors also have access to the Company Secretaries 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 employees. 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, diversity, skills, necessary experience and knowledge for the performance of their duties.

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 page 30 of this Annual Report and 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 Committees meetings are well captured and recorded. The Company Secretaries also keep your Board updated on changes in the Bursa Malaysia Securities Berhad ("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 31 to 33 of this Annual Report.

2.3. Nomination Committee

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

Chairman:

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

Members:

David Loo Kean Beng
(Independent Non-Executive Director)

Harun bin Halim Rasip
(Senior Independent Non-Executive Director)

Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan
(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.

During the financial year ended 31 May 2015, the following activities were undertaken by the Nomination Committee:-

- (i) Reviewed and assessed the effectiveness of the Board and Board committees;
- (ii) Reviewed and made recommendations to the Board on the appointment of new Directors as well as re-election and re-appointment of Directors; and
- (iii) Reviewed and assessed the Board and Board Committees as well as independence of the Independent Non-Executive Directors.

2.4. Diversity Policy

Pursuant to the Diversity Policy set out in the Board Charter, the Nomination Committee and the Board shall consider diversity in terms of gender, ethnicity and age, amongst other criteria, when there are any appointments to the Board ("Board Appointment") and when conducting annual assessment of Board and Board Committees.

Your Board is of the view that all Board Appointments should be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender, ethnicity and age.

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

Datuk Ng Peng Hong @ Ng Peng Hay

Harun Bin Halim Rasip

David Loo Kean Beng

Dato' Tan Ang Meng

Dato' Sri Syed Ismail Bin Dato's Haji Syed Azizan (appointed on 3 December 2014)

Dato' Seri Md Ajib Bin Anuar (appointed on 8 January 2015)

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya (retired on 30 November 2014)

YM Tunku Abdul Aziz Bin Tunku Ibrahim (retired on 30 November 2014)

Fees (RM)

50,027

55,000

50,000

50,000

19,726

19,178

30,082

20,055

Total**294,068**

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 2015 is as above.

to your Board deliberations.

Your Board composition has met the Main Market Listing Requirements of 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 Director. Amongst your Board members, none of the Independent 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 it proposes an Independent Director who has served in that capacity for more than nine (9) years to remain on your Board 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. Justifications 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 Datuk Ng Peng Hong @ Ng Peng Hay. Your Fund does not have any employees. Hence, 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 has six (6) Independent Directors. The Board composition has met 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 performance monitoring, as well as improving governance and controls. The Non-Executive Directors are independent

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 assessment of relationship between the Independent Director and your Fund and his involvement in any significant transaction with your Fund. Based on the assessment conducted by the Nomination Committee, none of your Independent Directors had business transactions with your Fund and your Board is satisfied that all Independent Directors are able to provide check and balance to your Board's decision making process and bring independent and objective judgment

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 holds directorships of more than five (5) public listed companies.

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 2015, a total of six (6) Board meetings were held and the attendance

of each Director is shown in the table below.

4.2. Directors' Training

All Directors have attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities. Your Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes to enable them to effectively discharge their duties and maintain active participation in 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 with the MAP requirement 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 2015, the two newly appointed Directors attended the MAP whereas the remaining Board members attended the following Directors' continuing education programme:-

- African Mining Indaba in Capetown, South Africa;
- Mines and Money, Hong Kong;

- Problem Solving Workshop – "Bagi Isu Perizaban Dan Pemberimilikan Tanah";
- Advocacy sessions on corporate disclosure for directors of listed issuers;
- 4th Annual Floating Terminals 2014;
- 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

Name	Number of Board meetings attended
Datuk Ng Peng Hong @ Ng Peng Hay	5 out of 6
Harun Bin Halim Rasip	5 out of 6
David Loo Kean Beng	6 out of 6
Dato' Tan Ang Meng	5 out of 6
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan (appointed on 3 December 2014)	2 out of 2
Dato' Seri Md Ajib Bin Anuar (appointed on 8 January 2015)	2 out of 2
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya (retired on 30 November 2014)	3 out of 3
Tunku Abdul Aziz Bin Tunku Ibrahim (retired on 30 November 2014)	3 out of 3

immediately after the conclusion of 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 meetings, the External Auditors will be invited to present their yearly audit plans, audit findings and accounting standards updates to the members of the Audit Committee. The Audit Committee had, during the financial year, held a private discussion session with the External Auditors.

The Audit Committee had obtained written assurance from the External Auditors, Messrs Crowe Horwath who 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 32 of 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 39 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 controls have taken into account the process of identifying key risks as well as 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 faced by 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.

Your Fund's Statement on Risk Management and Internal Control, which provides an overview of the risk management of your Fund is set out on pages 34 to 35 of this Annual Report.

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 pages 34 to 35 of this Annual Report.

6.3. Internal Auditors

Your Fund has appointed Bridge 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 Secretaries, are 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 Secretaries for drafting of necessary announcements.

Your Board is mindful that information which is expected to be material must be announced immediately, and that confidential information should be handled properly to avoid leakage and improper use of such information.

8

Strengthen Relationship Between Company and Share Owners

8.1. Encourage Poll Voting

At the commencement of the Annual General Meeting, the Chairman shall inform share owners the substantive resolutions put forth for share owners' approval and encourage the voting of all substantive resolutions by poll pursuant to the Code. To assist the share owners in exercising their rights, the Chairman or the Company Secretary shall read out the provisions of the Articles of Association of your Fund on the share owners' right to demand a poll vote.

