

icapital.biz Berhad (674900 X)

2012 Annual Report

About icapital.biz Berhad

(a) Who we are

icapital.biz Berhad (your Fund) is a closed-end fund that invests in undervalued companies which are listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities) and the ACE Market of Bursa Securities. It can also invest up to 10% of its asset value in unlisted companies.

With a RM140 million paid-up capital, your Fund has a fixed number of outstanding shares at any point in time. Like other publicly traded companies, its share price is determined entirely by market supply and demand. Similarly, shares of your Fund are bought and sold in the stock market via licensed stockbroking companies.

Even before its listing on 19 October 2005, the aim has been to increase the value of your Fund. This is achieved by adhering to a value investing philosophy. As a value investor, investments will be selected based on their market prices and underlying values.

Unless approved by the shareholders, your Fund is not allowed to borrow.

(b) Why we exist

icapital.biz Berhad exists for one simple reason : to allow long-term shareholders or more aptly called share owners, to benefit from value investing. Investing in your Fund allows the power of compounding to work for you. If we succeed in achieving this, we would have also shown that serious long-term investing in Bursa Securities can offer superior returns.

(c) Who runs your Fund

Set up as a company under the Companies Act 1965, icapital.biz Berhad

is represented by its Board of Directors. The Board members are non-executive and undertake a supervisory role to ensure that your Fund operates in an orderly fashion at all times.

Your Fund does not have any staff. Its operations are outsourced to independent service providers. The main service providers are the fund manager, the investment adviser, the custodian and the administrator.

The assets are managed by the fund manager, in accordance with the approved investment policies and objectives while the investment research and analysis is provided by the investment adviser. The assets are safe kept by the custodian while the accounting and administrative services are outsourced to the administrator.

Your Fund also requires the services of a corporate secretary, share registrar, external auditor and tax agent and has outsourced the internal audit function. The internal auditor reports directly to the Audit Committee.

There are major differences between a unit trust fund and a closed-end fund. For a copy of the report explaining these, please contact the investment adviser, Capital Dynamics Sdn Bhd or please visit www.icapital.biz or www.icapitaleducation.biz

(d) How to contact us

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

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

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

icapital.biz Berhad's Performance Review

(a) Letter to Share Owners

For the period ended 31 May 2012, your Fund recorded revenue of RM24.822 million, an increase of RM4.887 million or 25% compared with the period ended 31 May 2011. Your Fund recorded a pretax profit of RM17.690 million for the period ended 31 May 2012, compared with a pretax profit of RM13.917 million for the last financial year. The increase in pretax profit is due to higher profit levels from the sale of securities. Hence, compared with an after-tax profit of RM11.458 million in the last financial year, your Fund recorded an after-tax profit of RM15.732 million for the current financial year.

In appraising the performance of your Fund, its net asset value (NAV) is the key variable on which to focus. The NAV of your Fund rose from RM2.77 per share on 31 May 2011 to RM2.86 per share by 31 May 2012, a gain of 3%. The FTSE Bursa Malaysia KL Composite Index (FBMKLCI) increased 1% in the same period.

The world economy continues to sit waiting in the face of a period of uncertainty as

Europe has not been able to settle its financial crisis resolutely and there is a growing concern that if this issue is not resolved soon it will have a dangerous negative impact on the world economy. At the same time, extreme weather conditions in many parts of the world have led to a surge in food prices.

The most important issue at the present time is to continue maintaining the quality of investment in your Fund, which has always been the policy of the Investment Adviser and Fund Manager since the day your Fund was started. At the same time, it is also important to have the capital in hand and available at the time when the opportunities for value buying investment come around, and the Investment Adviser and Fund Manager have always been aware and ready for such opportunities.

I am looking forward to another successful year that will see your Fund moving on even in the face of difficulties in the world economy.

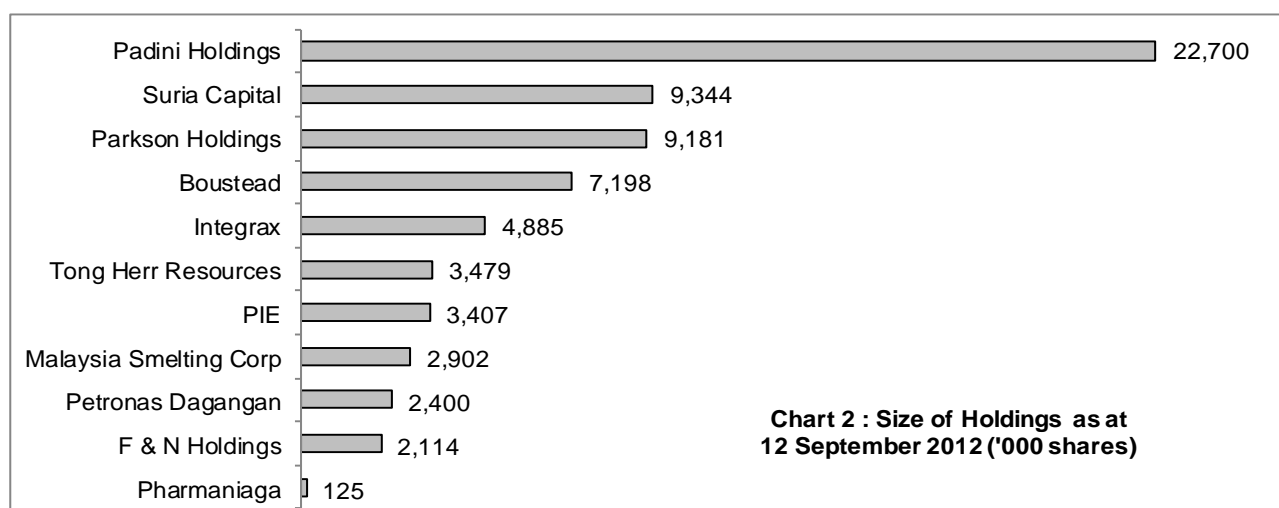
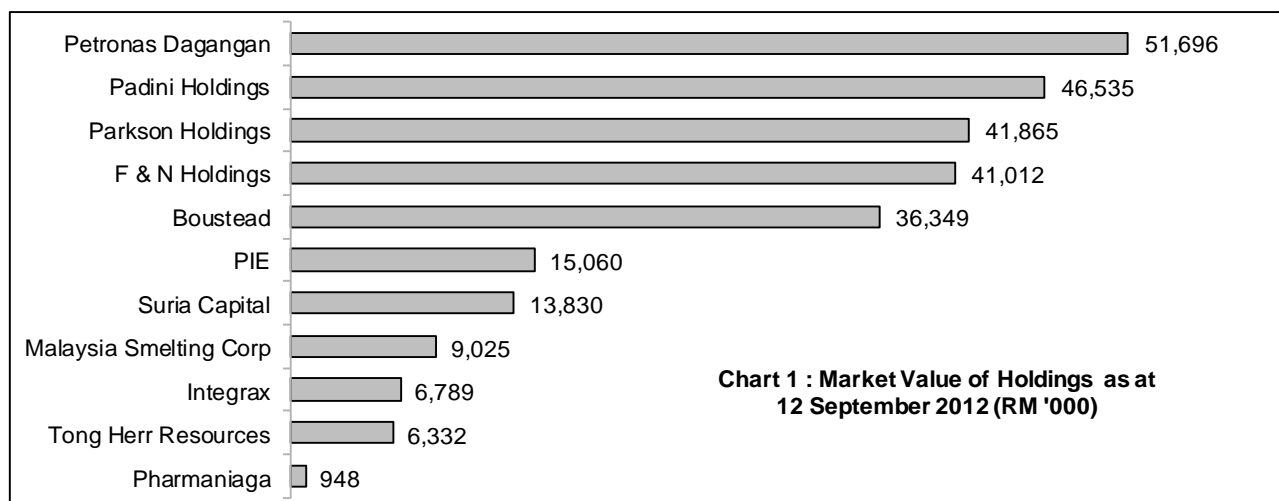
**YM Tunku Tan Sri Dato' Seri Ahmad Bin
Tunku Yahaya
Chairman
12 September 2012**

(b) What we have done with your funds

“Investing is most intelligent when it is most business-like” – Benjamin Graham

(i) Investment portfolio

There are no purchases made since 31 May 2011 and the current portfolio, in terms of quantity and the market value of each stock held, are shown in **charts 1 and 2** below.



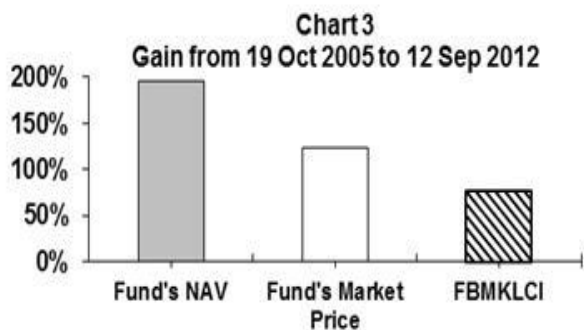
(ii) Investments sold

For the financial year ended 31 May 2012, your Fund sold 4,400 shares of Boustead Holdings Berhad, 383,000 shares of Fraser & Neave Holdings Berhad, 350,000 shares of Integrax Berhad and 300,000 shares of Petronas Dagangan Berhad. These sales generated realised gains of RM8.329 million with a cost of RM3.647 million.

As at 31 May 2012, your Fund invested RM124.933 million with a market value of RM262.658 million, giving unrealised gains of RM137.725 million. Of the Fund's investments as at 31 May 2012, Petronas Dagangan, Padini and Fraser & Neave Holdings have substantial unrealised gains.

(iii) Investments made

In the year ending 31 May 2012, your Fund received 113,800 shares of Pharmaniaga Berhad from Boustead Holdings Berhad on the basis of one Pharmaniaga share for every 57.5 ordinary shares of RM0.50 held in Boustead.

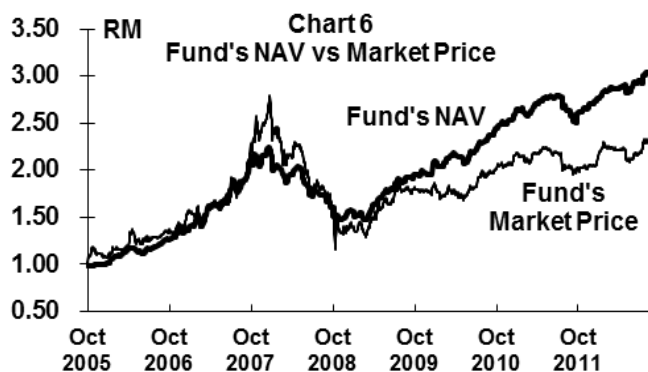
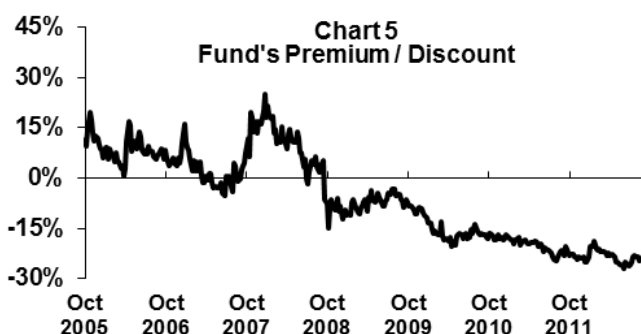
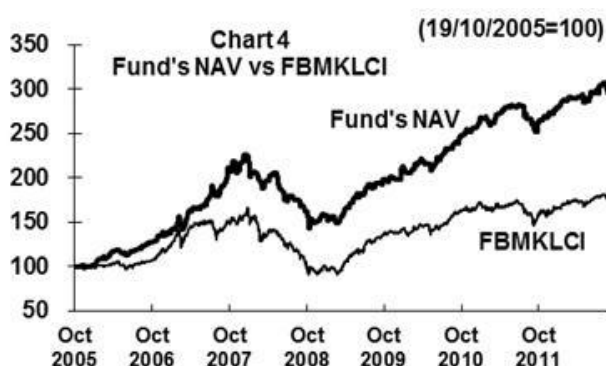


(iv) NAV and market price

Since its listing on 19 October 2005, the NAV per share of your Fund has risen from RM0.99 to RM2.86 by 31 May 2012. This represents a gain of 189%. Since its listing on 19 October 2005, the market price of your Fund has risen from RM1.01 to RM2.13 by 31 May 2012. This represents a gain of 111%. In the same period, FBMKLCI has risen by only 73%.

From 1 June 2011 to 31 May 2012, the NAV per share of your Fund rose from RM2.77 to RM2.86 by 31 May 2012 or a gain of 3%. From 1 June 2011 to 31 May 2012, the market price of your Fund dropped from RM2.24 to RM2.13 or a loss of 5%. In the same period, FBMKLCI gained 1%.

Chart 4 shows the performance of your Fund in comparison with the FBMKLCI. **Chart 5** shows your Fund's premium/discount to NAV and **chart 6** shows the NAV per share and market price.



(v) Comparative Performance

The performance of icapital.biz Bhd has, since its listing in October 2005, beaten the KL stock market, whether measured in terms of NAV or market price. Your Fund has also beaten the performance of leading regional markets.

