

icapital.biz Berhad

(674900-X)

2018 Annual Report

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 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 unanimously approved by the share owners, your Fund is not allowed to borrow.

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.

HOW TO EVALUATE YOUR FUND

The appropriate tool to evaluate the performance of your Fund is its Net Asset Value (NAV) and not by looking at its earnings or earnings per share or its profit and loss statement.

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 who shall appoint a Designated Person responsible for managing the assets of your Fund, in accordance with the approved investment policies and objectives. The assets are safekept 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

HOW TO CONTACT US

For more information on your Fund, kindly visit www.icapital.my

The company secretary can be contacted at (603) 7720 1188, at fax no (603) 7720 1111 or at boardroom-kl@boardroomlimited.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 2018, I am pleased to report that your Fund's net asset value (NAV) has significantly increased to RM498.695 million, from RM463.285 million in the preceding financial year. The NAV of your Fund rose 7.6% from RM3.31 per share on 31 May 2017 to RM3.56 per share on 31 May 2018.

By 21 August 2018, your Fund had quietly reached another milestone as its net assets crossed the half billion Ringgit mark to reach RM503.1 million or RM3.60 per share. In terms of annualized return measured from its inception date, your Fund's NAV has achieved a rate of 10.78%, compared with 5.41% for the KLCI. Meanwhile, the annualized return of your Fund's share price has outperformed the KLCI by 3.1% over the same period.

The Fund's performance in the 2018 financial year has been robust especially when one takes into account the numerous developments that have taken place since my last Letter. Globally, the US Federal Reserve has tightened its monetary policy significantly, adversely affecting many emerging economies. The United States under an unpredictable president has unleashed a dangerous trade war against China, which is still unfolding. Locally, the Ringgit has been weakening and for Malaysians, the 2018 general election produced a new government. In such an environment, we thank Capital Dynamics for delivering another year of sound performance.

As we have explained, in appraising the performance of your Fund, the most appropriate variable to focus on is its NAV. The profit and loss statement has no appraisal value to your Fund. Moreover, the primary investment objective of your Fund is long-term capital appreciation. Nevertheless, for the financial year ended 31 May 2018, your Fund recorded total revenue of RM 24.876 million, an increase of RM11.436 million compared with the corresponding period last year. It recorded a pretax profit of RM11.138 million, compared with RM3.104 million for the last financial year. The higher revenue was due to the realized gain on disposal of investments and higher

interest and dividend incomes received for the financial year ended 31 May 2018. However, the unrealized gains from your Fund's investments have decreased to RM30.733 million in the financial year ended 31 May 2018, from RM35.591 million previously. The total comprehensive income of your Fund for the financial year ended 31 May 2018 has decreased by 9.41% to RM35.410 million compared with RM39.089 million in the preceding financial year.

Your Board and your Fund Manager are cognizant that your Fund still trades at a discount to its NAV. They will continue to evaluate suitable discount control measures. Any preferred option must not be detrimental to the long-term objective of your Fund. In discharging its supervisory role, your Board is committed to ensure that your Fund operates within high standards of corporate governance that commensurate with its investment objectives, policies and structure. Your Board will ensure that all service providers perform their duties in accordance with the terms upon which they were appointed, and that they act in good faith.

To encourage greater participation in meetings, I am delighted to announce that individual share owners would be able to lodge their Proxy Forms electronically via an e-lodgement online portal in addition to the usual methods of depositing the Proxy Forms for the 2018 AGM. Further details on the procedures can be found in Annexure 1 of the Proxy Form. A share owner should make every effort to exercise his or her voting rights, regardless of the number of shares owned.

Finally, your Board, Fund Manager and Investment Adviser would like to take this opportunity to welcome new share owners, and at the same time, extend our sincere appreciation to existing share owners, especially those who have been with the Fund since its inception. We look forward to your continued support in the many years to come.

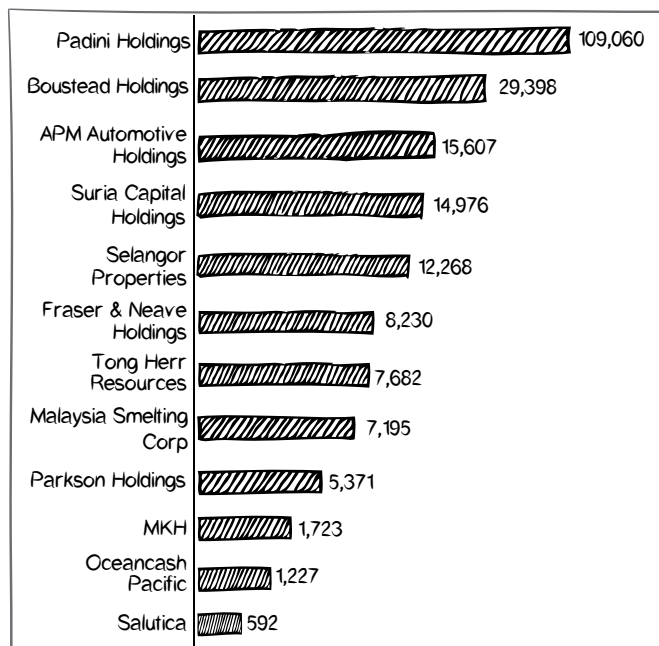
Datuk Ng Peng Hong @ Ng Peng Hay
Chairman
21 August 2018

B WHAT WE HAVE DONE WITH YOUR FUNDS

i. INVESTMENT PORTFOLIO

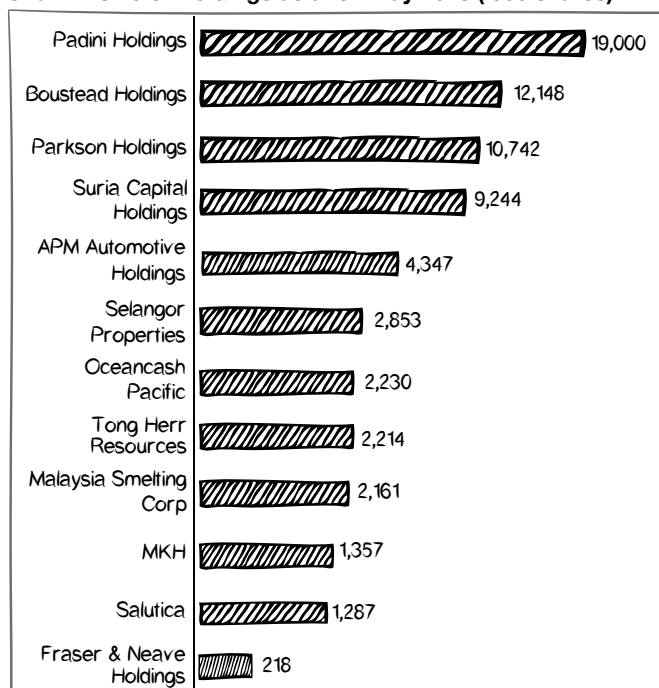
The portfolio of your Fund, ranked in terms of the market value of each stock, is shown in **Chart 1**.

Chart 1: Market Value of Holdings as at 31 May 2018 (RM '000)



Ranked in terms of quantity held, the portfolio of your Fund is shown in **Chart 2** below.

Chart 2: Size of Holdings as at 31 May 2018 ('000 shares)



INVESTING is most intelligent when it is most business-like

— Benjamin Graham

ii. INVESTMENTS SOLD

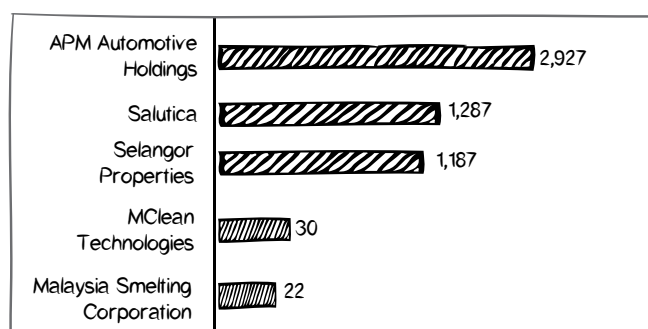
For the financial year ended 31 May 2018, your Fund sold 300,000 shares of Fraser & Neave Holdings Berhad, 763,400 shares of Malaysia Smelting Corporation Berhad, 365,400 shares of Tong Herr Resources Berhad, and 30,000 shares of MClean Technologies Berhad, generating a gain of RM9.02 million with a cost of RM5.38 million.

As at 31 May 2018, your Fund invested RM121.336 million with a market value of RM213.328 million, yielding unrealised gains of RM91.992 million. Of your Fund's investments as at 31 May 2018, Boustead Holdings Berhad, Fraser & Neave Holdings Bhd, Malaysia Smelting Corporation Berhad, Padini Holdings Berhad and Tong Herr Resources Berhad had substantial unrealised gains, out of which Padini Holdings Berhad has the highest substantial unrealised gains of RM103.57 million.

iii. INVESTMENTS MADE

For the financial year ended 31 May 2018, your Fund made new investments as shown in **Chart 3**. These were APM Automotive Holdings Berhad, Salutica Berhad, and Selangor Properties Berhad. APM Automotive Holdings Berhad is an established manufacturer of auto components. Salutica Berhad is an electronic manufacturing company while Selangor Properties Berhad is a property developer with numerous property investments. The changes to Malaysia Smelting Corporation Berhad and MClean were technical portfolio adjustments.

Chart 3: Purchases made since 31 May 2017 ('000 shares)



iv. PERFORMANCE: NAV & MARKET PRICE

Since its listing on 19 October 2005, the NAV per share of your Fund has risen from RM0.99 to RM3.56 by 31 May 2018 – see **Chart 4**. This represents a gain of 260%. Since its listing on 19 October 2005, the market price of your Fund had risen from RM1.01 to RM2.59 by 31 May 2018. This represents a gain of 156%. During the same period, the FBMKLCI rose by 90%.

Chart 4: Gain from 19 Oct 2005 to 31 May 2018

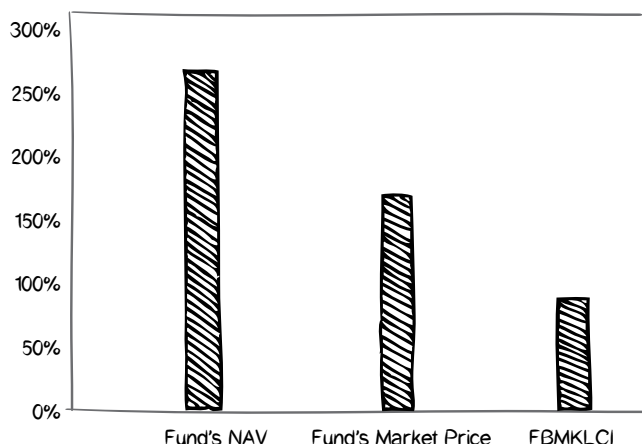


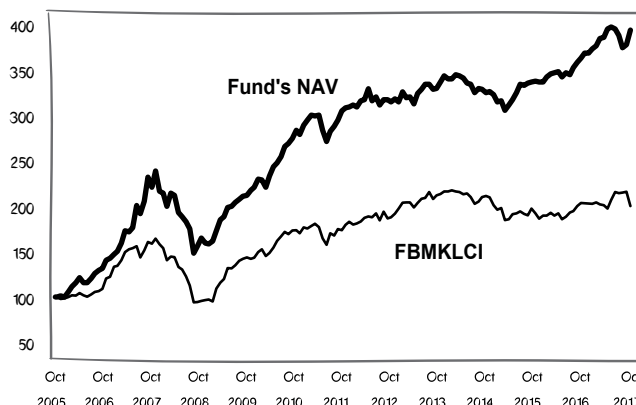
Table 1 : Cumulative Return (%) From 19/10/2005 to 31/12/

Year	NAV	Price	KLCI	Cash*
2005	0.00	8.00	-1.57	62.39
2006	38.38	46.00	19.92	33.79
2007	125.25	162.00	58.07	15.58
2008	58.59	39.00	-4.09	32.97
2009	101.01	74.00	39.23	10.51
2010	157.58	109.00	66.15	29.87
2011	175.76	105.00	67.44	34.92
2012	195.96	137.00	84.75	34.34
2013	211.48	147.37	104.22	50.73
2014	203.21	140.16	92.66	63.16
2015	211.48	137.06	85.14	61.76
2016	222.87	155.62	79.59	68.59
2017	268.40	192.72	96.55	54.61
2018*	268.40	166.95	90.40	56.78

Note *: Cash refers to your Fund's cash level and 2018 refers to 31 May 2018.

Chart 5 shows the performance of your Fund's NAV in comparison with the FBMKLCI.

Chart 5: Fund's NAV vs FBMKLCI (19/10/2005=100)



From 1 June 2017 to 31 May 2018, the NAV per share of your Fund increased from RM3.31 to RM3.56 (a gain of 8%) but the market price decreased from RM2.64 to RM2.59 (a loss of 2%). In the same period, FBMKLCI lost 1%.

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

Table 2 : Annualised Return (%) From 19/10/2005 to 31/12/

Year	NAV	Price	KLCI
2005	0.00	46.93	-7.62
2006	31.09	37.08	16.34
2007	44.65	54.93	23.14
2008	15.49	10.83	-1.30
2009	18.07	14.09	8.19
2010	19.94	15.22	10.25
2011	17.77	12.27	8.67
2012	16.25	12.72	8.89
2013	14.85	11.67	9.09
2014	12.81	9.98	7.38
2015	11.78	8.83	6.22
2016	11.02	8.73	5.36
2017	11.27	9.20	5.69
2018*	10.88	8.09	5.23

As the above tables clearly show, the cash level of your Fund has ranged from a low of 10.51% to a high of 68.59%. The allegation that your Fund is always holding a high level of cash tantamounts to fake news.

v. WHAT WE THINK

The Global Backdrop

Since last year's annual report, the global economy and market have been rocked by Trump's tariff salvo, especially those aimed at China.

President Trump tweeted the following at 3.03 am on 9 April 2018:

"When a car is sent to the United States from China, there is a Tariff to be paid of 2 1/2%. When a car is sent to China from the United States, there is a Tariff to be paid of 25%. Does that sound like free or fair trade. No, it sounds like STUPID TRADE - going on for years!"

2.5% versus 25% seems a straightforward and simple comparison to make but is Trump right? Or is he creating more fake news? How does one define free or fair trade? Certainly not the way Trump did it. It is not stupid trade, it is a stupid tweet. Why?

The US has the largest and most technologically powerful economy in the world. American companies are at or near the forefront of technological advances, especially in computers, medical, space, aerospace, military equipment and many others. Military-wise, the US is the most powerful in the world and prohibits the exports of high-technology products to China. On the other hand, China only moved from a closed, centrally-planned system to a more market-oriented one in the late 1970s. Reforms began with the phasing out of collectivised agriculture, and expanded to include the gradual liberalisation of prices, fiscal decentralisation, increased autonomy for state enterprises, the creation of a diversified banking system, the development of stock markets, rapid growth of the private sector, and opening to foreign trade and investment. After keeping her currency linked to the US\$ for years, China moved to an exchange rate system that references a basket of currencies in 2005. How is free and fair trade defined when it is conducted between two very different economic structures that are at different levels of economic development?

In 2017, 48% of China's total population, totaling around 672 million people, was still rural, compared with America's 18%, which totaled around 58 million. As we can see, China's rural population was nearly 12 times larger than that of the US.

In 2017, China's GDP per capita was US\$8,827; America's GDP per capita was US\$59,531. America's GDP per capita was 6.7 times that of China. In terms of GDP per capita, China was ranked 72nd in 2017 by the World Bank (Malaysia was higher at 65th).

How is free and fair trade defined when it is conducted between one large and poor developing country and one large and powerful developed country?

In this year's annual report, we would like to share some forgotten and perhaps unknown facts to further explain why fair and free trade cannot be defined so simplistically the way Trump did it.

[1] CHINA'S GIFTS TO THE WEST

"In 1940 almost 10,000 new books were printed in the United States. Millions of copies of the 13,000 newspapers in the country were distributed. All of this was possible because we know how to make paper and to print with movable type — inventions which occurred in China. The world's first printed book, which is pictured below, was made in China, 1,074 years ago."

"As late as 1923 soy beans were practically unknown in the United States. But in 1940 there were over 79,000,000 bushels of soy beans grown on the farms of this country. The soy bean crop that year was worth over \$60,000,000, and was used to make bread, crackers, soups, steering wheels and dashboards for automobiles, plastic combs and brushes, and hundreds of other articles. The soy bean plant came to us from China. So did peaches and apricots and chrysanthemums, and scores of other plants."

"We have all read about "our debt to ancient Greece and Rome" and about "our heritage from Europe." We need to think also about our gifts from the cultures and peoples of Asia. This pamphlet tells of some of the things given by China to the Western world."

"The story of China's gifts to the West goes back hundreds and hundreds of years. When Columbus came to America, China had already been exchanging goods with Europe for centuries."

"When one knows the story of these gifts from China one appreciates more deeply the importance of the Chinese to our ways of living in the United States. And one realizes the importance of closer, friendlier cooperation among all peoples and nations. One realizes the great importance of the countries of Asia to the welfare and advancement of life in America and the rest of the world."

"China has given much to the world. Other nations have also given much to China. And the exchange of discoveries and inventions and products has not stopped. There will be richer ways of living for all of us as, in the future, the nations of Asia and the nations of Europe and America draw closer and closer together. This article brings together authoritative material on China's Gifts to the West not otherwise available in small compass. It is worth the consideration of all citizens and teachers who recognize the mounting importance of close relations between East and West. The long-continuing influence of Asiatic culture on Western civilization becomes clearer as one reads Dr. Bodde's document. The materials he presents offer substance and content for increasing and improving Asiatic studies in our schools, colleges, and agencies of adult education."

"The American Council on Education has long stressed the importance of the international situation for American education. The appointment of a Committee on Asiatic Studies in American Education in 1941 is one outgrowth of the Council's concern in this field. Among the most neglected areas for comprehensive understanding of the world picture are the vast reaches and peoples of Asia. The Committee on Asiatic Studies has sought to aid schools in increasing and improving the Asiatic content of school curricula."

"The Committee on Asiatic Studies in American Education

WHAT WE HAVE DONE WITH YOUR FUNDS

is deeply indebted to Dr. Bodde for his preparation of the manuscript and to the Rockefeller Foundation for making its publication possible. This article is the first of a series now in preparation, intended as a contribution to the friendlier understanding of Asia on the part of American citizens."

The above extract was written by Howard E. Wilson, Chairman, Committee on Asiatic Studies in American Education, Columbia University.

Source: <http://afe.easia.columbia.edu/chinawh/web/s10/gifts.pdf>

[2] CHINESE IDEAS IN THE WEST

In addition to material inventions that came to the West from China, Chinese "ideas" also influenced political and social development in the West. The article 'Chinese Ideas in the West' discusses the Chinese origins of and influence on: the civil service, alchemy and chemistry, agricultural methods, thought in the Age of the Enlightenment, Western literature, and Western political and economic theories. Howard E. Wilson wrote the following :

"It is more important today than ever before that men of all cultures understand themselves, understand other cultures, and understand the interchange and expansion of ideas which have created a common denominator of all civilization. Unless that understanding can be gained and used as a basis for wise action, the nations of the modern world may destroy themselves and civilization as we know it." (emphasis is ours)

Although Howard Wilson wrote this paragraph long before Trump came into the picture, the truth and wisdom of what he wrote many decades ago cannot be more relevant than it is now.

"Education has a major responsibility for widening horizons and advancing understanding among citizens. This excellent article, third in the series of the American Council on Education and second from the deep learning and gifted pen of Derk Bodde, is intended to aid in the promotion of Asiatic studies in American education. The article is addressed to teachers, secondary school pupils, and college students — to all who are interested in where our ideas came from and in the contributions of China to our civilization. The article will be useful for classes in literature, in science, in history, and in civics, and for the general reader. In it, in simple terms, are outlined accounts of 'a Chinese Cinderella,' of 'alchemy — forerunner of modern chemistry,' of China's contributions to Europe's Age of Enlightenment, to current political and economic theories, to civil service, to Western literature, and to agricultural economy."

Source: <http://afe.easia.columbia.edu/chinawh/web/s10/ideas.pdf>

Howard Wilson wrote the above in 1942, right in the middle of World War 2, in appreciation of the immense work done by Derk Bodde, assistant professor of Chinese at the University of Pennsylvania. President Trump, Peter Navarro, Robert Lighthizer, Wilbur Ross, and more should read and understand them; then, our 21st century world would face a more peaceful and prosperous future for all. China should get trillions of US\$ for massively contributing to America's prosperity. President Trump has no idea what free and fair trade is - the same goes for Peter Navarro. Please read further.

[3]. China's age of invention

Printing, paper money, porcelain, tea, restaurants, gunpowder, the compass, etc - the number of things that the Chinese of the Song Dynasty (960 CE to 1280 CE) gave the world is mind-boggling. This vibrant period in Chinese history was marked by economic prosperity and remarkable technological innovation. In an interview in 2000, Robin Yates, professor of History and East Asian Studies at McGill University, described this exceptional era and how it influenced the course of world history. We show below a short extract of this long interview.

"How did the Chinese invention of gunpowder move from East to West?"

"Although scholars often consider the Song Dynasty to have been very weak, its use of gunpowder was the reason it was able to hold off the Mongols for many decades. Eventually, the Mongols were able to capture Chinese artisans and use the latest gunpowder technology against the Chinese. The Mongols used those people who had a special knowledge of technology and employed them in their own armies as engineers. They carried that technology to the West very rapidly because it was very helpful in their conquests."

For a full version of this eye-opening interview with Professor Robin Yates, please go to: <http://www.pbs.org/wgbh/nova/ancient/song-dynasty.html>

Without charging the United States of America a single cent of royalty, imposing quotas and tariffs or even once accusing the United States of intellectual property theft, China has instead silently contributed to America's prosperity in more ways than one. If president Trump were to look closely at the trees and plants in his beloved garden or America for that matter, he might have a heart attack upon realising the truth.

[4] Mother of Gardens

"When you look at modern gardens today . . . there's scarcely one without a plant from China," says John Simmons, retired curator of the Royal Botanic Gardens at Kew. Many common garden plants that people in the US tend to think of as purely American, such as various forsythia bushes, clematis vines, rhododendrons, dogwoods, and primroses are all from China. Ernest Henry Wilson, a British plant hunter, visited China in 1910 and stole some 65,000 plant specimens (without paying a single cent of tax or royalty), representing at least 1,500 species, during four trips to the rugged Chinese mountains. *"China is, indeed, the Mother of Gardens,"* he wrote in a book bearing the same title. *"For of the countries to which our gardens are most deeply indebted she holds the foremost place. . . . To China the flower lover owes the parents of the modern Rose, be they Tea or Hybrid Tea, Rambler or Polyantha; likewise his . . . Peaches, Oranges, Lemons and Grapefruit."*

Source: <http://discovermagazine.com/2005/aug/mother-of-gardens>

China is home to some 31,000 native plant species, a third more than the US and Canada combined. Gardens throughout the world today are graced with flowering plants — rhododendrons, forsythias, magnolias, camellias, primroses, viburnums, and many others — that originated in China. A sampling of some of the most stunning transplants from China to America is shown below.



ROCK'S PEONY
Paeonia rockii

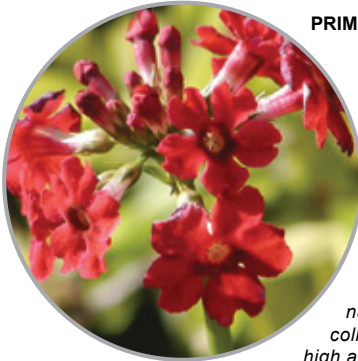
"While this particular species of tree peony was named for the Austrian-American botanist Joseph Rock, who found it in the mountains of western China in the mid-20th century, Chinese gardeners have cultivated peonies since at least the seventh century A.D. Many of the most beloved, double-flowered tree and herbaceous peonies of today originated long ago in Chinese nurseries. The genus *Paeonia* is not exclusive to China (some peony species are native to western North America and southern Europe), but China's native species and horticultural traditions have vastly enriched Western gardens."

FORTUNE'S RHODODENDRON
Rhododendron fortunei

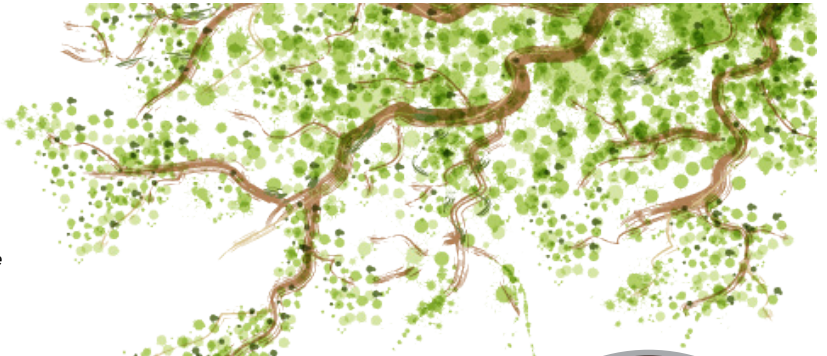
"Europe has just nine native species of rhododendron; China has more than 600. When China's floral bounty became available to Western horticulturists in the mid-19th century following the end of hostilities between Britain and China, rhododendrons became highly sought after because many could survive harsh winters. The Scottish plant collector Robert Fortune discovered this species in 1856, growing at 3,000 feet in the mountains of eastern China. It was the first Chinese rhododendron introduced to Britain and has spawned hundreds of cultivated varieties."



PRIMULA WILSONII



"This tall primrose with whorls of bell-shaped flowers was the first species named for Wilson. (It is recognized universally by its scientific name and has no common name.) Wilson collected it from the high alpine meadows of the Hengduan Mountains in 1900, during the first of four expeditions to this rugged region of southwestern China. Of the roughly 500 known species in the genus *Primula*, which includes many commonly encountered species in Western gardens, nearly 300 are native to China."



PAPERBARK MAPLE
Acer griseum

"The paperbark maple, while not as showy and celebrated as the regal lily, was one of Wilson's introductions that the plant hunter himself favored most. Its trifoliate leaves turn vibrant shades of red and orange late in the fall, often retaining their color well into winter. The common name "paperbark" refers to the fact that the tree's cinnamon-red bark peels away from the trunk, an ornamental attribute valued by gardeners."



DOVE TREE
Davidia involucrata

"When it blooms in the spring and a breeze rustles the long white bracts (modified leaves) at the base of its flowers, it's clear why *Davidia involucrata* has the common names "dove tree" and "handkerchief tree." It is still uncommon and prized in Western gardens, but in the 19th century it was legendary. Around 1870, French missionary Armand David brought it to the attention of Western nurserymen. But it wasn't until the turn of the century that plant hunters, including Ernest Wilson, tracked down these trees and shipped seed back from China."



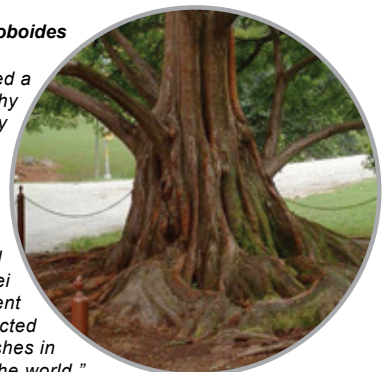
REGAL LILY
Lilium regale

"In grand botanical garden beds and countless humbler household plots, regal lilies reign supreme. While ubiquitous today, the regal lily's only natural habitat is a 30-mile stretch of rocky cliffs in a narrow valley in the Hengduan Mountains. It is Wilson's most famous introduction, both for its beauty and for nearly costing him his life. In 1910 a landslide devastated Wilson's party as they were collecting hundreds of lily bulbs. A falling rock shattered Wilson's leg and left him with what he later nicknamed his "lily limp."



DAWN REDWOOD
Metasequoia glyptostroboides

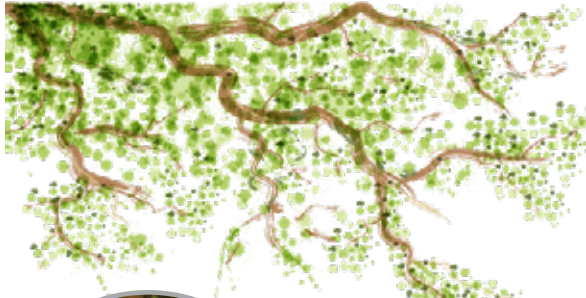
"This prized redwood has been called a "living fossil" and is a testament to why China's flora is so diverse. Like many other plants in China, this species survived the last Ice Age, when glaciation wiped out similar flora in North America and Europe. Until 1948, the genus *Metasequoia* was known only from the fossil record, but a small stand of trees discovered in the Sichuan-Hubei region proved to belong to this ancient genus. Thanks to seed and saplings collected in China, the dawn redwood now flourishes in gardens throughout the world."



Mother of
GARDENS



WHAT WE HAVE DONE WITH YOUR FUNDS



HARDY IMPATIENS *Impatiens omeiana*

"This perennial plant illustrates how Chinese flora is once again contributing to gardens of the world. It was introduced to the West as recently as 1983, soon after Deng Xiaoping opened China to Western travel. American ecologist Don Jacobs collected seed from impatiens growing wild in the cloud forests of Mount Omei in Sichuan Province. It was named omeiana after the mountain, a sacred site of pilgrimage for Buddhists and a mecca for botanists. Wilson journeyed to the mountain in 1903 and marveled at its biodiversity. Visitors today can experience the same wonder Wilson did a century ago."



CHINA ROSE *Rosa chinensis*

"Roses are native to central and southern Europe as well as Asia and have grown in the gardens of both continents for more than a thousand years. But rose gardens in the West are now indebted to roses introduced from China in the late 18th and 19th centuries, for these roses carried genes that allowed them to bloom repeatedly through the summer and into fall. The *Rosa chinensis* "Old Blush" pictured here was one of them. Chinese gardeners likely created this cultivar centuries before it reached Europe. Today, thousands of varieties of repeat-blooming roses owe their parentage to roses from China."



PEACH TREE *Prunus persica*

"Thousands of years before Wilson's time, China was exporting many of its botanical treasures, and the peach tree is a prime example. Its species name, *persica*, springs from the mistaken belief among European naturalists that the plant was native to Persia. In fact, botanists now think that peaches were introduced to the Middle East and Mediterranean regions along the Silk Road as long ago as 2000 B.C. Other flowering trees with edible fruits, including oranges, may have traveled a similar path."



<http://www.pbs.org/wgbh/nova/nature/china-plants.html>

In the mid to late 19th century, the American railway became a nationwide transportation network. A milestone in railway development was reached in 1869, when workers laid tracks that joined the Central Pacific and Union Pacific railways near Ogden, Utah. This event marked the completion of the world's first transcontinental railway system, thanks to herds of unsung and exploited Chinese coolies.