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 Bursa Securities, which include 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, www.icapital.my and www.icapital.biz.

9

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.

Corporate Social Responsibility

icapital.biz Berhad is not only committed but is disciplined with its commitment in maintaining a balance between its business objectives and responsible corporate practices, to improve and nurture a more harmonious society amongst 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

It is our business to understand where limited resources can have the greatest positive impact; therefore we have applied our corporate social responsibility efforts by identifying areas where we can foster a positive change.

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

2014 Investor Day

We created a number of "Firsts" in the 2014 Investor Day. With the aim of making it more accessible to the investing public, for its first time, we extended the Investor Day to a one and

a half day event where more exciting, informative and inspiring talks were held.

For the first time, Tan Teng Boo, the designated person of your Fund, inspired the audience of the Investor Day in a Saturday afternoon with his personal stories of how he single-handedly built Capital Dynamics, a global investment firm with RM1.0 billion assets under management in an industry dominated by the global giants. Over 3,000 participants of the Investor Day engaged productively with him. It was also the first time that the Plenary Hall of the KL Convention Centre was filled to brim for a talk conducted by a fund manager.

Themed "How to become a better investor", with the aim of making our investing public better investors, for the first time, a series of educational and exciting technical talks were conducted by the analysts and fund managers from Capital Dynamics' global offices. The audience listened to the insightful talks attentively; the sessions were all fully packed.

It is also part of our corporate social responsibilities efforts to update our share owners on the business performance of the listed companies that your Fund has invested in. We were honoured to have Tan Sri Dato Seri Lodin Bin Wok Kamaruddin, Group Managing Director of Boustead Holdings Berhad, Ms. Ng Kiat Min, Chief Financial Officer of Suria Capital Holdings Berhad, and Mr. Chu Jenn Weng, Chief Executive Officer of ViTrox Corporation Berhad conducting their corporate presentations to the audience at the Investor Day.

On 11th and 12th October 2014, we witnessed the most successful Investor Day since its inception in 2010. Over 7,000 participants from all walks of life benefitted tremendously from participating in the 2014 Investor Day.

2015 Investor Day

The objective of 2015 Investor Day extends beyond providing informative, interactive and interesting sessions to the public. It is part of icapital.biz Berhad's mission to make the community a better place by empowering people with the right attitudes in business, investing and life. Be they students, budding value investors, parents, or retirees.

Following the success of the 2014 Investor Day, this year's event will be conducted in a similar format. The event will once again have free admission and will be held on 19th and 20th September, 2015 at the KLCC Convention Centre.

Tan Teng Boo will again be holding a 3-hour interactive session on a Saturday afternoon where he will be sharing his insights on the highly disturbing socio-economic conditions of Malaysia and the Asian region. Sunday, the second day will be packed with many investment talks presented by analysts and fund managers of Capital Dynamics aimed at enlightening participants with easy-to-understand investment methods and concepts that will equip them to be better investors. The second day also showcases corporate presentations by senior managers of the listed companies that icapital.biz Berhad has invested in.

Come with your family and friends and join us on Saturday, 19 September and Sunday, 20th September 2015 and find out the key lessons learnt, costly mistakes to avoid, creative strategies to adopt, working with finite resources and above all, the importance of values, such as integrity, in everything we do.

As icapital.biz Berhad continues to deliver superior returns to its share owners, it will also continue to implement effective corporate social responsibility initiatives amongst its share owners, investors and the community at large.

Audit Committee Report

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

1 | Members and Meetings

The Audit Committee composition and details of attendance of each member at audit committee meetings during the financial year ended 31 May 2015 are set out below:-

Chairman	Attendance
Harun Bin Halim Rasip* (Senior Independent Non-Executive Director)	3 out of 4
Members	Attendance
David Loo Kean Beng (Independent Non-Executive Director)	4 out of 4
Dato' Tan Ang Meng * (Independent Non-Executive Director)	3 out of 4
Dato' Seri Md Ajib Bin Anuar (Independent Non-Executive Director) (Appointed on 8 January 2015)	1 out of 1
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya (Non-Independent Non-Executive Director) (Retired on 30 November 2014)	2 out of 2

* Member of the Malaysian Institute of Accountants

2 | Summary of Terms of Reference

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;	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 judgment issues;	suitability and independence of the external auditors;
iv. have direct communication channels with the external auditors and person carrying out the internal audit function;		xiii. to establish policies and procedures in governing circumstances for contracts of non-audit services to be entered with external auditors;
v. be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company; and	v. to review the external auditors' audit report on the financial statement;	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;
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.	vi. to review any management letter sent by the external auditors to the Company and the service providers' response to such letter;	xv. to review the effectiveness and competency of the internal audit function;
	vii. to review any letter of resignation from the external auditors;	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;
	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;	xvii. to review the follow up actions by the service providers on the weakness of internal accounting procedures and controls;
Duties and Responsibilities The duties and responsibilities of the Audit Committee shall review the following and report the same to the Board of Directors:-	ix. to review the assistance given by the Company's officers and service providers to the external auditors;	xviii. to review on all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels;
i. to review the nomination of external auditors and the external audit fee;	x. to discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss;	xix. to review the assistance and co-operation given by the Company's officers and service providers to the internal auditors;
ii. to discuss with the external auditors, the nature, scope and quality of external audit plan/ arrangements;	xi. to establish policies and procedures to assess the suitability and independence of external auditors;	xx. to review any appraisal or assessment of the performance of persons carrying out the
iii. to review the evaluation of the systems of internal control with the external auditors;	xii. to review and monitor	
iv. to review quarterly results and year-end financial statements of the Company,		

- 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 judgment issues; and
- xxi. to review the resignation of the internal auditors and provide the resigning internal auditors an opportunity to submit reasons for their resignation.

