

icapital.biz Berhad

[Registration No. 200401036389 (674900-X)]

2020 Annual Report

ABOUT ICAPITAL.BIZ BERHAD

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 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 employees. Its operations are outsourced to independent service providers. The main service providers are the Fund Manager, the Investment Adviser, the Custodian and the Fund 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 safe kept by the

Custodian while the accounting and administrative services are outsourced to the Fund 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. Though incorporated as a company, there are some differences between a normal listed company and a listed closed-end fund. More details can be found in the Explanatory Note section of this annual report.

HOW TO CONTACT US

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

The company secretary can be contacted at (603) 7890 4800, at fax no (603) 7890 4650 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 2020, your Fund's net asset value (NAV) decreased to RM394.309 million from RM450.208 million in the preceding financial year. Its NAV dropped 12.42% from RM3.22 per share on 31 May 2019 to RM2.82 per share on 31 May 2020. Your Fund's NAV and share price was mainly affected by the unprecedented COVID-19 pandemic.

Over the longer-term, your Fund's NAV achieved an annualised compound return of 7.48%, compared with 3.36% for the KLCI, both measured from your Fund's inception date to 9 September 2020. For the same period, your Fund's share price achieved an annualised compound return of 4.72%, outperforming the KLCI by 1.36% per annum. The recent KLCI performance has been boosted by two glove component stocks.

In appraising the performance of your Fund, it is necessary to remember that the most appropriate variable to focus on is its NAV. The profit and loss statement has no appraisal value for your Fund, which is closed ended. For more details, please refer to the Financial Statements section of this Annual Report.

On another note, Madam Leong So Seh and Datin Siah Li Mei have resigned from your Board this year due to personal reasons. On behalf of the Board, I extend my best wishes to them in their future endeavours. At the same time, your Board is pleased to extend a warm welcome to Mr Boh Boon Chiang who joined your Board as an Independent Non-Executive Director with effect from 16 July 2020. Mr Boh also sits on the Audit Committee. His more than 27 years of commercial experience will be an added advantage to your Board.

Due to the current pandemic situation, this year's 16th Annual General Meeting ("AGM") will be held virtually, unlike the previous years. This may be a disappointment to many share owners who look forward to our annual event. Nevertheless, we will ensure effective engagement with share owners by facilitating advance submission of questions from share owners before the AGM and effective management of the question-and-answer session during the virtual AGM.

Your Board is mindful of the importance of share owners' participation in the voting process as every share owner has the right to decide the future of your Fund regardless of the number of shares held. With the virtual AGM, your Board hopes more share owners will participate in the voting process. Share owners are also encouraged to submit their votes in advance via the e-proxy platform operated by the Share Registrar.

Despite this year's virtual AGM, Mr Tan Teng Boo will still deliver his investment presentation and the question-and-answer session virtually. This engagement would indeed be timely during these challenging times.

On behalf of the Board, we look forward to the share owners' strong participation at your Fund's first virtual AGM. Last but not least, stay healthy and be safe.

Datuk Ng Peng Hong @ Ng Peng Hay
Chairman
9 September 2020

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 **Table 1**.

Table 1: Market Value of Holdings as at 31 May 2020 (RM '000)

Company	RM '000
Padini Holdings	41,666
SAM Engineering & Equipment (M)	24,641
Suria Capital Holdings	11,903
Boustead Holdings	8,443
Carlsberg Brewery Malaysia	7,864
APM Automotive Holdings	7,533
Kelington Group	6,953
AirAsia Group	6,835
Tong Herr Resources	4,090
Apex Healthcare	3,962
Malaysia Smelting Corp	3,626
MKH	2,812
Oceancash Pacific	1,837
Kobay Technology	1,236
Parkson Holdings	1,074
Prolexus	1,035
Bioalpha Holdings	957
Salutica	867
HPMT Holdings	419

As at 31 May 2020, your Fund invested RM171.459 million with a market value of RM137.754 million, yielding unrealised losses of RM33.705 million. Of your Fund's investments as at 31 May 2020, Apex Healthcare Berhad, Carlsberg Brewery Malaysia Berhad, Kobay Technology Berhad, Oceancash Pacific Berhad, Padini Holdings Berhad, and Prolexus Berhad generated substantial unrealised gains, out of which Padini Holdings Berhad holds the highest at RM36.737 million.

II. INVESTMENTS MADE

For the financial year ended 31 May 2020, your Fund made the following additional investments **Table 3**.

Table 3: Purchases made since 01 June 2019 ('000 shares)

Company	('000 shares)
AirAsia Group	9,906
Kelington Group	6,438
SAM Engineering & Equipment (M)	2,198
Prolexus	1,593
Apex Healthcare	1,400
HPMT Holdings	1,269
Suria Capital	810
Kobay Technology	101
Oceancash Pacific	98
Carlsberg Brewery Malaysia	50



Investing is most intelligent when it is most business-like

Benjamin Graham



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

Table 2: Size of Holdings as at 31 May 2020 ('000 shares)

Company	('000 shares)
Padini Holdings	17,007
Boustead Holdings	12,148
Suria Capital Holdings	11,903
Parkson Holdings	10,742
AirAsia Group	9,906
Bioalpha Holdings	7,086
Kelington Group	6,438
Malaysia Smelting Corp	5,180
SAM Engineering & Equipment (M)	4,739
APM Automotive Holdings	4,431
Oceancash Pacific	2,551
MKH	2,489
Tong Herr Resources	2,045
Salutica	1,700
Prolexus	1,593
Apex Healthcare	1,400
HPMT Holdings	1,269
Kobay Technology	683
Carlsberg Brewery Malaysia	272

AirAsia Group Berhad manages South-East Asia's largest low-cost carrier with operations in Malaysia, Thailand, the Philippines, India, Indonesia and Japan. Kelington Group provides Ultra High Purity gas delivery solutions to the electronics and semiconductor industry. Sam Engineering & Equipment (M) Berhad is a key player in precision machining, equipment integration and automation solutions, primarily for the aerospace and equipment industries. Prolexus Berhad's core business is in apparel manufacturing. Apex Healthcare Berhad is engaged in developing, manufacturing, marketing and distributing pharmaceuticals, diagnostics, consumer healthcare products and orthopedic devices. HPMT Holdings Berhad manufactures and distributes precision cutting tools. Suria Capital Holdings Berhad is the leading port operator in Sabah and the group has ventured into other businesses, including property development. Kobay Technology

Berhad is a manufacturer of precision components, tooling, automation equipment and fabricated structures for the aerospace, semiconductor, etc industries. Oceancash Pacific Berhad is a manufacturer of resonated and thermoplastic felts. Carlsberg Brewery Malaysia Berhad produces beer, stout, shandy and non-alcoholic beverages for the domestic and export markets.

III. INVESTMENTS SOLD

For the financial year ended 31 May 2020, your Fund sold 77,700 shares of Carlsberg Brewery Malaysia Berhad, generating a gain of RM0.385 million with a cost of RM1.791 million.

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 RM2.82 by 31 May 2020 (**Chart 1**). This represents a gain of 185%. Since its listing on 19 October 2005, the market price of your Fund had risen from RM1.01 to RM2.03 by 31 May 2020. This represents a gain of 101%. During the same period, the FBMKLCI rose by 61%.

Chart 1: Gain from 19 October 2005 to 31 May 2020

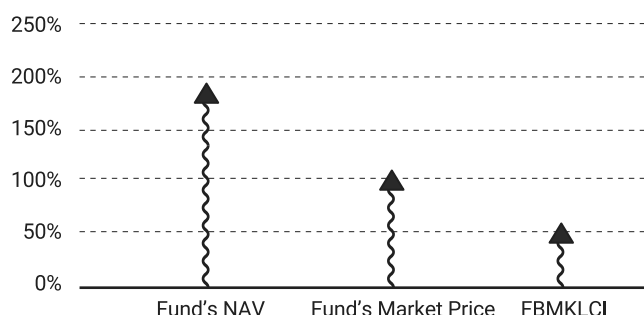
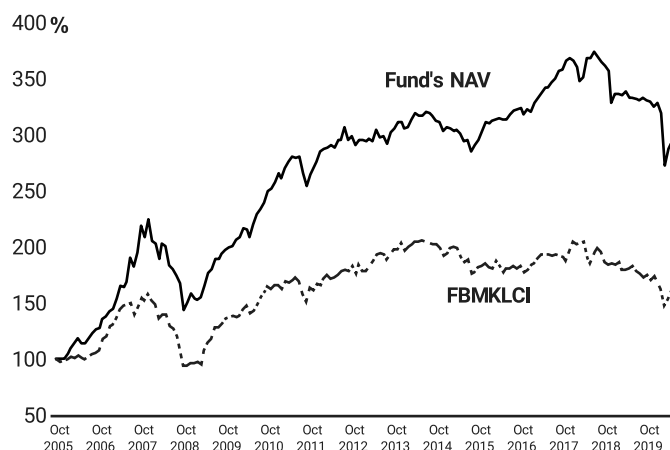


Chart 2 shows the performance of your Fund's NAV in comparison with the FBMKLCI.

Chart 2: Fund's NAV vs FBMKLCI (19/10/2005=100)



Between 31 May 2019 and 31 May 2020, the NAV per share of your Fund decreased from RM3.22 to RM2.82 (a loss of 12.42%) and its market price decreased from RM2.42 to RM2.03 (a loss of 16.12%). In the same period, FBMKLCI lost 10.75%. If not for the unusually strong gains made by 2 glove component stocks, the KLCI would have fallen substantially more.

The performance of icapital.biz Berhad since its listing is shown in **Tables 4** and **5**.

Table 4 : 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	229.08	154.59	84.93	68.52
2019	224.94	147.37	73.79	63.76
2020**	191.82	109.23	61.16	64.90

Table 5 : 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	9.44	7.33	4.76
2019	8.65	6.58	3.97
2020**	7.60	5.18	3.32

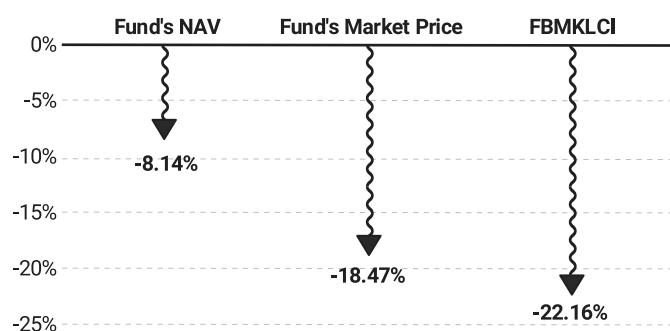
Note * : The NAV and price are adjusted for the special one-time dividend paid in FYE 31 May 2014.

** : 19/10/2005 to 31/05/2020

As the above table shows, the cash level of your Fund has in the past fluctuated substantially from a low of 10.51% to a high of 68.59%. For the financial year ended 2020, the cash held in absolute terms was nearly RM256 million, indicating a drop of more than RM40 million from the RM296.15 million of the financial year ended 2019. As at 9 September 2020, your Fund has more than RM242.67 million in cash and near cash (or RM1.73 per share). The reduction in your Fund's cash level is mainly due to the additional investments made.

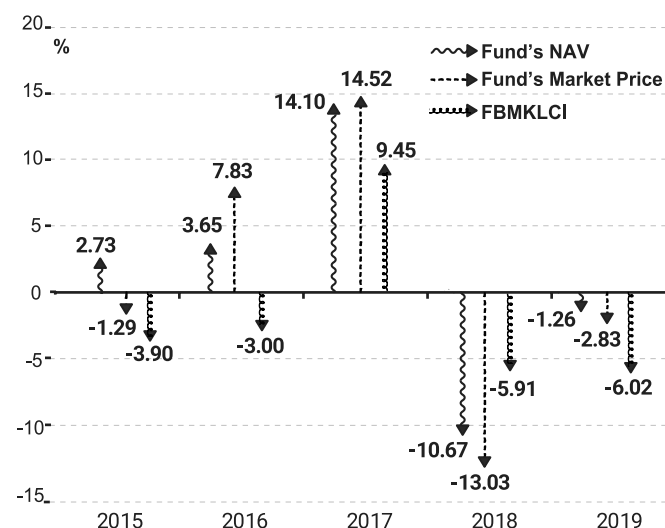
Chart 3 shows the performance of the FBMKLCI from its peak on 8 July 2014 until 31 May 2020, and the NAV and share price of icapital.biz Berhad during the same period. While the FBMKLCI lost 22.16%, your Fund's NAV depreciated by 8.14% and its price decreased by 18.47%.

Chart 3 : Percentage change from 8 Jul 2014 to 31 May 2020



Both the NAV and share price of your Fund performed better than the FBMKLCI in 2015, 2016, 2017 and 2019, despite the fund holding relatively high cash levels in those years (**Chart 4**). In 2018, your Fund's NAV was affected by the plunge in Padini's share price in December 2018. Up to November 2018, it was still ahead of the KLCI.

Chart 4: Annual return for Fund's NAV and Market Price Vs FBMKLCI from 31 December 2015 to 31 December 2019.



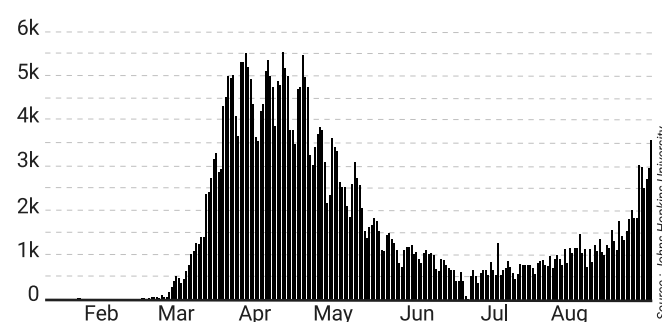
V. WHAT WE THINK

Malaysia's Outlook

In the world of coronavirus, a few months can make all the difference. The COVID-19 pandemic, which apparently broke out in January 2020 (there is increasing evidence that it started even earlier than that in the US and Europe), has turned the world upside down. Globally, there are more than 28.66 million confirmed cases and more than 919,000 deaths.

For Malaysia, there were 9,868 confirmed cases and 128 deaths. Thankfully, we have handled this public health crisis better than many other countries. For perspective, as at the same day, the UK recorded 367,592 confirmed cases and 41,712 deaths. In addition, the UK has experienced a second wave of infection (**Figure 1**).

Figure 1 : The UK Daily COVID-19 Confirmed Cases



In 2019, the UK has around 67.53 million people and Malaysia 32.36 million. Using the numbers on a per capita basis to gauge how Malaysia has managed the pandemic, one can conclude that if Malaysia had dealt with it as badly as the UK government, her number of confirmed cases would have ballooned to more than 176,000 and the number of deaths would have jumped to over 19,900. It is obvious that Malaysia has done a jolly good job.

Meanwhile, reflecting the negative impact of measures taken both globally and domestically to contain the COVID-19 pandemic, Malaysia's economy contracted by 17.1% year-on-year in the 2nd quarter of 2020 (**Figure 2**), its steepest fall since the 4th quarter of 1998. On a seasonally adjusted quarterly basis, the economy shrank by 16.5%.

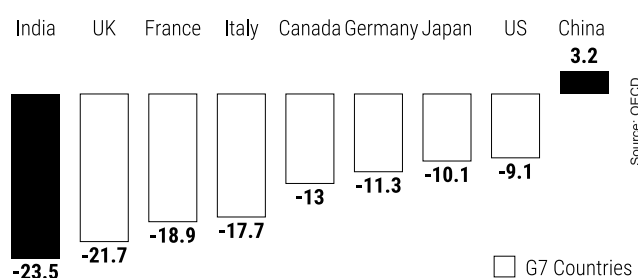
Figure 2 : Malaysia Year-on-Year GDP Growth



The second half of 2020 is expected to see recovery although 2020 is expected to end as a contracting year. As a small open economy, Malaysia's economic performance would to a large extent depend on how the rest of the world is performing.

As expected by Capital Dynamics, China's economy has recovered convincingly by the 2nd quarter but there are still question marks over the United States, Japan, Europe and other key economies (**Figure 3**). The Chinese government took early decisive actions in managing the pandemic; thanks to this, the whole nation is now well on her way to normalcy. Had many of the other nations gone the same "draconian" route as China, the world economy would have by now been well on the way to healthy recovery. China has ended up being the only country expected to record a positive GDP growth for 2020.

Figure 3 : GDP Growth in 2Q 2020 for Selected Countries



Value Investing

In terms of investors, most people would associate value investing with Benjamin Graham, Warren Buffett, Charlie Munger, and Philip Fisher; in this region, Tan Teng Boo who would come to mind. As far as investment philosophy goes, most investors would understand value investing as buying a stock or a business when its market price is selling below its intrinsic value. In simple terms, it means buying something that is worth more than its market price. What most people are not aware of is the type of personality that value investing demands or is commonly associated with.

Given the innate characteristics of value investing, this successful, time-proven investment philosophy is premised on the simple self-effacing realisation that no one can predict the future accurately all the time, not even most of the time. These predictions could concern a company's future sales and earnings; they could be about economic variables such as GDP growth rate, inflation and interest rate, or as is commonly practised by investors, the future directions of stock markets.

Buy Low, Sell High, Yes?

The popular market adage "buy low, sell high" refers to buying a stock when its share price is low and selling when its share price is high. It refers to the share price in absolute terms, say RM3.20 or RM13.20. The ability to buy low and sell high as defined such demands that an investor be able to identify or predict when the share price will hit bottom and when it will reach its peak. Such a method is commonly called market-timing: investors time the stock market by aiming to buy low (when the index or stock price is low in absolute terms) and to sell high (also in absolute terms). All kinds of tools and techniques are used in timing a stock price or a market index. To improve the accuracy of this timing exercise, investors very often add input from what is called a top-down analysis.

Top-down analysis would start with macro-economic forecasting, which would typically involve forecasting a country's GDP growth rate, inflation, interest rates and often its currency rates too. The idea is to forecast or time as accurately as possible a country's economic or business cycle. When the economy will enter a recession and when it will begin recovery is the preoccupation of top-down analysis. The aim is to buy at the bottom of a recession, which typically happens when inflation and interest rates are at cyclical lows, and sell at the height of a recovery, which characteristically happens when inflation and interest rates are peaking out. Such top-down analysis can be done in a simplistic manner or with a high level of complexity and sophistication, involving mathematical models, highly educated persons and high-powered computers. Unfortunately, it is difficult to forecast economic growth, inflation and interest rates accurately in a consistent manner. Even large institutions like Bank Negara, the World Bank and the International Monetary Fund often get it wrong. So, although plenty of effort and resources are put into these activities, the results remain disappointing for the majority of investors who pursue this highly popular top-down/market-timing style. Instead of buying low and selling high, investors end up doing the precise opposite and losing their hard-earned savings. Why?

Buy High, Sell Low, Haha!!

As explained earlier, "buy low sell high" does not work consistently because it is very difficult to predict a market trend, a company's earnings or a country's GDP accurately on a consistent basis. Of course, out of say 100 times, there will of course be a couple of

times when one gets it correct. This is just the nature of probability. This is like predicting heads or tails when a coin is tossed a hundred times. If one thinks about it carefully, such a result is hardly surprising. Those moments of accuracy tend to blind investors to the fallibility of market timing. If the method were truly so reliable, I could just sit in front of the monitor and trade profitably from there. No need to work hard and conduct all that research and analysis.

Noteworthy at this point is what Benjamin Graham, the father of value investing and the teacher of Warren Buffett, had to say on such matters:

"As in all other activities that emphasize price movements first and underlying values second, the work of many intelligent minds constantly engaged in this field tends to be self-neutralizing and self-defeating over the years. The investor with a portfolio of sound stocks should expect their prices to fluctuate and should neither be concerned by sizable declines nor become excited by sizable advances. He should always remember that market quotations are there for his convenience, either to be taken advantage of or to be ignored. He should never buy a stock because it has gone up or sell one because it has gone down."

The intellectual approach towards investing in the stock market differs greatly between those who time the market or stocks and those who practise value investing. For the former, the market index or stock price is just a number to predict and place bets on, making it in essence similar to gambling or speculating; for the latter, the market index is meaningless, stock prices are to be used only in comparisons with the intrinsic value of a stock or business.

Humility Is A Must

The emotional requirements differ greatly between those who time the market and those who focus on seeking value. A reason why those who time the market do not succeed in the long term is due mainly to complacency, arrogance and/or ignorance. Why? Those who have timed the market or stocks correctly for a period of time tend to subsequently believe that their success can be repeated; over time, overconfidence and arrogance builds up. Such an attitude of complacency invites disaster. To make things worse, those who think that investing successfully is all about buying low and selling high are ignorant of what it takes to be a successful long-term investor. In contrast, value investing succeeds because it demands the humble acceptance of human fallibility. To quote Benjamin Graham again:

"You will be much more in control, if you realize how much you are not in control."

Bernard Baruch, a legendary Wall Street investor, has this to share about self-honesty of investors:

"Only liars manage to always be out during bad times (bear markets) and in during good times (bull markets)."

Isaac Newton Not So Smart

The most fundamental problem with trying to time the market is that one needs to be right twice. Once to sell at the peak of the market or when the stock price is at its peak, and a second time when you buy back in at the bottom. In order to yield a successful investment, one needs to buy and sell correctly. If the probability of buying correctly is 70% (a very high chance), and the probability of selling correctly is also 70%, then the probability of your investment being profitable is only 49%. These are odds worse than when you toss a coin. In other words, buying low and selling high, an activity which is akin to timing the market, cannot be done with consistent success. This impossibility of reliable timing needs to be linked with another investing truism to truly show one the consequences of such a human fallacy. What many investors do not grasp when timing the market and what many successful value investors appreciate about investing is the simple arithmetic of investing/trading.

"And back in the spring of 1720, Sir Isaac Newton owned shares in the South Sea Company, the hottest stock in England. Sensing that the market was getting out of hand, the great physicist muttered that he "could calculate the motions of the heavenly bodies, but not the madness of the people." Newton dumped his South Sea shares, pocketing a 100% profit totaling £7,000. But just months later, swept up in the wild enthusiasm of the market, Newton jumped back in at a much higher price - and lost £20,000 (or more than \$3 million in today's money). For the rest of his life, he forbade anyone to speak the words "South Sea" in his presence."

— Benjamin Graham

Isaac Newton was probably getting a little ahead of himself at the time. Had Isaac Newton just exercised more prudence or humility, he would have realised the simple arithmetic of investing. Newton started with £7,000 and made £7,000. By investing again with £14,000, a 100% profit would see Newton earning £14,000 and he would then have £28,000. If Newton had continued to invest all of the amount he garnered and earn a 100% profit each time, his initial £7,000 would have surged to £1,792,000 (or \$268.8 mln in

today's money) after only 8 rounds of trading. The 8 rounds may have taken 8 days, 8 weeks or 8 months. Isaac Newton, "widely recognised as one of the most influential scientists of all time and as a key figure in the scientific revolution", ultimately did not make it as a great investor. By its very nature, value investing is a realistic investment strategy, demanding plenty of humility and patience from its practitioners, qualities that Newton did not show. £7,000 surging to £1,792,000 after 8 rounds is simply not feasible. Another 8 more of such magical rounds and Isaac Newton would have gained £458,752,000 (or US\$68.8 bln in today's money), possibly more than the entire economy of Great Britain in 1720.