The contribution of the railroads has been the single most important factor in making America great. What has not been acknowledged are the sacrifices made by the exploited Chinese coolies working on the railroads, especially the very difficult sections crossing the Rockies and Sierra Nevada. These people are who made America great.

The following contents about the contributions of the exploited Chinese railroad workers is taken from : <http://web.stanford.edu/group/chineserailroad/cgi-bin/wordpress/faqs/>.

What were the Chinese workers paid in comparison to workers of European descent?

"Chinese workers were initially paid \$24 to \$31 per month, although rates would vary depending on how skilled or dangerous the work. For example, those who worked in the tunnels were paid an extra \$1 per month. Their pay eventually rose to \$35 per day, which was roughly the same as for workers of European descent. However, Chinese workers worked longer hours and had to pay their headmen or contractors for their own lodging and food and even for their tools; on the other hand, the Central Pacific and Union Pacific provided white workers accommodations, food, and tools without additional cost."

What were the hardest and most hazardous parts of the railroad route for them to build?

Tunnels

"In fall 1865 Chinese workers began building 15 tunnels, most of them at high elevations through the Sierra Nevada for a total of 6,213 feet. Historians agree that the most difficult tunnel was No. 6, the Summit Tunnel, cut through solid granite, 1,695 feet long and 124 feet below the surface. Progress was very slow, with many kegs of black powder used each day, but to little effect in the hard rock. Nitroglycerine was mixed on site by a chemist, but it was too unstable, causing many accidental explosions, and its use was abandoned Work continued through two of the worst winters on record. Snow from fierce blizzards often blocked tunnel entrances, and avalanches would sweep away camps of Chinese workers, carrying many to their death. The Summit Tunnel was completed, graded and track laid on November 30, 1867."

Ten Miles in One Day

"On April 28, 1869 ten miles and fifty-six feet of track was laid in one day. The accomplishment was in response to a \$10,000 wager Charles Crocker made with Thomas Durant of the Union Pacific that his workers were capable of doing what seemed impossible. A squad of eight Irish rail-handlers and a small army of 4000 workers, mostly Chinese, accomplished the feat, working between 5 a.m. and 7 p.m., with a mid-day break after laying six miles of track The teamwork that went into laying ten miles plus of track in one day was tremendous. It was like a choreographer orchestrating a complex dance sequence."

Everyone moved with a rhythm. The accomplishment has not been matched even in modern timesThe names of the eight Irish workers were recorded by the railroad, and they were hailed in a parade in Sacramento. None of the Chinese workers' names were recorded; they were forgotten so they remain nameless."

President Trump has no moral and economic grounds upon which he can lecture China on what free and fair trade is. The global trade war that he has started in the name of making America great again is simply the worst idea there is. How is free and fair trade defined in a scenario where America is the one who is indebted ?

Peter Andreas, professor of political science at Brown University and author of the fascinating book *"Smuggler Nation: How Illicit Trade Made America"* shared much of the remarkable trickery that the United States of America used to steal technology from Britain and Europe. The following is extracted from Peter's article titled *"Piracy and Fraud Propelled the U.S. Industrial Revolution"*, which is based on his book.

"Although typically glossed over in high-school textbooks, as a young and newly industrializing nation the U.S. aggressively engaged in the kind of intellectual-property theft it now insists other countries prohibit.....In its adolescent years, the U.S. was a hotbed of intellectual piracy and technology smuggling, particularly in the textile industry, acquiring both machines and skilled machinists in violation of British export and emigration laws. Only after it had become a mature industrial power did the country vigorously campaign for intellectual-property protectionThe U.S. emerged from the Revolutionary War acutely aware of Europe's technological superiority. It aspired to catch up and rapidly close the technology gap."

Source : https://groups.google.com/forum/#!topic/asia-commons/3FDmHxL9_Ds

Britain imposed severe penalties on anyone trying to take machines or designs out of the country or even lure skilled workers and machinists. It was illegal for said skilled workers to leave Britain but thousands still made the clandestine crossing to America. The most celebrated was Samuel Slater, who heard about the US incentives. Enticed by stories of opportunity in America, he pretended to be a non-skilled labourer and made his way to Rhode Island in 1789. America's president Andrew Jackson subsequently called Slater "The Father of the American Industrial Revolution". Guess what Britain called him? "Slater the Traitor."

During that time, finished cotton textiles dominated British exports, accounting for about half of all exports. In relation to GDP, the industry was about three times the size of the entire US automobile sector today. *"High-speed textile manufacture was a highly advanced technology for its era, and Great Britain was as sensitive about sharing it as the United States is with advanced software and microprocessor breakthroughs. The British parliament legislated severe sanctions for transferring trade secrets, even prohibiting the emigration of skilled textile workers or machinists."*

What people like Slater and Lowell did had a profound impact : *"(they) jump-started American mass-production manufacturing, the essential ingredient in its startling 19th-century growth."*

Source: <https://foreignpolicy.com/2012/12/06/we-were-pirates-too/#>

Another enlightening article is titled: *"The US complains that others steal its technology, but America was once a tech pirate itself."* Extracts of this must-read article are reproduced below:

"In 1787, American agent Andrew Mitchell was intercepted by British authorities as he was trying to smuggle new technology out of the UK.

His trunk was seized after being loaded on board a ship. Inside the trunk were models and drawings of one Britain's great industrial machines.

Mitchell himself was able to escape and sought refuge in Denmark. But his mission marks the start of a sustained US campaign to steal technology from the world's hi-tech superpower of the day."

Source : www.pri.org/stories/2014-02-18/us-complains-other-nations-are-stealing-us-technology-america-has-history

Mitchell was sent by Tench Coxe, a close associate of Alexander Hamilton who would later become the first Treasury Secretary of the United States and a strong supporter of protectionism. Hamilton used patents to lure immigrants with skills and knowledge to the United States. George Parkinson, for example, was awarded a patent in 1791 for a textile spinning machine, which was really just a rip-off of a machine he had used in England. The United States also paid his family's expenses to emigrate and re-locate to America.

Many observers inside and outside of China are convinced that Trump started the trade war against China with the ultimate purpose of dealing a mortal blow to America's only strategic competitor.

Malaysia's Outlook

The other major development that has taken place since the publication of the 2017 Annual Report is the outcome of Malaysia's 2018 general election. Our young nation is bravely attempting to forge ahead with a new government that has been formed based on a new and untested coalition.

Lin Yutang, the famous Chinese writer and philosopher said:

"Where there are too many policemen, there is no liberty. Where there are too many soldiers, there is no peace. Where there are too many lawyers, there is no justice."

We would add on this: "When there are too many politicians, there is no future."

Thanks to Trump's anti-China policy, the global economic backdrop has become less re-assuring. The capabilities of Malaysia's new government would be severely tested should the global economy be harmed by Trump's trade war in 2019.

Long-term Capital Appreciation

Quietly, your Fund has reached a new milestone. By 31 May 2018, icapital.biz Berhad had more than half a billion Ringgit worth of assets. This compares with the mere RM140 million it held in October 2005. Laozi was wise when he advised:

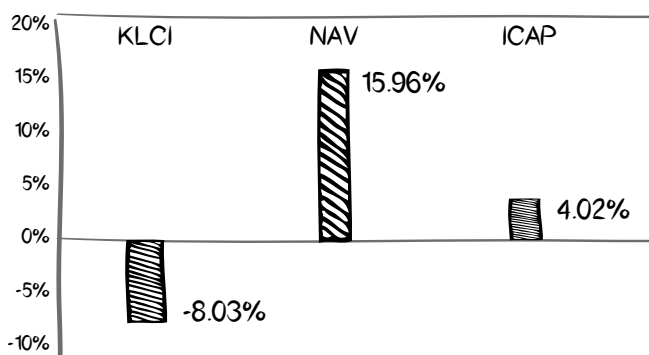
WHAT WE HAVE DONE WITH YOUR FUNDS

"Nature does not hurry, yet everything is accomplished." We look forward to your Fund reaching the one billion Ringgit mark in the future.

As at 21 August 2018, your Fund has more than RM285.48 million cash and near cash (or RM2.04 per share), compared with RM270.56 million (or RM1.93 per share) as at 21 August 2017. The high cash level in this financial year has protected your Fund's NAV once again.

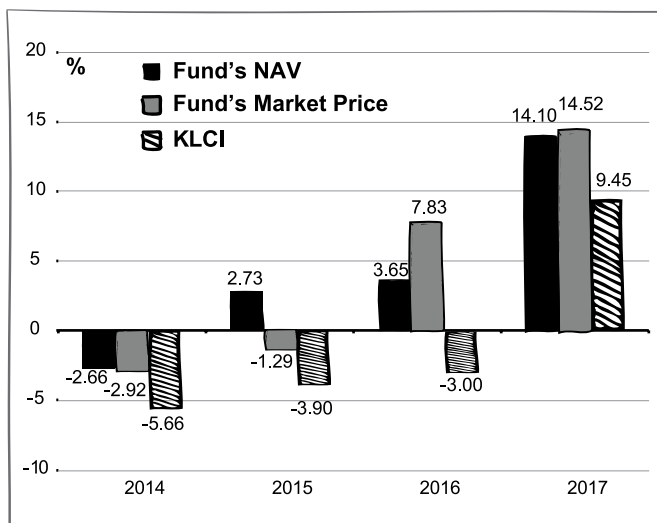
Chart 6 shows the performance of the FBMKLCI from its peak on 8 July 2014 until 31 May 2018, and the NAV and share price of icapital.biz Berhad during the same period. While the FBMKLCI lost 8.03%, your Fund's NAV appreciated 15.96% and its price increased 4.02%.

Chart 6 : Performance as at 31 May 2018 from 8 Jul 2014



In 2017, your Fund has outperformed the FBMKLCI for the fourth consecutive year. The NAV and share price of your Fund both did better than the FBMKLCI in 2014, 2015, 2016 and 2017 as shown in **Chart 7**.

Chart 7 : Fund's NAV and Market Price Vs FBMKLCI



Value Investing

There are endless things to learn from the ancient Chinese philosophers, including the essence of value investing. Laozi,

who wrote the classic "Daodejing" and lived from 604 BCE to 531 BCE, said:

"Thirty spokes meet in the hub, but the empty space between them is the essence of the wheel."

"Pots are formed from clay, but the empty space within it is the essence of the pot."

"Walls with windows and doors form the house, but the empty space within it is the essence of the home."

We would add that cash like the empty space within, is the unappreciated essence of value investing.

"Remember, high risk simply means that the chances of you getting high or any returns are low. The only way to consistent success is to find low risks, high return investments"

— Tan Teng Boo

14th AGM

A good fund manager should not get distracted by shorter-term noise; similarly, share owners who believe in long-term value investing should not get distracted by shorter-term investors. For your Fund to succeed year in year out, attracting the right share owners is very crucial. As always, we would strongly encourage all share owners to attend the 14th Annual General Meeting to be held on Saturday, 10 November 2018.

Since 2010, the Annual General Meeting (AGM) of icapital.biz Berhad has been jointly held with the annual Investor Day. To achieve better event management, the two events have been held on two different dates since 2017. We would continue with this format in 2018. The 14th AGM will last the whole day with more time allocated for questions and answers with your Fund Manager.

Finally, this year's annual report contains coloured photos of some beautiful plants in order to bring home the point that America should not forget China's unnoticed but beautiful contributions to her. The extra costs in printing the annual report containing these coloured plants are borne by Capital Dynamics Asset Management Sdn Bhd.

Tan Teng Boo

Designated Person

Capital Dynamics Asset Management Sdn Bhd

21 August 2018

SIAPAKAH KAMI

icapital.biz Berhad (Dana anda) merupakan sebuah dana tertutup. Objektif utama pelaburannya adalah untuk menjana peningkatan modal jangka panjang, manakala dividen dan/atau pendapatan faedah dari hasil pelaburan-pelaburan tersebut merupakan pertimbangan yang kedua.

Dana anda melabur dalam syarikat-syarikat di bawah 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% dari nilai aset di dalam syarikat-syarikat yang tidak tersenarai. Peruntukan aset Dana anda adalah fungsi bagi falsafah pelaburan berasaskan nilai dan 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 saham ditentukan sepenuhnya oleh penawaran dan permintaan pasaran. Transaksi jual beli saham Dana anda juga dilaksanakan dalam pasaran saham melalui syarikat broker saham yang berlesen.

Dari sebelum penyenaraian pada 19 Oktober 2005, matlamat utamanya adalah untuk menggandakan nilai Dana anda. Ini dicapai dengan berpegang kepada falsafah pelaburan berasaskan nilai. Sebagai seorang pelabur berasaskan nilai, pemilihan pelaburan dibuat berdasarkan kepada harga-harga pasaran dan nilai-nilai dasar pelaburan tersebut.

Dana anda tidak dibenarkan untuk membuat pinjaman kecuali mendapat kelulusan daripada pemilik saham.

KENAPAKAH KAMI WUJUD

icapital.biz Berhad wujud hanya untuk satu tujuan: untuk membolehkan pemegang-pemegang saham jangka panjang atau lebih sesuai dikenali sebagai pemilik-pemilik saham untuk memperoleh manfaat dari 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.

BAGAIMANAKAH CARA MENILAI DANA ANDA

Kaedah yang sesuai untuk menilai prestasi Dana anda adalah dengan melihat pada Nilai Aset Bersih (NAB) dan bukan pada pendapatan atau pendapatan sesaham atau penyata untung ruginya.

SIAPAKAH YANG MENGURUS DANA ANDA

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

Aset-aset tersebut diuruskan oleh Pengurus Dana yang akan melantik Pegawai Lantikan Khas yang akan bertanggungjawab untuk menguruskan aset-aset dana anda, selaras dengan dasar dan objektif yang diluluskan. 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

BAGAIMANA MENGHUBUNGI KAMI

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

Setiausaha syarikat boleh dihubungi di talian (603) 7720 1188, nombor faks (603) 7720 1111 atau e-mel boardroom-kl@boardroomlimited.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 KITA?

Dalam bahagian ini, kami meninjau prestasi icapital.biz Berhad.

A SURAT KEPADA PEMILIK- PEMILIK SAHAM

Bagi tahun kewangan berakhir 31 Mei 2018, saya dengan sukacitanya melaporkan bahawa nilai aset bersih (NAB) Dana anda telah meningkat dengan ketara kepada RM498.695 juta, dari RM463.285 juta dalam tahun kewangan sebelumnya. NAB Dana anda meningkat 7.6% daripada RM3.31 sesaham pada 31 Mei 2017 kepada RM3.56 sesaham pada 31 Mei 2018.

Menjelang 21 Ogos 2018, Dana anda secara tenang telah mencapai satu lagi kejayaan kerana aset bersihnya melepasi setengah bilion Ringgit untuk mencecah RM503.1 juta atau RM3.60 sesaham. Dari segi pulangan tahunan yang diukur dari tarikh penubuhannya, NAB Dana anda telah mencapai kadar 10.78%, berbanding dengan 5.41% untuk IKKL. Sementara itu, pulangan tahunan saham Dana anda telah mengatasi IKKL sebanyak 3.1% dalam tempoh yang sama.

Prestasi Dana dalam tahun kewangan 2018 kukuh terutamanya apabila seseorang mengambil kira perkembangan yang telah berlaku sejak Surat terakhir saya. Di peringkat global, Rizab Persekutuan AS telah mengetatkan dasar kewangannya dengan ketara lalu menjejaskan banyak ekonomi yang sedang pesat membangun. Kini, dengan presiden yang mempunyai sifat yang tidak dapat diramalkan, Amerika Syarikat telah melancarkan perang perdagangan berbahaya terhadap China, dimana ia masih berlangsung. Ringgit Malaysia secara tempatan semakin lemah dan bagi rakyat Malaysia, pilihan raya umum tahun 2018 telah pun menghasilkan sebuah kerajaan yang baru. Dalam situasi yang sedemikian, kami berterima kasih kepada Capital Dynamics kerana sekali lagi menyampaikan prestasi tahunan yang lebih baik.

Seperti yang telah kami jelaskan, dalam menilai prestasi Dana anda, pemboleh ubah yang paling sesuai untuk ditumpukan ialah NAB. Penyata untung dan rugi tidak mempunyai nilai penilaian kepada Dana anda. Tambahan pula, objektif utama pelaburan Dana anda adalah peningkatan modal jangka panjang. Walau bagaimanapun, bagi tahun kewangan berakhir 31 Mei 2018, Dana anda mencatatkan jumlah hasil sebanyak RM24.876 juta, peningkatan sebanyak RM11.436 juta berbanding tempoh yang sama tahun lepas. Ia merekodkan keuntungan sebelum cukai sebanyak RM11.138 juta, berbanding RM3.104 juta untuk tahun kewangan lepas. Perolehan yang lebih tinggi adalah disebabkan oleh keuntungan yang direalisasikan atas pelupusan pelaburan dan faedah yang tinggi dan pendapatan dividen yang diterima bagi tahun kewangan berakhir 31 Mei 2018. Walau bagaimanapun, keuntungan tidak direalisasi daripada pelaburan Dana anda telah berkurangan kepada RM30.733 juta dalam tahun

kewangan berakhir 31 Mei 2018, daripada RM35.591 juta sebelumnya. Jumlah pendapatan komprehensif bagi Dana anda bagi tahun kewangan berakhir 31 Mei 2018 telah menurun sebanyak 9.41% kepada RM35.410 juta berbanding dengan RM39.089 juta dalam tahun kewangan sebelumnya.

Lembaga Pengarah dan Pengurus Dana anda sedar bahawa Dana anda masih didagangkan dengan diskaun kepada NABnya. Mereka akan terus menilai langkah-langkah kawalan diskaun yang sesuai. Apa-apa pilihan haruslah tidak akan memudaratkan objektif jangka panjang Dana anda. Dalam melaksanakan peranan penyeliaannya, Lembaga Pengarah anda komited untuk memastikan bahawa Dana anda beroperasi dalam piawaian tadbir urus korporat yang tinggi yang sepadan dengan objektif, dasar dan struktur pelaburannya. Lembaga Pengarah anda akan memastikan semua pembekal perkhidmatan melaksanakan tugas mereka mengikut syarat-syarat lantikan mereka, dan mereka mesti bertindak dengan jujur.

Untuk menggalakkan penyertaan yang lebih besar dalam mesyuarat, dengan sukacita saya mengumumkan bahawa pemilik saham individu boleh mengemukakan Borang Proksi mereka secara elektronik melalui portal dalam talian e-penyERAHAN sebagai tambahan kepada cara biasa untuk mendeposit Borang Proksi untuk AGM 2018. Butiran lanjut tentang prosedur boleh didapati di Lampiran 1 Borang Proksi. Seorang pemilik saham harus berusaha keras untuk melaksanakan hak mengundi, tanpa mengira bilangan saham yang dimiliki.

Akhir kata, Lembaga Pengarah anda, Pengurus Dana dan Penasihat Pelaburan ingin mengambil peluang ini untuk mengalu-alukan pemilik saham baru, dan pada masa yang sama, memanjangkan penghargaan kami kepada pemilik saham sedia ada, terutama mereka yang telah menyertai Dana sejak penubuhannya. Kami mengalu-alukan agar sokongan ini dapat diteruskan pada tahun-tahun yang akan datang.

Datuk Ng Peng Hong @ Ng Peng Hay
Pengerusi
21 Ogos 2018

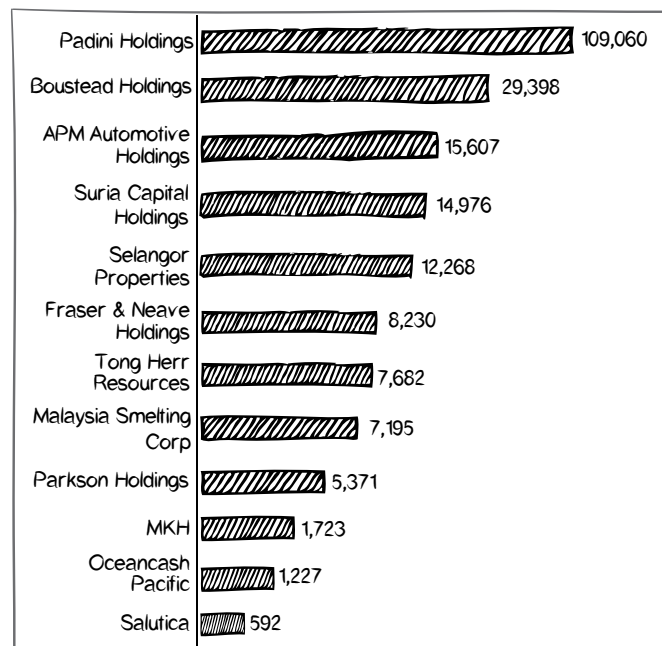
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APA YANG TELAH KAMI LAKUKAN DENGAN DANA ANDA

i. PORTFOLIO PELABURAN

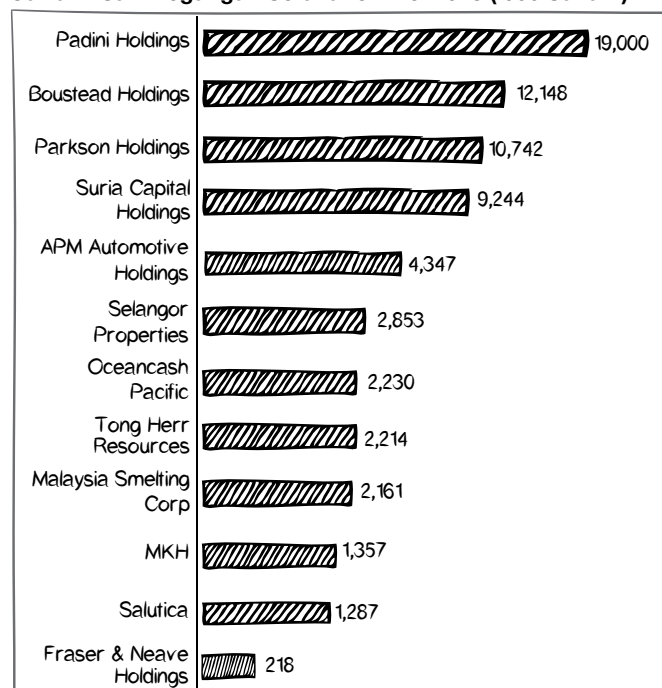
Kedudukan portfolio Dana anda berdasarkan nilai pasaran setiap saham, ditunjukkan dalam **Carta 1**.

Carta 1: Nilai Pasaran Pegangan Setakat 31 Mei 2018 (RM'000)



Kedudukan portfolio Dana anda berdasarkan kuantiti pegangan ditunjukkan dalam **Carta 2** di bawah.

Carta 2: Saiz Pegangan Setakat 31 Mei 2018 ('000 Saham)



PELABURAN *paling bijak adalah apabila ianya berupa perniagaan*

— Benjamin Graham

ii. PELABURAN-PELABURAN YANG TELAH DIJUAL

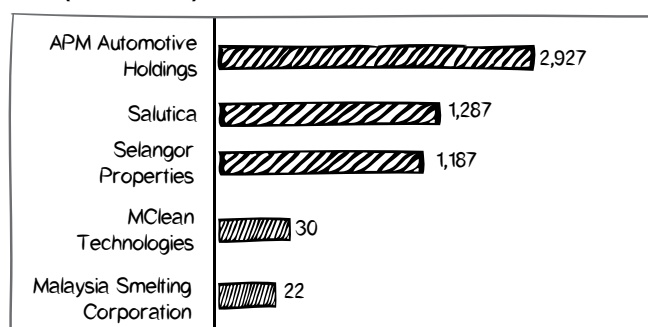
Bagi tahun kewangan berakhir 31 Mei 2018, Dana anda telah menjual 300,000 saham Fraser & Neave Holdings Berhad, 763,400 saham Malaysia Smelting Corporation Berhad, 365,400 saham Tong Herr Resources Berhad, dan 30,000 saham MClean Technologies Berhad, menjana keuntungan sebanyak RM9.02 juta dengan kos RM5.38 juta.

Pada 31 Mei 2018, Dana anda telah melabur sebanyak RM121.336 juta dengan nilai pasaran berjumlah RM213.328 juta, memberikan keuntungan tidak direalisasi sebanyak RM91.992 juta. Di antara pelaburan-pelaburan Dana anda setakat 31 Mei 2018, Boustead Holdings Berhad, Fraser & Neave Holdings Bhd, Malaysia Smelting Corporation Berhad, Padini Holdings Berhad dan Tong Herr Resources Berhad mempunyai keuntungan yang tidak direalisasi yang ketara, di mana Padini Holdings Berhad mempunyai keuntungan yang belum direalisasi yang tertinggi iaitu berjumlah RM103.57 juta.

iii. PELABURAN-PELABURAN YANG TELAH DIBUAT

Bagi tahun kewangan berakhir 31 Mei 2018, Dana anda telah membuat pelaburan baru seperti yang ditunjukkan dalam **Carta 3**. Pelaburan-pelaburan tersebut adalah APM Automotive Holdings Berhad, Salutica Berhad, dan Selangor Properties Berhad. APM Automotive Holdings Berhad merupakan kilang membuat komponen automotif yang terkemuka. Salutica Berhad adalah syarikat perkilangan elektronik manakala Selangor Properties Berhad adalah syarikat pemaju hartanah yang mempunyai berbagai pelaburan hartanah. Perubahan kepada Malaysia Smelting Corporation Berhad dan MClean adalah pelarasan teknikal portfolio.

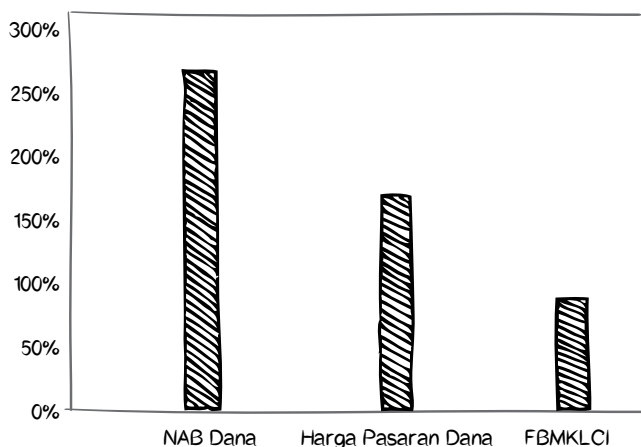
CARTA 3: Pembelian-pembelian yang dibuat sejak 31 Mei 2017('000 saham)



iv. PRESTASI : NAB & HARGA PASARAN

Sejak penyenaiaannya pada 19 Oktober 2005, NAB sesaham Dana anda telah meningkat dari RM0.99 ke RM3.56 pada 31 Mei 2018 - lihat **Carta 4**. Ini mewakili keuntungan sebanyak 260%. Sejak penyenaiaannya pada 19 Oktober 2005, harga pasaran Dana anda telah meningkat dari RM1.01 kepada RM2.59 menjelang 31 Mei 2018. Ini merupakan keuntungan sebanyak 156%. Dalam tempoh yang sama, FBMKLCI meningkat sebanyak 90%.

Carta 4: : Keuntungan Dari 19 Okt 2005 Hingga 31 Mei 2018



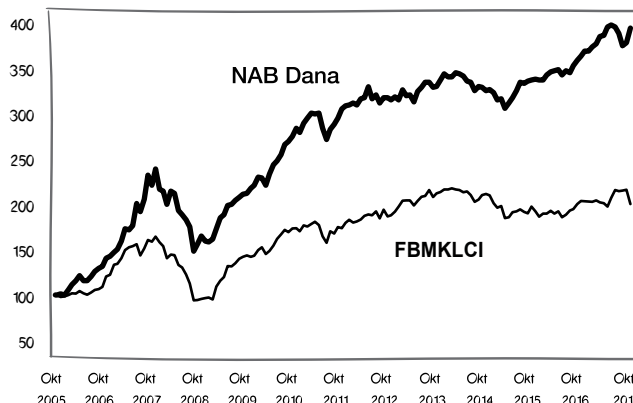
Jadual 1 : Pulangan Terkumpul (%) dari 19/10/2005 Hingga 31/12/____

Tahun	NAB	Harga	FBMKLCI	Tunai*
2005	0.00	8.00	-1.57	62.39
2006	38.38	46.00	19.92	33.79
2007	125.25	162.00	58.07	15.58
2008	58.59	39.00	-4.09	32.97
2009	101.01	74.00	39.23	10.51
2010	157.58	109.00	66.15	29.87
2011	175.76	105.00	67.44	34.92
2012	195.96	137.00	84.75	34.34
2013	211.48	147.37	104.22	50.73
2014	203.21	140.16	92.66	63.16
2015	211.48	137.06	85.14	61.76
2016	222.87	155.62	79.59	68.59
2017	268.40	192.72	96.55	54.61
2018*	268.40	166.95	90.40	56.78

Nota *: Tunai merujuk kepada tahap tunai Dana anda dan 2018 merujuk kepada 31 Mei 2018.

Carta 5 menunjukkan prestasi NAB Dana anda dibandingkan dengan FBMKLCI.

Carta 5: NAB Dana Lwn FBMKLCI (19/10/2005=100)



Dari 1 Jun 2017 hingga 31 Mei 2018, NAB sesaham Dana anda meningkat dari RM3.31 hingga RM3.56 (keuntungan sebanyak 8%) tetapi harga pasaran menurun dari RM2.64 kepada RM2.59 (kerugian sebanyak 2%). Dalam tempoh yang sama, FBMKLCI mengalami kerugian sejumlah 1%.

Prestasi icapital.biz Berhad sejak disenaraikan adalah seperti yang ditunjukkan dalam **Jadual 1** dan **2**.

Jadual 2: Pulangan Tahunan (%) dari 19/10/2005 Hingga 31/12/____

Tahun	NAB	Harga	FBMKLCI
2005	0.00	46.93	-7.62
2006	31.09	37.08	16.34
2007	44.65	54.93	23.14
2008	15.49	10.83	-1.30
2009	18.07	14.09	8.19
2010	19.94	15.22	10.25
2011	17.77	12.27	8.67
2012	16.25	12.72	8.89
2013	14.85	11.67	9.09
2014	12.81	9.98	7.38
2015	11.78	8.83	6.22
2016	11.02	8.73	5.36
2017	11.27	9.20	5.69
2018*	10.88	8.09	5.23

Jadual di atas menunjukkan dengan jelas, tahap tunai Dana anda yang berkisar antara terendah 10.51% hingga tertinggi 68.59%. Tuduhan bahawa Dana anda sentiasa memegang tahap tunai yang tinggi sama sekali tidak benar.

v. APA PENDAPAT KAMI

Latarbelakang Global

Sejak laporan tahunan yang lepas, ekonomi global dan pasaran telah digegarkan oleh serangan tarif Trump, terutama yang bertujuan menentang China.