The full Terms and Reference of the Audit Committee is available on the Company's website at www.icapital.my.

3 | Summary Of Activities Undertaken

During the financial year ended 31 May 2015, the Audit Committee:-

- | | |
|---|--|
| <p>i. 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 Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS");</p> <p>ii. approved the audit planning memorandum of the external auditors;</p> | <p>iii. reviewed the external audit fees;</p> <p>iv. discussed with the external auditors on its nature, scope and quality of external audit and compliance with MFRS and IFRS;</p> <p>v. reviewed with the external auditors any significant audit findings in relation to the audit;</p> <p>vi. discussed with the internal auditors on its nature, scope and quality of internal audit and approved the internal audit plans/ arrangements thereof;</p> <p>vii. 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;</p> <p>viii. reviewed and discussed on the enterprise risk management progress report;</p> <p>ix. evaluated the performance of the external and internal auditors;</p> <p>x. received updates from the tax agent with regards to taxation issues in relation to direct expenses and permitted expenses of your Fund;</p> <p>xi. received updates from the Fund's Administrator with</p> |
|---|--|

- regards to the impact of the Goods and Services Tax on the Fund;
- xii. reviewed the related party transaction of your Fund;
- xiii. met and discussed with external auditors of the Company in a private session in respect of the audit for the Audited Financial Statement for year ended 31 May 2015; and
- xiv. reviewed and endorsed the Whistle Blowing Policy of your Fund.

4 | 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 RM20,000.

Statement on Risk Management and Internal Control

Introduction

The Malaysian Code on Corporate Governance 2012 requires listed companies to maintain a sound risk management framework and internal control system to safeguard shareholders' investments and the group's assets. Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") require directors of public listed companies to include a statement in their annual reports on the state of their risk management framework and internal controls. The Listing Requirements and Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") which is issued by the Taskforce on Internal Control provide 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 functions 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 a 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 operations 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

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

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 a 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 the internal audit 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 subsidiaries, 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 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. Details of the composition, terms of reference and report of the Audit Committee are disclosed in the Audit Committee Report on pages 31 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 Enterprise Risk Management ("ERM") framework"]. As a closed-end fund, a significant portion of your Fund's risks is managed by your Fund Manager, Investment Adviser

and the Custodian Bank (who is assisted by independent external consultants). Your Fund's risks were presented to and approved by the Audit Committee and your Board.

As at the date of the annual report, the ERM framework, policy and your Fund's risk profiles have been implemented and are subject to periodic review as and when necessary.

The external auditors have reviewed the Statement on Risk Management and Internal Control and reported to the Audit Committee that nothing has come to their attention that causes them to believe the statement is inconsistent with their understanding of the process adopted by the Audit Committee and your Board in reviewing the adequacy and integrity of your Fund's 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 aspects, based on the risk management framework and internal controls system of your Fund.

After due consideration and review of the information provided, your Board is satisfied that there are 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 2015.

Directors' Report

The Directors hereby submit their report and the audited financial statements of your Fund for the financial year ended 31 May 2015.

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 10,482,131

Dividend

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

Reserves and Provisions

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

Issues of Shares and Debentures

During the financial year:

(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.

WHAT THE DIRECTORS SAY

Directors' Report

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. Datuk Ng Peng Hong @ Ng Peng Hay
2. David Loo Kean Beng
3. Harun Bin Halim Rasip
4. Dato' Tan Ang Meng
5. Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan (Appointed on 3.12.2014)
6. Dato' Seri Md Ajib Bin Anuar (Appointed on 8.1.2015)
7. YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya (Retired on 30.11.2014)
8. YM Tunku Abdul Aziz Bin Tunku Ibrahim (Retired on 30.11.2014)

Directors' Interests

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:-

Indirect Interests	Number of Ordinary Shares of RM1 Each			
	At 1.6.2014	Bought	Sold	At 31.5.2015
Harun Bin Halim Rasip *	39,900	-	-	39,900

* Deemed interest by virtue of his shareholding in Halim Rasip Holdings Sdn. Bhd.

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

Directors' Benefits

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

financial interests as disclosed in Note 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 July 2015**

Datuk Ng Peng Hong @ Ng Peng Hay

Harun Bin Halim Rasip

Statement by Directors

We, Datuk Ng Peng Hong @ Ng Peng Hay 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 42 to 57 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 your Fund at 31 May 2015 and of its financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 20, 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 July 2015**

Datuk Ng Peng Hong @ Ng Peng Hay

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 42 to 57 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 July 2015.

Before me

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 2015, and the statement of profit or loss and other 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 42 to 57.

Directors' Responsibility for the Financial Statements

The directors of your Fund 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 judgement, 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 entity'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 entity's internal control. An audit also includes

FINANCIAL STATEMENTS

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 your Fund as of 31 May 2015 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 your Fund have been properly kept in accordance with the provisions of the Act.

