

icapital.biz Berhad

[Registration No. 200401036389 (674900-X)]

2022 Annual Report

ABOUT ICAPITAL.BIZ BERHAD

WHO WE ARE

icapital.biz Berhad (your Fund) is a closed-end fund. The primary investment objective of your Fund is long-term capital appreciation of its investments whilst dividend and/or interest income from these investments would be of secondary consideration.

Your Fund invests in undervalued companies which are listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities) and the ACE Market of Bursa Securities.

It can also invest in cash deposits and up to 10% of its asset value in unlisted companies. The asset allocation of your Fund is a function of its value investing philosophy and, can range from 0% equities to 100% equities.

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

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

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

WHY WE EXIST

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

HOW TO EVALUATE YOUR FUND

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

WHO RUNS YOUR FUND

Set up as a company under the Companies Act 1965, icapital.biz Berhad is represented by its Board of Directors. The Board members are non-executive and undertake a supervisory role to ensure that your Fund operates in an orderly fashion at all times.

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

The assets are managed by the Fund Manager who shall appoint a Designated Person responsible for managing the assets of your Fund, in accordance with the approved investment policies and objectives. The assets are safe kept by the Custodian while the accounting and administrative services are outsourced to the Fund Administrator.

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

There are major differences between a unit trust fund and a closed-end fund. For a copy of the report explaining these, please contact the Investment Adviser, Capital Dynamics Sdn Bhd or please visit www.icapitaleducation.biz. Though incorporated as a company, there are some differences between a normal listed company and a listed closed-end fund. More details can be found in the Explanatory Note section of this Annual Report.

HOW DID WE DO?

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

A | LETTER TO SHARE OWNERS

For the financial year ended 31 May 2022, your Fund achieved a significant increase in its net asset value (NAV) (i.e. from RM425.826 million in the preceding financial year to RM446.179 million), despite the challenging market environment resulting from the Covid-19 pandemic and unprecedented political uncertainty. It is gratifying to note that your Fund was able to achieve a respectable increase in NAV in spite of the distribution of a special Covid-19 Relief Dividend of 20 sen per share amounting to RM28 million which was paid in December 2021. The NAV as at 31 May 2022 mainly comprised quoted equity investments with a total fair value of RM283.064 million and cash holdings totaling RM161.364 million.

As we have always emphasised, your Fund is a closed-end fund and its primary investment objective is long-term capital appreciation, hence its NAV is the main criteria and only variable to focus on in our appraisal of your Fund's performance. The Fund's profit and loss statement has no appraisal value. For the current reporting period, your Fund's NAV rose 4.93% to RM3.19 per share on 31 May 2022 from RM3.04 per share on 31 May 2021. Assuming the special Covid-19 Relief Dividend of 20 sen was reinvested, your Fund's NAV as at 31 May 2022 would have increased by 11.04%. For more details, please refer to the Financial Statements section of this Annual Report.

Over the longer-term, your Fund's NAV achieved an annualised compound return of 7.68%, as compared with 1.99% for the MSCI Malaysia Index, both measured from your Fund's inception date on 19 October 2005 to 24 August 2022. For the same period, your Fund's market price achieved an annualised compound return of 4.85%, outperforming the MSCI Malaysia Index by 2.86 percentage points.

As the global economy and markets gradually recover from the Covid-19 pandemic, your Board is confident that your Fund's performance will continue to improve under the prudent management of your Fund Manager and Investment Adviser.

As the economic activities continue to normalize with the gradual lifting of the Covid-19 SOPs, your Fund will once again hold its 18th Annual General Meeting (AGM) physically this year. Nevertheless, your Fund will still retain the virtual meeting option in order to give the flexibility for share owners to attend virtually if they wish to do so. Same as last year, advance submission of questions from share owners prior to the AGM and effective management of the question-and-

answer session will be facilitated during the hybrid AGM.

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

This year, your Fund will once again conduct the popular Investor Day programme for the benefit of the share owners and investors. The Investor Day will be held back to back with the 18th AGM on a Saturday and Sunday. Your Board sincerely hopes that the share owners and investors will have a better understanding of closed-end funds in general and your Fund in particular, through participation in the Investor Day. Your Board is confident that the Investor Day would be one of the effective discount control measures to meet your Fund's longer-term objectives. More information on the Investor Day will be posted soon in your Fund's corporate website and the official website and social media channels of your Fund Manager and Investment Adviser.

Last but not least, on behalf of the Board, I would like to take this opportunity to extend our sincere appreciation to our share owners for their unwavering support towards ensuring the success of your Fund. My gratitude also goes to our Fund Manager, our Investment Adviser, our Custodian, our service providers, all our stakeholders and the various relevant authorities for their cooperation and continued support.

Dato' Seri Md Ajib Bin Anuar
Chairman
20 September 2022

B | IMPORTANT ANNOUNCEMENT – NOTIFICATION OF IMPERSONATION AND SCAMS

Dear Share Owners,

We would like to alert you to ongoing impersonation scams, with fraudsters posing as employees, financial advisors, representatives, agents and/or associates of the Capital Dynamics Group by using pseudonyms. There have also been instances where fraudsters impersonated Mr Tan Teng Boo ("Mr Tan"), the Designated Person to the Fund Manager of icapital.biz Berhad and the Managing Director and representative of Capital Dynamics Group which comprises Capital Dynamics Asset Management Sdn Bhd, Capital Dynamics Sdn Bhd, Capital Dynamics Global Pte Ltd, Capital Dynamics (S) Pte Ltd, Capital Dynamics Asset Management (HK) Pte Ltd, Capital Dynamics (Australia) Ltd and Capital Dynamics Investment Management and Advisory (Shanghai) Co Ltd.. These fraudsters / impersonators have created fake social media accounts / profiles and/or online applications to carry out their impersonation scams.

Based on information received to date, the modus operandi of the impersonation scams appears to be:

- The fraudsters would reach out to the public via SMS text messages, WhatsApp, Telegram, LINE or Facebook. They may claim to be financial advisors from the Capital Dynamics Group and present fake licences and/or certificates purportedly issued by financial regulators to advise on investments and/or carry out investment plans.
- At times, they may also claim to be Mr Tan by using fake Facebook / WhatsApp profiles and groups which display Mr Tan's name and photos. The fake WhatsApp profile appears to be created using the mobile number +60111492189. There may be other fake WhatsApp profiles created by the fraudsters. These fake profiles are not managed by the Capital Dynamics Group and/or its employees including Mr Tan.
- By impersonating our employees and/or claiming to be financial advisors acting on behalf of Capital Dynamics Group, the fraudsters would deceive victims into opening "accounts" with certain "trading platforms". The fraudsters would falsely claim that they would guide the victims to conduct trades with immediate gains, or that they were offering investment plans or training courses purportedly on behalf of the Capital Dynamics Group. Consequently, the victims were induced to transfer money or cryptocurrency to their "trading accounts". Over time, the victims were not able to withdraw their money or cryptocurrency and the fraudsters became uncontactable.

We urge all of you to exercise caution and to conduct the necessary due diligence before making any investments. Kindly note that:

- We will never ask our clients to open accounts with trading platforms and to transfer money or cryptocurrency to these accounts. We are not affiliated or linked in any way to these illicit and unlicensed "trading platforms".
- We do not offer investment advice, investment plans or training courses through agents.



- Any information on our fund management services (as well as our investment advice, opinion and events) is published **only** on our official websites, i Capital publications and/or official social media accounts. A list of our official channels may be found below.
- You should lodge police reports if you think that you may be a victim of scams.
- Please contact us if you have any doubts or uncertainties over any communications made to you by any person claiming to be an employee, officer, financial advisor, representative, agent and/or anyone claiming to be associated with the Capital Dynamics Group. The contact details of each of our offices may be found at this link: <https://www.capitaldynamics.biz/en>.

The scams were conducted without the knowledge, consent and authority of Capital Dynamics Group and our management. We as well as our Managing Director have lodged police reports in Kuala Lumpur and Singapore and have duly notified the authorities of these impersonations and scams.

More information on the impersonation scams may be found at: https://www.icapital.biz/public/general_announcements.

Best wishes.

Capital Dynamics Asset Management Sdn Bhd
(Fund Manager of icapital.biz Berhad)

Capital Dynamics Sdn Bhd
(Investment Adviser of icapital.biz Berhad)

C | WHAT WE HAVE DONE WITH YOUR FUNDS



I. INVESTMENT PORTFOLIO

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

Table 1: Market Value of Holdings as at 31 May 2022

Company	(RM '000)
SAM Engineering & Equipment	75,341
Padini Holdings	57,143
Kelington Group	33,492
Capital A (formerly known as AirAsia Group)	19,033
Kronologi Asia	14,934
Suria Capital	13,916
Boustead Holdings	9,111
APM Automotive Holdings	9,083
Bioalpha Holdings	7,113
Apex Healthcare	6,802
Capital A - RCUIDS shares	6,784
Tong Herr Resources	5,759
Kelington Group - Warrants	4,352
MKH	3,837
Parkson Holdings	3,441
Luxchem Corporation	3,204
United Plantations	2,416
Wellcall Holdings	1,892
OCK Group	1,347
Oceancash Pacific	1,038
Capital A - Warrants	927
HPMT Holdings	874
Bioalpha Holdings - ICPS	575
Salutica	570
Eupe Corporation	80

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

Table 2: Size of Holdings as at 31 May 2022

Company	('000 shares)
Bioalpha Holdings	49,058
Kronologi Asia	31,112
Capital A (formerly known as AirAsia Group)	29,282
Kelington Group	28,383
Parkson Holdings	22,942
SAM Engineering & Equipment	18,154
Padini Holdings	17,007
Boustead Holdings	12,148
Suria Capital	11,894
Capital A - RCUIDS shares	9,761
Kelington Group - Warrants	9,461
Bioalpha Holdings - ICPS	7,665
Luxchem Corporation	5,007
Capital A - Warrants	4,880
APM Automotive Holdings	4,541
OCK Group	3,410
Oceancash Pacific	3,145
MKH	2,951
Apex Healthcare	2,283
Tong Herr Resources	1,888
HPMT Holdings	1,803
Salutica	1,700
Wellcall Holdings	1,514
United Plantations	165
Eupe Corporation	100

As at 31 May 2022, your Fund has invested RM239.192 million with a market value of RM283.064 million, yielding unrealized gains of RM43.872 million. Of your Fund's investments as at 31 May 2022, Padini Holdings, SAM Engineering & Equipment, Kelington Group and its warrants, Apex Healthcare and Tong Herr Resources generated substantial unrealised gains.

II. INVESTMENTS MADE

During the financial year ended 31 May 2022, your Fund made the following additional investments (**Table 3**).

For a description of the companies' activities, please refer to pages 65 to 67 in the Investment Portfolio Section.

Table 3: Purchases made since 01 June 2021

Company	('000 shares)
Parkson Holdings	6,000
Luxchem Corporation	5,007
OCK Group	3,410
Capital A (formerly known as AirAsia Group)	3,000
Wellcall Holdings	980
Apex Healthcare	571
United Plantations	165
Eupe Corporation	100

III. INVESTMENTS SOLD

Subsequent to the financial year ended 31 May 2022, your Fund sold 200,000 shares of SAM Engineering & Equipment generating a gain of RM1.383 million with a cost of RM1.485 million and 118,100 shares of Suria Capital Holdings generating a loss of RM0.051 million with a cost of RM0.188 million.

IV. PERFORMANCE: NAV & MARKET PRICE

Since its listing on 19 October 2005, the NAV per share of your Fund has risen from RM0.99 to RM3.19 by 31 May 2022 (**Chart 1**). This represents a gain of 249% (assuming the Special Dividends paid in September 2013 and December 2021 were reinvested). Since its listing on 19 October 2005, the market price of your Fund has risen from RM1.01 to RM2.08 by 31 May 2022. This represents a gain of 134%. During the same period, the MSCI Malaysia index rose only 49%.

Chart 1: Gain from 19 October 2005 to 31 May 2022

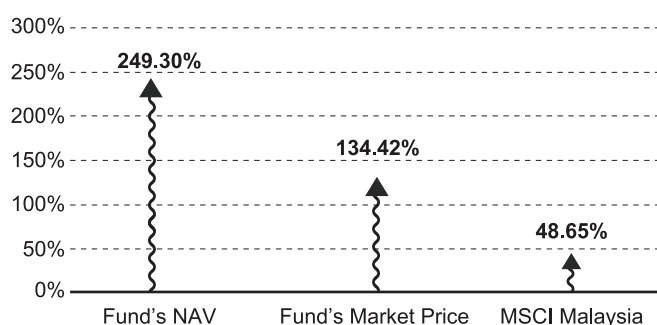
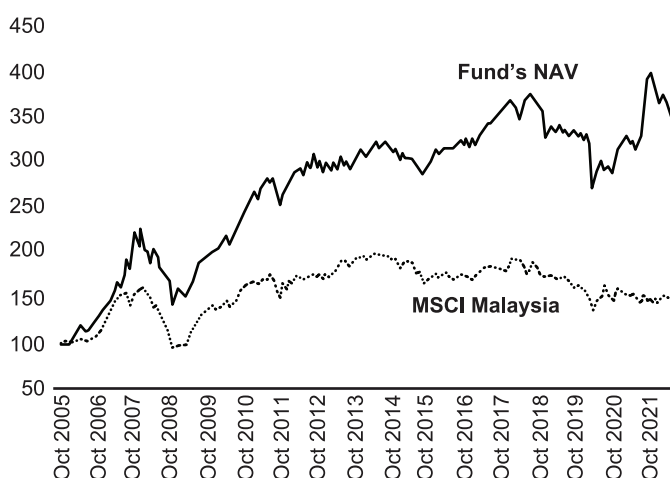


Chart 2 shows the performance of your Fund's NAV in comparison with the MSCI Malaysia index.

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



From 31 May 2021 to 31 May 2022, the NAV per share of your Fund increased from RM3.04 to RM3.19 (a gain of 11.04%) and its market price increased from RM1.90 to RM2.08 (a gain of 19.70%). The returns of your Fund's

NAV and market price assume the special Covid-19 Relief Dividend of RM0.20 paid in December 2021 was reinvested. In the same period, the MSCI Malaysia index lost 3.24%. Although your Fund's investment objective is capital appreciation, the special Covid-19 Relief Dividend was a one-off distribution made to assist share owners who may have been adversely affected by the pandemic.

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

Table 4: Cumulative Return (%) and Fund's Cash Level (%) from 19/10/2005 to 31/12/___

Year	NAV ¹	Price ¹	MSCI Malaysia	Cash
2005	0.00	8.00	-1.77	62.39
2006	38.38	46.00	22.05	33.79
2007	125.25	162.00	61.93	15.58
2008	58.59	39.00	-4.10	32.97
2009	101.01	74.00	40.26	10.51
2010	157.58	109.00	67.37	29.87
2011	175.76	105.00	67.04	34.92
2012	195.96	137.00	78.47	34.34
2013	211.48	147.37	99.14	50.73
2014	203.21	140.16	84.06	63.16
2015	211.48	137.06	75.36	61.76
2016	222.87	155.62	70.92	68.59
2017	268.40	192.72	86.72	54.61
2018	229.08	154.59	73.66	68.52
2019	224.94	147.37	63.02	63.76
2020	220.80	119.54	60.32	50.20
2021	278.87	152.46	48.65	33.97
2022 ²	249.30	134.42	48.65	36.17

Table 5: Annualised Return (%) from 19/10/2005 to 31/12/___

Year	NAV ¹	Price ¹	MSCI Malaysia
2005	0.00	46.93	-8.55
2006	31.09	37.08	18.06
2007	44.65	54.93	24.49
2008	15.49	10.83	-1.30
2009	18.07	14.09	8.38
2010	19.94	15.22	10.41
2011	17.77	12.27	8.62
2012	16.25	12.72	8.37
2013	14.85	11.67	8.76
2014	12.81	9.98	6.85
2015	11.78	8.83	5.66
2016	11.02	8.73	4.90
2017	11.27	9.20	5.25
2018	9.44	7.33	4.27
2019	8.65	6.58	3.50
2020	7.96	5.31	3.15
2021	8.56	5.88	2.48
2022 ²	7.81	5.26	2.41

Note ¹ : Your Fund's NAV and Fund's market price are adjusted for the special one-time dividend paid in FYE 31 May 2014 and Special Covid-19 Relief Dividend paid in FYE 31 May 2022.

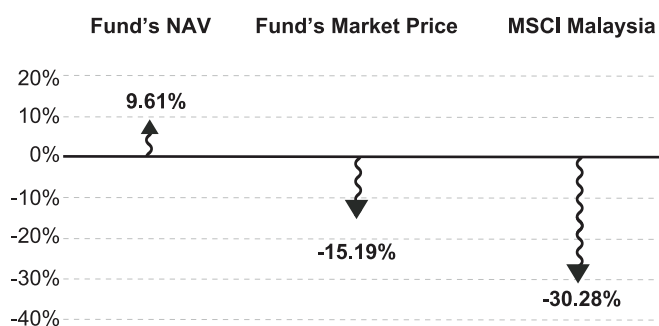
² : From 19/10/2005 to 31/05/2022.

As the above table shows, the cash level of your Fund has in the past fluctuated substantially from a low of 10.51% to a high of 68.59%. For the financial year ended 31 May 2022, the cash held in absolute terms was about RM161 million (or RM1.15 cash per share), indicating a hefty drop of more than RM48 million from the RM209 million held for the year ended 31 May 2021. The reduction in your Fund's cash level is due to the special dividend payout and additional investments made, net of sales made during the said financial year.

Chart 3 shows the performance of the MSCI Malaysia index from its peak on 19 May 2014 until 24 August 2022, and your Fund's NAV and market price during the same period. To briefly recapitulate, the period from May 2014 to August 2022 was filled with the following major events:

- crude oil price plunging in 2015,
- a dangerous escalation in United States' anti-China campaign since president Trump,
- the Covid-19 pandemic and a sharp recession breaking out,
- soaring inflation especially in the developed countries,
- aggressive monetary tightening especially by the US Federal Reserve,
- a strong US\$,
- the Ukrainian Crisis,
- the plunging S&P 500 and NASDAQ Composite and
- Malaysia's protracted political instability.

Chart 3: Percentage change from 19 May 2014 to 24 August 2022.



While the MSCI Malaysia index plunged 30.28%, your Fund's NAV jumped 9.61%. Disappointingly, despite this strong performance in a most challenging period, your Fund's market price fell by 15.19% (the returns of your Fund's NAV and market price assumed the dividends paid in September 2013 and December 2021 were reinvested). As some share owners have suggested, such an irrational behaviour needs to be probed further.

The performance of your Fund's market price ultimately depends on the quality and behavior of its existing and potential investors, especially for a listed collective investment scheme like icapital.biz Berhad. Your Fund has nearly 3,300 share owners with a large majority

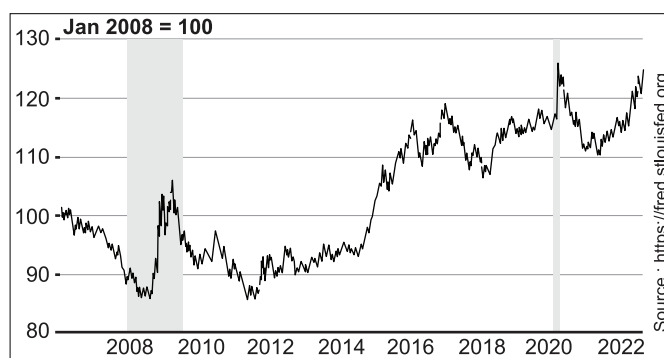
of them owning less than 100,000 shares. Given such a widely distributed ownership structure and the fact that your Fund does not have a controlling shareholder, a substantial shareholder of your Fund has a disproportionately large and unhealthy impact on your Fund's market price. A negative impact would see a large majority of shareowners suffering persistent price and NAV distortions.

V. WHAT WE THINK

A. A Bumpy Road Ahead

Over the last two to three years, the list of events that have major implications have grown longer and longer. The Covid-19 pandemic, the hostile foreign policy of the United States against China, the Ukrainian Crisis, unprecedented extreme weather climate, a strong US Dollar (**Chart 4**), slumping US equity markets, an inflation crisis, especially in the United States, and a belated but aggressive monetary tightening, again especially in the United States.

Chart 4 : Nominal Broad U.S. Dollar Index



Of all these events, the US inflation crisis and concomitant monetary tightening deserve special attention. In last year's annual report, I warned that "A major 'side-effect' of these very aggressive antibiotic-type of fiscal and monetary policies is soaring prices." These two events have a substantial impact on the NYSE and NASDAQ, the two largest stock markets in the world. Let me quote from *i Capital*, dated 2nd September 2022 :

"While the drivers of higher inflation have been predominantly connected to the dislocations caused by the pandemic, price increases have now spread to a broader range of goods and services. Wages have also risen briskly, and we are attentive to the risks that persistent real wage growth in excess of productivity growth could put upward pressure on inflation. Like most forecasters, we continue to expect inflation to decline over the course of the year" – excerpt from Federal Reserve chairman Jerome Powell's January 2022 Federal Open Market Committee (FOMC) opening statement.

The US FOMC had clearly underestimated the inflationary effects of ultra-low interest rates combined with

unprecedented fiscal stimulus and liquidity. The monetary floodgate should have been turned off much earlier. Instead of declining, the US inflation rate continues to surge to levels last seen in the late Sixties and Seventies. Since then, the Federal Reserve has panicked and raced to catch up, cranking up the federal funds target rate by 200 bps within a space of three months.

Fast forward to Friday, 26th August 2022. In his annual Jackson Hole, Wyoming, policy speech, Jerome Powell pledged that the US Federal Reserve will “use our tools forcefully” to attack inflation that is still running near its highest level in more than 40 years.

Powell added that higher interest rates will likely persist “for some time. The historical record cautions strongly against prematurely loosening policy.”

Powell’s remarks come amidst signs that US inflation may have peaked but is not showing any marked signs of decline. Powell said the Fed will not be swayed by a month or two of data.

In this latest policy speech, Jerome Powell warned that he expects the US central bank to continue raising interest rates in a way that will cause “some pain” to the US economy. In other words, be ready for a US recession, which *i* Capital has earlier forecasted to happen in late 2022 or 2023.

Let us quote some key extracts from Powell’s speech.

“At past Jackson Hole conferences, I have discussed broad topics such as the ever-changing structure of the economy and the challenges of conducting monetary policy under high uncertainty. Today, my remarks will be shorter, my focus narrower, and my message more direct (emphasis is ours).

The Federal Open Market Committee’s (FOMC) overarching focus right now is to bring inflation back down to our 2 percent goal. Price stability is the responsibility of the Federal Reserve and serves as the bedrock of our economy. Without price stability, the economy does not work for anyone. In particular, without price stability, we will not achieve a sustained period of strong labor market conditions that benefit all. The burdens of high inflation fall heaviest on those who are least able to bear them.

Restoring price stability will take some time and requires using our tools forcefully to bring demand and supply into better balance. Reducing inflation is likely to require a sustained period of below-trend growth. Moreover, there will very likely be some softening of labor market conditions. While higher interest rates, slower growth, and softer labor market conditions will bring down inflation, they will also bring some pain to

households and businesses. These are the unfortunate costs of reducing inflation. But a failure to restore price stability would mean far greater pain.

The labor market is particularly strong, but it is clearly out of balance, with demand for workers substantially exceeding the supply of available workers. Inflation is running well above 2 percent, and high inflation has continued to spread through the economy.

In current circumstances, with inflation running far above 2 percent and the labor market extremely tight, estimates of longer-run neutral are not a place to stop or pause.

Restoring price stability will likely require maintaining a restrictive policy stance for some time. The historical record cautions strongly against prematurely loosening policy.

It is also true, in my view, that the current high inflation in the United States is the product of strong demand and constrained supply, and that the Fed’s tools work principally on aggregate demand.

As former Chairman Paul Volcker put it at the height of the Great Inflation in 1979, “Inflation feeds in part on itself, so part of the job of returning to a more stable and more productive economy must be to break the grip of inflationary expectations.”

The longer the current bout of high inflation continues, the greater the chance that expectations of higher inflation will become entrenched.

The successful Volcker disinflation in the early 1980s followed multiple failed attempts to lower inflation over the previous 15 years. A lengthy period of very restrictive monetary policy was ultimately needed to stem the high inflation and start the process of getting inflation down to the low and stable levels that were the norm until the spring of last year. Our aim is to avoid that outcome by acting with resolve now.