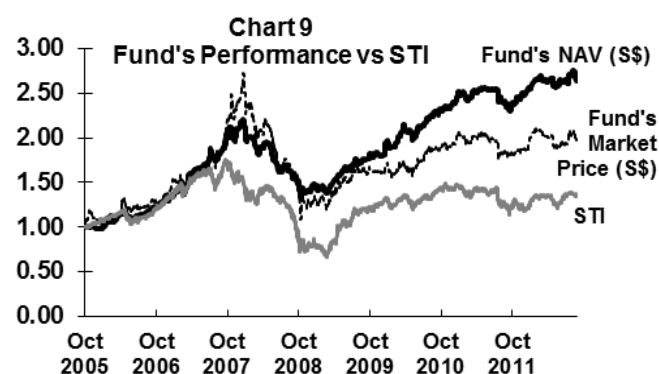
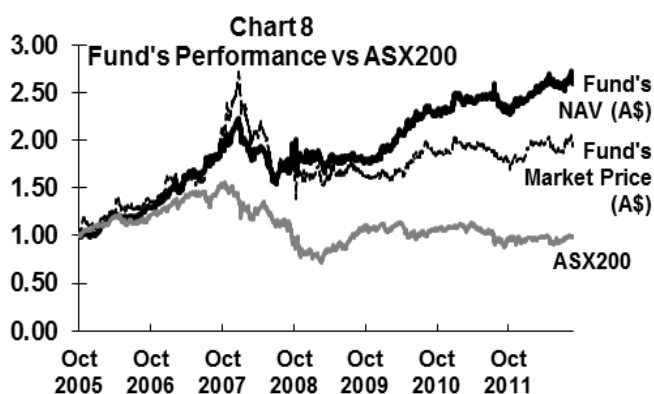
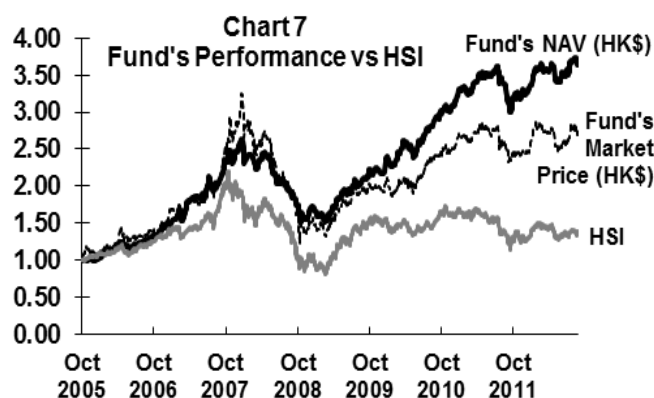


Chart 7 shows the performance of your Fund, in Hong Kong dollar terms, outperforming the Hang Seng index. **Chart 8** shows the performance of your Fund, in Australian dollar terms, outperforming the ASX 200. This strong performance is despite the fact that the AUD has been one of the strongest currencies in the world. **Chart 9** shows the performance of your Fund, in Singapore dollar terms, beating the Straits Times Industrial index. Owning shares of icapital.biz Bhd has been far more rewarding than investing in Sydney, Hong Kong or Singapore, even when they are expressed in their own respective currencies.

(vi) What we think

icapital.biz Berhad has been listed for 7 years. During that time, amongst many major developments, there was a severe global slump, a new political landscape in Malaysia and roller coaster stock markets. Yet, despite the ups and downs over the last 7 years, your Fund's NAV has gained a handsome 189% or 17.38% compounded annually. Extrapolating at such a rate, the NAV would be about RM1,230 million or RM8.78 per share in 7 years time. As such, it is useful to review what your Fund has done right in delivering such a superior performance.

The Fund started off with an excellent footing. At less than 2% of the gross proceeds raised, the listing expenses of your Fund in 2005 were kept to the lowest level possible. The fund manager and investment adviser worked very hard to ensure that this value enhancing objective was attained and have continued to work in this direction including having succeeded in obtaining tax savings of RM340,000.00 on investment advisory fees.

Attracting the right investors to your Fund is very crucial and it is useful to occasionally remind ourselves on why your Fund exists. As stated in its annual report, *"It exists for one simple reason : to allow long-term shareholders or more aptly called share owners, to benefit from value investing."*

Investing in your Fund allows the power of compounding to work for you." Looking at its long-term performance, it certainly has. As its fund manager, Capital Dynamics Asset Management Sdn Bhd has stuck to its time tested, eclectic value investing style. In the 2006 Annual Report, for example, the investment in Petronas Dagangan Berhad was the main negative contributor. 7 years later, it is one of the top performers for your Fund. Sticking to this value investing style of Capital Dynamics has enabled the Fund's NAV to appreciate substantially and still allow it to have sufficient cash for seeking opportunities of all kinds.

We have constantly termed shareholders as "share owners". Holding implies something transitory while owning implies a more permanent state of affairs, just like a property owner is not described as a property holder. As Warren Buffett said, *"We believe that according the name 'investors' to institutions that trade actively is like calling someone who repeatedly engages in one-night stands a 'romantic'".* In the coming years, we hope that your Fund will be able to continuously retain its owners and at the same time, be able to attract more like minded "share owners". Otherwise, the long-term performance of your Fund could be compromised.

2012 is about to end. Yet, 4 years after the Lehman Panic, the global economy is still muddling through. Malaysia, as we wrote in last year's annual report, has not escaped unscathed. Given such turbulence, your fund manager, Capital Dynamics Asset Management Sdn Bhd, has positioned your Fund well. Share owners of icapital.biz Berhad may want to know that the Fund's NAV gained 3% from 1 June 2011 to 31 May 2012 versus a 1% rise on the FBMKLCI. At the same time, your Fund has around RM140 million in cash.

Tan Teng Boo

Designated Person

Capital Dynamics Asset Management Sdn Bhd

12 September 2012

(a) Siapakah kami

icapital.biz Bhd (Dana anda) merupakan sebuah dana tertutup yang melabur di dalam syarikat-syarikat yang tersenarai di Pasaran Utama dan Pasaran ACE Bursa Malaysia Securities Berhad (Bursa Securities) yang terkurang nilai. Ia juga boleh melabur 10% daripada nilai asetnya di dalam syarikat-syarikat yang tidak tersenarai.

Dengan modal berbayar sebanyak RM140 juta, Dana anda mempunyai bilangan saham terbitan yang tetap pada bila-bila masa. Seperti syarikat lain yang didagangkan secara awam, harga sahamnya ditentukan sepenuhnya oleh penawaran dan permintaan pasaran. Transaksi jual beli saham Dana anda juga dilaksanakan dalam pasaran saham melalui syarikat broker saham yang berlesen.

Walaupun sebelum penyenaiaannya pada 19 Oktober 2005, matlamat utama adalah untuk menggandakan nilai Dana anda. Ini dicapai dengan mengikuti falsafah pelaburan berasaskan nilai. Sebagai seorang pelabur berasaskan nilai, pemilihan pelaburan akan dipilih berdasarkan kepada harga pasaran dan nilai dasar pelaburan tersebut.

Kecuali dengan kebenaran pemegang saham, Dana anda tidak dibenarkan untuk meminjam.

(b) Kenapa kami wujud

icapital.biz Berhad wujud hanya untuk satu tujuan: untuk membolehkan pemegang saham jangka panjang atau lebih sesuai dipanggil pemilik saham memperoleh manfaat daripada pelaburan berasaskan nilai. Melabur dalam Dana anda membenarkan anda mendapat keuntungan melalui kuasa gandaan faedah. Sekiranya kami berjaya mencapai matlamat ini, kami juga dapat membuktikan bahawa pelaburan jangka panjang yang serius dalam Bursa Securities boleh menawarkan pulangan yang lumayan.

(c) Siapa yang mengurus Dana anda

Ditubuhkan sebagai sebuah syarikat di bawah Akta Syarikat 1965, icapital.biz Bhd diwakili oleh Ahli Lembaga Pengarah. Ahli Lembaga adalah bukan eksekutif dan memainkan peranan sebagai penyelia untuk memastikan bahawa Dana anda beroperasi mengikut cara yang telah ditetapkan pada setiap masa.

Dana anda tidak mempunyai pekerja. Operasinya dipertanggungjawabkan kepada pembekal perkhidmatan yang bebas. Pembekal perkhidmatan yang utama ialah pengurus dana, penasihat pelaburan, penjaga dana dan pentadbir dana.

Segala aset diuruskan oleh pengurus dana, sejajar dengan polisi dan objektif pelaburan yang dibenarkan sementara penyelidikan dan analisis pelaburan disediakan oleh penasihat pelaburan. Segala aset dipegang dan dijaga oleh penjaga dana, sementara perkhidmatan perakaunan dan pengurusan pentadbiran dipertanggungjawabkan kepada pentadbir dana.

Dana anda juga memerlukan perkhidmatan daripada setiausaha korporat, pendaftar saham, juruaudit luar dan agen cukai dan fungsi audit dalaman telah dipertanggungjawabkan kepada pihak luar. Juruaudit dalaman melapor terus kepada Jawatankuasa Audit.

Terdapat perbezaan yang ketara di antara amanah saham dan dana tertutup. Untuk salinan laporan yang menerangkan perbezaan ini, sila hubungi penasihat pelaburan, Capital Dynamics Sdn Bhd atau layari laman web www.icapital.biz atau www.icapitaleducation.biz

(d) Bagaimana menghubungi kami

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

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

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

(a) Surat kepada Pemilik Saham

Bagi tahun berakhir 31 Mei 2012, Dana anda telah merekodkan perolehan sebanyak RM24.822 juta, meningkat sebanyak RM4.887 juta atau 25% berbanding 31 Mei 2011. Dana anda telah merekodkan keuntungan sebelum cukai sebanyak RM17.690 juta bagi tempoh berakhir 31 Mei 2012, berbanding keuntungan sebelum cukai sebanyak RM13.917 juta pada tahun kewangan yang lepas. Peningkatan bagi keuntungan sebelum cukai disebabkan oleh peningkatan keuntungan daripada penjualan sekuriti. Dengan itu, berbanding keuntungan selepas cukai sebanyak RM11.458 juta pada tahun kewangan lepas, Dana anda telah merekodkan keuntungan selepas cukai sebanyak RM15.732 juta bagi tahun kewangan semasa.

Dalam menilai prestasi Dana anda, elemen utama yang perlu diberi fokus adalah nilai aset bersih (NAB). NAB Dana anda meningkat dari RM2.77 sesaham pada 31 Mei 2011 kepada RM2.86 sesaham pada 31 Mei 2012, keuntungan sebanyak 3%. FTSE Bursa Malaysia Kuala Lumpur Komposit Indeks (FBMKLCI) pula meningkat sebanyak 1% dalam tempoh yang sama.

Ekonomi dunia masih terus berada di dalam ketidakpastian kerana Eropah masih belum mampu untuk menyelesaikan krisis kewangannya dengan tegas dan terdapat

kebimbangan bahawa jika isu ini tidak diselesaikan segera ia akan memberi satu kesan negatif yang berbahaya ke atas ekonomi dunia. Pada masa yang sama, keadaan cuaca melampau di kebanyakan bahagian dunia telah membawa kepada lonjakan harga makanan.

Isu yang paling penting pada masa ini adalah untuk terus mengekalkan kualiti pelaburan Dana anda, yang mana ianya sentiasa menjadi dasar Penasihat Pelaburan dan Pengurus Dana sejak Dana anda dimulakan. Pada masa yang sama, ianya adalah penting untuk mempunyai modal di tangan pada bila-bila masa dan apabila peluang untuk pembelian pelaburan bernilai tiba, Penasihat Pelaburan dan Pengurus Dana akan sentiasa sedar dan bersedia untuk peluang-peluang seperti itu.

Saya mengharapkan satu lagi tahun kejayaan yang akan memperlihatkan Dana anda melangkah ke hadapan walaupun menghadapi kesukaran-kesukaran semasa dalam ekonomi dunia.

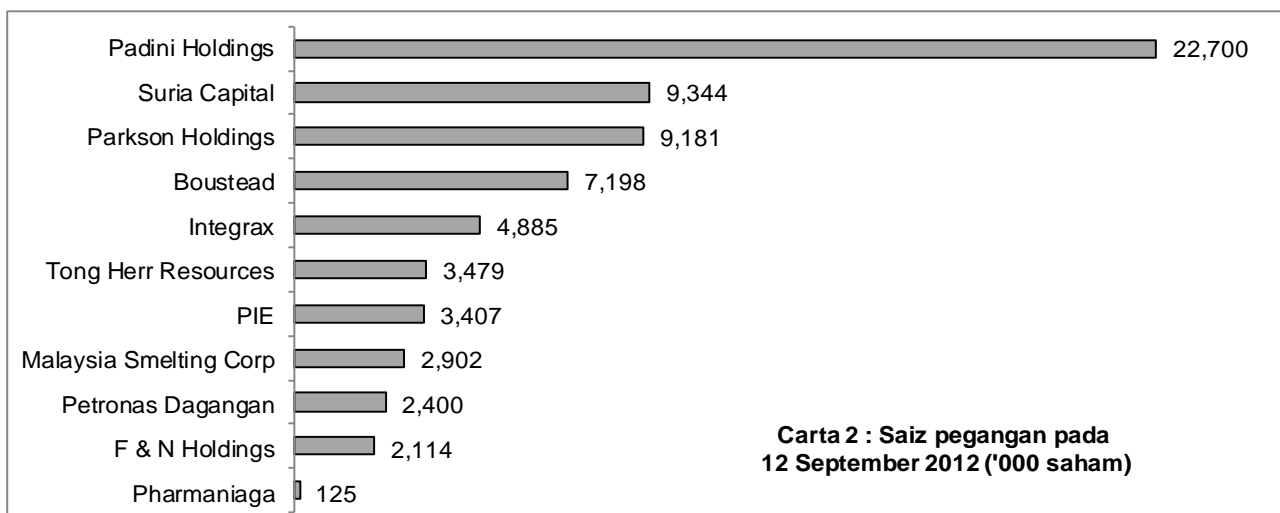
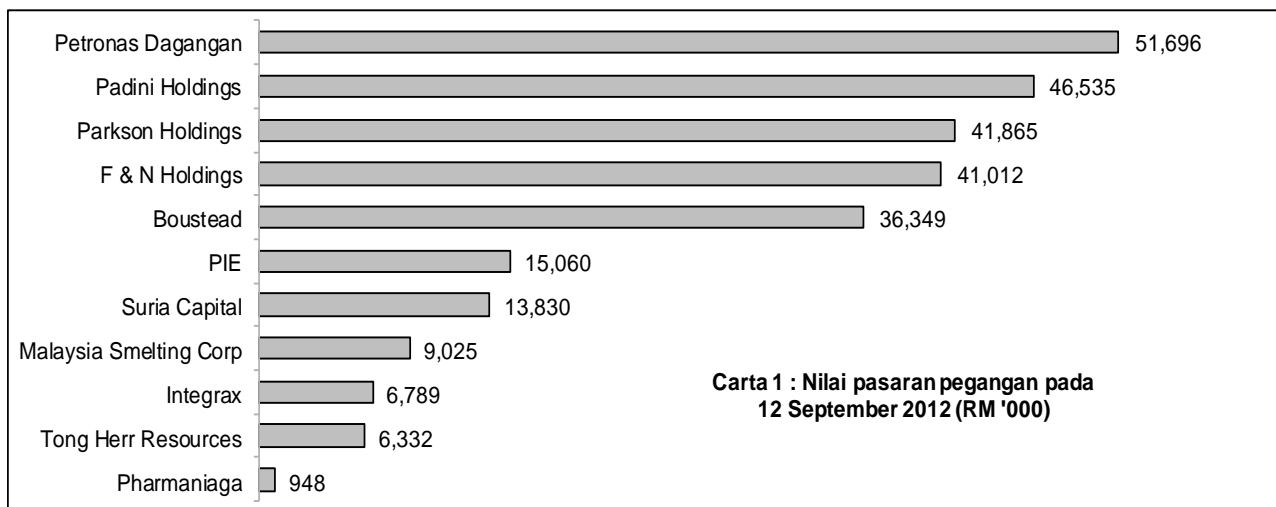
**YM Tunku Tan Sri Dato' Seri Ahmad Bin
Tunku Yahaya
Pengerusi
12 September 2012**

(b) Apa yang telah kami lakukan dengan dana anda

“Pelaburan adalah paling bijak apabila ianya berupa perniagaan” – Benjamin Graham

(i) Portfolio Pelaburan

Tiada pembelian dibuat sejak 31 Mei 2011 dan **Carta 1** dan **2** menunjukkan portfolio semasa, dalam bentuk kuantiti dan nilai pasaran bagi setiap saham yang dipegang.