Presiden Trump menulis tweet berikut pada pukul 3.03 pagi pada 9 April 2018:

“Apabila sebuah kereta dihantar ke Amerika Syarikat dari China, ada Tarif yang akan dibayar sebanyak 2 1/2%. Apabila sebuah kereta dihantar ke China dari Amerika Syarikat, ada Tarif yang akan dibayar sejumlah 25%. Adakah itu kedengaran seperti perdagangan bebas atau adil? Sudah tentu bukan cara Trump melakukannya. Ia bukan perdagangan bodoh, ia adalah tweet bodoh. Mengapa ?

2.5% berbanding 25% nampak seperti perbandingan yang langsung dan mudah untuk dilakukan tetapi adakah Trump betul? Atau adakah beliau sedang mencipta banyak lagi berita palsu? Bagaimanakah seseorang menentukan perdagangan bebas atau adil? Sudah tentu bukan cara Trump melakukannya. Ia bukan perdagangan bodoh, ia adalah tweet bodoh. Mengapa ?

AS mempunyai ekonomi dan teknologi terbesar dan paling berkuasa di dunia. Syarikat-syarikat Amerika berada atau menghampiri kemajuan teknologi, terutamanya dalam pengkomputeran, perubatan, angkasa, aeroangkasa, peralatan ketenteraan dan banyak lagi. Dari segi ketenteraan, AS adalah yang paling berkuasa di dunia dan melarang eksport produk teknologi tinggi ke China. Sebaliknya, China hanya berpindah dari sistem yang tertutup, berpusat ke arah yang lebih berorientasikan pasaran sahaja pada akhir tahun 1970-an. Pembaharuan bermula dengan pemisahan pertanian kolektif, dan memperluaskan liberalisasi harga secara beransur-ansur, desentralisasi fiskal, peningkatan autonomi bagi perusahaan-perusahaan negeri, penciptaan sistem perbankan yang pelbagai, pembangunan pasaran saham, pertumbuhan pesat sektor swasta, dan pembukaan kepada perdagangan dan pelaburan asing. Selepas mengekalkan mata wangnya yang dikaitkan dengan AS\$ selama bertahun-tahun, China berpindah ke sistem kadar pertukaran yang merujuk kepada satu kumpulan mata wang pada tahun 2005. Bagaimana perdagangan bebas dan adil ditakrifkan apabila ia dijalankan antara dua struktur ekonomi yang sangat berbeza dan pada tahap perkembangan ekonomi yang berbeza?

Pada tahun 2017, 48% daripada jumlah penduduk China atau sekitar 672 juta orang, masih dalam kategori di luar bandar, berbanding dengan 18% penduduk luar bandar Amerika yang berjumlah 58 juta. Seperti yang dapat kita lihat, penduduk luar bandar China hampir 12 kali lebih besar daripada AS.

Pada tahun 2017, KDNK per kapita China ialah AS\$8,827; KDNK per kapita Amerika ialah AS\$59,531. KDNK per kapita Amerika adalah 6.7 kali lebih besar daripada China. Dari segi KDNK per kapita, China berada di kedudukan ke-72 pada tahun 2017 oleh Bank Dunia (Malaysia lebih tinggi iaitu pada kedudukan ke-65).

Bagaimanakah perdagangan bebas dan adil ditakrifkan apabila ia dijalankan antara satu negara membangun yang besar dan miskin dengan satu negara maju yang besar dan berkuasa?

Dalam laporan tahunan ini, kami ingin berkongsi beberapa fakta yang dilupakan dan mungkin tidak diketahui untuk menjelaskan lebih lanjut mengapa perdagangan adil dan bebas tidak boleh ditakrifkan secara ringkas dengan cara Trump melakukannya.

[1]. HADIAH-HADIAH CHINA KEPADA BARAT

“Pada tahun 1940, hampir 10,000 buku baru telah dicetak di Amerika Syarikat. Berjuta-juta salinan daripada 13,000 surat khabar di negara tersebut diedarkan. Semua ini mampu berlaku kerana kita mengetahui cara membuat kertas dan mencetak menggunakan ciptaan mudah alih yang dicipta di China. Buku cetakan yang pertama di dunia seperti yang digambarkan di bawah ini telah dibuat di China pada 1,074 tahun yang lalu.”

“Sehingga tahun 1923, Amerika Syarikat belum mengenali kacang soya. Namun begitu, terdapat lebih 79,000,000 gantang kacang soya tumbuh di ladang negara tersebut pada tahun 1940. Tanaman kacang soya pada tahun itu berharga lebih daripada \$60,000,000, dan telah digunakan untuk membuat roti, biskut, sup, roda stereng dan papan pemuka untuk kereta, sikat dan berus plastik, dan beratus lagi artikel-artikel yang lain. Tanaman kacang soya ini datang kepada kami dari China. Begitu juga dengan pic, aprikot dan bunga kekwa, dan sebilangan tumbuh-tumbuhan yang lain.”

“Kita semua telah membaca tentang “hutang kita kepada Yunani Kuno dan Rom” dan tentang “warisan kita dari Eropah.” Namun, kita juga perlu memikirkan tentang hadiah-hadiah kita daripada budaya dan masyarakat Asia. Risalah ini menceritakan beberapa perkara yang diberikan oleh China kepada dunia Barat.”

“Kisah tentang hadiah-hadiah dari China ke Barat telah diceritakan sejak beratus-ratus tahun yang lalu. Ketika Columbus menjejakkan kaki ke Amerika, China dan Eropah telah pun berabad-abad saling bertukar barangan.”

“Apabila seseorang mengetahui kisah hadiah-hadiah ini dari China, seseorang itu akan lebih menghargai betapa pentingnya orang Cina terhadap cara kehidupan kita di Amerika Syarikat. Seseorang juga akan menyedari betapa pentingnya kerjasama yang lebih erat dan mesra di kalangan semua orang dan negara. Seseorang akan menyedari betapa pentingnya negara-negara Asia untuk kebajikan dan kemajuan kehidupan di Amerika dan seluruh dunia.”

“Negara China telah banyak menyumbang kepada dunia. Negara-negara lain juga telah banyak menyumbang kepada China. Pertukaran penemuan, penciptaan dan produk belum lagi berhenti. Akan terdapat cara hidup yang lebih baik untuk kita semua pada masa akan datang apabila perhubungan antara negara-negara di Asia, Eropah dan Amerika semakin rapat. Artikel ini menyatukan bahan berwibawa tentang hadiah-hadiah China ke Barat yang tidak boleh didapati dalam kompas kecil. Adalah perlu dipertimbangkan oleh kesemua warganegara dan guru-guru yang menyedari betapa pentingnya hubungan rapat antara Timur dan Barat. Pengaruh budaya Asia yang berterusan terhadap tamadun Barat menjadi lebih jelas apabila seseorang membaca dokumen Dr. Bodde. Bahan-bahan yang dikemukakan oleh beliau menawarkan intipati dan kandungan untuk meningkatkan dan memperbaiki pengajian Asiatik di sekolah, kolej, dan agensi pendidikan dewasa kita.”

“Majlis Pendidikan Amerika telah lama menekankan pentingnya keadaan antarabangsa untuk pendidikan rakyat Amerika. Pelantikan Jawatankuasa Pengajian Asiatik dalam Pendidikan Amerika pada tahun 1941 adalah salah satu daripada kebimbangan Majlis dalam bidang ini. Jangkauan yang meluas dan masyarakat Asia adalah antara aspek yang paling diabaikan dalam memahami secara komprehensif tentang gambaran dunia. Jawatankuasa Pengajian Asiatik telah berusaha untuk membantu sekolah-sekolah dalam meningkatkan dan menambah baik kandungan Asiatik kurikulum sekolah.”

“Jawatankuasa Pendidikan Asiatik dalam Pendidikan Amerika amat terutang budi kepada Dr. Bodde kerana penyediaan manuskripnya dan kepada Yayasan Rockefeller kerana menjadikan penerbitan manuskrip itu satu kemungkinan. Artikel

ini adalah yang pertama dalam siri yang sedang disediakan sebagai sumbangan kepada pemahaman yang lebih mesra tentang Asia di kalangan rakyat Amerika.”

Ekstrak di atas ditulis oleh Howard E. Wilson, Pengerusi, Jawatankuasa Pengajian Asiatik dalam Pendidikan Amerika, Universiti Columbia.

Sumber: <http://afe.easia.columbia.edu/chinawh/web/s10/gifts.pdf>

[2]. IDEA-IDEA CINA DI BARAT

Selain daripada rekaan-rekaan yang datang ke Barat dari China, “idea-idea” orang Cina juga mempengaruhi perkembangan politik dan sosial di Barat. Artikel ‘*Idea-idea Cina di Barat*’ membincangkan tentang asal-usul orang Cina dan pengaruh terhadap: perkhidmatan awam, alkimia dan kimia, kaedah pertanian pemikiran dalam Zaman Pencerahan, kesusasteraan Barat, dan teori politik dan ekonomi Barat. Howard E. Wilson telah menulis seperti berikut:

“Adalah lebih penting hari ini dari hari-hari yang sebelumnya bahawa manusia dari kesemua budaya memahami diri sendiri, memahami budaya-budaya lain, dan memahami pertukaran dan perkembangan idea-idea yang telah mencipta satu penyebut yang sama dari semua tamadun. Sekiranya pemahaman itu tidak dapat diperolehi dan digunakan sebagai asas untuk tindakan yang bijak, negara-negara dunia moden boleh memusnahkan diri dan tamadun yang kita kenali (penekanan oleh kami).”

Walaupun Howard Wilson menulis perenggan ini lama sebelum Trump datang dalam situasi ini, kebenaran dan kebijaksanaan dalam penulisan beliau beberapa dekad lalu adalah lebih relevan pada masa ini.

“Pendidikan mempunyai tanggungjawab utama untuk meluaskan pandangan dan meningkatkan pemahaman di kalangan rakyat. Artikel yang sangat baik ini, ketiga dalam siri Majlis Pendidikan Amerika dan yang kedua dari penekanan pembelajaran dan pemberian yang mendalam dari Derk Bodde, bertujuan untuk membantu mempromosikan kajian Asiatik dalam pendidikan Amerika. Artikel ini ditujukan kepada guru-guru, pelajar-pelajar sekolah menengah dan pelajar-pelajar di kolej – kepada semua yang berminat dengan asal-usulnya idea kita dan dalam sumbangan China ke tamadun kita. Artikel ini amat berguna untuk kelas kesusasteraan, sains, dalam sejarah, dan dalam sivik, dan bagi pembaca umum. Di dalamnya, dalam istilah yang mudah, adalah ‘Cinderella Cina’, ‘alkimia - pelopor kimia moden’, sumbangan China untuk Zaman Pencerahan Eropah, kepada teori politik dan ekonomi semasa, kepada perkhidmatan awam, kepada kesusasteraan Barat, dan ekonomi pertanian.”

Sumber: <http://afe.easia.columbia.edu/chinawh/web/s10/ideas.pdf>

Howard Wilson menulis artikel di atas pada tahun 1942, di pertengahan Perang Dunia ke-2, bagi menghargai karya agung yang ditulis oleh Derk Bodde, penolong profesor Cina di Universiti Pennsylvania. Presiden Trump, Peter Navarro, Robert Lighthizer, Wilbur Ross, dan ramai lagi harus membaca dan memahaminya; kemudian barulah dunia pada abad ke-21 kita akan mempunyai masa depan yang lebih damai dan makmur bagi kita semua. China sepatutnya mendapat trilion AS\$ kerana telah menyumbang secara besar-besaran kepada kemakmuran Amerika. Presiden Trump tidak mengetahui apa itu perdagangan bebas dan adil – sama dengan Peter Navarro. Sila baca lebih lanjut.

[3]. ERA CIPTAAN CHINA

Percetakan, wang kertas, poselin, teh, restoran, serbuk senjata api, dan lain-lain – antara barang-barang yang dibawa oleh

orang Cina zaman Dinasti Song (960 CE hingga 1280 CE) mengejutkan dunia. Tempoh masa yang meriah dalam sejarah China ini ditandai oleh kemakmuran ekonomi dan inovasi teknologi yang luar biasa. Dalam temu bual pada tahun 2000, professor Sejarah dan Pengajian Asia Timur di Universiti McGill, Robin Yates menggambarkan era luar biasa ini dan bagaimana ia mempengaruhi perjalanan sejarah dunia. Kami paparkan di bawah sebuah ekstrak yang singkat daripada temu bual yang panjang ini.

“Bagaimanakah serbuk senjata api ciptaan Cina berpindah dari Timur ke Barat?”

“Walaupun para ilmuwan sering menganggap Dinasti Song sebagai sebuah Dinasti yang lemah, namun penggunaan serbuk senjata api adalah sebab ia dapat bertahan daripada orang-orang Mongol selama beberapa dekad. Akhirnya, Mongol dapat menawan beberapa tukang-tukang Cina dan menggunakan teknologi serbuk senjata api yang terkini untuk melawan kaum Cina. Kaum Mongol menggunakan mereka yang mempunyai pengetahuan khusus tentang teknologi tersebut dan mengambil mereka sebagai jurutera di dalam angkatan tenteranya. Dengan pantasnya Mongol membawa teknologi itu ke Barat kerana ia amat berguna dalam penaklukan mereka.”

Bagi versi penuh temu bual bersama Profesor Robin Yates, sila lihat di: <http://www.pbs.org/wgbh/nova/ancient/song-dynasty.html>

Tanpa mengenakan bayaran walau satu sen royalti, mengenakan kuota atau tarif, atau menuduh Amerika Syarikat atas pencurian harta intelek, China sebaliknya telah memberikan sumbangan yang amat besar kepada kemakmuran Amerika Syarikat dalam lebih daripada satu cara. Sekiranya Presiden Trump melihat ke arah pokok-pokok dan tumbuh-tumbuhan di taman yang disukai beliau ataupun di Amerika, beliau akan terkejut dan mungkin juga mengalami serangan jantung apabila mengetahui kebenarannya.

[4] IBU SEGALA TAMAN

“Apabila anda melihat taman-taman moden hari ini...jarang terdapat taman yang tidak mempunyai tanaman dari China.” kata John Simmons, seorang kurator bersara Royal Botanic Gardens di Kew. Banyak tumbuhan di taman Amerika Syarikat yang rakyatnya menganggap ianya berasal dari Amerika Syarikat, seperti rimbunan forsythia, anggur klematis, rhododendron, dogwood dan primroses, padahal semuanya adalah dari negara China. Pemburu tumbuhan British, Ernest Henry Wilson, melawat China pada tahun 1910 dan membawa pulang kira-kira 65,000 spesimen tumbuhan (tanpa membayar sebarang cukai atau royalti), mewakili sekurang-kurangnya 1,500 spesis, dalam empat perjalanan ke pergunungan China yang berceranggah. “China adalah, sebenarnya, Ibu kepada Taman-Taman,” tulisnya dalam sebuah buku yang bertajuk sama. “Kepada negara-negara yang taman-taman kami paling berhutang budi, dia memegang tempat yang utama...Kepada China pencinta bunga berhutang kepada ibu bapa dari Mawar moden, walaupun Teh ataupun Hibrid Teh, Rambler atau Polyantha; begitu juga dengannya...Pic, Oren, Lemon dan limau gedang.”

Sumber: <http://discovermagazine.com/2005/aug/mother-of-gardens>

China adalah rumah kepada kira-kira 31,000 spesies tumbuhan asli, yang ketiga lebih daripada gabungan Amerika Syarikat dan Kanada. Taman-taman di seluruh dunia hari ini dihiasi dengan tumbuhan berbunga - rhododendrons, forsythias, magnolias, camellias, primroses, viburnums, dan banyak lagi - yang berasal dari China. Sampel beberapa pemindahan yang paling menakjubkan dari China ke Amerika ditunjukkan di bawah.



ROCK'S PEONY
Paeonia rockii

"Walaupun spesies pokok peony ini dinamakan sempena ahli botani Austria-Amerika yang bernama Joseph Rock, yang menemuinya di pergunungan di China Barat pada pertengahan abad ke-20, pekebun-pekebun Cina telahpun menanam pokok peony sejak sekurang-kurangnya abad ketujuh A.D. Kebanyakan pokok

yang berbunga dua dan herba peony telah lama berasal dari tapak semailan orang-orang Cina. Genus *Paeonia* tidak eksklusif kepada negara China (sesetengah spesies peoni berasal dari Amerika Utara dan Eropah selatan), tetapi spesies yang berasal dari China dan tradisi hortikulturnya telah memperkaya taman-taman di negara Barat."

FORTUNE'S RHODODENDRON
Rhododendron fortunei

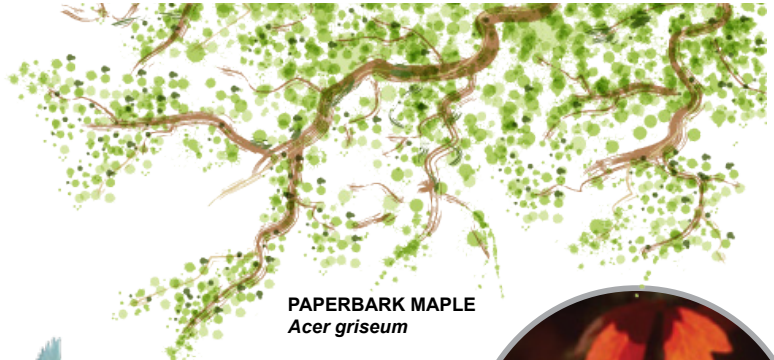
"Negara Eropah mempunyai sembilan spesies asli rhododendron; Negara China mempunyai lebih daripada 600. Apabila kebanyakan bunga China boleh didapati oleh ahli hortikultur Barat pada pertengahan abad ke-19 berikutan berakhirnya permusuhan antara Britain dan China, rhododendron menjadi sangat diminati kerana ia dapat bertahan di musim sejuk melampau. Pada tahun 1856, Robert Fortune, pengumpul tumbuhan Scotland menemui spesies ini tumbuh pada 3,000 kaki di pergunungan timur China. Ia adalah rhododendron Cina pertama yang diperkenalkan kepada Britain dan telah tumbuh beratus-ratus jenis yang pelbagai."



PRIMULA WILSONII

"Primrose yang tinggi dengan corak bunga berbentuk loceng adalah spesies pertama yang dinamakan oleh Wilson. (Ia diiktiraf secara universal oleh nama saintifiknya dan tidak mempunyai nama biasa.) Wilson mengutipnya dari padang rumput alpine yang tinggi di pergunungan

Hengduan pada tahun 1900, semasa ekspedisi pertama beliau ke rantau ini di barat daya China. Daripada kira-kira 500 spesies yang diketahui dalam genus *Primula*, termasuk spesies yang sering ditemui di kebun Barat, hampir 300 berasal dari China."



PAPERBARK MAPLE
Acer griseum

"Walaupun tidak terlalu mempersona dan diagungkan seperti lili, spesies paperbark maple ini adalah antara yang diperkenalkan oleh Wilson dan paling beliau sukai. Daunnya yang berdaun tiga menjadi warna merah dan oren pada musim gugur dan sering mengekalkan warnanya dengan baik hingga ke musim sejuk. Nama umumnya "paperbark" merujuk kepada fakta yang pokok tersebut mempunyai kayu ^ berwarna merah seperti kayu manis yang mengupas dari batang pokoknya, sebuah sifat hiasan yang dihargai oleh pekebun-pekebun."

DOVE TREE
Davidia involucrata

Apabila ia mekar pada musim bunga dan desiran angin meniup daunnya yang putih panjang (daun diubahsuai) di dasar bunga, jelas sekali mengapa David *involucrata* dinamakan seperti 'pokok merpati' dan 'pokok sapu tangan'. Ia masih tidak popular atau dihargai di taman bunga Barat, tetapi pada abad ke-19 ia merupakan legenda. Sekitar tahun 1870, mubaligh Perancis Armand David membawanya untuk mengambil perhatian pekebun-pekebun Barat. Namun, tidak sampai ke penghujung abad tersebut, pemburu tumbuhan, termasuk Ernest Wilson, berjaya menjejaki pokok-pokok ini dan menghantar benihnya balik dari China."



REGAL LILY
Lilium regale

"Di antara taman botani yang besar dan banyak plot rumah yang sederhana, lili yang agung adalah raja segalanya. Walaupun terdapat di mana-mana sahaja, habitat semulajadi lili yang agung ini hanyalah di tebing sejauh 30 batu di lembah yang sempit di Pergunungan Hengduan. Ia merupakan pengenalan Wilson yang paling terkenal, baik dari segi keindahannya atau juga ^ kerana hampir menelan hidupnya. Pada tahun 1910, tanah runtuh membinasakan parti yang dianjurkan oleh Wilson ketika mereka sedang mengumpul beratus-ratusan mentol lili. Batu yang runtuh menghancurkan kaki Wilson dan meninggalkannya dengan apa yang kemudiannya mendapat jolokan 'lili tempang'" (dan kemudian meninggalkannya dengan jolokan 'lili tempang')



DAWN REDWOOD
Metasequoia glyptostroboides

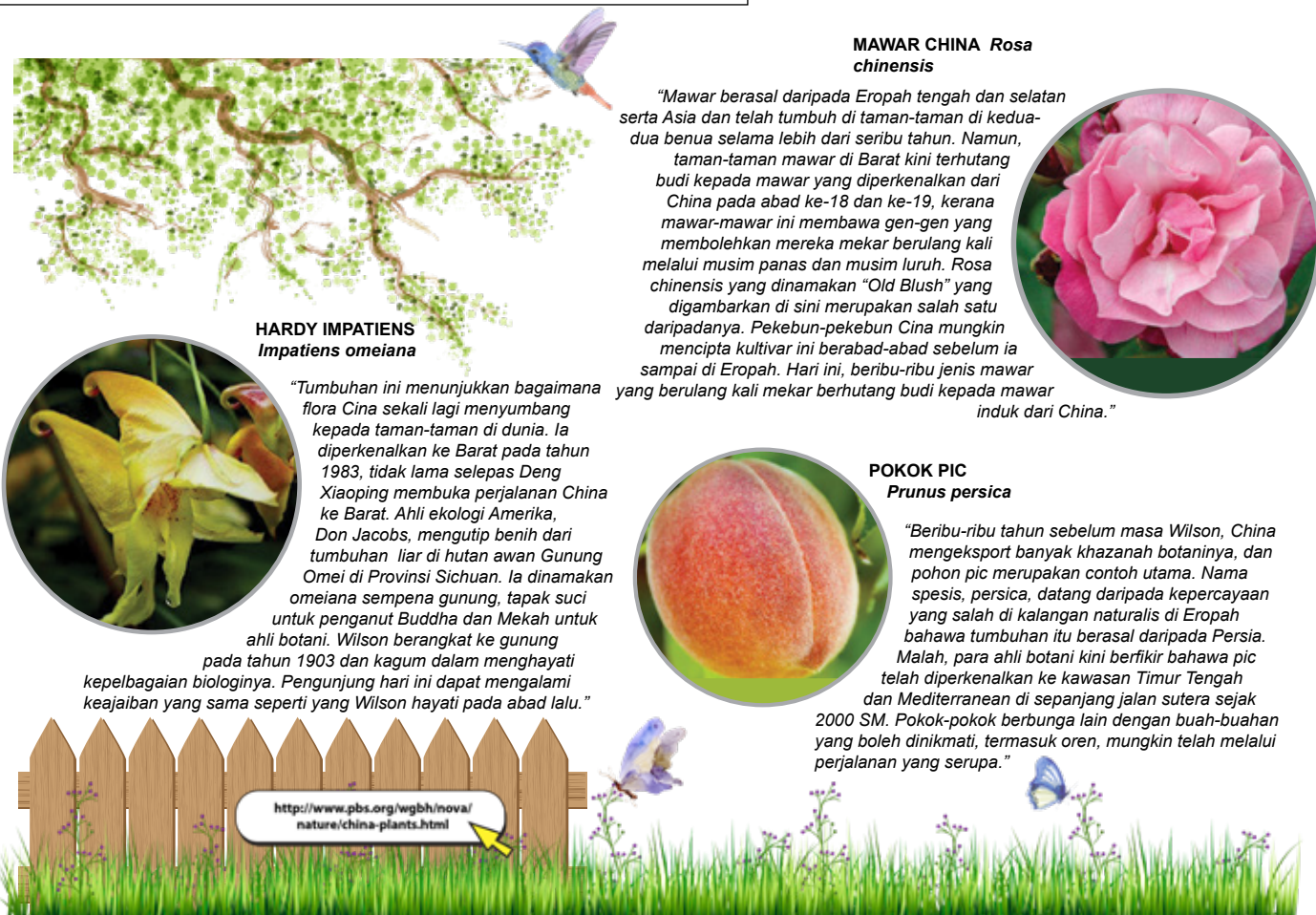
"Redwood' yang amat berharga ini telah digelar sebagai 'fosil hidup' dan merupakan bukti kepada flora China yang pelbagai. Seperti tumbuh-tumbuhan lain di China, spesies ini terselamat daripada Zaman Ais yang terakhir, ketika glasiasi menghilangkan flora yang serupa di Amerika Utara dan Eropah. Sehingga tahun 1948, genus *Metasequoia* hanya dikenali dari rekod fosil, tetapi penemuan pokok kecil di rantau Sichuan-Hubei terbukti milik genus purba ini. Terima kasih kepada benih dan anak pokok sebagai sampel yang dikumpul di China, kayu merah fajar kini berkembang di taman-taman di seluruh dunia."



**Ibu Segala
TAMAN**



APA YANG TELAH KAMI LAKUKAN DENGAN DANA ANDA



HARDY IMPATIENS
Impatiens omeiana

"Tumbuhan ini menunjukkan bagaimana flora Cina sekali lagi menyumbang kepada taman-taman di dunia. Ia diperkenalkan ke Barat pada tahun 1983, tidak lama selepas Deng Xiaoping membuka perjalanan China ke Barat. Ahli ekologi Amerika, Don Jacobs, mengutip benih dari tumbuhan liar di hutan awan Gunung Omei di Provinsi Sichuan. Ia dinamakan omeiana sempena gunung, tapak suci untuk penganut Buddha dan Mekah untuk ahli botani. Wilson berangkat ke gunung pada tahun 1903 dan kagum dalam menghayati kepelbagaian biologinya. Pengunjung hari ini dapat mengalami keajaiban yang sama seperti yang Wilson hayati pada abad lalu."

MAWAR CHINA *Rosa chinensis*

"Mawar berasal daripada Eropah tengah dan selatan serta Asia dan telah tumbuh di taman-taman di kedua-dua benua selama lebih dari seribu tahun. Namun, taman-taman mawar di Barat kini terhutang budi kepada mawar yang diperkenalkan dari China pada abad ke-18 dan ke-19, kerana mawar-mawar ini membawa gen-gen yang membolehkan mereka mekar berulang kali melalui musim panas dan musim luruh. *Rosa chinensis* yang dinamakan "Old Blush" yang digambarkan di sini merupakan salah satu daripadanya. Pekebun-pekebun Cina mungkin mencipta kultivar ini berabad-abad sebelum ia sampai di Eropah. Hari ini, beribu-ribu jenis mawar yang berulang kali mekar berhutang budi kepada mawar induk dari China."

POKOK PIC
Prunus persica

"Beribu-ribu tahun sebelum masa Wilson, China mengeksport banyak khazanah botaninya, dan pohon pic merupakan contoh utama. Nama spesis, persica, datang daripada kepercayaan yang salah di kalangan naturalis di Eropah bahawa tumbuhan itu berasal daripada Persia. Malah, para ahli botani kini berfikir bahawa pic telah diperkenalkan ke kawasan Timur Tengah dan Mediterranean di sepanjang jalan sutera sejak 2000 SM. Pokok-pokok berbunga lain dengan buah-buahan yang boleh dinikmati, termasuk oren, mungkin telah melalui perjalanan yang serupa."

<http://www.pbs.org/wgbh/nova/nature/china-plants.html>

Dalam pertengahan hingga akhir abad ke-19, keretapi Amerika menjadi rangkaian pengangkutan di seluruh negara. Satu peristiwa penting dalam pembangunan keretapi dicapai pada tahun 1869, apabila pekerja meletakkan jejak yang menghubungkan keretapi Central Pacific and Union Pacific berhampiran Ogden, Utah. Peristiwa ini menandakan siapnya sistem keretapi merentas benua yang pertama di dunia, terima kasih kepada kawanan 'unsung' dan kuli-kuli Cina yang tenaga kerjanya telah dieksploitasi.

Sumbangan landasan keretapi telah menjadi faktor terpenting dalam menjadikan Amerika hebat. Apa yang tidak diakui adalah pengorbanan yang dibuat oleh kuli-kuli Cina yang dieksploitasi bekerja di landasan keretapi, terutama sekali bahagian-bahagian yang sangat sukar iaitu melintasi Rockies dan Sierra Nevada. Mereka inilah yang menjadikan Amerika hebat.

Kandungan berikut mengenai sumbangan pekerja Cina yang dieksploitasi yang membina landasan keretapi Amerika diambil dari : <http://web.stanford.edu/group/chineserailroad/cgi-bin/wordpress/faqs/>.

Apakah bayaran yang diterima oleh pekerja-pekerja Cina berbanding dengan pekerja-pekerja Eropah?

"Pekerja-pekerja Cina pada mulanya dibayar \$24 hingga \$31 sebulan, walaupun kadarnya berubah bergantung pada kemahiran pekerja atau bahayanya kerja tersebut. Sebagai contoh, mereka yang bekerja di terowong telah dibayar lebih \$1 sebulan. Bayaran mereka akhirnya meningkat kepada \$35 setiap hari, yang hampir sama dengan pekerja keturunan Eropah. Walau bagaimanapun, pekerja Cina bekerja lebih lama dan terpaksa membayar ketua atau kontraktor mereka untuk penginapan

dan makanan mereka sendiri dan juga untuk peralatan yang mereka gunakan; Sebaliknya, Central Pacific dan Union Pacific menyediakan penginapan, makanan, dan peralatan tanpa kos tambahan."

Apakah bahagian yang paling sukar dan paling berbahaya bagi mereka untuk membina laluan keretapi?