The supplementary information set out in Note 20 on page 58 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

This report is made solely to the members of your Fund, 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

27 July 2015
Kuala Lumpur

Chan Kuan Chee

Approval No: 2271/10/15 (J)
Chartered Accountant

Statement of Financial Position At 31 May 2015 (RM)

ASSETS	Note	2015	2014
Non-current asset			
Investments	5	145,596,798	185,731,507
Current assets			
Other receivables, deposit and prepayments	6	3,488,512	2,342,087
Short-term deposits	7	257,433,655	239,709,214
Bank balance		517,723	681,330
		261,439,890	242,732,631
Current liabilities			
Other payables and accruals	8	1,244,607	338,743
Provision for taxation		175,317	960,001
		1,419,924	1,298,744
Net current assets		260,019,966	241,433,887
		405,616,764	427,165,394
Financed by:-			
Share capital	9	140,000,000	140,000,000
Reserves	10	265,616,764	287,165,394
Shareholders' equity		405,616,764	427,165,394
Net assets per ordinary share	11	2.90	3.05
Net asset value per ordinary share	11	2.90	3.05

Statement of Changes in Equity for The Financial Year Ended 31 May 2015 (RM)

	Non-Distributable		Distributable	
	Share Capital	Fair Value Reserve	Retained Profits	Total Equity
Balance at 1 June 2013	140,000,000	100,070,965	178,847,598	418,918,563
Profit after taxation	-	-	33,446,443	33,446,443
Impairment loss on investment recognised in profit or loss	-	513,988	-	513,988
Other comprehensive income:				
- Fair value gain on investments for the financial year	-	15,008,051	-	15,008,051
- Reclassification to profit or loss on investments disposed	-	(30,746,648)	-	(30,746,648)
Total comprehensive income for the financial year	-	(15,224,609)	33,446,443	18,221,834
Distributions to the owners of your Fund:				
- Dividend	-	-	(9,975,003)	(9,975,003)
Balance at 31 May 2014/1 June 2014	140,000,000	84,846,356	202,319,038	427,165,394
Profit after taxation	-	-	10,482,131	10,482,131
Impairment loss on investment recognised in profit or loss	-	2,392,124	-	2,392,124
Other comprehensive income:				
- Fair value loss on investments for the financial year	-	(26,145,061)	-	(26,145,061)
- Reclassification to profit or loss on investments disposed	-	(8,277,824)	-	(8,277,824)
Total comprehensive income for the financial year	-	(32,030,761)	10,482,131	(21,548,630)
Balance at 31 May 2015	140,000,000	52,815,595	212,801,169	405,616,764

FINANCIAL STATEMENTS

Statement of Profit or Loss & Other Comprehensive Income for the Financial Year Ended 31 May 2015 (RM)

	Note	2015	2014
Revenue			
Interest income		7,396,822	5,941,654
Dividend income		6,132,836	6,993,760
Net gain on disposal of quoted investments		8,277,824	30,746,648
		<u>21,807,482</u>	<u>43,682,062</u>
Less: Operating expenses			
Accounting and administrative fees		91,000	91,000
Advertisements		406,751	708,202
Annual general meeting expenses		417,303	451,578
Audit fee		33,000	38,000
Custodian expenses		67,227	82,071
Directors' fees		294,068	263,452
Fund management fee		3,187,354	3,109,491
Impairment loss on quoted investments		2,392,124	513,988
Investment advisory fee		3,187,354	3,109,491
Professional fee		178,071	132,815
Service tax		14,137	12,645
Others		148,146	123,897
		<u>10,416,535</u>	<u>8,636,630</u>
Profit before taxation		11,390,947	35,045,432
Income tax expense	12	(908,816)	(1,598,989)
Profit after taxation		10,482,131	33,446,443
Other comprehensive income	13	(32,030,761)	(15,224,609)
Total comprehensive (expenses)/income for the financial year		<u>(21,548,630)</u>	<u>18,221,834</u>
Profit after taxation attributable to owners of your Fund		10,482,131	33,446,443
Total comprehensive (expenses)/income attributable to owners of your Fund		(21,548,630)	18,221,834
Basic earnings per ordinary share	14	0.07	0.23

Statement of Cash Flows for The Financial Year Ended 31 May 2015 (RM)

	Note	2015	2014
Cash flows from operating activities			
Profit before taxation		11,390,947	35,045,432
Adjustments for:			
Impairment loss on quoted investments		2,392,124	513,988
Net gain on disposal of quoted investments		(8,277,824)	(30,746,648)
Operating profit before working capital changes		5,505,247	4,812,772
Increase in other receivables, deposit and prepayments		(1,146,425)	(392,318)
Increase in other payables and accruals		905,864	9,301
Proceeds from disposal of quoted investments		13,989,648	40,203,879
Purchase of quoted investments		-	(1,227,124)
Cash from operations		<u>19,254,334</u>	<u>43,406,510</u>
Net income tax paid		(1,693,500)	(969,941)
Income tax deducted at source		-	(76,050)
Net cash from operating activities		<u>17,560,834</u>	<u>42,360,519</u>
Net cash for financing activity			
Dividends paid		-	(9,975,003)
Net increase in cash and cash equivalents		<u>17,560,834</u>	<u>32,385,516</u>
Cash and cash equivalents at beginning of the financial year		240,390,544	208,005,028
Cash and cash equivalents at end of the financial year	15	<u>257,951,378</u>	<u>240,390,544</u>

Notes to the Financial Statements for the Financial Year Ended 31 May 2015

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 July 2015.

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 During the current financial year, your Fund has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on your Fund’s financial statements.

3.2 Your Fund has not applied in advance the following accounting standards and/or 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:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

4. Significant Accounting Policies

4.1 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:-

(a) 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.

(b) 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.

4.2 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.

4.3 Financial Instruments

Financial instruments are recognised in the statement 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. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

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

(a) 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.

(i) 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.