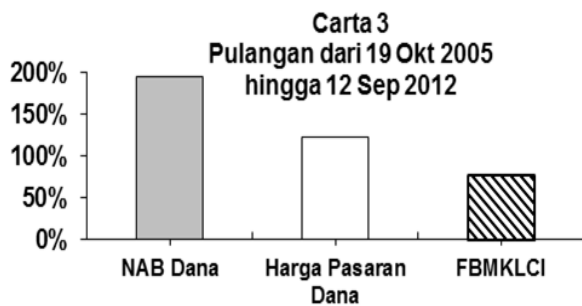
(ii) Pelaburan yang telah dijual

Bagi tahun kewangan berakhir 31 Mei 2012, Dana anda telah menjual 4,400 unit saham Boustead Holdings Berhad, 383,000 unit saham Fraser & Neave Holdings Berhad, 350,000 unit saham Integrax Berhad dan 300,000 unit saham Petronas Dagangan Berhad. Penjualan ini menghasilkan keuntungan yang direalisasi sebanyak RM8.329 juta dengan kos pembelian sebanyak RM3.647 juta.

Pada 31 Mei 2012, Dana anda telah melabur sejumlah RM124.933 juta dengan nilai pasaran sebanyak RM262.658 juta, memberikan keuntungan yang belum direalisasi sebanyak RM137.725 juta. Di antara pelaburan Dana anda pada 31 Mei 2012, Petronas Dagangan, Padini dan Fraser & Neave mencatat keuntungan yang belum direalisasi terbesar.

(iii) Pelaburan yang telah dibuat

Pada tahun berakhir 31 Mei 2012, Dana anda telah menerima 113,800 unit saham Pharmaniaga Berhad daripada Boustead Holdings Berhad bagi satu unit saham Pharmaniaga untuk setiap 57.5 unit saham biasa yang bernilai tara RM0.50 bagi pelaburan yang telah dibuat di dalam Boustead.

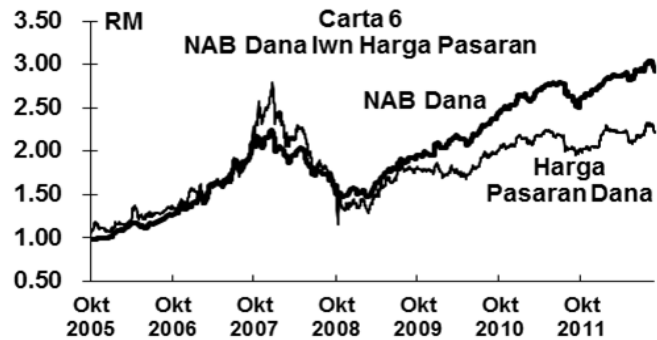
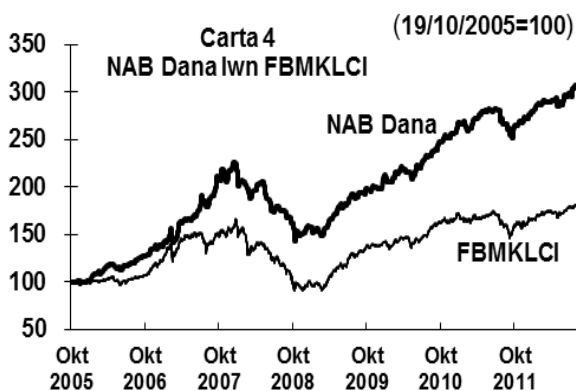


(iv) NAB dan harga pasaran

Sejak disenaraikan pada 19 Oktober 2005, NAB sesaham Dana anda telah meningkat dari RM0.99 kepada RM2.86 pada 31 Mei 2012. Ini merupakan keuntungan sebanyak 189%. Sejak penyenaraian pada 19 Oktober 2005, harga pasaran Dana anda telah meningkat dari RM1.01 kepada RM2.13 pada 31 Mei 2012. Ini merupakan keuntungan sebanyak 111%. Dalam tempoh yang sama, FBMKLCI hanya meningkat sebanyak 73%.

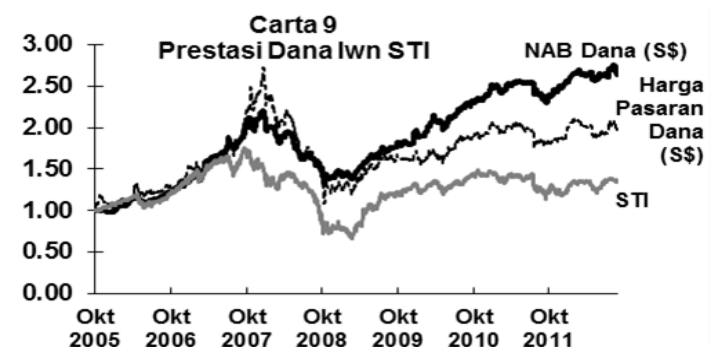
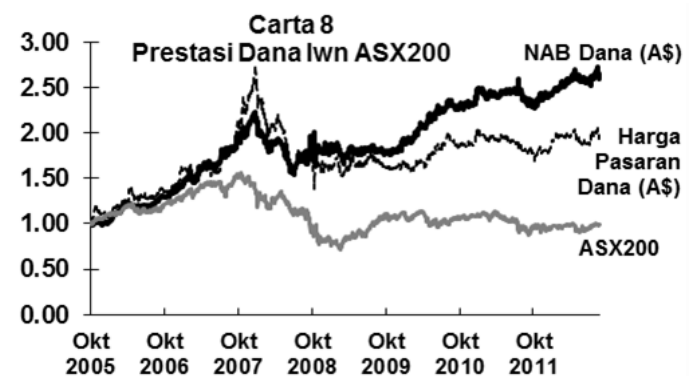
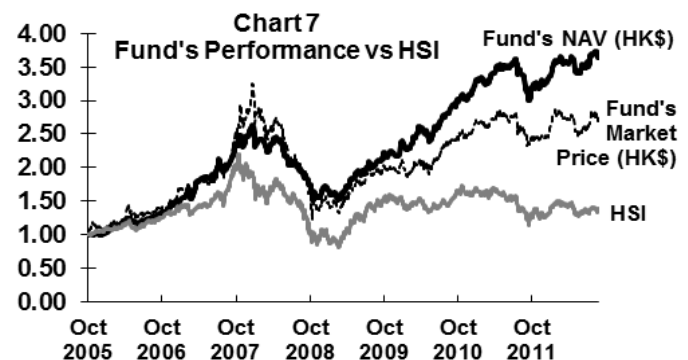
Dari 1 Jun 2011 sehingga 31 Mei 2012, NAB sesaham Dana anda telah meningkat dari RM2.77 kepada RM2.86 pada 31 Mei 2012 atau keuntungan sebanyak 3%. Sejak 1 Jun 2011 sehingga 31 Mei 2012, harga pasaran Dana anda telah menurun dari RM2.24 kepada RM2.13 atau kerugian sebanyak 5%. Dalam tempoh yang sama, FBMKLCI untung 1%.

Carta 4 menunjukkan perbandingan prestasi Dana anda dengan FBMKLCI. **Carta 5** menunjukkan premium/diskaun Dana anda ke atas NAB and **carta 6** menunjukkan NAB sesaham dan harga pasaran.



(v) Perbandingan Prestasi

Prestasi icapital.biz Berhad sejak penyenaraian pada bulan Oktober 2005, telah mengatasi pasaran saham Kuala Lumpur, sama ada dinilai berdasarkan NAB atau harga pasaran. Dana anda juga telah mengatasi prestasi pasaran-pasaran serantau yang terkemuka.



Carta 7 menunjukkan prestasi Dana anda, dalam matawang Hong Kong, mengatasi Indeks Hang Seng. **Carta 8** menunjukkan prestasi Dana anda,

dalam matawang Australia, mengatasi ASX 200. Prestasi yang kukuh walaupun pada hakikatnya matawang Australia (AUD) merupakan salah satu matawang terkuat di dunia. **Carta 9** menunjukkan prestasi Dana anda, dalam matawang Singapura, menewaskan Indeks Perusahaan Straits Times. Memiliki saham icapital.biz Berhad adalah jauh lebih menguntungkan daripada melabur di Sydney, Hong Kong atau Singapura, walaupun dinyatakan dalam matawang negara masing-masing.

(vi) Pendapat kami

icapital.biz Berhad telah disenaraikan selama 7 tahun. Sepanjang tempoh itu, walaupun terdapat banyak pembangunan pesat, terdapat juga kemerosotan global yang teruk, landskap politik baru di Malaysia dan pasaran saham yang ekstrim. Namun, walaupun turun naik sepanjang 7 tahun lepas, NAB Dana anda telah memberikan pulangan yang lumayan sebanyak 189% atau 17.38% dikompaun setiap tahun. Apabila diekstrapolasi pada kadar sebegini, NAB akan menjadi lebih kurang RM1,230 juta dalam masa 7 tahun. Oleh itu, ia adalah berguna untuk mengkaji semula apa yang Dana anda telah lakukan adalah tepat bagi menyampaikan prestasi yang unggul.

Dana ini bermula dengan landasan yang sangat baik. Pada kurang daripada 2% daripada hasil kasar yang diperolehi, perbelanjaan penyenggaraan Dana anda pada 2005 telah disimpan ke tahap serendah yang mungkin. Pengurus dana dan penasihat pelaburan telah bekerja keras untuk memastikan bahawa objektif untuk meningkatkan nilai telah dicapai dan terus bekerja ke arah ini dengan berjaya mendapatkan penjimatan cukai sebanyak RM340,000.00 ke atas yuran penasihat pelaburan.

Menarik para pelabur yang sesuai bagi Dana anda adalah amat penting dan ianya adalah berguna sekali bagi mengingatkan kami kenapa Dana anda wujud. Seperti yang dinyatakan di dalam laporan tahunannya, *"Ianya wujud dengan satu tujuan : untuk membolehkan pemegang saham jangka panjang atau lebih sesuai dipanggil pemilik saham memperoleh manfaat daripada pelaburan berasaskan nilai. Melabur dalam Dana anda membenarkan anda mendapat keuntungan melalui kuasa gandaan faedah".*

Melihat kepada prestasi jangka panjang, ianya pasti wujud.

Sebagai pengurus dana, Capital Dynamics Asset Management Sdn Bhd telah tersekat dengan ujian, gaya pelaburan berasaskan nilai yang eklektik. Dalam Laporan Tahunan 2006, misalnya, pelaburan dalam Petronas Dagangan Berhad merupakan penyumbang negatif yang utama. 7 tahun kemudian, ia adalah salah satu pelaburan terbaik bagi Dana anda. Kekal dengan gaya pelaburan berasaskan nilai, Capital Dynamics telah membolehkan NAB Dana anda meningkat dengan ketara dan masih membolehkan ia mempunyai tunai yang cukup untuk mencari pelbagai jenis peluang.

Kami sentiasa memanggil pemegang saham sebagai "pemilik saham". Memegang membayangkan sesuatu yang sementara manakala memiliki membayangkan sesuatu yang lebih kekal, seperti pemilik harta tidak digambarkan sebagai pemegang harta. Warren Buffett pernah berkata, *"Kami percaya bahawa menggelar institusi-institusi yang aktif berdagang sebagai 'pelabur' adalah seperti memanggil seseorang yang berulang kali terlibat dalam hubungan semalaman sebagai 'romantis'".* Dalam tahun-tahun akan datang, kami berharap bahawa Dana anda akan dapat terus mengekalkan pemiliknya dan pada masa yang sama, akan dapat menarik lebih ramai yang berfikir seperti "pemilik saham." Jika tidak, prestasi jangka panjang Dana anda boleh dikompromi.

Tahun 2012 hampir ke penghujungnya. Namun, 4 tahun selepas Lehman panik, ekonomi global masih tidak keruan. Malaysia, seperti yang kami nyatakan dalam laporan tahunan tahun lepas, berkemungkinan tidak dapat melarikan diri. Memandangkan pergolakan itu, pengurus dana anda, Capital Dynamics Asset Management Sdn Bhd, telah meletakkan Dana anda dengan baik. Pemilik saham icapital.biz Berhad mungkin ingin tahu bahawa NAB Dana telah memperoleh keuntungan sebanyak 3% dari 1 Jun 2011 hingga 31 Mei 2012 berbanding kenaikan 1% pada FBMKLCI. Pada masa yang sama, Dana anda mempunyai kira-kira RM140 juta dalam bentuk tunai.