Terowong

"Pada musim luruh 1865 pekerja Cina mula membina 15 terowong, kebanyakannya di aras yang tinggi melalui Sierra Nevada yang berjumlah 6,213 kaki. Ahli sejarah bersetuju bahawa terowong paling sukar ialah No. 6, Terowong Sidang Kemuncak, dengan memotong granit padu, sepanjang 1,695 kaki dan 124 kaki di bawah permukaan. Perkembangan berjalan dengan sangat perlahan, terdapat banyak serbuk hitam yang digunakan setiap hari, tetapi mempunyai kesan yang sedikit terhadap batuan keras. Nitroglycerine telah dicampurkan di tapak oleh seorang ahli kimia, tetapi ia terlalu tidak stabil, menyebabkan banyak letupan secara tidak sengaja, dan kegunaannya akhirnya ditinggalkan Kerja berterusan melalui dua musim sejuk terburuk dalam rekod. Badai salji yang sengit sering menyekat pintu masuk terowong, dan runtuhannya akan menyapu kem pekerja-pekerja Cina, membawa kepada bilangan kematian yang banyak. Terowong Summit telah selesai, digredkan dan diletakkan pada 30 November 1867."

Sepuluh Batu dalam Masa Sehari

"Pada 28 April 1869, sepuluh batu dan lima puluh enam kaki diletakkan dalam satu hari. Pencapaian itu adalah sebagai tindak balas terhadap \$10,000 taruhan Charles Crocker yang dibuat

dengan Thomas Durant dari Kesatuan Pasifik yang pekerjaannya mampu melakukan apa yang kelihatan mustahil. Satu skuad lapan pemandu kereta api Ireland dan tentera kecil merangkumi 4000 orang pekerja, kebanyakannya orang Cina, berjaya mencapai prestasi kerja antara pukul 5 pagi hingga 7 pagi, dengan rehat tengah hari selepas meletakkan enam batu trek Kerjasama bagi meletakkan sepuluh batu trek dalam satu hari adalah sangat luar biasa. Ia seperti seorang koreografer yang mengatur urutan tarian kompleks. Semua orang bergerak dengan irama. Pencapaian itu belum dipadankan walaupun di zaman moden... Nama-nama lapan pekerja Ireland dicatatkan oleh jabatan keretapi, dan mereka dipuji dalam perarakan di Sacramento. Tiada nama pekerja Cina yang dicatatkan; mereka dilupakan dan mereka kini kekal tidak bernama. “

Presiden Trump tidak mempunyai moral dan asas ekonomi untuk mengajar China tentang perdagangan bebas dan adil. Perang perdagangan global yang dia mulakan dengan nama membuat Amerika Syarikat hebat sekali lagi adalah idea yang terburuk pernah wujud. Bagaimanakah perdagangan bebas dan adil ditakrifkan dalam senario apabila begitu banyak telah disumbangkan oleh China kepada Amerika?

Peter Andreas, profesor sains politik di Brown Universiti dan pengarang buku yang menarik, “Negara Penyeludup: Bagaimana Perdagangan Haram Membina Amerika” berkongsi banyak penipuan yang luar biasa yang digunakan oleh Amerika Syarikat untuk mencuri teknologi dari Britain dan Eropah. Berikut ini diambil dari artikel Peter yang bertajuk “Penipuan dan Rompak Membantu Revolusi Perindustrian A.S.” yang berdasarkan pada bukunya.

“Walaupun biasanya jelas di buku teks sekolah tinggi, sebagai sebuah negara perindustrian yang baru, Amerika Syarikat terlibat secara agresif dalam pencurian harta intelektual yang kini menegaskan bahawa negara-negara lain melarangkan. ... Dalam tahun-tahun remaja, Amerika Syarikat adalah satu sarang cetak rompak intelektual dan penyeludupan teknologi, terutamanya dalam industri tekstil, memperoleh kedua-dua mesin dan ahli mesin berkemahiran yang melanggar undang-undang eksport dan emigrasi British. Hanya setelah ia menjadi kuasa perindustrian yang matang, negara ini dengan penuh semangat untuk memperjuangkan perlindungan harta intelektual Amerika Syarikat muncul dari Perang Revolusi yang menyedari keunggulan teknologi Eropah. Ia bercita-cita untuk menjejat dan dengan cepat menutup jurang teknologi.”

Sumber : https://groups.google.com/forum/#!topic/asia-commons/3FDmHxL9_Ds

Britain mengenakan penalti teruk pada sesiapa sahaja yang cuba mengambil mesin atau reka bentuk ke luar negara atau malah memikat pekerja mahir dan ahli mesin. Ia adalah haram bagi pekerja mahir seperti itu untuk meninggalkan Britain tetapi beribu-ribu masih membuat persimpangan tersembunyi ke Amerika. Yang paling terkenal ialah Samuel Slater, yang terdengar tentang insentif yang diberikan oleh Amerika Syarikat. Tertarik oleh cerita peluang di Amerika Syarikat, dia berpura-pura menjadi buruh yang tidak mahir dan pergi ke Rhode Island pada tahun 1789. Presiden Amerika Syarikat pada masa itu, Andrew Jackson, kemudiannya menyebut Slater sebagai “Bapa Revolusi Perindustrian Amerika”. Namun apakah gelaran yang diberi oleh Britain kepadanya? “Slater Si Pengkhianat.”

Pada masa itu, penyiapan tekstil kapas menguasai bidang eksport British, menyumbang kira-kira separuh daripada semua eksport. Sehubungan dengan KDNK, industri ini kira-kira tiga kali ganda saiz keseluruhan sektor kereta Amerika Syarikat hari ini. “Pengilangan tekstil berkelajuan tinggi

adalah teknologi yang sangat canggih pada zamannya, dan Great Britain adalah sensitif tentang perkongsian itu kerana Amerika Syarikat adalah dengan pencapaian perisian dan mikropemproses yang canggih. Parlimen British menggubal sekatan yang serius untuk memindahkan rahsia perdagangan, bahkan melarang pekerja emigrasi dari pekerja tekstil atau ahli mesin.”

Apa yang orang seperti Slater dan Lowell lakukan mempunyai kesan mendalam: “(mereka) memulakan pembuatan pengeluaran besar-besaran Amerika Syarikat, sebuah bahan penting dalam pertumbuhan abad ke-19 yang mengejutkan.”

Sumber: <https://foreignpolicy.com/2012/12/06/we-were-pirates-too/#>

Artikel lain yang memberi pencerahan adalah bertajuk: “Amerika Syarikat mengadu bahawa orang lain mencuri teknologinya, tetapi Amerika sendiri pernah menjadi lanun teknologi.” Ekstrak artikel mesti dibaca semula di bawah ini:

“Pada 1787, seorang agen Amerika Syarikat Andrew Mitchell telah dipintas oleh pihak berkuasa British kerana cuba menyeludup teknologi baru keluar daripada UK.

Bagasinya dirampas selepas dimasukkan ke dalam kapal. Di dalam bagasinya terdapat model-model dan lukisan-lukisan satu mesin perindustrian yang hebat di Britain.

Mitchell dapat melarikan diri dan mencari perlindungan di Denmark. Tetapi misinya menandakan permulaan kempen Amerika Syarikat yang mantap untuk mencuri teknologi dari dunia yang berteknologi tinggi hari ini.”

Sumber : www.pri.org/stories/2014-02-18/us-complains-other-nations-are-stealing-us-technology-america-has-history

Mitchell telah dihantar oleh Tench Coxe, sekutu rapat Alexander Hamilton yang kemudian menjadi Setiausaha Perbendaharaan pertama Amerika Syarikat dan penyokong fahaman perlindungan yang kuat. Hamilton menggunakan paten untuk memikat pendatang dengan kemahiran dan pengetahuan untuk berpindah ke Amerika Syarikat. Sebagai contoh, George Parkinson telah dianugerahkan paten pada tahun 1791 untuk mesin berputar, yang benar-benar merosakkan mesin yang telah digunakannya di England. Amerika Syarikat juga membayar perbelanjaan keluarganya untuk berhijrah dan ditempatkan semula ke Amerika.

Ramai pemerhati di dalam dan di luar China yakin Trump memulakan perang perdagangan terhadap China dengan tujuan utama untuk menangani tampuk berbahaya kepada pesaing strategik Amerika sahaja.

Tinjauan Malaysia

Pembangunan utama lain sejak penerbitan Laporan Tahunan 2017 adalah hasil daripada pilihan raya umum Malaysia pada 2018. Anak muda dengan berani cuba untuk maju dengan kerajaan baru yang telah terbentuk berdasarkan gabungan baru dan tidak teruji.

Lin Yutang, penulis terkenal China dan ahli falsafah berkata:

“Di mana terdapat terlalu banyak anggota polis, di situ tiada kebebasan. Di mana terdapat terlalu banyak askar, di situ tiada kedamaian. Di mana terdapat terlalu banyak peguam, di situ tiada keadilan.”

Kami ingin menambah ini: “Apabila terlalu banyak ahli politik, di situ tiada masa depan.”

APA YANG TELAH KAMI LAKUKAN DENGAN DANA ANDA

Terima kasih kepada dasar anti-China Trump, latar belakang ekonomi global menjadi kurang yakin semula. Keupayaan kerajaan baru Malaysia akan diuji dengan teruk sekiranya ekonomi global dijejaskan oleh perang perdagangan Trump pada 2019.

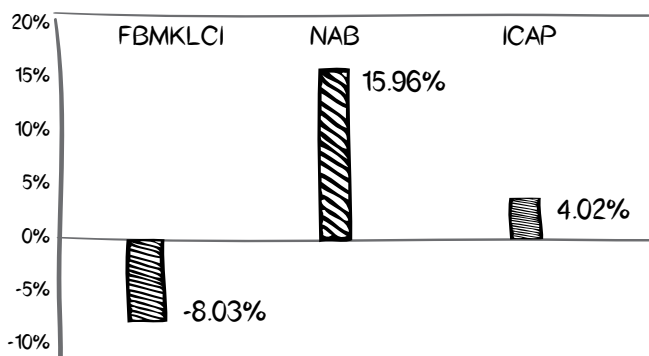
Peningkatan Modal Jangka Panjang

Dengan tenang, Dana anda telah mencapai kejayaan baru. Menjelang 31 Mei 2018, icapital.biz Berhad mempunyai aset bernilai lebih daripada setengah bilion Ringgit. Ini berbanding dengan hanya RM140 juta pada bulan Oktober 2005. Laozi dengan bijak telah menasihatkan: “*Alam tidak tergesa-gesa, namun semuanya telah dicapai.*” Kami menanti-nantikan Dana anda mencapai tanda satu bilion Ringgit pada masa akan datang.

Pada 21 Ogos 2018, Dana Anda mempunyai lebih daripada RM285.48 juta tunai dan hampir tunai (atau RM2.04 sesaham), berbanding dengan RM270.56 juta (atau RM1.93 sesaham) pada 21 Ogos 2017. Tahap tunai yang tinggi dalam tahun kewangan ini telah melindungi NAB Dana anda sekali lagi.

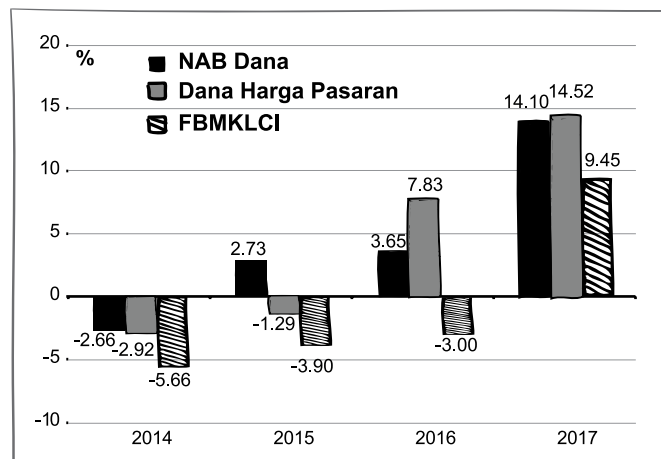
Carta 6 menunjukkan prestasi FBMKLCI dari kemuncaknya pada 8 Julai 2014 sehingga 31 Mei 2018, dan NAB dan harga saham icapital.biz Berhad dalam tempoh yang sama. Walaupun FBMKLCI kehilangan 8.03%, NAB Dana anda mengunjur 15.96% dan harganya meningkat 4.02%.

Carta 6 : Prestasi pada 31 Mei 2018 dari 8 Jul 2014



Pada tahun 2017, Dana anda telah mengatasi FBMKLCI untuk tahun keempat berturut-turut. NAB dan harga saham Dana anda kedua-duanya lebih baik daripada FBMKLCI pada tahun 2014, 2015, 2016 dan 2017 seperti yang tertera dalam **Carta 7**.

Carta 7 : NAB Dana dan Harga Pasaran Iwn FBMKLCI



Pelaburan Nilai

Ada perkara-perkara yang tidak berkesudahan untuk dipelajari dari ahli falsafah Cina purba, termasuk intipati nilai pelaburan. Laozi, yang menulis “Daodejing” klasik dan hidup dari 604 SM hingga 531 SM, berkata:

“Tiga puluh jurucakap bertemu di hab, tetapi ruang kosong di antara mereka adalah intipati roda.”

“Pasu dibentuk dari tanah liat, tetapi ruang kosong di dalamnya ialah intipati pasu.”

“Dinding yang bertingkap dan pintu membentuk rumah, tetapi ruang kosong di dalamnya adalah intipati rumah.”

Kami ingin menambah bahawa wang tunai adalah seperti ruang kosong yang di dalamnya adalah intisari pelaburan nilai yang tidak dihargai.

“Ingatlah bahawa risiko yang tinggi bermaksud peluang untuk anda mendapat pulangan yang tinggi atau apa-apa pulangan adalah tipis. Satu-satunya cara untuk mendapat kejayaan yang konsisten adalah dengan mencari pelaburan berisiko rendah dengan pulangan yang tinggi.”

— Tan Teng Boo

AGM ke-14

Pengurus dana yang baik tidak boleh terganggu oleh bunyi-bunyi jangka masa yang lebih pendek; Begitu juga dengan pemilik saham yang percaya dalam pelaburan nilai jangka panjang tidak akan terganggu oleh pelabur jangka pendek. Bagi Dana anda untuk berjaya dalam tahun ke tahun, menarik pemilik saham yang betul adalah sangat penting. Seperti biasa, kami akan menggalakkan semua pemilik saham menghadiri Mesyuarat Agung Tahunan ke-14 yang akan diadakan pada hari Sabtu, 10 November 2018.

Sejak 2010, Mesyuarat Agung Tahunan (AGM) icapital.biz Berhad telah diadakan bersama dengan Hari Pelabur Tahunan. Untuk mencapai pengurusan acara yang lebih baik, kedua-dua acara telah diadakan pada dua tarikh yang berlainan mulai 2017. Kami akan meneruskan format ini pada 2018. AGM ke-14 akan berlangsung sepanjang hari dengan lebih banyak masa yang diperuntukkan untuk sesi soal jawab dengan Pengurus Dana anda.

Akhir kata, laporan tahunan ini mengandungi gambar berwarna beberapa tumbuh-tumbuhan yang indah untuk membawa pulang titik bahawa Amerika tidak sepatutnya melupakan sumbangan yang tidak diketahui tetapi indah yang dibuat oleh China. Kos tambahan dalam mencetak laporan tahunan yang mengandungi tanaman berwarna ini ditanggung oleh Capital Dynamics Asset Management Sdn Bhd.

Tan Teng Boo

Pegawai Lantikan Khas
Capital Dynamics Asset Management Sdn Bhd
21 Ogos 2018

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。其范围可以是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。如同其他挂牌上市的公司,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。这可通过坚守价值投资理念达成。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。

除非获得股东们的一致同意,否则,您的基金不能借贷。

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。若能成功达到这目标,我们将证明长期性且认真地投资于大马证券交易所也能提供卓越的回酬。

如何衡量您的基金

衡量您的基金表现的适当指标为资产净值而非盈利或每股营收或损益表。

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。

基金管理公司指定一位指定人根据被批准的投资政策及目标来管理基金的资产。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

如何联络我们

欲知有关您的基金的更多详情,请浏览

www.icapital.my

您可以通过 (603) 7720 1188, 或 (603) 7720 1111 (传真号码) 抑或电邮至 boardroom-kl@boardroomlimited.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。

我们的表现

我们将在此部分评估资本投资有限公司的表现。

A 致股东的信函

截至2018年5月31日止财政年度，您基金的资产净值（简称NAV）已从上一个财年的RM4亿6千328万5千大幅增加至RM4亿9千869万5千。截至2018年5月31日，您基金的资产净值从2017年5月31日的每股RM3.31上升了7.6%至每股RM3.56。

截至2018年8月21日，您的基金已不知不觉地达到另一个里程碑，因为其净资产已超过RM5亿，达到RM5亿零310万或每股RM3.60。从一开始至今的年化回报而言，您基金的净资产值已取得10.78%的回报率，而隆综指则为5.41%。与此同时，您基金股价的年化回报率比同期的隆综指高3.1%。

本基金在2018财年的表现一直很强劲，尤其是在考量了自我上一封信以后所发生的众多事态发展。在全球范围内，美联储大幅收紧货币政策，对许多新兴经济体产生不利影响。以一位令人莫测的总统为首的美国发动了一场针对中国的危险贸易战，而且仍在持续中。在本地，马币一直在走弱；对于大马人来说，2018年的大选产生了一个新政府。在这样的环境中，我们感谢资威依然提供了另一年的优异表现。

正如我们一直强调的那样，就评估基金表现而言，资产净值是最合适的参考变数，其损益表没有评估价值。此外，您基金的主要投资目标是长期资本增值。尽管如此，截至2018年5月31日的财年，您的基金取得总营业额为RM2千887万6千，比去年同期增加了RM1千143万6千。税前盈利为RM1千113万8千，而上一财年则为RM310万4千。营业额的增长是鉴于出售投资所取得的收益及截至2018年5月31日的财年取得较高的利息及股息收入。然而，截至2018年5月31日的财年，您基金投资的未实现收益已于从去年的RM3千559万1千减少至RM3千零73万3千。截至2018年5月31日的财年，您基金的综合收益总额从上个财年的

RM3千908万9千减少了9.41%至RM3千541万。

您的董事会和基金经理知道您的基金仍然以其资产净值的折价进行交易。他们将继续评估适当的折价控制措施。任何的最终选项都将不会损害您基金的长期目标。在履行其监督职责时，董事会致力于确保您的基金在符合其投资目标、政策和结构的高标准下运作。您的董事会将确保所有服务供应商按照条款履行其职责，并确保他们真诚地履行职责。

为了鼓励更多人参与此次大会，我很荣幸地宣布：除了例常的呈交2018年股东常年大会代理表格的方法之外，个人股东还可以通过电子提交线上网站以在网上提交代理表格。更多关于该程序的详情，请参阅代理表格的附件1。无论您拥有的股份数量是多少，股东应尽一切努力行使其投票权。

最后，您的董事会、基金经理和投资顾问希望借此机会欢迎新股东，同时向各位股东，尤其是那些自本基金成立以来一直与我们同在的股东们表达诚挚的谢意。希望在未来我们也能继续得到你们的支持。

拿督黄炳火

董事会主席

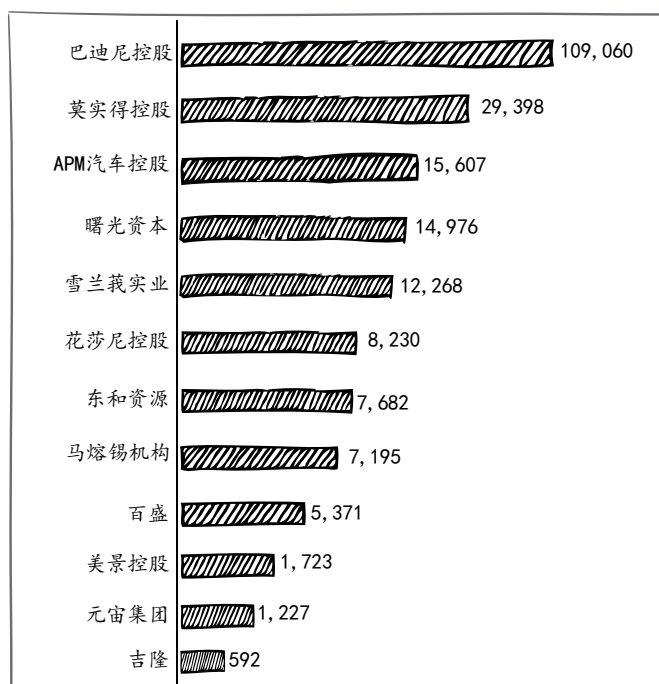
2018年8月21日

我们如何 善用您的基金

i. 投资组合

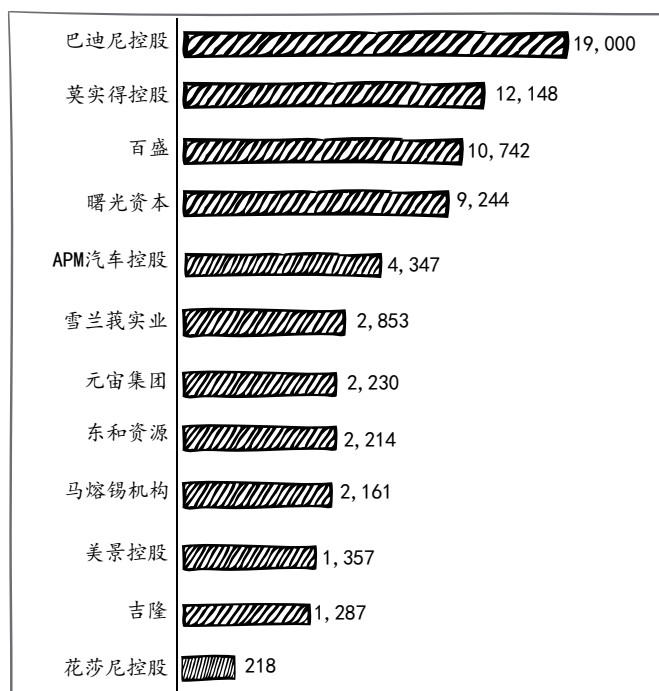
图一显示以当前市场价值排列的基金投资组合。

图一 截至2018年5月31日所持股票的市值 (RM '000)



图二显示以持股量排列的基金投资组合。

图二 自2016年5月31日以来所做出的收购 (以千支股计)



当您投资看待成投
资于一门生意时，
这是最聪明的

-本杰明·格雷厄姆

ii. 已卖出的股项

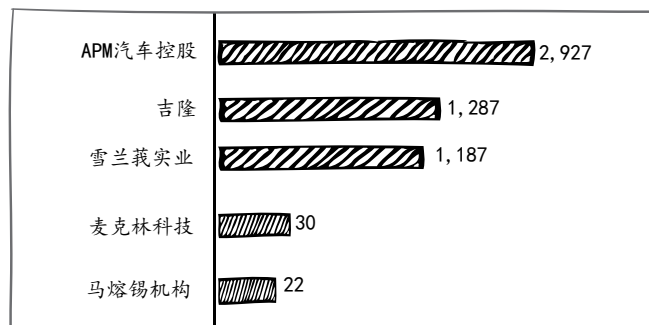
截至2018年5月31日的财政年度，您的基金卖出了30万支花莎尼控股股票、76万3千400支马熔锡机构股票、36万5千400支东和资源股票和3万支麦克林科技股票，带进了RM902万的盈利，成本为RM538万。

截至2018年5月31日，您的基金投资了RM1亿2千133万6千，市值为RM2亿1千332万8千，报上了RM9千199万2千的未套现收益。截至2018年5月31日，您的基金所持有的莫实得控股、花莎尼控股、马熔锡机构、巴迪尼控股、曙光资本及东和资源已取得了大量的未套现收益，其中巴迪尼控股报上了最高额的未套现收益，即RM1亿零357万。

iii. 已作出的投资

如图三所示，截至2018年5月31日，您的基金作出了新投资。它们是APM汽车控股、吉隆及雪兰莪实业。APM汽车控股是一家良好的汽车部件制造商。吉隆是一家电子制造公司，而雪兰莪实业是房产开发及投资公司。马熔锡机构和麦克林科技的持股量变动投资组合的技术性调整。

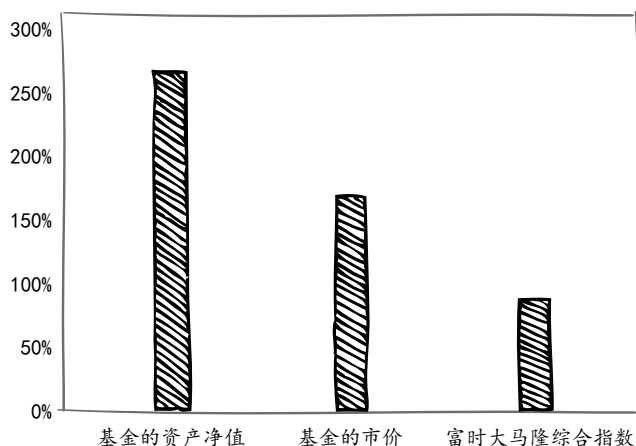
图三 自2018年5月31日的买进 (千股)



iv. 表现：资产净值及股价

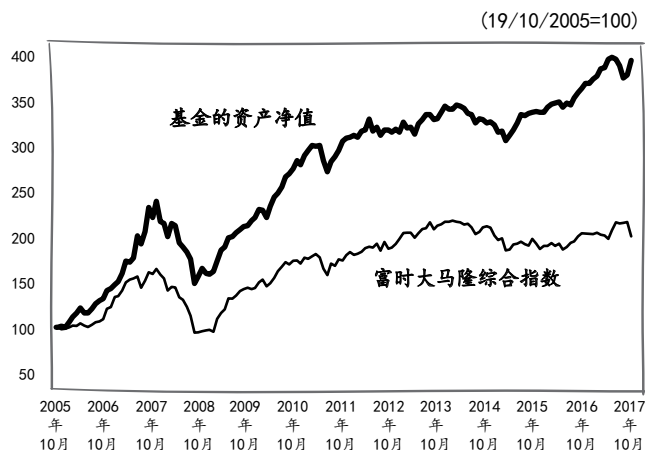
自资本投资有限公司于2005年10月19日上市以来，您基金的每股资产净值已从RM0.99增长至2018年5月31日的RM3.56 - 参阅图四。这代表了260%的增长率。自其于2005年10月19日上市以来，您基金的市价已从RM1.01上升至2018年5月31日的RM2.59，即156%的增长率。在同期内，富时大马隆综合指数上涨了90%。

图四 从2005年10月19日至2018年5月31日的回酬



图五显示您基金的资产净值与富时大马隆综合指数之间的表现对比。

图五 基金的资产净值对隆综合指数



从2017年6月1日至2018年5月31日，您基金的每股资产净值从RM3.31增长至RM3.56(8%的增幅)，但市价从RM2.64下降至RM2.59(2%的降幅)。同期内，富时大马隆综合指数下滑了1%。

资本投资有限公司自上市以来的表现如以下表一及表二。

表一 从2005年10月19日至2018年5月31日的累积回酬 (%)

年份	资产净值	价格	隆综指	现金*
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12月31日	211.48	137.06	85.14	61.76
2016年12月31日	222.87	155.62	79.59	68.59
2017年12月31日	268.40	192.72	96.55	54.61
2018年5月31日*	268.40	166.95	90.40	56.78

注*: 现金指基金持现金水平, 而2018年则指2018年5月31日。

表二 从2005年10月19日开始的年化回酬

截至	基金的资产 净值	基金的市价	富时大马隆 综合指数
2005年12月31日	0.00	46.93	-7.62
2006年12月31日	31.09	37.08	16.34
2007年12月31日	44.65	54.93	23.14
2008年12月31日	15.49	10.83	-1.30
2009年12月31日	18.07	14.09	8.19
2010年12月31日	19.94	15.22	10.25
2011年12月31日	17.77	12.27	8.67
2012年12月31日	16.25	12.72	8.89
2013年12月31日	14.85	11.67	9.09
2014年12月31日	12.81	9.98	7.38
2015年12月31日	11.78	8.83	6.22
2016年12月31日	11.02	8.73	5.36
2017年12月31日	11.27	9.20	5.69
2018年5月31日*	10.88	8.09	5.23

如上表明确显示，您基金的现金水平在10.51%的低点和68.59%的高点之间。关于本基金总是持有高水平的现金传闻其实就是假新闻。

v. 我们的见解

全球局势

自去年的年报以来，全球经济和市场就因为特朗普的关税齐射（尤其是那些针对中国的关税齐射）而受到了冲击。

特朗普总统于2018年4月9日凌晨3点03分发布了以下内容：

“当一辆汽车从中国进口至美国时，其支付2.5%的关税。当一辆汽车从美国进口至中国时，其支付25%的关税。这还是自由或公平交易吗？不，这根本就是個愚蠢的贸易——竟然还实行了那么久！”

2.5%和25%之间的天壤之别看似浅显易懂，但他是真的吗？还是他编造了假新闻？自由或公平交易该如何定义？肯定不是像特朗普那般。这项贸易并不愚蠢；愚蠢的是这篇推文。为什么呢？

美国拥有世界上规模最大、技术最强大的经济体。美国公司在技术进步方面处于或接近前沿，特别是在电脑、医疗、航天、航空、军事装备等各种领域。从军事角度来看，美国是世界上最强大的国家。另一方面，中国直等到1970年代末才从封闭的中央计划体制转向更加市场化的体系。一系列改革开始于逐步淘汰集体化农业，并延伸至逐步自由化价格、财政分权、提高国有企业自主权、建立多元化银行体系、开发股票市场、私营部门蓬勃增长以及开放对外贸易和投资。自1949年以来，中国一直不断实施改革。在将其货币与美元挂钩多年之后，中国在2005年将其汇率制度建立在参考一篮子货币。这两个截然不同经济体之间的“自由公平贸易”到底该如何定义？

在2017年，中国48%的人口是农村人口，约有6亿7千200万人。美国18%的人口是农村人口，约有5千800万人。中国的农村人口几乎是美国的12倍。

2017年，中国的人均国内生产总值（简称GDP）为8,827美元；美国的人均GDP则为59,531美元。美国的人均GDP是中国的6.7倍。就人均GDP而言，中国被世界银行排在第72位，大马则排在较高的65位。

一个巨大的发展中国家和一个强大的发达国家之间进行的“自由公平贸易”究竟该如何定义？

在今年的年度报告中，我们想分享一些被遗忘、甚至不为人知的事实，以进一步解释为什么公平和自由贸易是不能像特朗普般如此轻易地下定义。

[1]. 中国赋予西方的礼物

“美国在1940年印刷了近1万本新书。1万3千份报章被影印成数百万份并被分发至全国各地。这一切能够发生都是拜人类学会如何制作纸张和发明移动打印印刷所赐 - 而这是源自中国的发明。如下图所示，世界第一本印刷书籍是在1,074年前在中国制作的。”

“在公元1923年之前，美国几乎都不知道大豆的存在。然而到了1940年，这个国家的农田种植了超过7千900万蒲式耳的大豆。（注：1蒲式耳=21.22公斤）当年的大豆作物价值超过6千万美元，用于生产面包、饼干、汤粉、方向盘，以及用在汽车、塑料梳子和刷子上的板片等数百种物品。大豆植物来自中国。桃子、杏子和菊花等植物也是如此。”