(ii) Held-to-maturity Investments

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

(iii) 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.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) 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.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial Liabilities

All financial liabilities are initially measured 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.

Financial liabilities are classified as current liabilities unless your Fund has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary 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) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.4 Impairment

(a) 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.

(b) 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, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.5 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 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.

4.6 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 with original maturity periods of three months or less.

4.7 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.

4.8 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.

4.9 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.10 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.

FINANCIAL STATEMENTS

5. Investments

In RM	2015	2014
At market value:-		
Quoted securities in Malaysia, at 1 June 2014/2013	185,731,507	209,700,211
Additions during the financial year	-	1,227,124
Disposals during the financial year	(5,711,824)	(9,457,231)
Changes in fair value adjustments	(34,422,885)	(15,738,597)
Quoted securities in Malaysia, at 31 May 2015/2014	145,596,798	185,731,507
Impairment loss recognised due to fair value changes	2,392,124	513,988

6. Other Receivables, Deposit and Prepayments

In RM	Note	2015	2014
Other receivables		2,383,167	1,246,522
Deposit		500	500
Prepayments		11,667	13,667
Related parties	17	1,093,178	1,081,398
		3,488,512	2,342,087

The amount owing by related parties is unsecured, interest-free and repayable on demand.

7. Short-term Deposits

In RM	2015	2014
Deposits with licensed financial institutions	257,433,655	239,709,214

The deposits with licensed financial institutions of your Fund at the end of the reporting period bore an effective interest rate of 3.12% (2014 - 2.83%) per annum. The average maturity period of the deposit is 62 days (2014 - 24 days).

8. Other Payables and Accruals

In RM	2015	2014
Other payables	5,381	75,291
Accruals	1,239,226	263,452
	1,244,607	338,743

9. Share Capital

	2015	2014	2015	2014
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

In RM	2015	2014
Fair value reserve	52,815,595	84,846,356
Retained profits	212,801,169	202,319,038
	265,616,764	287,165,394

(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

Under the single tier tax system, tax on your Fund's profits is the final tax and accordingly, any dividends to the shareholders are not subject to 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 RM405,616,764 (2014 - RM427,165,394) divided by the number of ordinary shares in issue at the end of the reporting period of 140,000,000 (2014 - 140,000,000).

12. Income Tax Expense

In RM	2015	2014
Current tax:-		
For the financial year	1,702,317	1,665,374
Overprovision in the previous financial year	(793,501)	(66,385)
	908,816	1,598,989

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	2015	2014
Profit before taxation	11,390,947	35,045,432
Tax at the statutory tax rate of 25% (2014 - 25%)	2,847,737	8,761,358
Tax effects of:-		
Non-taxable income	(2,069,456)	(7,686,662)
Tax-exempt dividends	(1,533,209)	(1,423,814)
Non-deductible expenses	2,457,245	2,014,492
Overprovision in the previous financial year	(793,501)	(66,385)
Income tax expense for the financial year	908,816	1,598,989

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

13. Other Comprehensive Income

The components of other comprehensive income are as follows:-

In RM	2015	2014
Fair value (loss)/gain on investments for the financial year	(23,752,937)	15,522,039
Reclassification to profit or loss on investments disposed	(8,277,824)	(30,746,648)
	(32,030,761)	(15,224,609)

14. Earnings per Share

The basic earnings per ordinary share is arrived at by dividing the earnings for the financial year of RM10,482,131 (2014 - RM33,446,443) over the number of ordinary shares of your Fund in issue during the financial year of 140,000,000 (2014 - 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	2015	2014
Short-term deposits with licensed financial institutions	257,433,655	239,709,214
Cash and bank balances	517,723	681,330
	257,951,378	240,390,544

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 related party relationships with Capital Dynamics Asset Management Sdn. Bhd. ("CDAM"), the fund manager of your Fund and Capital Dynamics Sdn. Bhd. ("CDSB"), the investment adviser of your Fund. A former Director of your Fund, YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya, is a director of CDAM; and

(ii) Key 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	2015	2014
Fund management fees paid to CDAM		3,187,354	3,109,491
Investment advisory fees paid to CDSB		3,187,354	3,109,491
Amount owing by a related parties	6	1,093,178	1,081,398

(c) Key personnel compensation

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

In RM	2015	2014
Directors of your Fund		
- Fees	294,068	263,452

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

In number	2015 No. of directors	2014 No. of directors
Non-executive Directors' fees		
- Below RM50,000	6	7
- RM50,001 – RM100,000	2	-
	8	7

18. Dividend

In RM	2015	2014
Paid:-		
Special dividend of 9.5 sen per ordinary share in respect of the financial year ended 31 May 2014	-	9,975,003

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.

19.1 Financial Risk Management Policies

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

(a) Single Issuer Risk

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

(b) Market Risk**(i) 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 risks 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 market prices of quoted securities of your Fund's net assets value at 31 May 2015/2014. The analysis is based on the assumption that the market prices of the quoted securities in which your Fund invested changes by +/-10% (2014: +/-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 Assets Value	
	Price Risk	
	-10%	+10%
31 May 2015	(14,559,680)	14,559,680
31 May 2014	(18,573,150)	18,573,150

(ii) Foreign Currency Risk

Your Fund does not have any transactions or balances denominated in foreign currencies, 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	2015	2014
	Increase/(Decrease)	Increase/(Decrease)
Effects on profit after taxation		
Increase of 100 basis points (bp)	1,930,752	1,797,819
Decrease of 100 bp	(1,930,752)	(1,797,819)
Effect on equity		
Increase of 100 bp	1,930,752	1,797,819
Decrease of 100 bp	(1,930,752)	(1,797,819)

(c) Credit Risk

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

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.