Tan Teng Boo

Pegawai Lantikan Khas

Capital Dynamics Asset Management Sdn Bhd
12 September 2012

(a) 关于我们

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除非获得股东们的同意，否则，您的基金不能借贷。

(b) 我们存在的理由

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(c) 谁管理您的基金

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 准，顾公则
 批产投资管
 被资投托服
 据理由被政
 根管则则行
 司来析产与司
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 基政研所管行

册务外核
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、及也向
书以核接
秘司审直
了公部将
用核内员报
雇审。核汇
也、务审行
金司服部进
基公的内会
的务司。员
您服公包委

信托基金与关闭式基金有天渊之别。欲知这方面的详情，请联系投资顾问，或私人有限公或
www.icapital.biz 或
www.icapitaleducation.biz

(d) 如何联络我们

您可以通过 (603) 2264 8888
或 (603) 2282 2733
(传真号码) 抑或电邮至
info@my.tricorglobal.com
以联络公司秘书。

您可以通过 (603) 2070 2106
或 (603) 2070 6653
(传真号码) 抑或 cdam@cdam.biz
联络基金经理。

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

(a) 给股东们的信

截至 2012 年 5 月 31 日为止，您的基金报上了 RM2 千 482 万 2 千的营业额。相较于 2011 年 5 月 31 日，其增长了 25% 或 RM488 万 7 千。相较于上个财政年度 RM1 千 391 万 7 千的税前盈利，您的基金在截至 2012 年 5 月 31 日报上 RM1 千 769 万的税前盈利。这税前盈利的上涨是鉴于出售证券所获得的较高盈利。因此，相较于上个财政年度 RM1 千 145 万 8 千的净盈利，您的基金在本财政年度报上 RM1 千 573 万 2 千的净盈利。

在评估您的基金业绩时，资产净值是需要关注的主要变量。在 2012 年 5 月 31 日，您的基金资产净值从 2011 年 5 月 31 日的每股 RM2.77 增长 3% 至 RM2.86，而同期的隆综合指数则增长了 1%。

鉴于欧洲仍然未能够解决其金融危机，世界经济持续不明朗。另外，日渐受到关注的是，倘若这问题不能够被迅速地解决，其将对世界经济带来极为负面的影响。同时，

世界上多个国家的极端气候变化已导致食品价格的飙升。

当前的首要任务是继续保持您基金的投资质量。此政策从您的基金开始时已一直被投资顾问及基金经理所遵循。同时，手上持有资本，并在值得投资的机会来临时派上用场也是极为重要，而投资顾问及基金经理也一直地留意，并为这样的机会准备就绪。

尽管世界经济面临着当前的困境，我期待资本投资有限公司迈入另一个丰硕的一年。

**YM Tunku Tan Sri Dato'
Seri Ahmad Bin Tunku Yahaya
董事局主席**

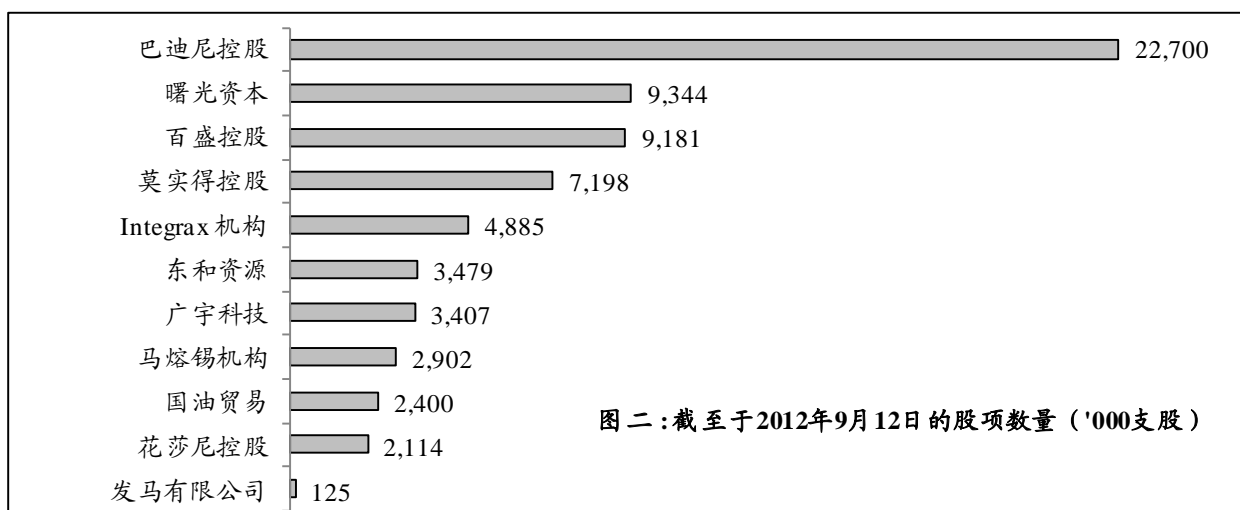
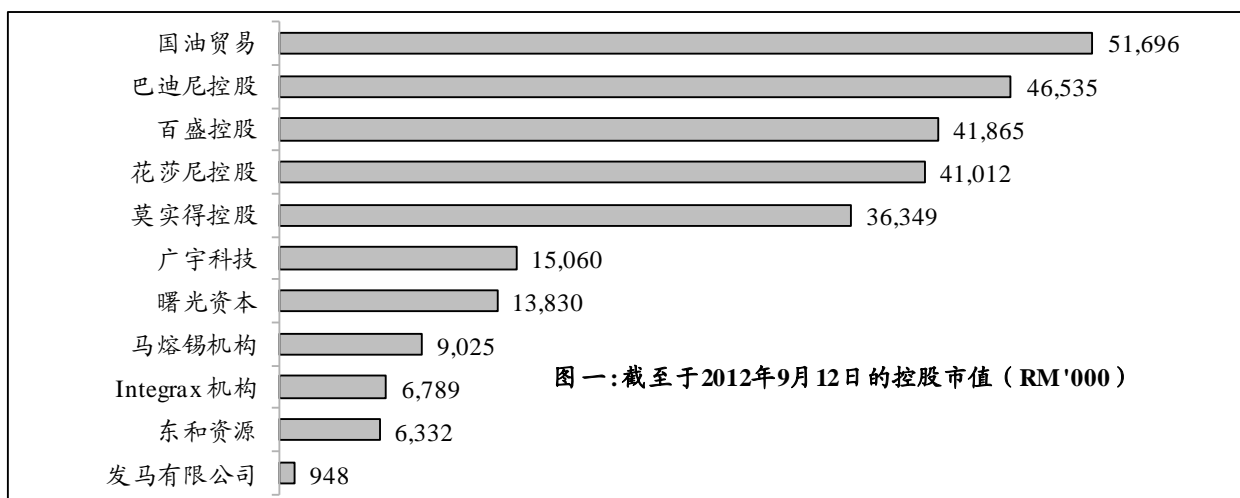
2012 年 9 月 12 日

(b) 我们如何善用您的基金

“当您将投资看待成投资于一门生意时，这是最聪明的” - Benjamin Graham

(i) 投资组合

自 2011 年 5 月 31 日，投资组合并无作出任何的收购。以下的图一与图二显示投资组合内目前所持有的股票数量以及各自的市值。



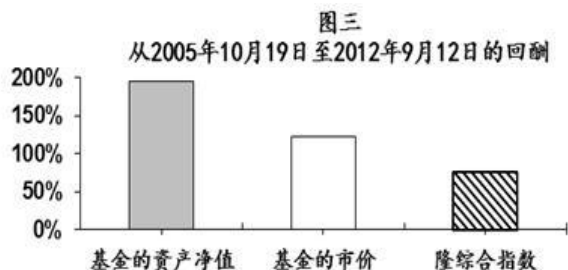
(ii) 售出的股项投资

截至 2012 年 5 月 31 日为止的财政年度，您的基金售出了莫实得控股有限公司的 4 千 400 支股、花莎尼控股有限公司的 38 万 3 千支股、Integrax 机构有限公司的 35 万支股以及国油贸易有限公司的 30 万支股。这些出售带来了 RM832 万 9 千的收益，投资成本则为 RM364 万 7 千。

截至 2012 年 5 月 31 日为止，您的基金作出价值 RM1 亿 2 千 493 万 3 千的投资，而市值则为 RM2 亿 6 千 265 万 8 千。这带来了 RM1 亿 3 千 772 万 5 千的未套现收益。截至 2012 年 5 月 31 日为止的基金投资，国油贸易、巴迪尼控股及花莎尼控股拥有庞大的未套现收益。

(iii) 所作出的投资

截至 2012 年 5 月 31 日为止的财政年度，您的基金获得莫实得控股有限公司按每持有莫实得 57.5 支普通股（每股面值为 RM0.50）派发 1 支发马有限公司股票的基础而获得 11 万 3 千 800 支发马的股票。

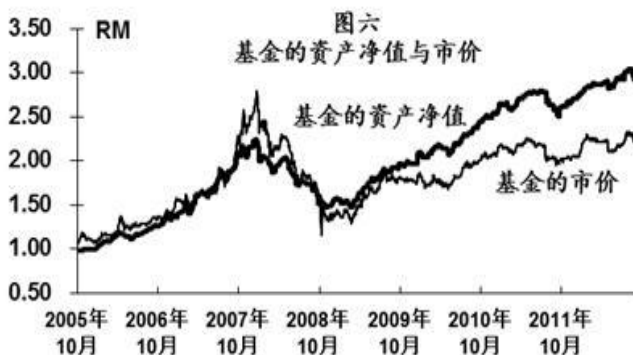
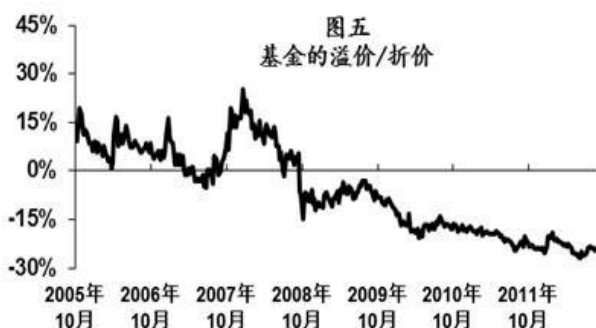


(iv) 资产净值与市价

自2005年10月19日上市以来至2012年5月31日为止，您基金的每股资产净值已从RM0.99上涨至RM2.86。这代表着189%的增长。另外，自2005年10月19日上市以来至2012年5月31日为止，您基金的市价已从RM1.01上扬至RM2.13。这代表着111%的上扬。同期的隆综合指数仅报上了73%的增长。

从2011年6月1日至2012年5月31日，您基金于2012年5月31日的每股资产净值从RM2.77上扬至RM2.86。这代表着3%的收益。您基金的市价从2011年6月1日的RM2.24下滑至2012年5月31日的RM2.13，或相等于5%的下跌。同期的隆综合指数则上扬了1%。

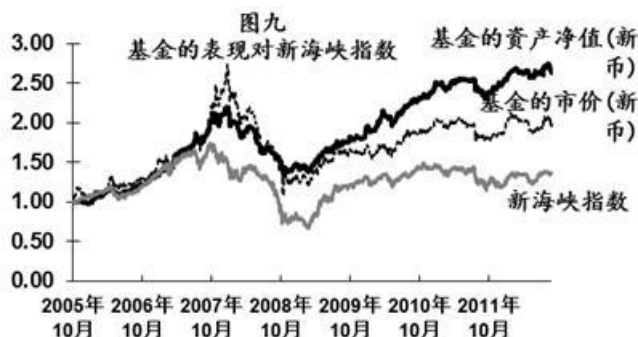
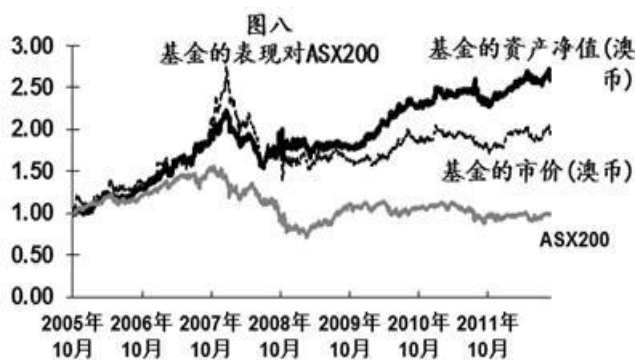
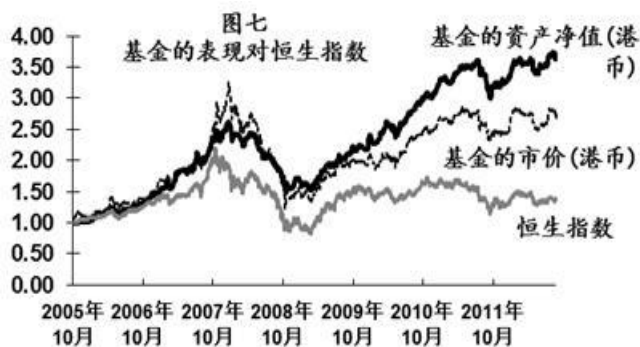
图四显示您的基金与隆综合指数的表现比较。图五显示了您基金资产净值的溢价/折价，而图六则显示每股资产净值以及市价。



(v) 表现的比较

无论是以资产净值或市价而言，资本投资有限公司自其于2005年10月份上市以来的表现无可否认皆已超越了隆股市。您的基金也超越了其它主要区域市场的表现。

以港币计算，图七显示您基金的表现超越了恒生指数。此外，图八以澳币作单位展示了您基金的表现超越了ASX200指数。尽管澳币一直是全球强劲货币之一，您基金仍取得强劲表现。以新币计算，图九显示您基金的表现超越了新加坡证券交易所新海峡时报指数。



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

(vi) 我们的见解

迄今，资本投资有限公司已上市了长达7年之久。这期间发生了多项的重大事态发展，其中包括严重的全球经济衰退、大马新的政治局面以及犹如云霄飞车般的股市等。然而，尽管股市行情在过去7年里波折迭起，但是，您基金的资产净值却大幅地上涨了189%，或以年均复合增长了17.38%。以如此的增长率推算，基金的资产净值在未来7年的时间内将达到约RM12亿3千万。因此，让我们回顾您基金的表现，以了解为何其能取得如此卓越的表现。

首先，您基金拥有一个良好的起步。您基金于2005年的上市费用尽量被维持在最低的水平，即少过总收益的2%。基金经理及投资顾问努力地确保增值的目的能够被达到，并持续朝这个方向努力。当中的努力包括通过在投资顾问费用上取得RM34万的税务节约。

吸引正确的投资者对您基金而言是非常重要的，而且偶尔自我提醒为何您基金会成立是非常重要的。正如其在年报中所叙述，“您基金为一个简单的理由而存在——让长期股票持有者或更贴切地被称为股票拥有者从价值投资中获益。让您的

基金以复利的方式为您赚取报酬。”从其长期的表现来看，您基金确实已达到此目的。作为其基金经理，资威资产管理私人有限公司一

直坚持使用那个经时间考验、知性折衷的价值投资风格。例如，在2006年的年报里，其在国油贸易有限公司的投资是基金减值的主要因素。在7年过后，它是您基金里取得最好表现的股项之一。坚持使用资威的价值投资理念不但使您基金的资产净值大幅增值，而且您的基金还拥有足够的现金来寻求各种投资机会。

我们不断称股东们为“股票拥有者”。持股指的是一个短暂的状态，而拥有则意味着一个更持久的形式，正如产业业主并不被形容为产业持有者。正如沃伦巴菲特曾讲述，“人们习惯把每天短线进出股市的投机客称之为投资人，就好像大家把不断发生一夜情的爱情骗子当成‘浪漫情人’一样”。在未来的数年里，我们希望您的基金能持续留住其主人，同时能够吸引更多志同道合的“股票拥有者”。否则，您基金的长期表现将有可能受到影响。

2012年已接近尾声了。然而，在雷曼恐慌发生的4年后，全球经济依然正在摸索前进。正如我们在去年年报里所叙述，大马是不可能逃过一劫的。在如此动荡的时候，您基金经理——资威资产管理私人有限公司已为您的基金做好防备。资本投资有限公司的股东们也许想知道，您基金的资产净值从2011年6月1日至2012年5月31日为止上升了3%，即高于隆综合指数仅上升的1%。与此同时，您基金目前坐拥大约RM1亿4千万的现金。

陈鼎武
指定基金经理
资威资产管理私人有限公司
2012年9月12日

Profile of Directors

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya

Chairman/Non-Independent Non-Executive Director, Member of the Audit Committee and Nomination Committee, 83 years of age – Malaysian

Tunku Ahmad Yahaya was appointed to your Board of Directors on 29 June 2005. He obtained his BA (Econ) from the University of Bristol and is a fellow of the Association of Chartered Certified Accountants, United Kingdom. He was the Group Chief Executive Officer of the Sime Darby Berhad Group from 1982 to 1993.