Newton was supposed to be a great mathematician, which makes it odd that he failed this simple arithmetic exercise. A doubling of one's investment or a 100% profit could easily be wiped out by only a 50% decline. When Newton made a profit of 100% or £7,000, had he suffered a 50% loss, he would have given up all his gains and gone back to square one. If Newton made a 200% or £14,000 profit, he would have given up all his gains and gone back to square one had he suffered a 67% loss. This simple arithmetic investing or trading means that a 50% loss can totally wipe out a 100% gain and a slightly higher 67% loss can devastate a whopping 200% gain. Isaac Newton should have also been familiar with probability. To top it all off, the chances of a 50% loss are much higher than those of a 100% profit. At the end of the day, investing is unfair, just like life is unfair. This asymmetrical nature of investing or trading is often overlooked or not well understood by investors who employ the 'buy low sell high' method and time stocks or the market (**Figure 4**).

Figure 4: Simple Arithmetic of Investing



Warren Buffett expressed it more humorously: "We continue to make more money when snoring than when active". To be sure, value investors are not lazy investors - they actually work pretty damn hard. Besides that, they are critically self-honest and humbly admit that it is impossible to time the market to perfection. Remember how Ben Graham advised that "you will be much more in control, if you realize how much you are not in control"? As I have said many times before: "Instead of pretending that we can be 100% accurate, our objective is to seek long-term capital appreciation while reducing the margin of error. This is achieved with a rigorous and well-defined value investing approach." The humble philosophy underlying value investing is that investors need to have a margin of safety in order to deal with unexpected events and human error. This is why a value investor buys a stock or a business only when its market price is below its intrinsic value, the difference being the margin of safety created. To be successful, one needs to recognise that mistakes will be made. Investors are after all only human. The strategy then should be to reduce the mistakes or at least mitigate their impact on one's investments.

Cash

Another way a value investor expresses his humility is by holding cash - lots of it in fact - when there is nothing attractive to invest in. If there are not enough securities to fill out a portfolio that meet value investing criteria, the answer is simply to hold cash until such securities can be found. To be sure, holding cash is not the ultimate aim of a value investor; it is a by-product of the value investing process where humility is a huge part of its risk management. Take the still unfolding COVID-19 pandemic for example. Due to the infectious nature of the novel coronavirus and the suddenness of the pandemic, governments worldwide were forced to implement lockdowns or impose strict restrictions on physical social interactions. The impact on businesses and firms brought business operations to an immediate standstill, and hence cash instantaneously stopped flowing into these businesses and firms. Enterprises, big or small, that do not have strong balance sheets, which always mean cash or near cash, are screaming for help. It is cash or perish. For businesses and firms, cash is a necessity for dealing with the unexpected. Cash is the heart and blood of businesses. Cash and liquidity are much more important to a firm's survival than earnings or profitability. Cash serves a similar purpose from an investor's or a portfolio manager's standpoint. Cash is the most vital raw material for an

investor. If one can be absolutely sure that all the stocks one has bought are the correct stocks at the correct prices and valuations, or that there will not be any better opportunities coming your way later, then holding cash become superfluous. How can one be so cocky?

As I have previously shared, holding cash is like holding a very valuable option, except that it is one with no expiry date. The value of an option depends on its expiry date, amongst other factors. The longer the expiry date, the more valuable the option becomes. An option has a fixed conversion price. With cash, it is the investor or the fund manager who decides what the conversion price will be. Since a value investor will buy only at an attractive price, the value of the option or cash goes up. In summary, whether one is managing a business or managing a portfolio, it is a privilege to have a strong balance sheet now, one that is especially filled with cash. This brings us to the initial version of value investing as expounded by Benjamin Graham.

Balance Sheet Strength

Thanks to the very disciplined approach taken by icapital.biz Bhd, it boasts of one of the strongest balance sheets in the whole Malaysian stock market. icapital.biz Bhd is well positioned to take advantage of the situation created by the COVID-19 pandemic. This attractive feature of icapital.biz Bhd has not been recognized by the Malaysian stock market, due to the persistent negative attempts by one of its overseas shareowners to cast a negative aspersion on its cash holding.

When Benjamin Graham wrote his investment classic "Security Analysis" in 1934, it was during the depths of the 1930s Great Depression, when US unemployment rate hit 25% and when so many American business and banking enterprises were closing down so rapidly the economic landscape resembled a cascade of dominoes. However, the Great Depression was not just a remote abstraction to Graham. Few people know that Ben Graham was financially ruined by the 1929 stock market crash. This was a gigantic reversal to his fortune. The 1929 market crash meant he had to financially rebuild for the second time, and it also led Ben Graham to write the Security Analysis and formulate an investment strategy so sound, so prudent and so shock-proof that only a person personally experiencing the Great Depression could have produced it. His very hard-earned lessons from the Great Depression are so timely in the current COVID-19 collapse.

One of the key lessons from "Security Analysis" is Graham's near obsession with the financial and balance sheet strength of a company. Such an emphasis is not surprising at all, given the traumatic experience he had to endure during the Great Depression. It takes the severity of the COVID-19 pandemic for investors and fund managers to fully appreciate the soundness of Ben Graham's value investing philosophy. The sudden and widespread collapse that many economies are experiencing means that only businesses and firms with cash and balance sheet strength can survive, a point that Ben Graham emphasised nearly 90 years ago.

Tan Teng Boo

Designated Person

Capital Dynamics Asset Management Sdn Bhd

12 September 2020

MENGENAI ICAPITAL.BIZ BERHAD

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 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 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 menggangkakan nilai Dana anda. Ini dicapai dengan berpegang kepada falsafah pelaburan berasaskan nilai. Sebagai 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 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 pendapatannya.

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 Pengarah 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 Dana anda diuruskan oleh Pengurus Dana yang akan melantik

Pengawai Lantikan Khas yang akan bertanggungjawab untuk menguruskan aset-aset tersebut, 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 serta 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. Walaupun diperbadankan sebagai syarikat, terdapat beberapa perbezaan di antara syarikat tersenarai biasa dan dana tertutup yang tersenarai. Butiran lanjut boleh didapati di bahagian Penjelasan Nota laporan tahunan ini.

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 2020, nilai aset bersih (NAB) Dana anda menurun kepada RM394.309 juta daripada RM450.208 juta pada tahun kewangan sebelumnya. NABnya turun 12.42% dari RM3.22 sesaham pada 31 Mei 2019 kepada RM2.82 sesaham pada 31 Mei 2020. NAB dan harga saham Dana anda dipengaruhi terutamanya oleh pandemik COVID-19 yang belum pernah terjadi sebelumnya.

Dalam jangka masa panjang, NAB Dana anda memperoleh pulangan kompaun tahunan sebanyak 7.48%, berbanding 3.36% untuk KLCI, keduanya diukur dari tarikh permulaan Dana anda hingga 9 September 2020. Untuk tempoh yang sama, harga saham Dana anda mencapai pulangan kompaun tahunan sebanyak 4.72%, mengatasi KLCI sebanyak 1.36% setahun. Prestasi KLCI baru-baru ini didorong oleh stok komponen dua sarung tangan.

Dalam menilai prestasi Dana anda, perlu diingat bahawa pemboleh ubah yang paling sesuai untuk difokuskan adalah NABnya. Penyata untung rugi tidak mempunyai nilai penilaian untuk Dana anda, yang tertutup. Untuk maklumat lebih lanjut, sila rujuk bahagian Penyata Kewangan dalam Laporan Tahunan ini.

Dalam perkembangan lain, Puan Leong So Seh dan Datin Siah Li Mei telah mengundurkan diri dari Lembaga anda tahun ini kerana alasan peribadi. Bagi pihak Lembaga Pengarah, saya mengucapkan setinggi-tinggi harapan kepada mereka dalam usaha mereka di masa hadapan. Pada masa yang sama, Lembaga anda dengan senang hati mengucapkan selamat datang kepada Tuan Boh Boon Chiang yang telah menyertai Lembaga anda sebagai Pengarah Bebas Bukan Eksekutif yang berkuatkuasa pada 16 Julai 2020. Encik Boh juga menganggotai Jawatankuasa Audit. Lebih dari 27 tahun pengalaman komersialnya akan menjadi kelebihan tambahan kepada Lembaga Pengarah anda.

Oleh kerana keadaan pandemik sekarang, Mesyuarat Agung Tahunan ke-16 ("AGM") tahun ini akan diadakan secara maya, tidak seperti tahun-tahun sebelumnya. Ini mungkin mengecewakan banyak pemilik saham yang menantikan acara tahunan kami. Walaupun begitu, kami akan memastikan penglibatan yang berkesan dengan

pemilik saham dengan memudahkan penyerahan soalan dari pemilik saham terlebih dahulu sebelum AGM dan pengurusan sesi soal jawab yang berkesan semasa AGM maya.

Lembaga anda menyedari pentingnya penyertaan pemilik saham dalam proses pengundian kerana setiap pemilik saham berhak memutuskan masa depan Dana anda tanpa mengira jumlah saham yang dipegang. Dengan AGM maya, Lembaga anda berharap lebih banyak pemilik saham akan mengambil bahagian dalam proses pengundian. Pemilik saham juga digalakkan untuk mengemukakan undian mereka terlebih dahulu melalui platform e-proksi yang dikendalikan oleh Pendaftar Saham.

Walaupun AGM maya tahun ini, Encik Tan Teng Boo tetap akan menyampaikan pembentangan pelaburannya dan sesi soal jawab secara maya. Penglibatan ini semestinya tepat pada masa-masa yang mencabar ini.

Bagi pihak Lembaga Pengarah, kami mengharapkan penyertaan pemilik saham yang kuat dalam AGM maya pertama Dana anda. Akhir sekali, kekal sihat dan selamat.

Datuk Ng Peng Hong @ Ng Peng Hay

Pengerusi

9 September 2020

B APA YANG TELAH KAMI LAKUKAN DENGAN DANA ANDA

I. PORTFOLIO PELABURAN

Kedudukan portfolio Dana anda berdasarkan nilai pasaran setiap saham ditunjukkan dalam **Jadual 1** di bawah.

Jadual 1: Nilai Pasaran Pegangan setakat 31 Mei 2020 (RM '000)

Syarikat	RM '000
Padini Holdings	41,666
SAM Engineering & Equipment (M)	24,641
Suria Capital Holdings	11,903
Boustead Holdings	8,443
Carlsberg Brewery Malaysia	7,864
APM Automotive Holdings	7,533
Kelington Group	6,953
AirAsia Group	6,835
Tong Herr Resources	4,090
Apex Healthcare	3,962
Malaysia Smelting Corp	3,626
MKH	2,812
Oceancash Pacific	1,837
Kobay Technology	1,236
Parkson Holdings	1,074
Prolexus	1,035
Bioalpha Holdings	957
Salutica	867
HPMT Holdings	419

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

Jadual 2: Saiz Pegangan setakat 31 Mei 2020 ('000 saham)

Syarikat	('000 saham)
Padini Holdings	17,007
Boustead Holdings	12,148
Suria Capital Holdings	11,093
Parkson Holdings	10,742
AirAsia Group	9,906
Bioalpha Holdings	7,086
Kelington Group	6,438
Malaysia Smelting Corp	5,180
SAM Engineering & Equipment (M)	4,739
APM Automotive Holdings	4,431
Oceancash Pacific	2,551
MKH	2,489
Tong Herr Resources	2,045
Salutica	1,700
Prolexus	1,593
Apex Healthcare	1,400
HPMT Holdings	1,269
Kobay Technology	683
Carlsberg Brewery Malaysia	272



PELABURAN PALING BIJAK ADALAH APABILA IA SEPERTI PERNIAGAAN

— Benjamin Graham



Bagi tahun kewangan berakhir 31 Mei 2020, Dana anda telah melabur berjumlah RM 171.459 juta dengan nilai pasaran berjumlah RM 137.754 juta, menghasilkan kerugian belum direalisasi sebanyak RM 33.705 juta. Daripada pelaburan Dana anda pada 31 Mei 2020, Apex Healthcare Berhad, Carlsberg Brewery Malaysia Berhad, Kobay Technology Berhad, Oceancash Pacific Berhad, Padini Holdings Berhad, dan Prolexus Berhad mencatatkan keuntungan belum direalisasi yang tinggi, di mana Padini Holdings Berhad mencatatkan keuntungan belum direalisasi yang paling tinggi iaitu sebanyak RM 36.737 juta.

II. PELABURAN-PELABURAN YANG TELAH DILABURKAN

Bagi tahun kewangan berakhir 31 Mei 2020, Dana anda telah membuat pelaburan tambahan (**Jadual 3**)

Jadual 3: Nilai Pasaran Pegangan sejak 01 Jun 2019 (RM '000)

Syarikat	RM '000
AirAsia Group	9,906
Kelington Group	6,438
SAM Engineering & Equipment (M)	2,198
Prolexus	1,593
Apex Healthcare	1,400
HPMT Holdings	1,269
Suria Capital Holdings	810
Kobay Technology	101
Oceancash Pacific	98
Carlsberg Brewery Malaysia	50

AirAsia Group mengurus syarikat penerbangan tambang rendah terbesar di Asia Tenggara beroperasi di Malaysia, Thailand, Filipina, India, Indonesia dan Jepun. Kelington Group menyediakan perkhidmatan solusi penghantaran gas "Ultra High Purity" kepada industri elektronik dan semikonduktor. Sam Engineering & Equipment adalah pemain utama dalam pemesanan ketepatan, integrasi peralatan dan penyelesaian automasi, khususnya untuk industri aeroangkasa dan peralatan. Perniagaan teras bagi Prolexus adalah dalam pembuatan pakaian. Apex Healthcare terlibat dalam pembangunan, pembuatan, pemasaran dan pengedaran farmaseutikal, diagnostik, produk penjagaan kesihatan pengguna dan alat ortopedik. HPMT Holdings mengeluarkan dan mengedar alat pemotong ketepatan. Suria Capital adalah pengendali pelabuhan yang terkemuka di Sabah dan syarikat itu telah mencebur dalam sektor-sektor lain, termasuk pembangunan hartanah. Kobay Technology merupakan pengeluar komponen ketepatan, perkakas, peralatan automasi dan struktur fabrikasi untuk industri aeroangkasa, semikonduktor, dan lain-lain industri. Oceancash Pacific adalah pengeluar resapan termal dan termoplastik. Carlsberg Brewery Malaysia menghasilkan minuman bir, minuman keras, minuman campuran bir bersama air halia ataupun air limau dan, minuman bukan alkohol untuk pasaran domestik dan eksport.

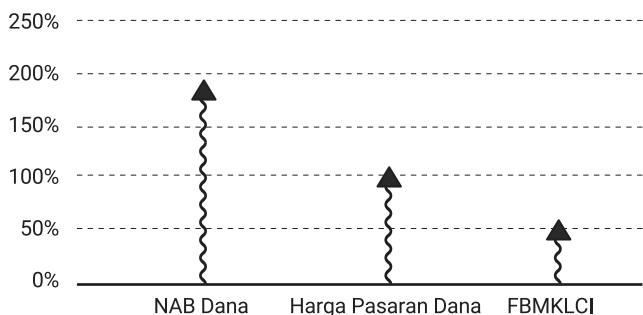
III. PELABURAN-PELABURAN YANG TELAH DIJUAL

Bagi tahun kewangan berakhir 31 Mei 2020, Dana anda telah menjual sebanyak 77,700 saham Carlsberg Brewery Malaysia dan memperoleh keuntungan sebanyak RM0.385 juta dengan kos sebanyak RM1.791 juta.

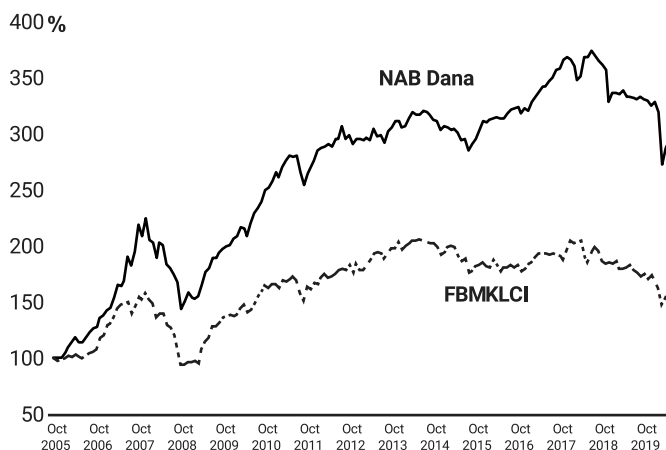
IV. PRESTASI : NILAI ASSET BERSIH (NAB) & HARGA PASARAN

Semenjak tersenarai pada 19 Oktober 2005, NAB sesaham Dana anda telah meningkat daripada RM0.99 kepada RM2.82 pada 31 Mei 2020 (**Carta 1**). Ini mewakili keuntungan sebanyak 185%. Semenjak tersenarai pada 19 Oktober 2005, harga pasaran Dana anda telah meningkat daripada RM1.01 kepada RM2.03 pada 31 Mei 2020. Ini mewakili keuntungan sebanyak 101%. Dalam tempoh yang sama, FBMKLCI meningkat sebanyak 61%.

Carta 1: Keuntungan dari 19 Oktober 2005 hingga 31 Mei 2020



Carta 2 menunjukkan prestasi NAB Dana anda dibandingkan FBMKLCI.



Antara 31 Mei 2019 sehingga 31 Mei 2020, NAB sesaham Dana anda menurun daripada RM3.22 kepada RM2.82 (kerugian sebanyak 12.42%) dan harga pasaran menurun dari RM2.42 kepada RM2.03 (kerugian sebanyak 16.12%). Dalam tempoh yang sama, FBMKLCI mengalami kerugian sejumlah 10.75%. Jika tidak kerana keuntungan luar biasa yang diperoleh oleh dua saham komponen sarung tangan, KLCI berkemungkinan akan jatuh lebih merundum.

Prestasi icapital.biz Berhad sejak tersenarai adalah seperti yang ditunjukkan dalam **Jadual 4** dan **5**.

Jadual 4 : Pulangan Berkumpul (%) dari 19/10/2005 Hingga 31/12/_

Tahun	NAB*	Harga*	KLCI	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	229.08	154.59	84.93	68.52
2019	224.94	147.37	73.79	63.76
2020**	191.82	109.23	61.16	64.90

Jadual 5 : Pulangan Tahunan (%) dari 19/10/2005 Hingga 31/12/_

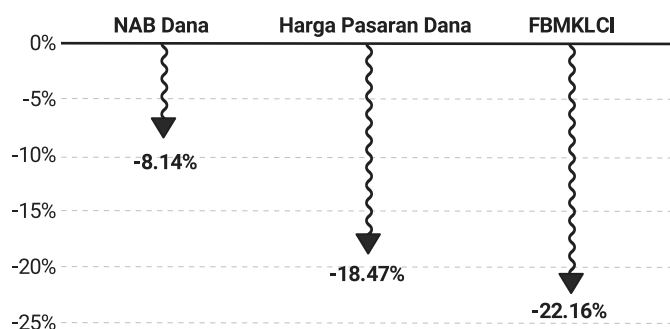
Tahun	NAB*	Harga*	KLCI
2005	0.00	46.93	-7.62
2006	31.09	37.08	16.34
2007	44.65	54.93	23.14
2008	15.49	10.83	-1.30
2009	18.07	14.09	8.19
2010	19.94	15.22	10.25
2011	17.77	12.27	8.67
2012	16.25	12.72	8.89
2013	14.85	11.67	9.09
2014	12.81	9.98	7.38
2015	11.78	8.83	6.22
2016	11.02	8.73	5.36
2017	11.27	9.20	5.69
2018	9.44	7.33	4.76
2019	8.65	6.58	3.97
2020**	7.60	5.18	3.32

Nota * : NAB dan harga adalah diselaraskan bagi dividen khas sekali bayar pada tahun kewangan 31 Mei 2014.
 ** : 19/10/2005 to 31/05/2020

Seperti yang ditunjukkan oleh jadual di atas, tahap tunai Dana anda telah banyak berubah daripada serendah 10.51% sehingga setinggi 68.59%. Bagi tahun kewangan berakhir 2020, wang tunai yang dipegang dalam terma mutlak adalah hampir RM256 juta, menunjukkan penurunan lebih daripada RM40 juta berbanding RM296.15 juta untuk tahun kewangan berakhir 2019. Pada 9 September 2020, Dana anda mempunyai lebih daripada RM242.67 juta tunai dan hampir tunai (atau RM1.73 sesaham). Pengurangan tahap tunai Dana anda adalah utamanya berpunca daripada pelaburan tambahan yang telah dilakukan.

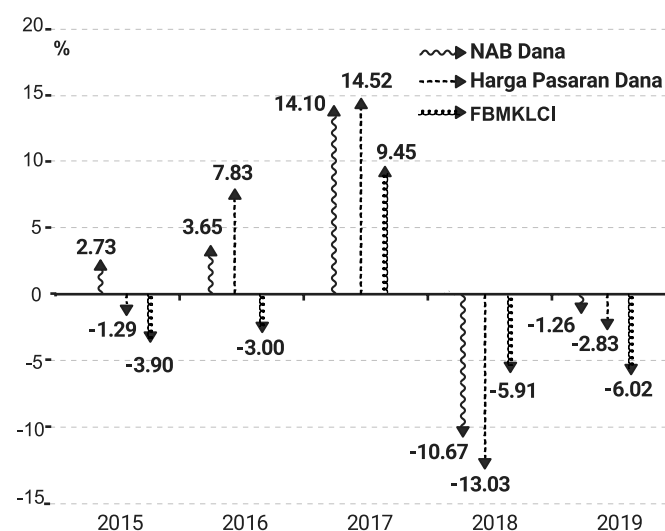
Carta 3 menunjukkan prestasi FBMKLCI dari puncaknya pada 8 Julai 2014 sehingga 31 Mei 2020, dan NAB dan harga saham icapital.biz Berhad dalam tempoh yang sama. Walaupun FBMKLCI kehilangan 22.16%, NAB Dana anda menyusut sebanyak 8.14% dan harganya menurun sebanyak 18.47%.

Carta 3 : Peratusan perubahan dari 8 Julai 2014 sehingga 31 Mei 2020



NAB dan harga saham Dana anda menunjukkan prestasi lebih baik daripada FBMKLCI pada tahun 2015, 2016, 2017 dan 2019, meskipun Dana anda memegang tahap tunai yang agak tinggi pada tahun-tahun tersebut (**Carta 4**). Pada tahun 2018, NAB Dana anda terkesan dengan kejatuhan merundum harga saham Padini pada Disember 2018. Sehingga November 2018, ia masih mendahului KLCI.

Carta 4 : Pulangan tahunan untuk NAB Dana dan Harga Pasaran Lwn FBMKLCI dari 31 Disember 2015 hingga 31 Disember 2019.



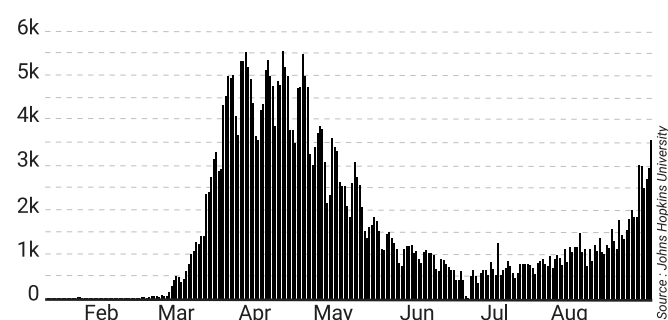
V. APA YANG KITA FIKIRKAN

Prospek Di Malaysia

Dalam dunia Virus Korona, beberapa bulan boleh memberi pelbagai impak. Wabak pandemik COVID-19, yang tuntasnya menular pada Januari 2020 (Terdapat peningkatan bukti menunjukkan ia bermula di AS dan Eropah lebih awal daripada itu), telah menjadikan dunia huru-hara. Di peringkat global, terdapat lebih daripada 28.66 juta kes yang disahkan dan lebih daripada 919.000 kematian.