Source : <https://www.federalreserve.gov/newsevents/speech/powell20220826a.htm>

In the said Jackson Hole address, Jerome Powell purposely made his speech short and very clear. His message was unambiguous.

Powell’s Jackson Hole address provided a vital policy backdrop for the US economy and financial markets. The one event that has made a crystal ball gazing exercise timely is the US inflation report for August. When the said shocking inflation report was released, the NYSE and NASDAQ plunged and the fallout from this worse-than-

expected inflation report is expected to continue. Let me quickly review the US August inflation report and from there try to figure out what will happen to the US economy and equity markets in the medium term.

The key thing about the inflation report is that the surging US inflation is no longer just about fuel costs or supply disruption anymore.

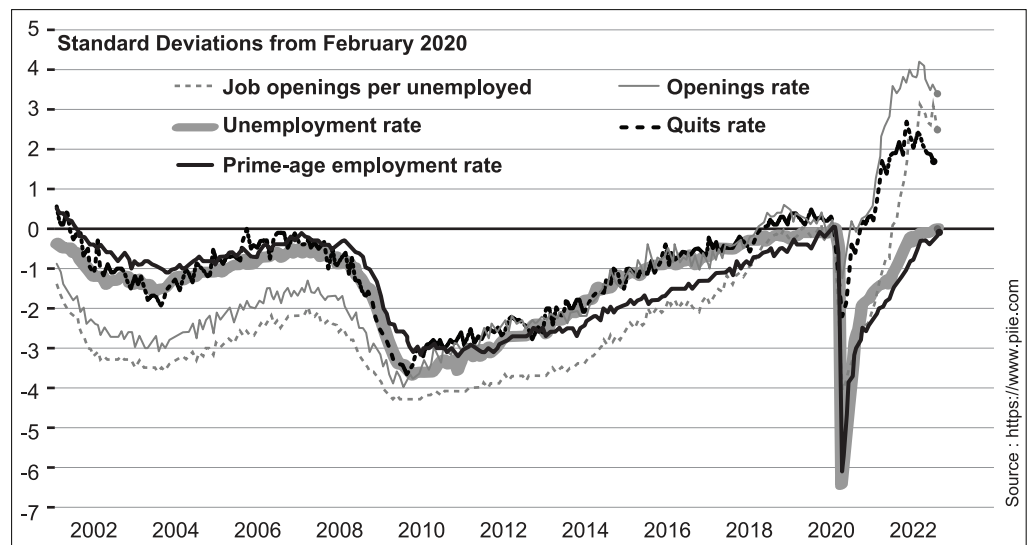
Not too long ago, the inflation narrative among the Federal Reserve and the incompetent Biden administration was that it was essentially food and fuel driven and hence a transitory problem. Once supply chain disruptions eased and gas prices stopped rising, price pressures across the US economy would ease, which was why the US monetary tightening was undertaken only in a belated and expensive manner. Even though the signs were everywhere that the US inflation problem is an everywhere problem, it took the said shocking inflation report to knock some harsh realities into the brains of complacent investors.

The August inflation number is essentially saying that the soaring US inflation problem is a result of a situation where price increases have broadened across the entire US economy and is now at risk of establishing a vicious wage-price spiral. What was even more worrying is that the consumer price index (CPI) excluding food and energy prices, the core inflation, jumped 0.6% in August, much higher than market expectations, bringing the year-on-year cost-of-living increases up by 6.3%. The headline CPI rose 0.1% monthly, as opposed to a decline expectation, and a still robust 8.3% jump on a 12-month basis. No less important, the source of the increase was not gasoline price, which actually tumbled 10.6% for the month. The breadth of strong price increases, from new vehicles to medical care services to rent growth was the most disconcerting aspect of this US inflation report.

The prices for new vehicle and medical care services both increased 0.8% for the month. Shelter costs, which include rents and various other housing-related expenses, make up nearly a third of the CPI weighting and climbed 0.7% for the month. The food at home index, a good proxy for grocery prices, has increased 13.5% over the past year, the largest such rise since March 1979. For medical care services, the monthly increase of 0.8% is the fastest monthly gain since October 2019.

At the same time, the US labour market remains very tight (**Chart 5**). Both the unemployment rate and employment rate for people ages 25-54 have been little changed; although the quits rate has fallen from its high in November 2021, it still remains much higher than the pre-pandemic level. Openings-based measures remain extremely tight. Overall, in July, there were 2.0 job openings for every unemployed person.

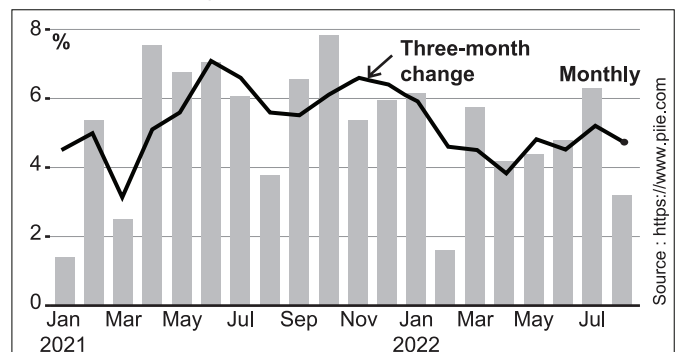
Chart 5 : Labour Market Indicators



Nominal average hourly earnings adjusted for industry-level composition changes grew at an annualised rate of 3.2% in August. However, the annualised 4.7% change over the last three months is much higher and similar to the pace earlier in the year (**Chart 6**). While this level of nominal wage growth is much lower than the 6.0% annual rate in the second half of 2021, it is still faster than normal. In the two years before the pandemic, this wage measure grew at a 3.1% annual rate.

An excellent piece of evidence of the tight US labour market is the threat of a railway strike, which will result in a debilitating shutdown of the US railroads. The National Railway Labor Conference, which is negotiating on behalf of railroad management, confirmed that nine of the 12 unions involved in the contract talks have now come to a

Chart 6 : Percent Change in Average Hourly Earnings in All Private Industries, Annual Rate



tentative agreement based on the Presidential Emergency Board's recommendations. However, the two unions that together make up roughly half of the rank-and-file workers covered under the contract, that is, the International Association of Sheet Metal, Air, Rail and Transportation Workers/Transportation Division, and the Brotherhood of Locomotive Engineers and Trainmen, have yet to settle with management. Whether there is eventually an agreement or not is not the key message to take away from the strike; more importantly, the strike reflects not only a very tight US labour market but a significant shift in bargaining strength from employers towards labour. It reflects the beginning of a wage-price spiral taking hold in the US economy.

Other than higher wages from a tight US labour market, higher oil price from a complicated global demand and supply situation cannot be ruled out. Given the multi-faceted complexities surrounding the global economy, energy prices staying low is certainly not a given. From complicated geopolitics issues like the Ukrainian crisis to a newly strengthened OPEC+ organisation to unprecedented climate change to a global economy that is not synchronised, energy prices have plenty of room to rise from here. Fundamentally, there are powerful factors pushing crude oil price higher as there are factors pushing it down as well. Its next direction is dependent not only on the strength of the bullish versus bearish factors but also on the timing of these factors unfolding – in other words, the sequence on how these factors unfolds. For example, will the US and EU enter a recession first before China's economy regains its growth momentum? Or will the sequence be the reverse? With so much inflation pressure already in the pipeline, higher energy prices will spell disaster for the US economy and financial markets.

To the Federal Reserve, 2% inflation represents price stability. The million-dollar question is, how do they get there without breaking the US economy and the NYSE and NASDAQ? The path to 2% is going to be very difficult and painful. This will send the NYSE, NASDAQ, Frankfurt, and other markets crashing, pulling their economies into a serious recession.

In the coming September FOMC meeting, a rate hike of 75-100 basis points looks increasingly likely, and any rate reduction in the 1st half of 2023 is extremely slim. What is more worrying is that monetary tightening alone may not be able to bring the soaring US inflation down and could even worsen the inflation problem. Why?

In the research paper, "Inflation as a Fiscal Limit" written by Francesco Bianchi and Leonardo Melosi (published by Chicago's Federal Reserve), they argued that the answer to these important questions hinges predominantly on the fiscal authority's credibility in stabilising a large fiscal imbalance. The central bank's anti-inflation reputation, albeit important, is not decisive.

They argued : *"Trend inflation is fully controlled by the monetary authority only when public debt can be successfully stabilized by credible future fiscal plans. When the fiscal authority is not perceived as fully responsible for covering the existing fiscal imbalances, the private sector expects that inflation will rise to ensure sustainability of national debt. As a result, a large fiscal imbalance combined with a weakening fiscal credibility may lead trend inflation to drift away from the long-run target chosen by the monetary authority (our emphasis). This reasoning configures a natural and interesting limit on fiscal policy. This limit takes the form of incompatibility between lax fiscal policy and a monetary framework aimed at achieving a low and stable inflation environment. When fiscal imbalances are large and fiscal credibility wanes, it may become increasingly harder for the monetary authority to stabilize inflation around its desired target. If the monetary authority increases rates in response to high inflation, the economy enters a recession, which increases the debt-to-GDP ratio. If the monetary tightening is not supported by the expectation of appropriate fiscal adjustments, the deterioration of fiscal imbalances leads to even higher inflationary pressure. As a result, a vicious circle of rising nominal interest rates, rising inflation, economic stagnation, and increasing debt would arise."*

(Source : <https://www.chicagofed.org/publications/working-papers/2022/2022-37>).

The authors asserted that approximately half of the recent increase in US inflation has fiscal roots, a point that i Capital has also been making for quite a while and a responsibility that the incompetent Joe Biden administration continues to shirk. As we have previously written, the Biden and Trump administrations went on a fiscal spending spree to support the pandemic-stricken US economy, and this led to the US economy overheating like an over-roasted turkey.

At the same time, according to a research study by Laurence Ball (Johns Hopkins economics professor), Daniel Leigh (IMF economist), and Prachi Mishra (IMF economist), the US unemployment rate need to reach as high as 7.5%, double its current level of 3.7%, to end the US high inflation problem. That would entail job losses of 6 million Americans and only under "quite optimistic assumptions" about the behaviour of the US job market and inflation would the Federal Reserve be able to tame the high inflation with a smaller decline in US employment. *"If either the labor market doesn't behave, or expectations don't behave, the small increase in unemployment the Fed projects won't be enough"*, wrote the 3 economic researchers.

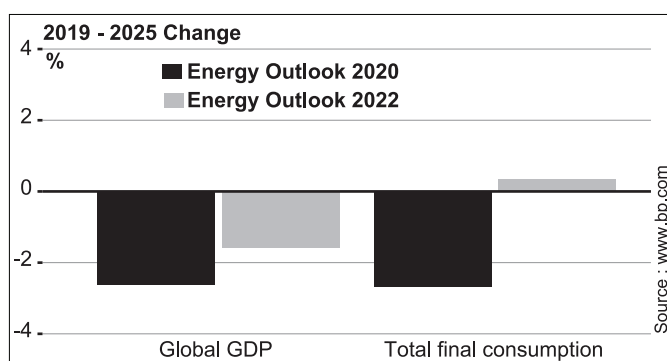
On the other hand, by 2023, I expect China's well and wisely managed economy will once again be pulling the global economy out of a messy contraction caused by the US, the UK and EU economies. The current soft spot in China is due to the Covid-19 lockdowns, which are

expected to end any time soon. Over her very long history, China has experienced 880 epidemic years from 220 BCE to 1949 CE. Each time, China has emerged successful. This time, China will repeat the same success. In fact, I am of the view that China is already exiting her dynamic zero Covid-19 policy, not in an overhyped politics-driven manner but in a step-by-step practical manner.

From 1999 to 2019, led by China, the developing countries contributed the most to global GDP growth. From 2019 to 2050, a recent projection by BP shows a repeat of this paradigm-shifting trend, once again led by China's robust economy (**Chart 7**).

In 2022, Malaysia's economy has performed well with her GDP growth higher than expected. Besides monitoring the serious inflation problem in the US and other key developed countries, investors in Bursa Malaysia are anxiously waiting for the next general election to be held and what its aftermath will bring.

Chart 7 : Impact of Covid-19 on Global GDP and Total Final Consumption of Energy



B. Share Buyback Destroys Value

Last year's AGM was held on 20th November 2021. In the question and answer session, I spent quite a fair bit of time explaining why share buyback does not and will not work for icapital.biz Berhad. Let me update our share owners on this unproductive matter.

I used the example of Top Glove's loss-making share buyback in last year's AGM. On 19 November 2021, its closing price was RM2.31. On 30 November 2021, it closed at RM2.92. On 15 September 2022, Top Glove's share price closed at RM0.765. In short, since then, Top Glove's share price has collapsed a further 67% and 74% respectively. A share buyback of RM1.0 billion by Top Glove, for example, would have seen a further massive loss of RM670 million or RM740 million.

In April 2022, Starbucks, the world's leading coffee chain, suspended its share buyback program as Howard Schultz takes command again. Schultz explained that the share buyback programme is suspended so that Starbucks

can "invest more profit into our people and our stores." Starbucks like Amazon.com and Apple Inc has seen a rising worker rights campaign that has seen many of their store workers voting to unionize. In short, share buyback is destroying Starbucks in the long-term.

Listen to this :

"IBM Corp has spent \$125 billion on buybacks since 2005, and \$32 billion on dividends, more than its \$111 billion in capital spending and R&D during the same period. Pharmaceuticals maker Pfizer Inc spent \$139 billion on buybacks and dividends in the past decade, compared to \$82 billion on R&D and \$18 billion in capital spending. 3M Co, creator of the Post-it Note and Scotch Tape, spent \$48 billion on buybacks and dividends, compared to \$16 billion on R&D and \$14 billion in capital spending.

At Thomson Reuters Corp, owner of Reuters News, capital spending last year totaled \$968 million, more than half of which went toward R&D, according to the company's annual report. Buybacks and dividends for the year were more than double that figure, at a combined \$2.05 billion. The company had 53,000 full-time employees last year, down from 60,500 in 2011. So far this year, capital spending is at \$743 million, while buybacks and dividends total \$2.02 billion.

Northrop Grumman Corp has spent more than \$12 billion on share repurchases since 2010, even as revenue has declined in each of the past five years. Lockheed Martin's revenue has been flat since 2010; it has spent almost \$12 billion on buybacks in that time.

General Motors Co acceded to a \$5 billion share buyback to satisfy investor Harry Wilson. He had threatened a proxy fight if the auto maker didn't distribute some of the \$25 billion cash hoard it had built up after emerging from bankruptcy just a few years earlier.

DuPont early this year announced a \$4 billion buyback program – on top of a \$5 billion program announced a year earlier – to beat back activist investor Nelson Peltz's Trian Fund Management, which was seeking four board seats to get its way. Even so, CEO Ellen Kullman stepped down in October after sales slowed and the stock slid.

In March, Qualcomm Inc, under pressure from hedge fund Jana Partners, agreed to boost its program to purchase \$10 billion of its shares over the next 12 months; the company already had an existing \$7.8 billion buyback program and a commitment to return three quarters of its free cash flow to shareholders. Still, the stock had been underperforming the S&P 500 for most of the past 10 years."

Source : "As stock buybacks reach historic levels, signs that corporate America is undermining itself" by Karen Brettell, David Gaffen and David Rohde.

"The U.S. is behind on production of everything from flat-panel TVs to semiconductors and solar photovoltaic cells," said Gary Pisano, a professor at Harvard Business School. Why blame other countries for falling behind ?

C. Type and Quality of Shareholders Matter

C.i Scottish Mortgage Investment Trust

In last year's annual report, I wrote about Scottish Mortgage (SMT), an investment trust or a closed-end fund listed on the London Stock Exchange and a constituent of the FTSE 100 Index. For some investors who kept asking about the NAV discount of icapital.biz Berhad and whether your Fund has an expiry date, SMT offers plenty of lessons to learn from.

SMT was launched in 1909, about 113 years ago and is still going strong with total assets of US\$11.36 billion (icapital.biz Berhad is only 16 years young). It once traded at a persistent discount to its NAV. After around twenty years, its NAV discount disappeared in 2013, endowing its share price with a premium to NAV before trading around parity. After I wrote about SMT in the said annual report, some uninformed investors, especially those from overseas, say that icapital.biz Berhd should follow SMT by buying back its own shares.

Was the discount narrowing of SMT due to its share buyback and/or dividend payment ? The simple answer is no.

The move from discount to premium was primarily driven by increased demand from retail investors and an evolving ownership. For decades, a significant portion of SMT was owned by institutional investors, mainly UK pension schemes. By the end of the last century, these investors had become disengaged with the investment trust structure as new open-ended pooled vehicles allowed greater operational efficiencies. They were persistent sellers which drove the share price to a persistent discount to NAV.

From 2010, SMT was more proactively marketed to retail investors, who in the UK had begun taking greater control over their own finances, via savings platforms. Consequently, the SMT shares owned by institutions declined substantially, from 54% in 1994 to only 17% in 2021 (**table 6**). At the same time, share ownership by individuals jumped. It was the massive increase in ownership by individual investors that essentially removed the NAV discount of SMT.

Shareholders, existing and future ones, ultimately bear the responsibility of determining the market price of a listed company. So, the type and quality of shareholders matter.

Table 6: Estimated Ownership Split of SMT (%)

Owners	1994	2007	2013	2021
Institutional	54	41	30	17
Intermediaries	23	33	50	40
Individuals (Platforms)	23	26	20	43

Source: Baillie Gifford

C.ii Pershing Square Holdings

The strategy of attracting more individual investors has been copied by Pershing Square Holdings (PSH), the 2nd largest closed-end fund in the world. Despite massive share buyback and regular dividend payments, Pershing Square Holdings encountered the same NAV discount issue. The Board of PSH *"believes that the best way to close the discount is for PSH to attract long-term investors by continuing to deliver strong investment performance over time. We can also do more to increase awareness of our performance and our strategy among investors. In recent years the Board has actively taken steps to broaden our investor base by securing a listing on the London Stock Exchange. Our subsequent elevation to the FTSE 100 index has increased the visibility of PSH to investors. In 2021, we increased our marketing efforts in the U.K., specifically to retail investors and the "platforms" they use* (our emphasis), *and remain focused on reaching a broader array of potential investors"* (2021 Annual Report of PSH). In March 2021, Pershing engaged Frostrow to cultivate demand across UK-based wealth managers, retail/adviser platforms, targeting individual investors.

C.iii Berkshire Hathaway

The long-term investment success of Warren Buffett is world famous. What is often neglected in the long-term success of Berkshire Hathaway is the role played by its shareholders or more specifically, by the type and quality of its shareholders. Let me quote Warren Buffett on this fundamentally important factor in determining the success of a company's share price performance. The quotes are from his Letters to Shareholders with the year indicated.

1983 Letter to shareholders

- The key to a rational stock price is rational shareholders, both current and prospective.
- If the holders of a company's stock and/or the prospective buyers attracted to it are prone to make irrational or emotion-based decisions, some pretty silly stock prices are going to appear periodically. Manic-depressive personalities produce manic-depressive valuations.
- To obtain only high quality shareholders is no cinch

Entering members of a shareholder “club” cannot be screened for intellectual capacity, emotional stability, moral sensitivity or acceptable dress. Shareholder eugenics, therefore, might appear to be a hopeless undertaking.

- In large part, however, we feel that high quality ownership can be attracted and maintained if we consistently communicate our business and ownership philosophy - along with no other conflicting messages - and then let self selection follow its course (our emphasis).
- Through our policies and communications - our “advertisements” - we try to attract investors who will understand our operations, attitudes and expectations. (And, fully as important, we try to dissuade those who won’t.) We want those who think of themselves as business owners and invest in companies with the intention of staying a long time. And, we want those who keep their eyes focused on business results, not market prices (our emphasis).
- Investors possessing those characteristics are in a small minority, but we have an exceptional collection of them. I believe well over 90% - probably over 95% - of our shares are held by those who were shareholders of Berkshire Upgrading a shareholder group that possesses these characteristics is not easy.
- People who buy for non-value reasons are likely to sell for non-value reasons. Their presence in the picture will accentuate erratic price swings unrelated to underlying business developments.
- We will try to avoid policies that attract buyers with a short-term focus on our stock price and try to follow policies that attract informed long-term investors focusing on business values. Just as you purchased your Berkshire shares in a market populated by rational informed investors, you deserve a chance to sell - should you ever want to - in the same kind of market. We will work to keep it in existence.

1985 Letter to shareholders

- Over the long term, there has been a more consistent relationship between Berkshire’s market value and business value than has existed for any other publicly-traded equity with which I am familiar. This is a tribute to you. Because you have been rational, interested, and investment-oriented, the market price for Berkshire stock has almost always been sensible. This unusual result has been achieved by a shareholder group with unusual demographics: virtually all of our shareholders are individuals, not institutions (our emphasis). No other public company

our size can claim the same.

- You might think that institutions, with their large staffs of highly-paid and experienced investment professionals, would be a force for stability and reason in financial markets. They are not: stocks heavily owned and constantly monitored by institutions have often been among the most inappropriately valued (our emphasis).
- Ben Graham told a story 40 years ago that illustrates why investment professionals behave as they do: An oil prospector, moving to his heavenly reward, was met by St. Peter with bad news. “You’re qualified for residence”, said St. Peter, “but, as you can see, the compound reserved for oil men is packed. There’s no way to squeeze you in.” After thinking a moment, the prospector asked if he might say just four words to the present occupants. That seemed harmless to St. Peter, so the prospector cupped his hands and yelled, “Oil discovered in hell.” Immediately the gate to the compound opened and all of the oil men marched out to head for the nether regions. Impressed, St. Peter invited the prospector to move in and make himself comfortable. The prospector paused. “No,” he said, “I think I’ll go along with the rest of the boys. There might be some truth to that rumor after all.”

1987 Letter to shareholders

- Most of Berkshire’s major stockholders received their shares at yearend 1969 in a liquidating distribution from Buffett Partnership, Ltd.

1988 Letter to shareholders

- Our goal is to attract long-term owners who, at the time of purchase, have no timetable or price target for sale but plan instead to stay with us indefinitely (our emphasis). Of course, some Berkshire owners will need or want to sell from time to time, and we wish for good replacements who will pay them a fair price. Therefore we try, through our policies, performance, and communications, to attract new shareholders who understand our operations, share our time horizons, and measure us as we measure ourselves. If we can continue to attract this sort of shareholder - and, just as important, can continue to be uninteresting to those with short-term or unrealistic expectations - Berkshire shares should consistently sell at prices reasonably related to business value (our emphasis).

2020 Letter to shareholders

- All of that said, Charlie and I would be less than human if we did not feel a special kinship with our

fifth bucket: the million-plus individual investors who simply trust us to represent their interests, whatever the future may bring. They have joined us with no intent to leave, adopting a mindset similar to that held by our original partners. Indeed, many investors from our partnership years, and/or their descendants, remain substantial owners of Berkshire (our emphasis).

- Berkshire's unusual and valued family of individual shareholders may add to your understanding of our reluctance to court Wall Street analysts and institutional investors. We *already have* the investors we want and don't think that they, on balance, would be upgraded by replacements.

The messages from Warren Buffett are very simple and very clear. He is not keen at all to attract institutional investors for very good reasons and that he and Charlie Munger have a special kinship for the million-plus individual investors of Berkshire Hathaway.

As he explained in 1985 and many times after that, "stocks heavily owned and constantly monitored by institutions have often been among the most inappropriately valued." As a long-term value investor myself, I cannot agree with Buffett more. Let me explain further.

C.iv. icalpital.biz Berhad

That the type and quality of shareholders matter to the share price performance of SMT or PSH or Berkshire Hathaway or icalpital.biz Berhad frankly comes as no surprise to me. icalpital.biz Berhad's own experience has the same message to deliver. I have been saying the same thing and doing the same thing ever since your Fund was promoted and listed in 2005.

During the 2005 initial public offering (IPO) of icalpital.biz Berhad, Capital Dynamics intentionally took charge of its fund raising. This was done for two simple reasons. First, Capital Dynamics did not charge icalpital.biz Berhad any placement fees and related expenses of about RM2.000 million even though it was entitled to then in order to boost the NAV of your Fund even before it was listed. Secondly, in conducting your Fund's IPO roadshows, I intentionally targeted only individual investors and for the same reasons as Warren Buffett, I intentionally stayed away from promoting icalpital.biz Berhad to institutional investors (events years later have proven my fears correct). As Buffett said and as what I have been doing since your Fund's IPO in 2005, "Our goal is to attract long-term owners who, at the time of purchase, have no timetable or price target for sale but plan instead to stay with us indefinitely." The result of your Fund's IPO was as I had expected – on its very first day of listing on 19th October 2005, the share price of icalpital.biz Berhad closed at an outstanding 1% premium to its NAV. The share price of

icalpital.biz Berhad then went on to trade at a persistent premium to its NAV until October 2008.