Tunku Ahmad Yahaya started his career with Dunlop Estates Berhad in 1959 before moving on to join DMIB Berhad in 1962 and becoming

Managing Director. On 4 January 1979 he joined Sime Darby Berhad and resigned as Deputy Chairman on 27 November 2007. He was a Director of Bank Negara Malaysia from 1966 to 1995 and the Chairman of the Audit Committee from 1989 to 1995.

Tunku Ahmad Yahaya is also a Director and has indirect shareholding in Capital Dynamics Asset Management Sdn. Bhd.

Tunku Abdul Aziz Bin Tunku Ibrahim

Independent Non-Executive Director, 78 years of age – Malaysian

Tunku Abdul Aziz Bin Tunku Ibrahim was appointed to your Board of Directors on 21 December 2011. He graduated from the University of Tasmania with a Bachelor of Arts Degree majoring in History and Political Science.

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

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

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

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

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

Dato' Dr. Norraesah Binti Mohamad

Independent Non-Executive Director, Member of the Audit Committee and Nomination Committee, 64 years of age - Malaysian

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

Dato' Dr. Norraesah Binti Mohamad is currently a member of the World Islamic Economic Forum

(WIEF) Board of Trustees and sits as a member of its International Advisory panel. She is also the Chairman of the WIEF Businesswomen Network.

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

Datuk Ng Peng Hong @ Ng Peng Hay

Independent Non-Executive Director, 60 years of age – Malaysian

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

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

He is the Chairman of MCA, 7th Branch Melaka since 1982. Presently, he is the Chairman of Koperasi Jayadiri Malaysia, a Board Member of Malaysian Investment Development Authority (MIDA) and a Director of The Tun Hussein Onn National Eye Hospital.

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

Harun Bin Halim Rasip

Independent Non-Executive Director, Chairman of the Audit Committee and Member of Nomination Committee, 58 years of age – Malaysian

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

Sdn Bhd, solely responsible for the functions of project promotion, finance and corporate matters, business development, project development and management to date.

Harun Bin Halim Rasip is also the President Director of PT Tanah Laut Tbk, a company listed on the Indonesia Stock Exchange engaged in marine services and port development activities in Indonesia.

David Loo Kean Beng

Independent Non-Executive Director, Member of the Audit Committee and Chairman of Nomination Committee, 49 years of age – Malaysian

David Loo Kean Beng was appointed to your Board of Directors on 15 May 2008. He holds a Bachelor of Arts (Honours). He started his career with Sime Darby Berhad in 1987 and was Senior Legal Adviser prior to leaving in 1997.

David Loo Kean Beng is a partner of Messrs Mak Loo & Co. He also sits on the board of Boustead REIT Managers Sdn. Bhd., the manager of Al-Hadharah Boustead REIT.

Note:-

- None of the Directors have any family relationship with any Director or major shareholder of your Fund nor conflicts of interest involving your Fund.
- None of the Directors have been convicted for any offences within the past 10 years other than traffic offences (if any).

Statement of Corporate Governance

The Code

Your Board of Directors (your Board) supports the Principles of Corporate Governance as laid out in the Malaysian Code on Corporate Governance (the Code) and recognises that the adoption of the high standards of corporate governance is imperative for the performance of iCapital.biz Berhad (your Fund) and enhancement of share owners' values.

Your Board is pleased to disclose your Fund's application of the Principles and the extent to which your Fund has complied with the Best Practices of the Code during the financial year ended 31 May 2012. Your Board is of the opinion that it has, in all material respects, complied with the Principles and Best Practices of the Code. Your Board recognises the importance of maintaining sound internal control and

effective risk management practices in your Fund.

Your Board acknowledges its overall responsibility and reviews the adequacy and integrity of the system on internal control. Nonetheless, it recognises that such a system can only provide reasonable but not absolute assurance because of limitations inherent in any system of internal control against material misstatements or fraud and is designed to manage rather than eliminate the risk of failure to achieve business objectives.

1. Board of Directors

1.1 Composition

Your Board comprises six (6) non-executive Directors; five (5) of whom are independent. This is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), which requires two (2) or at least one-third of your Board, whichever is higher, to be independent directors.

1.2 Duties and Responsibilities

The primary responsibilities of your Board include, amongst others, determining your Fund's investment policies and ensuring that the financial and operational objectives of your Fund are met.

2. Board Balance

Your Fund is led by an experienced Board. Members of your Board who are professionals from varied backgrounds, bring depth and diversity in experience, expertise and perspectives to your Fund. Their profiles are presented on page 15 to 16 of this Annual Report.

Your Board is ensured of a balanced view at all board deliberations, as all Directors are non-executive and therefore not involved in the day-to-day operations of

your Fund. The management of your Fund's investments, the adviser for your Fund's investments and custodian of its assets have been outsourced to Capital Dynamics Asset Management Sdn. Bhd. (the Fund Manager), Capital Dynamics Sdn. Bhd. (the Investment Adviser) and Deutsche Bank (Malaysia) Berhad (the Custodian) respectively. Your Board has expressed its satisfaction and confidence in the services provided by various parties involved in the operations of your Fund.

3. Board Meetings

During the financial year ended 31 May 2012, a total of four (4) Board meetings were held and the attendance of each Director is as shown below:-

Name	Number of meetings attended
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya	4 out of 4
David Loo Kean Beng	3 out of 4
Datuk Ng Peng Hong @ Ng Peng Hay	4 out of 4
Harun Bin Halim Rasip	4 out of 4
Dato' Dr Norraesah Binti Mohamad (appointed on 22 November 2011)	2 out of 2
Tunku Abdul Aziz Bin Tunku Ibrahim (appointed on 21 December 2011)	2 out of 2

4. Supply of Information

The Directors of your Fund have unrestricted access to all information of your Fund's business and affairs, whether on an individual basis or as a full board, so as to enable them to discharge their responsibilities. In addition, Board papers containing the full details of the agenda are given to all Directors in advance of meetings, in order to allow for sufficient time for review and obtain explanations.

Your Directors also have access to the Company Secretary and independent professional advice in furtherance of their duties.

5. Appointments and Re-Election of the Directors

In accordance with your Fund's Articles of Association, at least one-third of the Directors, or if their number is not three (3), then the number nearest to one-third, shall retire from office at every Annual General Meeting provided always that all Directors shall retire from office once in every three (3) years but shall be eligible for re-election.

Directors who are appointed by your Board to fill a casual vacancy during the year shall hold office only until the next Annual General Meeting following their appointment and shall be eligible for re-election.

Section 129 of the Companies Act 1965 provides that Directors who are over the age of seventy (70) shall retire at every Annual General Meeting but may offer themselves for re-appointment.

7.2 Nomination Committee

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

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

Members:

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

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

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

The Nomination Committee is empowered by your Board to, amongst others, recommend to your Board, suitable candidates for appointment as directors. In addition, the Nomination Committee assesses the effectiveness of your Board and the Committees of

6. Directors' Training

Your Board acknowledges the fact that continuous education is vital for your Board members to keep abreast with the developments of the economy and further enhance their knowledge to discharge their duties and responsibilities more effectively.

During the financial year ended 31 May 2012, the Directors' continuing education programme included the following:-

- New Corporate Governance Blueprint.
- Coaltrans Conference.
- Continuous Obligations of A Listed Issuer and Directors.
- Briefings by the Company Secretary, Internal Auditors and External Auditors on the relevant updates on statutory and regulatory requirements.

7. Board Committees

In order to ensure the effective discharge of its fiduciary duties, your Board has delegated certain responsibilities to Board Committees, namely, the Audit Committee and the Nomination Committee. These Committees have their written terms of reference approved by your Board. Your Board, however, retains full responsibility for the direction and control of your Fund.

7.1 Audit Committee

The functions, composition, terms of reference and the summary of activities of the Audit Committee are laid down on pages 19 to 21 of this Annual Report.

your Board annually to ensure that your Board has an appropriate balance of skills, expertise and core competencies.

8. Directors' Remuneration

Your Board is of the opinion that the need for the establishment of a Remuneration Committee does not arise as there are no Executive Directors on your

Board. The determination of fees of the Non-Executive Directors is a matter for your Board as a whole and the fees payable are presented to the share owners of your Fund at every Annual General Meeting for approval.

An analysis of the aggregate Directors' remuneration for the financial year ended 31 May 2012 is as below:-

<u>Directors</u>	<u>Fees (RM)</u>
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya	40,000
David Loo Kean Beng	40,000
Datuk Ng Peng Hong @ Ng Peng Hay	40,000
Harun Bin Halim Rasip	40,000
Dato' Dr Norraesah Binti Mohamad (appointed on 22 November 2011)	21,041
Tunku Abdul Aziz Bin Tunku Ibrahim (appointed on 21 December 2011)	17,863
Total	198,904

9. Communication with Share Owners and Investors

Your Fund recognises the importance of maintaining transparency and accountability to its share owners and investors. An important channel used to reach share owners and investors is the Annual Report. Timely release of financial results on a quarterly basis also enables share owners to have an overview of the performance of your Fund.

Your Fund's Annual General Meeting is also an important forum for communication and dialogue with its share owners. Your Board encourages share owners to attend and participate in the Annual General Meeting. Your Board and relevant advisers are on hand to answer questions raised and give clarifications required. Contacts for the Fund Manager and Investment Adviser can be found on the inside back cover.

Weekly updates on your Fund's NAV per share can be found in www.bursamalaysia.com, www.icapital.my and www.icapital.biz.

10. Accountability and Audit

10.1 Financial Reporting

Your Board aims to provide and present a clear, balanced and comprehensive assessment of your Fund's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly results as well as your Letter to Share Owners in the Annual Report.

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

10.2 Statement of Directors' Responsibility

Directors are required pursuant to Section 169(15) of the Companies Act 1965 to state whether your Fund's Financial Statements for the financial year are drawn up in accordance with approved accounting standards so as to give a true and fair view of your Fund's state of affairs and of the results of your Fund's business operations for the financial year.

In preparing the Financial Statements, your Directors have:-

- applied the appropriate and relevant accounting policies on a consistent basis;
- ensured that applicable accounting standards have been followed;
- made judgements and estimates that are prudent and reasonable;
- ensured that proper accounting records are kept so as to enable the presentation of the Financial Statements with reasonable accuracy; and
- prepared the Financial Statements on an ongoing basis.

The Statement by Directors pursuant to Section 169(15) of the Companies Act 1965 is set out on page 22 of this Annual Report.

10.3 Internal Control

Your Board acknowledges that it is responsible for maintaining a sound system of internal controls. Your Fund's Statement on Internal Control, which provides an overview of the state of internal control is set out on page 18 to 19 of this Annual Report.

10.4 Internal Auditors

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

10.5 Relationship with External Auditors

The Audit Committee and your Board communicate regularly with the External Auditors and they are invited to attend Audit Committee meetings, whenever appropriate. During the said meetings, the External Auditors will be invited to present their yearly audit plans and audit findings, if any, for the discussion of the members of the Audit Committee.

The role of the Audit Committee in relation to the External Auditors is set out on page 20 on this Annual Report.

Statement of Internal Control

Board Responsibilities

Your Board recognises the importance of maintaining sound internal control and effective risk management practices in your Fund. Your Board acknowledges its overall responsibility and reviews the adequacy and integrity of the system on internal control. Nonetheless, it recognises that such a system can only provide reasonable but not absolute assurance because of limitations inherent in any system of internal control against material misstatements or fraud and is designed to manage rather than eliminate the risk of failure to achieve business objectives.

As a closed-end fund, your Fund employs an external management structure, whereby all of your Fund's functions are undertaken by external service providers. Your Board's main internal control responsibilities are to oversee and review the function of these parties, in particular, the Fund Manager, the Investment Adviser, the Custodian Bank and the Administrator.

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

Internal Control Elements

Your Fund's overall internal control system includes:-

(i) Control Environment

The Fund Manager is responsible for managing the investments of your Fund, while the Investment Adviser provides continuous advice and recommendations to your Fund as to the purchase, holding and disposal of investments. The Administrator is responsible for keeping the accounting records relating to your Fund's portfolio. The custodian function is performed by an independent custodian bank, which maintains custody of your Fund's investments and cash. The Internal Auditors adopt a risk-based approach in evaluating the effectiveness of your Fund's system of internal control.

Reconciliation of cash and stock holdings is performed on a weekly and monthly basis by the Administrator and verified by the Fund Manager. Quarterly and annual financial statements are prepared by the Administrator, reviewed by the Audit Committee and approved by your Board prior to submission to Bursa Securities and released to share owners.

(ii) Information and Communication

Your Board has the authority to assess the state of internal control as it deems necessary. In doing so, your Board has the right to request information and clarification from the service providers as well as seek inputs from the Audit Committee, external and internal auditors, and other experts at your Fund's expense.