Di Malaysia, terdapat 9.868 kes yang disahkan dan 128 kematian. Syukurlah, kita telah menangani krisis kesihatan awam ini lebih baik daripada kebanyakan negara lain. Sebagai perspektif, pada hari yang sama, UK mencatatkan 367,592 kes yang disahkan dan 41,712 kematian. Tambahan pula, UK telah mengalami gelombang jangkitan kedua (**Gambar 1**).

Gambar 1 : Kes Harian COVID-19 di UK



Pada tahun 2019, UK mempunyai sekitar 67.53 juta orang dan Malaysia 32.36 juta. Sebagai menggunakan angka per kapita untuk mengukur bagaimana Malaysia mengendalikan wabak pandemik, dapat disimpulkan sekiranya Malaysia menangani wabak pandemik COVID-19 separah yang dilakukan oleh kerajaan UK, jumlah kes yang disahkan tentunya akan meningkat menjadi lebih daripada 176,000 dan jumlah kematian akan melonjak menjadi lebih 19,900. Ini jelas bahawa Malaysia telah menangani wabak pandemik ini dengan baik sekali.

Sementara itu, mengambil kira kesan negatif daripada langkah-langkah yang diambil di peringkat global dan domestik untuk membendung wabak pandemik COVID-19, ekonomi Malaysia menyusut 17.1%, tahun ke tahun, pada suku kedua 2020 (**Gambar 2**), ia adalah kejatuhan paling curam sejak suku keempat 1998. Pada asas suku tahunan yang diselaraskan secara bermusim, ekonomi menyusut sebanyak 16.5%.

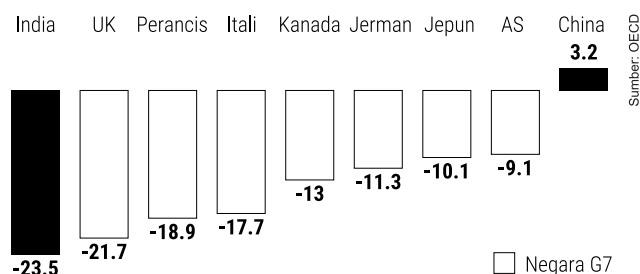
Gambar 2 : Pertumbuhan KDNK Tahun ke Tahun Malaysia



Sepuluh kedua tahun 2020 dijangka menyaksikan pemulihan walaupun 2020 dijangka berakhir sebagai tahun yang menyusut. Sebagai pengamal dasar ekonomi terbuka yang kecil, prestasi ekonomi Malaysia bergantung besar ke atas prestasi dunia lain.

Seperti yang diharapkan oleh Capital Dynamics, ekonomi China telah pulih dengan meyakinkan pada suku ke-2 tetapi masih menjadi tanda tanya mengenai Amerika Syarikat, Jepun, Eropah dan pemain ekonomi utama yang lain (**Gambar 3**). Kerajaan China yang telah mengambil tindakan awal untuk menangani wabak pandemik tersebut; dengan ini, kini seluruh negara itu kini sedang kembali menuju ke arah keadaan normal semula. Seandainya banyak negara lain melakukan tindakan “kejam” yang sama seperti yang dilakukan di China, sepatutnya ekonomi dunia sekarang akan menuju ke pemulihan yang sihat. Hanya China akhirnya yang dijangka mencatat pertumbuhan KDNK yang positif untuk tahun 2020.

Gambar 3 : Pertumbuhan KDNK pada suku ke-2 2020 untuk Negara Terpilih



Pelaburan Nilai

Dari segi pelabur, kebanyakan orang mengaitkan pelaburan nilai dengan Benjamin Graham, Warren Buffett, Charlie Munger, dan Philip Fisher; di wilayah ini, Tan Teng Boo yang terlintas di fikiran. Dari segi konsep atau falsafah, kebanyakan pelabur akan memahami pelaburan nilai sebagai membeli saham atau perniagaan ketika harga pasarannya dijual di bawah nilai intrinsiknya. Secara ringkas, ini bermaksud membeli sesuatu yang bernilai lebih tinggi daripada harga pasarannya. Apa yang tidak disedari oleh kebanyakan orang adalah jenis personaliti yang menuntut pelaburan nilai atau yang sering dikaitkan dengannya.

Memandangkan ciri-ciri semulajadi pelaburan nilai, falsafah pelaburan yang berjaya dan terbukti dari masa lalu ini adalah didasarkan pada kesedaran diri yang sederhana bahawa tiada siapa yang dapat meramalkan masa depan dengan tepat sepanjang masa, bahkan tidak untuk setiap waktu. Ramalan ini memberi perhatian terhadap penjualan dan pendapatan masa depan syarikat; atau mereka boleh dikaitkan tentang pemboleh ubah ekonomi seperti kadar pertumbuhan KDNK, inflasi dan kadar bunga, atau seperti yang biasa dilakukan oleh para pelabur, arah pasar saham di masa depan.

Beli Rendah, Jual Tinggi, Ya?

Pepatah pasaran yang popular “beli rendah, jual tinggi” merujuk kepada pembelian saham ketika harga saham rendah dan penjualan ketika harga saham tinggi. Ia

merujuk kepada harga saham dalam terma mutlak, contohnya RM3.20 atau RM13.20. Keupayaan untuk membeli pada harga rendah dan menjual pada harga yang tinggi yang diertikan melalui kaedah ini memerlukan pelabur untuk berupaya mengenalpasti atau meramalkan bilakah harga saham akan mencapai tahap terendah dan bilakah harga saham akan mencapai puncaknya. Kaedah seperti ini biasanya disebut “market-timing”: pelabur menjangka pasaran saham (time the stock market) dengan menumpukan tumpuan kepada membeli rendah (ketika indeks atau harga saham rendah dalam terma mutlak) dan untuk menjual tinggi (juga dalam terma mutlak). Semua jenis kaedah dan teknik digunakan dalam menentukan masa harga saham atau indeks pasaran. Bagi meningkatkan ketepatan latihan masa ini, pelabur sering kali menambahkan input di dalam analisis “top-down”

Analisis “top-down” akan bermula dengan ramalan ekonomi makro, yang biasanya melibatkan ramalan kadar pertumbuhan KDNK sesebuah negara, inflasi, kadar faedah dan sering juga kadar matawangnya. Ideanya adalah untuk meramalkan atau menjangka setepat mungkin kitaran ekonomi atau perniagaan sesebuah negara. Bila ekonomi akan memasuki kemelesetan dan bila akan mulanya pemulihan adalah fokus analisis “top-down”. Tujuannya adalah untuk membeli ketika era kemelesetan, yang biasanya berlaku ketika inflasi dan kadar faedah berada pada tahap kitaran terendah, dan menjual pada puncak pemulihan, yang secara ciri-cirinya terjadi ketika inflasi dan kadar faedah meningkat. Analisis “top-down” seperti itu dapat dilakukan dengan cara yang ringkas atau dengan tahap kerumitan dan kecanggihan yang tinggi, yang melibatkan model matematik, orang yang berpendidikan tinggi dan komputer berkuasa tinggi. Malangnya, sukar untuk meramalkan pertumbuhan ekonomi, inflasi dan kadar faedah dengan tepat secara konsisten. Malah institusi besar seperti Bank Negara, Bank Dunia dan Tabung Kewangan Antarabangsa juga sering ralat. Oleh itu, walaupun banyak usaha dan sumber digunakan untuk aktiviti ini, hasilnya tetap mengecewakan bagi kebanyakan pelabur yang mengamalkan kaedah “top-down / market-timing” yang sangat popular ini. Daripada membeli rendah dan menjual tinggi, pelabur akhirnya melakukan sebaliknya dan kehilangan hasil keringat kewangan mereka. Kenapa?

Beli Tinggi, Jual Rendah, Haha !!

Seperti yang diterangkan pada awalnya, “beli rendah jual tinggi” tidak berfungsi secara konsisten kerana ia sangat sukar untuk meramalkan rentak pasaran, pendapatan syarikat atau KDNK sesebuah negara secara tepat dan konsisten. Ini adalah sifat kebarangkalian. Sudah tentu, daripada 100 kali, pasti ada beberapa kali ramalan seseorang itu tepat. Ia seperti meramalkan kepala atau ekor apabila duit

syiling dilemparkan seratus kali. Sekiranya seseorang itu berfikir dengan teliti, ramalan tersebut bukanlah sesuatu yang mengejutkan. Saat-saat ramalan yang tepat itu akan membutuhkan pelabur sehingga membawa kepada kesalahan dalam menjangka pasaran. Sekiranya kaedah menjangka saham atau pasaran boleh diharapkan, saya hanya akan duduk di depan komputer dan berdagang secara menguntungkan. Tidak perlu bekerja keras atau melakukan semua penyelidikan dan analisis.

Perlu diberi perhatian terhadap apa yang dikatakan oleh Benjamin Graham, bapa pelaburan nilai dan guru kepada Warren Buffett mengenai perkara-perkara seperti itu:

"Seperti dalam semua aktiviti lain yang menekankan pergerakan harga sebagai yang utama dan nilai dasar yang kedua, pakar yang terlibat dalam bidang ini cenderung meneutralkan diri dan mengatasi diri sendiri selama bertahun. Pelabur yang mempunyai portfolio saham yang baik harus mengharapkan harganya berubah-ubah dan tidak perlu bimbang dengan penurunan yang besar dan juga tidak teruja dengan peningkatan yang cukup besar. Dia harus selalu ingat bahawa sebut harga pasaran ada untuk kemudahannya, samada untuk dimanfaatkan atau diabaikan. Dia tidak boleh membeli saham kerana ia telah naik atau menjualnya kerana ia telah turun."

Pendekatan intelektual untuk melabur di pasaran saham sangat berbeza antara mereka yang menjangka pasaran atau saham dan mereka yang mengamalkan pelaburan nilai. Bagi yang menjangka pasaran, indeks pasaran atau harga saham adalah sebilangan besar yang dapat diramalkan, menjadikan intipatinya sama seperti perjudian atau spekulasi; manakala, bagi yang mengamalkan pelaburan nilai, indeks pasaran adalah tidak bermakna, saham hanya akan digunakan sebagai perbandingan dengan nilai intrinsik saham atau perniagaan.

Kesederhanaan Adalah Suatu Kemestian

Keperluan emosi amat berbeza antara mereka yang menjangka pasaran dengan mereka yang memfokuskan diri untuk mencari nilai. Kebanyakan mereka yang menjangka pasaran tidak berjaya dalam pasaran untuk jangka masa yang panjang adalah terutamanya kerana terlalu selesa, sombong dan / atau jahil. Kenapa? Mereka yang telah menjangka pasaran atau saham dengan betul untuk jangka masa tertentu, akan cenderung untuk mempercayai bahawa kejayaan mereka akan berulang; lama-kelamaan, perasaan terlalu yakin dan sombong semakin meningkat. Sikap berpuas hati seperti itu mengundang bencana. Lebih merunsingkan, mereka yang berpendapat bahawa pelaburan yang berjaya adalah semata-mata membeli pada harga rendah dan menjual pada harga tinggi, jahil tentang apa yang

diperlukan untuk menjadi pelabur jangka panjang yang berjaya. Sebaliknya, pelaburan nilai membuahkan hasil terutamanya kerana ia menuntut penerimaan dengan rendah hati terhadap keralatan manusia. Sekali lagi memetik kata-kata Benjamin Graham:

"Anda akan lebih terkawal, jika anda menyedari betapa anda tidak berada dalam kawalan."

Bernard Baruch, pelabur legenda Wall Street, berkongsi mengenai kejujuran diri pelabur:

"Hanya pembohong yang selalu berjaya keluar tatkala masa teruk (pasaran menurun) dan berada di dalam tatkala masa baik (pasaran menaik)."

Isaac Newton Tidak Begitu Bijak

Masalah utama bagi mencuba menjangka pasaran adalah bahawa seseorang perlu betul sebanyak dua kali. Kali pertama adalah untuk menjual ketika harga pasaran memuncak atau ketika harga saham berada di puncaknya, dan kali kedua apabila anda membeli kembali pada harga paling bawah. Untuk mendapat pelaburan yang berjaya, seseorang perlu membeli dan menjual dengan betul. Sekiranya kebarangkalian untuk membeli dengan betul adalah 70% (kemungkinan yang sangat tinggi), dan kebarangkalian untuk menjual dengan betul juga 70%, maka kebarangkalian pelaburan anda menguntungkan hanya 49%. Ini adalah kebarangkalian yang lebih teruk daripada ketika anda melambungkan duit syiling. Dalam erti kata lain, membeli pada harga rendah dan menjual pada harga tinggi, sebuah aktiviti yang serupa dengan menjangka pasaran, tidak dapat dilakukan dengan kejayaan yang konsisten. Kemustahilan jangka masa yang sesuai perlu dihubungkan dengan kebiasaan pelaburan lain untuk menunjukkan sepenuhnya akibat daripada falasi manusia tersebut. Apa yang tidak difahami oleh kebanyakan pelabur semasa menjangka pasaran dan apa yang dihargai oleh kebanyakan pelabur yang berjaya mengenai pelaburan adalah aritmetik pelaburan / perdagangan yang mudah.

"Pada musim bunga tahun 1720, Sir Isaac Newton memiliki saham South Sea Company, saham terkenal di England. Menyedari bahawa pasaran semakin di luar kawalan, ahli fizik hebat itu bergumam bahawa dia "dapat menghitung gerakan ahli-ahli syurga, tetapi bukan kegilaan ramai manusia." Newton menjual saham South Sea beliau, dengan mengaut keuntungan 100% berjumlah £ 7,000. Tetapi hanya beberapa bulan kemudian, dengan semangat yang jitu terhadap pasaran, Newton membeli kembali dengan harga yang jauh lebih tinggi - dan kehilangan £ 20,000 (atau lebih dari \$ 3 juta untuk perbandingan duit pada hari ini). Untuk sisa hidupnya, beliau melarang sesiapa pun untuk mengucapkan kata-kata "South Sea" di hadapannya."

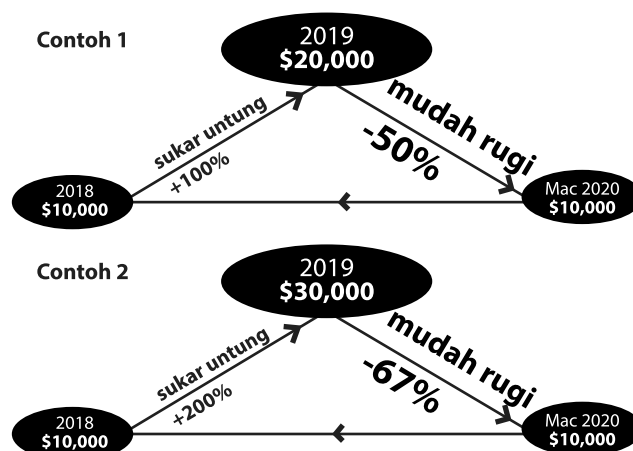
- Benjamin Graham

Isaac Newton mungkin terlalu yakin pada masa itu. Sekiranya Isaac Newton lebih merendah diri, beliau pasti menyedari aritmetik pelaburan yang mudah.. Newton bermula dengan £ 7,000 dan menghasilkan £ 7,000. Dengan melabur lagi sejumlah £ 14,000, keuntungan 100% akan menyaksikan Newton memperoleh £ 14,000 dan kemudian dia akan mendapat £ 28,000. Sekiranya Newton terus melabur semua jumlah yang diperolehnya dan memperoleh keuntungan 100% setiap kali, £ 7,000 awalnya akan meningkat menjadi £ 1,792,000 (atau \$ 268.8 juta dalam perbandingan duit pada hari ini) hanya selepas 8 pusingan perdagangan. 8 pusingan itu mungkin memakan masa 8 hari, 8 minggu atau 8 bulan. Isaac Newton, "diakui secara meluas sebagai salah seorang saintis paling berpengaruh sepanjang masa dan sebagai tokoh utama dalam revolusi saintifik", tidak menjadikan beliau sebagai pelabur yang hebat. Pada hakikatnya, pelaburan nilai adalah strategi pelaburan yang realistik, menuntut banyak sikap kesederhanaan dan kesabaran dari para pengamalnya, kualiti yang tidak ditunjukkan oleh Newton. £ 7,000 melonjak menjadi £ 1,792,000 selepas 8 pusingan tidak dapat dicapai. 8 lagi pusingan ajaib tersebut dan Isaac Newton akan mendapat £ 458,752,000 (atau US \$ 68.8 bilion dalam perbandingan duit pada hari ini), mungkin lebih banyak daripada keseluruhan ekonomi Great Britain pada tahun 1720.

Newton yang seharusnya menjadi seorang ahli matematik yang hebat, adalah aneh untuk beliau gagal dalam soalan aritmetik mudah sebegini. Penggandaan pelaburan seseorang atau keuntungan 100% dapat dihapuskan dengan hanya penurunan 50%. Apabila Newton memperoleh keuntungan 100% atau £ 7,000, sekiranya dia mengalami 50% kerugian, dia akan melepaskan semua keuntungannya dan kembali ke titik permulaan. Sekiranya Newton memperoleh keuntungan 200% atau £ 14,000, dia akan melepaskan semua keuntungannya dan kembali ke tahap awal sekiranya dia mengalami 67% kerugian. Pelaburan atau perdagangan aritmetik ringkas ini bermaksud bahawa kerugian 50% benar-benar dapat menghilangkan keuntungan 100% dan kerugian yang lebih tinggi 67% dapat menghancurkan keuntungan 200%. Isaac Newton juga seharusnya mahir dengan kebarangkalian. Yang paling penting, kebarangkalian kerugian 50% jauh lebih tinggi daripada kebarangkalian keuntungan 100% tersebut. Pada akhirnya, pelaburan adalah tidak adil, sama seperti hidup yang juga tidak adil. Sifat pelaburan dan perdagangan yang tidak simetri ini sering diabaikan atau tidak difahami dengan baik oleh pelabur yang menggunakan kaedah 'beli rendah dan jual tinggi' dan menjangka saham atau pasaran. (**Gambar 4**).

Warren Buffett menzahirkannya secara berseloroh: "Kita terus menghasilkan lebih banyak wang ketika berdengkur daripada ketika aktif". Yang pasti, pelabur nilai bukanlah pelabur yang malas, mereka sebenarnya bekerja sangat kuat. Selain itu, mereka secara kritis dalam berlaku jujur pada diri sendiri dan berbekalkan kesederhanaan mengakui bahawa ia adalah mustahil

Gambar 4: Aritmetik pelaburan yang mudah



untuk menjangka pasaran menjadi sempurna. Peringatan daripada Ben Graham menasihatkan bahawa "anda akan lebih terkawal, jika anda menyedari betapa anda tidak berada dalam kawalan."? Seperti yang telah saya katakan berkali-kali sebelumnya, "Daripada berpura-pura bahawa kita boleh mendapat 100% tepat, objektif kita adalah untuk mencari kenaikan modal jangka panjang sambil mengurangkan margin kesalahan. Ini dicapai dengan pendekatan pelaburan nilai yang tegas dan jelas". Falsafah kesederhanaan yang mendasari pelaburan adalah bahawa pelabur perlu mempunyai margin keselamatan untuk menangani kejadian yang tidak dijangka dan kesalahan daripada manusia. Inilah sebabnya mengapa pelabur nilai akan membeli saham atau perniagaan hanya apabila harga pasarannya berada di bawah paras nilai intrinsiknya, yakni perbezaannya akan menjadi margin keselamatan. Untuk menempa kejayaan, seseorang perlu menyedari bahawa kesilapan akan tetap dilakukan. Pelabur cuma sekadar manusia biasa. Strategi kemudiannya adalah untuk mengurangkan kesalahan atau sekurang-kurangnya mengurangkan impak kesalahan ini terhadap pelaburan seseorang.

Tunai

Antara cara lain pelabur nilai untuk menyatakan kesederhanaan mereka adalah dengan menyimpan wang tunai, apabila tiada apa yang menarik untuk dilaburkan. Sekiranya tidak cukup sekuriti untuk mengisi portfolio yang memenuhi kriteria pelaburan nilai, jawapannya adalah dengan menyimpan wang tunai sehingga sekuriti tersebut dijumpai. Yang pasti, memegang wang tunai bukanlah tujuan utama pelabur nilai; ini adalah hasil sampingan dari proses pelaburan nilai di mana kesederhanaan adalah sebahagian besar dari pengurusan risiko. Sebagai contoh untuk wabak pandemik COVID-19 yang masih berlaku. Oleh sebab sifat kebolehhangkitan Novel Korona Virus dan wabak pandemik yang berlaku secara mengejut, kerajaan di seluruh dunia terpaksa melaksanakan penutupan atau mengenakan sekatan ketat terhadap interaksi

sosial fizikal. Kesan terhadap perniagaan dan firma menjadikan operasi perniagaan berhenti dengan serta-merta, dan dengan itu wang tunai segera terhenti mengalir ke dalam perniagaan dan firma. Perusahaan, besar atau kecil, yang tidak mempunyai penyata kedudukan kewangan yang kukuh, di mana wang tunai adalah terhad, akan berada dalam kesulitan. Ia soal samada wang tunai atau binasa. Bagi perniagaan dan firma, wang tunai adalah keperluan untuk menangani perkara yang tidak dijangka. Wang tunai adalah nadi perniagaan. Wang tunai dan kecairan jauh lebih penting untuk kelestarian syarikat daripada pendapatan atau keuntungan. Tunai merupakan tujuan yang serupa dari sudut pandangan pelabur atau pengurus portfolio. Wang tunai adalah bahan asas paling penting bagi pelabur. Sekiranya seseorang benar-benar yakin bahawa semua saham yang dibeli adalah saham yang tepat dengan harga dan penilaian yang tepat, atau berkemungkinan tiada peluang yang lebih baik yang akan datang di kemudian hari, memegang wang tunai tidaklah lagi menjadi sebuah tuntutan. Lantaran itu, bagaimana mungkin seseorang boleh menjadi sombong?

Seperti yang saya kongsi sebelum ini, memegang wang tunai adalah seperti memegang opsi yang sangat berharga, bezanya ialah ia tiada tarikh luput. Nilai opsi bergantung pada tarikh luputnya, berbanding faktor-faktor yang lain. Semakin lewat tarikh luput, semakin berharga opsi tersebut. Opsi mempunyai harga penukaran tetap. Dengan wang tunai, pelabur atau pengurus dana sendiri yang menentukan berapa harga penukaran. Oleh sebab pelabur nilai hanya akan membeli pada harga yang menarik, maka nilai opsi atau wang tunai akan meningkat. Nahtijahnya, sama ada seseorang menguruskan perniagaan atau menguruskan portfolio, ia adalah suatu keistimewaan untuk mempunyai kunci kira-kira yang kukuh buat masa sekarang, terutama jika dipelopori dengan wang tunai. Ini membawa kita ke versi awal pelaburan nilai seperti yang dijelaskan oleh Benjamin Graham.

Kekuatan Kunci Kira-kira

Berkat pendekatan yang sangat berdisiplin yang diambil oleh icapital.biz Bhd, ia mempunyai salah satu kunci kira-kira yang terkukuh di seluruh pasaran saham Malaysia. icapital.biz Bhd berada dalam posisi yang baik untuk memanfaatkan situasi yang tercetus akibat wabak pandemik COVID-19. Ciri menarik icapital.biz Bhd ini belum dikenali oleh pasaran saham Malaysia, kerana percubaan negatif yang berterusan oleh salah seorang pemilik sahamnya di luar negara untuk menaruh pengaruh negatif terhadap pegangan tunai oleh syarikat tersebut.