Unfortunately, the ownership experience of icalpital.biz Berhad has turned out to be different from that SMT. While the latter saw a substantial decline in institutional ownership over the years and its discount disappearing, icalpital.biz Berhad was cursed with a substantial increase in institutional ownership and a persistent discount problem. In 2006 and 2007, only 3.000 million shares or 2.14% of your Fund's shares were held by an institution, which sold all its shares in late 2008. Regretably the institutional ownership of icalpital.biz Berhad has now surged to 32.39 million shares or 23.13% and in the process, its NAV discount has widened and persisted.

Taking into account the experience of SMT, PSH and Berkshire Hathaway and the wisdom of Warren Buffett, it is obvious what the solution to your Fund's nagging discount problem is – increase the ownership of individual investors. How can this be done ?

D. Investor Day Of icalpital.biz Berhad

This brings me to our Investor Day. Unlike the London or New York stock market, where closed-end funds or investment trusts are common, in Malaysia, we need to educate investors on the many benefits of investing in icalpital.biz Berhad, the only listed closed-end fund in Malaysia. The Board and Fund Manager have been considering implementing an effective, systematic and sustained investor relations strategy for your Fund with the eventual aim of increasing the ownership of individual investors or share owners as we prefer to call them in icalpital.biz Berhad.

Conducting the highly popular Investor Day was one of the activities held to achieve this objective of increased individual ownership. However, your Fund's institutional investor in September 2015 rejected this solution outright, arrogantly saying that it is not a discount control mechanism. The experiences of SMT, PSH, Berkshire Hathaway and your Fund have proven this rejection very foolhardy or perhaps the institutional investor wanted fewer individual investors to compete with them in buying the shares of icalpital.biz Berhad. With hindsight, our recommended strategy is the right step to take in future. For a start, the Investor Day of icalpital.biz Berhad will be back, starting with the 2022 event.

Buffett correctly counselled : We feel that high quality ownership can be attracted and maintained if we consistently communicate our business and ownership philosophy - along with no other conflicting messages (our emphasis). As we were working hard to educate the existing and potential individual investors about the benefits of owning icalpital.biz Berhad and its time-proven value investing philosophy, your Fund's institutional

investors were undermining our well-thought out efforts by sending out wrong or “conflicting messages” about your Fund. An example was the 2012 messy AGM, which prevented us from conducting our Investor Day for that year. Another instance was the public posting in August 2015 of numerous false allegations about icapital.biz Berhad and its fund manager by your Fund’s institutional investor. Coincidence or otherwise, this led to the publication of a defamatory article by a senior editor of a local financial publication just a few days before the 2015 AGM of icapital.biz Berhad. The consequences of these conflicting messages were to seriously damage the reputation of your Fund and grievously undermined the tireless efforts of the Board and Fund Manager to increase the individual ownership and deal with the discount problem.

Let me quote Buffett again : *“The market price for Berkshire stock has almost always been sensible. This unusual result has been achieved by a shareholder group with unusual demographics: virtually all of our shareholders are individuals, not institutions.”*

The annual general meetings of icapital.biz Berhad used to be a very joyous and productive engagement for all. My hope is that the 2022 AGM and those after that will be like them again.

The journey to achieving fewer or even zero institutional investors for your Fund will not be easy. We have to also undo the damages inflicted on your Fund by the institutional investors. To achieve this important objective and permit the share price of icapital.biz Berhad to trade at a rational level, I will need the support of like-minded individual share owners and here is my sincere appeal. Whether it is to share with other individuals about the benefits of owning icapital.biz Berhad or speaking up in its AGM or participating in its Investor Day, I will need all your support. Every step helps.

E. What An 86-year Person Told Tan Teng Boo

SMT is more than 113 years old and still growing. Your Fund’s age is a spring chicken in comparison. Stan Truhlsen, an Omaha ophthalmologist turned 100 on 13 November 2020. In 1959, Stan, along with 10 other young Omaha doctors, formed a partnership with Warren Buffett, called Emdee, Ltd. When this partnership distributed its Berkshire Hathaway shares in 1969, *all* of the doctors kept the stock they received. Two of Stan’s comrades from Emdee are now in their high-90s and continue to hold their Berkshire shares.

Value investing succeeds because it goes hand in hand with a focus on the long-term. Value investing demands patience and the ability to be a long-term investor. Long-term is defined not just in terms of years but in decades.

Can icapital.biz Berhad enjoy an outcome similar to SMT or Berkshire Hathaway where its share price trades at a rational level ? The case for this is strong indeed and it used to be like that when individual shareowners own nearly 98% of your Fund.

We compare the NAV and share price performance of icapital.biz Berhad in its 2022 financial year; that is, from 1 June 2021 to 31 May 2022 with that of the performance of SMT over the same period (**Charts 8 and 9**). On both counts, the performance of icapital.biz Berhad was way ahead of SMT. There are good reasons that the NAV discount of your Fund will eventually reverse.

Chart 8 : NAV of ICAP vs Scottish Mortgage
(From 1 June 2021 to 31 May 2022)

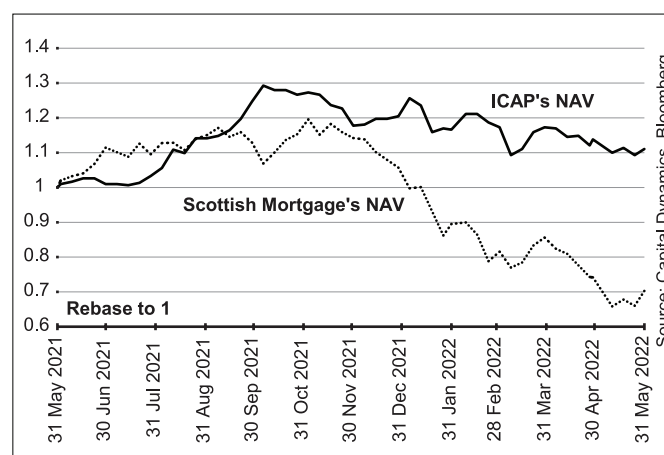
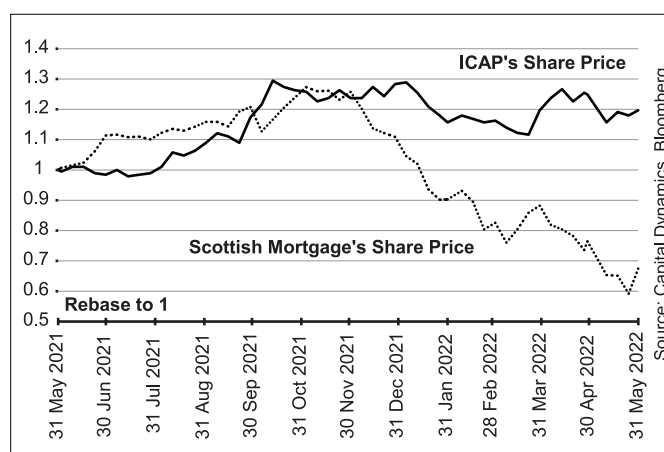


Chart 9 : Share Price of ICAP vs Scottish Mortgage
(From 1 June 2021 to 31 May 2022)



The NAV and share price performance of your Fund is substantially better than that of SMT, itself a well-managed investment trust. And yet, icapital.biz Berhad still has around RM155 million in cash or RM1.11 per share as at 15 September 2022, down from RM1.49 as at 31 May 2021, waiting to be put it to good use. If the NAV discount of SMT can swing to parity or a premium, with a sound long-term investor education strategy, an appropriate ownership structure and continued superior

investment performance, the same can eventually happen to icapital.biz Berhad.

With icapital.biz Berhad, share owners get a well-managed fund, founded on integrity, and offers excellent long-term prospects. With an attractive compound rate of return, the best gains for icapital.biz Berhad are still ahead of us. It does not make sense to chop down a bountiful fruit tree before it has matured.

A few months ago, an 86-year old person who has 3 types of cancer (with each type affecting the said person twice) told Tan Teng Boo that he regretted not having invested in his Fund.

Let me share some of the meaningful lyrics from the song "Yesterday When I Was Young" :

*Yesterday when I was young
The taste of life was sweet as rain upon my tongue
I teased at life as if it were a foolish game
The way the evening breeze may tease a candle flame
The thousand dreams I dreamed, the splendid things I
planned
I always built, alas, on weak and shifting sand
I lived by night and shunned the naked light of day
And only now I see how the years ran away*

F. 2022 Annual General Meeting (AGM)

This year's AGM of your Fund will be held physically and virtually in a hybrid manner. We look forward to a more lively and engaging AGM as opposed to a virtual AGM.

Share owners are encouraged to attend and or vote at your Fund's 2022 AGM as every share owner has the right to determine the future of icapital.biz Berhad . Why let the affairs of your Fund and its future be determined by a few large minority shareholders ?

Share owners can also vote via the e-proxy lodgement administered by the Share Registrar.

Details on the e-proxy lodgement together with the Notice of the 18th AGM will be announced in due course.

G. 2022 Investor Day

This year's Investor Day of your Fund will be held on a Saturday and Sunday at the Kuala Lumpur Convention Centre for the convenience of individual share owners.

Both the AGM and Investor Day are organised by Capital Dynamics and the Investor Day is co-sponsored by Capital Dynamics and your Fund.

Among the many exciting programmes of the 2022

Investor Day will be a timely update of the major issues last presented in the 2019 event, educational investment talks and company presentations by senior representatives from some of the companies that your Fund has invested in.

Details on your Fund's 2022 Investor Day will soon be made available in www.icapital.my, www.icapital.biz, <https://events.icapital.biz/> and the social media channels of your Fund Manager.

Tan Teng Boo

Designated Person
Capital Dynamics Asset Management Sdn Bhd
17th September 2022

MENGENAI ICAPITAL.BIZ BERHAD

SIAPAKAH KAMI

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

Dana anda melabur dalam syarikat-syarikat di bawah nilai yang disenaraikan di Pasaran Utama dan Pasaran ACE Bursa Malaysia Securities Berhad (“Bursa Securities”).

Ia juga boleh melabur dalam deposit tunai dan sehingga 10% dari nilai aset di dalam syarikat-syarikat yang tidak tersenarai. Peruntukan aset Dana anda adalah fungsi bagi falsafah pelaburan berasaskan nilai dan berkisar dari 0% ekuiti hingga 100% ekuiti.

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

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

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

KENAPAKAH KAMI WUJUD

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

BAGAIMANAKAH CARA MENILAI DANA ANDA

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

SIAPAKAH YANG MENGURUS DANA ANDA

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

Dana anda tidak mempunyai pekerja. Operasinya dipertanggungjawabkan kepada pembekal perkhidmatan bebas. Pembekal perkhidmatan yang utama ialah Pengurus Dana, Penasihat Pelaburan, Penjaga Dana dan Pentadbir Dana.

Aset-aset Dana anda diuruskan oleh Pengurus Dana yang akan melantik Pengawai Lantikan Khas yang akan bertanggungjawab untuk menguruskan aset-aset tersebut, selaras dengan dasar dan objektif yang diluluskan. Segala aset dipegang dan dijaga oleh Penjaga Dana, sementara perkhidmatan perakaunan dan pengurusan pentadbiran dipertanggungjawabkan kepada Pentadbir Dana.

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

Terdapat perbezaan yang ketara di antara amanah saham dan dana tertutup. Untuk salinan laporan yang menerangkan perbezaan ini, sila hubungi Penasihat Pelaburan, Capital Dynamics Sdn Bhd atau layari laman web www.icapitaleducation.biz. Walaupun diperbadankan sebagai syarikat, terdapat beberapa perbezaan di antara syarikat tersenarai biasa dan dana tertutup yang tersenarai. Butira lanjut boleh didapati di bahagian Penjelasan Nota laporan tahunan ini.

BAGAIMANAKAH PENCAPAIAN KITA ?

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

A | SURAT KEPADA PEMILIK SAHAM

Bagi tahun kewangan berakhir 31 Mei 2022, Dana anda mencapai peningkatan ketara dalam nilai aset bersih (NAB) (iaitu daripada RM425.826 juta pada tahun kewangan sebelumnya kepada RM446.179 juta), walaupun persekitaran pasaran yang mencabar akibat daripada Pandemik Covid-19 dan ketidakpastian politik yang belum pernah terjadi sebelumnya. Adalah amat menggembirakan untuk diberi perhatian bahawa Dana anda dapat mencapai peningkatan yang ketara dalam NAB walaupun terdapat pengagihan Dividen Pelepasan Khas Covid-19 sebanyak 20 sen sesaham berjumlah RM28 juta yang telah dibayar pada Disember 2021. NAB setakat 31 Mei 2022 terutamanya terdiri daripada pelaburan ekuiti disebut harga dengan jumlah nilai saksama RM283.064 juta dan pegangan tunai berjumlah RM161.364 juta.

Sepertimana yang kami sering tekankan, Dana anda merupakan dana tertutup, dan objektif utama pelaburannya adalah peningkatan modal jangka panjang, oleh itu, NABnya merupakan kriteria utama dan juga satu-satunya pembolehubah untuk memberikan tumpuan dalam penilaian prestasi Dana anda. Penyata keuntungan dan kerugian Dana tidak mempunyai nilai penilaian. Bagi tempoh laporan semasa, NAB Dana anda meningkat 4.93% kepada RM3.19 sesaham pada 31 Mei 2022 daripada RM3.04 sesaham pada 31 Mei 2021. Dengan andaian bahawa 20 sen daripada Dividen Khas Bantuan Covid-19 telah dilaburkan semula, NAB Dana anda setakat 31 Mei 2022 akan meningkat sebanyak 11.04%. Untuk maklumat lanjut, sila rujuk kepada bahagian Penyata Kewangan dalam Laporan Tahunan ini.

Dalam jangka panjang pula, NAB Dana anda telah mencapai pulangan kompaun tahunan sebanyak 7.68%, berbanding dengan 1.99% untuk indeks MSCI Malaysia, di mana kedua-duanya telah diukur serta dibandingkan sejak tarikh penubuhan Dana anda pada 19 Oktober 2005 hingga 24 Ogos 2022. Pada tempoh yang sama, harga pasaran Dana anda mencapai pulangan kompaun tahunan sebanyak 4.85%, dan telah mengatasi prestasi indeks MSCI Malaysia sebanyak 2.86 mata peratusan.

Memandangkan ekonomi dan juga pasaran global telah beransur pulih daripada pandemik Covid-19, pihak Lembaga Pengarah yakin bahawa prestasi Dana anda akan terus bertambah baik di bawah pengurusan berhemah Pengurus Dana dan Penasihat Pelaburan anda.

Memandangkan aktiviti ekonomi terus pulih dengan pemansuhan SOP Covid-19 secara beransur-ansur, Dana anda sekali lagi akan mengadakan Mesyuarat Agung Tahunan (AGM) ke-18 secara fizikal pada tahun ini. Namun begitu, Dana anda masih mengekalkan pilihan mesyuarat secara maya untuk memberi fleksibiliti kepada pemilik saham hadir secara maya jika mereka menginginkannya. Sama seperti tahun sebelumnya, soalan-soalan dari pemilik saham harus diserahkan terlebih dahulu sebelum AGM bermula serta

pengurusan efektif ketika sesi soal dan jawab bakal dijalankan semasa AGM hibrid nanti.

Lembaga Pengarah telah menyatakan berulang kali akan manfaat penyertaan pemilik saham dalam proses pengundian kerana setiap seorang pemilik saham mempunyai hak untuk menentukan masa hadapan Dana anda tanpa mengira jumlah saham yang dipegang. Dengan mengadakan AGM hibrid, Lembaga Pengarah berharap lebih ramai pemilik saham ikut serta dan mengundi sewaktu AGM nanti. Pemilik saham juga digalakkan untuk menghantar undi terlebih dahulu melalui platform penyerahan e-proksi yang dikendalikan oleh Pendaftar Saham.

Tahun ini, Dana anda sekali lagi akan mengadakan program Hari Pelabur yang terkenal untuk manfaat pemilik saham dan pelabur. Hari Pelabur ini akan diadakan bergantian dengan AGM ke-18 pada hari Sabtu dan Ahad. Tahun ini, Dana anda sekali lagi akan mengadakan program Hari Pelabur yang terkenal untuk manfaat pemilik saham dan pelabur. Hari Pelabur ini akan diadakan bergantian dengan Mesyuarat Agung Tahunan ke-18 pada hari Sabtu dan Ahad. Lembaga Pengarah anda amat berharap agar pemilik saham dan pelabur dapat memahami dengan lebih baik tentang dana tertutup secara amnya dan Dana anda khususnya, melalui penyertaan dalam Hari Pelabur. Lembaga Pengarah yakin Hari Pelabur dapat menjadi satu langkah efektif untuk kawalan diskaun selari dengan objektif Dana jangka panjang anda. Maklumat lanjut mengenai Hari Pelabur akan disiarkan tidak lama lagi dalam laman web korporat Dana anda dan laman web rasmi serta saluran media sosial Pengurus Dana dan Penasihat Pelaburan anda.

Akhir sekali, bagi pihak Lembaga Pengarah, saya ingin mengambil kesempatan ini untuk menyampaikan penghargaan ikhlas kami kepada pemilik saham kami atas sokongan tidak berbelah bahagi mereka bagi memastikan kejayaan Dana anda. Saya juga ingin menyampaikan penghargaan saya kepada Pengurus Dana, Penasihat Pelaburan, Penjaga Dana, penyedia perkhidmatan, serta semua pihak berkepentingan kami dan juga pelbagai pihak berkuasa yang berkaitan atas kerjasama dan sokongan berterusan mereka, terima kasih.

Dato' Seri Md Ajib bin Anuar
Pengerusi
20 September 2022

B | PENGUMUMAN PENTING – PEMBERITAHUAN PENYAMARAN DAN PENIPUAN MAKLUMAT PALSU

Pemilik-pemilik saham yang dihormati,

Kami ingin memaklumkan tentang penipuan dan juga isu penyamaran sebagai pekerja, penasihat kewangan, wakil, dan/atau ejen kepada Capital Dynamics Group dengan menggunakan nama samaran. Terdapat juga keadaan di mana mereka menyamar sebagai Encik Tan Teng Boo ("Mr Tan") sendiri, iaitu Pengurus Dana Khas icapital.biz Berhad, Pengarah Urusan dan juga wakil Capital Dynamics Group yang terdiri daripada Capital Dynamics Asset Management Sdn Bhd, Capital Dynamics Sdn Bhd, Capital Dynamics Global Pte Ltd, Capital Dynamics (S) Pte Ltd, Capital Dynamics Asset Management (HK) Pte Ltd, Capital Dynamics (Australia) Ltd dan Capital Dynamics Investment Management and Advisory (Shanghai) Co Ltd. Penipu / penyamar ini telah membuat akaun / profil media sosial palsu dan/atau aplikasi dalam talian untuk menjalankan penipuan mereka.

Berdasarkan maklumat yang diterima, modus operandi penipuan tersebut menunjukkan:

- Penipu akan berhubung dengan orang ramai melalui mesej teks SMS, WhatsApp, Telegram, LINE atau Facebook. Mereka mungkin mendakwa sebagai penasihat kewangan daripada Capital Dynamics Group dan mengemukakan lesen dan/atau sijil palsu yang kononnya dikeluarkan oleh pengawal selia kewangan untuk memberikan nasihat mengenai pelaburan dan/atau menjalankan pelan pelaburan.
- Adakalanya, mereka juga mendakwa sebagai Encik Tan dengan menggunakan profil dan kumpulan Facebook / WhatsApp palsu yang memaparkan nama dan gambar Encik Tan. Profil WhatsApp palsu telah dicipta dengan menggunakan nombor mudah alih +60111492189. Mereka juga mencipta profil WhatsApp palsu yang lain. Profil palsu ini tidak diuruskan oleh Capital Dynamics Group dan/atau pekerjaannya termasuk Encik Tan.
- Dengan menyamar sebagai pekerja kami dan/atau mengaku sebagai penasihat kewangan yang bertindak bagi pihak Capital Dynamics Group, mereka akan memperdaya mangsa untuk membuka "akaun" dengan "platform dagangan" tertentu. Mereka juga akan mendakwa bahawa perdagangan tersebut akan memberikan keuntungan segera, atau mereka akan menawarkan rancangan pelaburan atau kursus latihan bagi pihak Capital Dynamics Group. Oleh sebab itu, mangsa turut terdorong untuk memindahkan wang atau mata wang kripto ke dalam "akaun dagangan" penyamar-penyamar tersebut. Lambat laun, mangsa tidak dapat mengeluarkan wang atau mata wang kripto mereka dan penipu-penipu tersebut tidak dapat dihubungi.

Kami menggesa anda untuk berhati-hati dan melakukan penyelidikan sewajarnya sebelum membuat sebarang pelaburan. Kami ingin menekankan bahawa:

- Kami tidak akan pernah meminta pelanggan kami membuka akaun dengan mana-mana platform perdagangan dan memindahkan wang atau mata wang kripto ke dalam akaun-akaun ini. Kami tidak mempunyai sebarang urusan atau kaitan dengan apa jua "platform dagangan" yang haram dan tidak berlesen, yang dijalankan oleh pihak yang tidak bertanggungjawab ini.



- Kami tidak menawarkan nasihat pelaburan, pelan pelaburan atau kursus latihan melalui ejen.
- Sebarang maklumat mengenai khidmat pengurusan dana (serta nasihat pelaburan, pendapat dan acara) adalah disiarkan **hanya** di laman web rasmi kami, terbitan i Capital dan/atau akaun media sosial rasmi kami. Senarai saluran rasmi kami boleh didapati seperti di bawah.
- Anda perlu membuat laporan polis jika anda rasa telah menjadi mangsa penipuan.
- Sila hubungi kami sekiranya anda mempunyai sebarang keraguan atau ketidakpastian dalam mana-mana komunikasi yang telah dibuat oleh individu yang mendakwa sebagai pekerja, pegawai, penasihat kewangan, wakil, ejen dan sesiapa yang berkaitan dengan Capital Dynamics Group. Maklumat untuk menghubungi kami boleh didapati dari pautan ini: <https://www.capitaldynamics.biz/en>.

Penipuan tersebut telah dilakukan tanpa pengetahuan, izin dan kebenaran pihak pengurusan Capital Dynamics Group. Kami, bersama dengan Pengarah Urusan, telah membuat laporan polis di Kuala Lumpur dan Singapura, dan telah dengan sewajarnya memberitahu pihak berkuasa tentang penipuan ini.

Untuk maklumat lanjut tentang penipuan dan penyamaran ini boleh didapati di: <https://www.icapital.biz/public/general-announcements>.

Yang benar,

Capital Dynamics Asset Management Sdn Bhd
Pengurus Dana icapital.biz Berhad

Capital Dynamics Sdn Bhd
Penasihat Pelaburan icapital.biz Berhad

C | APA YANG TELAH KAMI LAKUKAN DENGAN DANA ANDA



Pelaburan paling bijak adalah apabila ia seperti perniagaan

Benjamin Graham



I. PORTFOLIO PELABURAN

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

Jadual 1 : Nilai Pasaran Pegangan setakat 31 Mei 2022

Syarikat	(RM '000)
SAM Engineering & Equipment	75,341
Padini Holdings	57,143
Kelington Group	33,492
Capital A (dahulunya dikenali sebagai AirAsia Group)	19,033
Kronologi Asia	14,934
Suria Capital	13,916
Boustead Holdings	9,111
APM Automotive Holdings	9,083
Bioalpha Holdings	7,113
Apex Healthcare	6,802
Capital A - RCUIDS shares	6,784
Tong Herr Resources	5,759
Kelington Group - Warrants	4,352
MKH	3,837
Parkson Holdings	3,441
Luxchem Corporation	3,204
United Plantations	2,416
Wellcall Holdings	1,892
OCK Group	1,347
Oceancash Pacific	1,038
Capital A - Warrants	927
HPMT Holdings	874
Bioalpha Holdings - ICPS	575
Salutica	570
Eupe Corporation	80

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

Jadual 2 : Saiz Pegangan setakat 31 Mei 2022

Syarikat	('000 saham)
Bioalpha Holdings	49,058
Kronologi Asia	31,112
Capital A (dahulunya dikenali sebagai AirAsia Group)	29,282
Kelington Group	28,383
Parkson Holdings	22,942
SAM Engineering & Equipment	18,154
Padini Holdings	17,007
Boustead Holdings	12,148
Suria Capital	11,894
Capital A - RCUIDS shares	9,761
Kelington Group - Warrants	9,461
Bioalpha Holdings - ICPS	7,665
Luxchem Corporation	5,007
Capital A - Warrants	4,880
APM Automotive Holdings	4,541
OCK Group	3,410
Oceancash Pacific	3,145
MKH	2,951
Apex Healthcare	2,283
Tong Herr Resources	1,888
HPMT Holdings	1,803
Salutica	1,700
Wellcall Holdings	1,514
United Plantations	165
Eupe Corporation	100

Bagi tahun kewangan berakhir 31 Mei 2022, Dana anda telah melabur sebanyak RM239.192 juta dengan nilai pasaran berjumlah RM283.064 juta, menghasilkan keuntungan belum direalisasikan sebanyak RM43.872 juta. Daripada pelaburan Dana anda pada 31 Mei 2022, Padini Holdings, SAM Engineering & Equipment, Kelington Group dan waran-warannya, Apex Healthcare dan Tong Herr Resources menjana keuntungan belum direalisasikan yang tinggi.