(iii) Audit Committee

Your Board has established the Audit Committee, comprising three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Details of composition, terms of reference and report of the Audit Committee are disclosed below.

(iv) Risk Management

Your Board recognises that to ensure the review process for identifying, evaluating and managing the significant risks affecting your Fund is complete, the internal control procedures with clear lines of accountability and delegated authority have to be established. Your Board, throughout the current financial year, has identified and evaluated the significant risks faced by your Fund through the monitoring of your Fund's operational efficiency. As a closed-end fund, a significant portion of your Fund's risks is managed by your Fund Manager, Investment Adviser and the Custodian Bank.

The external auditors have reviewed the Statement On Internal Control and reported to the Board that nothing has come to their attention that causes them to believe the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Fund's system of internal controls.

Conclusion

After due consideration and review of the information provided, your Board is satisfied that there is no significant control failure or weaknesses that would result in material losses or require disclosure in your Fund's Annual Report identified during the financial year ended 31 May 2012.

Audit Committee Report

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

Members and Meetings

The members of the Audit Committee and details of attendance of each member at committee meetings during the financial year ended 31 May 2012 are set out below:-

Audit Committee

Harun Bin Halim Rasip*

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya

David Loo Kean Beng

Dato' Dr Norraesah Binti Mohamad (appointed on 22 November 2011)

* Member of the Malaysian Institute of Accountants

Status of Directorship	Attendance
Chairman / Independent Non-Executive Director	4 out of 4
Member / Non-Independent Non-Executive Director	4 out of 4
Member / Independent Non-Executive Director	3 out of 4
Member / Independent Non-Executive Director	2 out of 2

Terms of Reference

1. Composition of Audit Committee

The Audit Committee shall be appointed by the Board of Directors from amongst their members and shall consist of at least three (3) members, all of them must be non-executive directors with a majority of them being independent directors.

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

- must be a member of the Malaysian Institute of Accountants; or
- if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
 - he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

- fulfils such other requirements as prescribed or approved by Bursa Securities.

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

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

2. Meetings

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

The Audit Committee shall meet not less than four (4) times a year and as many times as the Audit Committee deems necessary with due notice of issues to be discussed.

The Company Secretary shall be the Secretary of the Audit Committee.

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

Other members of your Board and officers of your Fund may attend the meeting (specific to the relevant meeting) upon the invitation of the Audit Committee.

3. Authority

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

- (a). have authority to investigate any matter within the terms of reference;
- (b). have the resources which the Audit Committee requires to perform its duties;
- (c). have full and unrestricted access to any information, which the Audit Committee requires in the course of performing its duties;
- (d). have direct communication channels with the external auditors and persons carrying out the internal audit function;
- (e). be able to obtain independent professional or other advice in the performance of its duties at the cost of your Fund; and
- (f). be able to convene meetings with the external auditors, internal auditors or both without the attendance of other Directors and service providers of your Fund, whenever deemed necessary. Other Directors may attend only at the Audit Committee's invitation.

4. Duties And Responsibilities

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

- (a). Matters relating to External Audit
 - To review the nomination of external auditors and the external audit fee;
 - To discuss with the external auditors, the nature, scope and quality of external audit plans/arrangements;
 - To review the evaluation of the systems of internal control with the external auditors;
 - To review quarterly results and year end financial statements of your Fund, prior to approval by your Board, focusing in particular on the going concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues and unusual events arising from the audit and major judgement issues;
 - To review the external auditors' audit report on the financial statements;
 - To review any management letter sent by the external auditors to your Fund and the service providers' response to such letters;
 - To review any letter of resignation from the external auditors;
 - To consider and review whether there is reason (supported by grounds) to believe that your Fund's external auditors are not suitable for re-appointment;
 - To review the assistance given by your Fund's officers and service providers to external auditors; and
 - To discuss problems and reservations arising from the interim and final audits and any matters that the external auditors may wish to discuss.

- (b). Matters relating to Internal Audit function
 - To review the effectiveness and competency of the internal audit function;
 - To review the internal audit programme and results of the internal audit process or investigation undertaken and whether or not appropriate action is taken on the recommendation of the internal audit function;
 - To review the follow up actions by the service providers on the weaknesses of internal accounting procedures and controls;
 - To review all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels;
 - To review the assistance and co-operation given by your Fund's officers and service providers to the internal auditors;
 - To review any appraisal or assessment of the performance of staff of the internal audit function, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgement issues; and
 - To review any letter of resignation from internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (c). Roles and Rights of the Audit Committee
 - To consider and review any significant transactions, which are not within the normal course of business and any related party transactions that may arise within your Fund;
 - To report to Bursa Securities on any matter reported by the Board of your Fund which has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities; and
 - To carry out any other function that may be mutually agreed upon by the Audit Committee and your Board which would be beneficial to your Fund and ensure the effective discharge of the Audit Committee's duties and responsibilities.
- (d). Retirement and Resignation of Member of Audit Committee
 - A member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to your Fund so that a replacement may be appointed before he leaves. In the event of any vacancy in the Audit Committee, your Fund shall fill the vacancy not later than three (3) months.

Summary of Activities of the Audit Committee

The activities of the Committee for the financial year ended 31 May 2012 included:-

- reviewing the quarterly results and audited financial statements before submission to your Board for approval, focusing on the key changes (if any) to the accounting policies, compliance to regulatory requirements and the new introduction of the financial reporting standards ("FRS");
- discussing with the internal auditors on its nature, scope and quality of internal audit and approving the internal audit strategy, plans/arrangements thereof;
- reviewing the audit findings and recommendations by the internal auditors, representations made and corrective actions taken by the relevant service providers in addressing and resolving issues;
- discussing with the external auditors on its nature, scope and quality of external audit and the compliance with the revised FRS;
- approving the audit planning memorandum of the external auditors; and
- reviewing any related party transactions that may arise in your Fund.

Internal Audit Function

Your Fund has outsourced its Internal Audit function to an independent professional services firm to assist the Audit Committee in discharging its duties and responsibilities more effectively.

The priority of the Internal Auditors is to focus on the review of internal controls implemented by the service

providers of your Fund to ensure that the assets of your Fund are adequately safeguarded and to report any audit findings directly to the Audit Committee. The costs incurred for the Internal Audit function in respect of the financial year was RM12,000.

Directors' Report

The Directors hereby submit their report and the audited financial statements of your Fund for the financial year ended 31 May 2012.

Principal Activity

Your Fund is a closed-end fund and is principally engaged in investing in a diversified portfolio of quoted securities. There has been no significant change in the nature of this activity during the financial year.

Your Fund is managed by a fund manager, Capital Dynamics Asset Management Sdn. Bhd. ("the Fund Manager"), a company incorporated in Malaysia. The principal activity of the Fund Manager is the provision of fund management services.

Results

Profit after taxation for the financial year

RM 15,731,710

Dividends

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

Reserves and Provisions

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

Issues of Shares and Debentures

During the financial year,

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

Options Granted Over Unissued Shares

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

Bad and Doubtful Debts

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

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

Current Assets

Before the financial statements of your Fund were made

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

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

Valuation Methods

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

Contingent and Other Liabilities

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

- (a) any charge on the assets of your Fund that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of your Fund which has arisen since the end of the financial year.

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

Change of Circumstances

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

Items of an Unusual Nature

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

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

Directors

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

1. YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya
2. David Loo Kean Beng
3. Datuk Ng Peng Hong @ Ng Peng Hay
4. Harun Bin Halim Rasip
5. Dato Dr Norraesah Binti Mohamad (appointed on 22 November 2011)
6. Tunku Abdul Aziz Bin Tunku Ibrahim (appointed on 21 December 2011)

Directors' Interest

According to the register of directors' shareholdings, the interests of Directors holding office at the end of the financial year in shares in your Fund during the financial year are as follows:-

Your Fund	Number of Ordinary Shares of RM1 each			
	At 1.6.2011	Bought	Sold	At 31.5.2012
Indirect Interests				
YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	3,489,000	-	-	3,489,000 (1)
Harun Bin Halim Rasip	39,900	-	-	39,900 (2)

Notes:

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

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

Directors' Benefits

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

be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain Directors have substantial financial interests as disclosed in Note 17 to the financial statements.

Neither during nor at the end of the financial year, was your Fund a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of your Fund or any other body corporate.

Auditors

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in Accordance with a Resolution of the Directors dated 23 July 2012.

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya

Harun Bin Halim Rasip

Statement by Directors

We, YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya and Harun Bin Halim Rasip, being two of the Directors of icapital.biz Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 24 to 34 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Company at 31 May 2012 and of its results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 19, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in Accordance with a Resolution of the Directors dated 23 July 2012.

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya

Harun Bin Halim Rasip

Statutory Declaration

I, Tan Teng Boo, I/C No. 540211-02-5441, being the director of Capital Dynamics Asset Management Sdn. Bhd. primarily responsible for the financial management of icapital.biz Berhad, do solemnly and sincerely declare that the financial statements set out on pages 24 to 34 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
Tan Teng Boo, I/C No. 540211-02-5441,
at Kuala Lumpur in the Federal Territory
on this 23th day of July 2012.

Before me

Tan Teng Boo

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

Financial Statements

Independent Auditors' Report to the Members of icapital.biz Berhad Report on the Financial Statements

We have audited the financial statements of icapital.biz Berhad, which comprise the statement of financial position as at 31 May 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 24 to 34.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 May 2012 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The supplementary information set out in Note 19 on page 34 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants
Kuala Lumpur
23 July 2012

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

Statement of Financial Position at 31 May 2012 (RM)

	Notes	2012	2011
ASSETS			
Non-current asset			
Investments	5	262,657,722	270,506,528
Current assets			
Other receivables	6	3,253,129	2,271,569
Current tax assets		375,844	178,320
Short-term deposits	7	133,571,466	115,704,397
Cash and bank balances		164,045	203,553
		137,364,484	118,357,839
Current liability			
Other payables	8	263,009	635,446
Net current assets		137,101,475	117,722,393
		399,759,197	388,228,921
Financed by:-			
Share capital	9	140,000,000	140,000,000
Reserves	10	259,759,197	248,228,921
Shareholders' equity		399,759,197	388,228,921
Net assets per ordinary share (RM)	11	2.86	2.77
Net asset value per ordinary share (RM)	11	2.86	2.77

Statement of Comprehensive Income for the Financial Year Ended 31 May 2012 (RM)

	Notes	2012	2011
Revenue			
Interest income		3,827,981	2,937,970
Dividend income		12,664,958	14,672,719
Net gain on disposal of quoted investments		8,328,803	2,324,761
		24,821,742	19,935,450
Less: Operating expenses			
Accounting and administrative fees		91,000	91,000
Annual general meeting expenses		267,515	187,656
Audit fee			
- for the financial year		21,000	10,000
- underprovision in previous financial year		11,000	-
Custodian expenses		104,041	102,282
Directors' fee		198,904	168,219
Fund management fee		2,894,863	2,552,673
Investment advisory fee		2,894,863	2,552,673
Professional fee		109,743	112,982
Service tax		11,568	7,954
Others		527,479	233,081
		7,131,976	6,018,520
Profit before taxation		17,689,766	13,916,930
Income tax expense	12	(1,958,056)	(2,458,477)
Profit after taxation		15,731,710	11,458,453
Other comprehensive income	13	(4,201,434)	82,390,225
Total comprehensive income for the financial year		11,530,276	93,848,678
Profit after taxation attributable to your Fund		15,731,710	11,458,453
Total comprehensive income attributable to your Fund		11,530,276	93,848,678
Basic earnings per ordinary share (RM)	14	0.11	0.08

Statement of Changes in Equity for the Financial Year Ended 31 May 2012 (RM)

	Non-Distributable		Distributable	
	Share Capital	Fair Value Reserve	Retained Profits	Total Equity
Balance at 1 June 2010	140,000,000	59,536,159	94,844,084	294,380,243
Total comprehensive income for the financial year	-	82,390,225	11,458,453	93,848,678
Balance at 31 May 2011/1 June 2011	140,000,000	141,926,384	106,302,537	388,228,921
Total comprehensive income for the financial year	-	(4,201,434)	15,731,710	11,530,276
Balance at 31 May 2012	140,000,000	137,724,950	122,034,247	399,759,197

Statement of Cash Flows for the Financial Year Ended 31 May 2012 (RM)

	Note	2012	2011
Cash flows from operating activities			
Profit before taxation		17,689,766	13,916,930
Adjustment for: Net gain on disposal of quoted investments		(8,328,803)	(2,324,761)
Operating profit before working capital changes		9,360,963	11,592,169
Increase in other receivables		(981,560)	(488,340)
(Decrease)/Increase in other payables		(372,437)	486,203
Proceeds from disposal of quoted investments		11,976,175	11,169,837
Purchase of quoted investments		-	(8,698,317)
Cash from operations		19,983,141	14,061,552
Net income tax paid		(1,023,243)	(795,000)
Income tax deducted at source		(1,132,337)	(1,283,862)
Net cash from operating activities		17,827,561	11,982,690
Net increase in cash and cash equivalents		17,827,561	11,982,690
Cash and cash equivalents at beginning of the financial year		115,907,950	103,925,260
Cash and cash equivalents at end of the financial year	15	133,735,511	115,907,950

Notes to the Financial Statements for the Financial Year Ended 31 May 2012

1. General Information

Your Fund is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of your Fund is Malaysia. The registered office, which is also the principal place of business, is at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 23 July 2012.

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 Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

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

FRSs and IC Interpretations (Including the Consequential Amendments)

FRS1 (Revised)	First-time Adoption of Financial Reporting Standards
FRS 3 (Revised)	Business Combinations
FRS 127 (Revised)	Consolidated and Separate Financial Statements
Amendments to FRS 1 (Revised)	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1 (Revised)	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Scope of FRS 2 and FRS 3 (Revised)
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Plan to Sell the Controlling Interest in a Subsidiary
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 138	Consequential Amendments Arising from FRS 3 (Revised)
IC Interpretation 4	Determining Whether An Arrangement Contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Scope of IC Interpretation 9 and FRS 3 (Revised)
Annual Improvements to FRSs (2010)	

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on your Fund's financial statements, other than the following:-

- (i) Amendments to FRS 7 expand the disclosure requirements in respect of fair value measurements and liquidity risk. In particular, the amendments require additional disclosure of fair value measurements by level of a fair value measurement hierarchy, if necessary. Comparatives are not presented by virtue of the exemption given in the amendments.
- (ii) Annual Improvements to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes. These amendments have no material impact on the financial statements of your Fund upon their initial application.