Ketika Benjamin Graham menulis mengenai pelaburan klasik berjudul "Analisis Sekuriti" pada tahun 1934, ia adalah ketika Zaman Kemelesetan Agung pada tahun 1930-an, di mana kadar pengangguran AS mencecah 25% dan begitu banyak perniagaan dan perusahaan

perbankan Amerika ditutup begitu pantas sehingga lanskap ekonomi jatuh tidak ubah seperti domino. Namun, Zaman Kemelesetan Agung bukan sekadar pengastrakan yang jauh bagi Graham. Hanya segelintir orang yang mengetahui bahawa kewangan Ben Graham terjejas teruk akibat keruntuhan pasaran saham tahun 1929. Ini merupakan nasib yang teramat malang untuk kekayaannya. Keruntuhan pasaran pada tahun 1929 bermaksud dia harus membina semula kewangannya untuk kali kedua, dan ini juga menyebabkan Ben Graham menulis "Analisis Sekuriti" dan merumuskan strategi pelaburan yang begitu baik, bijaksana dan ia sangat mengejutkan bahawa hanya seseorang yang pernah mengalami Zaman Kemelesetan Agung secara peribadi yang boleh menghasilkannya. Pengajaran daripada pengalaman yang sukar daripada Zaman Kemelesetan Agung sangat serasi seperti dalam keruntuhan COVID-19 yang berlaku pada ketika ini. Salah satu pengajaran penting daripada "Analisis Sekuriti" adalah obsesi Graham terhadap kekuatan kewangan dan kunci kira-kira syarikat. Penekanan sedemikian sama sekali tidak mengejutkan, memandangkan pengalaman traumatik yang harus ditanggungnya sepanjang Zaman Kemelesetan Agung. Keperitan wabak pandemik COVID-19 memerlukan para pelabur dan pengurus dana untuk menghargai sepenuhnya falsafah pelaburan nilai yang dikemukakan oleh Ben Graham. Keruntuhan secara mendadak dan pantas menular yang dialami oleh kebanyakan ekonomi bermaksud hanya perniagaan dan firma yang mempunyai tunai dan kunci kira-kira yang utuh sahaja yang mampu bertahan, yakni ia merupakan satu perkara yang telah ditekankan oleh Ben Graham hampir 90 tahun yang lalu.

Tan Teng Boo

Pegawai Lantikan Khas
Capital Dynamics Asset Management Sdn Bhd
12 September 2020

关于资本投资有限公司

关于我们

资本投资有限公司（您的基金）是一家封闭式基金。其主要投资目标乃是为其投资取得长期的资本增值，而来自投资的股息及/或利息则是次要的考虑因素。

您的基金投资于大马证券交易所主板及创业板内被低估的公司。

它也可以将其现金存款及不超过10%的资产价值投资于非上市公司。您的基金的资产配置乃是基于价值投资的理念。从理论上说，范围可以是0%至100%的股权。

您的基金拥有RM1亿4千万的缴足资本且在任何时候都拥有固定的已发行股。如同其它挂牌上市的公司，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，而这目标甚至是在它于2005年10月19日上市前就被设定了。这是通过坚守价值投资理念而达成。身为一位价值投资者，您的基金的投资决定是随股票的市价以及其潜在价值而定。

除非获得股东们的同意，否则，您的基金不能借贷。

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报的威力为您效劳。若能成功地达到这目标，我们将证明长期性且认真地投资于大马证券交易所也能提供卓越的回报。

如何评估您的基金

衡量您的基金表现的适当指标为资产净值而非一般公司所专注的盈利或者是每股盈利或其损益表。

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。

基金的资产由基金经理所委任的指定人根据被批准的投资政策及目标来管理资产。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。

虽然作为一家注册成立的公司，但封闭式基金与一般上市公司仍有区别。欲知更多细节，请参阅在本年度报告的解释说明部分。

如何联络我们

欲知有关您的基金的更多详情，请游览 www.icapital.my。

您可以通过(603) 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

在截至2020年5月31日的财政年度，您基金的资产净值从上个财政年度的RM4亿5千零20万8千下降至RM3亿9千430万9千。截至2020年5月31日，您基金的资产净值从2019年5月31日的每股RM3.22下跌了12.42%至每股RM2.82。您基金的资产净值和股价受主要受到前所未有的新冠疫情大流行所影响。

从长期来看，从您的基金成立之日到2020年9月9日，您基金的资产净值实现了7.48%的年化复合回报率，而隆综指的回报率则为3.36%。在同一时期，您基金的股价实现了4.72%的年化复合回报率，比隆综指的年化回报率高出1.36%。隆综指近期的表现得益于两只手套成分股。

在评估您基金的表现时，资产净值是最合适的参考变数。其损益表对您封闭式的基金没有评估价值。更多详情，请参阅本年报的财务报表部分。

另一方面，由于个人原因，Leong So Seh女士和拿汀Siah Li Mei已于今年从董事会辞职。我代表理事会祝愿她们有个美好的未来。与此同时，董事会亦热烈欢迎Boh Boon Chiang先生从2020年7月16日起以独立非执行董事的身份加入董事会。Boh先生也是审计委员会的成员。他超过27年的商业经验将使董事会获益良多。

鉴于当前的大流行情况，与往年不同，今年第16届常年股东大会将以线上方式举行。这可能会让许多期待我们年度活动的股东感到失望。尽管如此，我们将通过协助股东在常年股东大会前预先提交问题以及在股东大会期间有效管理问答环节，来确保与股东之间的有效互动。

董事会深知股东参与投票过程的重要性，因为无论持有多少股份，每个股东都有权决定基金的未来。通过线上的年度股东大会，董事会希望更多的股东参与投票。此外，我们亦鼓励股东通过股票过户登记处的电子代理投票平台，预先投票。

尽管今年的年度股东大会以线上形式进行，但陈鼎武先生仍将在线上就投资进行演讲和参与问答环节。在这一充满挑战的时期，这样的互动无疑是及时的。

我们代表董事会，期待股东们积极参与您基金的第一次线上年度股东大会。最后，祝愿大家健康和平安。

拿督黄炳火

董事会主席

2020年9月9日

我们如何善用您的基金



最明智的投资是将投资当成一门生意来看待

-本杰明·格雷厄姆



I. 投资组合

表一显示以当前市场价值排列的基金投资组合。

表一 截至2020年5月31日所持股票的市值 (RM' 000)

公司	RM '000
巴迪尼控股	41,666
宇航工程	24,641
曙光资本	11,903
莫实得控股	8,443
皇帽酿酒厂	7,864
APM汽车控股	7,533
科艺集团	6,953
亚洲航空	6,835
东和资源	4,090
艾柏士保健	3,962
马熔锡机构	3,626
美景控股	2,812
元宙集团	1,837
高伟科技	1,236
百盛	1,074
宝翔控股	1,035
科鼎控股	957
吉隆	867
和乐精密	419

表二显示以持股量排列的基金投资组合。

表二 截至2020年5月31日的持股量 (以千支股计)

公司	(以千支股计)
巴迪尼控股	17,007
莫实得控股	12,148
曙光资本	11,093
百盛	10,742
亚洲航空	9,906
科鼎控股	7,086
科艺集团	6,438
马熔锡机构	5,180
宇航工程	4,739
APM汽车控股	4,431
元宙集团	2,551
美景控股	2,489
东和资源	2,045
吉隆	1,700
宝翔控股	1,593
艾柏士保健	1,400
和乐精密	1,269
高伟科技	683
皇帽酿酒厂	272

截至2020年5月31日，您的基金共投资了RM1亿7千146万，市值为RM1亿3千775万4千，未实现亏损为RM3千370万5千。截至2020年5月31日，在您基金投资中，艾柏士保健、皇帽酿酒厂、高伟科技、元宙集团、巴迪尼控股和宝翔控股取得显著未实现收益，其中，巴迪尼控股未实现的实质性收益最高，达RM3千673万7千。

II. 已作出的投资

截至2020年5月31日的财年中，您的基金作出了以下新投资（表三）。

表三 自2019年6月1日的买进 (以千支股计)

公司	RM '000
亚洲航空	9,906
科艺集团	6,438
宇航工程	2,198
宝翔控股	1,593
艾柏士保健	1,400
和乐精密	1,269
曙光资本	810
高伟科技	101
元宙集团	98
皇帽酿酒厂	50

亚航集团管理东南亚最大的低成本航空公司，业务遍及马来西亚、泰国、菲律宾、印度、印度尼西亚和日本。科艺集团为电子和半导体行业提供超高纯度气体输送解决方案。宇航工程是精密加工、设备集成和自动化解决方案领域的关键企业，主要针对航空航天和设备行业。宝翔控股的核心业务是服装制造。艾柏士保健从事药品、诊断用品、消费者保健产品和骨科设备的开发、制造、销售和分销。和乐精密控股制造和销售精密切割工具。曙光资本是沙巴的领先港口运营商，该集团还涉足其他业务，包括房地产开发。高伟科技是一家为航空航天、半导体等行业生产精密零件、工具、自动化设备和装配式结构的制造商。元宙集团制造共振和热塑性毛毡。皇帽酿酒厂为国内和出口市场生产啤酒、黑啤、仙地啤酒和非酒精饮料。

III. 已卖出的股項

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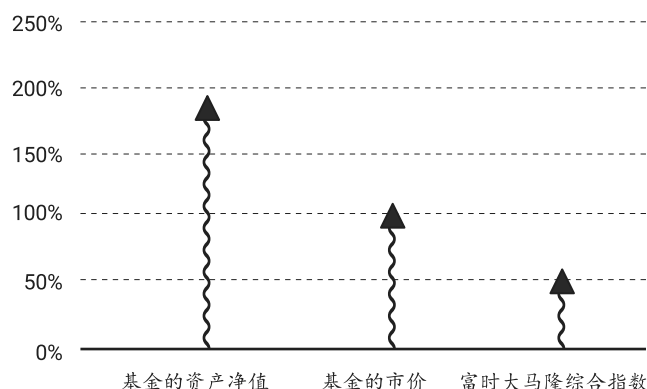
截至2019年5月31日的财年，您的基金卖出了77,700支皇帽酿酒厂的股票，获得收益RM38万5千，成本为RM179万1千。

IV. 表现：资产净值及股价

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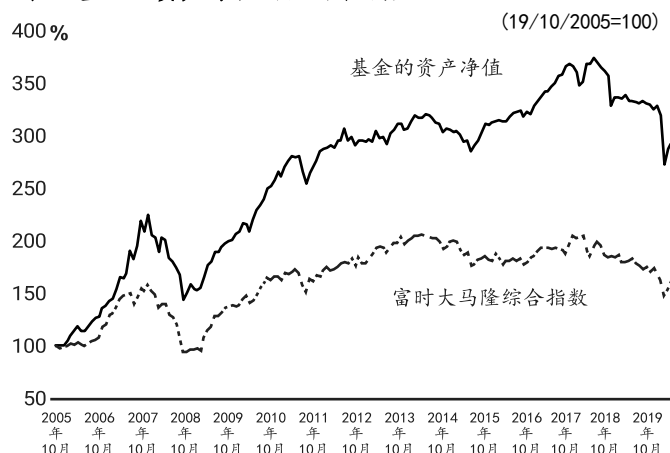
自资本投资有限公司于2005年10月19日上市以来，您基金的每股资产净值已从RM0.99增长至2020年5月31日的RM2.82（图一）。这代表了185%的增长。自其于2005年10月19日上市以来，您基金的市价已从RM1.01上升至2020年5月31日的RM2.03，即101%的增长。在同期内，富时大马隆综合指数上涨了61%。

图一 2005年10月19日至2020年5月31日的增长



图二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。

图二 基金的资产净值对隆综合指数



从2019年5月31日至2020年5月31日，您基金的每股资产净值从RM3.22下降至RM2.82（12.42%的降幅），而市价从RM2.42下降至RM2.03（16.12%的降幅）。同期，富时大马隆综合指数下滑了10.75%。如果不是因为两

只手套成分股取得了异常强劲的收益，隆综指的跌幅会更大。

资本投资有限公司自上市以来的表现如表四及表五所示。

表四 从2005年10月19日至__年12月31日的累积回酬(%)

年份	资产净值*	价格*	隆综指	现金
2005年	0.00	8.00	-1.57	62.39
2006年	38.38	46.00	19.92	33.79
2007年	125.25	162.00	58.07	15.58
2008年	58.59	39.00	-4.09	32.97
2009年	101.01	74.00	39.23	10.51
2010年	157.58	109.00	66.15	29.87
2011年	175.76	105.00	67.44	34.92
2012年	195.96	137.00	84.75	34.34
2013年	211.48	147.37	104.22	50.73
2014年	203.21	140.16	92.66	63.16
2015年	211.48	137.06	85.14	61.76
2016年	222.87	155.62	79.59	68.59
2017年	268.40	192.72	96.55	54.61
2018年	229.08	154.59	84.93	68.52
2019年	224.94	147.37	73.79	63.76
2020年**	191.82	109.23	61.16	64.90

表五 从2005年10月19日至__年12月31日的年化回酬(%)

年份	资产净值*	价格*	隆综指
2005年	0.00	46.93	-7.62
2006年	31.09	37.08	16.34
2007年	44.65	54.93	23.14
2008年	15.49	10.83	-1.30
2009年	18.07	14.09	8.19
2010年	19.94	15.22	10.25
2011年	17.77	12.27	8.67
2012年	16.25	12.72	8.89
2013年	14.85	11.67	9.09
2014年	12.81	9.98	7.38
2015年	11.78	8.83	6.22
2016年	11.02	8.73	5.36
2017年	11.27	9.20	5.69
2018年	9.44	7.33	4.76
2019年	8.65	6.58	3.97
2020年**	7.60	5.18	3.32

注*：资产净值和股价根据截至2014年5月31日的财年支付的一次性特别股息进行调整。

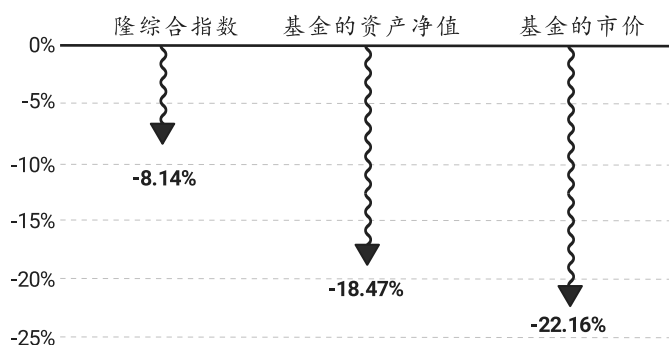
**：2005年10月19日至2020年5月31日

如上表明确显示，您基金的现金水平在10.51%的低点和68.59%的高点之间大幅波动。截至2020财年，以绝对值计算持有的现金接近RM2亿5千600万，比2019财年的RM2亿9千615万减少了逾RM4千万。截至2020年9月9日，您的基金拥有超过RM2亿4千267万的现金和近现金（或每股RM1.73）。

你的基金现金水平的下降主要是由于进行了额外的投资。

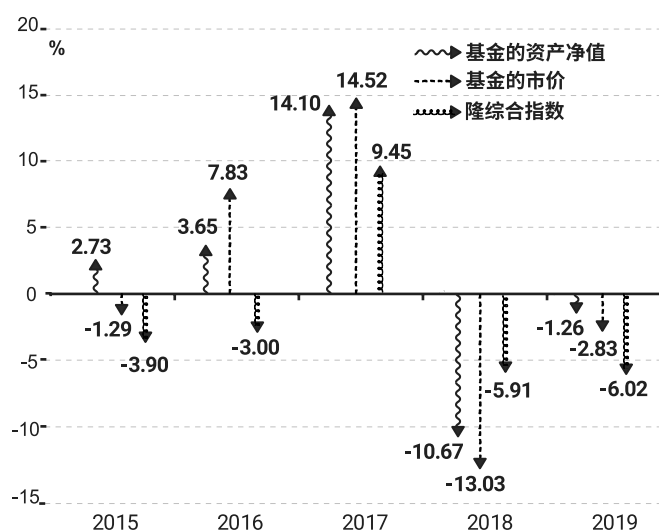
图三显示了吉隆坡富时综合指数从2014年7月8日的峰值到2020年5月31日的表现，以及同期资本投资有限公司的资产净值和股价。吉隆坡富时综合指数下跌了22.16%，您基金的资产净值下降了8.14%，而其股价则下跌了18.47%。

图三 2014年7月8日至2020年5月31日的百分比变化



尽管本基金在2015年、2016年、2017年和2019年持有相对较高的现金水平，但您基金的资产净值和股价的表现均优于吉隆坡富时综合指数（图四）。2018年，您基金的资产净值受到2018年12月巴迪尼控股股价暴跌的影响。截至2018年11月，其仍领先隆综指。

图四 2015年12月31日至2019年12月31日，基金的资产净值和市场价格对吉隆坡富时综合指数的年度回报



V. 我们的见解

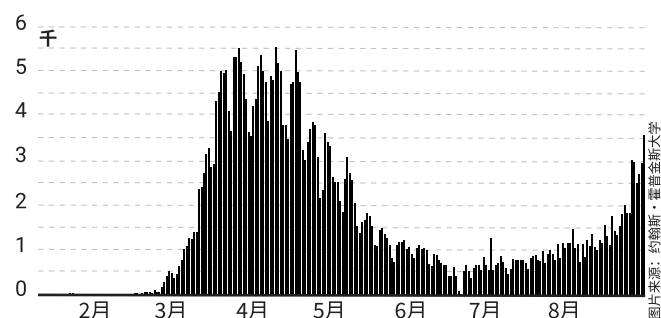
马来西亚的前景

在冠状病毒肆虐全球的影响下，几个月的时间足以改变一切。2020年1月爆发的新冠病毒大流行

（越来越多证据证明了该病毒更早地出现于美国及欧洲）颠覆了世界。全球确诊病例超过2千866万例，死亡人数超过91万9千人。

马来西亚的确诊病例达9,868例和死亡病例128宗。值得庆幸的是，马来西亚在处理这一公共卫生危机方面比其他许多国家要好。与同日相比，英国记录了367,592例确诊病例和41,712例死亡病例。此外，英国经历了第二波疫情的爆发（图一）。

图一 英国每日新增新冠病毒确诊病例



2019年，英国的人口约为6千753万，马来西亚的人口则约为3千236万。以人均数字来评估马来西亚如何应对大流行，如果马来西亚像英国政府那样管控疫情，其确诊病例数量将激增至176,000多例，死亡人数会上升至超过19,900人。显然地，马来西亚做得很好。

与此同时，马来西亚经济在2020年第二季度同比收缩了17.1%（图二），是自1998年第四季度以来最大的降幅，反映了全球和国内为遏制新冠病毒大流行而采取的措施的负面影响。在季节性调整的季度基础上，经济收缩了16.5%。

图二 马来西亚GDP同比增长

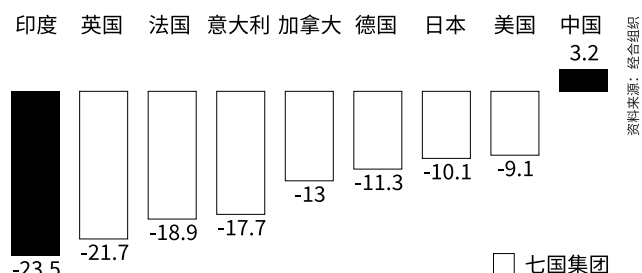


尽管预计2020全年经济将萎缩，但2020下半年将出现复苏。作为一个小型的开放经济体，马来西亚的经济表现在很大程度上取决于世界其他地区的表现。

正如资威所预期的那样，中国的经济在第二季度已明显复苏，但美国、日本、欧洲和其他主要经

济体的经济势头仍无人知晓（图三）。中国政府及早采取了果断的行动来应对疫情；其卓越表现使整个国家正回归正常。如果其他国家也像中国那样采取“严厉”的行动，世界经济现在应该已经开始健康复苏。中国成了唯一有望在2020年实现GDP正增长的国家。

图三 各国在2020年第二季度的GDP增长



价值投资

对投资者而言，一说到价值投资，大多数人都会联想到本杰明·格雷厄姆、沃伦·巴菲特、查理·芒格、菲利普·费希尔。陈鼎武则在本土区域较广为人知。就概念或理念而言，大多数投资者都会把价值投资理解为购买市场价格低于其内在价值的股票或公司。简单来说，就是买入比市价更有价值的股票。然而，多数人并不知晓价值投资者的必备人格特质，或一般与价值投资相关的人格类型。

鉴于价值投资的固有特征，这种历久不衰的投资哲学是基于纯粹的领悟，即人不可能一直（甚至在多数的时候）准确预测未来。这些预测可能与公司未来的销售和盈利有关，也可能与预测GDP增长率、通货膨胀率和利率等经济变量有关，还可能与预测股票市场的未来方向有关——也是投资者常常做的事情。

低买高卖——万无一失？

股市有句老话叫“低买高卖”，指的是在股价低的时候买进，在股价高的时候卖出。这里说的是绝对股价，比如RM3.20或13.20新币。以这种方式定义的低买高卖能力要求投资者能够识别或预测股价何时触底、何时触顶。这种方法通常被称为市场时机理论；也就是说，投资者以低买（当指数或股价的绝对值较低时）和高卖（同样是看绝对值）为目的，把握股市时机。人们会用各种各样的工具和技术来计算股价或市场指数的时机。为了提高这种时机掌握的准确性，投资者经常还会采用所谓的自上而下分析法。

自上而下分析法的出发点是对宏观经济的预测，通常包括预测一个国家的GDP增长率、通胀率和利率，此外还经常包括对汇率的预测。其逻辑是尽可能准确预测一个国家的经济周期或商业周期。

经济何时会陷入衰退，何时会开始复苏，这都是自上而下分析法所关注的问题。此类预测的目的是在经济衰退的最低点买进（通常发生在通胀和利率达到该周期最低点的时候），然后在经济复苏的最高点卖出（通常发生在通胀和利率触顶的时候）。自上而下分析法既可以简单算出，也可以使用数学模型，甚至动用受过高深教育的人才和高性能计算机，以高度复杂的方式估算。不幸的是，想要准确预测经济增长、通胀和利率也并非易事。即便是像大马央行、世界银行和国际货币基金组织这样的大型机构，它们的宏观经济预测也经常出错。因此，尽管人们为这些事情投入了大量的努力和资源，但对于大多数崇尚自上而下分析法/市场时机理论这些盛行策略的投资者来说，结果仍然让人失望。投资者往往不是逢低买进，逢高卖出，而是恰恰相反，白白损失了辛苦挣来的积蓄。原因何在？

高买低卖——貽笑大方！

正如先前所述，低买高卖并不总是奏效，因为市场趋势、公司盈利或一个国家的GDP没办法总是神准预测。当然，预测100次，肯定会有几次是正确的。这不过是概率的问题，就像抛一百次硬币去预测哪面朝上一样。仔细想想，这样的结果根本没什么稀奇。那些时刻的准确性往往使投资者对市场时机的易错性视而不见。如果这种做法果真如此神准，那么我大可以坐在显示器前操作交易，轻松获利。那么我们根本没有必要如此努力地工作，开展这么多研究和分析。