(d) Liquidity Risk

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

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):-

	Weighted average effective rate (%)	Carrying amount (RM)	Contractual undiscounted cash flows (RM)	Within 1 year (RM)	1 – 5 years (RM)
2015					
Other payables and accruals	-	1,244,607	1,244,607	1,244,607	-
2014					
Other payables and accruals	-	338,743	338,743	338,743	-

19.2 Capital Risk Management

Your Fund manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders' 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 shareholders 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.

19.3 Classification of Financial Instruments

In RM	2015	2014
Financial assets		
Available-for-sale financial asset		
Investments	145,596,798	185,731,507
Loans and receivables financial assets		
Other receivables and deposit	3,476,845	2,328,420
Short-term deposits	257,433,655	239,709,214
Bank balances	517,723	681,330
	261,428,223	242,718,964

In RM	2015	2014
Financial liability		
Other financial liability		
Other payables and accruals	1,244,607	338,743

19.4 Fair Value Information

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

In RM	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
2015								
Financial assets								
Investments:								
- quoted shares	145,596,798	-	-	-	-	-	145,596,798	145,596,798
2014								
Financial assets								
Investments:								
- quoted shares	185,731,507	-	-	-	-	-	185,731,507	185,731,507

Supplementary Information

20. 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 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	2015	2014
Retained profits of your Fund comprise of:-		
Realised Profits	212,801,169	202,319,038
Unrealised Profits	-	-
Total retained profits as per statement of financial position	212,801,169	202,319,038

Investment Portfolio

As of 8 July 2015, 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)	Impairment Loss (RM)	Unrealised Profit/(Loss) (RM)
1 Boustead Holdings Berhad	6,197,850	21,122,657	24,791,400	-	3,668,743
2 Fraser & Neave Holdings Berhad	517,600	3,923,846	9,316,800	-	5,392,954
3 Malaysia Smelting Corporation Berhad	2,902,000	10,082,424	6,877,740	(2,392,124)	*(812,560)
4 Padini Holdings Berhad	19,000,000	5,490,389	24,700,000	-	19,209,611
5 Parkson Holdings Berhad	10,230,760	21,202,731	14,118,449	-	(7,084,282)
6 P.I.E. Industrial Berhad	3,728,640	9,479,546	20,992,243	-	11,512,697
7 Suria Capital Holdings Berhad	9,244,400	15,400,153	20,799,900	-	5,399,747
8 Tong Herr Resources Berhad	3,479,300	7,855,311	6,645,463	(513,988)	** (695,860)
9 Vitrox Corporation Berhad	453,500	374,585	1,496,550	-	1,121,965
10 Wellcall Holdings Berhad	801,000	755,673	1,481,850	-	726,177
Total		95,687,315	131,220,395	(2,906,112)	38,439,192

As at 31 May 2015, impairment loss on investment in Malaysia Smelting Corporation Berhad was RM2,392,124 due to decline in market value of Malaysia Smelting Corporation Berhad. The market value as at 31 May 2015 was RM7,690,300 and the cost was RM10,082,424. This is considered significant under FRSIC issued Consensus 14 – Impairment of Investment in Equity Instrument categorised as Available-for-Sale Financial Asset. A decline in fair value below the original cost of the equity instrument that had persisted for more than 9 to 12 months would generally be considered as “Prolonged” and hence, be impaired.

*As at 8 July 2015, the net unrealised loss for Malaysia Smelting Corporation Berhad was RM812,560 while the impairment loss of RM2,392,124 has been recognised as realised loss as at 31 May 2015.

**As at 8 July 2015, the net unrealised loss for Tong Herr Resources Berhad was RM695,860 while the impairment loss of RM513,988 has been recognised as realised loss as at 31 May 2014.

In addition, the following investments were disposed off during the financial year ended 31 May 2015 :-

Companies	Shares	Cost (RM)	Disposal Value (RM)	Realised Profit (RM)
1 Suria Capital Holdings Berhad	300,000	565,166	780,999	215,833
2 Fraser & Neave Holdings Berhad	800,000	5,116,795	13,085,318	7,968,523
3 Petronas Dagangan Berhad	7,100	29,862	123,330	93,468
Total		5,711,823	13,989,647	8,277,824

Description of the Companies' Businesses

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.

Fraser & Neave Holdings Berhad

Fraser & 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.

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.

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.

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.

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.

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.

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 in Malaysia, and steel billets in Vietnam.

ViTrox Corporation Berhad

ViTrox is a leading automated machine vision inspection solution providers. Its core products are its Machine Vision System, Automated Board Inspection and Electronics Communication System.

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.

Security Transaction Information

Total number of transactions in securities entered into for the financial year ended 31 May 2015 amounted to 6 trades with total brokerage paid of RM28,045.10.

Gross Revenue of the Closed-end Fund

The information on your Fund's gross revenue is presented on page 43 in the audited income statement for the financial year ended 31 May 2015 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 RM12,000.00 for the reviewing of financial statements, statement on risk management and internal controls and determination of realised and unrealised profits or 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 and Variation in Results

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:-

Date	6 September 2005
Party	Capital Dynamics Asset Management Sdn.Bhd. (CDAM)
Nature	Fund Management Agreement
Consideration	RM3,187,354.48 (from 1 June 2014 – 31 May 2015)
Mode of settlement of consideration	Cash
Relationship	<p>YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya is a former director of your fund and also a director for CDAM. YM Tunku retired from the Board of icapital.biz.Berhad on 30 November 2014. He does not hold any executive position in CDAM and is not involved in the daily operations and management of CDAM.</p> <p>YM Tunku ceased as a related party on 31 May 2015 pursuant to Paragraphs 1.01 and 10.02(c) of the Listing Requirements.</p>

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

Your Fund did not seek Shareholders' Mandate in respect of RRPT during the financial year under review.