II. PELABURAN-PELABURAN YANG TELAH DILABURKAN

Bagi tahun kewangan berakhir 31 Mei 2022, Dana anda telah membuat pelaburan tambahan **Jadual 3**.

Untuk keterangan mengenai aktiviti syarikat, sila rujuk halaman 65 hingga 67 di Bahagian Portfolio Pelaburan.

Jadual 3: Pembelian-pembelian yang telah dibuat sejak 01 Jun 2021

Syarikat	('000 saham)
Parkson Holdings	6,000
Luxchem Corporation	5,007
OCK Group	3,410
Capital A (dahulunya dikenali sebagai AirAsia Group)	3,000
Wellcall Holdings	980
Apex Healthcare	571
United Plantations	165
Eupe Corporation	100

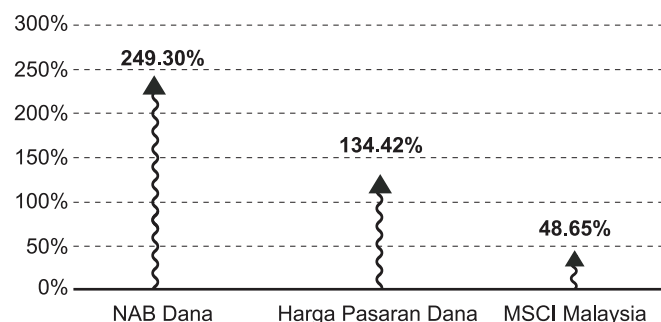
III. PELABURAN-PELABURAN YANG TELAH DIJUAL

Selepas tahun kewangan berakhir 31 Mei 2022, Dana anda telah menjual 200,000 saham SAM Engineering & Equipment yang menjana keuntungan RM1.383 juta dengan kos berjumlah RM1.485 juta dan 118,100 saham Suria Capital Holdings yang menjana kerugian sebanyak RM0.051 juta dengan kos RM0.188 juta.

IV. PRESTASI : NAB & HARGA PASARAN

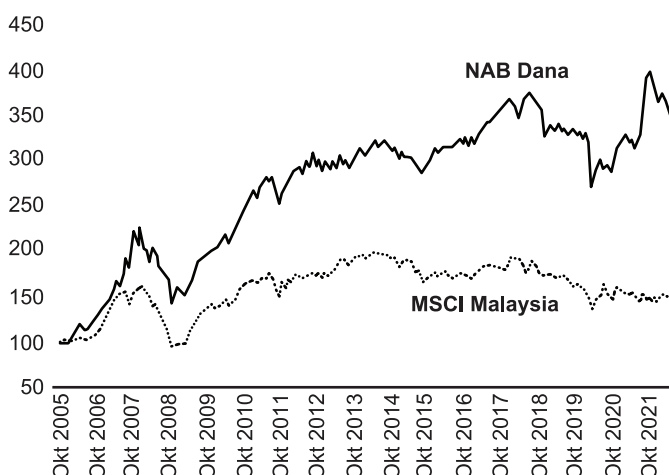
Semenjak tersenarai pada 19 Oktober 2005, NAB sesaham Dana anda telah meningkat daripada RM0.99 kepada RM3.19 pada 31 Mei 2022 (**Carta 1**). Ini mewakili keuntungan sebanyak 249% (dengan mengandaikan Dividen Khas yang dibayar pada September 2013 dan Disember 2021 telah dilabur semula). Semenjak tersenarai pada 19 Oktober 2005, harga pasaran Dana anda telah meningkat daripada RM1.01 kepada RM2.08 menjelang 31 Mei 2022. Ini mewakili keuntungan sebanyak 134%. Dalam tempoh yang sama, indeks MSCI Malaysia hanya meningkat sebanyak 49%.

Carta 1 : Keuntungan dari 19 Oktober 2005 hingga 31 Mei 2022



Carta 2 menunjukkan prestasi NAB Dana anda dibandingkan dengan indeks MSCI Malaysia

Carta 2: NAB Dana lwn indeks MSCI Malaysia (19/10/2005=100)



Dari 31 Mei 2021 hingga 31 Mei 2022, NAB sesaham Dana anda telah meningkat daripada RM3.04 kepada RM3.19 (keuntungan sebanyak 11.04%) dan harga pasarannya meningkat daripada RM1.90 kepada RM2.08 (keuntungan

sebanyak 19.70 %). Pulangan NAB Dana anda dan harga pasaran mengangap Dividen Pelepasan Khas Covid-19 sebanyak RM0.20 yang dibayar pada Disember 2021 telah dilabur semula. Dalam tempoh yang sama, indeks MSCI Malaysia kerugian sebanyak 3.24%. Walaupun objektif pelaburan Dana anda adalah peningkatan modal, Dividen Bantuan Khas Covid-19 adalah pengagihan sekali sahaja yang dibuat untuk membantu pemilik saham yang mungkin terjejas teruk akibat pandemik.

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

Jadual 4: Pulangan Berkumpul (%) dan Tahap Tunai Dana (%) dari 9/10/2005 hingga 31/12/—

Tahun	NAB ¹	Harga ¹	MSCI Malaysia	Tunai
2005	0.00	8.00	-1.77	62.39
2006	38.38	46.00	22.05	33.79
2007	125.25	162.00	61.93	15.58
2008	58.59	39.00	-4.10	32.97
2009	101.01	74.00	40.26	10.51
2010	157.58	109.00	67.37	29.87
2011	175.76	105.00	67.04	34.92
2012	195.96	137.00	78.47	34.34
2013	211.48	147.37	99.14	50.73
2014	203.21	140.16	84.06	63.16
2015	211.48	137.06	75.36	61.76
2016	222.87	155.62	70.92	68.59
2017	268.40	192.72	86.72	54.61
2018	229.08	154.59	73.66	68.52
2019	224.94	147.37	63.02	63.76
2020	220.80	119.54	60.32	50.20
2021	278.87	152.46	48.65	33.97
2022 ²	249.30	134.42	48.65	36.17

Jadual 5: Pulangan Tahunan (%) dari 19/10/2005 hingga 31/12/—

Tahun	NAB ¹	Harga ¹	MSCI Malaysia
2005	0.00	46.93	-8.55
2006	31.09	37.08	18.06
2007	44.65	54.93	24.49
2008	15.49	10.83	-1.30
2009	18.07	14.09	8.38
2010	19.94	15.22	10.41
2011	17.77	12.27	8.62
2012	16.25	12.72	8.37
2013	14.85	11.67	8.76
2014	12.81	9.98	6.85
2015	11.78	8.83	5.66
2016	11.02	8.73	4.90
2017	11.27	9.20	5.25
2018	9.44	7.33	4.27
2019	8.65	6.58	3.50
2020	7.96	5.31	3.15
2021	8.56	5.88	2.48
2022 ²	7.81	5.26	2.41

Nota ¹ : NAB dan harga dana anda telah diselarasakan bagi dividen khas sekali bayar pada tahun kewangan berakhir 31 Mei 2014 dan Dividen Pelepasan Khas Covid-19 yang dibayar pada tahun kewangan berakhir 31 Mei 2022.

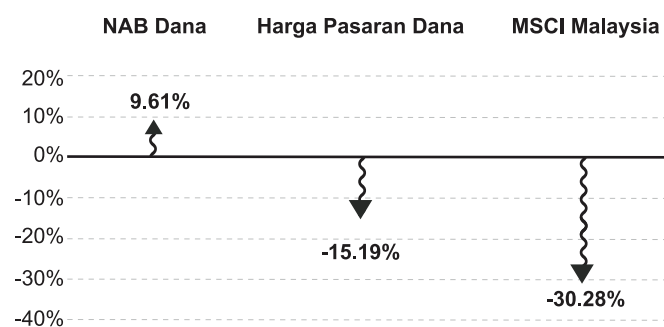
² : Dari 19/10/2005 hingga 31/05/2022.

Seperti yang ditunjukkan oleh jadual 5, paras tunai Dana anda pada masa lalu telah turun naik dengan ketara daripada paras rendah 10.51% kepada paras tertinggi 68.59%. Bagi tahun kewangan berakhir 31 Mei 2022, tunai yang dipegang secara mutlak adalah kira-kira RM161 juta (atau RM1.15 tunai sesaham), menunjukkan penurunan melebihi RM48 juta daripada RM209 juta yang dipegang untuk tahun berakhir 31 Mei 2021. Pengurangan dalam tahap tunai Dana anda adalah disebabkan oleh pembayaran dividen khas dan pelaburan tambahan yang dibuat, selepas ditolak jualan yang dibuat pada tahun kewangan tersebut.

Carta 3 menunjukkan prestasi indeks MSCI Malaysia dari kemuncaknya pada 19 Mei 2014 hingga 24 Ogos 2022, NAB Dana dan harga pasaran dalam tempoh yang sama. Secara ringkasnya, tempoh dari Mei 2014 hingga Ogos 2022 telah diisi dengan peristiwa utama berikut :

- harga minyak mentah menjunam pada tahun 2015,
- peningkatan berbahaya dalam kempen anti-China Amerika Syarikat sejak presiden Trump,
- pandemik Covid-19 dan kemelesetan mendadak yang berlaku,
- inflasi yang melambung terutamanya di negara maju,
- pengetatan monetari yang agresif terutamanya oleh Rizab Persekutuan AS,
- AS\$ yang kukuh,
- Krisis Ukraine,
- S&P 500 dan Komposit NASDAQ yang menjunam dan
- Ketidakstabilan politik Malaysia yang berlarutan.

Carta 3: Peratusan perubahan dari 19 Mei 2014 hingga 24 Ogos 2022.



Walaupun indeks MSCI Malaysia menjunam 30.28%, NAB Dana anda telah melonjak sebanyak 9.61%. Agak mengecewakan, walaupun prestasi kukuh ini dalam tempoh yang paling mencabar, harga pasaran Dana anda jatuh sebanyak 15.19% (pulangan NAB dan harga pasaran Dana anda mengandaikan dividen yang dibayar pada September 2013 dan Disember 2021 telah dilaburkan semula). Seperti yang dicadangkan oleh beberapa pemilik saham, perbuatan tidak rasional itu perlu diselidik lebih lanjut.

Prestasi harga pasaran Dana anda akhirnya bergantung pada kualiti dan tingkah laku pelabur sedia ada dan

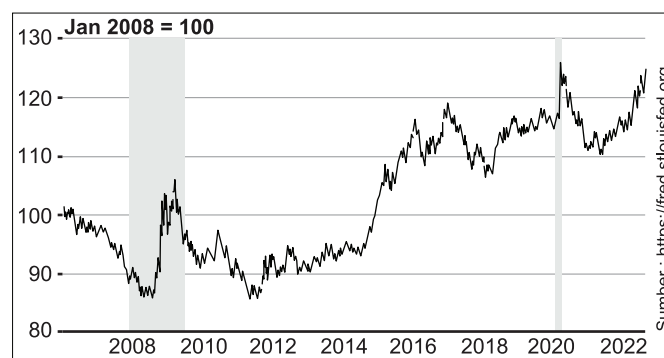
bakal pelabur, terutamanya bagi skim pelaburan kolektif tersenarai seperti icapital.biz Berhad. Dana anda mempunyai hampir 3,300 pemilik saham dengan majoriti besar daripada mereka memiliki kurang daripada 100,000 saham. Memandangkan struktur pemilikan yang diedarkan secara meluas dan fakta bahawa Dana anda tidak mempunyai pemegang saham yang mengawal, pemegang saham besar Dana anda mempunyai kesan yang tidak seimbang dan tidak sihat ke atas harga pasaran Dana anda. Kesan negatif akan menyaksikan majoriti besar pemilik saham mengalami gangguan harga dan NAB yang berterusan.

V. PENDAPAT KAMI

A. Satu Perjalanan yang Berliku

Sepanjang dua hingga tiga tahun kebelakangan ini, senarai peristiwa yang membawa implikasi besar bertambah panjang. Pandemik Covid-19, dasar luar Amerika Syarikat (AS) yang tidak mesra terhadap China, krisis Ukraine, iklim cuaca ekstrem yang tidak pernah berlaku sebelum ini, Dolar AS yang kukuh (**Carta 4**), kemerosotan pasaran ekuiti AS, krisis inflasi terutamanya di Amerika Syarikat, dan pengetatan monetari yang lambat tetapi agresif terutamanya di Amerika Syarikat.

Carta 4 : Indeks Dolar AS Nominal Luas



Daripada semua peristiwa ini, krisis inflasi AS dan diiringi dengan pengetatan monetari patut diberi perhatian khusus. Dalam laporan tahunan yang lepas, saya telah beri amaran bahawa *“kesan sampingan” besar terhadap dasar fiskal dan dasar monetari yang sangat agresif dan seperti antibiotik ini ialah harga melambung tinggi*”. Kedua-dua peristiwa ini mempunyai kesan yang besar terhadap NYSE dan NASDAQ, dua pasaran saham terbesar di dunia. Izinkan saya memetik daripada *i Capital*, bertarikh 2 September 2022 :

“Walaupun pamacu inflasi yang lebih tinggi sebahagian besarnya dikaitkan dengan kepincangan yang disebabkan oleh pandemik, kenaikan harga kini telah merebak ke rantaian barangan dan perkhidmatan yang lebih luas. Gaji juga telah meningkat dengan pantas, dan kami prihatin terhadap risiko bahawa kenaikan gaji yang berterusan melebihi pertumbuhan produktiviti boleh memberi tekanan ke atas inflasi. Seperti

kebanyakan peramal, kami terus menjangkakan inflasi akan menurun sepanjang tahun ini” – petikan daripada Pengerusi Rizab Persekutuan Jerome Powell semasa ucapan pembukaan Januari 2022 Federal Open Market Committee (FOMC).

FOMC AS jelas memandang rendah kesan inflasi daripada kadar faedah sangat rendah digabungkan dengan rangsangan fiskal dan kecairan yang tidak pernah berlaku sebelum ini. Kawalan monetari sepatutnya dihentikan lebih awal. Daripada menurun, kadar inflasi AS terus melonjak ke paras terakhir dilihat pada akhir tahun enam dan tujuh puluhan. Sejak itu, Rizab Persekutuan telah panik dan berlumba-lumba untuk menaikkan kadar sasaran dana persekutuan sebanyak 200 mata asas dalam tempoh tiga bulan.

Pada Jumaat, 26 Ogos 2022, dalam ucapan dasar tahunan Jackson Hole, Wyoming, Jerome Powell telah bersumpah bahawa Rizab Persekutuan AS akan “menggunakan alatan kami dengan kuat” untuk menyerang inflasi yang masih bergerak hingga hampir mencapai tahap tertinggi iaitu lebih 40 tahun.

Powell juga berpendapat kadar faedah yang tinggi mungkin berterusan “untuk beberapa waktu. Sejarah merekodkan amaran tegas terhadap kelonggaran dasar pra-matang.”

Kenyataan Powell yang dibuat semasa inflasi AS memuncak namun tidak menunjukkan tanda-tanda penurunan. Powell menyatakan Kerajaan Persekutuan tidak akan terpengaruh dengan data sebulan atau dua bulan.

Dalam ucapan dasar yang terkini, Jerome Powell memberi amaran dimana beliau mengharapkan pusat bank AS untuk terus menaikkan kadar faedah yang bakal memberi “sedikit kesakitan” ke atas ekonomi AS. Dalam erti kata lain, bersedialah untuk kemelesetan ekonomi di AS sepertimana yang telah diramal oleh i Capital sebelum ini bahawa ia akan berlaku pada penghujung tahun 2022 atau 2023.

Mari kita petik beberapa petikan utama dari ucapan Powell.

“Pada persidangan Jackson Hole yang lalu, saya telah membincangkan topik yang luas seperti struktur ekonomi yang sentiasa berubah dan cabaran menjalankan dasar monetari di bawah ketidakpastian yang tinggi. Hari ini, ucapan saya akan lebih singkat, fokus saya lebih kecil, dan mesej saya lebih tepat (penekanan kami).

Tumpuan The Federal Open Market Committee’s (FOMC) masa ini adalah untuk menurunkan inflasi kepada matlamat kami iaitu 2 peratus. Kestabilan harga adalah tanggungjawab Rizab Persekutuan dan berfungsi sebagai

asas ekonomi kita. Tanpa kestabilan harga, ekonomi tidak dapat berfungsi untuk sesiapa. Secara khususnya, tanpa kestabilan harga, kita tidak akan dapat mencapai tempoh pasaran buruh kukuh yang berterusan di mana ia memberi kebaikan kepada semua. Beban inflasi yang tinggi menimpa mereka yang paling kurang mampu untuk menanggungnya.

Dalam mengembalikan kestabilan harga, ia akan memakan masa dan memerlukan kita untuk menggunakan alatan kita secara paksa bagi memastikan keseimbangan permintaan dan bekalan. Penurunan inflasi memerlukan satu tempoh yang berterusan bagi pertumbuhan di bawah tren. Lebih-lebih lagi, akan ada kelonggaran syarat pasaran buruh. Walaupun kadar faedah lebih tinggi, pertumbuhan yang perlahan dan kelonggaran syarat pasaran buruh bakal menurunkan inflasi, ianya juga boleh membawa keperitan kepada isi rumah dan kepada perniagaan. Ini merupakan kos malang dalam mengurangkan inflasi. Namun, kegagalan untuk memulihkan kestabilan harga membawa padah yang lebih besar.

Pasaran buruh amatlah kukuh, tetapi ia jelas tidak seimbang, dimana permintaan pekerja jauh melebihi bekalan pekerja yang sedia ada. Inflasi berjalan lancar melebihi 2 peratus dan inflasi tinggi terus merebak dalam ekonomi.

Dalam situasi semasa, dengan inflasi berterusan melebihi 2 peratus dan pasaran buruh yang teramat ketat, anggaran neutral jangka panjang bukanlah bererti boleh tamat atau berhenti seketika.

Pemulihan kestabilan harga mungkin memperuntukkan pengekalan dasar pendirian yang ketat untuk beberapa waktu. Rekod sejarah memberi amaran terhadap perlonggaran dasar secara pra-matang.

Ia juga benar, dalam pandangan saya, inflasi tinggi di Amerika Syarikat waktu ini ialah produk permintaan tinggi dan bekalan yang terhad, dan alat Persekutuan (FED) bertujuan terutamanya atas permintaan agregat.

Sepertimana bekas Pengerusi Paul Volcker berkata, kemuncak Inflasi Besar pada tahun 1979, “Inflasi memberi makan sebahagiannya kepada inflasi sendiri, jadi sebahagian daripada tugas mengembalikan ekonomi stabil dan lebih produktif mestilah dengan cara memutuskan pegangan jangkaan inflasi”

Semakin lama pertarungan inflasi tinggi berterusan, semakin besar kemungkinan jangkaan inflasi yang lebih tinggi akan berakar umbi.

Kejayaan disinflasi Volcker pada awal 1980-an diikuti dengan beberapa percubaan gagal untuk menurunkan inflasi sepanjang 15 tahun sebelumnya. Tempoh panjang

kejayaan dasar kewangan yang ketat amatlah diperlukan untuk membendung inflasi yang tinggi dan memulakan proses menurunkan inflasi ke paras rendah dan stabil yang menjadi norma sehingga musim bunga tahun sebelumnya. Matlamat kami adalah untuk mengelakkan keputusan itu dengan bertindak dengan tekad sekarang.

Sumber : <https://www.federalreserve.gov/newsevents/speech/powell20220826a.htm>

Di persidangan Jackson Hole, Jerome Powell sengaja membuat ucapannya pendek dan jelas. Mesej beliau adalah jelas dan tidak samar.

Powell's Jackson Hole memberi pendapat penting tentang latar belakang dalam penyediaan polisi untuk ekonomi AS dan pasaran kewangan. Satu peristiwa yang meramal masa hadapan dilakukan untuk laporan inflasi AS pada bulan Ogos. Apabila laporan inflasi mengejut tersebut dikeluarkan, NYSE dan NASDAQ menjunam dan kesan daripada laporan inflasi yang lebih teruk daripada jangkaan ini bakal berterusan. Izinkan saya melihat semula laporan inflasi Ogos AS dengan cepat dan dari situ cuba fikirkan apa yang akan berlaku kepada ekonomi AS dan pasaran ekuiti dalam jangka sederhana.

Perkara utama mengenai laporan inflasi adalah inflasi AS yang melonjak bukan sahaja mengenai kos bahan api atau gangguan bekalan lagi. Tidak lama dahulu, naratif inflasi di kalangan Rizab Persekutuan dan ketidakcekapan pentadbiran Biden hanyalah pada makanan dan bahan api dan merupakan masalah sementara. Sebaik sahaja gangguan bekalan reda, dan harga gas berhenti meningkat, tekanan harga di sekitar ekonomi AS akan reda, di mana itulah puncanya pengetahuan kewangan AS dilakukan dengan cara lewat dan mahal. Walaupun tanda-tanda inflasi AS berada di mana-mana dan menjadi masalah di merata, ia masih memerlukan laporan inflasi mengejut untuk memberi kesedaran realiti pahit kepada pelabur-pelabur yang leka.

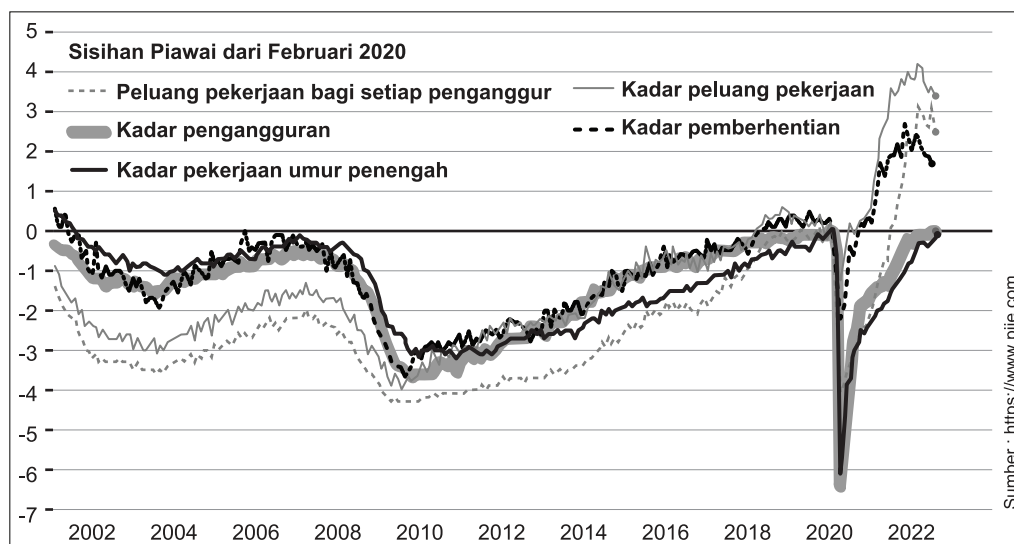
Angka inflasi Ogos pada asasnya menyatakan bahawa masalah inflasi AS yang melambung tinggi adalah akibat daripada situasi di mana kenaikan harga telah meluas merentasi seluruh ekonomi AS dan kini berisiko untuk mewujudkan lingkaran harga gaji yang parah. Apa yang lebih membimbangkan

ialah indeks harga pengguna (IHP) tidak termasuk harga makanan dan tenaga, inflasi teras, melonjak 0.6% dalam Ogos, jauh lebih tinggi daripada jangkaan pasaran, turut menjadikan peningkatan kos hidup tahun demi tahun meningkat sebanyak 6.3%. Tajuk indeks harga pengguna (IHP) meningkat 0.1% setiap bulan, berbanding jangkaan penurunan, dan lonjakan 8.3% yang masih teguh dalam jangka masa 12 bulan. Tidak kurang pentingnya, punca kenaikan itu bukanlah dari harga petrol, yang sebenarnya jatuh 10.6% untuk bulan itu. Keluasan kenaikan harga yang kukuh, daripada kenderaan baharu kepada perkhidmatan penjagaan perubatan kepada pertumbuhan sewa adalah aspek yang paling membingungkan dalam laporan inflasi AS ini.