“我们都读过‘我们欠古希腊和罗马的债’和‘我们从欧洲得到的遗产’之类的话。那么，我们是不是也该想想亚洲文化和人民带给我们的礼物呢？这份小册子将讲述中国赋予西方世界的一些东西。”

“中国送西方礼物的故事可以追溯到好几百年前。在哥伦布来到美国之前，中国早已与欧洲贸易了几个世纪的货品。”

“在认识这些来自中国礼物的故事后，人们将更加深刻地认识到中国人对我们美国生活方式的重要影响，意识到所有民族和国家之间更密切、更友好地合作的重要性，更认识亚洲国家对美国，甚至整个世界的福利和生活进步之贡献的重要性。”

“中国为全世界赋予了许多。其它国家也给予了中国许多。双方从未停止互相交换新发现、新发明和产品。我们所有人都将拥有更富裕的生活方式，因为在未来，亚洲国家、欧洲和美洲国家将越来越靠近。本篇汇集了有关中国赋予西方礼物的权威资料，而这些礼物远远超过一个小小的指南针。所有公民和教师都应当细细思量东西方之间密切关系的重要性。阅读卜德博士的文章可帮助我们更清晰了解亚洲文化对西方文明的长期影响。他所提供的资料为我们提升学校、院校和成人教育机构对亚洲的研究提供了实质内容。”

“这篇文章对社会学和人文科学教师具有直接和特殊的价值。在某些领域的课程中 - 特别是在世界历史调查中 - 其为整个班级或感兴趣的学生提供基本阅读材料或特殊报告。对于那些寻求将亚洲元素‘过滤’至现有课程中的教师来说，这篇文章绝对是一本很好的指南；为此，其为科学、工艺、艺术以及社会研究和人文科学教师提供了宝贵的建议。初中教师和负责集会和俱乐部会议的学生团体将在这里寻获有用的戏剧和节目灵感。”

“美国教育亚洲研究委员会非常感谢卜德博士准备手稿和洛克菲勒基金会使其出版成为可能。本文是目前正在编写的系列文章中的第一篇，旨在为美国公民对亚洲的友好理解做出贡献。”

上述摘要是由哥伦比亚大学美国教育亚洲研究委员会主席Howard E. Wilson先生所撰写。

资料来源：<http://afe.easia.columbia.edu/chinawh/web/s10/gifts.pdf>

[2]. 西方世界里的中国思想

除了赋予西方的中国物品发明，中国“思想”也影响了西方的政治和社会发展。本篇《西方世界里的中国思想》将探讨中国的思想起源和其带来的影响：文官制度、炼金术和化学、农耕方法、启蒙时代的思想、西方文学和西方政治经济理论。Howard E. Wilson先生道：

“今天，各族文化的人比以前的人更需要了解自己、了解别人的文化、并懂得与他人有思想的交流和扩展，创造一个包涵所有文明共同特征的新思想。除非能获得这种意识并将其作为明智行动的基础，否则现代世界的各个国家可能会发生自我和文明的破坏。”（划线处是我们的重点）

虽然Howard Wilson在特朗普登场之前很久就写了这一段，但他几十年前所写的真相和智慧，和现在的处境是再有意义不过了。

“教育对扩大视野和促进各国人民之间的认识负有重大责任。这篇优秀的文章是美国教育委员会系列的第三篇文章，也是第二篇来自卜德博士的深度学习之笔，旨在帮助促进美国教育中的亚洲研究。这篇文章是专为教师、中学生和大学生所著——以及所有对我们的想法来自何处以及中国对我们文明的贡献感兴趣的人。这篇文章将对文学、科学、历史和公民课程以及大众读者大有裨益。本册概括描写了《中国灰姑娘》、《炼金术—现代化学的先驱》，以及中国对欧洲启蒙时代、当前政治和经济理论、文官制度、西方文学和农业经济的贡献。”

资料来源：<http://afe.easia.columbia.edu/chinawh/web/s10/ideas.pdf>

上述篇幅是由Howard E. Wilson先生在第二次世界大战中期（1942年）所写，以感谢宾夕法尼亚大学中文助理教授——卜德所做的巨大贡献。特朗普总统和彼得·纳瓦罗、罗伯特·莱特希泽、威尔伯·罗斯等人应该读一读这些篇幅，使21世纪的世界将更加和平与繁荣。中国应当为大力促进美国的繁荣获得上万亿美元的酬劳。特朗普总统（彼得·纳瓦罗也一样）对自由公平贸易的概念根本一无所知。请继续往下读。

[3]. 中国发明时代

印刷技术、纸币、瓷器、茶叶、餐馆、火药、指南针等——宋朝（公元960年至公元1280年）的中国人给世界带来的发明之多令人难以置信。中国历史上这段充满活力的时期以经济繁荣和卓越的技术创新而闻名于世。麦吉尔大学历史与东亚研究教授——叶山（Robin Yates）在2000年的一次采访中描述了这个特殊时代及其对世界历史进程的影响。下列为这段长篇访谈的简短摘录。

“中国火药的发明是如何从东方带到西方的？”

“虽然学者们经常以为宋朝非常弱，但是火药的使用是使其能够阻挡蒙古人的攻击长达数十年的原因。最终，蒙古人成功抓获中国工匠，并使用最新的火药技术来对抗中国人。蒙古人利用那些对技术有特殊知识的人使他们在自己的军队中担任工程师。他们非常迅速地将这项技术传到西方，因为这对他们征服别国非常有帮助。”

请浏览<http://www.pbs.org/wgbh/nova/ancient/song-dynasty.html>以阅读这篇对叶山教授访谈的完整版。

中国没有向美国收取一分钱的特许权使用费或征收配额或关税，甚至从未指责美国盗窃知识产权，反而多方为美国的繁荣做出了巨大贡献。如果特朗普总统仔细观察他的花园或他心爱的美国树木和植物，他会对真相感到震惊，甚至可能会心脏病发。

[4] 花园之母

英国皇家植物园的退休馆长约翰西蒙斯说：“当你关注今天的现代花园时，你会发觉几乎没有一株植物不是产自中国的。”许多普通的花园植物诸如连翘、铁线莲、杜鹃花、山茱萸和报春花，美国人认为这些都纯粹是产自美国的，然而其实它们都是来自中国。英国植物猎手欧内斯特·亨利·威尔逊在1910年游历中国和他四次访问中国山区期间偷取了6.5万个植物标本，代表至少1,500个物种（它没有支付一分的版税）。“中国是当之无愧的花园之母，”他在同名著作中这样写到：“现代玫瑰的祖先，无论是茶还是杂交种茶，漫步者还是多花者花卉，花卉爱好者们都受到了中国花的恩赐；诸如……桃子，橙子，柠檬和葡萄柚。”

（资料来源：<http://discovermagazine.com/2005/aug/mother-of-gardens>）

中国本土植物约有3.1万种，比美国和加拿大加起来的还多三分之一。今天，世界各地的花园都被源自中国的开花植物所装点——包括杜鹃花、连翘花、木兰花、山茶花、报春花、维伯努姆花和其他许多植物。以下是一些最令人震惊的从中国移植到美国的案例。



石中牡丹
紫斑牡丹

“奥地利美国植物学家约瑟夫·岩石在20世纪中期在中国西部山区发现并命名了它，中国的园丁至少从公元七世纪就开始培育牡丹了，现今许多树和草本的牡丹都是起源于很久以前在中国。牡丹并非中国独有（一些牡丹品种原产于北美西部和南欧），但中国的本土品种和园艺传统使西方园林更丰富。”

Fortune杜鹃
云锦杜鹃

“欧洲只有九种本土杜鹃；中国有600多种。19世纪中，随着中英两国敌对状态的结束，西方园艺家开始对中国的花卉资源感兴趣，杜鹃花因此备受追捧，因为许多杜鹃花能够在严酷的冬天生存下来。1856年，苏格兰植物收藏家

Robert Fortune在中国东部海拔3000英尺的山区发现了这个物种。这是第一个从中国引进到英国的杜鹃花，并随后培育了数百种栽培品种。”



峨眉报春

“这株高大的报春花有着钟形的花朵，是第一个以威尔逊命名的品种。

（这是公认的普遍的科学名称，没有共同的名字）。1900年，威尔逊在横断山脉的高山草甸上采集了它。约500种已知的报春花中，包括许多西方园林中常见的品种，其中近300种原产于中国。”



“这株高大的报春花有着钟形的花朵，是第一个以威尔逊命名的品种。



鱼皮枫
血皮槭

“纸皮枫虽然不像帝王百合花那么艳丽，也不像百合花那么有名，但它却是植物猎人威尔逊最喜欢的植物之一。在秋天的晚些时候，它的三叶草叶子会变成红色和橙色的明亮色调，通常它们的颜色会一直保持到冬天。俗称‘纸皮’指的是树的肉桂红色树皮从树干上剥落，这是一种园艺家珍视的装饰性特性。”



鸽子树
珙桐

“当它在春天开花时，微风吹拂着花朵底部长长的白色苞片（经过修饰的叶子）发出沙沙声，很明显为什么达维迪亚总有‘鸽子树’和‘手绢树’这样的名字。在西方的花园中，它仍然是罕见的珍品，但在19世纪，它是传奇的。1870年左右，法国传教士阿曼德·大卫（Armand David）让西方苗圃注意到它。但直到世纪之交，包括欧内斯特·威尔逊在内的植物猎人才找到这些树，并将种子从中国运至西方国家。”



帝王百合
岷江百合

“在巨大的植物园土壤和无数卑微的家庭小块土地上，帝王百合花是至高无上的。虽然如今百合花无处不在，但它唯一的自然栖息地是横断山脉狭窄山谷中30英里长的岩石悬崖。这是威尔逊最有名的介绍，既因为它的美丽，也因为他几乎付出了生命的代价。1910年，当威尔逊的团队正在收集数百株百合时，一场山崩打击了他们。一块掉落的石头砸断了威尔逊的腿，故有他后来的昵称为‘百合跛行’。”



黎明红杉
水杉

“这棵珍贵的红杉被称为‘活化石’，也证明了中国植物群的多样性。和中国的许多其他植物一样，这个物种在最后一个冰河时代幸存了下来，当时，北美和欧洲类似植物群在冰河时期被灭绝。直到1948年，水杉属仅从化石记录中得知，但在川鄂地区发现的一小群树木中被证明属于这个古老的种属。多亏了在中国收集的种子和树苗，黎明红杉树现在在全世界的花园里茁壮成长。”





中国玫瑰
月季花

“玫瑰原产于欧洲中部和南部以及亚洲，在两大洲的花园里种植已有一千多年的历史。但西方的玫瑰园如今要感谢18世纪末和19世纪从中国引进的玫瑰，因为这些玫瑰所带有的基因，可以让它们在夏季和秋季反复开花。图中的中国蔷薇‘老红晕’就是其中之一。中国的园丁可能在这品种到达欧洲之前几个世纪就创造了它。如今，成千上万种重复开花的玫瑰都是由中国的玫瑰孕育而成。”



耐寒凤仙花
峨眉凤仙花

“这种多年生植物说明了中国植物群是如何再次为世界花园做出贡献。”直到1983年，在邓小平向西方开放中国后不久，它才被引入西方。美国生态学家Don Jacobs从生长在四川峨眉山云林中的野生凤仙花上采集种子。这座山是佛教徒的圣地，也是植物学家的圣地。威尔逊于1903年前往这座山，对它的生物多样性惊叹不已。今天的游客可以体验一个世纪前威尔逊所经历的奇迹。



桃树
蔷薇

“早在威尔逊时代的几千年前，中国就出口了许多植物珍品，桃树就是一个很好的例子。它的品种名称叫桃属植物（persica），因为欧洲博物学家错误的认为桃属植物是来自波斯的植物。事实上，植物学家现在认为，早在公元前2000年，桃子就沿着丝绸之路被引入中东和地中海地区。”



在19世纪中后期，美国铁路成为一个遍布全国的交通网络。美国运营的铁路线总距离从1850年的约1万4千500公里延长至1900年的近32万公里。铁路发展在1869年出现了高潮：当时工人们在犹他州奥格登附近铺设了加入了连接中太平洋和联合太平洋公司铁路的铁轨。这次的工程标志着世界上第一个横贯大陆的铁路系统的完工，这得益于被剥削的中国苦力。该系统通过铁路将美国与沿海连接起来。

铁路的贡献是使美国变得伟大的最重要因素。到目前为止，被剥削的中国苦力在铁路工作的贡献、作用和牺牲，特别是穿越洛基山脉和内华达山脉的艰巨任务还没有认同。这些人使美国变得更伟大。

以下关于被剥削的中国工人对美国铁路的贡献的内容来自：<http://web.stanford.edu/group/chineserailroad/cgi-bin/wordpress/faqs/>。

与欧洲血统的工人相比，中国工人的工资是多少？

“最初，中国工人每月薪资为24至31美元，尽管工资会因工作技能或危险程度而有所不同。例如，那些在隧道工作的人每月会得到额外1美元。他们的工资最终升至每天35美元，与欧洲血统的工人大致相同。然而，中国工人工作时间更长，而且得向他们的工头或承包商支付自己的住宿和食物，甚至他们的工具；另一方面，中太平洋和联合太平洋公司为白人工人提供住宿、饮食和工具，无需支付额外费用。”

他们建造的铁路线路中最难和最危险之处是什么？

隧道

“1865年秋天，中国工人开始建造15条隧道，其中大部分隧道位于内华达山脉的高海拔地区，总长度为6,213英尺。历史学家一致认为，最困难的隧道是6号洞的山顶隧道，须穿过坚固的花岗岩，长1,695英尺，低于地表124英尺。这项工程的进展非常缓慢，每天须使用许多黑色粉末桶，但在坚硬的岩石中效果不大。现场由化学家混合硝化甘油，但其性质太不稳定，导致许多爆炸意外，因此被放弃使用……这项工作经过了两次史上最严重的冬季。暴风雪带来的大雪经常阻挡隧道入口，雪崩摧毁了中国工人的营地，导致多人死亡。顶峰隧道于1867年11月30日完成、审核和轨道铺设。”

一天十英里

“1869年4月28日，在一天内铺设了十英里和五十六英尺的轨道。这项成就是为了回应Charles Crocker与联合太平洋公司托马斯·杜兰特（Thomas Durant）达成的1万美元赌注，看看他的工人能否达成看似“不可能的任务”。一支由8名爱尔兰铁路经营者组成的小队和一支由4千名工人组成的小型军队，大部分是中国人，从凌晨5时到晚上7点之间完成了这项壮举，铺设了6英里的铁轨，只有一次中午休息……在一天内铺设10英

里以上对铁轨团队来说非常浩大的工程。这就像一个编排复杂舞蹈序列的舞蹈指导。每个人都有节奏律动。即使在现代，这项成就也难以达成.....铁路公司记录了这8名爱尔兰工人的名字，他们在萨克拉门托的游行中受到热烈欢迎。没有一名中国工人的名字被记录下来；他们被遗忘了，所以他们仍然默默无名。”

特朗普总统绝对没有道德和经济依据来教训中国什么是自由和公平贸易。他以“让美国再次伟大”的名义所发动的全球贸易战是最愚蠢的想法。中国已对美国做出了如此多的贡献，那自由和公平贸易又该如何定义呢？

布朗大学政治学教授和著名书籍《Smuggler Nation: How Illicit Trade Made America》（意译：走私者王国：美国如何藉非法贸易崛起）的作者 - 彼得·安德烈亚斯分享了许多美国过去从英国和欧洲窃取技术的非凡伎俩。以下内容摘自基于该书的一篇文章《盗版与欺诈推动美国工业革命》。

“尽管一般上高中教科书中多方掩饰，但作为一个年轻且新兴的工业化国家，美国自己积极从事这种知识产权的盗窃，现在却坚持要求其他国家禁止盗版.....在成长时期，美国是知识分子盗版和技术走私的温床，特别是在纺织业，他们违反英国的出口和移民法，获得机器和熟练的机械师。直等到成为一个成熟的工业大国之后，该国才开始大力鼓吹知识产权保护.....美国从革命战争中走出来，并敏锐地意识到欧洲的技术优势。其渴望赶上并迅速缩小技术差距。”

资料来源：https://groups.google.com/forum/#!topic/asia-commons/3FDmHxL9_Ds

英国对试图将机器或设计带出国外，甚至引诱技术工人和机械师的人施以严惩。这些离开英国的技工是违法的，但仍有数千人偷偷涌入美国。最著名的是受到美国激励措施吸引的塞缪尔·斯莱特。受到美国机遇和成功故事的诱惑，他假装成为一名非技术工人，并于1789年前往罗得岛。美国总统安德鲁·杰克逊称斯莱特为“美国工业革命之父”。猜猜英国叫他什么？“叛徒斯莱特”。

在此期间，棉纺织成品主导了英国的出口，约占所有出口的一半。在国内生产总值方面，该行业的规模约为今天整个美国汽车行业的三倍。“高速纺织品制造是在那个时代一项非常先进的技术，因此英国对分享这技术的敏感度与美国分享其先进的软件和微处理器突破一样敏感。于是，英国国会立法对转移商业秘密的犯罪行为实施严厉惩罚，甚至禁止技术纺织工人或机械师移民。

像斯莱特和罗威尔这些人的做法确实产生了深远的影响：“（他们）加速启动了美国大规模的生产制

造业，这是美国在19世纪惊人增长的主要因素。”

（资料来源：<https://foreignpolicy.com/2012/12/06/we-were-pirates-too/#>）

另一篇令人大开眼界的是这篇题为《美国抱怨别人窃取其技术，但美国自己就曾是技术盗贼》的文章。这篇必读文章的摘录如下：

“1787年，美国特工安德鲁·米切尔在试图走私英国新技术时被英国当局截获。

他的行李箱在被装上船后被扣押。行李箱里装的是英国一台伟大工业机器的模型和图纸。

米切尔自己成功逃脱并逃往丹麦避难。然而，他的使命标志着美国持续不断地从当时的世界高科技超级大国窃取技术。”

（资料来源：www.pri.org/stories/2014-02-18/us-complains-other-nations-are-stealing-us-technology-america-has-history）

米切尔是由亚历山大·汉密尔顿的亲密伙伴 - 坦奇·考克斯所派遣，汉密尔顿随后很快地成了美国第一位财政部长，并且是保护主义的强力支持者。汉密尔顿利用专利来吸引具有技能和知识的移民前往美国。例如，乔治·帕金森（George Parkinson）在1791年获得了一项纺织纺纱机专利，而这实际上只是他在英国使用的机器的一部分。美国也出钱让他举家移民并在美国重新安家。

中国内外的许多观察家都深信，特朗普开始对中国进行贸易战的最终目的是对这位美国唯一的战略竞争对手造成致命打击。

马来西亚的展望

自发布2017年年报以来，大马2018年全国大选带来的结果是另一项重大发展。这个年轻的国家勇敢地尝试展开一个新政府，而这个政府是在一个新的未经考验的联盟的基础上形成的。

著名中国作家和哲学家林语堂曾说过：

“中国人认为：警察太多了就没有自由可言；士兵太多了就没有和平可言；律师太多了就没有正义可言。”

我们要再加一句：“政客太多就没有未来可言。”拜特朗普的反华政策所赐，全球经济的局势已变得变幻莫测。若特朗普在2019年的贸易战对全球经济造成不利影响，大马新政府的能力将受到严峻考验。

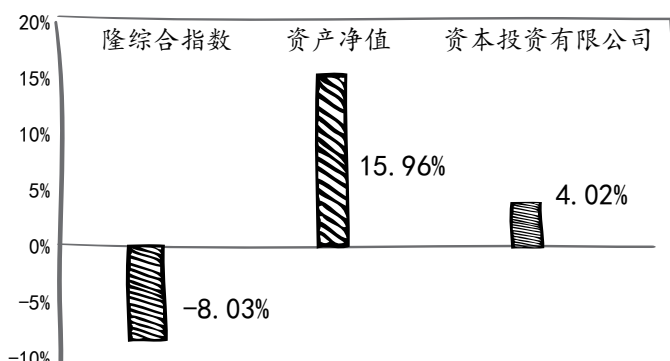
长期资本增值

不知不觉，您的基金已达到了一个新的里程碑。截至2018年5月31日，资本投资已拥有超过RM5亿的资产。相比之下，2005年10月只有RM1.4亿。充满智慧的老子说：“道恒无为，而无不为”。我们期待您的基金达到RM10亿的标杆。

截至2018年8月21日，您的基金拥有超过RM2亿8千548万的现金及近现金(或每股RM2.04)，而2017年8月21日则为RM2亿7千零56万(或每股RM1.93)。本财年的高现金水平再次保护了您基金的资产净值。

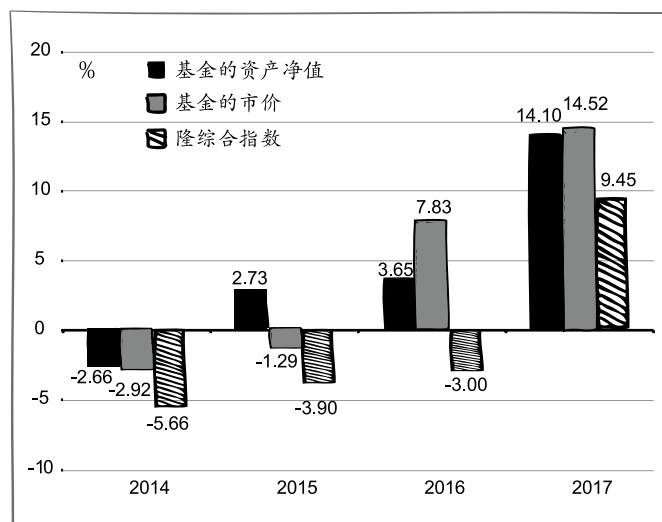
图六显示了富时大马隆综合指数从2014年7月8日的峰值至2018年5月31日的表现，以及同期资本投资的资产净值和股价。虽然富时大马隆综合指数下跌8.03%，但您基金的资产净值升值了15.96%，其股价也上涨了4.02%。

图六 2014年7月8日至2018年5月31日的表现



2017年，您的基金已连续第四年领先富时大马隆综合指数。您基金的资产净值和股价的表现于2014年、2015年、2016年和2017年均优于富时大马隆综合指数(图七)。

图七 基金的资产净值和股价对比富时大马隆综合指数



价值投资

我们可从中国古代哲学家那里学到的东西可谓无穷无尽，包括价值投资的本质。著作《道德经》并从公元前604年至531年的老子曾说过：

“三十辐共一毂，当其无，有车之用。埴埴以为器，当其无，有器之用。凿户牖以为室，当其无，有室之用。故有之以为利，无之以为用。”

同理而言，我们可再加一句：现金就像是“当其无”，是价值投资未被重视的本质。

请记住，高风险只是意味着你获取偏高或任何回酬的可能性很低。取得一致成功的唯一方法是找到低风险，高回酬的投资。

-陈鼎武

第十四届常年股东大会

一个好的基金经理不应被短期的噪音所分心；同样，相信长期价值投资的股东也不该被短期投资者搅扰。为了让您的基金年复一年地取得成功，吸引合适的股东是至关重要的。与往常一样，我们强烈鼓励所有股东参加于2018年11月10日，星期六举行的第14届股东常年大会。

自2010年以来，资本投资的股东常年大会都是与年度投资者日联合举办。为了实现更好的活动管理，这两项活动于2017年开始在两个不同的日期举行。我们将在2018年沿用此格式。第14届股东常年大会将举行一整天，您的基金经理将分配更多时间给问答环节。

最后，今年的年报中内附一些美丽植物的彩色照片，以突显美国不应忘记中国所做出但不为人知的美丽贡献。印刷含有这些彩色植物的额外年报费用将由资威资产管理私人有限公司承担。

陈鼎武

指定人

资威资产管理私人有限公司

2018年8月21日

PROFILE OF DIRECTORS

Datuk Ng Peng Hong @ Ng Peng Hay

- Chairman
- Independent Non-Executive Director
- Chairman of the Nomination Committee
- Aged 66, Malaysian, Male

Datuk Ng Peng Hong @ Ng Peng Hay 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.

Presently, he is the Chairman of Wellcall Holdings Berhad. He is also the Senior Independent Non-Executive Director of Bonia Corporation Berhad and Non-Independent Non-Executive Director of Sinmah Capital Berhad.

Datuk Ng Peng Hong @ Ng Peng Hay has no family relationship with any director or major shareholder of your Fund nor has he any conflict of interest with your Fund. He has not been imposed by any public sanctions or penalty by relevant regulatory bodies during the financial year. He attended all five (5) meetings held in the financial year ended 31 May 2018.

Dato' Seri Md Ajib Bin Anuar

- Independent Non-Executive Director
- Chairman of the Audit Committee
- Aged 68, Malaysian, Male

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 46 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 as well as the President of ASEAN Federation of Mining Associations. He is also the Chairman of the Kuala Lumpur Tin Market, the Chairman of the Malaysia Tin Industry (Research and Development) Board, a Director of International Tin Association Ltd (formerly known as ITRI Ltd) and ITRI Innovation Ltd, United Kingdom (the research and development body of the world's tin industry).

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. He was also a member of the Tin Committee of the London Metal Exchange from July 2011 to December 2016.

After retiring from MSC, Dato' Seri Md Ajib Bin Anuar continues to be active in the mineral resources industry as Chairman of a consulting group, Magic Mirror Consulting Sdn Bhd, providing consulting services in mineral and groundwater resources.

Prior to his appointment as the Group CEO of MSC, Dato' Seri Md Ajib Bin Anuar spent 23 years in MMC Corporation Berhad Group of Companies (formerly known as Malaysia Mining 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 Chairman of Malaysian Futures Clearing Corporation (1990 to 1993).

Dato' Seri Md Ajib Bin Anuar has no family relationship with any director or major shareholder of your Fund nor has he any conflict of interest with your Fund. He has not been imposed by any public sanctions or penalty by relevant regulatory bodies during the financial year. He attended all five (5) meetings held in the financial year ended 31 May 2018.

Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan

- Independent Non-Executive Director
- Member of the Audit Committee and Nomination Committee
- Aged 64, Malaysian, Male

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 International 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

PROFILE OF DIRECTORS / DESIGNATED PERSON

Investigation Department in October 2010, a position he held until his retirement in January 2014.

Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan has no family relationship with any director or major shareholder of your Fund nor has he any conflict of interest with your Fund. He has not been imposed by any public sanctions or penalty by relevant regulatory bodies during the financial year. He attended all five (5) meetings held in the financial year ended 31 May 2018.

Madam Leong So Seh

- Independent Non-Executive Director
- Member of the Audit Committee and Nomination Committee
- Aged 66, Malaysian, Female

Madam Leong So Seh was appointed to your Board of Directors on 21 April 2016. She graduated from University Malaya, Malaysia with a Bachelor of Economics and holds a Master in Economics from Vanderbilt University, USA.

She started her career as an Economist in the Economic Planning Unit Malaysia. Subsequently, she joined the Capital Issues Committee of the Finance Ministry and then the Securities Commission Malaysia ("SC"). She was in the Corporate and Investment Division in the SC as a Head of Department until her retirement.

She also sits on the board of Southern Acids (M) Berhad as an Independent Non-Executive Director.

Madam Leong So Seh has no family relationship with any director or major shareholder of your Fund nor has she any conflict of interest with your Fund. She has not been imposed by any public sanctions or penalty by relevant regulatory bodies during the financial year. She attended all five (5) meetings held in the financial year ended 31 May 2018.

PROFILE OF DESIGNATED PERSON

Under the Securities Commission ("SC") Guidelines for Public Offering of Securities of Closed-end Funds, "Designated Person" means the individual(s) responsible for managing the investments of the closed-end fund as approved by the SC under the Guidelines

Mr Tan Teng Boo

Mr Tan Teng Boo, aged 64 is the Designated Person of your Fund as approved by the Securities Commission under its Guidelines on the Public Offering of Securities of Closed-end Funds.

Mr Tan Teng Boo is appointed by your Fund Manager and is the person responsible for managing the investments of your Fund since its listing on 19 October 2005.

Mr Tan is the founder and Managing Director of your Fund Manager and Investment Adviser. He is a Capital Markets Services Representative's Licence Holder for the regulated activity of Fund Management.

He holds an honours degree in Economics from Sussex University, England. He has over four decades of experiences in the equity markets and economies. As a result of his fascination with investing, he has the unique ability of blending his investing skills with his business experiences. As Warren Buffett, the world renowned investor, said, "It's been awfully good to have a foot in both camps."

EXPLANATORY NOTE

to the Corporate Governance Overview Statement, Audit Committee Report and Statement on Risk Management and Internal Control

As explained in the section of this Annual Report under "About icapital.biz Berhad", your Fund is a closed-end fund and in essence, has a structure and function that is significantly different from other public companies listed on Bursa Malaysia Securities Berhad ("Bursa Securities").

Your Fund's Board comprises independent and non-executive Directors. Your Fund does not have any management such as a Chief Executive Officer ("CEO"), Chief Financial Officer or employees as the entire operations are outsourced to service providers independent of your Fund.

It is mandatory for your Fund to appoint a Designated Person (besides a Fund Manager) to be responsible for managing the assets of your Fund and plays a key role. The Designated Person must be approved by the Securities Commission under the Guidelines for Public Offering of Securities of Closed-end Funds ("SC CEF Guidelines"). In this respect, your Fund is very different from other listed companies.

Your Fund Manager has previously submitted feedback to Bursa Securities during the consultation period in 2015 and 2016 and highlighted that some of the corporate governance and disclosure requirements as proposed by Bursa Securities may not be applicable to your Fund as a closed-end fund.

As explained by your Fund Manager, a closed-end fund is set up for the purpose of engaging wholly in the business of investing its funds in securities through managing a portfolio of investments for the benefits of its share owners, and in accordance with the investment objectives and policies as stated in its Constitution and the Initial Public Offering Prospectus.

A significant difference highlighted in the submission was that the most appropriate performance indicator of a closed-end fund is its Net Asset Value ("NAV") and the NAV is computed on a daily marked-to-market basis and is released to the public on a weekly basis. Therefore, it is not appropriate to look at the profit or earnings or earnings per share or the profit and loss statement when tracking the performance of your Fund.

The SC CEF Guidelines further prescribe that a closed-end fund shall not conduct any other business other than that of a closed-end fund, and that no shareholder shall hold more than 20% of the total issued and paid-up shares of the closed-end fund, thus making its business unique and different from other public companies listed on Bursa Securities.