9. Fund Manager's Interest in your Fund

As at 31 May 2015, the designated person has a direct interest in 10,000 shares and an indirect interest in 803,000 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. Share Issuance Scheme (SIS) and Employees Share Scheme (ESS)

Your Fund has not implemented any SIS or ESS in 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.

For further information on your Fund’s CSR activities, kindly refer to page 30.

13. Depository Receipt Programme

Your Fund does not have a Depository Receipt Programme.

14. Landed Properties

Your Fund does not own any landed properties.

Analysis of Shareholdings

as at 8 July 2015

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

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

Voting Rights per share : One

Distribution of Shareholdings

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	%
42	591	0.000
874	606,302	0.434
1,446	6,787,300	4.848
799	26,683,833	19.060
252	92,470,374	66.050
1	13,451,600	9.608
3,414	140,000,000	100.00

Directors’ Interest in your Fund

Datuk Ng Peng Hong @ Ng Peng Hay
David Loo Kean Beng
Harun Bin Halim Rasip
Dato’ Tan Ang Meng
Dato’ Sri Syed Ismail Bin Dato’ Haji Syed Azizan
Dato’ Seri Md Ajib Bin Anuar

Direct		Indirect	
No.	%	No.	%
-	-	-	-
-	-	-	-
-	-	39,900(1)	0.029
-	-	-	-
-	-	-	-
-	-	-	-

NOTES

1. Deemed interest by virtue of his shareholding in Halim Rasip Holdings Sdn. Bhd

ANALYSIS OF SHAREHOLDINGS

Substantial Shareholder	Direct		Indirect	
	No.	%	No.	%
City of London Investment Management Company Ltd	-	-	18,920,000	13.51

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)	13,451,600	9.608
2.	Chong Ah Him @ Chong Kum Kwan	4,300,000	3.071
3.	Tunku Sara Binti Tunku Ahmad Yahaya	2,800,000	2.000
4.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for The Bank of New York Mellon (BNYM AS E&A)	2,534,400	1.810
5.	HSBC Nominees (Asing) Sdn. Bhd TNTC for United Mine Workers of America 1974 Pension Trust	2,101,300	1.500
6.	AnnHow Holdings Sdn. Bhd.	2,000,000	1.428
7.	Lam Fook Shin	1,949,600	1.390
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.	Heng Kim Siang	1,188,100	0.848
12.	Wong Yoon Tet	1,080,000	0.771
13.	Vohrah-Merican Sdn. Bhd.	1,078,200	0.770
14.	Lai Hui Eng	1,070,400	0.764
15.	Tong Chong Kong	1,041,000	0.743
16.	Lee Siew Lin	1,040,000	0.742
17.	Soon Khia Voon	1,002,000	0.715
18.	Loh Kian Chong	1,000,000	0.714
19.	Toh Kwong Kee	810,000	0.578
20.	Yeoh Ah Tu	760,000	0.542
21.	Goh Eng Ngai	714,400	0.510
22.	Lee Hau Hian	700,000	0.500
23.	Capital Dynamics Asset Management Sdn. Bhd.	689,000	0.492
24.	Alliancegroup Nominess (Tempatan) Sdn. Bhd. Pledged Securities Account for Beh Heng Seong	667,000	0.476
25.	Wong Hui Beng	640,000	0.457
26.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kevin Lee @ Lee Tien Se	615,000	0.439
27.	Soo Sing Fatt	600,000	0.428
28.	Beh Heng Seong	588,700	0.420
29.	Lai Yoon Kee	580,500	0.414
30.	Lee Kek Siong	554,500	0.396

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting of **icapital.biz Berhad** will be held at Conference Hall 2, Level 3, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, on Saturday, 19 September 2015 at 9.00 a.m. for the following purposes:-

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 May 2015 and the Reports of the Directors and Auditors thereon.	(Please refer Explanatory Note (a))
2.	To approve the payment of Directors' Fees of RM294,068.00 for the financial year ended 31 May 2015.	Resolution 1
3.	To re-elect Datuk Ng Peng Hong @ Ng Peng Hay who retires by rotation pursuant to Article 96(1) of the Company's Articles of Association.	Resolution 2
4.	To re-elect Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan who retires pursuant to Article 103 of the Company's Articles of Association.	Resolution 3
5.	To re-elect Dato' Seri Md Ajib Bin Anuar who retires pursuant to Article 103 of the Company's Articles of Association.	Resolution 4
6.	To re-appoint Messrs Crowe Horwath as Auditors of the Company and authorise the Directors to fix their remuneration.	Resolution 5
7.	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

14 August 2015
Kuala Lumpur

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his place. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply.
2. A member of the Company who is entitled to attend and vote at a meeting of the Company may appoint not more than two (2) proxies to attend, speak and vote instead of the member at the meeting.
3. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may 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.
4. 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.
5. 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.
6. The instrument appointing 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.
7. The appointment of a proxy may be made in a hard copy form or by electronic means, and must:
 - (i) **In hard copy form**

In the case of an appointment made in hard copy form, be deposited at the Company's Share Registrar at Level 17, 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 at which the person named in the appointment proposes to vote.
 - (ii) **By electronic means (via fax)**

In the case of an appointment made by electronic means, be received via facsimile at **fax number (603-22821886)** 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 the Company's Share Registrar at Level 17, 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 at which the person named in the appointment proposes to vote.
8. 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 11 September 2015. 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.