我们应该仔细琢磨价值投资之父本杰明·格雷厄姆在此类问题上的观点：

“就像所有以价格走势为先、潜在价值为次的活动一样，多年来，这个领域有许多聪明人所做的工作，结果往往是自我抵消、弄巧成拙。拥有稳健股票投资组合的投资者应该知道股票价格会波动，既不必对大幅下跌感到担忧，也不必对大幅上涨感到兴奋。应该永远记住，市场报价是为了他的方便而存在的，要么被利用，要么被忽视。投资者绝不应该因为股票上涨而买进，也不应该因为股票下跌而卖出。”

就股市投资方法而言，市场择机法和价值投资法有很大的区别。对前者来说，股市指数或股票价格只是一个可以预测“下赌注”的数字，本质上类似于赌博或投机；对后者来说，股市指数是没有意义且不相关的，股票价格也只是用来比较股票或企业内在价值的东西。

谦卑——必备美德

在那些市场择机的人和那些注重价值追求的人之间，情感需求也有很大的不同。市场择机者之所以不会取得长期成功，主要原因是过自满、傲慢

或无知。此话怎讲？一旦对市场或股票进行了长时间的正确预测，他们就会开始相信成功是可以重复的；随着时间的推移，过度自信和傲慢就会积累起来。这种夜郎自大的态度很容易酿成灾难。雪上加霜的是，那些认为成功投资就是低买高卖的人，对如何成为成功的长期投资者一无所知。相反，价值投资之所以成功，是因为它要求投资者谦卑地接受自己出错的可能性。再次引用本杰明·格雷厄姆的话：

“一旦认识到自己在多大程度上无法控制，一个人就会变得更有控制力。”

华尔街传奇投资家伯纳德·巴鲁克谈到自我诚实时说道：

“只有说谎的人才能总是在不景气（熊市）的时候卖出，在景气（牛市）的时候买入。”

艾萨克·牛顿不太聪明

试图把握市场时机最基本的问题在于，需要选对两次时机才行。第一次是在股市高峰或股价最高的时候卖出，第二次是在股价最低的时候买入。为了让投资取得成功，就需要在正确时机买入和卖出。如果正确买入的概率是70%（已经是非常高的概率），正确卖出的概率也是70%，那么这项投资获利的概率只有49%。还不如扔硬币。换句话说，低买高卖，这种类似于把握市场时机的行为，是不可能持续成功的。无法进行可靠的时机选择，需要与另一个投资真理挂钩，才能充分理解这种人为谬误的后果。许多投资者在市场择机时没有掌握的东西，同时也是许多成功的价值投资者掌握投资之道的地方，就是投资/交易的简单算法。

“1720年春天，艾萨克·牛顿爵士持有南海公司的股票，这在当时是英国最热门的股票。这位伟大的物理学家感到市场逐渐失控，他喃喃自语道，他‘可以计算天体运动，却无法计算人们的疯狂’。牛顿抛售了他的南海股票，获得了总共7千英镑的利润，收益率达到100%。但仅仅几个月后，牛顿就被疯狂的市场热情冲昏头脑，他以更高的价格重新买入，结果损失了2万英镑（相当于今天的300多万美元）。后来他余生都禁止别人在他面前提到‘南海’这个词。”

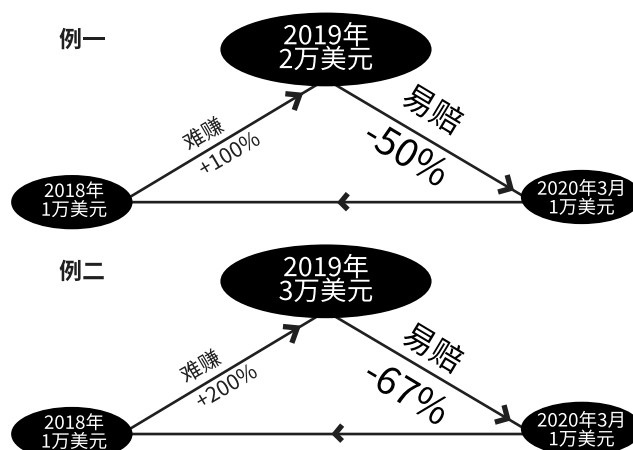
— 本杰明·格雷厄姆

当时的艾萨克·牛顿可能过于操之过急。如果牛顿能更谨慎一些，或者更谦虚一些，他就会了解投资/交易的简单算法。牛顿一开始只有7千英镑，后来赚了7千英镑。如果用1.4万英镑再投

资一次，利润还是100%，那么牛顿能赚1.4万英镑，接着他会有2.8万英镑。如果牛顿继续把赚到的钱全部投资进去，并且每次都能赚到100%的利润，那么经过8轮交易之后，最初的7千英镑就会飙升到179.2万英镑（相当于今天的2.688亿美元）。8轮可能需要8天、8周或8个月。牛顿被公认为“有史以来最具影响力的科学家之一，也是科学革命中的关键人物”，但他至终并没有因此成为一位伟大的投资者。就本质而言，价值投资是种现实主义的投资策略，要求实践者表现出足够的谦逊和耐心，这是牛顿所不具备的品质。通过8轮投资让7千英镑飙升至179.2万英镑，这种事情根本不切实际。要是再来8轮这种神奇循环，牛顿将拥有4亿5千875万2千英镑（相当于今天的688亿美元），可能比1720年整个英国的经济规模还要大。

照理说，牛顿是伟大的数学家，这让他做错这道简单的算术题显得有些奇怪。即使一个人的投资翻倍，也就是说获得100%的利润，只要下跌50%就会被抵消。当牛顿获得100%的利润（即7千英镑）之后，只要遭受50%的损失，就等于失去所有收益，回到原点。当牛顿获得200%的利润（即1.4万英镑），只要遭受67%的损失，就等于失去所有收益，回到原点。这种简单的投资或交易算法意味着，50%的损失会完全抵消100%的收益，如果损失稍高一点，那么67%的损失会完全抵消200%的收益。牛顿应该也熟悉概率。残酷的现实是：亏损50%的可能性比盈利100%的可能性要高得多。总结来说，投资是不公平的，就像生活是不公平的一样。那些奉行所谓“低买高卖”的投资者常常忽视了这种投资或交易的不对称性，或者没有深刻理解（图四）。

图四 投资简单算术



沃伦·巴菲特用更加幽默的方式表达了这一观点：“我们打呼噜的时候赚的钱比醒着的时候更多。”当然，价值型投资者并非懒惰的投资者；事实上，他们工作非常努力。除此之外，他们

还有一种批判性的自我诚实态度，愿意谦逊地承认，市场时机是不可能完美把握的。还记得本·格雷厄姆的建议吗？他说：“一旦认识到自己在多大程度上无法控制，一个人就会变得更有控制力。”我也曾无数次说过：“我们的目标不是假装可以做到100%准确，而是在寻求长期资本增值的同时降低误差幅度。要实现到这一点，就必须采用严格且定义明确的价值投资方法。”价值投资的根本理念是，投资者需要有一定的安全边际，以应对意外事件和自身的人为错误。这就是为什么价值投资者只有在股票或企业的市场价格低于其内在价值时才会买入，正是这两者之间的差异创造了安全边际。要想成功，就必须认识到错误无法避免。毕竟投资者也只是人。策略就是减少错误——或者说，减少这些错误对投资的影响。

现金

价值投资者表现谦虚的另一种方式是持有现金，要是没有什么值得投资的项目，他可能就会持有大量现金。如果没有足够的证券来充实符合这些价值投资标准的投资组合，那么答案就是持有现金，直到找到这些证券为止。诚然，持有现金并非价值投资者的终极目标；它是价值投资过程的副产品，而谦逊是其风险管理的重要组成部分。以仍在蔓延的新冠肺炎疫情为例。由于新冠病毒的传染性和疫情的突发性，各国政府被迫实施封锁或对线下社交互动采取严格限制。其影响是许多企业和公司不得不立即停止业务运作，现金流随之戛然而止。无论规模大小，凡是资产负债表状况不佳的企业，都在大声呼救。要么持有现金，要么面对灭亡。现金是企业 and 公司处理突发事件的必需品。现金是企业的心脏和血液。对于一家公司的生存来说，现金和流动性比收益或盈利能力重要得多。从投资者或投资组合经理的角度来看，现金也有类似的用途。现金是投资者最重要的原材料。如果你能百分百肯定你所买入的所有股票都是正确的股票，买入价格和估值都正确无误，以后不会有更好的机会出现在你面前，那么持有现金就是多余之举。人怎能如此自大？

正如我之前所分享的，持有现金就像是持有一种非常有价值的期权，只不过没有到期日。期权的价值取决于它的到期日以及其他因素。到期日越远，期权的价值就越高。期权有固定的转换价格。而现金，则由投资者或基金经理决定其转换价格。由于价值投资者只会在有吸引力的价位买入，这种期权（即现金）的价值就会上升。总之，不管是管理一家企业还是管理一个投资组合，现在拥有强健的资产负债表就是一种特权，现金充裕的资产负债表尤其如此。这就把我们想到了本杰明·格雷厄姆所阐述的最初版本的价值投资。

资产负债表的力量

由于资本投资有限公司采取了非常有纪律的方式，该公司号称是整个马来西亚股市中资产负债表最强的公司之一。资本投资有限公司已做好准备，充分利用新冠大流行造成的形势优势。由于其海外股东持续对其持有的现金进行负面抨击，该公司这一吸引人的特点并未得到马来西亚股市的认可。

本杰明·格雷厄姆于1934年写下他的投资经典之作《证券分析》，当时正值上世纪30年代大萧条最严重的时期，美国失业率高达25%，大量企业和银行机构迅速倒闭，就像被推倒的多米诺骨牌一样。然而，大萧条对格雷厄姆来说并不是隔岸观火的事情。很少有人知道，1929年股市崩盘让格雷厄姆的财务状况一落千丈。这对他的财富来说是一个巨大的逆转。1929年股市崩盘意味着他不得不第二次进行经济重建，这也促使本·格雷厄姆撰写了《证券分析》，形成了一套稳健、审慎、耐冲击的投资策略。只有亲身经历过萧条的人才能做到这一点。对当前的新冠疫情危机而言，他在大萧条时期所学教训是如此及时。

《证券分析》阐述的一个关键教训是，格雷厄姆对于公司的财务实力和资产负债表实力近乎痴迷。考虑到格雷厄姆在大萧条时期的痛苦经历，这样的强调一点也不奇怪。此次新冠疫情爆发，投资者和基金经理才充分认识到格雷厄姆价值投资理念的可靠性。许多经济体目前正在经历突然崩溃，只有现金充足和资产负债表强劲的企业才能生存下来，这一点格雷厄姆在近90年前就强调过。

陈鼎武

指定人

资威资产管理私人有限公司

2020年9月12日

PROFILE OF DIRECTORS

DATUK NG PENG HONG @ NG PENG HAY

- Chairman
- Non-Independent Non-Executive Director
- Aged 68, 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 Group Independent Non-Executive Chairman of Wellcall Holdings Bhd. He is also the Independent Non-Executive Chairman of CRG Incorporated Berhad and a Non-Independent Non-Executive Director of Sinmah Capital Bhd.

Datuk Ng Peng Hong @ Ng Peng Hay has no family relationship with any director or major shareholder of your Fund nor has any conflict of interest with your Fund. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor any public sanctions or penalty imposed by relevant regulatory bodies during the financial year. He attended all eleven (11) meetings held in the financial year ended 31 May 2020.

DATO' SERI MD AJIB BIN ANUAR

- Independent Non-Executive Director
- Chairman of the Audit Committee
- Member of the Nomination Committee
- Aged 70, 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 (ACCA), United Kingdom.

Dato' Seri Md Ajib Bin Anuar has more than 48 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 (since 2003) as well as the President of ASEAN Federation of Mining Associations (since 2016). He is also the Chairman of the Kuala Lumpur Tin Market (since 1997), the Chairman of the Malaysia Tin Industry (Research and Development) Board (since 2003), Director of International Tin Association Ltd (formerly known as ITRI Ltd) United Kingdom (the research and development body of the world's tin industry) (since 1994).

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 Resource Consulting Sdn Bhd, providing consulting services in mineral and groundwater resources. He is currently an External Consultant to the world's largest tin mining and smelting group, Yunnan Tin Company Limited of China (since 2017).

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 any conflict of interest with your Fund. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor any public sanctions or penalty imposed by relevant regulatory bodies during the financial year. He attended all eleven (11) meetings held in the financial year ended 31 May 2020.

DATO' SRI SYED ISMAIL BIN DATO' HAJI SYED AZIZAN

- Independent Non-Executive Director
- Member of the Audit Committee
- Chairman of the Nomination Committee (Re-designated with effect from 20 May 2020)
- Aged 66, 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 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 any conflict of interest with your Fund. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor any public sanctions or penalty imposed by relevant regulatory bodies during the financial year. He attended nine (9) meetings held in the financial year ended 31 May 2020.

BOH BOON CHIANG

- Independent Non-Executive Director (Appointed with effect from 16 July 2020)
- Member of the Audit Committee (Appointed with effect from 16 July 2020)
- Aged 57, Malaysian, Male

Mr Boh Boon Chiang was appointed to your Board of Directors on 16 July 2020. He graduated with Master of Business Administration from the University of Bath, United Kingdom in 2001. He is a professionally qualified accountant with the Association of Chartered Certified Accountants (ACCA) and a member of the Malaysian Institute of Accountants (MIA).

Mr Boh has more than 27 years of commercial experience in various sectors including construction, manufacturing and education and extensive exposure in financial management including corporate affairs, business development, taxation and finance.

Mr Boh was the Financial Controller of an established education provider (formerly listed in Bursa) from 1996 to 2002. He was then appointed as the Chief Financial Officer and Chief Operating Officer of the same group in 2006 and 2007 respectively. He was also appointed as the Managing Director of a University College operated by the same group in 2009. He then served as the Chief Executive Officer of a company involved in early childhood education

since 2003. He served as the Group Chief Operating Officer of another company listed in Bursa since 2011 where the business of its subsidiaries is mainly involved in the trading in household electrical and electronic appliances. He also served as the Deputy Group Chief Executive Officer of the same group in 2017 before his retirement from active employment.

Mr Boh has no family relationship with any director or major shareholder of your Fund nor has any conflict of interest with your Fund. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years nor any public sanctions or penalty imposed by relevant regulatory bodies during the financial year.

PROFILE OF DESIGNATED PERSON

Under the Securities Commission Malaysia ("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 66, Malaysian, 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 Social Sciences, majoring 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."

Your Fund Manager and Designated Person have not identified any conflict of interest situation that may arise with your Fund.

The Designated Person and your Fund Manager have not been convicted of any offences (other than traffic offences) within the past 5 years and have not been imposed any public sanctions or penalty by the relevant regulated bodies during the financial year.

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 (Resigned with effect from 24 February 2020)	Member	Independent Non-Executive Director
Mr Boh Boon Chiang (Appointed with effect from 16 July 2020)	Member	Independent Non-Executive Director

The composition of AC of your Fund has reduced to two (2) members which does not fulfil the requirement of Paragraph 15.09(1)(a) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") mainly due to the resignation of Madam Leong So Seh (Audit Committee Member, Independent Non-Executive Director) on 24 February 2020.

In this respect, the Fund was required to fill the vacancy within three (3) months from the date of cessation of Madam Leong So Seh as Member of the Audit Committee, i.e. by 24 May 2020.

Subsequent to the above, Bursa Securities has via its letter dated 3 June 2020 approved your Fund's application for an extension of time to comply with Paragraph 15.09(1)(a) of the MMLR, and granted your Fund an extension of time until 31 August 2020 to comply with the abovementioned requirement.

Your Fund has on 16 July 2020 appointed Mr Boh Boon Chiang as an Independent Non-Executive Director and a member of the Audit Committee.

In view of the above, 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"). No alternate Director is appointed as a member of the AC.

2. TERMS OF REFERENCE

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

3. MEETINGS

In accordance with Clause 3.2 of Terms of Reference of AC pertaining to the frequency of meeting, the AC should hold at least four (4) meetings in a year.

During the financial year ended 31 May 2020 ("FYE 2020"), a total of three (3) AC meetings were held. The attendance of each AC member is set out on page 58 of this Annual Report.

Your Fund had on 30 April 2020 made an announcement to Bursa Securities that in view of the Movement Control Order ("MCO") imposed by the Government of Malaysia effective from 18 March 2020 to 12 May 2020 under the provision of the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 to curb the spread of the COVID-19 infection in the country, your Fund's Unaudited Quarterly Report on Consolidated Results for the financial period ended 29 February 2020 ("QR") could not be finalised for issuance within the stipulated deadline of 30 April 2020.

Following the announcement by Bursa Securities on the extension of time of up till 30 June 2020 for the issuance of quarterly reports which are due by 30 April 2020 and 31 May 2020, your Fund had utilised this extension of time granted by Bursa Securities in order to provide a longer time for finalisation of its QR.

In view of the above, the quarterly AC and Board Meetings had been postponed to 10 June 2020 to approve the QR.

As a closed-end fund ("CEF"), the entire Board of Directors of your Fund is non-executive with mostly independent 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 54 of this Annual Report. The External Auditors of your Fund is Crowe Malaysia PLT.

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 FYE 2020.

5. SUMMARY OF THE WORK OF THE AC DURING THE FYE 2020

The principal activities undertaken by the AC in the discharge of its functions and duties during the FYE 2020 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.

- b. 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

- a. On 16 July 2019 and 29 July 2020, the AC reviewed and discussed with the External Auditors the Audit Findings, Audit Review Memorandum and the draft audited financial statements for FYE 2019 and FYE 2020.
- b. 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.
- c. The AC also received written confirmation dated 16 July 2019 and 29 July 2020 from the External Auditors that during their course of audit for FYE 2019 and FYE 2020, nothing had come to their attention that there was any material deficiency in internal controls of your Fund for FYE 2019 and FYE 2020. The External Auditors will further report to the AC in the forthcoming AC meeting, if there are any significant deficiencies in internal control which came to their attention.
- d. The AC had on 16 July 2019 and 29 July 2020 conducted an evaluation of the External Auditors for FYE 2019 and FYE 2020 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 Crowe Malaysia PLT had demonstrated their objectivity, independence and professionalism throughout their course of audit.

- e. Based on the AC's recommendation, your Board agreed to table the re-appointment of Crowe Malaysia PLT as the External Auditors for the ensuing financial year for share owners' approval at the forthcoming Annual General Meeting.
- f. In view of the MCO imposed by the Government, the quarterly AC Meeting to approve the QR was postponed and held on 10 June 2020. The AC reviewed with the External Auditors the Audit Planning Memorandum for the FYE 2020 and the amount of audit and non-audit fees of your Fund for the FYE 2020, the particulars of which are as follows, before recommending to your Board for approval:-

Particulars	Amount (RM)	Total (RM)
Audit fee	44,000.00	44,000.00
Non-audit fees		15,000.00
• Review of Statement on Risk Management and Internal Control	5,000.00	
• Review of Annual Report	10,000.00	
		59,000.00

- 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 2020.

5.3 Internal Audit

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

The priority of the Internal Auditors is 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.

PKF has approximately 2 audit personnel assisting the person responsible for the internal audit. Details on the person responsible for the internal audit are set out below:-

Name	: Dato' Josephine Low
Qualification	: MBA (Hull, UK) Certified Internal Auditor, Certified Information Systems Auditor, Certified Fraud Examiner and Certification in Risk Management, IIA Inc.
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 2019 and FYE 2020 presented by the Internal Auditors where PKF would conduct its internal audit on the Service Providers of your Fund.
- c. The AC reviewed and accepted the Internal Audit Reports on a half-yearly 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 had on 16 July 2019 and 29 July 2020 reviewed and accepted the Enterprise Risk Management Report ("ERM Report") for 2019 and 2020 respectively presented by the Internal Auditors.
- e. The AC had on 16 July 2019 and 29 July 2020 conducted an evaluation of the internal audit function for FYE 2019 and FYE 2020 respectively 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 2020 was RM18,500.

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 2020.

On 1 November 2019, 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 Advisor where the aggregated actual value of such RRPTs transacted for the periods from 1 May 2019 to 31 January 2020 had exceeded the percentage ratio of 1% as prescribed under Paragraph 10.09(1)(a) of the MMLR.

Details of the announcement 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

The AC had on 16 July 2019 and 29 July 2020 reviewed and recommended the following statements for Annual Report to your Board for approval:-

- i) AC Report;
- ii) Corporate Governance Overview Statement
- iii) Statement on Risk Management and Internal Control; and
- iv) Investment portfolio.

c. 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.

IRB has issued the relevant tax discharge via Notices of reduced assessment (Form JR) and several follow-up letters on the refund of penalty have been sent to IRB.

The AC noted that the IRB has subsequently via their letter dated 18 June 2020, refunded the penalties amount of RM150,121.75 to your Fund.

This AC Report was approved by the Board on 29 July 2020.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

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 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 Audit Function

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 bi-annual basis.

The internal audit function reviews the internal controls of the key activities of your Funds service providers based on the annual audit plan approved by the AC. They perform their audit based on the International Professional Practices Standards of Internal Auditing. Since the adoption of the Enterprise Risk Management framework, the internal audit function has taken on a risk-based approach in 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 arising from a future event or situation is at a level acceptable to the business. This is achieved through a combination of preventive, detective and corrective measures.

The internal audit reports that were tabled to the AC for deliberation on a bi-annual basis, have included response from the service providers and the corrective actions taken or to be taken in regard to 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 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.

The core service providers are regulated entities and required to have adequate risk management and internal control systems and also subject to internal audit and compliance review.

The Fund Manager and Administrator have provided an annual written assurance to the Board that their risk management and internal control systems are operating adequately and effectively.

The Custodian has provided similar assurance via their annual report on internal controls of their securities services.

(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 30 to 32 and the terms of reference of the AC are made available for reference in your Fund's website at www.icapital.my.

(iv) Whistleblowing Policy

Your Board has formalised a whistle-blowing policy as commitment to 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 of 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 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

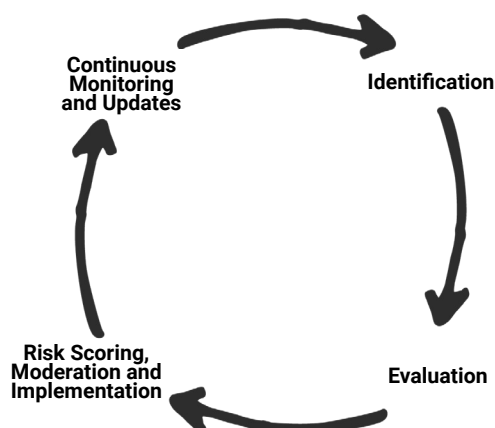
Your Board recognises that to ensure the review process for identifying, evaluating and managing the significant risks affecting your Fund is complete, the internal control procedures with clear lines of accountability and delegated authority have to be established. Your Board, throughout the current financial year, has identified and evaluated the significant risks faced by your Fund through the establishment of 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 were communicated to your Fund Manager, who together with the ERM service provider, evaluated and scored 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 potential high impact and likelihood to your Fund's operation:

Risk Profile	Causes	Mitigation Control
1. Prolong Slow Down in Economy	Arises from fluctuation in interest rates, inflation, prolong downturn of crude oil, slowdown in economies of Malaysian economic partners and trade war between China and United States. Recently, the economy is also affected by global pandemic outbreak (COVID-19) that have further threatened the growth since early this year.	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 consistently applying the value investing philosophy where your Fund Manager will analyse the underlying business values of the investee companies (intrinsic value) over the medium to longer-term and invest when the market price is below the intrinsic value, that encompasses the core principle of margin of safety, i.e., the disparity between the intrinsic value and the market price. Your Fund Manager will also decide on the asset allocation, i.e., when the market is overvalued with less opportunities, will hold more cash and wait until the market is undervalued with plenty of opportunities to invest.