Harga kenderaan baharu dan perkhidmatan rawatan perubatan kedua-duanya meningkat 0.8% untuk bulan tersebut. Kos tempat perlindungan, termasuk bayaran sewa dan berbagai kos berkaitan perumahan, membentuk hampir satu pertiga IHP dan meningkat 0.7% untuk bulan tersebut. Indeks makanan di rumah mewakili untuk harga barangan runcit terbaik, dengan peningkatan kepada 13.5% sepanjang tahun lalu, kenaikan yang tertinggi sejak Mac 1979. Untuk perkhidmatan rawatan perubatan, kenaikan bulanan dalam 0.8% adalah kenaikan yang terpanjang sejak Oktober 2019.

Dalam masa yang sama, pasaran buruh AS terus ketat (**Carta 5**). Kedua-dua kadar bagi pengangguran dan kadar pekerjaan untuk individu berumur 25 tahun hingga 54 tahun berubah dengan kadar sedikit; walaupun kadar berhenti kerja jatuh dari paras tertingginya iaitu pada November 2021, ia masih kekal lebih tinggi dari waktu pra-pandemik. Kadar pembukaan berasas kekal sangat ketat. Keseluruhannya dalam bulan Julai, terdapat 2.0 peluang pekerjaan untuk setiap penganggur.

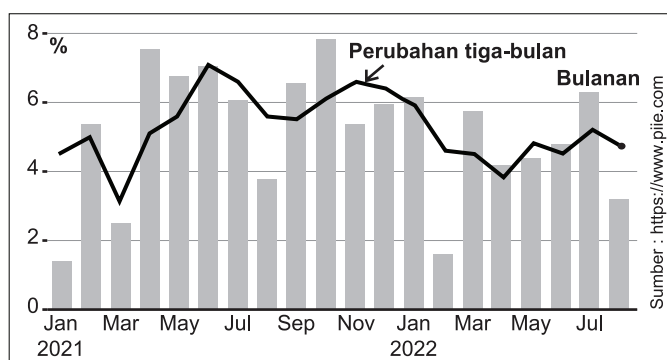
Carta 5 : Penunjuk Pasaran Buruh



Sumber : <https://www.piiie.com>

Purata nominal pendapatan sejam yang diselaraskan untuk komposisi tahap industri berubah pada kadar tahunan 3.2% dalam bulan Ogos. Namun, perubahan kadar tahunan 4.7% pada tiga bulan lepas adalah lebih tinggi dan serupa dengan tempoh awal tahun ini (**Carta 6**). Sementara paras pertumbuhan gaji nominal adalah lebih rendah dari kadar tahunan 6.0% dalam separuh kedua tahun 2021, ia masih lebih cepat dari kebiasaan. Dalam dua tahun sebelum pandemik, ukuran gaji ini meningkat pada kadar tahunan 3.1%.

Carta 6 : Peratus perubahan dalam purata pendapatan setiap jam dalam semua industri; Kadar Tahunan



Satu bukti yang sangat baik mengenai pasaran buruh AS yang ketat ialah ancaman mogok kereta api, yang akan mengakibatkan penutupan jalan kereta api AS. Persidangan Buruh Kereta Api Kebangsaan, yang sedang berunding bagi pihak pengurusan kereta api, mengesahkan bahawa sembilan daripada 12 kesatuan pekerja yang terlibat dalam rundingan kontrak kini telah mencapai persetujuan tentatif berdasarkan cadangan Lembaga Kecemasan Presiden. Walau bagaimanapun, kedua-dua kesatuan sekerja yang bersama-sama membentuk kira-kira separuh daripada pekerja berpangkat dan fail yang dilindungi di bawah kontrak, iaitu Persatuan Antarabangsa Lembaran Logam, Udara, Rel dan Bahagian Pekerja/Pengangkutan Pengangkutan, dan Persaudaraan Jurutera Lokomotif dan Trainmen, masih belum selesai dengan pihak pengurusan. Sama ada akhirnya ada perjanjian atau tidak bukanlah mesej utama yang perlu diambil berat berbanding peristiwa mogok. Lebih penting lagi, peristiwa mogok itu mencerminkan bukan sahaja pasaran buruh AS yang sangat ketat tetapi perubahan ketara dalam kekuatan tawar-menawar daripada majikan kepada buruh. Ia mencerminkan permulaan lingkaran upah-harga yang berlaku di AS.

Selain gaji lebih tinggi dari pasaran buruh ketat AS, peningkatan harga minyak dari permintaan dunia yang rumit dan situasi bekalan tidak boleh diketepikan. Memandangkan kerumitan pelbagai aspek yang mengelilingi ekonomi global, harga tenaga yang kekal rendah pastinya tidak diberikan. Daripada isu geopolitik yang rumit seperti krisis Ukraine kepada organisasi OPEC+ yang baru diperkukuh hingga perubahan iklim yang tidak pernah berlaku sebelum ini hingga ekonomi

global yang tidak diselaraskan, harga tenaga mempunyai banyak ruang untuk meningkat dari sini. Pada asasnya, terdapat faktor kuat yang mendorong harga minyak mentah lebih tinggi kerana wujudnya faktor penolakan juga. Hala tuju seterusnya bergantung bukan sahaja pada kekuatan faktor kenaikan berbanding penurunan harga tetapi juga pada masa faktor ini berlaku – dengan kata lain, urutan bagaimana faktor ini berlaku. Sebagai contoh, adakah AS dan EU akan memasuki kemelesetan terlebih dahulu sebelum ekonomi China memperoleh semula momentum pertumbuhannya? Atau adakah urutannya akan menjadi sebaliknya? Dengan begitu banyak tekanan inflasi yang sedang dalam perancangan, harga tenaga yang lebih tinggi akan membawa bencana kepada ekonomi AS dan pasaran kewangan.

Kepada Rizab Persekutuan, 2% inflasi mewakili kestabilan harga. Persoalan penting di sini, bagaimana mereka boleh sampai ke tahap tersebut tanpa memecahkan ekonomi AS dan NYSE dan NASDAQ? Laluan ke 2% akan menjadi sangat sukar dan menyakitkan. Ini akan menyebabkan NYSE, NASDAQ, Frankfurt dan pasaran lain mengalami kejatuhan, menarik ekonomi mereka ke dalam kemelesetan yang serius.

Dalam mesyuarat FOMC September akan datang, kenaikan kadar 75-100 mata asas kelihatan semakin berkemungkinan, dan sebarang pengurangan kadar pada separuh pertama tahun 2023 adalah amat tipis. Apa yang lebih membimbangkan ialah pengetatan monetari sahaja mungkin tidak mampu menurunkan inflasi AS yang melambung tinggi malah boleh memburukkan lagi masalah inflasi. Kenapa?

Dalam kertas kajian, "Inflation as a Fiscal Limit" yang ditulis oleh Francesco Bianchi dan Leonardo Melosi (diterbitkan oleh Rizab Persekutuan Chicago), mereka berhujah bahawa jawapan kepada soalan penting ini bergantung terutamanya kepada kredibiliti pihak berkuasa fiskal dalam menstabilkan ketidakseimbangan fiskal yang besar. Reputasi anti-inflasi bank pusat, walaupun penting tetapi adalah tidak menentu.

Mereka berhujah: *"Tren inflasi dikawal sepenuhnya oleh pihak berkuasa monetari hanya apabila hutang awam berjaya distabilkan oleh rancangan fiskal masa depan yang boleh dipercayai. Apabila pihak berkuasa fiskal tidak dianggap bertanggungjawab sepenuhnya untuk menampung ketidakseimbangan fiskal sedia ada, sektor swasta menjangkakan bahawa inflasi akan meningkat untuk memastikan kemampuan hutang negara. Akibatnya, ketidakseimbangan fiskal yang besar digabungkan dengan kredibiliti fiskal yang semakin lemah boleh menyebabkan inflasi aliran hanyut daripada sasaran jangka panjang yang dipilih oleh pihak berkuasa monetari (penekanan kami). Alasan ini mengkonfigurasi had semula jadi dan menarik pada dasar fiskal. Had ini berbentuk ketidakserasian antara dasar fiskal yang longgar dan rangka kerja monetari*

yang bertujuan untuk mencapai persekitaran inflasi yang rendah dan stabil. Apabila ketidakseimbangan fiskal adalah besar dan kredibiliti fiskal berkurangan, ia mungkin menjadi semakin sukar bagi pihak berkuasa monetari untuk menstabilkan inflasi di sekitar sasaran yang dikehendakinya. Jika pihak berkuasa monetari meningkatkan kadar sebagai tindak balas kepada inflasi yang tinggi, ekonomi memasuki kemelesetan, yang meningkatkan nisbah hutang kepada KDNK. Jika pengetatan monetari tidak disokong oleh jangkaan pelarasan fiskal yang sesuai, kemerosotan ketidakseimbangan fiskal membawa kepada tekanan inflasi yang lebih tinggi. Akibatnya, lingkaran ganas kenaikan kadar faedah nominal, inflasi yang meningkat, stagnasi ekonomi, dan peningkatan hutang akan timbul.”

(Sumber : <https://www.chicagofed.org/publications/working-papers/2022/2022-37>).

Penulis menegaskan bahawa kira-kira separuh daripada kenaikan inflasi AS baru-baru ini berpunca daripada fiskal, satu perkara yang telah dibuat oleh i Capital sejak sekian lama dan tanggungjawab yang terus diketepikan oleh pentadbiran Joe Biden yang tidak cekap. Seperti yang telah kami tulis sebelum ini, pentadbiran Biden dan Trump melakukan perbelanjaan fiskal untuk menyokong ekonomi AS yang dilanda pandemik, dan ini menyebabkan ekonomi AS menjadi terlalu panas seperti kehangusan.

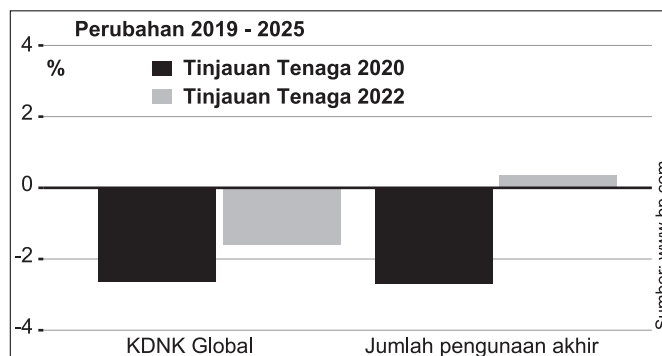
Pada masa yang sama, menurut kajian Laurence Ball (profesor ekonomi, Johns Hopkins), Daniel Leigh (ahli ekonomi IMF), dan Prachi Mishra (ahli ekonomi IMF), kadar pengangguran AS perlu mencapai setinggi 7.5%, dua kali ganda dari tahap semasa 3.7% untuk menghentikan masalah inflasi tinggi AS. Ini akan melibatkan kehilangan pekerjaan rakyat Amerika sebanyak 6 juta dan hanya di bawah “andaian yang agak optimistik” mengenai tingkah laku pasaran pekerjaan AS dan inflasi apabila Rizab Persekutuan dapat menjinakkan inflasi dengan penurunan yang kecil pada pekerjaan AS. “Jika sama ada pasaran buruh tidak berkelakuan baik, atau jangkaan tidak berkelakuan baik, peningkatan kecil dalam pengangguran projek Persekutuan tidak akan mencukupi”, tulis 3 penyelidik ekonomi itu.

Di samping itu, menjelang 2023, saya menjangkakan ekonomi China yang diurus dengan baik dan bijak sekali lagi akan menarik ekonomi global keluar daripada kontraksi tidak teratur yang disebabkan oleh ekonomi AS, UK dan Kesatuan Eropah Bersatu (EU). Titik lemah di China pada masa ini adalah disebabkan oleh sekatan Covid-19, yang dijangka akan berakhir dalam masa terdekat. Sepanjang sejarahnya yang sangat panjang, China telah mengalami 880 tahun wabak dari 220 SM hingga 1949 M. Setiap kali itu China berjaya mengatasinya. Kali ini, China akan mengulangi kejayaan yang sama. Malah, saya berpandangan bahawa China sudah pun keluar dari dasar sifar Covid-19 yang dinamik, bukan dengan cara yang dipacu politik yang terlalu

banyak tetapi dengan cara praktikal langkah demi langkah.

Dari 1999 hingga 2019, diterajui oleh China, negara-negara membangun memberi sumbangan terbanyak kepada pertumbuhan KDNK global. Dari 2019 hingga 2050, unjuran baru-baru ini oleh BP menunjukkan pengulangan tren peralihan paradigma ini, sekali lagi diterajui oleh ekonomi China yang teguh. (Carta 7).

Carta 7 : Kesan Covid-19 terhadap KDNK Global dan Jumlah Penggunaan Akhir Tenaga



Dalam 2022, ekonomi Malaysia telah menunjukkan prestasi baik dengan pertumbuhan KDNKnya lebih tinggi daripada jangkaan. Selain memantau masalah inflasi serius di AS dan negara-negara maju utama yang lain, pelabur di Bursa Malaysia menunggu dengan cemasnya akan pilihan raya umum akan datang apatah lagi perkara yang akan berlaku selepasnya.

B. Pembelian balik Saham Memusnahkan Nilai

Mesyuarat Agung Tahunan (AGM) yang lepas diadakan pada 20 November 2021. Semasa sesi soal dan jawab, saya meluangkan masa untuk menerangkan kenapa belian semula saham tidak akan dan tidak boleh berlaku di icapital.biz Berhad. Biar saya beritahu pemilik saham akan perkara yang tidak produktif ini.

Saya menggunakan Top Glove sebagai contoh di mana kerugian dalam pembelian semula saham dalam AGM yang lepas. Pada 19 November 2021, penutupan harga pada RM 2.31. Pada 30 November 2021, harga ditutup pada RM 2.92. Pada 15 September 2022, harga saham Top Glove ditutup pada RM0.765. Secara ringkasnya, semenjak itu, harga saham Top Glove telah jatuh masing-masing sebanyak 67% dan 74%. Pembelian balik saham sebanyak RM1.0 bilion oleh Top Glove, sebagai contoh, akan menyaksikan kerugian lagi besar sebanyak RM670 juta atau RM740 juta.

Dalam bulan April 2022, Starbucks, rangkaian kopi terkemuka dunia, menggantung program pembelian balik sahamnya apabila Howard Schultz mengambil alih semula. Schultz menjelaskan bahawa program pembelian

balik saham telah digantung supaya Starbucks boleh “melabur lebih banyak keuntungan kepada orang kami dan kedai kami.” Starbucks seperti Amazon.com dan Apple Inc telah menyaksikan peningkatan kempen hak pekerja yang telah menyaksikan ramai pekerja kedai mereka mengundi untuk bersatu. Pendek kata, pembelian balik saham memusnahkan Starbucks dalam jangka panjang.

Dengarkan ini :

“IBM Corp telah membelanjakan \$125 bilion untuk pembelian balik sejak 2005, dan \$32 bilion untuk dividen, lebih daripada \$111 bilion dalam perbelanjaan modal dan R&D (iaitu Penyelidikan & Pembangunan, selepas ini dipanggil ‘P&P’) dalam tempoh yang sama. Pembuat farmaseutikal Pfizer Inc membelanjakan \$139 bilion untuk pembelian balik dan dividen dalam dekad yang lalu, berbanding \$82 bilion untuk P&P dan \$18 bilion dalam perbelanjaan modal. 3M Co, pencipta Post-it Note dan Scotch Tape, membelanjakan \$48 bilion untuk pembelian balik dan dividen, berbanding \$16 bilion untuk P&P dan \$14 bilion dalam perbelanjaan modal.

Di Thomson Reuters Corp, pemilik Reuters News, perbelanjaan modal tahun lepas berjumlah \$968 juta, lebih separuh daripadanya pergi ke P&P, menurut laporan tahunan syarikat itu. Belian balik dan dividen untuk tahun ini adalah lebih daripada dua kali ganda angka itu, pada gabungan \$2.05 bilion. Syarikat itu mempunyai 53,000 pekerja sepenuh masa tahun lepas, turun daripada 60,500 pada 2011. Setakat tahun ini, perbelanjaan modal adalah pada \$743 juta, manakala pembelian balik dan dividen berjumlah \$2.02 bilion.

Northrop Grumman Corp telah membelanjakan lebih daripada \$12 bilion untuk pembelian semula saham sejak 2010, walaupun hasil telah menurun dalam setiap lima tahun yang lalu. Pendapatan Lockheed Martin tidak berubah sejak 2010; ia telah membelanjakan hampir \$12 bilion untuk pembelian balik pada masa itu.

General Motors Co bersetuju dengan pembelian balik saham \$5 bilion untuk memuaskan hati pelabur, Harry Wilson. Dia telah mengugut akan pergaduhan proksi jika pembuat kereta itu tidak mengagihkan sebahagian daripada simpanan tunai \$25 bilion yang telah dibina selepas muncul daripada mufliis hanya beberapa tahun sebelum itu.

DuPont awal tahun ini mengumumkan program pembelian balik \$4 bilion - di samping program \$5 bilion yang diumumkan setahun sebelumnya - untuk mengalahkan Pengurusan Dana Trian Nelson Peltz, pelabur aktivis, yang sedang mencari empat kerusi lembaga untuk mendapatkan laluan. Walaupun begitu, Ketua Pegawai Eksekutif Ellen Kullman berundur pada bulan Oktober selepas jualan perlahan dan saham merosot.

Pada bulan Mac, Qualcomm Inc, di bawah tekanan daripada dana lindung nilai Jana Partners, bersetuju untuk meningkatkan programnya untuk membeli \$10 bilion

sahamnya dalam tempoh 12 bulan akan datang; syarikat itu sudah mempunyai program pembelian balik sedia ada \$7.8 bilion dan komitmen untuk mengembalikan tiga perempat daripada aliran tunai percumanya kepada para pemegang saham. Namun, saham itu telah menunjukkan prestasi rendah S&P 500 untuk kebanyakan 10 tahun yang lalu.”

Sumber : “Ketika pembelian balik saham mencapai peringkat bersejarah, menandakan korporat Amerika sedang menurut sendiri” oleh Karen Brettell, David Gaffen dan David Rohde

“A.S. ketinggalan dalam pengeluaran segala-galanya daripada TV panel rata kepada semikonduktor dan sel fotovoltaiik solar,” kata Gary Pisano, seorang profesor di Harvard Business School.

C. Jenis dan Kualiti Pemegang Saham Penting

C.i Scottish Mortgage Investment Trust

Dalam laporan tahunan tahun lepas, saya menulis tentang Scottish Mortgage (SMT), amanah pelaburan atau dana tertutup yang disenaraikan di Bursa Saham London dan constituent of the FTSE 100 Index. Bagi sesetengah pelabur yang sentiasa bertanya tentang diskaun NAB icapital.biz Berhad dan sama ada Dana anda mempunyai tarikh luput, SMT menawarkan banyak pengajaran untuk dipelajari.

SMT telah dilancarkan pada tahun 1909, kira-kira 113 tahun yang lalu dan masih kukuh dengan aset sebanyak US\$11.36 bilion (icapital.biz Berhad hanya berusia 16 tahun). Ia pernah didagangkan pada diskaun berterusan kepada NABnya. Selepas kira-kira dua puluh tahun, diskaun NABnya hilang pada tahun 2013, memberikan harga sahamnya dengan premium kepada NAB sebelum berdagang mengikut pariti. Selepas saya menulis tentang SMT dalam laporan tahunan tersebut, beberapa pelabur yang tidak berpengetahuan, terutamanya dari luar negara, mengatakan bahawa icapital.biz Berhad harus mengikuti SMT dengan membeli balik sahamnya sendiri.

Adakah pengecilan diskaun SMT disebabkan oleh pembelian balik saham dan/atau pembayaran dividen. Jawapan mudahnya ialah tidak.

Pergerakan daripada diskaun kepada premium didorong terutamanya oleh peningkatan permintaan daripada pelabur runcit dan pemilikan yang berkembang. Selama beberapa dekad, sebahagian besar SMT dimiliki oleh pelabur institusi, terutamanya skim pencen UK. Menjelang akhir abad yang lalu, pelabur-pelabur ini tidak lagi terlibat dengan struktur amanah pelaburan kerana kenderaan terkumpul terbuka baharu membenarkan kecekapan operasi yang lebih besar. Mereka adalah penjual berterusan yang mendorong harga saham kepada

diskaun berterusan kepada NAB.

Mulai tahun 2010, SMT dipasarkan secara lebih proaktif kepada pelabur runcit, dimana UK telah mula mengambil alih kawalan yang lebih besar ke atas kewangan mereka sendiri, melalui platform simpanan. Akibatnya, saham SMT yang dimiliki oleh institusi merosot dengan ketara, daripada 54% pada tahun 1994 kepada hanya 17% pada tahun 2021 (**jadual 6**). Pada masa yang sama, pemilikan saham oleh individu melonjak. Peningkatan besar dalam pemilikan oleh pelabur individu yang pada asasnya mengeluarkan diskaun NAB SMT.

Pemegang saham yang sedia ada dan akan datang, akhirnya memikul tanggungjawab menentukan harga pasaran syarikat tersenarai. Maka, jenis dan kualiti pemilik saham adalah penting.

Jadual 6 : Anggaran Pemisahan Pemilikan SMT (%)

Pemilik	1994	2007	2013	2021
Institusi	54	41	30	17
Perantara	23	33	50	40
Individu (Platform)	23	26	20	43

Sumber: Baillie Gifford

C.ii Pershing Square Holdings

Strategi untuk menarik lebih ramai pelabur individu telah ditiru oleh Pershing Square Holdings (PSH), dana tertutup ke-2 terbesar di dunia. Walaupun pembelian balik saham secara besar-besaran dan pembayaran dividen tetap, Pershing Square Holdings menghadapi isu diskaun NAB yang sama. Lembaga PSH "*percaya bahawa cara terbaik untuk menutup diskaun adalah untuk PSH menarik pelabur jangka panjang dengan terus memberikan prestasi pelaburan yang kukuh dari semasa ke semasa. Kami juga boleh melakukan lebih banyak lagi untuk meningkatkan kesedaran tentang prestasi kami dan strategi kami di kalangan pelabur. Dalam beberapa tahun kebelakangan ini, Lembaga Pengarah telah mengambil langkah secara aktif untuk meluaskan pangkalan pelabur kami dengan mendapatkan penyenaian di Bursa Saham London. Peningkatan kami seterusnya sehingga indeks FTSE 100 telah memperkenalkan PSH kepada pelabur. Pada tahun 2021, kami meningkatkan usaha pemasaran kami di U.K., khususnya kepada pelabur runcit dan "platform" yang mereka gunakan (penekanan kami), dan kekal fokus untuk mencapai rangkaian pelabur berpotensi yang lebih luas*" (Laporan Tahunan PSH 2021). Pada Mac 2021, Pershing menghubungi Frostrow untuk memupuk permintaan di seluruh pengurus harta, platform runcit/penasihat yang berpangkalan di UK, yang menyasarkan pelabur individu.

C.iii Berkshire Hathaway

Kejayaan pelaburan jangka panjang Warren Buffett terkenal

di dunia. Apa yang sering diabaikan dalam kejayaan jangka panjang Berkshire Hathaway ialah peranan yang dimainkan oleh pemegang sahamnya atau lebih khusus lagi, oleh jenis dan kualiti pemegang sahamnya. Izinkan saya memetik Warren Buffett mengenai faktor asas yang penting ini dalam menentukan kejayaan prestasi harga saham syarikat. Petikan tersebut adalah daripada surat-suratnya kepada Pemegang Saham pada tahun yang telah dinyatakan.