AUDIT COMMITTEE REPORT

1. COMPOSITION

The Audit Committee ("AC") comprises of the following members:-

Name of Director	Membership	Directorship
Dato' Seri Md Ajib Bin Anuar	Chairman	Independent Non-Executive Director
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	Member	Independent Non-Executive Director
Madam Leong So Seh	Member	Independent Non-Executive Director

The composition of the AC fulfills the requirements of Paragraphs 15.09 and 15.10 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR").

2. TERMS OF REFERENCE

The Terms of Reference of the AC is available on your Fund's corporate website.

3. MEETINGS

During the FYE 2018, a total of four (4) AC meetings were held. The attendance of each AC member is set out on page 60 of this Annual Report.

As a closed-end fund, the entire Board of Directors of your Fund is independent and non-executive and unlike a normal listed company, your Fund has no chief executive, management or employees. Your Fund employs an external management structure whereby all its functions are undertaken by external Service Providers, details of which are set out on page 57 and the inside back cover page of this Annual Report. The External Auditors of your Fund is Messrs Crowe Malaysia (formerly known as Crowe Horwath).

The Service Providers and External Auditors attended the AC meetings by invitation of the AC. Minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting and presented to your Board for notation.

4. ANNUAL ASSESSMENT

Your Board, based on the recommendation of the Nomination Committee ("NC"), reviewed the term of office and assessed the performance of the AC through an annual assessment of the Board and Board Committees. The Board was of the view that the AC:-

- was well-balanced, with its members having diverse skill sets and core competencies; and
- had performed satisfactorily in the discharge of its functions, duties and responsibilities in accordance with the Terms of Reference during the financial year ended 31 May 2018 ("FYE 2018").

5. SUMMARY OF THE WORK OF THE AC DURING THE FYE 2018

The principal activities undertaken by the AC in the discharge of its functions and duties during the FYE 2018 are summarised as follows:-

5.1 Financial Reporting

- The AC reviewed your Fund's quarterly financial results and annual audited financial statements of your Fund prior to approval of your Board and announcements to Bursa Securities by the Company Secretaries.
- In discharging this role, the AC deliberated with the Administrator, Fund Manager and the External Auditors to ensure the quarterly financial results and annual audited financial statements gave a true and fair view of the financial position of your Fund and were prepared in accordance with:-
 - Malaysian Financial Reporting Standards;
 - International Accounting Standard 34 Interim Financial Reporting;
 - Paragraph 9.22 of the MMLR; and
 - Section 244 of the Companies Act 2016.

5.2 External Audit

- The AC reviewed with the External Auditors the Audit Planning Memorandum for the FYE 2018 and the amount of audit and non-audit fees of your Fund for the FYE 2018, the particulars of which are as follows, before recommending to your Board for approval:-

Particulars	Amount (RM)	Total (RM)
Audit fee	41,000.00	41,000.00
Non-audit fees		15,000.00
• Review of Statement on Risk Management and Internal Control	5,000.00	
• Review of Financial Statements	8,000.00	
• Determination of Realised and Unrealised Profits or Losses	2,000.00	
		56,000.00

- The AC reviewed and discussed with the External Auditors on the Audit Findings, Audit Review Memorandum and the draft audited financial statements for FYE 2018.
- The External Auditors declared their independence with respect to the audit of your Fund in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants' By-Laws (on Professional Ethics, Conduct and Practice). The External Auditors also confirmed that they were not aware of any non-audit services which compromised their independence as External Auditors of your Fund.
- The AC also received written confirmation dated 30 July 2018 from the External Auditors that during their course of audit for FYE 2018, nothing had come to their attention that there

AUDIT COMMITTEE REPORT

was any material deficiency in internal controls of your Fund for FYE 2018.

- e. The AC conducted an evaluation of the External Auditors for FYE 2018 through External Auditors' evaluation forms based on the following criteria:-

- Quality of services and sufficiency of resources provided by the Auditors;
- Communication and interaction with the Auditors; and
- Auditors' objectivity, independence and professional scepticism.

Based on this evaluation, the AC was satisfied with the performance of the External Auditors and agreed that Messrs Crowe Malaysia (formerly known as Crowe Horwath) had demonstrated their objectivity, independence and professionalism throughout their course of audit.

- f. Based on the AC's recommendation, your Board agreed to table the re-appointment of Messrs Crowe Malaysia (formerly known as Crowe Horwath) as the External Auditors for the ensuing financial year for share owners' approval at the Fourteenth Annual General Meeting.
- g. The AC held two (2) private discussion sessions with the External Auditors in respect of the audit of your Fund's financial statements for the FYE 2018.

5.3 Internal Audit

- a. Your Fund has outsourced its internal audit function to Bridge Corporate Advisory Sdn. Bhd. ("Bridge"), an independent professional services firm, to assist the AC in discharging its duties and responsibilities more effectively.

The priority of the Internal Auditors are to focus on the review of risk management and internal controls implemented by the Service Providers of your Fund in accordance with International Standards for the Professional Practice of Internal Auditing and Internal Audit Plan approved by the AC to ensure that the assets of your Fund are adequately safeguarded and to report any audit findings directly to the AC.

Bridge has approximately five (5) audit personnel assisting the person responsible for the internal audit. Details on the person responsible for the internal audit are set out below:-

Name : Tam Kok Meng, CA(M), CPA(M), CMIIA
 Qualification : MICPA, MIA and IIA
 Independence : Does not have any family relationship with any Directors and/or major share owners of your Fund

Public Sanction : Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year

Name : Norazlin Bt Robuna, AIA
 Qualification : CAT and ACCA
 Independence : Does not have any family relationship with any Directors and/or major share owners of your Fund

Public Sanction : Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year

- b. The AC reviewed and accepted the Internal Audit Plan for FYE 2018 presented by the Internal Auditors where Bridge would conduct its internal audit on the Service Providers of your Fund.
- c. The AC reviewed and accepted the Internal Audit Reports on a quarterly basis presented by the Internal Auditors in respect of the audit of the following key processes carried out by the respective Service Providers:-

- Fund Management services;
- Custodian services;
- Accounting and administrative services; and
- Corporate secretarial services

The AC noted the overall test results on the above audits were satisfactory and there were no significant findings.

- d. The AC reviewed and accepted the Enterprise Risk Management Report for 2018 ("ERM Report") presented by the Internal Auditors.
- e. The AC conducted an evaluation of the internal audit function for FYE 2018 through the Internal Auditors' Evaluation Form based on the following criteria:-

- Understanding of the business of your Fund;
- Skills and experience of the Internal Auditors;
- Communication skills; and
- Overall performance of the Internal Auditors.

Based on this evaluation, the AC was satisfied that the internal audit functions carried out by the Internal Auditors were appropriate for the size and the nature and scope of the activities of your Fund.

- f. The costs incurred for the Internal Audit function in respect of FYE 2018 was RM20,000.

5.4 Other Activities

a. Recurrent Related Party Transactions ("RRPTs")

The AC reviewed all the RRPTs of your Fund at its meetings held during the FYE 2018.

On 1 August 2017 and 30 April 2018, your Board made an announcement to Bursa Securities because your Fund had, in the ordinary course of business, entered into the RRPTs with its related parties namely the Fund Manager and Investment Adviser where the aggregated actual value of such RRPTs transacted for the periods from 1 February 2017 to 31 October 2017 and 1 November 2017 to 31 July 2018 respectively had exceeded the percentage ratio of 1% as prescribed under Paragraph 10.09(1)(a) of the MMLR.

Details of the announcements can be found at Bursa Securities' website and your Fund's corporate website.

b. Analysis of Corporate Governance Disclosures in Annual Reports and Reports on Company's Performance from Bursa Securities

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The AC reviewed and recommended the following statements for Annual Report to your Board for approval:-

- AC Report;
- Corporate Governance Overview Statement
- Statement on Risk Management and Internal Control; and
- Management Discussion and Analysis (What We Have Done with Your Funds)

c. Proposed Amendments to the Terms of Reference of the AC

The AC reviewed and agreed with the proposed amendments to the Terms of Reference of the AC following the implementation of new Malaysian Code on Corporate Governance of 2017.

d. Tax Returns for Years of Assessment (“YAs”) 2005 to 2010

On 24 October 2016, the AC noted that your Fund had paid a total outstanding tax of RM398,774.79 and penalties of RM150,121.75 to Inland Revenue Board (“IRB”) to settle the penalties imposed by IRB on your Fund for YAs 2005 to 2010 (“Penalties”) under Section 113(2) of the Income Tax Act 1967 due to revised tax computation.

The AC noted that the incorrect return/information was prepared in accordance with IRB earlier advice that the investment advisory fee should be treated as permitted expenses instead of direct expenses.

An appeal letter for waiver of the Penalties dated 15 December 2016 had been submitted and accepted by IRB pending supporting documents to be furnished as requested by IRB.

e. Implementation of Malaysian Financial Reporting Standard (“MFRS”) 9

The AC noted that the adoption of MFRS 9 on the quarterly financial results of your Fund would take effect from the FYE 2019 onwards.

This AC Report was approved by the Board on 30 July 2018.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Malaysian Code on Corporate Governance 2017 requires listed companies to maintain a sound risk management framework and internal control system to safeguard shareholders’ investments and the company’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.

Roles and Responsibility

A) Board of Directors

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.

B) Audit Committee

The Audit Committee (“AC”) is established by your Board, and governed by clearly defined terms of reference and authority for areas within their scope. The review of the risk management and internal control reports and processes is delegated by the Board to AC to assist the Board in reviewing and overseeing the effectiveness of the risk management of your Fund.

C) External Service Providers

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 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 AC, which assists the AC 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 approved by the AC and carry out the function based on the International Standards for the Professional Practice of Internal Auditing. Since the adoption of the Enterprise Risk Management framework, 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 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The internal audit reports, that were tabled to the AC for deliberation on a quarterly basis, included response from the service providers and corrective actions taken or to be taken in regard to the specific findings and recommendations. The service provider as a whole is responsible for ensuring that the necessary corrective actions on reported weaknesses are promptly taken. The AC 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

Your Fund Manager is responsible for managing the investments of your Fund, while your 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 your Fund Manager. Quarterly and annual financial statements are prepared by the Administrator, reviewed by the AC 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 for information and clarification from the service providers as well as seek inputs from the AC, external and internal auditors, and other experts at the Fund's expense.

(iii) Audit Committee

Your Board has established the AC which comprises three (3) Independent Non-Executive Directors. Details of report of the AC are disclosed in the AC Report on pages 32 to 33 and the terms of reference of the AC is made available for reference in your Fund's website at www.icapital.my.

(iv) Whistleblowing Policy

Your Board had formalised a whistle-blowing policy as the Board is committed to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner. In recognising these values, your Fund provides an avenue for service providers, and members of the public to disclose any improper conduct within your Fund.

Any concerns relating to misconduct, questionable issues or improper actions could be made in writing via post to the Chairman of the AC at the registered address of icapital.biz Berhad, details of which are set out in the inside back cover page of this Annual Report.

The reporting parties should disclose their names, contact numbers, details of person(s) involved, nature of allegation, where and when the incident took place and evidence, if possible.

All concerns will be dealt with in strictest confidence and the reporting parties will be assured that their identities will be kept confidential within the limits required by the law.

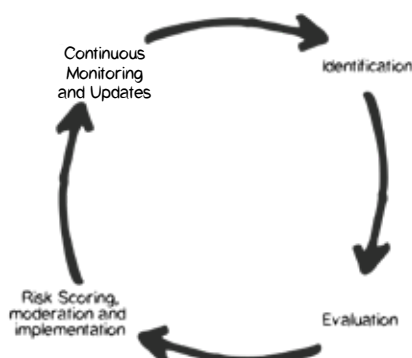
Risk Management

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"].

The responsibility of risk identification and management lies with the respective service providers. Any significant risks identified with the corresponding risk management activities are communicated to your Fund Manager, who together with the ERM service provider, will evaluate and score the risks.

An ERM detailed report will then be presented to your Board, through the AC, for further deliberation and adoption. The internal auditors together with various service providers will monitor significant risks identified and the risk management activities adopted and internal auditors will update the risk register annually.

The ERM process adopted is as follows:-



Significant or Main Principal Risk Relating To Your Fund

Your Fund has identified the following significant risks that have high potential of impact and likelihood to your Fund's operation:

1. Prolonged Slow Down In Economy

Arises from fluctuation in interest rates, inflation, prolong downturn of crude oil and slowdown in economies of Malaysian economic partners. While economic slowdown is an external factor which is beyond your Fund's control, your Board has delegated to your Fund Manager who mitigates such risk by applying a top-down analysis on the global and local economy and value investing philosophy that encompasses the core principle of margin of safety.

2. Political Risk

Arises from establishment of new government, changes in government leadership, war, riots and expropriation. Your Board has delegated to your Fund Manager who mitigates such risk by monitoring political development for target countries of investee companies and applying the value investing philosophy that encompasses the core principle of margin of safety.

3. Risk of Premium / Discount NAV and Volatility of Your Fund's Share Price

Arises from forces of demand and supply for the shares in the stock market arising from investors' / market sentiment. Your Board has delegated to your Fund Manager who mitigates such risk by engaging more frequently with share owners and educating potential investors on the benefits of investing in a closed-end fund, by organising Investor Day, roadshows, PR campaigns, etc., besides exploring other possible discount control mechanisms.

4. Investment Transaction Maybe Leaked

Arises due to staff of your Fund's service providers revealing confidential information relating to your Fund to third parties and/or making use of the confidential information themselves resulting in front-running activities, insider trading, etc. This could be due to the lack of proper policies and internal control procedures being put in place by your Fund's service providers to monitor the situation. Your Board mitigates such risk by ensuring that your Fund's service providers have put in place the necessary policies, procedures and framework on internal control to address the risk of leakages of confidential and market sensitive information.

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 annual review.

The external auditors have reviewed the Statement on Risk Management and Internal Control and reported to the AC 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 AC and your Board in reviewing the adequacy and integrity of your Fund's internal controls.

Conclusion

Your Board has received written assurance from your Fund Manager, Custodian and Administrator ("Service Providers") that the risk management and internal control systems of each of the Service Providers, in relation to their functions in your Fund pursuant to their respective terms of engagement, are operating adequately and effectively, in all material aspect.

After due consideration and review of the risk management and internal control, your Board is satisfied that there is no significant control failure or weaknesses identified that would result in material losses or require disclosure in your Fund's Annual Report during the financial year ended 31 May 2018.

CORPORATE RESPONSIBILITY

Your Fund takes its responsibility as a corporate citizen seriously. It is committed to achieving its investment objectives through responsible corporate practices, and to improving and nurturing a more harmonious society, be it for its share owners, investors or the community at large.

Share Owner Value

By adhering to its eclectic value investing philosophy, your Fund is committed to safeguarding share owners' long-term interest by increasing its net asset value over the long-term, within levels of risk acceptable to value investing.

Community Engagement and Responsible Investing

As a relatively small listed fund, we focus our initiatives on where our limited resources can have the greatest positive impact on the community, therefore, we apply our corporate responsibility efforts by identifying areas where we can engage the community and encourage responsible investing.

Ever since the first Investor Day of your Fund was held in 2010, your Fund Manager and Investment Adviser, Capital Dynamics, have been working hard in organising all the investor days, with the objective of educating the investing public on sound investing and to increase the awareness of icapital.biz Berhad among the general public. Believing strongly in the raison d'être of your Fund that "serious long-term investing in Bursa Securities can offer superior returns", they were not paid any extra fees for undertaking these selfless initiatives.

Effective 2017, the Investor Day of your Fund was rebranded as the Global Investor Week of Capital Dynamics. Capital Dynamics decided to take on a greater responsibility by becoming the main organiser of the event in order to have a greater platform to reach out to more investors and have more flexibility in organising an event of such nature, which is deemed as one of the most innovative investor events in Asia.

The 13th Annual General Meeting of icapital.biz Berhad

Different from the past years, the 13th Annual General Meeting (AGM) of your Fund was held separately from the 2017 Global Investor Week. The AGM was made a full day event where the fund manager was able to spend more quality time to interact with the share owners of your Fund. In a special focus, Tan Teng Boo highlighted the critical issue of Malaysia's weak education system in comparison with the success stories of other economies like South Korea, especially in the advent of Artificial Intelligence. The session was thought-provoking and well-received by the share owners.

The 2017 Global Investor Week

With your Fund as one of its sponsors, a key objective of the 2017 Global Investor Week was to allow the participants to critically re-examine and discuss fundamental truths and assumptions about life, economics, and investments, and to arrive at new findings and conclusions. The many talks delivered by a wide array of speakers on Saturday and Sunday, 4th and 5th November 2017 at the Kuala Lumpur Convention Centre, were aimed at sharing with participants on how and what can be done to benefit from these discoveries.

CORPORATE RESPONSIBILITY

Day 1, 4th November 2017

Day 1 of The 2017 Global Investor Week was simply like no other investment event. First, we invited Dr Aubrey de Grey, a renowned gerontologist from Cambridge University to share about the possibility of human beings living up to 1,000 years. Dr de Grey argued that ageing is merely a disease and is actually a curable one. He said human beings age in seven basic ways, all of which can be averted. In the 2nd segment, a special 3-part series on China's unexposed transformation was held. We had Professor Daniel A Bell, Dean of the School of Political Science and Public Administration at Shandong University and professor at Tsinghua University to share his fascinating insights on how the Communist Party of China selects good leaders. In the same series, Tan Teng Boo overturned many of the long-held, conventional assumptions about China's history, economic growth and stock market by presenting one of the most original research findings on China's 5,000-year history and what it means for the future, in terms of China's economy, the global economy and the stock market. Tan Teng Boo further enlightened the participants on why China's growth and development would continue for many more decades to come as "Advanced China" arrives and how the participants could handsomely benefit from this spectacular "Once-in-a-millennium transformation".

Day 2, 5th November 2017

Day 2 of the 2017 Global Investor Week was packed with talks focusing on Malaysia, ASEAN and of course on value investing. Tan Teng Boo delivered a candid assessment of the economic and political challenges facing Malaysia. In this highly inspiring session, he discussed the impact from the multi-dimensional threats posed by the many disruptive technologies, the worsening fluidity in Malaysian politics and a global community that has seen Trump, Donald, Brexit, AfD, and more. The participants were enlightened by a highly interactive 2-hour Roundtable discussion focusing on the ASEAN economies and their stock markets. Moderated by Tan Teng Boo, the heads of research from leading stockbroking firms in Thailand, Malaysia, the Philippines and Vietnam openly shared with the participants their views of their respective countries. Tan Teng Boo and his team also gave a timely update on the latest condition of the major economies and stock markets, an insightful talk on icapital.biz Berhad and shared 2 interesting case studies to illustrate the power of compounding via value investing.

The 2018 Global Investor Week and the Budding Value Investor Award

Your Fund Manager and Investment Adviser are committed and determined to promoting the benefits of long-term value investing, in line with the investment objectives and policies of your Fund. As such, many exciting and educational events/activities are being planned for 2018-2019 apart from the coming 14th AGM. For instance, in celebration of Capital Dynamics' 30th Anniversary, your Fund Manager and Investment Adviser will be bringing back the Budding Value Investor Award, a trailblazing investment competition targeting young budding investors with the aim of cultivating in them the principle of value investing and the importance of serious investing. Last but not least, investors would expect more inspiring, thought-provoking and fascinating sessions in the coming Global Investor Week.

Your Fund prides itself on being a conscientious corporate citizen. The launching of the Global Investor Week by your Fund Manager and Investment Adviser has become a key avenue for your Fund to implement effective corporate responsibility initiatives and help make the world a better place.

SUSTAINABILITY STATEMENT

1. Introduction

This Sustainability Statement issued by your Fund provides an overview of the sustainability practices of your Fund for the financial year ended 31 May 2018.

The Statement would include an overview of the material economic, environmental and social risks and opportunities that may impact on your Fund within the boundaries as identified below and how your Fund addresses them.

As a closed-end fund, your Fund's business is confined to engaging wholly in the business of investing in securities and focusing on equities listed in Bursa Malaysia Securities Berhad ("Bursa Securities") in accordance with the investment policies and objectives as set out in your Fund's Initial Public Offering Prospectus. Your Fund is not affiliated to any group of companies and does not have a physical presence. Neither does your Fund have any employees, Management or customers. The investors are the share owners of your Fund. The entire business operations of your Fund have been outsourced to independent service providers.

2. Your Fund's Commitment to Sustainability

Your Fund is committed to stay in existence for the long-term as reflected in your Fund's Initial Public Offering Prospectus, which states that the primary investment objective is long-term capital appreciation of its investment whilst dividend and/or interest income from these investments would be of secondary consideration. In line with this commitment, your Fund Manager would do its best to deliver the investment returns expected to sustain the long-term viability of your Fund. This is especially important when your Fund is the only listed closed-end fund in Bursa Securities. Without your Fund, stakeholders, especially the investors/share owners of your Fund who are mostly retails or ordinary small time investors, would lose a valuable opportunity to invest in Bursa Securities and compound their wealth. Cessation of your Fund's business would also impact on other stakeholders which comprises the service providers who are appointed by your Fund to perform the business functions in accordance with the terms of their engagements.

It is also the intention of your Fund, since its listing on 19 October 2005, to continue in existence indefinitely until the share owners decide to wind up your Fund as provided in its Constitution.

The structure of your Fund where it does not have any staff and its operations are outsourced to independent service providers would mean that resources would be able to be deployed more efficiently for investment purposes to achieve the expected returns and hence, longer-term sustainability. At the same time, your Fund would also be able to leverage on the sustainability efforts of its service providers and ensure the relevant services provided would have the least disruptions while maintaining the necessary level of skillset and professionalism.

3. Our Sustainability Governance Structure

Your Fund adopts a corporate governance structure that ensures your Fund's material economic, environment and social risks and opportunities are appropriately managed to ensure long-term viability and sustainability of your Fund. The responsibility for your Fund's sustainability efforts lies with your Board. Nevertheless for effective oversight, the Board has delegated certain responsibilities to its following sub-committees/responsible person :

Audit Committee ("AC")	The AC assists your Board in its oversight of your Fund's financial reporting and in reviewing and overseeing the effectiveness of the risk management and internal controls of your Fund.
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Nomination Committee ("NC")	The NC assists your Board in assessing the performance and effectiveness of the entire Board, the Board Committees and the individual Directors, and setting the relevant criteria to assist the Board in ensuring an orderly succession of Directors.
Designated Person ("DP")	The DP is responsible for managing the assets of your Fund and plays a key role in ensuring the sustainability of your Fund. The DP must be approved by the Securities Commission Malaysia under the Guidelines for Public Offering of Securities of Close-end Funds.

In addition, both the external auditors appointed by the share owners and internal auditors appointed by your Board and reports to the AC would further assist your Board in reviewing the activities of your Fund to ensure that appropriate controls are in place to manage your Fund's sustainability practices.

Detailed information on your Fund's application of the corporate governance principles and practices as set out in the Malaysian Code on Corporate Governance ("The Code") is set out in the "Corporate Governance Overview Statement" section in this Annual Report.

4. Materiality Process

Your Fund is committed to improving the economic, environmental, and social well-being of all of its stakeholders, and supports the implementation of the corporate governance principles and practices as provided by The Code so as to safeguard the stakeholders' interests.

Your Fund had conducted a materiality assessment to identify sustainability matters which are important to both the business and its stakeholders.

(a) Economic

(i) Enriching Communities

Your Fund believes that a large part of its success has been the result of its commitment to enrich its stakeholders through engaging and investing in them for a sustained future. Your Fund strives to empower and foster a positive change in the society, especially the investing public and the financial communities by providing them access to sound quality investment knowledge through channels like investors' education series and/or related activities. This forms the fundamental basis for our annual investor education event and the annual meetings with the share owners ("AGMs"). These special events extend beyond providing informative, interactive and interesting sessions to the investing public. It is part of your Fund's mission to make the community a better place by empowering people with the right attitudes to invest in your Fund and succeed in investing, business and life.

Other initiatives are being considered such as the introduction of investor relations programmes like engagement sessions with the investment analysts, financial journalists, etc to ensure that your Fund is better understood among the financial communities and to avoid any negative publicity or coverage in view that your Fund is the only listed closed-end fund in Bursa Securities.

Further details of the past, current and future events are set out in the "Corporate Responsibility" section of this Annual Report.

(ii) Supporting Businesses

As briefly explained earlier, your Fund does not have any employees and externalises its operations to independent service providers. In managing its economic impact, your Fund engages a majority of independent service providers. Through this, your Fund enables the stimulation of the local economy as well as local job creation through supporting businesses in Malaysia.

(iii) Data Privacy and Security

A matter identified to be of importance to your Fund and its stakeholders is the privacy and security of confidential information belonging to stakeholders. Your Board addresses this matter through ensuring that the necessary policies, procedures and frameworks for the maintenance of data privacy and security are implemented by your Fund's service providers.

For financial year ended 31 May 2018, there have been no breaches in data security.

(b) Environmental

With a growing consciousness of the need to be responsible corporate citizens, your Fund is cognizant of protecting the environment and would consider playing a part towards conserving our natural resources and the environment although it is not a manufacturer or producer of goods and services.

In doing so and without deviating from your Fund's investing objectives and policies, your Fund Manager may consider investing in companies which consider and effectively manage sustainability matters in their business strategies as one of the investment criteria.

Your Board, together with its Fund Manager and Investment Adviser have, since your Fund's listing in October 2005, practised moderation in your Fund's operations by conserving your Fund's limited resources and managing its expenses. Long-term efforts such as reducing the impact of the environment, like printing the annual reports in black and white with no pictures or photographs (except for this special 2018 Annual report), as well as organising AGMs in decent venues and with simple refreshments, without compromising on the quality of the education and knowledge that share owners and investors will gain from attending these events are examples of your Fund managing its environmental impacts.

Your Fund also encourages its service providers to play their respective roles in preserving and protecting the environment by adopting environmentally friendly practices into their day to day operations.

(c) Social

(i) Business Ethics and Compliance

Your Board is aware of the importance in upholding ethical values to build a trusting relationship with its stakeholders and the public. Your Board discharges its fiduciary duties in accordance with the Directors' Code of Ethics and Conduct, which requires your Board to observe high ethical business standards as well as apply such ethical values to your Fund's business, acting in the best interest of your Fund and share owners. Additionally, the Board has implemented a whistle-blowing policy which enables stakeholders such as service providers and the public to report incidents of non-compliance, should such incidents occur.

For financial year ended 31 May 2018, there have been no cases or reporting of any non-compliance or unethical business conduct.

(ii) Human Capital Management

Your Fund does not have any employees as its operations are outsourced to independent service providers. The main service providers of your Fund are the Fund Manager, the Investment Adviser, the Custodian and the Administrator.

In this context, your Fund will leverage on the human capital management of its service providers. In evaluating new and existing service providers, your Fund will take into consideration their commitments towards addressing social matters, for example the implementation of sustainable human capital management programmes such as employee retention, employee training and development and ensuring their employees discharge their duties and responsibilities efficiently, effectively and with integrity. Along with this is the service providers' maintenance of fair working practices.

5. Looking Ahead

As your Fund continues on its sustainability journey, your Board, together with your Fund Manager and Investment Adviser will continue to create value for your Fund's investments and ensure share owners and investors enjoy sustainable returns.

As your Fund is the only listed closed-end fund in Bursa Securities, sustainability of your Fund is of utmost importance to ensure that everyone can afford the services of professional fund managers to take good care of their assets, for their future retirement, their children's education or other long-term goals.

Your Board, assisted by your Fund Manager and Investment Advisor, are firmly committed to driving sustainability and will continue to work towards striking a balance between your Fund's financial performance, social engagements, and environmental stewardship.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of your Fund for the financial year ended 31 May 2018.

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 8,901,529

DIVIDEND

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

Before the financial statements of your Fund were made out, the directors took reasonable steps to ascertain that any current assets, 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 in which this report is made.

DIRECTORS

The name of directors of your Fund who served during the financial year until the date of this report are as follows:-

1. Datuk Ng Peng Hong @ Ng Peng Hay
2. Dato' Seri Md Ajib Bin Anuar
3. Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan
4. Leong So Seh
5. Dato' Tan Ang Meng (Retired on 09.09.2017)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the directors holding office at the end of the financial year had no interest in shares of 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 remuneration received or due and receivable by directors shown in the financial statements or the fixed salary of a full-time employee of your Fund or related corporations) 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.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of your Fund during the financial year are disclosed in Note 17 to the financial statements.

INDEMNITY AND INSURANCE COST

The directors and officers of your Fund are covered by directors and officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM 31,731. No indemnity was given to or insurance effected for auditors of your Fund.

AUDITORS

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

The details of the auditors' remuneration are disclosed in the statement of profit or loss and other comprehensive income.

Signed in accordance with a resolution of the directors dated
10 August 2018

Datuk Ng Peng Hong @ Ng Peng Hay

Dato' Seri Md Ajib Bin Anuar

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF
THE COMPANIES ACT 2016

We, Datuk Ng Peng Hong @ Ng Peng Hay and Dato' Seri Md Ajib Bin Anuar, being two of the directors of icapital.biz Berhad, state that, in the opinion of the directors, the financial statements set out on pages 43 to 53 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of your Fund as of at 31 May 2018 and of its financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated
10 August 2018

Datuk Ng Peng Hong @ Ng Peng Hay

Dato' Seri Md Ajib Bin Anuar

FINANCIAL STATEMENTS

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b)
OF THE COMPANIES ACT 2016

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 43 to 53 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
10 August 2018

Before me

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

Tan Teng Boo

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ICAPITAL.BIZ BERHAD

(Incorporated in Malaysia)
Company No: 674900 - X

Report on The Audit of The Financial Statements

Opinion

We have audited the financial statements of icapital.biz Berhad, which comprise the statement of financial position as at 31 May 2018, 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 43 to 53.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of your Fund as at 31 May 2018, and of its financial performance and its 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 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Our responsibilities under those standards are further described in the Auditors' Responsibilities for the *Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of your Fund in accordance with the By-Laws (on *Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of your Fund for the current financial year. These matters were addressed in the context of our audit of the financial statements of your Fund as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of your Fund are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of your Fund and our auditors' report thereon.