Risk Profile	Causes	Mitigation Control
2. Local Political Instability	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 continuous educating existing and potential investors on the benefits of investing in a closed-end fund, by organising Investor Day/Week, roadshows, PR and IR campaigns, organising a full day Annual General Meeting, 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.
5. Corporate liability provision pursuant to S17A MACC (Amendment) Act 2018	Arises from newly enforcement Act: S17A Malaysian Anti-Corruption Commission (MACC) Act 2018	Your Board has published the anti-bribery and corruption and whistleblowing policies in the corporate website. In addition, your Board is in the process to implement anti-bribery and corruption programme across the Company.

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.

Pursuant to Paragraph 15.23 of the Bursa's MMLR, the External Auditors have reviewed this Statement on Risk Management & Internal Control. Their review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and the guidance published in AAPG 3 (Revised 2015), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report. Based on their review, nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respect, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Directors of Listed Issuers and Practices 9.1 and 9.2 of the MCGG 2017 to be set out, nor is factual inaccurate.

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 2020.

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 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 one of the most innovative investor events in Asia.

The 15th Annual General Meeting of icapital.biz Berhad

The 15th AGM was again an informative and thought-provoking session for the shareowners of your Fund. Other than the usual updates on the investment portfolio of your Fund, the Fund Manager identified five trends that are worrying:

- i) global warming/climate change;
- ii) ultra-loose monetary policy;
- iii) perpetual budget deficits/growing debts;
- iv) America's institutionalised culture of war
- v) and with such global backdrop, Malaysia's future.

As usual, the Fund Manager shared his thorough research unselfishly with his fellow shareowners. In order for Malaysia to get herself out from the struggle amidst the worrying global backdrop, she is urged to urgently design and implement a China strategy.

The 2020/2021 Global Investor Week

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

Due to the COVID-19 pandemic, Capital Dynamics has decided to postpone the 2020 Global Investor Week to first half of 2021, for the safety of the participants, speakers and organiser. Do keep an eye on the websites of Capital Dynamics for further updates. To view the video and photo gallery of the past events, visit <https://giw.icapital.biz/>

Similarly, the Final of 2020/2021 Budding Value Investor Award has also been postponed to March 2021. For more information, visit <https://bvia.icapital.biz/>

Sound Quality Investment Education

Despite the unprecedented COVID-19 Pandemic which has ravaged many countries, including the developed countries, your Fund Manager has continued to reach out and educate investors on the possible opportunities that may be present during such a crisis.

For a start, on 30 May 2020, your Fund Manager organised a virtual talk for all investors, including share owners of your Fund, on the economic measures taken by the major countries to counter the impact of COVID-19.

During the virtual conference, participants were briefed on the impact of these measures in supporting the relevant economies, whether the countries afford these unprecedented measures and whether the global economy will witness another Great Depression.

With the global community still battling the COVID-19 Pandemic, your Fund and your Fund Manager will need to adapt to the new normal when conducting its corporate social responsibility ("CSR") efforts. However, this change will not compromise the CSR efforts of your Fund.

Your Fund will continue to strive to empower and foster a positive change in the society, especially the investing public and the financial community by providing them access to quality investment knowledge. It is part of your Fund's mission to make the community a better place by empowering people with the right attitudes, whether it relates to investing, business or life.

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 2020.

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

Loss after taxation for the financial year

(RM 3,597,693)

DIVIDENDS

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 setting up of 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 ensure 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 other than the dual-listing project expenses as disclosed in the statement of profit or loss and other comprehensive income.

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 and up to 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 (Resigned on 24.02.2020)
5. Datin Siah Li Mei (Resigned on 03.08.2020)

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(b) 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(c) 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 RM30,000. No indemnity was given to or insurance effected for auditors of your Fund.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 20 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, 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
21 September 2020

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 40 to 49 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 31 May 2020 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
21 September 2020

Datuk Ng Peng Hong @ Ng Peng Hay

Dato' Seri Md Ajib Bin Anuar

STATUTORY DECLARATION

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

I, Tan Teng Boo, 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 40 to 49 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tan Teng Boo, NRIC Number: 540211-02-5441
at Kuala Lumpur in the Federal Territory on this
21 September 2020

Before me

Datin Hajah Raihela Wanchik (W-275)
Commissioner for Oaths

Tan Teng Boo

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

(Incorporated in Malaysia)

Registration No: 200401036389 (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 2020, 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 40 to 49.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of your Fund as at 31 May 2020, 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 scepticism 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 PLT
201906000005 (LLP0018817-
LCA) & AF 1018
Chartered Accountants

Kuala Lumpur
21 September 2020

Ho Yen Ling
03378/06/2022 J
Chartered Accountant

STATEMENT OF FINANCIAL POSITION AT 31 MAY 2020

	Note	2020 RM	2019 RM
ASSETS			
NON-CURRENT ASSET			
Investments	5	137,754,307	152,411,872
CURRENT ASSETS			
Other receivables and prepayments	6	1,375,934	2,024,489
Current tax assets		152,872	96,887
Short-term deposits	7	254,971,918	279,146,581
Bank balance		951,270	17,004,221
		257,451,994	298,272,178
CURRENT LIABILITIES			
Other payables and accruals	8	897,774	475,903
NET CURRENT ASSETS			
		256,554,220	297,796,275
NET ASSETS			
		394,308,527	450,208,147
FINANCED BY:-			
Share capital	9	140,000,000	140,000,000
Reserves	10	254,308,527	310,208,147
SHAREHOLDERS' EQUITY			
		394,308,527	450,208,147
Net asset value per ordinary share	11	2.82	3.22

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2020

	Note	2020 RM	2019 RM
REVENUE			
Interest income		8,427,325	9,826,242
Dividend income		4,332,798	4,900,190
		12,760,123	14,726,432
LESS: OPERATING EXPENSES			
Accounting and administrative fees		111,500	201,940
Advertisements		5,280	5,280
Annual general meeting expenses		125,560	345,607
Auditors' remuneration			
- current financial year		41,000	41,000
- overprovision in the previous financial year		-	(3,000)
Custodian expenses		193,373	213,060
Directors' fees		317,373	269,000
Dual-listing project expenses	12	6,679,097	-
Fund management fee		3,329,391	3,596,061
Goods and services tax expenses		-	74,949
Investment advisory fee		3,329,391	3,596,061
Others		87,525	68,561
Professional fee		269,050	247,809
		14,488,540	8,656,328
(LOSS)/PROFIT BEFORE TAXATION			
		(1,728,417)	6,070,104
INCOME TAX EXPENSE			
	13	(1,869,276)	(2,055,788)
(LOSS)/PROFIT AFTER TAXATION			
		(3,597,693)	4,014,316
OTHER COMPREHENSIVE EXPENSES			
	14	(52,301,927)	(52,501,255)
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR			
		(55,899,620)	(48,486,939)
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:- Owners of the Company			
		(3,597,693)	4,014,316
TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:-			
Owners of the Company		(55,899,620)	(48,486,939)
Basic (loss)/earnings per ordinary share	15	(0.03)	0.03
Diluted (loss)/earnings per ordinary share	15	(0.03)	0.03

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MAY 2020

	Non-distributable		Distributable	
	Share Capital (RM)	Fair Value Reserve (RM)	Retained Profits (RM)	Total Equity (RM)
Balance at 1.6.2018				
- As previously reported	140,000,000	114,021,492	244,673,594	498,695,086
- Changes in accounting policies	-	(22,030,049)	22,030,049	-
- As restated	140,000,000	91,991,443	266,703,643	498,695,086
Profit after taxation	-	-	4,014,316	4,014,316
Other comprehensive income:	-	(52,501,255)	-	(52,501,255)
- Fair value changes of equity instruments	-	(52,501,255)	-	(52,501,255)
Total comprehensive (expenses)/ income for the financial year	-	(52,501,255)	4,014,316	(48,486,939)
Transfer to retained profits arising from disposal of investments	-	(20,508,076)	20,508,076	-
Balance at 31.5.2019/1.6.2019	140,000,000	18,982,112	291,226,035	450,208,147
Loss after taxation	-	-	(3,597,693)	(3,597,693)
Other comprehensive income:	-	(52,301,927)	-	(52,301,927)
- Fair value changes of equity instruments	-	(52,301,927)	-	(52,301,927)
Total comprehensive expenses for the financial year	-	(52,301,927)	(3,597,693)	(55,899,620)
Transfer to retained profits arising from disposal of investments	-	(385,242)	385,242	-
Balance at 31.5.2020	140,000,000	(33,705,057)	288,013,584	394,308,527

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MAY 2020

	Note	2020 RM	2019 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation		(1,728,417)	6,070,104
Decrease in other receivables		648,555	613,346
Increase in other payables		421,871	57,959
Proceeds from disposal of quoted investments		2,176,639	40,140,258
Purchase of quoted investments		(39,821,001)	(31,725,510)
CASH FROM OPERATIONS		(38,302,353)	15,156,157
Income tax paid		(1,925,261)	(2,173,135)
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(40,227,614)	12,983,022
NET CASH FROM INVESTING ACTIVITY			
Decrease in short-term deposits with tenure more than 3 months		167,011,484	61,191,166
NET INCREASE IN CASH AND CASH EQUIVALENTS		126,783,870	74,174,188
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		129,139,318	54,965,130
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	16	255,923,188	129,139,318

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2020

1. GENERAL INFORMATION

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

Registered office: 12th Floor, Menara Symphony
No.5, Jalan Professor Khoo Kay Kim,
Seksyen 13, 46200 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 21 September 2020.

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/or interpretations (including the consequential amendments, if any):-

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

MFRS 16 Leases

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

The adoption of the above accounting standards and/or

interpretations (including the consequential amendments; if any) did not have any material impact on your Fund's financial statements.

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of your Fund upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. Your Fund uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking

estimates at the end of each reporting period. The carrying amount of other receivables as at the reporting date is disclosed in Note 6 to the financial statements.

(b) 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 expense and deferred tax balances in the period in which such determination is made.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying your Fund's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Coronavirus Disease 2019 (COVID-19)

The current outbreak of COVID-19 has resulted in the occurrence of a multitude of associated events such as temporarily closing of businesses, travel restrictions and quarantine measures across the globe. Your Fund exercises judgement, in light of all facts and circumstances, to assess what event in this series of events provides additional evidence about the condition that existed at the reporting date and therefore affects the recognition and measurement of your Fund's assets and liabilities at 31 May 2020.

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 statement 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 (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 - Revenue from Contracts with Customers at inception). 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 statement of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

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), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

Your Fund reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where your Fund has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either

held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when your Fund's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(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. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are 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 (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 liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

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 when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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 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. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.5 IMPAIRMENT

(a) Impairment of Financial Assets

Your Fund recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to your Fund in accordance with the contract and all the cash flows that your Fund expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Your Fund always recognises lifetime expected credit losses for the trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on your Fund's historical credit loss experience and are adjusted for looking-forward information (including time value of money where appropriate).

For all other financial instruments, your Fund recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, your Fund measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Your Fund recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. 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.

4.6 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.

4.7 OPERATING SEGMENTS

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.

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 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 FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Interest Income

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

5. INVESTMENTS

	2020 (RM)	2019 (RM)
Quoted shares, at fair value	137,754,307	152,411,872

Equity Investments at Fair Value Through Other Comprehensive Income

(a) Your Fund designated its investments in quoted shares to be measured at fair value through other comprehensive income because your Fund intends to hold for long-term strategic purposes.

(b) The fair value of each investment is summarised below:-

	2020 (RM)	2019 (RM)
Quoted shares:-		
AirAsia Group	6,835,416	-
Apex Healthcare	3,962,283	-
APM Automotive Holdings	7,533,210	12,850,770
Bioalpha Holdings	956,624	1,417,220
Boustead Holdings	8,442,711	13,605,520
Carlsberg Brewery Malaysia	7,864,024	7,314,000
HPMT Holdings	418,869	-
Kelington Group	6,952,608	-
Kobay Technology	1,236,230	843,465
Malaysia Smelting Corporation	3,626,280	4,688,262
MKH	2,812,265	3,110,913
Oceancash Pacific	1,836,720	1,042,525
Padini Holdings	41,666,415	63,264,924
Parkson Holdings	1,074,230	2,846,709
Prolexus	1,035,320	-
Salutica	867,102	501,559
Sam Engineering & Equipment (M)	24,640,720	20,069,160
Suria Capital Holdings	11,903,280	14,864,995
Tong Herr Resources	4,090,000	5,991,850
	137,754,307	152,411,872

(c) During the financial year, your Fund has disposed of some of its investments as part of the fund's value investing strategy. The shares sold had a fair value of RM2,176,639 (2019 - RM40,140,258) at the time of sales and your Fund realised a cumulative gain of RM385,242 (2019 - RM20,508,076) by transferring the associated fair value reserve to retained profits.

6. OTHER RECEIVABLES AND PREPAYMENTS

	2020 (RM)	2019 (RM)
Other receivables	379,323	759,766
Prepayments	996,611	1,264,723
	1,375,934	2,024,489

Included in prepayments is an amount of RM982,807 (2019 - RM1,145,879) being prepayment to related parties.

7. SHORT-TERM DEPOSITS

	2020 (RM)	2019 (RM)
Deposits with licensed financial institutions	254,971,918	279,146,581

The deposits with licensed financial institutions of your Fund at the end of the reporting period bore effective interest rates ranging from 2.00% to 3.70% (2019 - 3.30% to 3.75% per annum). The deposits with licensed financial institutions have maturity periods ranging from 1 to 3 (2019 - 1 to 6) months.

8. OTHER PAYABLES AND ACCRUALS

	2020 (RM)	2019 (RM)
Other payables	363,010	22,044
Accruals	534,764	453,859
	897,774	475,903

9. SHARE CAPITAL

	2020	2019	2020	2019
	Number of Shares		(RM)	
Issued and Fully Paid-up				
Ordinary Shares				
At 1 June/ 31 May	140,000,000	140,000,000	140,000,000	140,000,000

The holders of ordinary shares are entitled to receive dividends as and when declared by your Fund and are entitled to one vote per ordinary share at meetings of your Fund. The ordinary shares have no par value.

10. RESERVES

	2020 (RM)	2019 (RM)
Fair value reserve	(33,705,057)	18,982,112
Retained profits	288,013,584	291,226,035
	254,308,527	310,208,147

Fair Value Reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of investments designated at fair value through other comprehensive income.

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 RM394,308,527 (2019 - RM450,208,147) divided by the number of ordinary shares in issue at the end of the reporting period of 140,000,000 (2019 - 140,000,000).

12. DUAL-LISTING PROJECT EXPENSES

The dual-listing project expenses represent the expenses incurred by the Fund Manager, Capital Dynamics Asset Management Sdn Bhd ("CDAM") for the proposed dual-listing project which has been reimbursed to CDAM during the financial year.

13. INCOME TAX EXPENSE

	2020 (RM)	2019 (RM)
Current tax:		
- for the financial year	1,749,128	2,055,113
- underprovision in the previous financial year	120,148	675
	1,869,276	2,055,788

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

	2020 (RM)	2019 (RM)
(Loss)/Profit before taxation	(1,728,417)	6,070,104
Tax at the statutory tax rate of 24% (2019 - 24%)	(414,820)	1,456,825
Tax effects of:-		
Tax-exempt dividends	(133,119)	(210,772)
Single tier dividends	(906,752)	(965,273)
Non-deductible expenses	3,203,819	1,774,333
Underprovision of current tax in the previous financial year	120,148	675
Income tax expense for the financial year	1,869,276	2,055,788

14. OTHER COMPREHENSIVE INCOME

	2020 (RM)	2019 (RM)
Items that Will Not be Reclassified Subsequently to Profit or Loss		
Fair value of equity investments:		
- changes during the financial year	(52,301,927)	(52,501,255)

15. (LOSS)/EARNINGS PER SHARE

The basic earnings per ordinary share is arrived by dividing the (loss)/profit attributable to owners of your Fund for the financial year of RM3,597,693 (2019 - RM4,014,316) over the weighted average number of ordinary shares in issue during the financial year of 140,000,000 (2019 - 140,000,000).

Your Fund has not issued any dilutive potential ordinary shares and hence, the diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share.

16. CASH AND CASH EQUIVALENTS

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

	2020 (RM)	2019 (RM)
Short-term deposits	254,971,918	279,146,581
Bank balance	951,270	17,004,221
	255,923,188	296,150,802
Short-term deposits with tenure of more than 3 months	-	(167,011,484)
	255,923,188	129,139,318

17. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to your Fund if your Fund has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where your Fund and the party are subject to common control.

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.

In addition to the information detailed elsewhere in the financial statements, your Fund has related party relationships with its directors, key management personnel and entities within the same group of companies.

(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:-

	2020 (RM)	2019 (RM)
Fund management fees paid to CDAM	3,329,391	3,596,061
Investment advisory fees paid to CDSB	3,329,391	3,596,061

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

(c) Key Management Personnel Compensation

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

	2020 (RM)	2019 (RM)
Directors of the Company		
Non-executive Directors	317,373	269,000
- Fees		

18. 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.

19. FINANCIAL INSTRUMENTS

Your Fund's financial risk management policy seeks to ensure that adequate financial resources are available for the development of your Fund's business whilst managing its single issuer risk, market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk.

19.1 FINANCIAL RISK MANAGEMENT POLICIES

Your Fund's policies in respect of the major areas of treasury activity are as follows:-

(a) Single Issuer Risk

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

(b) Market Risk

(i) Foreign Currency Risk

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

(ii) 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:-

	2020 (RM)	2019 (RM)
Effects on (Loss)/Profit After Taxation		
Increase of 100 basis points ("bp")	1,937,787	2,121,514
Decrease of 100 bp	(1,937,787)	(2,121,514)

(iii) 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

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

	2020 (RM)	2019 (RM)
Effects on Other Comprehensive Income		
Increase of 10%	13,775,431	15,241,187
Decrease of 10%	(13,775,431)	(15,241,187)

(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.

(i) Credit Risk Concentration Profile

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

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of financial assets recognised in the statement of financial position of your Fund after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, your Fund assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Short-term Deposits and Bank Balances

Your Fund considers these banks and financial institutions have low credit risks. Therefore, your Fund is of the view that the loss allowance is immaterial and hence, it is not provided for.

(d) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. Your Fund practises prudent risk management by maintaining sufficient cash balances and adequate working capital to meet its obligations as and when they fall due.

Maturity Analysis

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	
	Carrying Amount (RM)	Undiscounted Cash Flows (RM)	Within 1 Year (RM)
2020			
<u>Non-derivative Financial Liability</u>			
Other payables and accruals	897,774	897,774	897,774
2019			
<u>Non-derivative Financial Liability</u>			
Other payables and accruals	475,903	475,903	475,903

19.2 CAPITAL RISK MANAGEMENT

Your Fund manages its capital to ensure that entities within your Fund will be able to maintain 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. As your Fund has no external borrowings, the debt-to-equity ratio is not presented as it may not provide a meaningful indicator of the risk of borrowings.

19.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2020 (RM)	2019 (RM)
FINANCIAL ASSETS		
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>		
Investments (Note 5)	137,754,307	152,411,872
<u>Amortised Cost</u>		
Other receivables (Note 6)	379,323	759,766
Short-term deposits (Note 7)	254,971,918	279,146,581
Bank balance	951,270	17,004,221
	256,302,511	296,910,568
FINANCIAL LIABILITY		
<u>Amortised Cost</u>		
Other payables and accruals (Note 8)	897,774	475,903

19.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of your Fund which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

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			
	Level 1 (RM)	Level 2 (RM)	Level 3 (RM)
2020			
<u>Financial Asset</u>			
Investments: - quoted shares	137,754,307	-	-
2019			
<u>Financial Asset</u>			
Investments: - quoted shares	152,411,872	-	-

Fair Value of Financial Instruments Not Carried at Fair Value			
	Level 1 (RM)	Level 2 (RM)	Level 3 (RM)
2020			
<u>Financial Asset</u>			
Investments: - quoted shares	-	-	-
2019			
<u>Financial Asset</u>			
Investments: - quoted shares	-	-	-

	Total Fair Value (RM)	Carrying Amount (RM)
2020		
<u>Financial Asset</u>		
Investments: - quoted shares	137,754,307	137,754,307
2019		
<u>Financial Asset</u>		
Investments: - quoted shares	152,411,872	152,411,872

(a) The fair value above was determined using the following basis:-

- (i) The fair value of quoted equity investments is determined at their quoted closing bid prices at the end of the reporting period.
- (ii) There were no transfer between level 1 and level 2 during the financial year.

20. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) The outbreak of Coronavirus Disease 2019 (COVID-19) in early 2020 has affected the business and economic environments of your Fund. The governments and various private corporations have taken different measures to prevent the spread of the virus such as travel bans, quarantines, closures of non-essential services, social distancing and home quarantine requirements which impacted consumers' spending pattern and your Fund's operations directly or indirectly. As a result, the COVID-19 pandemic impacted your Fund's financial statements for investments in quoted shares. However, given the unpredictability associated with the COVID-19 pandemic and any further contingency measures that may be put in place by the governments and various private corporations, the potential financial impact of the COVID-19 pandemic on your Fund's 2021 financial statements could not be reasonably quantified at this juncture.

(b) Your Fund has filed a Judicial Review in the High Court of Malaya Kuala Lumpur on 2 March 2020 to review the decision made by Securities Commission ("SC") in respect of the 20% shareholding limit as provided under Paragraph 3.7.1 (iii) of Securities Commission Guidelines for Public Offerings of Securities of Closed-end Funds and Paragraph 7.40 of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("JR"). The JR directly concerns the acquisitions by City of London Investment Management Limited ("CLIM") through its nominees of the shares in your Fund which has resulted in CLIM through its nominees, holding more than 20% of the total issued and paid-up capital of your Fund. Leave to commence the JR was granted by the High Court on 30 July 2020 and the JR is fixed for hearing on 12 January 2021.

INVESTMENT PORTFOLIO

As of 31 May 2020, 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 (Unit)	Cost (RM)	Fair Value (RM)	Unrealised Profit/(Loss) (RM)
1	AirAsia Group	9,906,400	7,707,901	6,835,416	(872,485)
2	Apex Healthcare	1,400,100	2,856,284	3,962,283	1,105,999
3	APM Automotive Holdings	4,431,300	16,977,442	7,533,210	(9,444,232)
4	Bioalpha Holdings Bhd	7,086,100	1,487,180	956,624	(530,556)
5	Boustead Holdings	12,147,786	27,444,475	8,442,710	(19,001,765)
6	Carlsberg Brewery Malaysia	272,300	6,129,389	7,864,024	1,734,635
7	HPMT Holdings	1,269,300	469,689	418,869	(50,820)
8	Kelington Group	6,437,600	8,282,807	6,952,608	(1,330,199)
9	Kobay Technology	683,000	1,022,873	1,236,230	213,357
10	Malaysia Smelting Corporation	5,180,400	4,763,438	3,626,280	(1,137,158)
11	MKH	2,488,730	4,818,531	2,812,265	(2,006,266)
12	Oceancash Pacific	2,551,000	1,314,271	1,836,720	522,449
13	Padini Holdings	17,006,700	4,929,308	41,666,415	36,737,107
14	Parkson Holdings	10,742,298	21,202,731	1,074,230	(20,128,501)
15	Prolexus	1,592,800	769,581	1,035,320	265,739
16	Salutica	1,700,200	2,320,178	867,102	(1,453,076)
17	SAM Engineering & Equipment (M)	4,738,600	37,411,407	24,640,720	(12,770,687)
18	Suria Capital Holdings	11,903,280	16,482,415	11,903,280	(4,579,135)
19	Tong Herr Resources	2,045,000	5,069,463	4,090,000	(979,463)
	Total	103,582,894	171,459,363	137,754,306	(33,705,057)

Negative fair value of investment of RM 33,705,057 represent 11.70% of the net asset value of RM394,308,527.