Surat kepada Pemegang Saham 1983

- Kunci kepada harga saham yang rasional ialah pemegang saham yang rasional, kedua-dua semasa dan prospektif.
- Jika pemegang saham syarikat dan/atau bakal pembeli tertarik kepadanya cenderung untuk membuat keputusan yang tidak rasional atau berasaskan emosi, beberapa harga saham yang agak bodoh akan muncul secara berkala. Personaliti depresi manik menghasilkan penilaian depresi manik.
- Untuk mendapatkan hanya pemegang saham berkualiti tinggi tidaklah mudah Penyertaan ahli "kelab" pemegang saham tidak boleh ditapis untuk kapasiti intelek, kestabilan emosi, kepekaan moral atau pakaian yang boleh diterima. Oleh itu, eugenik pemegang saham mungkin kelihatan seperti usaha yang sia-sia.
- Walau bagaimanapun, sebahagian besarnya, kami merasakan pemilihan berkualiti tinggi boleh ditarik dan dikekalkan jika kami menyampaikan falsafah perniagaan dan pemilihan kami secara konsisten - bersama-sama tanpa mesej bercanggah lain - dan kemudian membiarkan pemilihan diri mengikut haluannya (penekanan kami).
- Melalui dasar dan komunikasi kami - "iklan" kami - kami cuba menarik pelabur yang akan memahami operasi, sikap dan jangkaan kami. (Dan, sama pentingnya, kami cuba menghalang mereka yang tidak mahu memahami.) Kami mahu mereka yang menganggap diri mereka sebagai pemilik perniagaan dan melabur dalam syarikat dengan niat untuk kekal lama. Dan, kami mahu mereka yang menumpukan perhatian kepada hasil perniagaan, bukannya harga pasaran (penekanan kami).
- Pelabur yang memiliki ciri tersebut adalah dalam minoriti kecil, tetapi kami mempunyai koleksi yang luar biasa daripada mereka. Saya percaya lebih 90% - mungkin lebih 95% - saham kami dipegang oleh mereka yang merupakan pemegang saham Berkshire Menaik taraf kumpulan pemegang saham yang memiliki ciri-ciri ini bukanlah mudah.

- Orang yang membeli atas sebab bukan nilai berkemungkinan menjual atas sebab bukan nilai. Kehadiran mereka dalam gambar akan menyerlahkan perubahan harga yang tidak menentu yang tidak berkaitan dengan perkembangan perniagaan asas.
- Kami akan cuba mengelakkan dasar yang menarik pembeli dengan tumpuan jangka pendek pada harga saham kami dan cuba mengikuti dasar yang menarik pelabur jangka panjang termaklum yang memfokuskan pada nilai perniagaan. Sama seperti anda membeli saham Berkshire anda dalam pasaran yang dihuni oleh pelabur berpengetahuan rasional, anda layak mendapat peluang untuk menjual - sekiranya anda mahu - dalam jenis pasaran yang sama. Kami akan berusaha untuk mengekalkannya.

Surat untuk pemegang saham 1985

- Dalam jangka panjang, terdapat hubungan yang lebih konsisten antara nilai pasaran Berkshire dan nilai perniagaan berbanding yang wujud untuk mana-mana ekuiti dagangan awam lain yang saya kenali. Ini adalah satu penghormatan kepada anda. Oleh kerana anda bersikap rasional, berminat dan berorientasikan pelaburan, harga pasaran untuk saham Berkshire hampir selalu masuk akal. Keputusan luar biasa ini telah dicapai oleh kumpulan pemegang saham dengan demografi yang luar biasa: hampir semua pemegang saham kami adalah individu, bukan institusi (penekanan kami). Tiada syarikat awam lain saiz kami boleh menuntut perkara yang sama.
- Anda mungkin berfikir bahawa institusi, dengan kakitangan besar mereka yang bergaji tinggi dan profesional pelaburan berpengalaman, akan menjadi kuasa untuk kestabilan dan alasan dalam pasaran kewangan. Mereka tidak: saham yang banyak dimiliki dan sentiasa dipantau oleh institusi sering menjadi antara yang paling tidak wajar dinilai (penekanan kami).
- Ben Graham menceritakan kisah 40 tahun yang lalu yang menggambarkan mengapa profesional pelaburan berkelakuan seperti yang mereka lakukan: Seorang pencari minyak galian, berpindah ke ganjaran syurganya, disambut oleh St. Peter dengan berita buruk. "Anda layak untuk tinggal", kata St. Peter, "tetapi, seperti yang anda lihat, kompaun yang dikhaskan untuk lelaki penuh. Tidak ada cara untuk memuatkan anda masuk." Selepas berfikir sejenak, pencari minyak galian itu bertanya sama ada dia boleh mengatakan hanya empat perkataan kepada penghuni sekarang. Itu nampaknya tidak berbahaya bagi St. Peter, jadi pencari gali itu menangkupkan tangannya dan berteriak, "Minyak ditemui di neraka." Serta-merta pintu pagar ke perkarangan terbuka dan semua penggali minyak berarak keluar untuk menuju

ke kawasan bawah. Terkesan, St. Peter menjemput pencari minyak galian itu untuk masuk dan membuat dirinya selesa. Pencari minyak galian itu berhenti seketika. "Tidak," katanya, "Saya rasa saya akan pergi bersama-sama dengan budak lelaki yang lain. Mungkin ada benarnya khabar angin itu."

Surat kepada pemegang saham 1987

- Kebanyakan pemegang saham utama Berkshire menerima saham mereka pada akhir tahun 1969 dalam pengagihan pembubaran daripada Perkongsian Buffet Berhad.

Surat kepada pemegang saham 1988

- Matlamat kami adalah untuk menarik pemilik jangka panjang yang, pada masa pembelian, tidak mempunyai jadual waktu atau sasaran harga untuk dijual tetapi sebaliknya merancang untuk tinggal bersama kami selama-lamanya (penekanan kami). Sudah tentu, sesetengah pemilik Berkshire memerlukan atau ingin menjual dari semasa ke semasa, dan kami mengharapkan pengganti yang baik yang akan membayar mereka dengan harga yang berpatutan. Oleh itu, kami cuba, melalui dasar, prestasi dan komunikasi kami, untuk menarik pemegang saham baharu yang memahami operasi kami, berkongsi ufuk masa kami dan mengukur kami semasa kami mengukur diri kami. Jika kita boleh terus menarik pemegang saham seperti ini - dan, sama pentingnya, boleh terus tidak menarik minat mereka yang mempunyai jangkaan jangka pendek atau tidak realistik - saham Berkshire harus secara konsisten menjual pada harga yang munasabah berkaitan dengan nilai perniagaan (penekanan kami).

Surat kepada pemegang saham 2020

- Semua itu dikatakan, Charlie dan saya akan menjadi kurang berperasaan jika kami tidak merasakan pertalian yang istimewa dengan baldi satu per lima kami: lebih ramai pelabur individu yang hanya mempercayai kami untuk mewakili kepentingan mereka, walau apa pun masa hadapan. Mereka telah menyertai kami tanpa niat untuk pergi, mengamalkan pemikiran yang serupa dengan yang dipegang oleh rakan kongsi asal kami. Malah, ramai pelabur dari tahun perkongsian kami, dan/atau keturunan mereka, kekal sebagai pemilik utama Berkshire (penekanan kami).
- Keluarga pemegang saham individu Berkshire yang luar biasa dan dihargai mungkin menambah pemahaman anda tentang keengganan kami untuk merayu penganalisis Wall Street dan pelabur institusi. Kami *sudah mempunyai* pelabur yang kami

mahukan dan tidak fikir mereka, secara seimbang, akan dinaik taraf dengan pengganti.

Mesej daripada Warren Buffett sangat mudah dan sangat jelas. Dia tidak berminat sama sekali untuk menarik pelabur institusi atas sebab yang sangat baik dan bahawa dia dan Charlie Munger mempunyai pertalian persaudaraan istimewa untuk pelabur individu Berkshire Hathaway yang berjuta-juta lebih.

Seperti yang dijelaskannya pada tahun 1985 dan berkali-kali selepas itu, *“stok yang dimiliki secara besar-besaran dan sentiasa dipantau oleh institusi sering menjadi antara yang paling tidak wajar dinilai.”* Sebagai pelabur nilai jangka panjang sendiri, saya tidak boleh bersetuju dengan Buffett lagi. Biar saya terangkan lebih lanjut.

C.iv. icapital.biz Berhad

Bahawa jenis dan kualiti pemegang saham penting kepada prestasi harga saham SMT atau PSH atau Berkshire Hathaway atau icapital.biz Berhad secara terus terang tidak mengejutkan saya. Pengalaman icapital.biz Berhad sendiri mempunyai mesej yang sama untuk disampaikan. Saya telah mengatakan perkara yang sama dan melakukan perkara yang sama sejak Dana anda dinaikkan pangkat dan disenaraikan pada tahun 2005.

Semasa tawaran awam permulaan (IPO) 2005 icapital.biz Berhad, Capital Dynamics dengan sengaja mengambil alih penajaan dananya. Ini dilakukan atas dua sebab mudah. Pertama, Capital Dynamics tidak mengenakan sebarang yuran penempatan dan perbelanjaan berkaitan icapital.biz Berhad sebanyak kira-kira RM2.000 juta walaupun ia berhak untuk kemudiannya untuk meningkatkan NAB Dana anda walaupun sebelum ia disenaraikan. Kedua, dalam menjalankan jerayawara IPO Dana anda, saya sengaja menyasarkan pelabur individu sahaja dan atas sebab yang sama seperti Warren Buffett, saya sengaja mengelak daripada mempromosikan icapital.biz Berhad kepada pelabur institusi (peristiwa tahun kemudian telah membuktikan ketakutan saya betul). Seperti yang Buffett katakan dan seperti yang saya lakukan sejak IPO Dana anda pada tahun 2005, *“Matlamat kami adalah untuk menarik pemilik jangka panjang yang, pada masa pembelian, tidak mempunyai jadual waktu atau sasaran harga untuk dijual tetapi sebaliknya merancang untuk kekal bersama kami selama-lamanya.”* Keputusan IPO Dana anda adalah seperti yang saya jangkakan – pada hari pertama penyenaiaannya pada 19 Oktober 2005, harga saham icapital.biz Berhad ditutup pada premium 1% tertunggak kepada NABnya. Harga saham icapital.biz Berhad kemudiannya didagangkan pada premium yang berterusan kepada NABnya sehingga Oktober 2008.

Malangnya, pengalaman pemilikan icapital.biz Berhad ternyata berbeza dengan SMT itu. Walaupun yang terakhir menyaksikan penurunan ketara dalam pemilikan institusi

selama bertahun-tahun dan diskaunnya hilang, icapital.biz Berhad dikutuk dengan peningkatan ketara dalam pemilikan institusi dan masalah diskaun yang berterusan. Pada tahun 2006 dan 2007, hanya 3.000 juta saham atau 2.14% saham Dana anda dipegang oleh sebuah institusi, yang menjual semua sahamnya pada akhir 2008. Malangnya, pemilikan institusi icapital.biz Berhad telah melonjak kepada 32.39 juta saham atau 23.13 % dan dalam proses itu, diskaun NABnya telah melebar dan berterusan.

Dengan mengambil kira pengalaman SMT, PSH dan Berkshire Hathaway serta kebijaksanaan Warren Buffett, jelaslah penyelesaian kepada masalah diskaun Dana anda – meningkatkan pemilikan pelabur individu. Bagaimana ini boleh dilakukan?

D. Hari Pelabur icapital.biz Berhad

Ini membawa saya kepada Hari Pelabur kami. Tidak sama seperti pasaran saham di London ataupun di New York, dimana dana tertutup atau pelaburan amanah adalah satu perkara biasa, di Malaysia, kami perlu membimbing pelabur tentang kebaikan dan manfaat membuat pelaburan di icapital.biz Berhad, iaitu satu-satunya senarai dana tertutup di Malaysia. Ahli lembaga dan pengurus dana telah mempertimbangkan untuk melaksanakan strategi perhubungan pelabur yang berkesan, sistematis dan berterusan untuk dana anda dengan tujuan akhirnya untuk meningkatkan pemilikan pelabur individu atau seperti kami di icapital.biz Berhad lebih suka memanggil mereka sebagai pemilik saham.

Menjalankan Hari Pelabur yang cukup terkenal adalah salah satu aktiviti yang diadakan untuk mencapai objektif peningkatan pemilikan individu. Walaubagaimanapun, pelabur institusi dana anda pada September 2015 telah menolak solusi ini secara terang-terangan, dengan angkuh mengatakan bahawa ia bukan mekanisma kawalan diskaun. Pengalaman SMT, PSH, Berkshire Hathaway dan Dana anda telah membuktikan penolakan ini sangat bodoh atau mungkin pelabur institusi mahu lebih sedikit pelabur individu untuk bersaing dengan mereka dalam membeli saham icapital.biz Berhad. Jika difikirkan semula, strategi yang kami syorkan ialah strategi yang tepat untuk masa hadapan. Sebagai permulaan, Hari Pelabur icapital.biz Berhad bakal kembali, bermula dengan acara 2022.

Buffet bernasihat secara betul : Kami merasakan pemilikan yang berkualiti tinggi boleh ditarik dan dikekalkan jika kita berhubung tentang perniagaan dan falsafah pemilikan secara konsisten – *bersama dengan mesej yang tidak bercanggah* (penekanan kami). Memandangkan kami bekerja keras untuk mendidik dan memberi pengetahuan kepada pelabur individu sedia ada dan yang berpotensi tentang kebaikan dan faedah memiliki icapital.biz Berhad dan falsafah pelaburan

terbukti dengan masa, pelabur institusi Dana anda telah menjejaskan usaha kami yang dirancang/difikirkan secara baik melalui penghantaran mesej yang salah atau mesej yang berkonflik tentang Dana anda. Sebagai contoh, Mesyuarat Agung Tahunan 2012 yang kucar-kacir telah menghalang kami daripada menjalankan Hari Pelabur untuk tahun tersebut. Contoh yang lain pula ialah penyiaran awam pada Ogos 2015 tentang pelbagai dakwaan palsu mengenai icapital.biz Berhad dan pengurus dananya oleh pelabur institusi Dana anda. Kebetulan atau sebaliknya, membawa kepada penerbitan artikel berunsur fitnah oleh editor kanan syarikat publikasi penerbitan tempatan beberapa hari sebelum Mesyuarat Agung Tahunan 2015 icapital.biz Berhad. Akibat daripada mesej yang bercanggah ini, telah merosakkan reputasi Dana anda secara serius dan menjejaskan usaha Lembaga dan Pengurus Dana yang tidak henti-henti untuk meningkatkan pemilikan individu dan menangani masalah diskaun.

Izinkan saya memetik kata-kata Buffet semula : *“Harga pasaran untuk saham Berkshire hampir selalu masuk akal. Hasil luar biasa ini telah dicapai oleh sekumpulan pemegang saham dengan demografi yang luar biasa: secara maya, hampir kesemua pemegang saham kami adalah individu, bukan institusi.”*

Mesyuarat agung tahunan icapital.biz Berhad dahulunya merupakan penglibatan yang sangat menggembirakan dan produktif untuk semua. Harapan saya semoga Mesyuarat Agung Tahunan 2022 dan ke hadapan akan kembali meriah seperti sebelumnya.

Perjalanan mencapai pengurangan atau sifar pelabur berinstitusi untuk Dana anda bukanlah cara yang mudah. Kami perlu juga membuang kerosakan yang dikenakan kepada Dana anda oleh pelabur berinstitusi. Untuk mencapai objektif penting ini dan membenarkan harga saham icapital.biz Berhad berdagang pada tahap yang rasional, saya memerlukan sokongan itu dari pemilik saham individu yang berfikir sama dan inilah rayuan ikhlas saya. Sama ada untuk berkongsi dengan individu lain tentang faedah melabur dalam icapital.biz Berhad atau bercakap dalam Mesyuarat Agung Tahunannya atau menyertai Hari Pelabur nya, saya memerlukan sokongan dari anda semua. Setiap langkah dan pertolongan amat membantu.

E. Apa Seseorang yang berusia 86 Tahun Memberitahu Tan Teng Boo

SMT adalah lebih dari 113 tahun dan masih meningkat usia. Dana anda ibarat setahun jagung jika dibandingkan dengannya. Stan Truhlsen, pakar oftalmologi Omaha meningkat usia 100 tahun pada tanggal 13 November 2020. Pada 1959, Stan, di samping 10 doktor muda Omaha yang lain, membentuk satu perkongsian dengan Warren Buffet, dipanggil Emdee Ltd. Apabila perkongsian

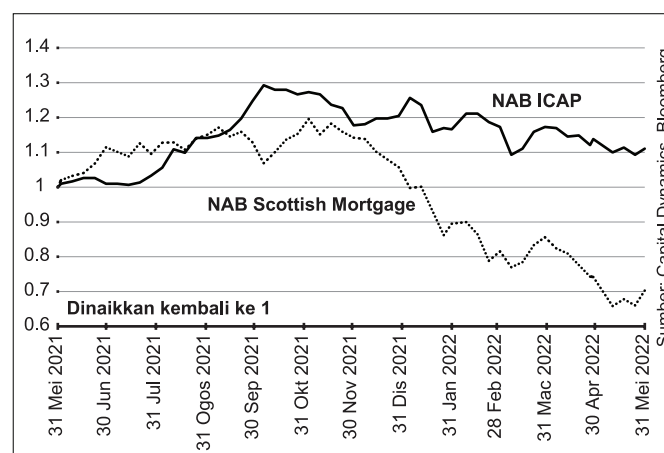
ini memberikan saham Berkshire Hathaway pada 1969, kesemua doktor-doktor menyimpan stok yang mereka terima. Dua rakan Stan dari Emdee kini yang berusia 90-an masih kekal memegang saham Berkshire mereka.

Pelaburan nilai berjaya kerana seiring dengan fokus jangka masa panjang. Pelaburan nilai memerlukan kesabaran dan keupayaan untuk menjadi pelabur jangka masa panjang. Jangka masa panjang bukan diukur hanya dari terma beberapa tahun, tetapi juga untuk beberapa dekad.

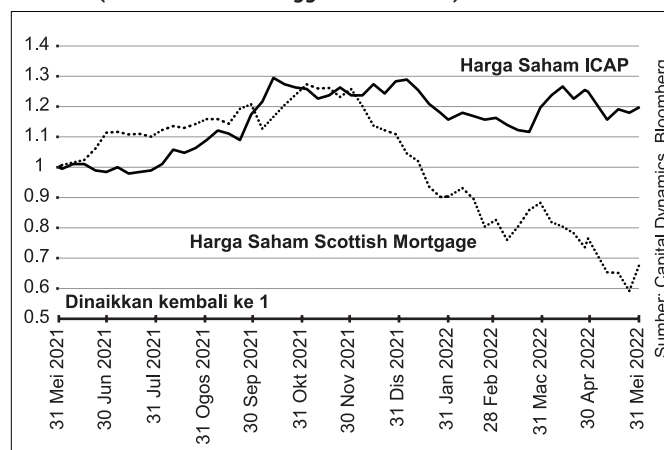
Bolehkah icapital.biz Berhad menikmati hasil yang serupa dengan SMT atau Berkshire Hathaway dimana harga sahamnya didagangkan pada tahap rasional? Kes untuk ini sememangnya kukuh dan ia pernah berlaku seperti itu apabila pemilik saham individu memiliki hampir 98% daripada Dana anda.

Kami membandingkan NAB dan prestasi harga saham icapital.biz Berhad pada tahun kewangan 2022; iaitu, dari 1 Jun 2021 hingga 31 Mei 2022 dengan prestasi SMT dalam tempoh yang sama (**Carta 8 dan 9**). Pada kedua-dua kiraan, prestasi icapital.biz Berhad jauh mendahului

Carta 8 : NAB ICAP lawan Scottish Mortgage
(Dari 1 Jun 2021 hingga 31 Mei 2022)



Carta 9 : Harga saham ICAP lawan Scottish Mortgage
(Dari 1 Jun 2021 hingga 31 Mei 2022)



SMT. Terdapat sebab yang kukuh bahawa Diskaun NAB Dana anda akhirnya akan berbalik.

Prestasi NAB dan harga saham Dana anda, jauh lebih baik daripada SMT, ianya sendiri adalah amanah pelaburan yang diurus dengan baik. Namun begitu, icapital.biz Berhad masih mempunyai wang tunai sekitar RM155 juta atau RM1.11 sesaham setakat 15 September 2022, jatuh daripada RM1.49 setakat 31 May 2021, menunggu untuk menggunakannya dengan baik. Jika diskaun NAB SMT boleh berubah kepada pariti atau premium, dengan strategi pendidikan pelabur jangka panjang yang kukuh, struktur pemilikan yang sesuai dan prestasi pelaburan unggul yang berterusan, perkara yang sama akhirnya boleh berlaku kepada icapital.biz Berhad.

Dengan icapital.biz Berhad, pemilik saham mendapat dana yang diurus dengan baik, berasaskan integriti, dan menawarkan prospek jangka panjang yang sangat baik. Dengan kadar pulangan kompaun yang menarik, keuntungan terbaik untuk icapital.biz Berhad masih mendahului kami. Adalah tidak berbaloi menebang pokok buah yang lebat sebelum ia ranum.

Beberapa bulan lalu, seorang lelaki berusia 86 tahun yang menghadapi 3 jenis kanser (dengan setiap jenis memberi kesan dua kali kepada beliau) telah memberitahu Tan Teng Boo bahawa dia menyesal tidak melabur dalam Dananya.

Izinkan saya berkongsi beberapa lirik bermakna daripada lagu "Yesterday When I Was Young" :

*Yesterday when I was young
The taste of life was sweet as rain upon my tongue
I teased at life as if it were a foolish game
The way the evening breeze may tease a candle flame
The thousand dreams I dreamed, the splendid things I planned
I always built, alas, on weak and shifting sand
I lived by night and shunned the naked light of day
And only now I see how the years ran away*

F. Mesyuarat Agung Tahunan (AGM) 2022

AGM Dana anda tahun ini akan diadakan secara fizikal dan maya secara hibrid. Kami menantikan AGM yang lebih meriah dan menarik berbanding AGM maya.

Pemilik saham digalakkan untuk menghadiri dan atau mengundi pada AGM 2022 Dana anda kerana setiap pemilik saham mempunyai hak untuk menentukan masa depan icapital.biz Berhad. Mengapa membiarkan hal ehwal Dana anda dan masa depannya ditentukan oleh beberapa pemegang saham minoriti yang besar?

Pemilik saham juga boleh mengundi melalui penyerahan e-proksi yang ditadbir oleh Pendaftar Saham.

Butiran mengenai penyerahan e-proksi bersama-sama dengan Notis AGM ke-18 akan diumumkan dalam masa terdekat.

G. 2022 Hari Pelabur

Hari Pelabur Dana anda tahun ini akan diadakan pada hari Sabtu dan Ahad di Pusat Konvensyen Kuala Lumpur untuk memudahkan pemilik saham individu.

Kedua-dua AGM dan Hari Pelabur dianjurkan oleh Capital Dynamics dan Hari Pelabur ditaja bersama oleh Capital Dynamics dan Dana anda.

Di antara banyak program menarik pada Hari Pelabur 2022 ialah kemas kini tentang isu-isu utama yang kali terakhir telah dibentangkan dalam acara 2019, ceramah pelaburan pendidikan dan pembentangan syarikat oleh wakil kanan daripada beberapa syarikat yang telah dilabur oleh Dana anda.

Butiran mengenai Hari Pelabur 2022 Dana anda akan diwarnakan tidak lama lagi di www.icapital.my, www.icapital.biz, <https://events.icapital.biz/> dan saluran media sosial Pengurus Dana anda.