Our opinion on the financial statements of your Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of your Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of your Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of your Fund are responsible for the preparation of the financial statements of your Fund 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 2016 in Malaysia. The

directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of your Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of your Fund, the directors are responsible for assessing your Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate your Fund or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of your Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of your Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 your Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on your Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of your Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause your Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of your Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of your Fund for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of your Fund as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia
Firm No: AF 1018
Chartered Accountants

10 August 2018
Kuala Lumpur

Chong Tuck Wai
Approval No: 03023/03/2019 J
Chartered Accountant

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AT 31 MAY 2018

	Note	2018(RM)	2017 (RM)
ASSETS			
NON-CURRENT ASSET			
Investments	5	213,327,875	177,605,480
CURRENT ASSETS			
Other receivables, deposit and prepayments	6	2,637,835	1,874,693
Tax recoverable		-	301,577
Short-term deposits	7	263,848,212	282,769,489
Bank balance		19,319,568	1,183,240
		285,805,615	286,128,999
CURRENT LIABILITIES			
Other payables and accruals	8	417,944	449,461
Provision for taxation		20,460	-
		438,404	449,461
NET CURRENT ASSETS		285,367,211	285,679,538
NET ASSETS		498,695,086	463,285,018
FINANCED BY:-			
Share capital	9	140,000,000	140,000,000
Reserves	10	358,695,086	323,285,018
SHAREHOLDERS' EQUITY		498,695,086	463,285,018
Net asset value per ordinary share	11	3.56	3.31

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2018

	Note	2018(RM)	2017 (RM)
REVENUE			
Interest income		9,395,089	7,941,121
Dividend income		6,460,570	5,563,953
Net gain/(loss) on disposal of quoted investments		9,020,836	(65,337)
		24,876,495	13,439,737
LESS: OPERATING EXPENSES			
Accounting and administrative fees		126,500	108,855
Advertisements		4,223	189,942
Annual general meeting expenses		281,150	289,083
Auditors' remuneration		44,000	38,000
Custodian expenses		218,895	147,151
Directors' fees		270,837	315,437
Fund management fee		3,592,787	3,263,523
Impairment loss on quoted investments		4,796,277	1,821,075
Investment advisory fee		3,592,787	3,263,523
Professional fee		242,728	203,364
GST expenses		472,382	449,542
Others		96,297	246,022
		13,738,863	10,335,517
PROFIT BEFORE TAXATION		11,137,632	3,104,220
INCOME TAX EXPENSE	12	(2,236,103)	(1,492,912)
PROFIT AFTER TAXATION		8,901,529	1,611,308
OTHER COMPREHENSIVE INCOME	13	26,508,539	37,477,213
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		35,410,068	39,088,521
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-			
Owners of the Company		8,901,529	1,611,308
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-			
Owners of the Company		35,410,068	39,088,521
Basic earnings per ordinary share (SEN)	14	0.06	0.01
Diluted earnings per ordinary share (SEN)	14	0.06	0.01

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MAY 2018

	Non-distributable		Distributable	Total Equity (RM)
	Share Capital (RM)	Fair Value Reserve (RM)	Retained Profits (RM)	
Balance at 1.6.2016	140,000,000	50,035,740	234,160,757	424,196,497
Profit after taxation	-	-	1,611,308	1,611,308
Impairment loss on investment recognised in profit or loss	-	1,821,075	-	1,821,075
Other comprehensive income				
- Fair value gain on investments for the financial year	-	35,590,801	-	35,590,801
- Reclassification to profit or loss on investments disposed	-	65,337	-	65,337
Total comprehensive income for the financial year	-	37,477,213	1,611,308	39,088,521
Balance at 31.5.2017/1.6.2017	140,000,000	87,512,953	235,772,065	463,285,018
Profit after taxation	-	-	8,901,529	8,901,529
Impairment loss on investments recognised in profit or loss	-	4,796,277	-	4,796,277
Other comprehensive income				
- Fair value gain on investments for the financial year	-	30,733,098	-	30,733,098
- Reclassification to profit or loss on investments disposed	-	(9,020,836)	-	(9,020,836)
Total comprehensive income for the financial year	-	26,508,539	8,901,529	35,410,068
Balance at 31.5.2018	140,000,000	114,021,492	244,673,594	498,695,086

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MAY 2018

	Note	2018 (RM)	2017 (RM)
CASH FLOWS FOR OPERATING ACTIVITIES			
Profit before taxation		11,137,632	3,104,220
Adjustments for:-			
Impairment loss on quoted investments		4,796,277	1,821,075
Net (gain)/loss on disposal of quoted investments		(9,020,836)	65,337
Operating profit before working capital changes		6,913,073	4,990,632
(Increase)/Decrease in other receivables, deposit and Prepayments		(763,142)	167,135
Decrease in other payables and accruals		(31,517)	(6,263,522)
Proceeds from disposal of quoted investments		14,401,883	1,744,242
Purchase of quoted investments		(19,391,180)	(17,736,550)
CASH FROM/(FOR) OPERATIONS		1,129,117	(17,098,063)
Net income tax paid		(2,050,000)	(2,430,471)
Taxes refund		135,934	-
NET CASH FOR OPERATING ACTIVITIES		(784,949)	(19,528,534)
CASH FLOWS FOR INVESTING ACTIVITIES			
Placement of fixed deposits with tenure more than 3 months		(228,202,650)	-
NET CASH FOR INVESTING ACTIVITIES		(228,202,650)	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		(228,987,599)	(19,528,534)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		283,952,729	303,481,263
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	15	54,965,130	283,952,729

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2018

1. GENERAL INFORMATION

Your Fund is a public company limited by shares, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office: Lot 6.05, Level 6,
KPMG Tower, 8 First Avenue,
Bandar Utama, 47800 Petaling Jaya,
Selangor Darul Ehsan.

Principal place of business: 10th Floor, Menara Hap Seng,
No.1 & 3 Jalan P Ramlee,
50250 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 10 August 2018.

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 2016 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 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRS Standards 2014 – 2016 Cycles: Amendments to MFRS 12: Clarification of the Scope of the Standard

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 except as follows:-

The amendments to MFRS 107 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

- 3.2 Your Fund has not applied in advance the following accounting standard(s) and/or interpretation(s) (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 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2014 – 2016 Cycles	
<ul style="list-style-type: none"> Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value 	1 January 2018
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

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 except as follows:-

MFRS 9 Financial Instruments

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the guidance in MFRS 139 on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

Your Fund will apply MFRS 9 using the full retrospectively approach, requiring the restatement of comparative periods presented in its 2019 financial statements. The initial application of the standard is not expected to have any material impact to the financial statements of your Fund for the current financial year and prior periods other than the following:-

Classification and Measurement

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. This new accounting standard contains 3 principal classification categories for financial assets:-

- Amortised cost ("AC")
- Fair value through profit or loss ("FVTPL")
- Fair value through other comprehensive income ("FVTOCI")

The standard eliminates the existing MFRS 139 categories of held to maturity ("HTM"), loans and receivables ("LAR") and available-for-sale ("AFS") financial assets.

The basis of classification on a financial asset depends on an entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in other comprehensive income (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent solely payments of principal and interest.

The impacts upon your Fund's initial application are summarised below:-

- i. Under MFRS 9, your Fund will designate its entire investments in quoted securities (currently classified as available-for-sale financial assets) to be measured at FVTOCI as these investments are held for long-term strategic purposes.
- ii. The remaining financial assets are debt instruments (currently classified as loans and receivables financial assets) that are held to collect contractual cash flows which meet the criteria to be measured at AC under MFRS 9.

Therefore, your Fund does not expect the new standard to affect the measurement of its financial assets upon the initial application of MFRS 9.

For financial liabilities, there will be no changes to the classification and measurement between MFRS 139 and MFRS 9 as these items will continue to be measured under AC.

Impairment of Financial Assets

MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an 'expected credit loss' ("ECL") model. The new impairment model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. It involves a 3-stage approach under which financial assets move through the stages as their credit quality changes.

The new impairment model applies to financial assets measured at AC, debt instruments measured at FVTOCI, contract assets, lease receivables, loan commitments and certain financial guarantee contracts.

Your Fund has determined that, based on its assessment on the market information currently available and the reputation and past credit history of the counterparties with which your Fund transacted with, the impacts of ECL on trade and other receivables (including related party balances) are insignificant upon the initial application of MFRS 9.

Estimated Impacts of the Adoption of MFRS 9

The expected impacts from the initial application of MFRS 9 in the next financial year (other than those disclosed above) are as below:-

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise

STATEMENT OF FINANCIAL POSITION

	As Reported At 31 May 2018	Estimated Adjustments on the Adoption of MFRS 9	Estimated Adjusted Opening Balance At 1 June 2018		As Reported At 31 May 2017	Estimated Adjustments on the Adoption of MFRS 9	Estimated Adjusted Opening Balance At 1 June 2017
	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000
Retained profits	244,674	22,030	266,704		235,772	17,234	253,006
Fair value reserve	114,021	(22,030)	91,991		87,513	(17,234)	70,279
	358,695	-	358,695		323,285	-	323,285

**STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

	As Reported 2018	Estimated Adjustments on the Adoption of MFRS 9	Estimated Adjusted 2018
	RM'000	RM'000	RM'000
Revenue	24,876	(9,021)	15,855
Operating Expenses	(13,739)	4,796	(8,943)
Other Comprehensive Income	26,509	4,225	30,734

revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of 'distinct' for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15 about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

Based on the assessments undertaken to date, your Fund has determined that the impact on its financial statements upon the initial application of MFRS 15 is insignificant as the timing and amount of revenue to be recognised under the new standard are unlikely to be materially different from its current practice.

The analysis above are based on the assessments undertaken to date and maybe subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to your Fund in the future.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors 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 Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. The directors specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with

similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(c) 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 assets and financial liabilities are recognised in the statements of financial position when Your Fund has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. 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

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.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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

(i) Financial Liabilities at 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.

(ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities are classified as current liabilities unless the Company 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

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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. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, Your Fund estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

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.

4.5 CASH AND CASH EQUIVALENTS

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

4.6 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for 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 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 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 the

related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or 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 taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

(c) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of GST except for the GST in a purchase of assets or services which are not recoverable from the taxation authorities, the GST are included as part of the costs of the assets acquired or as part of the expense item whichever is applicable.

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 NET ASSET VALUE PER ORDINARY SHARE

Net asset value per ordinary share is calculated by dividing the net assets by the number of ordinary shares issued at the end of the reporting period.

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.

5. INVESTMENTS

	2018 (RM)	2017 (RM)
At market value:-		
Quoted securities in Malaysia, at 1.6.2017/2016	177,605,480	126,022,371
Additions during the financial year	19,391,180	17,736,550
Disposals during the financial year	(5,381,047)	(1,809,579)
Changes in fair value adjustments	21,712,262	35,656,138
Quoted securities in Malaysia, at 31.5.2018/2017	213,327,875	177,605,480
Impairment loss recognised due to fair value changes	4,796,277	1,821,075

6. OTHER RECEIVABLES, DEPOSIT AND PREPAYMENTS

	2018 (RM)	2017 (RM)
Other receivables	1,376,694	654,718
Deposit	-	500
	1,376,694	655,218
Prepayments	1,261,141	1,219,475
	2,637,835	1,874,693

Included in prepayments is an amount of RM1,247,858 (2017 - RM1,207,808) being prepayment to related parties (Note 17).

7. SHORT-TERM DEPOSITS

	2018 (RM)	2017 (RM)
Deposits with licensed financial institutions	263,848,212	282,769,489

The deposits with licensed financial institutions of your Fund at the end of the reporting period bore effective interest rates ranging from 3.35% to 3.75% (2017 - 3.35% to 3.60%) per annum. The deposits with licensed financial institutions have maturity periods ranging from 1 to 6 months (2017 - 1 to 3 months).

8. OTHER PAYABLES AND ACCRUALS

	2018 (RM)	2017 (RM)
Accruals	417,944	449,461

9. SHARE CAPITAL

	2018	2017	2018	2017
	Number Of Shares		RM	
Issued And Fully Paid-Up	140,000,000	140,000,000	140,000,000	140,000,000

10. RESERVES

	2018 (RM)	2017 (RM)
Fair value reserve	114,021,492	87,512,953
Retained profits	244,673,594	235,772,065
	358,695,086	323,285,018

(a) Fair Value Reserve

The fair value reserve represents the cumulative fair value changes 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 ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share of your Fund is calculated based on the net assets at the end of the reporting period of RM498,695,086 (2017 - RM463,285,018) divided by the number of ordinary shares in issue at the end of the reporting period of 140,000,000 (2017 - 140,000,000).

12. INCOME TAX EXPENSE

	2018 (RM)	2017 (RM)
Current tax:		
- for the financial year	2,072,461	1,500,422
- under/(over) provision in previous financial years	163,642	(7,510)
	2,236,103	1,492,912

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:-

	2018 (RM)	2017 (RM)
Profit before taxation	11,137,632	3,104,220
Tax at the statutory tax rate of 24%	2,673,032	745,013
Tax effects of:-		
Tax-exempt dividends	(88,746)	(155,306)
Single Tier dividends	(1,461,790)	(1,180,043)
Non-taxable income	(2,165,001)	-
Non-deductible expenses	3,114,966	2,090,758
Under/(Over)provision in previous financial years	163,642	(7,510)
Income tax expense for the financial year	2,236,103	1,492,912

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13. OTHER COMPREHENSIVE INCOME

The components of other comprehensive income are as follows:-

	2018 (RM)	2017 (RM)
Impairment loss on an investment recognized in profit or loss	4,796,277	1,821,075
Fair value gain on investments for the financial year	30,733,098	35,590,801
Reclassification to profit or loss on investments disposed	(9,020,836)	65,337
	26,508,539	37,477,213

14. EARNINGS PER SHARE

The basic earnings per ordinary share is arrived by dividing the earnings for the financial year of RM8,901,529 (2017 - RM1,611,308) over the number of ordinary shares of your Fund in issue during the financial year of 140,000,000 (2017 - 140,000,000).

The diluted earnings per ordinary share is equal to the basic earnings per ordinary share as there were no potential dilutive ordinary shares outstanding at the end of the reporting period.

15. CASH AND CASH EQUIVALENTS

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

	2018 (RM)	2017 (RM)
Short-term deposits with licensed financial institutions	263,848,212	282,769,489
Bank balance	19,319,568	1,183,240
	283,167,780	283,952,729
Fixed deposits with tenure of more than 3 months	(228,202,650)	-
	54,965,130	283,952,729

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

- 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; and
- In addition to the information detailed elsewhere in the financial statements, your Fund has related party relationships with its directors and key personnel.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, your Fund also carried out the following significant transactions with the related parties during the financial year:-

	Note	2018 (RM)	2017 (RM)
Fund management fees paid to CDAM		3,592,787	3,263,523
Investment advisory fees paid to CDSB		3,592,787	3,263,523
Prepayments to CDAM and CDSB	6	1,247,858	1,207,808

The prepayments to the related parties are disclosed in Note 6 to the financial statements.

(c) Key Personnel Compensation

- The key personnel compensation during the financial year are as follows:-

	2018 (RM)	2017 (RM)
Directors of the Company		
Non-executive Directors	270,837	315,437
- Fees		

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

18.1 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 asset value at 31 May 2018/2017. The analysis is based on the assumption that the market prices of the quoted securities in which your Fund invested changes by +/-10% (2017: +/-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.

	Impact on Other Comprehensive Income/Net Asset Value	
	Equity Price Risk	
	-10% (RM)	+10% (RM)
31 May 2018	(21,332,788)	21,332,788
31 May 2017	(17,760,548)	17,760,548

(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:-

	2018 Increase/ (Decrease) RM	2017 Increase/ (Decrease) RM
Effects on profit after taxation		
Increase of 100 basis points (bp)	2,005,246	2,149,048
Decrease of 100 bp	(2,005,246)	(2,149,048)
Effects on equity		
Increase of 100 bp	2,005,246	2,149,048
Decrease of 100 bp	(2,005,246)	(2,149,048)

(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):-

	Contractual Interest Rate (%)	Carrying Amount (RM)	Contractual Undiscounted Flows (RM)	Within 1 Year (RM)	1-5 Years (RM)
2018					
Non-derivative Financial Liability Other payables and accruals	-	417,944	417,944	417,944	-
2017					
Non-derivative Financial Liability Other payables and accruals	-	449,461	449,461	449,461	-

18.2 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.

18.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2018 (RM)	2017 (RM)
FINANCIAL ASSETS		
Available-for-sale financial asset		
Investments (Note 5)	213,327,875	177,605,480
Loans and receivables financial assets		
Other receivables and deposit (Note 6)	2,624,552	1,863,026
Short-term deposits (Note 7)	263,848,212	282,769,489
Bank balance (Note 15)	19,319,568	1,183,240
	285,792,332	285,815,755
FINANCIAL LIABILITY		
Other financial liability		
Other payables and accruals (Note 8)	417,944	449,461

INVESTMENT PORTFOLIO

18.4 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.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	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 (L) 1 (RM)	L2 (RM)	L3 (RM)	L1 (RM)	L2 (RM)	L3 (RM)	(RM)	(RM)
2018								
FINANCIAL ASSET								
Investments: - quoted shares	213,327,875	-	-	-	-	-	213,327,875	213,327,875
2017								
FINANCIAL ASSET								
Investments: - quoted shares	177,605,480	-	-	-	-	-	177,605,480	177,605,480

INVESTMENT PORTFOLIO

As of 31 May 2018, 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	APM Automotive Holdings Berhad	4,347,300	16,724,700	15,606,807	-	(1,117,893)
2	Boustead Holdings Berhad	12,147,786	27,444,475	29,397,642	-	1,953,168
3	Fraser & Neave Holdings Berhad	217,600	1,707,708	8,229,632	-	6,521,924
4	Malaysia Smelting Corporation Berhad	2,160,600	7,672,426	7,194,798	(2,392,125)	1,914,496
5	MKH Berhad	1,356,830	3,436,669	1,723,174	(1,713,515)	20
6	Oceancash Pacific Berhad	2,230,000	1,249,861	1,226,500	-	(23,361)
7	Padini Holdings Berhad	19,000,000	5,490,389	109,060,000	-	103,569,611
8	Parkson Holdings Berhad	10,742,298	21,202,731	5,371,149	(15,939,005)	*107,423
9	Salutica Berhad	1,287,200	2,063,529	592,112	(1,471,417)	-
10	Selangor Properties Berhad	2,853,000	13,566,077	12,267,900	-	(1,298,177)
11	Suria Capital Holdings Berhad	9,244,400	15,400,153	14,975,928	-	(424,225)
12	Tong Herr Resources Berhad	2,213,900	5,377,715	7,682,233	(513,988)	2,818,506
	Total		121,336,433	213,327,875	(22,030,050)	114,021,492

As at 31 May 2018, impairment loss on investment in Parkson Holdings Berhad was RM 15,939,005 due to decline in market value of Parkson Holdings. The market value as at 31 May 2018 was RM 5,371,149 and the cost was RM 21,202,731. 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 31 May 2018, the net unrealised gain for Parkson Holdings Berhad was RM 107,423 together with the impairment loss of RM15,939,005 recognised as at 31 May 2018, giving the total unrealised loss of RM 15,831,582.

During the financial year 2018, an impairment loss of RM 1,713,515 and RM 1,471,417 for MKH Berhad and Salutica Berhad respectively has been recognized.

For Tong Herr Resources Berhad and Malaysia Smelting Corporation Berhad, the impairment loss of RM 513,988 and RM 2,392,124 were made in the financial year 2014 and financial year 2015 respectively.

In addition, the following investments were disposed during the financial year ended 31 May 2018:-

	Companies	Shares	Cost (RM)	Disposal Value (RM)	Realised Gain (RM)
1	Fraser & Neave Holdings Berhad	300,000	2,216,138	10,466,122	8,249,984
2	MClean Technologies Berhad	30,000	7,103	7,570	467
3	Malaysia Smelting Corporation Berhad	763,400	2,489,789	2,583,101	93,312
4	Tong Herr Resources Berhad	365,400	668,017	1,345,090	677,073

Description of the Companies Businesses

APM Automotive Holdings Berhad

APM Automotive is a Malaysian automotive parts manufacturer that has expanded rapidly to become a major regional supplier and is expanding globally.

Boustead Holdings Berhad

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

MKH Berhad

MKH is a well-known property developer. Apart from property development, MKH has ventured into other businesses such as oil palm cultivation, furniture manufacturing and trading.

Oceancash Pacific Berhad

Oceancash Pacific is a manufacturer of resonated and thermoplastic felts. The group has expanded its range of product and services.

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.

Salutica Berhad

Salutica is a Malaysian vertically integrated electronic manufacturing company.

Selangor Properties Berhad

Selangor Properties is involved in property investment and development, and investment holding.

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 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.

Suria Capital Holdings Berhad

Suria capital is the leading port operator in Sabah. Apart from the port operation, 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 manufacture of aluminum extrusion products in Malaysia.

ADDITIONAL INFORMATION

ADDITIONAL INFORMATION

as at 31 May 2018

1. Non-Audit Fees

The information on the audit and non-audit fees is disclosed in page 32 of this Annual Report.

2. 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:-

Party	Capital Dynamics Asset Management Sdn. Bhd. ("CDAM")	Capital Dynamics Sdn. Bhd. ("CDSB")
Material Contract	Fund Management Agreement	Investment Advisory Agreement
Date	6 September 2005	6 September 2005
Nature of Transaction	Fund management fees for acting as Fund Manager to your Fund. Responsible for managing your Fund's investment.	Investment advisory fees for acting as Investment Adviser to your Fund. Responsible for providing investment research and analysis to your Fund.
Consideration	RM3,592,786.70	RM3,592,786.70
Mode of settlement of consideration	Cash	Cash
Relationships	The Designated Person of your Fund is the Managing Director of your Fund Manager	The Designated Person of your Fund is the Managing Director of your Investment Adviser

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

Your Fund is not seeking Shareholders' Mandate in respect of the RRPT of a revenue or trading nature to be entered into by your Fund at the Fourteenth Annual General Meeting to be held on 10 November 2018.

4. Fund Manager's Interest in your Fund

As at 31 May 2018, the designated person has a direct interest in 10,000 shares and an indirect interest in 1,792,800 shares, whilst the Fund Manager has a direct interest in 1,091,100 shares.

5. Security Transaction Information

The total number of transactions in securities entered into for the financial year ended 31 May 2018 amounted to 79 trades with total brokerage paid of RM71,707.67.

6. 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 2018 as attached in this Annual Report.

7. Employees Share Scheme ("ESS")

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

8. Utilisation of Proceeds

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

9. Landed Properties

Your Fund does not own any landed properties.

ANALYSIS OF SHAREHOLDINGS

as at 21 August 2018

Issued and Paid-up Share Capital	:	140,000,000
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

Substantial Shareholder

Name of Substantial Shareholder	No. of shares held			
	Direct	%	Indirect	%
City of London Investment Management Company Limited	-	-	⁽¹⁾ 27,621,200	⁽¹⁾ 19.729

Note :

⁽¹⁾ Deemed interested in shares held by Deutsche Bank (Malaysia) Berhad – Favour: The Bank of New York Mellon, HSBC Bank Malaysia Berhad – Favour: Northern Trust and Standard Chartered Bank Malaysia Berhad – Favour: RBC.

Distribution of Shareholdings

Size of holdings	No. of holders	%	No. of shares	%
1 – 99	112	3.24	1,049	0.00
100 – 1,000	1,068	30.88	645,717	0.46
1,001 – 10,000	1,296	37.47	5,883,500	4.20
10,001 – 100,000	733	21.19	26,307,100	18.79
100,001 to less than 5% of issued shares	250	7.23	107,162,634	76.54
5% and above of issued shares	0	0	0	0
Total	3,459	100.00	140,000,000	100.00

Directors' Shareholdings

Name of Directors	No. of shares held			
	Direct	%	Indirect	%
Datuk Ng Peng Hong @ Ng Peng Hay	-	-	-	-
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	-	-	-	-
Dato' Seri Md Ajib Bin Anuar	-	-	-	-
Madam Leong So Seh	-	-	-	-

Thirty Largest Shareholders

No.	Name	No. of shares	Percentage holding (%)
1.	Chong Ah Him @ Chong Kum Kwan	5,010,000	3.5786
2.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for Emerging Markets Country Fund	4,891,200	3.4937
3.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for Global Emerging Markets Fund	3,285,600	2.3469
4.	Tunku Sara Binti Tunku Ahmad Yahaya	2,800,000	2.0000
5.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for The World Markets Umbrella Fund PLC	2,670,500	1.9075
6.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for Emerging Markets Global Fund	2,232,200	1.5944
7.	HSBC Nominees (Asing) Sdn Bhd TNTC for United Mine Workers of America 1974 Pension Trust	2,101,300	1.5009
8.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for Emerging BMI Markets Countryfund	2,055,800	1.4684
9.	Annhow Holdings Sdn Bhd	2,000,000	1.4286
10.	Maybank Nominees (Tempatan) Sdn Bhd Yeoh Ah Tu	1,910,200	1.3644
11.	Lam Fook Shin	1,832,200	1.3087
12.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for Emerging Markets Investable Fund	1,742,000	1.2443
13.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for School Employees Retirement System of Ohio	1,648,100	1.1772
14.	Ocuvas Sdn.Bhd.	1,370,000	0.9786
15.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for Cornell University	1,357,400	0.9696
16.	Leow Kok Meow & Sons Sendirian Berhad	1,250,000	0.8929
17.	Heng Kim Siang	1,238,100	0.8844
18.	Wong Yoon Tet	1,080,000	0.7714
19.	Vohrah - Merican Sdn Bhd	1,078,200	0.7701
20.	Tong Chong Kong	1,041,000	0.7436
21.	Lee Siew Lin	1,038,000	0.7414
22.	Loh Kian Chong	1,019,000	0.7279
23.	Soon Khiat Voon	1,002,000	0.7157

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Thirty Largest Shareholders

No.	Name	No. of shares	Percentage holding (%)
24.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for University of Pittsburgh	961,000	0.6864
25.	Lai Hui Eng	941,200	0.6723
26.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for Deseret Mutual Master Retirement Plan	900,700	0.6434
27.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for Emerging Markets Free Fund	900,300	0.6431
28.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for RBC Investor Services Trust (Clients Account)	895,900	0.6399
29.	Yeoh Ah Tu	832,200	0.5944
30.	HSBC Nominees (Asing) Sdn Bhd TNTC for The Trustees Of The Henry Smith Charity	791,500	0.5654
Total		51,875,600	37.05

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("your Board") of icapital.biz Berhad ("your Fund") supports the Principles and Practices as set out in the Malaysian Code on Corporate Governance ("MCCG" or "the Code") and recognises that the adoption of high standards of corporate governance is imperative for the performance of your Fund and enhancement of share owners' value.

In making this Corporate Governance ("CG") Overview Statement, the Company is guided by Practice Note 9 of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the CG Guide (3rd edition) issued by Bursa Securities. This statement provides an overview of the Company's application of the three (3) principles set out in the MCCG throughout the financial year ended 31 May 2018.

Principle A - Board Leadership and Effectiveness

I. Board Responsibilities

Clear Roles and Responsibilities

Your Fund, being a closed-end fund, functions differently from other public companies listed on Bursa Securities. Your Fund employs an external management structure whereby all functions are undertaken by the following service providers ("Service Providers") and the scope of work of these Service Providers are stated in their respective engagement letters/agreements:

No.	Outsourced Service Providers	Scope of work
a.	Capital Dynamics Asset Management Sdn Bhd ("Fund Manager")	Fund management services
b.	Capital Dynamics Sdn Bhd ("Investment Adviser")	Investment research and advisory services
c.	Boardroom Corporate Services (KL) Sdn Bhd	Corporate secretarial and share registration services
d.	TMF Administrative Services Malaysia Sdn Bhd ("Administrator")	Accounting and administrative services
e.	Standard Chartered Bank Malaysia Berhad ("Custodian")	Custodian services
f.	Bridge Corporate Advisory Sdn Bhd ("Internal Auditors")	Internal audit function

The principal investment policies adopted by your Fund are to primarily invest in a managed portfolio of securities, which includes shares, stocks, warrants and bonds issued by companies listed on the Main and ACE Markets of Bursa Securities. Whilst your Fund may also invest in securities and bonds of unlisted companies, the focus will be primarily on companies listed on Bursa Securities.

The details of the investment policies and investment objectives are disclosed in your Fund's Initial Public Offering Prospectus, which is available on your Fund's website at www.icapital.my ("corporate website").

Your Board observes the investment policies and investment objectives in discharging its duties and responsibilities, which are clearly stated in the Board Charter, which is available on the corporate website.

Your Fund grants your Fund Manager the powers to invest and reinvest its assets on behalf of your Fund with a view to achieving the investment objectives of your Fund as set out in the investment policies of your Fund from time to time.

Your Board wishes to highlight that any amendment to the investment policies and investment objectives of your Fund shall be approved by the share owners by way of a special resolution pursuant to Clause 111(3) of your Fund's Constitution.

Mr. Tan Teng Boo, the designated person of your Fund Manager ("Designated Person"), updates your Board on the investment portfolio of your Fund, economic and market outlook at Board meetings held from time to time. The investment portfolio of your Fund is disclosed in pages 53 to 54 of this Annual Report.

Separation of Positions of the Chairman & Chief Executive Officer ("CEO")

The Code states that the positions of the Chairman of the Board and the CEO should be held by different individuals and the Chairman must be a non-executive member of the Board.

There is a clear division of responsibilities between your Fund and management of your Fund. Datuk Ng Peng Hong @ Ng Peng Hay, the Independent Non-Executive Chairman, leads your Board. As your Fund does not have any employees and CEO, the day-to-day management duties are delegated to the respective Service Providers. Further, your Board, made up of Independent Non-Executive Directors with their diverse professional backgrounds and knowledge, can bring a broader view to management duties of your Fund.

Access to Information

The Directors have unrestricted access to all information on your Fund's business and affairs, whether on an individual basis or as a full Board, directly from the Service Providers so as to enable them to discharge their duties effectively. In addition, Board papers containing the full details of the agenda are generally given to the Directors five (5) days in advance of meetings to allow sufficient time for review and to obtain explanations, if needed. Urgent papers may be distributed to the Directors via e-mail before the meeting.

The Directors, collectively or individually, have unrestricted access to the Company Secretary and may also seek independent professional advice and information in furtherance of their duties and responsibilities at your Fund's expense, to ensure that the Directors are able to make independent and informed decisions.

Fees for independent professional advice shall be payable by your Fund subject to the following procedure:

- i. Discuss the subject matter with the Chairman;
- ii. Provide written notice to the Company Secretary of the Director's intention to seek independent advice with a brief summary of the subject matter; and
- iii. The Board shall be notified and approval is obtained prior to the engagement of the professional advisor(s).

Independent advice sought shall exclude those of personal interests relating to the Director's personal disputes in matters that are not related to or do not affect your Board or your Fund as a whole.

Company Secretary

Your Board is supported by two (2) suitably qualified and competent external Company Secretaries who are accountable to your Board. The Company Secretaries play an advisory role to your Board on matters related to your Fund's Constitution, Board policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislation. The Company Secretaries support your Board by ensuring that all Board and Board Committee meetings are properly conducted and deliberations as well as conclusions arising therefrom are accurately recorded. The Company Secretaries also keep your Board updated on changes in the MMLR and directives issued by the regulatory authorities and the resultant implications to your Fund and the Directors in relation to their duties and responsibilities.