Furthermore, the amendments to FRS 101 (Revised) clarify that an entity may choose to present the analysis of the items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Company has chosen to present the items of other comprehensive income in the notes to financial statements.

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

<u>FRSs and IC Interpretations (Including the Consequential Amendments)</u>		<u>Effective date</u>
FRS 9	Financial Instruments	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119 (Revised)	Employee Benefits	1 January 2013
FRS 124 (Revised)	Related Party Disclosures	1 January 2012
FRS 127 (2011)	Separate Financial Statements	1 January 2013
FRS 128 (2011)	Investments in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1 (Revised)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 1 (Revised)	Government Loans	1 January 2013
Amendments to FRS 7	Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9	Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
Amendments to FRS 101 (Revised)	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 112	Recovery of Underlying Assets	1 January 2012

FRSs and IC Interpretations (Including the Consequential Amendments) (Cont')		Effective date
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 15	Agreements for the Construction of Real Estate	Withdrawn on 19 November 2011
IC Interprétation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011

Your Fund's next set of financial statements for the annual period beginning on 1 June 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRS"). As a result, your Fund will not be adopting the above accounting standards and interpretations (including the consequential amendments) that are effective for annual periods beginning on or after 1 June 2012.

4. Significant Accounting Policies

(a) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of your Fund's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. Your Fund recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

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

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

(b) Functional and Presentation Currency

The functional currency of your Fund is the currency of the primary economic environment in which your Fund operates.

The financial statements of your Fund are presented in Ringgit Malaysia ("RM") which is the functional and presentation currency.

(c) Financial Instruments

Financial instruments are recognised in the statements of financial position when your Fund has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when your Fund has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

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

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

(i) Financial Assets

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

- *Financial Assets at Fair Value Through Profit or Loss*

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

- *Held-to-maturity Investments*

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

- *Loans and Receivables Financial Assets*

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

- *Available-for-sale Financial Assets*

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

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

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

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

(ii) *Financial Liabilities*

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

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

(iii) *Equity Instruments*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Impairment

(i) *Impairment of Financial Assets*

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

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

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

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

(ii) *Impairment of Non-Financial Assets*

The carrying values of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication

that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

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

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

(e) Income Taxes

Income tax for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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

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

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Segmental Information

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

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

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

(h) Related Parties

A party is related to an entity if:-

(a) directly, or indirectly through one or more intermediaries, the party:-

- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(b) the party is an associate of the entity;

(c) the party is a joint venture in which the entity is a venturer;

(d) the party is a member of the key management personnel of the entity or its parent;

(e) the party is a close member of the family of any individual referred to in (a) or (d);

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

(g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

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

(i) Revenue Recognition

(i) *Sale of Investments*

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

(ii) *Interest Income*

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

(iii) *Dividend Income*

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

5. Investments

In RM	2012	2011
At market value		
Quoted securities in Malaysia, at 1.6.2011/2010	270,506,528	188,263,062
Additions for the financial year	-	8,698,317
Disposals during the financial year	(3,647,372)	(8,845,076)
Fair value adjustments	(4,201,434)	82,390,225
Quoted securities in Malaysia, at 31.5.2012/2011	262,657,722	270,506,528

6. Other Receivables

In RM	Note	2012	2011
Other receivables		2,224,224	1,298,076
Deposit		500	500
Prepayments		521,036	493,330
Related party	18	507,369	479,663
		3,253,129	2,271,569

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

7. Short-term Deposits

In RM	2012	2011
Deposits with licensed financial institutions	133,571,466	115,704,397

The deposits with licensed financial institutions of your Fund at the end of the reporting period bore an effective interest rate of 2.83% (2011 – 3.44%) per annum. The average maturity period of the deposits is 49 days (2011 – 30 days).

8. Other Payables

In RM	2012	2011
Other payables	64,105	467,227
Accruals	198,904	168,219
	263,009	635,446

9. Share Capital

	2012	2011	2012	2011
	Number of shares		RM	RM
Ordinary shares of RM1 each: -				
Authorised	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued and fully paid-up	140,000,000	140,000,000	140,000,000	140,000,000

10. Reserves

(a) Fair Value Reserve

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

(b) Retained Profits

Subject to agreement with the tax authorities, at the end of the reporting period, your Fund has sufficient tax credits under Section 108 of the Income Tax Act, 1967 and tax-exempt income to frank the payment of dividends out of its entire profits without incurring additional tax liabilities.

Effective 1 January 2008, your Fund has been given the option to make an irrevocable election to move to a single tier tax system or continue to use its tax credits under Section 108 of the Income Tax Act, 1967 for the purpose of dividend distribution until the tax credits are fully utilised or latest by 31 December 2013.

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

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

The net assets per ordinary share/ net asset value per ordinary share of your Fund is calculated based on the net assets at the end of the reporting period of RM399,759,197 (2011 - RM388,228,921) divided by the number of ordinary shares in issue at the end of the reporting period of 140,000,000 (2011 - 140,000,000).

12. Income Tax Expense

In RM	2012	2011
Current tax:-		
For the financial year	1,958,056	1,947,270
Underprovision in previous financial years	-	511,207
	1,958,056	2,458,477

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

In RM	2012	2011
Profit before taxation	17,689,766	13,916,930
Tax at the statutory tax rate of 25% (2011 - 25%)	4,422,442	3,479,233
Tax effects of: Non-taxable income	(2,082,201)	(581,190)
Tax-exempt dividends	(2,033,903)	(2,384,317)
Non-deductible expenses	1,651,718	1,433,544
Underprovision of current tax in previous financial years	-	511,207
Tax for the financial year	1,958,056	2,458,477

13. Other Comprehensive Income

The components of other comprehensive income are as follows:-

In RM	2012	2011
Gain on measurement to fair value for the financial year	4,127,369	84,746,187
Reclassification adjustment for gain included in profit or loss	(8,328,803)	(2,355,962)
	(4,201,434)	82,390,225

14. Earnings per Share

The basic earnings per ordinary share is arrived at by dividing the earnings for the financial year of RM15,731,710 (2011 - RM11,458,453) over the number of ordinary shares of your Fund in issue during the financial year of 140,000,000 (2011 - 140,000,000).

15. Cash and Cash Equivalents

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

In RM	2012	2011
Short-term deposits with licensed financial institutions	133,571,466	115,704,397
Cash and bank balances	164,045	203,553
	133,735,511	115,907,950

16. Segmental Information

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

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

17. Related Party Disclosures

(a) Identities of related parties

- (i) Your Fund has a related party relationship with Capital Dynamics Asset Management Sdn. Bhd. ("CDAM"), the Fund Manager of your Fund. A Director of your Fund, YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya, is a director and a substantial shareholders of CDAM; and
- (ii) key management personnel of your Fund.

(b) In addition to the transactions detailed elsewhere in the financial statements, your Fund carried out the following transactions with its related parties during the financial year:-

In RM	Note	2012	2011
Fund management fees paid to CDAM		2,894,863	2,552,673
Amount owing by a related party	6	507,369	479,663

(c) Key management personnel compensation

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

In RM	2012	2011
Directors of your Fund		
- Short-term employee benefits	198,904	168,219

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

In number	2012	2011
Non-executive Directors' fees – Below RM50,000	6	5

18. Financial Instruments

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

(a) Financial Risk Management Policies

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

(i) Single Issuer Risk

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

(ii) Market Risk

(i) Equity Price Risk

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

Equity price risk sensitivity analysis

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

The table below summarises the impact of an increase/decrease of the market prices of quoted securities of your Fund's net assets value at 31 May 2012. The analysis is based on the assumption that the market prices of the quoted securities in which your Fund invested changes by +/-10% (2011: +/-10%) with all other variables held constant. The selected 10% change does not reflect what could be considered the best or worst case scenarios. Market prices for equity securities are subject to fluctuation and consequently the amount realised in the subsequent sale of an investment may differ from the reported market value. Fluctuation in the market price of a security may results from perceived changes in the underlying economics characteristics of the investee and general market conditions.

In RM	Impact on other comprehensive income / net asset value	
	Price Risk	
	-10%	+10%
31 May 2012	(26,265,772)	26,265,772
31 May 2011	(27,050,653)	27,050,653

(ii) Foreign Currency Risk

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

(iii) Interest Rate Risk

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

Interest rate risk sensitivity analysis

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

In RM	2012	2011
	Increase/(Decrease)	Increase/(Decrease)
Effects on profit after taxation		
Increase of 100 basis points (bp)	1,001,786	867,783
Decrease of 100 bp	(1,001,786)	(867,783)
Effect on equity		
Increase of 100 bp	1,001,786	867,783
Decrease of 100 bp	(1,001,786)	(867,783)

(iii) Credit Risk

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

Credit risk concentration profile

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

Exposure to credit risk

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

(iv) Liquidity Risk

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

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

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

2011	Weighted average effective rate (%)	Carrying amount (RM)	Contractual undiscounted cash flows (RM)	Within 1 year (RM)	1 – 5 years (RM)	Over 5 years (RM)
Other payables and accruals	-	635,446	635,446	635,446	-	-

(b) Capital Risk Management

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

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

(c) Classification of Financial Instruments

In RM	2012	2011
Financial assets		
<u>Available-for-sale financial asset</u>		
Investments, at fair value	262,657,722	270,506,528
<u>Loan and receivables financial assets</u>		
Other receivables	2,732,093	1,778,239
Short-term deposits	133,571,466	115,704,397
Cash and bank balances	164,045	203,553
	<u>136,467,604</u>	<u>117,686,189</u>
Financial liability		
<u>Other financial liability</u>		
Other payables	263,009	635,446

(d) Fair Value Hierarchy

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

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

As at 31 May 2012, your Fund's financial instruments carried at fair values are analysed as below:-

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

(e) Fair Value of Financial Instruments

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

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

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

19. Supplementary Information

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

In RM	2012	2011
Total retained profits of your Fund		
Realised	122,034,247	106,302,537
Unrealised	-	-
At 31 May	<u>122,034,247</u>	<u>106,302,537</u>

Investment Portfolio

As of 12 September 2012, details of the investment portfolio of your Fund are as follows:-

Companies	Shares	Cost (RM)	Value (RM)	Unrealised Profit/(Loss) (RM)
1 Boustead Holdings Berhad Conglomerate	7,197,850	23,616,247	36,349,142	12,732,895
2 Fraser & Neave Holdings Berhad Manufacturing drinks, etc	2,114,000	13,741,611	41,011,600	27,269,989
3 Integrax Berhad Port operation, etc.	4,884,500	4,488,837	6,789,455	2,300,618
4 Malaysia Smelting Corporation Berhad Smelting of tin concentrates	2,902,000	10,082,424	9,025,220	-1,057,204
5 Padini Holdings Berhad Apparel and shoes retailing, etc	22,700,000	6,423,435	46,535,000	40,111,565
6 Parkson Holdings Berhad Retailing	9,180,900	22,455,274	41,864,904	19,409,630
7 Petronas Dagangan Berhad Marketing of petroleum products	2,400,000	9,940,780	51,696,000	41,755,220
8 P.I.E. Industrial Berhad Contract electronics manufacturing, etc	3,407,200	10,242,055	15,059,824	4,817,769
9 Suria Capital Holdings Berhad Port operation, bunkering service, etc	9,344,400	15,575,290	13,829,712	-1,745,578
10 Tong Herr Resources Berhad Manufacturing fasteners	3,479,300	7,855,311	6,332,326	-1,522,985
11 Pharmaniaga Berhad Investment holding, pharmaceutical products	125,180	511,508	947,613	436,105
Total		124,932,772	269,440,796	144,508,024

As of 12 September 2012, no provision for diminution in value was made in respect of the above investments since the date they were acquired. In addition, the following investments were disposed during the financial year ended 31 May 2012:-

Companies	Shares	Cost (RM)	Disposal Value (RM)	Realised Profit/(Loss) (RM)
1 Boustead Holdings Berhad Conglomerate	4,400	12,225	22,717	10,492
2 Fraser & Neave Holdings Berhad Manufacturing drinks, etc	383,000	2,143,756	6,286,164	4,142,408
3 Integrax Berhad Port operation, etc	350,000	294,359	524,263	229,904
4 Petronas Dagangan Berhad Marketing of petroleum products	300,000	1,197,032	5,143,031	3,945,999
Total		3,647,372	11,976,175	8,328,803

Security Transaction Information

Total number of transactions in securities entered into for the financial year ended 31 May 2012 amounted to 8 trades with total brokerage paid of RM24,008.73.

Gross Revenue of the Closed-end Fund

The information on your Fund's gross revenue is presented on page 24 in the audited income statement for the financial year ended 31 May 2012 as attached in this Annual Report.

Additional Information

1. Share Buy-backs

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

2. Options, Warrants or Convertible Securities

Your Fund has not issued any options, warrants or convertible securities in respect of the financial year.

3. Non-Audit Fees

The non-audit fees and other services paid to the external auditors in respect of the financial year were RM9,000.00 for the reviewing of financial statements, reviewing of statement of internal controls and determination of realised and unrealised gain and losses.

4. Sanctions and/or Penalties

There were no sanctions or penalties imposed on your Fund or its Directors by regulatory bodies.

5. Profit Estimation, Forecast or Projection

Your Fund has not made any profit estimation, forecast or projection in respect of the financial year. There is no material variance between the results for the financial year and the unaudited results previously announced.

6. Profit Guarantee

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

7. Material Contracts

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

Date	6 September 2005
Party	Capital Dynamics Asset Management Sdn. Bhd. (CDAM)
Nature	Fund Management Agreement
Consideration	RM2,894,862.52 (from 1 June 2011 – 31 May 2012)
Mode of settlement of consideration	Cash
Relationship	The Directors of your Fund namely YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya is a director and major shareholder in CDAM. He does not hold any executive position in CDAM and is not involved in the daily operations and management of CDAM.

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

Your Fund is seeking Shareholders' Mandate in respect of the RRPT of a revenue or trading nature to be entered into by your Fund as stated in Section 2.3 of the Circular to Shareholders dated 19 October 2012 at the Eighth Annual General Meeting to be held on 10 November 2012.

The aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year ended 31 May 2012 is disclosed on page 32 of the financial statements.

9. Fund Manager's Interest in your Fund

As at 31 May 2012, the designated person has a direct interest in 10,000 shares and an indirect interest in 349,800 shares, whilst the Fund Manager has a direct interest in 789,000 shares.

10. Employees Share Scheme (ESS)

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

11. Utilisation of Proceeds

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

12. Corporate Social Responsibilities

Your Fund is mindful of its corporate social responsibilities towards its share owners, communities, and other stakeholders, as well as the environment. In order to keep the share owners abreast of the investments of your Fund and to enhance their knowledge on the investment in securities, your Fund has invited Mr. Tan Teng Boo, the Designated Person of the Fund Manager, to give a presentation to the share owners immediately after the conclusion of every Annual General Meeting.

13. Depository Receipt Programme

Your Fund does not have a Depository Receipt Programme.

Analysis of Shareholdings as at 12 September 2012

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

Distribution of Shareholdings

	Holdings	No. of Holders	%
Total Holdings	442	15	0.494
Less than 100	529,300	702	23.115
100 to 1,000	6,190,800	1,297	42.707
1,001 to 10,000	25,809,367	748	24.630
10,001 to 100,000	98,387,600	274	9.022
100,001 to 6,999,999	9,082,491	1	0.032
7,000,000 and above			
Total	140,000,000		100.00

Directors' Interest in your Fund

	<u>Direct</u>		<u>Indirect</u>	
	No.	%	No.	%
YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya	-	-	3,489,000	2.492
Tunku Abdul Aziz Bin Tunku Ibrahim	-	-	-	-
Dato' Dr. Norraesah Binti Mohamad	-	-	-	-
Datuk Ng Peng Hong @ Ng Peng Hay	-	-	-	-
Harun Bin Halim Rasip	-	-	39,900	0.029
David Loo Kean Beng	-	-	-	-

Substantial Shareholders

	<u>Direct</u>		<u>Indirect</u>	
	No.	%	No.	%
City of London Investment Management Company Ltd	-	-	9,030,600	6.45
Laxey Partners Ltd	-	-	9,124,491	6.52

Thirty Largest Shareholders

<u>No</u>	<u>Name</u>	<u>No. of Shares</u>	<u>%</u>
1.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for Credit Suisse Securities (Europe) Limited (CLTAC N-Treaty)	9,028,491	6.487
2.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for The Bank of New York Mellon (Mellon ACCT)	5,748,600	4.106
3.	Tunku Sara Binti Tunku Ahmad Yahaya	2,700,000	1.928
4.	Lam Fook Shin	2,500,000	1.785
5.	Chong Ah Him @ Chong Kum Kwan	2,150,000	1.535
6.	AnnHow Holdings Sdn. Bhd.	2,000,000	1.428
7.	Mayban Nominees (Tempatan) Sdn. Bhd. Yeoh Ah Tu	1,737,000	1.240
8.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for The Bank of New York Mellon (BNYM AS E & A)	1,540,200	1.100
9.	Ocuvas Sdn. Bhd.	1,370,000	0.978
10.	Lee Siew Lin	1,316,000	0.940
11.	Leow Kok Meow & Sons Sendirian Berhad	1,250,000	0.892
12.	Wong Yoon Tet	1,080,000	0.771
13.	Soon Khiat Voon	1,000,000	0.714
14.	Beh Heng Seong	845,200	0.603
15.	Yeoh Ah Tu	800,000	0.571
16.	AIBB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Beh Heng Seong (M0016)	722,000	0.515
17.	Goh Eng Ngai	719,400	0.513
18.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kelvin Lee @ Lee Tien Se (E-LBG)	705,000	0.503
19.	Tong Chong Kong	701,000	0.500
20.	Capital Dynamics Assets Management Sdn. Bhd.	689,000	0.492
21.	Lai Hui Eng	688,000	0.491
22.	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kevin Lee @ Lee Tien Se	658,000	0.470
23.	Wong Hui Beng	640,000	0.457
24.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An For Citibank NA, Singapore (Julius Baer)	637,500	0.455
25.	HSBC Nominees (Asing) Sdn. Bhd. TNTC for Lockheed Martin Corporation Master Retirement Trust	610,200	0.435
26.	Soo Sing Fatt	600,000	0.428
27.	Vohrah-Merican Sdn. Bhd.	594,000	0.424
28.	Lee Kek Siong	554,500	0.396
29.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Soh Boon Chen	525,000	0.375
30.	Lee Hau Hian	524,200	0.374

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of **icapital.biz Berhad** will be held at Grand Prince Ballroom, Level 3, Prince Hotel & Residence Kuala Lumpur, No. 4 Jalan Conlay, 50450 Kuala Lumpur, on Saturday, 10 November 2012 at 9.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

- | | |
|--|--------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 May 2012 and the Reports of the Directors and Auditors thereon. | Resolution 1 |
| 2. To approve the payment of Directors' Fees of RM198,904.00 for the financial year ended 31 May 2012. | Resolution 2 |
| 3. To re-elect Datuk Ng Peng Hong @ Ng Peng Hay who retires by rotation pursuant to Article 96(1) of the Company's Articles of Association. | Resolution 3 |
| 4. To re-elect Dato' Dr Norraesah Binti Mohamad who retires by rotation pursuant to Article 103 of the Company's Articles of Association. | Resolution 4 |
| 5. To re-appoint Messrs Crowe Horwath as Auditors of the Company and authorise the Directors to fix their remuneration. | Resolution 5 |

As Special Business

- | | |
|--|--------------|
| 6. To consider and if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:-

"THAT YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya who is over the age of seventy years and retiring in accordance with Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company." | Resolution 6 |
| 7. To consider and if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:-

"THAT Tunku Abdul Aziz Bin Tunku Ibrahim who is over the age of seventy years and retiring in accordance with Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company." | Resolution 7 |

To consider and if thought fit, to pass the following resolutions, with or without any modification, as Ordinary/Special Resolutions of the Company:-

- | | |
|---|--------------|
| 8. Ordinary Resolution
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE WHICH IS IN THE ORDINARY COURSE OF BUSINESS ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPT")

"THAT approval be and is hereby given to the Company to enter into recurrent related party transaction of a revenue or trading nature as specified in Section 2.3 of the Circular to Shareholders dated 19 October 2012, provided that such arrangement and/or transaction which is necessary for the Company's day-to-day operations is undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company.

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

i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or

ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act 1965); or

iii) revoked or varied by a resolution passed by the shareholders in general meeting;

whichever is the earlier.

THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate for RRPT." | Resolution 8 |
|---|--------------|

9. Special Resolution
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

"THAT the proposed amendments to the Articles of Association of the Company as contained in the Appendix I be hereby approved." Resolution 9

10. To receive a special briefing by Mr Tan Teng Boo, the Designated Person of the Fund Manager, i.e. Capital Dynamics Asset Management Sdn Bhd, as follow up to the Extraordinary General Meeting held on 21 November 2009.
11. To transact any other business for which due notice shall have been given pursuant to the Companies Act, 1965.

By Order of The Board

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

Company Secretaries
Kuala Lumpur
19 October 2012

Notes:

1. *A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his place. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply. A member [that is not as described as (2) and (3) below] shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.*
2. *A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, can appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
6. *The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or notarially certified copy of that power of authority shall be deposited at the Company's Registered Office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the Meeting or adjourned meeting.*
7. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 6 November 2012. Only a Member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend and vote on his/her behalf.*

Explanatory Notes on Special Business

- (a) Resolution 6:-
The re-appointment of YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya, a person over the age of 70 years as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company shall take effect if this proposed Resolution is passed by a majority of not less than three-fourths (¾) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution has been duly given.
- (b) Resolution 7:-
The re-appointment of Tunku Abdul Aziz Bin Tunku Ibrahim, a person over the age of 70 years as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company shall take effect if this proposed Resolution is passed by a majority of not less than three-fourths (¾) of such members as being entitled to vote in person or, where

proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution has been duly given.

(c) **Resolution 8:-**

This proposed Resolution, if passed, will enable the Company to enter into recurrent related party transaction of a revenue or trading nature, particulars of which are set out in Section 2.3 of the Circular to Shareholders of the Company dated 19 October 2012. This authority, unless revoked or varied by the Company in a General Meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

(d) **Resolution 9:-**

The proposed Resolution, if passed, will bring the Company's Articles of Association in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(e) **Item 10 of the Agenda**

At the Extraordinary General Meeting held on 21 November 2009, the share owners of the Company have resolved to retain the Company's existing Investment Policy and Objectives. Your Board had indicated in the Circular to Shareholders dated 30 October 2009 that it will revisit this issue, including explore other alternatives that will benefit the share owners of the Company. It is in this context that your Board has invited Mr Tan Teng Boo, the Designated Person of the Fund Manager, i.e. Capital Dynamics Asset Management Sdn Bhd, to conduct a briefing during the Eighth Annual General Meeting to update the share owners of the Company. There is no motion being moved for the share owners to vote on.

Presentation of Investment Portfolio of the company

In order to keep the share owners abreast of the investments of the Company for the year ended 31 May 2012, the Board is pleased to invite the share owners of the Company to attend the Presentation on the Company's Investment Portfolio by Tan Teng Boo, the Designated Person of the Fund Manager, i.e. Capital Dynamics Asset Management Sdn. Bhd., immediately after the conclusion of the Eighth Annual General Meeting.

Statement Accompanying the Notice of Annual General Meeting

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

DIRECTORS WHO ARE STANDING FOR RE- APPOINTMENT:-

The details of YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya and Tunku Abdul Aziz Bin Tunku Ibrahim who are standing for re-appointment are set out in the Directors' Profile on page 15 of this Annual Report.

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya's securities holding in the Company is set out in the Analysis of Shareholdings on page 37 of this Annual Report.

APPENDIX 1

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Proposed amendments to the Articles
85. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.	Delete.
90. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer.	90. (i) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer.

APPENDIX 1 (Continued)
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Existing Articles	Proposed amendments to the Articles
<p>A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two proxies the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.</p>	<p>(ii) A member of the Company who is entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, may appoint not more than two (2) proxies to attend and vote instead of the member at the meeting.</p> <p>(iii) 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 in ordinary shares of the Company standing to the credit of the said securities account.</p> <p>(iv) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.</p> <p>An exempt authorised nominee refers to an authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions of subsection 25A (1) of Central Depositories Act.</p> <p>(v) 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.</p> <p>(vi) A proxy need not be a member. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.</p> <p>(vii) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.</p>

NOTES

Proxy Form

icapital.biz Berhad (674900-X)
(Incorporated in Malaysia)

CDS Account No.

PROXY FORM

No. of shares held

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

being a member/members of **icapital.biz Berhad**, hereby appoint:-

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or (delete as appropriate)

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Eighth Annual General Meeting of the Company to be held at Grand Prince Ballroom, Level 3, Prince Hotel & Residence Kuala Lumpur, No. 4 Jalan Conlay, 50450 Kuala Lumpur, on Saturday, 10 November 2012 at 9.00 a.m. or any adjournment thereof, and to vote as indicated below:-

NO.	RESOLUTION	FOR	AGAINST
1	Audited Financial Statements		
2	Payment of Directors' Fees		
3	Re-election of Datuk Ng Peng Hong @ Ng Peng Hay as Director		
4	Re-election of Dato' Dr. Norraesah Binti Mohamad as Director		
5	Re-appointment of Messrs Crowe Horwath as Auditors		
6	Re-appointment of YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya as Director		
7	Re-appointment of Tunku Abdul Aziz Bin Tunku Ibrahim as Director		
8	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
9	Proposed Amendments to the Articles of Association of the Company		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____, 2012

Notes to the Proxy Form:

Signature of Shareholder/Common Seal

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his place. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply. A member [that is not as described as (2) and (3) below] shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.
- A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, can appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or notarially certified copy of that power of authority shall be deposited at the Company's Registered Office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, not less than 48 hours before the time appointed for holding the Meeting or adjourned meeting.
- For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 6 November 2012. Only a Member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend and vote on his/her behalf.

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**AFFIX
STAMP**

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

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Corporate Information

Board of Directors

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

Tunku Abdul Aziz Bin Tunku Ibrahim
(Independent Non-Executive Director)

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

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

Harun Bin Halim Rasip
(Independent Non-Executive Director)

David Loo Kean Beng
(Independent Non-Executive Director)

Audit Committee

Chairman: Harun Bin Halim Rasip

Members:

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya

Dato' Dr. Norraesah Binti Mohamad

David Loo Kean Beng

Nomination Committee

Chairman: David Loo Kean Beng

Members:

YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya

Dato' Dr. Norraesah Binti Mohamad

Harun Bin Halim Rasip

Stock Exchange Listing

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

Stock Name: ICAP

Stock Code: 5108

Fund Manager

Capital Dynamics Asset Management Sdn. Bhd.

16.01B, 16th Floor, Plaza First Nationwide

161, Jalan Tun H.S. Lee, 50000 Kuala Lumpur

Designated Person : Tan Teng Boo

Tel No. : (603) 2070 2106 - 8

Fax No.: (603) 2070 6653

Email : cdam@cdam.biz

Website: www.cdam.biz

Investment Adviser

Capital Dynamics Sdn. Bhd.

16.01A, 16th Floor, Plaza First Nationwide

161, Jalan Tun H.S. Lee

50000 Kuala Lumpur

Tel No. : (603) 2070 2104/5 2070 1654/75

Fax No.: (603) 2070 2103

Email : cdsb@icapital.biz

Website: www.icapital.biz

Administrator

Tricor Business Services Sdn. Bhd.

Level 17, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur

Custodian

Deutsche Bank (Malaysia) Berhad

Level 18 Menara IMC

No. 8 Jalan Sultan Ismail

50250 Kuala Lumpur

Registered Office

Level 18, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur

Tel No.: (603) 2264 8888

Fax No.: (603) 2282 2733

Email: info@my.tricorglobal.com

Registrar

Tricor Investor Services Sdn. Bhd.

Level 17, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur

Tel No. : (603) 2264 3883

Fax No.: (603) 2282 1886

Secretaries

Kuan Hui Fang (MIA 16876)

Tham Wai Ying (MAICSA 7016123)

Auditors

Crowe Horwath (AF1018), Level 16, Tower C

Megan Avenue II, 12 Jalan Yap Kwan Seng

50450 Kuala Lumpur

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