Tan Teng Boo

Pegawai Lantikan Khas
Capital Dynamics Asset Management Sdn Bhd
17th September 2022

关于资本投资有限公司

关于我们

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

您的基金投资于大马证券交易所主板及创业板内被低估的公司。

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

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

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

除非获得所有股东们的同意，否则，您基金不能借贷。

我们存在的理由

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

如何评估您的基金

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

谁管理您的基金

资本投资有限公司依据1965年的公司法令成立，并由董事会所代表。董事们皆属非执行董事，并且扮演监管的角色，以确保您的基金在任何时候都有条理地在运作。

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

基金的资产由基金经理所委任的指定人根据被批准的投资政策及目标来管理资产。资产则被托管公司所掌管，而会计与行政服务则外包予行政服务公司。

您基金也雇用了秘书、注册服务公司、外聘审计员以及税务公司的服务。内部审核也被外包。内部审核员直接向审核委员会进行汇报。

信托基金与封闭式基金有天渊之别。欲知这方面的详情，请联络投资顾问资威私人有限公司，或请浏览 www.icapitaleducation.biz。虽然作为一家注册成立的公司，但封闭式基金与一般上市公司仍有区别。欲知更多细节，请参阅本年度报告的解释说明部分。

我们的表现

我们将在此部分评估资本投资有限公司的表现。

A | 致股东的信

截至2022年5月31日财年，尽管因新冠疫情和前所未有的政治不确定性导致市场环境充满挑战，您的基金的资产净值却从上一财年的RM4.258亿大幅增加到RM4.462亿。令人欣慰的是，尽管在2021年12月派发了每股20仙（总额为RM2,800万）的新冠救济特别股息，但您的基金却仍能实现可观的资产净值增长。截至2022年5月31日，资产净值主要包括上市股权投资，公允价值总额为RM2.831亿，现金持有量为RM1.614亿。

正如我们一直强调的，您的基金是封闭式基金，其主要投资目标是长期资本增值，因此其资产净值是我们评估您的基金业绩时的主要标准，也是唯一需要关注的变量。您基金的损益表没有评估价值。就当前报告期内而言，您的基金的资产净值从2021年5月31日的每股RM3.04上升了4.93%至2022年5月31日的每股RM3.19。假设20仙的新冠特别救济股息被再投资，您基金截至2022年5月31日的资产净值将增加11.04%。详情请参见本年报的财务报表部分。

从长期来看，您基金自成立之日（2005年10月19日）至2022年8月24日，基金的资产净值实现了7.68%的年化复合回报率，而同一时段的MSCI马来西亚指数年化复合回报率为1.99%。在同一时段内，基金的市价实现了4.85%的年化复合回报率，比MSCI马来西亚指数的年化回报率高出2.86个百分点。

随着全球经济和市场逐步从新冠疫情中恢复，在您的基金经理和投资顾问的审慎管理下，董事会有信心基金的业绩将持续改善。

随着新冠疫情标准作业程序的逐步取消，经济活动继续正常化，今年的第18届年度股东大会将再次以线下方式举行。尽管如此，您的基金仍将保留线上会议选项，为希望线上出席的股东提供灵活性。与去年一样，我们将通过协助股东预先提交问题，以及有效管理线上-线下年度股东大会期间问答环节，来确保股东的有效参与。

董事会曾多次重申股东参与投票过程的重要性，无论持有多少股份，每位股东都有权决定基金的未来。随着年度股东大会将以线上和线下的方式进行，董事会希望更多的股东参与本次大会，并进行投票。我们也鼓励股东通过股票过户登记处的电子代理平台，预先投票。

今年，您的基金将再次举办广受欢迎的投资者日活动，以造福股东和投资者。投资者日将与第18届年度

股东大会在周六、周日接连进行。董事会衷心希望通过参加投资者日活动，股东和投资者能够更好地了解封闭式基金，尤其是您的基金。董事会相信，投资者日将是实现您基金长期目标的有效衡量控制措施之一。有关投资者日的更多信息将很快在您基金的公司网站以及您的基金经理和投资顾问的官方网站和社交媒体上发布。

最后，我谨代表董事会，借此机会衷心感谢各位股东，感谢您们对您基金的成功所给予的坚定支持。我也要感谢我们的基金经理、投资顾问、服务供应商、托管银行、所有利益相关方和各相关部门的合作和持续支持。

拿督斯里Md Ajib Bin Anuar
董事会主席
2022年9月20日

B | 重要公告 - 谨防假冒和诈骗的通知

尊敬的股东，

我们想提醒您注意持续存在的冒充欺诈活动，欺诈者使用化名冒充资威集团的员工、财务顾问、代表、代理人和/或关联人，也有欺诈者冒充资本投资有限公司基金经理兼指定人陈鼎武（“陈先生”）和冒充资威集团董事总经理及代表的例子。资威集团包括资威资产管理私人有限公司、资威私人有限公司、资威全球私人有限公司、资威（新加坡）私人有限公司、资威资产管理（香港）私人有限公司、资威（澳大利亚）有限公司和资威投资管理咨询（上海）有限公司。这些欺诈者/冒充者创建了虚假的社交媒体账户/主页和/或在线应用程序来进行诈骗。

根据迄今收到的信息，这些骗局的作案手法如下：

- 欺诈者会通过短信、WhatsApp、Telegram、LINE或Facebook等方式联系公众。他们可能自称是资威集团的金融顾问，并出示据称由金融监管机构颁发的假执照和/或证书，提供投资建议和/或实施投资计划。
- 有时，他们也可能通过使用虚假的陈鼎武Facebook/WhatsApp主页和显示陈鼎武姓名和照片的群组，谎称自己是陈先生。虚假WhatsApp主页似乎是使用手机号码+60111492189创建的。欺诈者可能还创建了其他虚假WhatsApp主页。这些虚假资料并非由资威集团和/或包括陈先生在内的全体员工所管理。
- 通过冒充我们的员工和/或声称是代表资威集团的财务顾问，欺诈者将欺骗受害者在某些“交易平台”开立“账户”。欺诈者会谎称，他们会引导受害者进行即时获利的交易，或谎称他们是代表资威集团提供投资计划或培训课程而来的。因此，受害者被诱使将资金或加密货币转入欺诈者的“交易账户”。随着时间的推移，受害者无法取出他们的钱或加密货币，欺诈者便会失联。

我们敦促大家在进行任何投资之前谨慎行事，并进行必要的尽职调查。注意事项如下：

- 我们绝不会要求客户在交易平台开户且将资金或加密货币转移到这些账户。我们与这些非法、未经许可的“交易平台”没有任何关联或附属关系。
- 我们不通过代理人提供投资建议、投资计划或培训课程。
- 我们**仅**在我们的官方网站、资本投资刊物和/或官方社交媒体账户上发布关于我们基金管理服务的的所有信息，包括我们的投资建议、意见和活动。下方附上我们的官方平台列表。



- 倘若您认为自己可能是骗局的受害者，您应该向警方报案。
- 如果您对自称是员工、高管、财务顾问、代表、代理人和/或自称与资威集团相关的任何人向您发送的信息有任何疑问，请联系我们。您可以在以下链接找到我们每个办事处的联系方式：<https://www.capitaldynamics.biz/ch>。

这些骗局是在未经资威集团和我们管理层知情、同意和授权的情况下进行的。我们以及我们的董事总经理已在吉隆坡和新加坡报案，并及时向当局报告了这些假冒和诈骗事件。

有关假冒和诈骗的更多信息，请访问：<https://www.icapital.biz/public/general-announcements>。

祝好，

资威资产管理私人有限公司
《资本投资有限公司》基金经理

资威私人有限公司
《资本投资有限公司》投资顾问

C | 我们如何管理您的基金



最明智的投资是将投资当成一门生意来看待

— 本杰明·格雷厄姆



I. 投资组合

表一显示以当前市场价值排列的基金投资组合。

表一：截至2022年5月31日所持股票的市值

公司名称	(RM '000)
宇航工程	75,341
巴迪尼控股	57,143
科艺集团	33,492
CAPITALA公司(前称为亚洲航空)	19,033
Krono科技	14,934
曙光资本	13,916
莫实得控股	9,111
APM汽车控股	9,083
科鼎控股	7,113
艾柏士保健	6,802
CAPITALA公司 - 可赎回可转换无担保伊斯兰债务证券	6,784
东和资源	5,759
科艺集团 - 凭单	4,352
美景控股	3,837
百盛	3,441
理建	3,204
联合种植	2,416
纬钜集团	1,892
OCK集团	1,347
元宙集团	1,038
CAPITALA公司 - 凭单	927
和乐精密	874
科鼎控股 - ICPS	575
吉隆	570
优宾机构	80

截至2022年5月31日，您的基金共投资了RM2.3919亿，市值为RM2.8306亿，未实现收益为RM4,387.2万。截至2022年5月31日，在您的基金投资中，巴迪尼控股、宇航工程、科艺集团及其凭单、艾柏士保健及东和资源取得了显著的未实现收益。

II. 已作出的投资

截至2022年5月31日的财年中，您的基金出了以下新投资（表三）。

有关公司活动的说明，请参阅投资组合部分的第65至67页。

表二显示以持股量排列的基金投资组合。

表二：截至2022年5月31日的持股量

公司名称	('000支股)
科鼎控股	49,058
Krono科技	31,112
CAPITALA公司(前称为亚洲航空)	29,282
科艺集团	28,383
百盛	22,942
宇航工程	18,154
巴迪尼控股	17,007
莫实得控股	12,148
曙光资本	11,894
CAPITALA公司 - 可赎回可转换无担保伊斯兰债务证券	9,761
科艺集团 - 凭单	9,461
科鼎控股 - ICPS	7,665
理建	5,007
CAPITALA公司 - 凭单	4,880
APM汽车控股	4,541
OCK集团	3,410
元宙集团	3,145
美景控股	2,951
艾柏士保健	2,283
东和资源	1,888
和乐精密	1,803
吉隆	1,700
纬钜集团	1,514
联合种植	165
优宾机构	100

表三：自2021年6月1日购入的股份

公司名称	('000支股)
百盛	6,000
理建	5,007
OCK集团	3,410
CAPITALA公司(前称为亚洲航空)	3,000
纬钜集团	980
艾柏士保健	571
联合种植	165
优宾机构	100

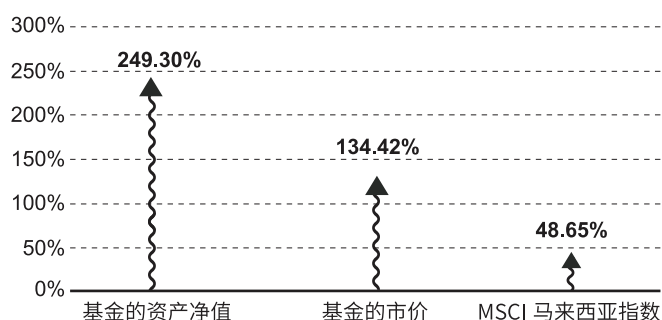
III. 已卖出的股项

截至2022年5月31日，您的基金卖出了200,000支宇航工程的股票，获得了RM138.3万的收益，成本为RM148.5万；也卖出了118,100支曙光资本的股票，亏损RM5.1万，成本为RM18.8万。

IV. 表现：资产净值及股价

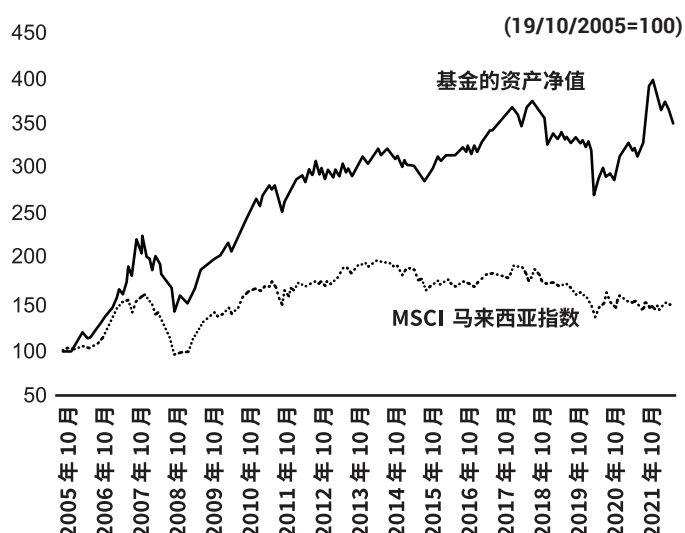
自资本投资有限公司于2005年10月19日上市以来，您基金的每股资产净值已从RM0.99增长至2022年5月31日的RM3.19（图一），增长了249%（假设2013年9月和2021年12月支付的特别股息被再投资）。自其于2005年10月19日上市以来，您基金的市价已从RM1.01上升至2022年5月31日的RM2.08，即134%的增长，MSCI马来西亚指数在同一时期只上涨了49%。

图一：2005年10月19日至2022年5月31日的增长



图二显示您基金的资产净值与富时大马隆综合指数之间的表现对比。

图二：基金的资产净值对富时大马隆综合指数



从2021年5月31日至2022年5月31日，您基金的每股资产净值从RM3.04增加至RM3.19（11.04%的涨幅），而市价从RM1.90升至RM2.08（19.70%的涨幅）。您基金的资产净值和市价的回报包括在2021年12月派发的新冠疫情救济特别股息。同期，MSCI马来西亚指数下滑

了3.24%。尽管您基金的投资目标是资本增值，但新冠疫情救济特别股息只是为了帮助可能受到疫情不利影响的股东而派发的一次性股息。

资本投资有限公司自上市以来的表现如表四及表五所示。

表四：从2005年10月19日至__年12月31日的累计报酬(%)和资金现金水平(%)

年份	资产净值 ¹	价格 ¹	MSCI 马来西亚指数	现金
2005	0.00	8.00	-1.77	62.39
2006	38.38	46.00	22.05	33.79
2007	125.25	162.00	61.93	15.58
2008	58.59	39.00	-4.10	32.97
2009	101.01	74.00	40.26	10.51
2010	157.58	109.00	67.37	29.87
2011	175.76	105.00	67.04	34.92
2012	195.96	137.00	78.47	34.34
2013	211.48	147.37	99.14	50.73
2014	203.21	140.16	84.06	63.16
2015	211.48	137.06	75.36	61.76
2016	222.87	155.62	70.92	68.59
2017	268.40	192.72	86.72	54.61
2018	229.08	154.59	73.66	68.52
2019	224.94	147.37	63.02	63.76
2020	220.80	119.54	60.32	50.20
2021	278.87	152.46	48.65	33.97
2022 ²	249.30	134.42	48.65	36.17

表五：从2005年10月19日至__年12月31日的年化率(%)

年份	资产净值 ¹	价格 ¹	MSCI 马来西亚指数
2005	0.00	46.93	-8.55
2006	31.09	37.08	18.06
2007	44.65	54.93	24.49
2008	15.49	10.83	-1.30
2009	18.07	14.09	8.38
2010	19.94	15.22	10.41
2011	17.77	12.27	8.62
2012	16.25	12.72	8.37
2013	14.85	11.67	8.76
2014	12.81	9.98	6.85
2015	11.78	8.83	5.66
2016	11.02	8.73	4.90
2017	11.27	9.20	5.25
2018	9.44	7.33	4.27
2019	8.65	6.58	3.50
2020	7.96	5.31	3.15
2021	8.56	5.88	2.48
2022 ²	7.81	5.26	2.41

注¹：您基金的资产净值和市价已根据截至2014年5月31日财年支付的一次性特别股息和截至2022年5月31日财年支付新冠疫情救济特别股息进行了调整。

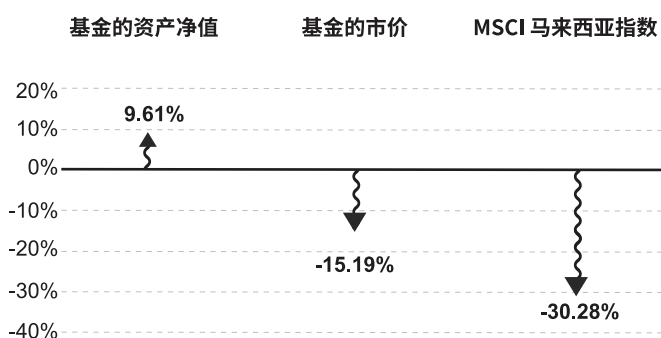
注²：从2005年10月19日至2022年5月31日。

如表五所示，您基金的现金水平过去在10.51%的低点和68.59%的高点之间大幅波动。截至2022年5月31日，以绝对值计算持有的现金接近RM1.61亿（或每股RM1.15），在截至2021年5月31日持有的RM2.09亿的基础上减少了逾RM4,800万。您基金现金水平的下降主要是由于特别股息的支付和已作出的投资，进而导致上述财年净销售额的下跌。

图三显示了吉隆坡富时综合指数从2014年5月19日的峰值至2022年8月24日的表现，以及您同一时期的基金净资产和股价。从2014年5月到2022年8月期间，发生的重大事件简要概括如下：

- 2015年原油价格暴跌，
- 自特朗普总统执政以来美国反华运动危险的升级，
- 新冠疫情的爆发和经济急剧衰退，
- 通货膨胀飙升，尤其是在发达国家
- 激进的货币紧缩，尤其是美联储，
- 强劲美元，
- 乌克兰危机，
- 暴跌的标普500指数和纳斯达克综合指数以及
- 马来西亚长期的政治不稳定。

图三：2014年5月19日至2022年8月24日的百分比变化。



虽然吉隆坡富时综合指数下跌了30.28%，您基金的资产净值仍上涨了9.61%。尽管您的基金在这段最具挑战性的时期表现强劲，但基金市价却令人失望地下跌了15.19%（假设2013年9月和2021年12月支付的特别股息被再投资）。正如一些股民所建议的，这种非理性的行为需要进一步探究。

您基金的市价表现最终取决于其现有和潜在投资者的质量和行为，特别是对于像资本投资有限公司这样的上市集体投资计划。您的基金有超过3,300名股东，其中大部分人拥有不到10万股。鉴于如此广泛分布的所有权结构，以及您的基金没有控股股东的事实，您基金的大股东对您基金的市价有着非常大

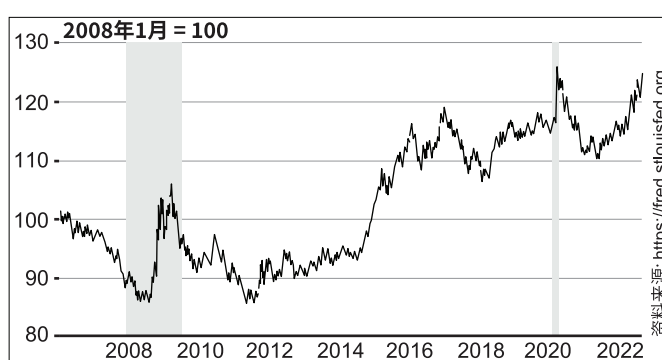
的影响。负面影响会让大部分股东遭受持续的价格和资产净值扭曲。

V. 我们的见解

A. 前路崎岖坎坷

在过去的两到三年里，具有重大影响的事件清单越来越长，包括新冠疫情、美国对华的敌对外交政策、乌克兰危机、史无前例的极端天气气候、强势的美元（图四）、美国股市暴跌、通胀危机（尤其是美国的通胀危机）以及迟来且激进的货币紧缩政策（尤其是美国）。

图四：名义广义美元指数



在所有这些事件中，美国通胀危机以及随之而来的货币紧缩值得特别关注。在去年的年报中，我曾警告“这些非常激进的抗生素型财政和货币政策的一个主要‘副作用’是价格飙升”。这两起事件对全球两大股票市场，即纽交所和纳斯达克产生了重大的影响。让我引述《资本投资》2022年9月2日的内容：

“尽管通胀上升的驱动因素主要与疫情造成的混乱有关，但价格上涨现已蔓延到更广泛的商品和服务领域。工资也大幅上涨，我们正在关注持续的实际工资增长超过生产率增长可能对通胀造成上行压力的风险。与大多数预测者一样，我们继续预计通胀将在一年内下降”——摘自美联储主席杰罗姆·鲍威尔在2022年1月联邦公开市场委员会上的开幕词。

美国联邦公开市场委员会显然低估了超低利率加上前所未有的财政刺激和流动性的通胀效应。货币闸门早就应该关闭了。美国通胀率非但没有下降，反而继续飙升至上世纪六七十年代末的水平。从那时起，美联储就惊慌失措，争先恐后在三个月内将联邦基金目标利率提高了200个基点。

快进到2022年8月26日星期五。杰罗姆·鲍威尔在怀俄明州杰克逊·霍尔的年度政策演讲中承诺，美联储将“有力地使用我们的工具”遏制通胀，目前通胀仍接近40多年来的最高水平。

鲍威尔补充说，高利率可能会“持续一段时间，历史经验强烈警告不要过早放松政策”。

鲍威尔发表上述言论之际，有迹象表明，美国的通胀可能已见顶，但没有任何明显的下降迹象。鲍威尔表示，美联储不会因一两个月的数据而动摇。

杰罗姆·鲍威尔在最新的政策演讲中警告称，他预计美国央行将继续加息，这将给美国经济带来“一些痛苦”。换言之，大家需要为美国经济衰退做好准备，《资本投资[®]》之前就预测过美国经济衰退将在2022年末或2023年发生。

让我们引述鲍威尔讲话的一些关键内容：

在过去的杰克逊霍尔会议上，我讨论的话题很广泛，如不断变化的经济结构和在高度不确定性下实施货币政策的挑战。今天，我的发言将更短，我们的重点范围将更小，我的信息将更加直接（下划线部分是我们划出的重点）。

联邦公开市场委员会目前的首要目标是将通胀率降至2%。物价稳定是美联储的责任，也是我们经济的基石。没有价格稳定，经济对任何人都不起作用。特别是，如果没有价格稳定，我们将无法实现一个对所有人都有利的持续强劲的劳动力市场条件。高通胀所带来的沉重负担将落在那些最无力承受的人身上。

恢复价格稳定需要一段时间，需要强有力地使用我们的工具，使需求和供应达到更好的平衡。降低通货膨胀的同时，增长可能会在一段时间内持续低于趋势。此外，劳动力市场状况很可能会有所软化。尽管更高的利率、更慢的增长和更疲软的劳动力市场条件将降低通胀，但也将给家庭和企业带来一些痛苦，这些都是降低通货膨胀的不幸代价。但无法恢复价格稳定将意味着更大的痛苦。

劳动力市场特别强劲，但显然失衡，对工人的需求大大超过了可用工人的数量。通货膨胀率远高于2%，高通胀继续在经济中蔓延。虽然7月份的通胀率下降可喜，但是仅靠一个月的数据改善，我们远远还不能确信通胀率正在下降。

在当前情况下，通胀率远高于2%，劳动力市场极度紧张，对长期中性的估计不是一个可以停止或暂停的地方。

恢复价格稳定可能需要在一段时间内保持限制性政策立场。历史经验强烈警告不要过早放松政策。

在我看来，美国当前的高通胀也是需求强劲和供应受限的结果，美联储的工具主要作用于总需求。

正如前主席保罗·沃尔克在1979年大通货膨胀高峰时所说的那样，“通货膨胀在一定程度上助长了通胀本身，因此，恢复更稳定、更具生产力的经济的部分工作必须是打破通胀预期的束缚。”

当前高通胀持续的时间越长，高通胀预期越会变得根深蒂固。

沃尔克在上世纪80年代早期成功地反通胀，也经历了此前15年中多次试图降低通胀的失败。我们最终需要一段很长时间的非常严格的货币政策来遏制高通胀，并开始将通胀降至去年春天之前的正常水平。我们的目标是通过现在下定决心采取行动来避免这种结果。

资料来源：<https://www.federalreserve.gov/newsevents/speech/powell20220826a.htm>

在上述杰克逊霍尔演讲中，杰罗姆·鲍威尔有意使他的讲话简短而清晰。他表达出的信息是明确的。

鲍威尔在杰克逊霍尔的讲话为美国经济和金融市场提供了至关重要的政策背景。当我们盯着水晶球预测未来时，美国8月份的通胀报告来的非常及时。当上述通胀报告发布时，纽约证交所和纳斯达克指数暴跌，该通胀报告的情况比预期要糟糕得多，预计这一影响将继续。让我快速回顾一下美国8月份的通胀报告，并从中尝试理清经济和股市在中期会发生什么。

通胀报告的关键在于，美国通胀飙升不再只是因为燃料成本或供应中断。不久前，美联储和无能的拜登政府对通胀的描述是，这本质上是由食品和燃料价格所致，因此是一个暂时性的问题。一旦供应链中断缓解，天然气价格停止上涨，整个美国经济的价格压力就会缓解，这就是为什么美国的货币紧缩来得太迟，代价太昂贵的原因。尽管到处都有迹象表明，美国通胀问题无处不在，但上述令人震惊的8月通胀报告终于让那些乐观的投资者和无能的拜登政府看到了当前严酷的现实。