Board Charter

Your Board adopted a Board Charter 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 reviewed and updated regularly in accordance with the needs of your Fund and any new

regulations that may have an impact on the discharge of your Board's responsibilities.

The Board Charter which was updated on 9 April 2018, is made available on the corporate website.

Code of Ethics and Conduct

Your Board adopted the Directors' Code of Ethics and Conduct ("the Code of Conduct"), details of which are contained in the Board Charter and are available on the corporate website.

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 interest of your Fund and the share owners.

Whistle-Blowing Policy and Procedures

Your Board had also adopted Whistle-blowing Policy, which is made available on the corporate website. This provides an avenue for Service Providers, stakeholders and share owners of the public to disclose any improper conduct within your Fund via post to the Chairman of the Audit Committee ("AC") at the registered address of your Fund, details of which are set out in the inside back cover page of this Annual Report.

The reporting parties should disclose their names, contact numbers, details of person(s) involved, nature of allegation, where and when the incident took place and evidence, if possible.

All concerns will be dealt with in strictest confidence and the reporting parties will be assured that their identities will be kept confidential within the limits required by the law.

Strategies Promoting Sustainability

Your Board is cognisant of corporate sustainability that creates long-term share owner value by embracing opportunities and managing risks derived from the environment, social developments and governance. Your Board promotes good corporate governance in the implementation of sustainability practices throughout your Fund, the benefits of which are believed to translate into better corporate performance.

Your Fund's activities on corporate social responsibilities are disclosed in pages 36 to 37 of this Annual Report and on the corporate website.

II. Board Composition

Board Composition and Balance

Your Board has four (4) members, all of whom are Independent Non-Executive Directors. This exceeds the MMLR, which only requires at least two (2) or one-third (1/3) of the Board, whichever is higher, to be Independent Non-Executive Directors.

Currently, there is one (1) woman Director on the Board, comprising 25% of Board's composition.

All Directors contribute in areas such as policy and performance monitoring, as well as improving governance and controls. They are independent and free of any relationship which could materially

CORPORATE GOVERNANCE OVERVIEW STATEMENT

interfere with the exercise of their independent judgement and objective participation and decision making process of your Board.

Your Board is ensured of a balanced view arising from the Directors having diverse professional background, skills, experience and knowledge. In addition, they are independent as they are non-executive and therefore not involved in the day-to-day operations of your Fund, which have been outsourced to the Service Providers. Your Board oversees the performance of the management of your Fund and has expressed its satisfaction and confidence in the services provided by the Service Providers involved in the operations of your Fund.

The profile of Directors is set out in Directors' Profile in this Annual Report.

In order to ensure effective discharge of its fiduciary duties, your Board has delegated certain responsibilities to Board Committees, namely the AC and Nomination Committee ("NC"). These Committees have their written terms of reference approved by your Board, which are available on the corporate website. However, your Board retains full responsibility for the direction and control of your Fund.

Nomination Committee

The NC was established on 19 June 2006 and as at the date of issuance of this Annual Report, comprises the following members:-

Name of Director	Membership	Directorship
Datuk Ng Peng Hong @ Ng Peng Hay	Chairman	Independent Non-Executive Chairman
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	Member	Independent Non-Executive Director
Madam Leong So Seh	Member	Independent Non-Executive Director

The duties and responsibilities of the NC are set out in the Terms of Reference of NC, which was updated on 9 April 2018 and is available on the corporate website.

During the financial year ended 31 May 2018 ("FYE 2018"), the NC has undertaken the following activities:-

- Conducted the annual Board and Board Committee Assessments for the FYE 2018;
- Reviewed the outcome of the Board and Board Committee Assessments;
- Reviewed and assessed the independence of the Independent Non-Executive Directors;
- Reviewed and assessed term of office and performance of the AC and each of its members;
- Reviewed the retirement by rotation, re-election and re-appointment of the Directors pursuant to the Constitution of your Fund and the Companies Act 2016;
- Conducted annual review on the Terms of Reference of NC and recommended to your Board for approval;
- Reviewed and recommended the following statements for Annual Report to your Board for approval:-
 - Board's succession plan;

- Diversity policy; and
- Assessment criteria of the training attended by the Directors;

h. Reviewed the training needs of the Directors; and

i. Reviewed the composition and size of the Board of Directors.

Board and Board Committee Assessments

The NC is responsible to your Board in assessing the performance and effectiveness of the entire Board, the Board Committees and the individual Directors annually. The assessment process is led by the NC Chairman and supported by the Company Secretaries via the Evaluation of Board Effectiveness Form and Directors' Evaluation Form – Self and Peer Assessment ("Evaluation Forms") completed by your Board members. Your Board and Board Committees respectively evaluated their structure, operation, roles and responsibilities, composition and effectiveness. For the individual Director, the assessment criteria include an assessment of fitness and propriety, contribution and performance, calibre and personality.

Based on the summary of results compiled from the Evaluation Forms for FYE 2018, the NC reviewed the mix of skills, experience, size and diversity of your Board and opined that your Board was well-balanced, with its members having diverse skill sets and core competencies. The NC opined that your Board and Board Committees and their respective members had performed satisfactorily in the discharge of their duties and responsibilities.

Annual Assessment of Level of Independence of Director

Your Board, through the NC, reviews and assesses the independence of the Independent Non-Executive Directors annually. The criteria for assessing the independence of an Independent Non-Executive Director include the assessment of the relationship between the Independent Non-Executive Director and your Fund and his/her involvement in any significant transaction with your Fund.

Based on the assessment of the independence of the Independent Non-Executive Directors conducted by the NC for the FYE 2018, none of your Independent Non-Executive Directors had business transactions with your Fund and your Board is satisfied that all Independent Non-Executive Directors are able to provide check and balance to your Board's decision making process and bring independent and objective judgement to Board's deliberations.

The NC, having taken into consideration the declarations made by the Independent Non-Executive Directors and the independent judgment the Independent Non-Executive Directors had brought to your Board, was satisfied with the level of independence demonstrated by them and their ability to act in the best interest of your Fund.

Term of Office of the AC

The NC reviewed and assessed the term of office and performance of the AC and each of its members through the AC Evaluation Form (duly completed by NC). The NC evaluated their quality and composition, skills and competencies, meeting administration and conduct.

Based on the summary of results compiled from the Evaluation Form, the NC reviewed and opined that the AC and each of its members had performed satisfactorily in the discharge of their duties and responsibilities.

Tenure of Independent Directors

Your Board, as documented in the Board Charter, takes cognisance that under the Code the tenure of an independent Non-Executive Director should not exceed a cumulative term of nine (9) years, unless share owners' approval is obtained to retain such Director as an Independent Non-Executive Director. As at the date of this statement, none of the Independent Non-Executive Directors has served more than nine (9) years on your Board.

Appointment Process

The appointment of a new Director is a matter for consideration and decision by your Board, upon the recommendation from the NC. In making these recommendations, the NC may use independent sources to identify potential candidate with the required mix of skills, experience, gender, age, character and diversity which the candidate would bring to your Board. The Company Secretaries will ensure that all appointments are properly conducted and that legal and regulatory obligations are met.

Re-election of Directors

In accordance with your Fund's Constitution, at least one-third (1/3) of the Directors, or if their number is not three (3), then the number nearest to one-third (1/3), shall retire from office at every Annual General Meeting ("AGM"), provided always that all the 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 or as an additional Director to the existing Directors during the year shall hold office only until the next AGM following their appointment and shall be eligible for re-election.

Based on the office period of the Directors since their last election and upon recommendation by the NC, your Board is proposing the re-election of Datuk Ng Peng Hong @ Ng Peng Hay and Dato' Seri Ajib Bin Anuar, who are due for retirement by rotation pursuant to Clause 100(1) of your Fund's Constitution at the forthcoming AGM and being eligible, have offered themselves for re-election.

To assist the share owners in their decision, sufficient information such as personal profiles of the Directors standing for re-election are disclosed in page 30 of this Annual Report.

Diversity Policy

Pursuant to the Diversity Policy set out in the Board Charter, the NC and your Board shall consider diversity in terms of gender, ethnicity and age, amongst other criteria, when there are any appointments to your Board ("Board appointment") and when conducting an annual assessment of the Directors, 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 your Board, including gender, ethnicity and age.

Succession Planning

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 the Service Providers under their respective engagement letters/agreements.

Your Board, through the NC, is responsible for ensuring that the Directors are qualified individuals of good reputation with diversified professional background, skills, necessary experience and knowledge for the performance of their duties.

As for your Board's succession plan, your Board will ensure an orderly succession of Directors based on the criteria set by the NC. Your Board agreed that if it is needed to fill a casual vacancy due to the resignation or retirement of any Director, your Board will search for a suitable candidate in the following manner:-

- i. Your Board, through the NC, will identify desirable Director's professional background, gender, age, character, diversity, skills, experience, knowledge; and
- ii. Fill the Board seat based on the recommendation of the NC.

The existing Board members also agree that if any one of them intends to resign or retire from the Board, he/she would inform the Chairman of the intention at least three (3) months before the cessation of office, if possible.

Time Commitment

In accordance with the Board Charter, the Directors are required to notify the Chairman before accepting any new directorships and to indicate the time expected to be spent on the new appointment.

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, none of the Directors hold directorships in more than five (5) public listed companies.

Your Board is satisfied that each individual Director of your Fund is committed to your Board and has a good attendance record for meetings held during the FYE 2018. The table below shows the full attendance of all the Directors for meetings held during the FYE 2018:

	Board of Directors	Board Committees	
		AC	NC
Independent Non-Executive Chairman			
Datuk Ng Peng Hong @ Ng Peng Hay	5/5	-	2/2
Independent Non-Executive Directors			
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	5/5	4/4	2/2
Dato' Seri Md Ajib Bin Anuar	5/5	4/4	-
Madam Leong So Seh	5/5	4/4	2/2

Directors' Training

All the Directors have attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities. The 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 NC, your Board shall assess the training needs of the Directors on an ongoing basis such as changes in laws. The Board is also regularly briefed on the performance of your Fund and the outlook of the local and global markets.

Your Board shall ensure compliance with the MAP requirements of Bursa Securities by newly appointed Directors, if any and ensure appropriate induction programme for newly appointed Directors are facilitated by the Fund Manager.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the FYE 2018, your Board members attended the following Directors' continuing education programme(s):-

Director	Date	Course/Seminar/Conference/Forum Attended	Presenter/Organiser
Datuk Ng Peng Hong @ Ng Peng Hay	16 October 2017	Case Study Workshop for Independent Directors	Bursa Malaysia Berhad ("Bursa Malaysia")
	22 January 2018	1) Briefing on Implementation of new major accounting standards (i.e. MFRS 9, MFRS 15 and MFRS 16) 2) Briefing on Malaysian Code on Corporate Governance 2017	1) External Auditors of your Fund 2) Company Secretaries of your Fund
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	16 October 2017	Case Study Workshop for Independent Directors	Bursa Malaysia
	22 January 2018	1) Briefing on Implementation of new major accounting standards (i.e. MFRS 9, MFRS 15 and MFRS 16) 2) Briefing on Malaysian Code on Corporate Governance 2017	1) External Auditors of your Fund 2) Company Secretaries of your Fund
Dato' Seri Md Ajib Bin Anuar	23-25 August 2017	8th China - ASEAN Mining Cooperation Forum (CAMCF), Nanning, China	CAMCF Secretariat/ ASEAN Federation of Mining Associations (AFMA)
	5-7 September 2017	Mining Philippines 2017 International Conference, Manila	Chamber of Mines of the Philippines
	12-15 September 2017	2017 ITRI Asia Tin Week, Kunming, China	International Tin Association
	9-10 October 2017	30th National Geoscience Conference	Geological Society Malaysia
	29 November 2017	5th Private Sector Forum on Cooperation in Minerals in ASEAN, Nay Pyi Taw, Myanmar	AFMA/ Myanmar Federation of Mining Associations
	4-5 December 2017	Conference on Sustainable and Responsible Mineral Resource Development	Malaysian Chamber of Mines
	16 October 2017	Case Study Workshop for Independent Directors	Bursa Malaysia
	22 January 2018	1) Briefing on Implementation of new major accounting standards (i.e. MFRS 9, MFRS 15 and MFRS 16) 2) Briefing on Malaysian Code on Corporate Governance 2017	1) External Auditors of your Fund 2) Company Secretaries of your Fund
	24-25 April 2018	International Tin Conference 2018, Budapest, Hungary	International Tin Association

Madam Leong So Seh	18 July 2017	Capital Market Conference 2017 – Global Capital Markets: Entering a New Era	Bursa Malaysia
	13 October 2017	CG Breakfast Series for Directors – Leading in a Volatile, Uncertain, Complex, Ambiguous (VUCA) World	The Iclif Leadership and Governance Centre
	9 November 2017	Case Study Workshop for Independent Directors	Bursa Malaysia
	15 November 2017	Sustainability Statement Writing Workshop by EY – Manufacturing Sector	Bursa Malaysia
	5 December 2017	CG Breakfast Series: Leading Change @ The Brain	Bursa Malaysia
	18 January 2018	MCCG and Bursa's Listing Requirements – Towards Meaningful Disclosure	Securities Industry Development Corporation ("SIDC")
	22 January 2018	1) Briefing on Implementation of new major accounting standards (i.e. MFRS 9, MFRS 15 and MFRS 16) 2) Briefing on Malaysian Code on Corporate Governance 2017	1) External Auditors of your Fund 2) Company Secretaries of your Fund
	13 February 2018	MCCG and Bursa's Listing Requirements – Disclosure and Reporting Expectations for Principles A, B and C	SIDC

III. Directors' Remuneration

Your Board is of the view that the need for the establishment of a Remuneration Committee does not arise as your Fund does not have any Executive Directors. The determination of remuneration of the Non-Executive Directors is a matter for your Board as a whole and the remuneration payable are tabled to the share owners for approval at every AGM.

The details of the remuneration policy and procedures are disclosed in your Fund's Remuneration Policy for Directors, which is available on the corporate website on 9 April 2018.

The detailed disclosure on named basis for the remuneration of individual Directors for FYE 2018 are set out below:-

Directors	Fees (RM)	Allowance (RM)	Bonus, benefits in kind & others (RM)	Total (RM)
Datuk Ng Peng Hong @ Ng Peng Hay	60,000	7,000	-	67,000
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	50,000	12,000	-	62,000
Dato' Seri Md Ajib Bin Anuar	55,000	11,000	-	66,000
Madam Leong So Seh	50,000	12,000	-	62,000
Dato' Tan Ang Meng (Retired on 9 September 2017)	13,837	-	-	13,837
Total	228,837	42,000	-	270,837

Principle B – Effective Audit And Risk Management**I. Audit Committee****Composition**

The AC assists your Board in its oversight of your Fund's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of your Fund. The Chairman of the AC and the Chairman of your Board are held by separate persons.

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors. The composition of the AC, including its roles and responsibilities are set out in the AC Report on page 32 of this Annual Report.

Assessment of Sustainability and Independence of External Auditors

The AC and your Board communicate regularly with the External Auditors and they are invited to attend AC 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 AC. The AC held two (2) private discussion sessions with the External Auditors in respect of the audit of your Fund's financial statements for FYE 2018.

The AC had obtained written assurance from the External Auditors, Messrs Crowe Malaysia (formerly known as 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 engagement partner involved in the external audit of your Fund's financial statements for the FYE 2018 was rotated in accordance with the MIA By-Laws which limits the key audit role of an engagement partner involved in an external audit to five (5) years and cannot be re-engaged to play a significant role in the audit of your Fund for at least another two (2) successive years.

The Terms of Reference of the AC had been revised requiring a former key audit partner to observe a cooling off period of at least two (2) years before being appointed as a member of the AC.

In safeguarding and supporting the External Auditors' independence and objectivity, your Board had established an Auditor Independence Policy to set out the basic principles on the prohibition of non-audit services and the approval process for the provision of non-audit services.

A summary of the activities of the AC during the year are set out in the AC Report on pages 32 to 34 of this Annual Report.

II. Risk Management and Internal Control Framework**Establishment of Risk Management and Internal Control Framework**

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 obtained assurance that the system of risk management and internal control has taken into account the process of identifying key risks as well as the likelihood of occurrence and materiality. Your Board, through the AC, defines the level of risk appetite, approves and oversees the operation of your Fund's Risk Management Framework. Your Board, through the AC, assesses its effectiveness and reviews any major/significant risks faced by your Fund. The AC reviews the Enterprise Risk Management and advises your Board on areas of high risk faced by your Fund and the adequacy of compliance and control.

The AC also reviews the action plans 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 share owners' investments.

Your Fund's Statement on Risk Management and Internal Control, which

provides an overview of the risk management and the state of internal control of your Fund is set out on pages 34 to 36 of this Annual Report.

Effectiveness and Independence of Internal Auditors

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

A summary of the activities and details of the Internal Auditors including internal audit function during the financial year are set out in the AC Report on page 33 of this Annual Report.

Principle C – Integrity In Corporate Reporting and Meaningful Relationship With Stakeholders**I. Communication with Stakeholders****Corporate Disclosure Policies and Procedures**

Your Board has adopted a Corporate Disclosure Policy and Procedures which is available on the corporate website on 10 April 2017. In formulating the Corporate Disclosure Policy and Procedures, your Fund has taken into account the Code and the disclosure obligations contained in the MMLR.

Leverage on Information Technology for Effective Dissemination of Information

In disseminating the corporate information and disclosure, your Fund has made use of a broad range of communication channels, including but not limited to the electronic facilities provided by Bursa Securities, press releases, letters to share owners, the corporate website, e-mails, investor/news conferences, road shows/events and general meetings of your Fund.

The corporate website provides an avenue for information, such as dedicated sections on corporate information, including financial information, share price information, announcements and press releases. The website is continuously updated to ensure that the information contained within is current.

II. Conduct of Annual General Meetings**Encourage Share Owners Participation at General Meetings**

The AGM and any general meeting of your Fund serves as the principal forum for share owners to have direct access to your Board and provides the opportunity for share owners to raise questions pertaining to issues related to the annual report, audited financial statements, corporate developments, resolutions being proposed and the performance of your Fund. We are pleased to receive strong support from our share owners as indicated by their active participation at our AGM last year, which was held on 9 September 2017.

Share owners are encouraged to attend the AGM and participate in the question-and-answer session on the resolutions being proposed or on your Fund's operations in general. Share owners who are unable to attend are allowed to appoint proxies to attend and vote on their behalf in accordance with the Constitution of your Fund. Your Board members in attendance, the Fund Manager, the Administrator and the External Auditors, if so required, will endeavor to respond to share owners' questions during the meeting.

Notice of AGM

Proper notices of AGM or any general meeting are at all times dispatched to the share owners at least twenty-eight (28) days prior to the meetings, unless otherwise required by law, in order to provide sufficient time for share owners to understand and evaluate the subject matter. The Notice convening the 2018 AGM will be issued to share owners on 28 September 2018, Forty-Three (43) days prior to the AGM (in excess of the minimum notice period of 21 days prescribed by the MMLR).

Encourage Poll Voting

Effective 1 July 2016, all the resolutions set out in the notice of general meetings of your Fund must be voted on by poll. To assist share owners in exercising their right to vote, the Chairman will invite the Share Registrar

NOTICE OF ANNUAL GENERAL MEETING

or Scrutineer to brief the share owners on the poll procedures before the commencement of polling. Your Board will consider the use of electronic proxy lodgement system to facilitate greater share owners' participation after taking into consideration its reliability, applicability and cost efficiency.

Effective Communication and Proactive Engagement with Share Owners

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 enables share owners to have an overview of the performance of your Fund. Weekly updates on your Fund's Net Asset Value ("NAV") per share can be found in www.bursamalaysia.com and www.icapital.my.

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

- i. General meetings of your Fund;
- ii. Announcements and disclosures made to Bursa Securities, which include release of financial results on a 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;
- iv. Dialogues with financial analysts;

- v. Investor Day, roadshows as and when necessary; and
- vi. Responding to e-mails and letters from share owners.

This Corporate Governance Overview Statement was approved by your Board on 30 July 2018.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 2016 to prepare financial statements which give a true and fair view of the state of affairs of your Fund as at the end of each financial year and of the results and cash flows of your Fund for the financial year then ended. The Directors ensure that the relevant accounting policies have been adopted and applied consistently and that reasonable and prudent judgments and estimates have been made, in the preparation of the financial statements. The Directors also ensure that applicable approved accounting standards have been complied with. The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of your Fund that enables them to ensure that the financial statements comply with the Companies Act, 2016.

The Statement by Directors pursuant to Section 251(2) of the Companies Act, 2016 is set out on page 40 of this Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of **icapital.biz Berhad** will be held at Ballroom 2, Level 3, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur on Saturday, 10 November 2018 at 9.00 a.m for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 May 2018 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 1 of the Explanatory Notes)**
2. To approve the Directors' fees payable to the Directors of the Company amounting to RM228,837 for the financial year ended 31 May 2018. **Ordinary Resolution 1**
3. To approve the aggregate benefits payable of up to RM50,000 to the Directors of the Company from 11 November 2018 until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service of the Directors. **Ordinary Resolution 2**
4. To re-elect the following Directors who are retiring pursuant to Clause 100(1) of the Constitution of the Company and, being eligible, have offered themselves for re-election:-
 - (i) Datuk Ng Peng Hong @ Ng Peng Hay; and **Ordinary Resolution 3**
 - (ii) Dato' Seri Md Ajib Bin Anuar. **Ordinary Resolution 4**
5. To re-appoint Messrs Crowe Malaysia (formerly known as Crowe Horwath) as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**
6. To transact any other business for which due notice shall have been given pursuant to the Companies Act 2016.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
Company Secretaries

Selangor Darul Ehsan
Date: 28 September 2018

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.
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 proxy(ies) 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 Special Share Registrar's office (for the 14th AGM) at Unit 32-01, Level 32, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or alternatively the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 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 together with (if required by the Board) any authority under which it is made or a copy of the authority, certified notari ally or in some other manner approved by the Board.

(ii) By electronic means

In the case of an appointment made by electronic means,

a) via Fax

Share owner proxy form be received via facsimile at **fax number 603-2783 9222** 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 notari ally or in some other manner approved by the Board, must, if required

by the Board, be received at the Company's Special Share Registrar's office (for the 14th AGM) at Unit 32-01, Level 32, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or alternatively the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 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.

b) via Tricor Online system (TIIH Online)

Share owner proxy form be electronically lodged via TIIH Online (applicable for individual share owner only). The website to access TIIH Online is <https://online.tiih.com.my>. (Kindly refer to Annexure 1 of the Proxy Form – Electronic Lodgement of Proxy Form for general meeting)

8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 1 November 2018 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Explanatory Notes:

1. To receive the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

PRESENTATION OF INVESTMENT PORTFOLIO OF THE COMPANY

In order to keep the share owners abreast of the investments of the Company for the financial year ended 31 May 2018, 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 immediately after all the ordinary businesses have been tabled at the Fourteenth Annual General Meeting.

Personal data privacy:-

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

icapital.biz Berhad (674900-X)

(Incorporated in Malaysia)

CDS Account Number of Holder

PROXY FORM

No. of shares held

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

of _____
[Full address]

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/her, the **Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at Ballroom 2, Level 3, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur on Saturday, 10 November 2018 at 9.00a.m. or at any adjournment thereof. (*Please delete the words "Chairman of the Meeting" if you wish to appoint some other person to be your proxy.)*

My/our proxy is to vote as indicated below:-

No.	RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1	Approval of Directors' fees payable to Directors of the Company for the financial year ended 31 May 2018.		
Ordinary Resolution 2	Approval of aggregate benefits payable to Directors of the Company from 11 November 2018 until the next Annual General Meeting of the Company to be paid monthly in arrears.		
Ordinary Resolution 3	Re-election of Datuk Ng Peng Hong @ Ng Peng Hay as Director.		
Ordinary Resolution 4	Re-election of Dato' Seri Md Ajib Bin Anuar as Director.		
Ordinary Resolution 5	Re-appointment of Messrs Crowe Malaysia (formerly known as Crowe Horwath) as Auditors of the Company and to authorise the Directors to fix their remuneration.		

(Please indicate with an "X" in the spaces provided on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

Signature/Common Seal of Shareholder

Date:

NOTES:

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his place. A proxy may but need not be a member of the Company.
- 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.
- 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.
- 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.
- 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.
- 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.
- The appointment of proxy(ies) may be made in a hard copy form or by electronic means, and must-
 - In hard copy form
In the case of an appointment made in hard copy form, be deposited at the Company's Special Share Registrar's office (for the 14th AGM) at Unit 32-01, Level 32, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or alternatively the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 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 together with (if required by the Board) any authority under which it is made or a copy of the authority, certified notari ally or in some other manner approved by the Board.

Fold this flap for sealing

Notes to the Proxy Form:

(ii) By electronic means

In the case of an appointment made by electronic means:-

a) *via Fax*

Share owner proxy form be received via facsimile at **fax number 603-2783 9222** 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 notarialy or in some other manner approved by the Board, must, if required by the Board, be received at the Company's Special Share Registrar's office (for the 14th AGM) at Unit 32-01, Level 32, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or alternatively the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 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.

b) *via Tricor Online system (TIIH Online)*

Share owner proxy form be electronically lodged via TIIH Online (applicable for individual share owner only). The website to access TIIH Online is <https://online.tiih.com.my>. (Kindly refer to Annexure 1– Electronic Lodgement of Proxy Form for general meeting)

8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 1 November 2018 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Personal Data Privacy:-

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28 September 2018.

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AFFIX
STAMP

The Special Share Registrar
icapital.biz Berhad
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur

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ANNEXURE 1

ELECTRONIC LODGEMENT OF PROXY FORM FOR GENERAL MEETING

Please be informed that proxy forms can now be lodged electronically in addition to lodging the physical proxy forms.

About TIIH Online










This is a web-based facility hosted by Tricor to assist individual shareholders of companies (for which Tricor is the registrar) to electronically lodge (“e-lodgement”) their documents, such as proxy forms, dividend reinvestment forms and rights subscription forms.

How to register with TIIH Online

1. Any individual person may register as a user with **TIIH Online** at <https://online.tiih.com.my>. Registration is free.
2. You need to be a shareholder of the company for which Tricor is the share registrar to enjoy the e-lodgement service.
3. The registration process requires you to upload a softcopy of your MyKad/passport and to submit your email address and mobile phone number at the point of registration via **TIIH Online**.
4. An email address is allowed to be used once to register as a new user account, and the same email cannot be used to register another user account.
5. The administrator will approve your registration via email within one working day.
6. To begin, please login with the temporary password furnished in the email and change your password for onward usage.
7. Should there be any other companies that engage the **TIIH Online** facility, you will use the same user and password to logon to perform the e-lodgement of documents for the relevant companies.
8. Handling fee of RM5 is chargeable for each e-lodgement of document.

How to proceed with e-lodgement of proxy forms

Once you login, the following steps will guide you on how to perform the e-lodgement:

-  Select relevant company for e-lodgement
-  Preview & agree “Terms & Conditions”, confirm “Declaration”
-  Preview details – CDS account and holdings
-  Select CDS account and insert no. of securities for proxy(s) to vote on your behalf
-  Appoint chairman as proxy; otherwise appoint proxy(s) by inserting name, MyKad/passport & no. of securities
-  Indicate voting instructions – FOR / AGAINST / ABSTAIN; otherwise your proxy(s) will decide your votes
-  Review & confirm proxy(s)’s appointment
-  Proceed to pay handling fee via Maybank2U / FPX
-  Once payment successful, print acknowledgement & proxy appointment for record

Our Contact

Please direct your queries on the e-lodgement of proxy forms to Tricor at:

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

Telephone No. : 603-2783 9299
Email : tiih.online@my.tricorglobal.com

NOTES

[illegible]

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan

(Independent Non-Executive Director)

Dato' Seri Md Ajib Bin Anuar

(Independent Non-Executive Director)

Leong So Seh

(Independent Non-Executive Director)

DESIGNATED PERSON

Tan Teng Boo

AUDIT COMMITTEE

Chairman :

Dato' Seri Md Ajib Bin Anuar

Members :

Dato' Sri Syed Ismail Bin Dato'

Haji Syed Azizan

Leong So Seh

NOMINATION COMMITTEE

Chairman :

Datuk Ng Peng Hong @ Ng Peng Hay

Members :

Dato' Sri Syed Ismail Bin Dato'

Haji Syed Azizan

Leong So Seh

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Date of listing: 19 October 2005

Stock Name: ICAP

Stock Code: 5108

FUND MANAGER

**Capital Dynamics Asset
Management Sdn. Bhd.**

(Company No. 389773-H)

16.01B, 16th Floor

Plaza First Nationwide

161, Jalan Tun H.S. Lee

50000 Kuala Lumpur

Tel: (603) 2070 2106 – 8

Fax: (603) 2070 6653

Email: cdam@cdam.biz

Website: www.cdam.biz

ADMINISTRATOR

TMF Administrative

Services Malaysia Sdn Bhd

(Company No. 341368-X)

10th Floor, Menara Hap Seng

No. 1 & 3 Jalan P. Ramlee

50250 Kuala Lumpur

CUSTODIAN

**Standard Chartered Bank
Malaysia Berhad**

(Company No. 115793-P)

Level 13A, Menara

Standard Chartered

30 Jalan Sultan Ismail

50250 Kuala Lumpur

AUDITORS

Crowe Malaysia

(formerly known as Crowe Horwath)

(Audit Firm No. AF1018)

Level 16, Tower C

Megan Avenue II

12 Jalan Yap Kwan Seng

50450 Kuala Lumpur

INVESTMENT ADVISER

Capital Dynamics Sdn. Bhd.

(Company No. 171744-U)

16.01A, 16th Floor

Plaza First Nationwide

161, Jalan Tun H.S. Lee

50000 Kuala Lumpur

Tel: (603) 2070 2104/5

(603) 2070 1654(75)

Fax: (603) 2070 2103

Email : cdsb@icapital.biz

Website : www.icapital.biz

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower

8 First Avenue, Bandar Utama

47800 Petaling Jaya

Selangor Darul Ehsan

Tel: (603) 7720 1188

Fax: (603) 7720 1111

REGISTRAR

**Boardroom Corporate
Services (KL) Sdn Bhd**

(Company No. 3775-X)

Lot 6.05, Level 6, KPMG Tower

8 First Avenue, Bandar Utama

47800 Petaling Jaya

Selangor Darul Ehsan

Tel: (603) 7720 1188

Fax: (603) 7720 1111

SECRETARIES

Tai Yit Chan (MAICSA 7009143)

Tan Ai Ning (MAICSA 7015852)

FUND'S CORPORATE WEBSITE

www.icapital.my

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