Details of the investments were disposed during the financial year ended 31 May 2020: -

	Companies	Shares (Unit)	Cost (RM)	Disposal Value (RM)	Realised Gain / (loss) (RM)
1	Carlsberg Brewery Malaysia	77,700	1,791,397	2,176,639	385,242
	Total	77,700	1,791,397	2,176,639	385,242

Description of the Companies Businesses

AirAsia Group Berhad

AirAsia Group is South-East Asia's largest low cost carrier with operations in Malaysia, Thailand, Philippines, India, Indonesia and Japan.

APM Automotive Holdings Berhad

APM Automotive is a Malaysian automotive parts manufacturer that has expanded rapidly and become a major regional supplier and now to global markets.

Apex Healthcare Berhad

Apex Healthcare is involved in the development, manufacturing, sales and marketing, distribution and wholesaling of pharmaceuticals, consumer healthcare products and diagnostics with operations in Malaysia, Singapore, Vietnam and Myanmar.

Bioalpha Holdings Berhad

Bioalpha Holdings is an integrated health supplement company cover the entire value chain spectrum, from the cultivation of herbal raw materials, to research and development ("R&D"), processing and manufacturing, distribution and operating a chain of retail pharmacies, Constant Pharmacy.

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.

Carlsberg Brewery Malaysia Berhad

The Company is principally engaged in the production of beer, cider, lager, shandy, stout, and non-alcoholic beverages for distribution in the domestic market and for export while the other Group entities are primarily involved in the marketing and distribution.

HPMT Holdings Berhad

HPMT Holdings is a leading manufacturer in high precision solid carbide cutting tools. The Company is involved in manufacturing and distribution of cutting tools for industries such as aerospace, dental industries as well as trading of auxiliary cutting tools, equipment and accessories for metalworking.

Kelington Group Berhad

Kelington Group is engaged in the business of providing Ultra High Purity gas delivery systems, process engineering, general contracting and industrial gases to the electronics and semiconductor industry.

Kobay Technology Berhad

Kobay Technology is a leading manufacturer of precision components, tooling, automation equipment and fabricated structures. Apart from manufacturing, the Company has ventured into property development.

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.

MKH Berhad

MKH is a well-known property developer. Apart from property development, MKH has ventured into other business such as oil palm cultivation, property investment and the trading of building materials.

Oceancash Pacific Berhad

Oceancash Pacific is a manufacturer of nonwoven cloth and felt for use in hygiene and insulation industries. The group has expanded its range of product and services in South East Asia, China and Japan.

Padini Holding Berhad

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

Parkson Holding Berhad

Parkson is a leading operator of department stores in Malaysia, China, Vietnam and Indonesia. The Group also involved in the retailing of fashionable goods, operation of food and beverage outlets, and consumer financing business.

Prolexus Berhad

Prolexus is an investment holding company with principal activities in manufacturing of apparels and advertising services on multimedia boards. It also ventures into textile business to complement existing apparels division.

Salutica Berhad

Salutica is a Malaysian vertically integrated electronic manufacturing company. The Group specializes in designing, developing and manufacturing consumer and business electronic product development.

SAM Engineering & Equipment (M) Berhad

SAM Engineering & Equipment (M) is a key player in precision machining, equipment integration and automation solutions, primarily for the aerospace and equipment industries.

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 an international stainless steel fastener manufacturing group with several manufacturing bases in Malaysia, Thailand and China.

ADDITIONAL INFORMATION

as at 31 May 2020

1. Audit and non-audit fees

The information on the audit and non-audit fees is disclosed in page 31 of this Annual Report.

2. Basis of the fees paid to the Fund Manager and Investment Adviser

Annual management fee : 0.75% of the Net Asset Value of your Fund.

Annual investment advisory fee : 0.75% of the Net Asset Value of your Fund.

The annual management and investment advisory fees are payable quarterly as per the Fund Management Agreement and Investment Advisory Agreement dated 6 September 2005 on the following basis :

$(0.75\% \text{ divided by } 4) \text{ multiply by NAV}_{(\text{quarter})}$

$\text{NAV}_{(\text{quarter})}$, being the NAV of your Fund based on the last business day of the preceding quarterly fee period.

3. Brokers/dealers transaction information

No.	Name of Broker/ Dealer	Brokerage fees/ commissions paid (RM)	Brokerage fees/ commissions paid (%)
1.	Broker A	33,049.72	39.27
2.	Broker B	30,125.80	35.79
3.	Broker C	20,989.21	24.94
	Total	84,164.73	100

None of the brokers/dealers are related parties to the Fund Manager.

4. Fund Manager's Interest in your Fund

As at 31 May 2020, the Designated Person has a direct interest in 10,000 shares and an indirect interest in 2,265,400 shares, whilst the Fund Manager has a direct interest in 1,403,700 shares.

5. Gross Revenue of the Closed-End Fund

The information on your Fund's gross revenue is presented on page 40 in the audited income statement for the financial year ended 31 May 2020 as attached in this Annual Report.

6. Sales and Purchases by the closed-end fund where Fund Manager is counterparty

There is no sale or purchase of investment by your Fund where your Fund Manager is the counterparty to the transaction.

7. The analysis of realised and unrealised gains or income, profits and losses of investments

The analysis of realised and unrealised gains or income, profits and losses of the investments are presented in page 50 of this Annual Report.

8. Financial information of your Fund for the last 5 financial years.

	2017	2018	2019	2020
Issued and Paid-up shares	140,000,000	140,000,000	140,000,000	140,000,000
Total Asset Value (RM)	463,734,479	499,133,490	450,684,050	395,206,301
NAV (RM)	463,285,018	498,695,086	450,208,147	394,308,527
NAV/share (RM)	3.31	3.56	3.22	2.82

Fund Price (RM)	2017	2018	2019	2020
Highest	2.68	2.88	2.82	2.47
Lowest	2.25	2.47	2.33	1.86

	2017	2018	2019	2020
Dividend Paid	NIL	NIL	NIL	NIL
Dividend Yield (RM)	N/A	N/A	N/A	N/A

	2017	2018	2019	2020
Management Expenses Ratio (MER)	1.92%	1.83%	1.84%	3.39% ¹
MER varies compared with preceding year	0.03%	-0.09%	0.01%	1.55%

Note ¹ : MER without the dual-listed fund project expenses is 1.83%. The MER of your Fund has been verified by the auditors.

9. The average return of your Fund measured over 1 year, 3 years and 5 years as at the financial year ended 31 May 2020

	1 Year	3 Years	5 Years
	(from 31/05/2019 to 31/05/2020)	(from 31/05/2017 to 31/05/2020)	(from 31/05/2015 to 31/05/2020)
Fund's NAV	-12.39%	-5.20%	-0.63%
Fund's Market Price	-16.08%	-8.38%	-2.63%
KLCI	-10.73%	-5.86%	-3.35%

ANALYSIS OF SHAREHOLDINGS

as at 9 September 2020

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

Distribution of Shareholdings

Size of holdings	No. of holders	%	No. of shares	%
1 – 99	132	3.937	1,082	0.001
100 – 1,000	1,051	31.345	615,684	0.440
1,001 – 10,000	1,246	37.161	5,640,500	4.029
10,001 – 100,000	694	20.698	24,750,050	17.679
100,001 to less than 5% of issued shares	230	6.860	108,992,684	77.852
5% and above of issued shares	-	-	-	-
Total	3,353	100	140,000,000	100

Substantial Shareholder

Name of Substantial Shareholder	No. of shares held			
	Direct	%	Indirect	%
City of London Investment Management Company Ltd	-	-	⁽¹⁾ 29,033,200	⁽¹⁾ 20.738

Note: ⁽¹⁾ Deemed interested in shares held by DB (Malaysia) Nominee (Asing) Sdn Bhd – Favour: The Bank of New York Mellon, HSBC Nominees (Asing) Sdn Bhd – Favour: Northern Trust and Cartaban Nominees (Asing) Sdn Bhd – Favour: RBC.

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	-	-	-	-
Boh Boon Chiang	-	-	-	-

Thirty Largest Shareholders

No.	Name	No. of shares	Percentage holding (%)
1.	Chong Ah Him @ Chong Kum Kwan	5,321,000	3.801
2.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Emerging Markets Country Fund	4,891,200	3.494
3.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Emerging Bmi Markets Countryfund	4,292,200	3.066
4.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Global Emerging Markets Fund	3,555,500	2.540
5.	Tunku Sara Binti Tunku Ahmad Yahaya	2,800,000	2.000
6.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For The World Markets Umbrella Fund Plc	2,670,500	1.908
7.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Emerging Markets Global Fund	2,645,100	1.889
8.	Maybank Nominees (Tempatan) Sdn Bhd Yeoh Ah Tu	2,419,400	1.728
9.	Annhow Holdings Sdn Bhd	2,000,000	1.429
10.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Emerging Markets Investable Fund	1,892,000	1.351
11.	Lam Fook Shin	1,832,200	1.309
12.	Cartaban Nominees (Asing) Sdn Bhd Exempt An For Rbc Investor Services Trust (Clients Account)	1,761,400	1.258
13.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For School Employees Retirement System Of Ohio	1,648,100	1.177
14.	Loh Kian Chong	1,445,000	1.032
15.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Emerging Markets Free Fund	1,423,200	1.017
16.	Ang Seng Chin	1,400,000	1.000
17.	Ocuvas Sdn.bhd.	1,370,000	0.979
18.	Leow Kok Meow & Sons Sendirian Berhad	1,250,000	0.893
19.	Heng Kim Siang	1,238,100	0.884
20.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Cornell University	1,221,400	0.872
21.	Mike Leo Tong	1,141,000	0.815
22.	Wong Yoon Tet	1,080,000	0.771
23.	Lee Siew Lin	1,038,000	0.741
24.	Vohrah - Merican Sdn Bhd	1,009,200	0.721
25.	Yeoh Ah Tu	1,009,200	0.721
26.	Soon Khia Voon	1,002,000	0.716
27.	Ang Teow Cheng & Sons Sdn Bhd	1,000,000	0.714
28.	Lai Hui Eng	941,200	0.672
29.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Deseret Mutual Master Retirement Plan	900,700	0.643
30.	HSBC Nominees (Asing) Sdn Bhd Exempt An For Credit Suisse AG (DUB CLT N-TREAT)	860,000	0.614
	Total	57,057,600	40.755

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 2020.

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 Sdn. Bhd. ("Corporate Secretarial")	Corporate secretarial services
d.	Boardroom Share Registrars Sdn. Bhd. ("Registrar")	Share registration services
e.	TMF Administrative Services Malaysia Sdn. Bhd. ("Administrator")	Accounting and administrative services
f.	Standard Chartered Bank Malaysia Berhad ("Custodian")	Custodian services
g.	PKF Advisory Sdn. Bhd. ("Internal Auditors")	Internal audit function

The principal investment policies adopted by your Fund are to invest primarily 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 the 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 on pages 50 to 51 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 Non-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 mostly Independent Non-Executive Directors with their diverse professional backgrounds, skills, experiences, age, ethnicity, gender and knowledge, can bring a broader view to management duties of your Fund.

Datuk Ng Peng Hong @ Ng Peng Hay, who has served your Fund for more than nine (9) years since his appointment as Independent Non-Executive Director on 26 April 2010, has been re-designated from Independent Non-Executive Chairman to Non-Independent Non-Executive Chairman of your Board and resigned from the Chairman and member of NC with effect from 8 August 2019.

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 in hard copies and via e-mail to the Directors before the meetings to allow sufficient time for review and to obtain explanations, if needed.

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:

- Discuss the subject matter with the Chairman;
- 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
- 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 periodically reviewed and updated in accordance with the practicality and needs of your Fund and any new regulations that may have an impact on the discharge of your Board's duties and responsibilities.

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

Code of Ethics & Conduct

Your Board adopted the Directors' Code of Ethics and Conduct ("the Code of Conduct"), which was updated on 9 April 2018 and is made available on the corporate website.

Your Board and Service Providers are guided by the Code of Conduct in discharging its oversight roles and responsibilities effectively. The Code of Conduct requires your Board and Service Providers to observe high ethical business standards, maintain a healthy corporate culture 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.

Anti-Bribery and Anti-Corruption Policy and Procedure

Your Board adopted the Anti-Bribery and Anti-Corruption Policy and Procedure ("ABAC Policy"), which is made available on the corporate website.

Your Board has adopted a zero-tolerance approach against all forms of Bribery and Corruption, as defined in the ABAC Policy, and takes a strong stance against such acts. The ABAC Policy leverages on the core principles of your Fund as set out in your Fund's Code of Ethics and Conduct. The ABAC Policy serves as a guideline on how to deal with Bribery and Corruption which may arise in the course of business.

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 on pages 35 to 36 of this Annual Report and on the corporate website.

II. Board Composition

Board Composition and Balance

Your Board has four (4) members, of which three (3) members are Independent Non-Executive Directors and 1 member is Non-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.

With the resignation of Madam Leong So Seh and Datin Siah Li Mei as Independent Non-Executive Directors of your Fund with effect from 24 February 2020 and 3 August 2020, the current Board's composition does not comprise any woman Director. Your Board targets to improve on gender diversity ratio.

The Nomination Committee is tasked to consider candidates for directorship taking into consideration the following:-

- skill, knowledge, expertise, experience;
- professionalism;
- integrity; and
- the ability to discharge such responsibilities and functions as expected from a director.

Your Board will, from time to time, review its composition and size to ensure it fairly reflects the investments of the share owners while at the same time having due regard for diversity in skills, experience, age, cultural background and gender.

Datuk Ng Peng Hong @ Ng Peng Hay, who has served your Fund for more than nine (9) years since his appointment as Independent Non-Executive Director on 26 April 2010, has been re-designated from Independent Non-Executive Chairman to Non-Independent Non-Executive Chairman of your Board and resigned from the Chairman and member of NC with effect from 8 August 2019.

Your Directors contribute in areas such as policy and performance monitoring, as well as improving governance and controls. They are free of any relationship which could materially 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, experiences, age, ethnicity, gender and knowledge. In addition, majority of them are independent and 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
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan (Re-designated with effect from 20 May 2020)	Chairman	Independent Non-Executive Director
Dato' Seri Md Ajib Bin Anuar (Appointed with effect from 20 May 2020)	Member	Independent Non-Executive Director

Datuk Ng Peng Hong @ Ng Peng Hay, who has served your Fund for more than nine (9) years since his appointment as Independent Non-Executive Director on 26 April 2010, has been re-designated from Independent Non-Executive Chairman to Non-Independent Non-Executive Chairman of your Board and resigned from the Chairman and member of NC with effect from 8 August 2019. Madam Leong So Seh has resigned as a Director of the Company and ceased to be the Chairperson of the NC with effect from 24 February 2020. Subsequently, Datin Siah Li Mei, who was a member of NC appointed on 8 August 2019, has resigned as a Director of the Company and ceased to be a member of the NC with effect from 3 August 2020.

Based on item 2.1 of the Terms of Reference of NC, the Nomination Committee shall be appointed by the Board of Directors from amongst their members and shall consist of at least three (3) members composed exclusively of non-executive directors, a majority of whom are independent.

In view of the resignation of Datin Siah Li Mei, the composition of NC falls below the minimum requirement. Your NC and Board will look into filling up the vacancy in due course.

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 are available on the corporate website.

During the financial year ended 31 May 2020 ("FYE 2020"), the NC has undertaken the following activities:-

- Conducted the annual Board and Board Committee Assessments for the FYE 2019;
- 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;
- 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;
- Reviewed the training needs of the Directors;
- Reviewed the composition and size of the Board of Directors;
- Identified and recommended suitable candidate of Independent Director to your Board for approval; and
- Reviewed and recommended the Independent Director who has served as Independent Non-Executive Director of your Fund for a cumulative term of more than nine (9) years, whether to continue to act as Independent Non-Executive Director or to be re-designated as Non-Independent Non-Executive Director of your Fund.

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 2020, 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 2020, 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 Audit Committee

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 Director should not exceed a cumulative term of nine (9) years, unless share owners' approval is obtained to retain such Director as an Independent Director. Alternatively, an Independent Director may continue to serve on your Board if such Director is re-designated as a Non-Independent Director upon completion of nine (9) years tenure.

As at the date of this statement, Datuk Ng Peng Hong @ Ng Peng Hay has served your Fund for more than nine (9) years since his appointment as Independent Non-Executive Director on your Board with effect from 26 April 2010. In this respect, he has been re-designated from Independent Non-Executive Chairman to Non-Independent Non-Executive Chairman of your Board and resigned from the Chairman and member of NC with effect from 8 August 2019.

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 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 Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan and Mr Boh Boon Chiang, who are due for retirement by rotation pursuant to Clause 100(1) and Clause 107 of your Fund's Constitution respectively 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 on pages 28 to 29 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 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 2020. The table below shows the full attendance of all the Directors for meetings held during the FYE 2020:-

	Board of Directors	Board Committees	
		AC	NC
Independent Non-Executive Chairman Datuk Ng Peng Hong @ Ng Peng Hay	11/11	-	1/1
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	9/11	3/3	1/1
Dato' Seri Md Ajib Bin Anuar	11/11	3/3	1/1
Datin Siah Li Mei (Resigned with effect from 3 August 2020)	10/11	-	-
Leong So Seh (Resigned with effect from 24 February 2020)	10/10	3/3	-
Boh Boon Chiang (Appointed with effect from 16 July 2020)	-	-	-

Directors' Training

All the Directors have attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities except for Mr Boh Boon Chiang, who will attend the MAP within four (4) months from the date of his appointment as Independent Non-Executive Directors of your Fund. 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. Your Board is also regularly briefed on the performance of your Fund and the outlook of the local and global markets by the Designated Person.

Your Board shall ensure compliance with the MAP requirements of Bursa Securities by newly appointed Director and ensure appropriate induction programme are conducted for the newly appointed Director.

During the FYE 2020, your Board members attended the following Directors' continuing education programme(s):-

Directors	Date	Course/Seminar/Conference/ Forum Attended
Datuk Ng Peng Hong @ Ng Peng Hay	26 February 2020	Corporate Liability Provision in relation to Section 17A of Malaysian Anti-Corruption Commission Act 2009
Dato' Seri Md Ajib Bin Anuar	3-5 September 2019	Asia Tin Week Conference, X'ian, China
	29 October 2019	CRU Breakfast Forum on Metals, London
	13-15 November 2019	China Asean Mining Corporation Forum & Exhibition – Nanning, China
	9-12 December 2019	ASEAN Ministerial Meeting on Minerals, ASEAN Private Sector Forum on Cooperation in Minerals, Bangkok, Thailand
	17 December 2019	National Tin Conference, Kuala Lumpur
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	15 August 2019	Demystifying The Diversity Conundrum: The Road To Business Excellent

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 are available on your Fund's corporate website on 9 April 2018.

The detailed disclosure on named basis for the remuneration of individual Directors for FYE 2020 are set out below:-

Directors	Fees (RM)	Allowance (RM)	Bonus (RM)	Benefits in kind (RM)	Others (RM)	Total (RM)
Datuk Ng Peng Hong @ Ng Peng Hay	60,000	14,000	-	-	-	74,000
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	50,000	15,000	-	-	-	65,000
Dato' Seri Md Ajib Bin Anuar	55,000	16,000	-	-	-	71,000
Madam Leong So Seh	36,853	12,000	-	-	-	48,853
Datin Siah Li Mei	44,520	14,000	-	-	-	58,520
Total	246,373	71,000	-	-	-	317,373

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 30 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 2020.

The AC had obtained written assurance from the External Auditors, Crowe Malaysia PLT, 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 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 30 to 32 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 32 to 35 of this Annual Report.

Effectiveness and Independence of Internal Auditors

Your Fund has appointed PKF 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 pages 31 to 32 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 serve 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 all of our past AGMs.

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 circulated 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 2020 AGM will be

issued separately to share owners in due course. Nonetheless, your Fund will ensure that the issuance of the Notice of 2020 AGM is in compliance with the Principles and Practices as set out in the Code.

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, your Board has put in place the electronic proxy lodgement system ("e-proxy system") to facilitate greater share owners' participation in the voting process after taking into consideration the e-proxy system's reliability, applicability and cost efficiency. Your Chairman will also invite the Share Registrar or Scrutineer to brief the share owners on the poll procedures before the commencement of polling at the AGM.

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 29 July 2020.

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 38 of this Annual Report.

EXPLANATORY NOTE

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, non-independent and non-executive Directors. Your Fund does not have any management such as a Chief Executive Officer, Chief Operating/ 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.

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.

Bursa Securities has specific disclosure and reporting requirements for closed-end funds which are not applicable to a normal listed company, and vice versa.

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 shall not take effective control of its underlying investments. The SC CEF Guidelines further provided that no shareholder shall hold more than 20% of the total issued and paid-up shares of the closed-end fund and imposes restriction on borrowing. Your Fund has adopted the strictest threshold, that is, your Fund is not allowed to borrow without the unanimous approval from share owners, thus making your Fund a safe and sound investment. All these conditions are not applicable to a normal listed company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting ("16th AGM") of **ICAPITAL.BIZ BERHAD** ("iCapital" or "Company") will be conducted virtually for the purpose of considering and if thought fit, passing with or without modifications the resolutions setting out in this notice:-

Meeting Platform : <https://web.lumiagm.com/>

Meeting Title : ICAPITAL.BIZ BERHAD 16TH VIRTUAL AGM

Day, Date and Time : Saturday, 28 November 2020 at 9.00 a.m.

Broadcast Venue : The Boardroom
Lot 16.01, 16th Floor, Plaza First Nationwide
No. 161 Jalan Tun H.S. Lee
50000 Kuala Lumpur

Mode of Communication : 1. Submit questions to the Board prior to the 16th AGM by emailing to enquiries@cdam.biz no later than 9.00 a.m. on Thursday, 26 November 2020.
2. Pose questions to the Board via real time submission of typed texts at <https://web.lumiagm.com/> during live streaming of the 16th AGM.

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 May 2020 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 RM246,373.00 for the financial year ended 31 May 2020. **Ordinary Resolution 1**
3. To re-elect Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan as a Director who is to retire pursuant to Clause 100(1) of the Constitution of the Company and, being eligible, has offered himself for re-election. **Ordinary Resolution 2**
4. To re-elect Mr Boh Boon Chiang as a Director who is to retire pursuant to Clause 107 of the Constitution of the Company and, being eligible, has offered himself for re-election. **Ordinary Resolution 3**
5. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

As Special Business

To consider and, if deemed fit, to pass the following resolutions:-

6. Payment of Benefits Payable to the Directors under Section 230(1)(b) of the Companies Act 2016

"THAT the benefits payable to the Directors of the Company of up to an aggregate amount of RM70,000.00 for the period from 29 November 2020 until the next Annual General Meeting of the Company pursuant to Section 230(1)(b) of the Companies Act 2016, be and is hereby approved for payment on monthly in arrears after each month of completed service of the Directors." **Ordinary Resolution 5**
7. 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 (SSM PC No.: 202008001023) (MAICSA 7009143)
WONG WEI FONG (SSM PC No.: 201908001352) (MAICSA 7006751)

Company Secretaries

Selangor Darul Ehsan

Dated: 21 October 2020

Notes:

1. IMPORTANT NOTICE

In view of the COVID-19 health concerns and to safeguard the wellbeing of Share Owners, the 16th AGM will be conducted virtually through live streaming and online voting using the Remote Participation and E-Voting ("RPV") facility from the Broadcast Venue. Therefore, there will not be a physical meeting venue for Share Owners to participate the AGM in person, as we take every necessary precaution to minimise the risk of COVID-19 infections. Kindly refer to Administrative Guide for more information.