Explanatory Notes

- (a) **Item 1 of the Agenda:**

Agenda item no. 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act 1965 does not require a formal approval of the share owners for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.
- (b) **Resolutions 2 to 4:**

Datuk Ng Peng Hong @ Ng Peng Hay, Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan and Dato' Seri Md Ajib Bin Anuar are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Eleventh Annual General Meeting. The Board has conducted an assessment on their independence and is satisfied that they have complied with the independence criteria applied by the Company.

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 2015, 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 Eleventh Annual General Meeting.

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Proxy Form

icapital.biz Berhad (674900-X)

(Incorporated in Malaysia)

CDS Account No

PROXY FORM

No. of shares held

I/We _____ Tel: _____

[Full name in block, NRIC No./Company No.]

of _____

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 Eleventh Annual General Meeting of the Company to be held at Conference Hall 2, Level 3, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur on Saturday, 19 September 2015 at 9.00 a.m. or any adjournment thereof, and to vote as indicated below:-

Agenda			
To receive the Audited Financial Statements for the financial year ended 31 May 2015 and the Reports of Directors and Auditors thereon.			
	Resolution	FOR	AGAINST
To approve the payment of Directors' Fees of RM294,068.00 for the financial year ended 31 May 2015.	Ordinary Resolution 1		
To re-elect Datuk Ng Peng Hong @ Ng Peng Hay who retires by rotation pursuant to Article 96(1) of the Company's Articles of Association.	Ordinary Resolution 2		
To re-elect Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan who retires pursuant to Article 103 of the Company's Articles of Association.	Ordinary Resolution 3		
To re-elect Dato' Seri Md Ajib Bin Anuar who retires pursuant to Article 103 of the Company's Articles of Association.	Ordinary Resolution 4		
To re-appoint Messrs Crowe Horwath as Auditors of the Company and authorise the Directors to fix their remuneration.	Ordinary Resolution 5		

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 _____, 2015

Signature of Shareholder/Common Seal

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his place. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply.
2. A member of the Company who is entitled to attend and vote at a meeting of the Company may appoint not more than two (2) proxies to attend, speak and vote instead of the member at the meeting.
3. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may 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.
4. 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.
5. 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.

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Notes to the Proxy Form:

6. The instrument appointing 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.
7. The appointment of a proxy may be made in a hard copy form or by electronic means, and must:
 - (i) **In hard copy form**
In the case of an appointment made in hard copy form, be deposited at the Company's Share Registrar at Level 17, 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 at which the person named in the appointment proposes to vote.
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8. 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 11 September 2015. 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 Share Registrar
icapital.biz Berhad
Level 17, The Gardens North Tower, Mid Valley City,
Lingkaran Syed Putra, 59200 Kuala Lumpur

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Corporate Information

Board of Directors

Datuk Ng Peng Hong@ Ng Peng Hay

(Chairman/Independent Non-Executive Director)

David Loo Kean Beng

(Independent Non-Executive Director)

Harun Bin Halim Rasip

(Senior Independent Non-Executive Director)

Dato' Tan Ang Meng

(Independent Non-Executive Director)

Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan

(Independent Non-Executive Director)

Dato' Seri Md Ajib Bin Anuar

(Independent Non-Executive Director)

Audit Committee

Chairman :

Harun Bin Halim Rasip

Members :

David Loo Kean Beng

Dato' Tan Ang Meng

Dato' Seri Md Ajib Bin Anuar

Nomination Committee

Chairman :

Datuk Ng Peng Hong @ Ng Peng Hay

Members :

David Loo Kean Beng

Harun Bin Halim Rasip

Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan

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

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
(603) 2070 1654/75

Fax No : (603) 2070 2103

Email : cdsb@icapital.biz

Website : www.icapital.biz

Administrator

Tricor Business Services Sdn. Bhd.

Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

Custodian

Deutsche Bank (Malaysia) Berhad

Level 18 Menara IMC
No. 8 Jalan Sultan Ismail
50250 Kuala Lumpur

Fund's Website

www.icapital.my

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

Secretaries

Kuan Hui Fang (MIA 16876)

Tham Wai Ying (MAICSA 7016123)

Auditors

Crowe Horwath (AF1018)

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

Contents

About icapital.biz Berhad	Inside Front Cover
icapital.biz Berhad's performance review	
(a) Letter to share owners	1
(b) What we have done with your funds	2
Mengenai icapital.biz Berhad	7
Tinjauan prestasi icapital.biz Berhad	
(a) Surat kepada pemilik saham	8
(b) Apa yang telah kami lakukan dengan dana anda	9
关于资本投资有限公司	14
回顾资本投资有限公司的表现	
(a) 给股东们的信	15
(b) 我们如何善用您的资金	16
Profile of Directors	21
Statement of Corporate Governance	23
Corporate Social Responsibility	30
Audit Committee Report	31
Statement on Risk Management and Internal Control	34
Directors' Report	36
Statement by Directors and Statutory Declaration	39
Financial Statements	40
Investment Portfolio	59
Additional Information	61
Analysis of Shareholdings as at 8 July 2015	62
Notice of Annual General Meeting	64
Proxy Form	
Corporate Information	Inside back cover