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** and Clause 70(1) of the Company's Constitution which stipulated that a general meeting may be held at more than one venue, using any technology or method that enables the shareholders of the Company to participate and to exercise the members' right to speak and vote at the general meeting and the Chairman shall be present at the main venue of the AGM. Share Owners should not be physically present and **WILL NOT BE ALLOWED** entry to the Broadcast Venue during the AGM. Any Share Owners who turn up at the Broadcast Venue would be requested to leave the venue politely.

Share Owners are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 16th AGM using RPV Facility provided by Boardroom Share Registrar Sdn. Bhd. **Please follow the Procedures for RPV facility in the Administrative Guide for the 16th Virtual AGM in order to participate remotely via RPV facility.**

2. A member of the Company who is entitled to attend and vote at the 16th AGM of the Company, may appoint not more than two (2) proxies to attend and vote instead of the member at the 16th AGM.
3. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it 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.

An exempt authorised nominee refers to an authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions or subsection 25A(1) of Central Depositories Act.

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. A proxy need not be a member. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the 16th AGM of the Company shall have the same rights as the member to speak at the 16th AGM.
7. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
8. The appointment of proxy must:-
 - i) In the case of an appointment made in hard copy form, be deposited at the Company's Share Registrar's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the 16th AGM or adjourned meeting at which the person named in the appointment proposes to vote together with any authority under which it is made or a copy of the authority, certified notarially or in some other manner approved by the Board;
 - ii) In the case of an appointment made by electronic means,
 - (a) via Fax to 603-7890 4670
be received not less than 48 hours before the time appointed for holding the 16th AGM or adjourned meeting at which the person named in the appointment proposes to vote. Any authority pursuant to which such an appointment is made or a copy of the authority, certified notarially or in some other manner approved by the Board, must, if required by the Board, be received at the Company's Share Registrar's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the 16th AGM or adjourned meeting at which the person named in the appointment proposes to vote;
 - (b) via Boardroom's Smart Investor Portal at <https://boardroomlimited.my>
by logging in and selecting "E-PROXY LODGEMENT" not less than forty-eight (48) hours before the time appointed for holding the 16th AGM or adjourned meeting at which the person named in the appointment proposes to vote.
 - iii) In the case of a poll, be received as aforesaid not less than 24 hours before the time appointed for the talking of the poll.
9. In respect of deposited securities, only members whose names appear on the Record of Depositors on **18 November 2020** (General Meeting Record of Depositors) shall be eligible to attend the 16th AGM or appoint proxy(ies) to attend and/or vote on his behalf.
10. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of the 16th AGM will be put to vote by way of poll. Poll Administrator and independent Scrutineers will be appointed by the Company to conduct the poll process and verify the results of the poll respectively.

Explanatory Notes:

1. Agenda item no. 1 - 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 Share Owners for the Audited Financial Statements. Hence, this item on the Agenda will not be put forward for voting.

2. Ordinary Resolution 5 - Payment of Benefits Payable to the Directors

The benefits payable to the Directors pursuant to Section 230(1)(b) of the Companies Act 2016 will only be made by the Company monthly in arrears after each month of completed service of the Directors, if the resolution is passed. The benefits payable has been reviewed by the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company for the applicable period of between 29 November 2020 until the next Annual General Meeting of the Company. The benefits comprise allowance for attendance at the Board and Board Committee meetings and such other benefits which have been/may be approved by the Board of Directors. The estimated amount of benefits is determined based on the scheduled and special meetings of the Board and Board Committees to be held during the period from 29 November 2020 until the next Annual General Meeting as well as the number of Directors. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

PRESENTATION OF INVESTMENT PORTFOLIO OF THE COMPANY

In order to keep the share owners abreast of the investments of the Company for the financial year ended 31 May 2020, the Board is pleased to invite the share owners of the Company to attend the Presentation on the Company's Investment Portfolio by Mr Tan Teng Boo, the Designated Person of the Fund at the 16th AGM.

Personal data privacy:-

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 16th 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 16th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 16th 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.

NOTES

[illegible]

PROXY FORM

ICAPITAL.BIZ BERHAD
[Registration No.: 200401036389 (674900-X)]
(Incorporated in Malaysia)

CDS account number of holder

PROXY FORM

No. of shares held

I/We _____ Tel: _____
(Full name in block and NRIC/Passport/ Company No.)

of _____
(Full address)

being a member 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 Sixteenth Annual General Meeting of the Company to be conducted virtually through live streaming and online voting using the Remote Participation and E-Voting ("RPV") facility from the broadcast venue at The Boardroom, Lot 16.01, 16th Floor, Plaza First Nationwide, No. 161 Jalan Tun H.S. Lee, 50000 Kuala Lumpur on Saturday, 28 November 2020 at 9.00 a.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:-

Item No.	Agenda	Resolutions	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 May 2020 together with the Reports of the Directors and Auditors thereon.			
2.	To approve the Directors' fees payable to the Directors of the Company amounting to RM246,373.00 for the financial year ended 31 May 2020.	Ordinary Resolution 1		
3.	To re-elect Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan as a Director who is to retire pursuant to Clause 100(1) of the Constitution of the Company and, being eligible, has offered himself for re-election.	Ordinary Resolution 2		
4.	To re-elect Mr Boh Boon Chiang as a Director who is to retire pursuant to Clause 107 of the Constitution of the Company and, being eligible, has offered himself for re-election.	Ordinary Resolution 3		
5.	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 4		
Special Business				
6.	Payment of Benefits Payable to the Directors under Section 230(1)(b) of the Companies Act 2016.	Ordinary Resolution 5		

(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:

1. IMPORTANT NOTICE

In view of the COVID-19 health concerns and to safeguard the wellbeing of Share Owners, the 16th AGM will be conducted virtually through live streaming and online voting using the Remote Participation and E-Voting ("RPV") facility from the Broadcast Venue. Therefore, there will not be a physical meeting venue for Share Owners to participate the AGM in person, as we take every necessary precaution to minimise the risk of COVID-19 infections. Kindly refer to Administrative Guide for more information.

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** and Clause 70(1) of the Company's Constitution which stipulated that a general meeting may be held at more than one venue, using any technology or method that enables the shareholders of the Company to participate and to exercise the members' right to speak and vote at the general meeting and the Chairman shall be present at the main venue of the AGM. Share Owners should not be physically present and **WILL NOT BE ALLOWED** entry to the Broadcast Venue during the AGM. Any Share Owners who turn up at the Broadcast Venue would be requested to leave the venue politely.

Share Owners are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 16th AGM using RPV Facility provided by Boardroom Share Registrar Sdn. Bhd. **Please follow the Procedures for RPV facility in the Administrative Guide for the 16th Virtual AGM in order to participate remotely via RPV facility.**

2. A member of the Company who is entitled to attend and vote at the 16th AGM of the Company, may appoint not more than two (2) proxies to attend and vote instead of the member at the 16th AGM.
3. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it 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.

An exempt authorised nominee refers to an authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions or subsection 25A(1) of Central Depositories Act.
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. A proxy need not be a member. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the 16th AGM of the Company shall have the same rights as the member to speak at the 16th AGM.
7. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
8. The appointment of proxy must:-
 - (i) In the case of an appointment made in hard copy form, be deposited at the Company's Share Registrar's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the 16th AGM or adjourned meeting at which the person named in the appointment proposes to vote together with any authority under which it is made or a copy of the authority, certified notarially or in some other manner approved by the Board;
 - (ii) In the case of an appointment made by electronic means,
 - (a) Via Fax to 603-7890 4670
be received not less than 48 hours before the time appointed for holding the 16th AGM or adjourned meeting at which the person named in the appointment proposes to vote. Any authority pursuant to which such an appointment is made or a copy of the authority, certified notarially or in some other manner approved by the Board, must, if required by the Board, be received at the Company's Share Registrar's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the 16th AGM or adjourned meeting at which the person named in the appointment proposes to vote;
 - (b) Via Boardroom's Smart Investor Portal at <https://boardroomlimited.my>
by logging in and selecting "E-PROXY LODGEMENT" not less than forty-eight (48) hours before the time appointed for holding the 16th AGM or adjourned meeting at which the person named in the appointment proposes to vote.
 - (iii) In the case of a poll, be received as aforesaid not less than 24 hours before the time appointed for the talking of the poll.
9. In respect of deposited securities, only members whose names appear on the Record of Depositors on **18 November 2020** (General Meeting Record of Depositors) shall be eligible to attend the 16th AGM or appoint proxy(ies) to attend and/or vote on his behalf.
10. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of the 16th AGM will be put to vote by way of poll. Poll Administrator and independent Scrutineers will be appointed by the Company to conduct the poll process and verify the results of the poll respectively.

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 21 October 2020.

Please fold here to seal

STAMP

BOARDROOM SHARE REGISTRARS SDN. BHD.

[Registration No. 199601006647 (378993-D)]

11TH FLOOR, MENARA SYMPHONY

NO. 5, JALAN PROF. KHOO KAY KIM

SEKSYEN 13

46200 PETALING JAYA

SELANGOR DARUL EHSAN

MALAYSIA

ADMINISTRATIVE GUIDE FOR THE 16TH VIRTUAL ANNUAL GENERAL MEETING OF ICAPITAL.BIZ BERHAD

Meeting Platform : <https://web.lumiagm.com/>
Meeting Title : ICAPITAL.BIZ BERHAD 16TH VIRTUAL AGM
Day, Date and Time : Saturday, 28 November 2020 at 9.00 a.m.
Broadcast Venue : The Boardroom
 Lot 16.01, 16th Floor, Plaza First Nationwide
 No. 161 Jalan Tun H.S. Lee
 50000 Kuala Lumpur

Mode of Communication : 1. Submit questions to the Board prior to the 16th AGM by emailing to enquiries@cdam.biz no later than 9.00 a.m. on Thursday, 26 November 2020.
 2. Pose questions to the Board via real time submission of typed texts at <https://web.lumiagm.com/> during live streaming of the 16th AGM.

GENERAL MEETING ARRANGEMENTS

As the CORONAVIRUS ("COVID-19") PANDEMIC situation in Malaysia is constantly evolving, we may be required to change AGM arrangements at short notice and will notify you of these changes.

COVID-19 PANDEMIC

In view of the COVID-19 health concerns and to safeguard the wellbeing of Share Owners, the 16th Annual General Meeting ("AGM") will be conducted virtually through live streaming and online voting using the Remote Participation and E-Voting ("RPV") facility from the Broadcast Venue. Therefore, there will not be a physical meeting venue for Share Owners to participate in person, as we take every necessary precaution to minimise the risk of COVID-19 infections.

The above arrangement is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia, which provides guidance for listed issuers to conduct fully virtual general meeting, without a physical meeting venue, beyond the Recovery Movement Control Order and (RMCO) and Conditional Movement Control Order (CMCO) period.

The Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 and Clause 70(1) of the Company's Constitution which stipulated that a general meeting may be held at more than one venue, using any technology or method that enables the members of the Company to participate and to exercise the members' right to speak and vote at the general meeting and the Chairman shall be present at the main venue of the AGM.

This is also in line with Practice 12.3 of the Malaysian Code on Corporate Governance, by conducting a fully virtual AGM, this would facilitate greater Share Owner participation as it facilitates electronic voting and remote Share Owners' participation.

With the RPV Facility, you may exercise your right as a Share Owner of the Company to participate (including to pose questions to the Board of Directors of the Company) and vote at the AGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the AGM.

Share Owners should not be physically present and **WILL NOT BE ALLOWED** entry to the Broadcast Venue during the AGM. Any Share Owners who turn up at the Broadcast Venue will be politely requested to leave the venue.

REMOTE PARTICIPATION AND E-VOTING FACILITY ("RPV FACILITY")

Share Owners are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 16th AGM using RPV Facility provided by Boardroom Share Registrars Sdn. Bhd. at <https://web.lumiagm.com/>.

Share Owners who wish to participate at the 16th AGM via RPV Facility must **register** himself/herself for RPV Facility via Boardroom Smart Investor Portal at <https://boardroomlimited.my> no later than **9.00 a.m., Thursday, 26 November 2020**. Registration applications made after 9.00 a.m. on Thursday, 26 November 2020, will be considered invalid and will not be able to be processed by the system.

Share Owners who appoint proxies to participate via RPV Facility in the 16th AGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to our Share Registrar no later than **9.00 a.m., Thursday, 26 November 2020**.

Corporate representatives of corporate share owners who wish to participate at the 16th AGM must deposit their original certificate of appointment of corporate representative to our Share Registrar not later than **9.00 a.m., Thursday, 26 November 2020**.

Nominee Companies who hold shares in their Central Depository System (CDS) account on behalf of beneficiaries [whereby the beneficiaries wish to participate at the 16th AGM via RPV Facility], must deposit their proxy forms in a hard copy form or by electronic means with the Share Registrar not later than **9.00 a.m., Thursday, 26 November 2020**.

Attorneys appointed by power of attorney who wish to participate at the 16th AGM must deposit their power of attorney with the Share Registrar not later than **9.00 a.m., Thursday, 26 November 2020**.

A Share Owner who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this 16th AGM via RPV Facility must request his/her proxy or attorney or authorised representative to register himself/herself for RPV Facility no later than 9.00 a.m., Thursday, 26 November 2020. Registration applications made after 9.00 a.m. on Thursday, 26 November 2020, will be considered invalid and will not be able to be processed by the system.

As the 16th AGM is a fully virtual AGM, Share Owners who are unable to participate in this AGM may appoint the Chairman of the meeting as his/her proxy and indicate their voting instructions in the proxy form.

If a Share Owner has submitted his/her Proxy Form appointing the Chairman of the meeting as his/her proxy to vote on his/her behalf at the 16th AGM, such appointment shall be revoked upon registration of the Share Owner/Corporate Representative/Proxy no later than **9.00 a.m., Thursday, 26 November 2020** to participate remotely via RPV at the 16th AGM.

Please note that the Company shall deem that Share Owners have no objection to using the provision in the Proxy Form which has designated the Chairman of the meeting as the authorised person to vote on behalf of Share Owners until further instructions are

received. The appointed Poll Administrator of this 16th AGM shall be notified of such arrangement accordingly.



ENTITLEMENTS TO ATTEND, SPEAK AND VOTE

In respect of deposited securities, only Share Owners whose names appear on the Record of Depositors on **18 November 2020** (General Meeting Record of Depositors) shall be eligible to attend, participate, speak and/or vote at the meeting via RPV facility.

PROCEDURES FOR REMOTE PARTICIPATION AND E-VOTING ("RPV")

Share Owners/Proxies/Corporate Representatives/Attorneys who wish to participate the 16th AGM remotely using the RPV facility are to follow the requirements and procedures as summarised below:

Procedure	Action
BEFORE THE 16TH AGM DAY	
1. Register as a user with Boardroom Smart Investor Portal	<p><i>[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register. You may proceed to Step 2.]</i></p> <p>a. Access website https://boardroomlimited.my</p> <p>b. Click <<Login>> and click <<Register>> to sign up as a user.</p> <p>c. Complete registration and upload softcopy of MyKAD (for Malaysian) front and back or Passport (for non-Malaysian).</p> <p>d. Please enter a valid email address.</p> <p>e. Your registration will be verified and approved within one business day and an email notification will be provided.</p>
2. Submit request for remote participation	<p>Registration will be opened on Wednesday, 21 October 2020. Please note that the closing time to submit your request is on Thursday, 26 November 2020 at 9.00 a.m. (i.e. 48 hours before the commencement of the AGM).</p> <p>Individual Share Owner</p> <p>a. Log in to https://boardroomlimited.my</p> <p>b. Select "Hybrid/Virtual Meeting" from main menu and select the correct Corporate Event "ICAPITAL.BIZ BERHAD 16TH VIRTUAL AGM".</p> <p>c. Enter your CDS Account.</p> <p>d. Read and agree to the Terms & Conditions and thereafter submit your request for remote participation.</p> <p>Corporate Share Owners</p> <p>a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Share Owner, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request.</p> <p>b. Please provide a copy of Corporate Representative's MyKAD (for Malaysian) front and back or Passport (for non-Malaysian) as well as his/her email address.</p> <p>Authorised Nominee and Exempt Authorised Nominee</p> <p>a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Share Owner, CDS Account Number accompanied with the Form of Proxy to submit the request.</p> <p>b. Please provide a copy of Corporate Representative's MyKad (for Malaysian) front and back or Passport (for non-Malaysian) as well as his/her email address.</p>

Procedure	Action
3. Email notification	<p>a. You will receive notification(s) from Boardroom Share Registrars Sdn. Bhd. ("Boardroom") that your request(s) has been received and is/are being verified.</p> <p>b. Upon system verification against the General Meeting Record of Depositories as at 18 November 2020, you will receive an email from Boardroom either approving or rejecting your registration for remote participation together with your remote access user ID and password after the proxy submission deadline is closed.</p>
ON THE 16TH AGM DAY	
4. Login to Meeting Platform	<p>a. The Meeting Platform will be open for login one (1) hour before the commencement of the AGM.</p> <p>b. The Meeting Platform can be accessed via one of the following:-</p> <ul style="list-style-type: none"> Download the free Lumi AGM application from Apple App Store or Google Play Store; Scan the QR Code provided in the email notification; Navigate to the website at https://web.lumiagm.com/ <p>c. Insert the Meeting ID and sign in with the user ID and password provided to you via the email notification in Step 3.</p>
5. Participate	<p><i>[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition. All questions and messages will be presented with the full name and capacity of the participant raising the question (e.g. whether the questions are posed by a Share Owner or their proxy).]</i></p> <p>a. If you would like to view the live webcast, select the broadcast icon. </p> <p>b. If you would like to ask a question during the AGM, select the messaging icon and type your message within the chat box. Once you have completed typing your question, please click the Submit button. </p>
6. Voting	<p>a. Once voting has been opened, the polling icon will appear with the resolutions and your voting choices.</p> <p>b. To vote, simply select your voting direction from the options provided. A confirmation message will appear to show your vote has been received.</p> <p>c. To change your vote, simply select another voting direction.</p> <p>d. If you wish to cancel your vote, please press "Cancel".</p>
7. End of remote participation	Upon the announcement by the Chairman of the meeting on the closure of the 16th AGM, the Live Streaming will end.

Note to users of the RPV facility:

- Should your registration to join the 16th AGM be approved, the system will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to <https://web.lumiagm.com/> on the day of meeting will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

3. In the event you encounter any issues with logging-in, connection to the live streaming meeting or online voting on the meeting day, kindly call the Help Line of our Share Registrar, Boardroom Share Registrars Sdn. Bhd. Details of our Share Registrar's office can be found in the enquiry section of this document.

PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

Share Owners may and are encouraged to submit questions for the Board in advance of the 16th AGM by emailing to enquiries@cdam.biz no later than **9.00 a.m., Thursday, 26 November 2020**. During the AGM, the Board will endeavor to answer the questions received.

PROXY

If you are unable to attend the AGM, you are encouraged to appoint a proxy or the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

Please ensure that the original form is deposited at our Share Registrar's office not less than forty-eight (48) hours before the time appointed for holding the meeting (i.e. by 9.00 a.m., Thursday, 26 November 2020). Details of our Share Registrar's office can be found in the enquiry section of this document.

Alternatively, you may deposit your proxy form(s) by electronic means (1) through the Boardroom's Smart Investor Portal at <https://boardroomlimited.my> by logging in and selecting "E-PROXY LODGEMENT" or (2) via FAX to 603-7890 4670 not less than forty-eight (48) hours before the time appointed for holding the meeting (i.e. by 9.00 a.m., Thursday, 26 November 2020).

REVOCATION OF PROXY

If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in our electronic AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com forty-eight (48) hours before the meeting, to inform our Share Registrar of your intention to revoke the earlier appointed proxy.

NO GIFTS DISTRIBUTION

There will be **no gift distribution** for the Share Owners/Proxies at the 16th AGM, in view of health concerns relating to COVID-19 Pandemic.

POLL VOTING

The voting at the 16th AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic means and

Malaysian Issuing House Sdn. Bhd. as Scrutineers to verify the poll results.

Share Owners can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting and **submit your votes at any time from the commencement of the 16th AGM at 9.00 a.m.** Kindly refer to Procedures for RPV for guidance on how to vote remotely from the meeting platform at <https://web.lumiagm.com/>. The Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

RECORDING OR PHOTOGRAPHY

Strictly **NO recording or photography** of the proceedings of the 16th AGM is allowed.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 8.30 a.m. to 5.30 p.m. (except on public holidays):

Boardroom Share Registrars Sdn. Bhd.

Address	: 11th Floor, Menara Symphony No. 5 Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan Malaysia
General Line	: 603-7890 4700
Fax Number	: 603-7890 4670
Email	: bsr.helpdesk@boardroomlimited.com

Personal Data Policy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the Share Owner of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The Share Owner agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Share Owner's breach of warranty.

NOTES

[illegible]

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Ng Peng Hong @ Ng Peng Hay
(Non-Independent Non-Executive
Chairman) (Re-designated with effect
from 8 August 2019)

**Dato' Sri Syed Ismail Bin Dato' Haji Syed
Azizan**
(Independent Non-Executive Director)

Dato' Seri Md Ajib Bin Anuar
(Independent Non-Executive Director)

Datin Siah Li Mei
(Independent Non-Executive Director)
(Appointed with effect from 11 July 2019
and resigned with effect from 3 August
2020)

Boh Boon Chiang
(Independent Non-Executive Director)
(Appointed with effect from 16 July 2020)

Leong So Seh
(Independent Non-Executive Director)
(Resigned with effect from 24 February
2020)

AUDIT COMMITTEE

Chairman :

Dato' Seri Md Ajib Bin Anuar

Members :

Dato' Sri Syed Ismail Bin Dato' Haji Syed
Azizan

Boh Boon Chiang (Appointed with effect
from 16 July 2020)

Leong So Seh (Resigned with effect from
24 February 2020)

NOMINATION COMMITTEE

Chairperson :

Dato' Sri Syed Ismail Bin Dato' Haji Syed
Azizan (Redesignated with effect from
20 May 2020)

Members :

Datin Siah Li Mei (Appointed with effect
from 8 August 2019 and resigned with
effect from 3 August 2020)

Dato' Seri Md Ajib Bin Anuar (Appointed
with effect from 20 May 2020)

Leong So Seh (Resigned with effect
from 24 February 2020)

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

Designated Person:

Tan Teng Boo
Tel: (603) 2070 2106 – 8
Fax: (603) 2070 6653
Email: cdam@cdam.biz
Website: www.cdam.biz

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

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 24, Equatorial Plaza
Jalan Sultan Ismail
50250 Kuala Lumpur

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor
Tel: (603) 7890 4800
Fax: (603) 7890 4650

SHARE REGISTRAR

**Boardroom Share Registrars Sdn.
Bhd.**

(Company No. 378993-D)
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor
Tel: (603) 7890 4800
Fax: (603) 7890 4650

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
Wong Wei Fong (MAICSA 7006751)

AUDITORS

Crowe Malaysia PLT
201906000005
(LLP0018817-LCA) & AF 1018
Level 16, Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur

FUND'S CORPORATE WEBSITE

www.icapital.my

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