8月份的通胀数据实质上在说，美国通胀飙升问题是由于整个美国经济的物价上涨范围扩大，现在面临形成恶性工资-价格螺旋的风险。更令人担忧的是，不包括食品和能源价格在内的CPI，也就是核心通胀，在8月份上涨了0.6%，远高于市场预期，带动生活成本同比增长6.3%。总体CPI月环比上涨0.1%，与下降的预期相反，12个月环比仍强劲上涨8.3%。同样重要的是，上涨的来源不是汽油价格，汽油价格在该月实际下跌了10.6%。从新车到医疗服务再到租金，价格上涨的范围和幅度之大是8月份通胀报告中最令人不安的地方。

当月新车和医疗服务价格均上涨0.8%。住房成本，包括租金和其他各种与住房相关的费用，占CPI权重的近三分之一，8月上涨0.7%。反映食品杂货价格的家庭食品指数在过去一年中上涨了13.5%，这是自1979年3月以来的最大涨幅。在医疗服务方面，月度上涨0.8%是自2019年10月以来最快的月度涨幅。

与此同时，美国劳动力市场仍然非常紧张（图五）。25-54岁人群的失业率和就业率几乎没有变化；尽管离职率已从2021年11月的高点下降，但仍远高于疫情前的水平。基于空缺职位的指标仍然显示非常紧张。总体而言，7月份，每个失业者对应2.0个职位空缺。

8月，经行业构成变化调整后的名义平均时薪年化增

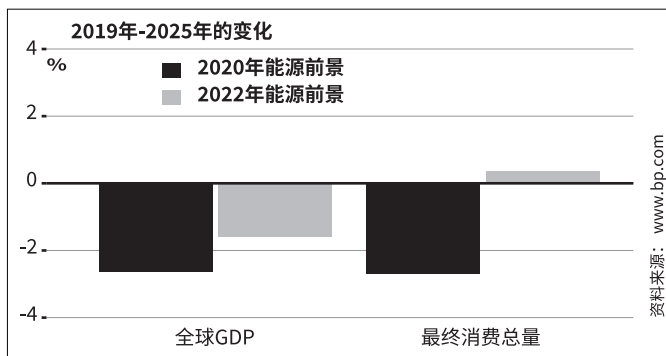
以来一直强调的观点，也是乔·拜登政府一直在推卸的责任。正如我们之前所写的那样，拜登和特朗普政府为支持受疫情打击的美国经济而开展了财政支出狂潮，这导致美国经济像烤过头的火鸡一样过热。

同时，根据美国约翰霍普金斯大学经济学教授劳伦斯·鲍尔（Laurence Ball）、国际货币基金组织经济学家丹尼尔·利（Daniel Leigh）和国际货币基金组织经济学家普拉奇·米什拉（Prachi Mishra）的一项研究，美国失业率需要触及高达7.5%，目前3.7%水平的两倍，才能结束美国高通胀问题。这将导致600万美国人失业，且只有在对美国就业市场和通胀行为“相当乐观的假设”下，美联储才能以美国就业小幅下跌来控制高通胀。这三位经济学研究人员写道：“如果劳动力市场或对通胀的预期表现不好，美联储预测的失业率小幅上升是不足的”。

另一方面，我预计到2023年，中国管理得当的经济将再次将全球经济从美国、英国和欧盟经济造成的混乱萎缩中拉出来。新冠封锁是中国目前的软肋，预计很快就会结束。在其漫长的历史中，中国从公元前220年到1949年经历了880个疫灾之年，每一次都成功抗疫。这一次，中国也将同样成功抗疫。事实上，我认为中国已经在退出其新冠动态清零政策，不是以过度炒作的政治驱动方式，而是以循序渐进的务实方式。

从1999年到2019年，在中国的领导下，发展中国家对全球GDP增长的贡献最大。从2019年到2050年，英国石油公司的预测显示了这一范式转换趋势的重复，再一次由中国强劲的经济所引领（图七）。

图七：新冠对全球GDP和最终能源消费总量的影响



2022年，马来西亚经济表现良好，国内生产总值增速高于预期。除了关注美国等主要发达国家严重的通胀问题外，马来西亚交易所的投资者也正焦急地等待下一届大选的到来及其后果。

B. 股票回购破坏价值

去年的年度股东大会于2021年11月20日举行。在问答环节，我花了相当多的时间来解释回购股票为什么对资本投资有限公司不起作用，以后也不会起作用。让我向我们的股东介绍一下这一无益之举的最新情况。

我在去年的年度股东大会上举了顶级手套（Top

Glove）亏损股票回购的例子。2021年11月19日，其收盘价为RM2.31。2021年11月30日，其收盘价为RM2.92。2022年9月15日，顶级手套的收盘价为RM0.765。简而言之，自此之后，顶级手套的股价进一步暴跌，分别为67%及74%。举例来说，如果顶级手套回购RM10亿的股票，就会再损失RM6.7亿或RM7.4亿。

2022年4月，世界领先的咖啡连锁店星巴克暂停了股票回购计划，原因是霍华德·舒尔茨（Howard Schultz）再次掌权。舒尔茨解释说，股票回购计划已经暂停，这样星巴克就可以“把更多利润投入到员工和门店中”。像亚马逊和苹果公司一样，星巴克已经看到了一场兴起的工人权利运动，其许多商店工人正投票组建工会。简而言之，从长期来看，股票回购正在摧毁星巴克。

听听这个：

“自2005年以来，IBM公司在回购上花了1,250亿美元，在股息上花了320亿美元，超过了同期在资本支出和研发方面支出的1,110亿美元。过去10年，制药公司辉瑞在回购和股息上花了1,390亿美元，而在研发和资本支出上分别花了820亿美元和180亿美元。作为Post-it报事贴和思高透明胶带的制造商，3M公司在回购和股息上花了480亿美元，而在研发和资本支出分别花了160亿美元和140亿美元。

作为路透社的所有者，汤森路透集团的年报显示，该公司去年的资本支出总额为9.68亿美元，其中一半以上用于研发。而去年回购和股息规模是资本支出数额的两倍多，合计20.5亿美元。该公司去年有5.3万名全职员工，低于2011年的6.05万人。今年迄今为止，资本支出为7.43亿美元，回购和股息总额为20.2亿美元。

自2010年以来，诺斯罗普·格鲁曼公司（Northrop Grumman Corp）在股票回购上花费了超过120亿美元，尽管过去五年中其营业额每年都在下降。洛克希德·马丁公司的营业额自2010年以来一直持平；在此期间，该公司花了近120亿美元进行回购。

通用汽车公司同意以50亿美元回购股票，以满足投资者哈里·威尔逊（Harry Wilson）的要求，其曾威胁道，如果该汽车制造商不把几年前破产后积攒的250亿美元现金进行分配，就要打代理权之争。

杜邦今年早些时候宣布了一项40亿美元的回购计划（除了一年前宣布的50亿美元的回购计划以外），以击退激进投资者纳尔逊·佩尔茨（Nelson Peltz）的特里安基金管理公司（Triam Fund Management），其在争取四个董事会席位。即便如此，CEO爱伦·库尔曼（Ellen Kullman）在销售额放缓和股价下滑后于十月辞职。

今年3月，在对对冲基金Jana Partners的压力下，高通公司同意扩大回购计划，在未来十二个月购买100亿美元的股票；该公司已经有了一个78亿美元的回购

计划，并承诺将其四分之三的自由现金流返还给股东。不过，在过去10年的大部分时间里，其股票表现都不如标准普尔500指数。”

资料来源: Karen Brettell、David Gaffen和David Rohde, AS STOCK BUYBACKS REACH HISTORIC LEVELS, SIGNS THAT CORPORATE AMERICA IS UNDERMINING ITSELF

哈佛商学院教授加里·皮萨诺(Gary Pisano)表示:“从平板电视到半导体和太阳能光伏电池，美国在所有产品的生产上都落后了”，为什么指责其他国家落后呢？

C. 股东的类型及质量很重要

C. i 苏格兰抵押投资信托

在去年的年报中，我曾写过苏格兰抵押投资信托(简称SMT)的情况，这是一家投资信托公司，一家在伦敦证交所上市的封闭式基金，也是富时100指数(FTSE 100)的成分股。有些投资者一直在问资本投资有限公司的资产净值折价，以及其基金是否有到期日，对于他们来说，可以从SMT学到很多经验教训。

SMT成立于1909年，大约113年前，目前仍在以113.6亿美元的资产强劲增长(资本投资有限公司成立仅16年)。其交易价格一度持续低于其资产净值。大约20年后，其资产净值折价在2013年消失，从而使其股价在平价交易前就高于资产净值。我在上述年报中写了有关SMT的文章后，一些不知情的投资者，尤其是海外投资者，表示资本投资有限公司应该效仿SMT，回购自己的股票。

SMT的折价缩小是由于其股票回购和/或分红吗？答案很简单:不。

从折价转向溢价的主要原因是散户需求增加以及所有权不断演变。几十年来，SMT的很大一部分股权由机构投资者（主要是英国的养老金计划）拥有。到上世纪末，这些投资者已经脱离了投资信托结构，因为新的开放式基金投资工具提高了运营效率。他们一直在抛售，导致股价持续低于资产净值。

从2010年起，SMT开始更积极地面向散户投资者进行营销。在英国，散户投资者已经开始通过储蓄平台更好地控制自己的财务。因此，机构持有的SMT股份大幅下降，从1994年的54%降至2021年的17%(表六)。与此同时，个人持股量激增。正是个人投资者持股量的大幅增长，基本上消除了SMT的资产净值折价。

无论是现有股东还是未来股东，最终都要承担决定上市公司市场价格的责任。所以，股东的类型及质量很重要。

表六: SMT所有权细分估算(%)

所有者	1994	2007	2013	2021
机构	54	41	30	17
中介	23	33	50	40
个人(平台)	23	26	20	43

资料来源: Baillie Gifford

C. ii 潘兴广场控股有限公司

吸引更多个人投资者的策略被全球第二大封闭式基金潘兴广场控股(简称PSH)所效仿。尽管PSH进行了大规模股票回购并定期分红，但该公司也遇到了资产净值折价问题。PSH董事会“认为对PSH来说，消除这种折价的最好办法是通过长期持续提供强劲的投资业绩来吸引长期投资者。我们还可以采取更多措施提高投资者对我们业绩和战略的认识。近年来，董事会积极采取措施，争取在伦敦证券交易所上市，以扩大我们的投资者基础。随后，我们的指数升至富时100指数，提升了投资者对PSH的关注度。2021年，我们加大了在英国的营销力度，特别是针对散户投资者及其使用的“平台”(划线处为重点)，并继续专注于接触更广泛的潜在投资者”(2021年PSH年报)。2021年3月，PSH聘请Frostrow以个人投资者为目标，在英国的财富管理公司、散户/咨询平台上培养投资需求。

C. iii 伯克希尔·哈撒韦公司

沃伦·巴菲特的长期投资成功举世闻名。在伯克希尔-哈撒韦公司的长期成功中，经常被忽视的是股东所扮演的角色，或者更具体地说，是股东的类型及质量。让我引用沃伦·巴菲特的话，谈谈决定一家公司股价表现成功与否的这一至关重要的因素，下面引述来自其致股东的信。

1983年致股东的信

- 理性股价的关键是理性的股东，无论是现在还是未来。
- 如果一家公司的股票持有人和/或潜在买家容易做出非理性或基于情绪的决定，一些相当愚蠢的股价就会周期性地出现。躁狂抑郁型人格会产生躁狂抑郁型估值。
- 仅获得高质量的股东并不容易……不能对进入股东“俱乐部”的成员进行智力、情绪稳定性、道德敏感性或得体着装方面的筛选。因此，股东优生学似乎是一项毫无希望的事业。
- 不过，在很大程度上，我们认为如果我们始终如一地沟通我们的业务和所有权理念(同时没有其他相互冲突的信息)，然后任由个人选择，就可以吸引并保持高质量的股东”(我们的重点)。

- 通过我们的政策和沟通——我们的“广告”——我们试图吸引能够理解我们的运营、态度和期望的投资者(同样重要的是,我们会尽力劝阻那些不理解的人)。我们要找的是那些自认为是企业所有者、计划长期持股的人。另外,我们希望投资者关注的是业绩,而不是市场价格(我们的重点)。
- 拥有这些特质的投资者为数不多,但我们有一批杰出的投资者。我认为我们90%以上(可能超过95%)的股份由伯克希尔的股东所持有。使股东群体升级至拥有这些特质并不容易。
- 出于非价值原因而买入的人很可能是出于非价值原因而卖出的。他们的出现将加剧与公司基本业务发展无关的价格波动。
- 我们将尽量避免吸引将短期重点放在股价的买家的政策,并试图遵循吸引将重点放在商业价值的知情长期投资者的政策。就像你在一个由理性而明智的投资者组成的市场上购买伯克希尔的股票一样,你应该有机会在同一个市场上出售——如果你想这样做的话。我们将努力保持其存在。

1985年致股东的信

- 从长期来看,伯克希尔的市值和内在价值之间的关系一直比我所熟悉的任何其他上市公司都更加一致。这是对您的致敬,因为您很理性、专注、以投资为导向,所以伯克希尔的股价一直都很合理。这个不凡的结果是由一群不凡的股东来共同实现的:我们的股东几乎都是个人,而不是机构(我们的重点)。没有哪家和我们规模相当的上市公司能达到这样的水平。
- 您可能认为,拥有大批高薪且经验丰富的投资专业人士的机构,将成为金融市场中一支稳定而理性的力量。但情况并非如此:大量被机构持有并持续监控的股票往往得不到合适的估值(我们的重点)。
- 本·格雷厄姆(Ben Graham)四十年前曾讲过一个故事,解释了专业投资者为何会有这样的行为:一位石油勘探者正要上天堂,却遇到圣彼得(St. Peter)带来了一个坏消息。“你的确有资格进天堂”,圣彼得说,“但是,正如你所看到的,留给石油工人的院子挤满了人,没办法把你挤进去。”想了一会儿后,这位石油勘探者问道,他是否可以对在场的居住者说一句话。圣彼得觉得无妨,于是这位石油勘探者把双手窝成杯状喊道:“地狱里发现了石油。”大院的门立刻开了,所有的石油工人大步流星地向地狱进发。这让圣彼得印象非常深刻,于是邀请石油勘探者搬进来居住。石油勘探者停顿了一下,“不”,他说,“我想我还是和那些人一起去好了。这个谣言可能有几分真。”

1987年致股东的信

- 伯克希尔的大多数大股东在1969年底从巴菲特合伙有限公司(Buffett Partnership, Ltd.)获得了清算分配的股份。

1988年致股东的信

- 我们的目标是吸引长期持有者,他们在购买时没有一个计划卖出的时间表或目标价格,打算无限期地与我们合作(我们的重点)。当然,一些持有伯克希尔公司股票的股票偶尔会需要或想要出售股票,我们希望能帮助我们股东找到一个好的价格,希望能以公平的价格成交。因此,我们试图通过我们的政策、绩效和沟通,吸引新的股东,了解我们的运营,分享我们的视野,并像我们衡量自己一样衡量我们。如果我们能够继续吸引这类股东——同样重要的是,对于那些有短期或不切实际的期望的人来说,伯克希尔公司的股票仍然不是最佳选择——那么伯克希尔公司股票应该始终能以与商业价值相当的价格出售(我们的重点)。

2020年致股东的信

- 所有这一切都表明,如果查理和我对我们的第五桶没有特别的亲缘感,那我们就没有人性了。第五桶就是超过百万的个人投资者,他们相信我们能够代表他们的利益,不管未来会怎样。他们加入了我们,没有离开的打算,他们的心态与我们最初的合作伙伴相似。事实上,我们合伙经营期间的许多投资者,和/或他们的后代,仍然是伯克希尔的主要持有者(我们的重点)。
- 伯克希尔不寻常且备受重视的个人股东家族,可能会让你更加理解我们不愿意讨好华尔街分析师和机构投资者。我们已经有了我们想要的投资者,总的来说,我们认为我们的投资者非常坚定的持有我们。

沃伦·巴菲特传递的信息非常简单明了。他根本不热衷于吸引机构投资者,原因很充分,他和查理·芒格与伯克希尔哈撒韦公司的百万多名个人投资者有着特殊的血缘关系。

正如他在1985年以及此后多次解释的那样,“被机构大量持有并不断监控的股票往往是估值最不恰当的股票”。作为一名长期价值投资者,我非常赞同巴菲特的观点。让我在后面进一步解释。

C. iv. 资本投资有限公司

坦白地说,股东的类型和质量关系到SMT或PSH或伯克希尔哈撒韦或资本投资有限公司的股价表现,这对我

来说并不奇怪。资本投资有限公司的经历也传达了同样的信息。自2005年您的基金上市以来，我一直在说同样的话，做同样的事。

2005年资本投资有限公司这支基金首次公开募股（IPO）期间，资威有意负责其融资。这样做有两个简单的原因。首先，资威不收取资本投资有限公司的配售费和相关费用约RM200万，即使在基金上市之前，为了提高基金的资产净值，资威当时有权收取这些费用。其次，在进行您基金的首次公开募股路演时，我有意只针对个人投资者，出于与沃伦·巴菲特相同的原因，我有意不向机构投资者宣传资本投资有限公司（多年后的事件证明我的选择是正确的）。正如巴菲特所说，以及自2005年您的基金首次公开募股以来我一直在做的那样，“我们的目标是吸引长期持有者，他们在购买时没有一个计划卖出的时间表或目标价格，打算无限期地与我们合作”。您的基金首次公募的结果正如我所预期的那样，在2005年10月19日上市的第一天，资本投资有限公司的股份以其资产净值1%的溢价收盘。随后，资本投资有限公司继续以其资产净值的持续溢价进行交易，直至2008年10月。

不幸的是，资本投资有限公司的所有权与SMT不同。虽然SMT的机构所有权在过去几年中大幅下降，折价消失，但资本投资有限公司因机构所有权的大幅增加和持续的折扣问题而受到诅咒。在2006年和2007年，一家机构仅持有300万股，占贵基金股份的2.14%，该机构于2008年底出售了其所有股份。遗憾的是，该机构拥有资本投资有限公司的所有权目前已飙升至3,239万股，涨幅23.13%，在此过程中，其资产净值折价扩大并持续存在。

考虑到SMT、PSH和伯克希尔哈撒韦（Berkshire Hathaway）的经验以及沃伦·巴菲特的智慧，很明显，解决基金中烦人的折价问题的方法是——增加个人投资者的占比。如何做到这一点？

D. 资本投资有限公司的投资者日

把话题拉回到我们的投资者日。与伦敦和纽约股市不同，封闭式基金或投资信托在马来西亚不常见，我们需要给投资者普及投资资本投资有限公司的许多好处。资本投资有限公司是马来西亚唯一上市的封闭式基金。董事会和基金经理一直在考虑为您的基金实施有效、系统和持续的投资者关系战略，最终目的是增加个人投资者或股东的所有权，在资本投资有限公司我们更喜欢将其称为股东。

举办备受欢迎的投资者日是为实现增加个人所有权这一目标而开展的活动之一。然而，2015年9月，您基金的机构投资者断然拒绝了这一方案，傲慢地说这不是一种折价控制机制。SMT、PSH、伯克希尔哈撒韦（Berkshire Hathaway）和您基金的经验证明，这种拒绝是非常鲁莽的，或者机构投资者希望减少个人投资者与他们在购买资本投资有限公司股票方面的竞争。事后来，我们推荐的战略是在未来采取的正确步骤，首先是资本投资有限公司的投资者日从2022年开始回归。

巴菲特建议道：我们认为，如果我们不断地传递我们的业务和所有权理念，并且没有其他相互冲突的信息（我们的重点），就可以吸引和保持高质量的所有权。因为我们正在努力给现有和潜在的个人投资者普及，让他们了解拥有资本投资有限公司的好处及其久经考验的价值投资理念，您基金的机构投资者通过发送错误或“迷惑信息”来破坏我们深思熟虑的努力。2012年混乱的年度股东大会就是一个例子，它阻止了我们举办当年的投资者日。另一个例子是，2015年8月，有大量公开发布的关于资本投资有限公司及其基金经理的虚假指控。巧合的是，就在2015年资本投资有限公司年度股东大会的前几天，当地金融出版物的一位高级编辑发表了一篇诽谤性文章。这些不利信息导致您基金的声誉严重受损，也严重破坏了董事会和基金经理为增加个人所有权和处理折价问题所做的不懈努力。

让我再次引用巴菲特的话：“伯克希尔的股份几乎一直都很合理。这个不凡的结果是由一群不凡的股东来共同实现的：我们的股东几乎都是个人，而不是机构。”

资本投资有限公司的历年股东大会是一个非常愉快和富有成效的活动。我希望2022年及以后的股东大会也能像从前那样成功。

一个基金要实现更少甚至零机构投资者并不容易。我们还必须弥补机构投资者对您基金造成的损害。为了实现这一重要目标，让资本投资有限公司的股份在合理的水平上进行交易，我需要志同道合的个人股东的支持，这是我真诚的呼吁。不管是与其他个人分享拥有资本投资有限公司的好处，还是在年度股东大会上发言或是参加投资者日，我需要您们的支持，不管哪种方式都是一种支持。

E. 一位86岁的老人告诉陈鼎武的话

SMT基金已有113年多的历史，并且仍在不断发展。相比之下，您持有的基金的就像一个刚孵化的小鸡。2020年11月13日，奥马哈眼科医生斯坦·特鲁森（Stan Truhlsen）年满100岁。1959年，斯坦与其他10名年轻的奥马哈医生一起，与沃伦·巴菲特（Warren Buffett）组建了一家名为Emdee的有限公司合伙企业。1969年，这家合伙企业发行伯克希尔·哈撒韦（Berkshire Hathaway）股票时，所有医生都保留了他们收到的股票。斯坦的两位来自Emdee的同事现在都90多岁了，他们仍持有伯克希尔的股票。

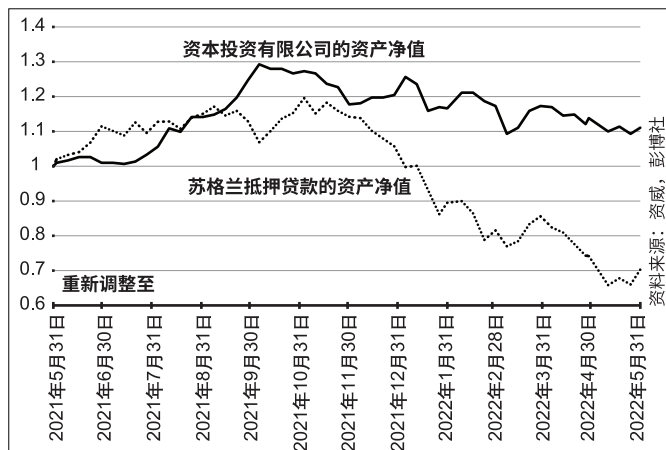
价值投资之所以成功，是因为它把眼光放得长远。价值投资需要耐心和成为长期投资者的能力。长期的定义不是以年为单位，而是以十年为单位。

资本投资有限公司可以像SMT或伯克希尔哈撒韦那样股价在合理水平上交易吗？这个可能性非常大，以往的历史表明，当个人股东拥有您基金近98%的股份时，就能出现那样的情况。

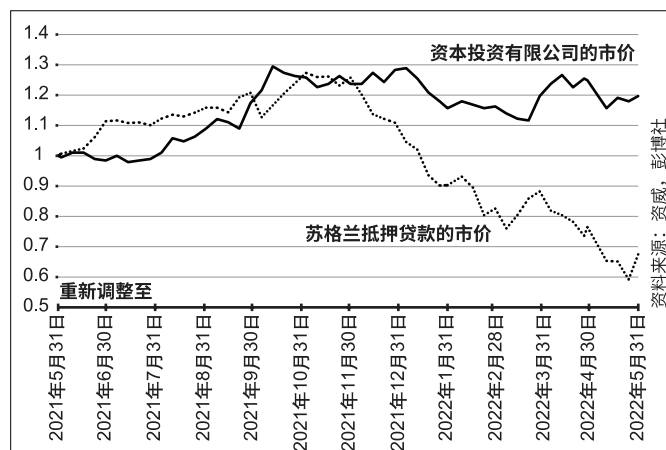
我们比较了资本投资有限公司在2022财年的资产净

值和股价表现；也就是从2021年6月1日到2022年5月31日，SMT在同一时期的表现（图八和图九）。在这两方面，资本投资有限公司的表现遥遥领先于SMT。有充分的证据表明，您的基金资产净值折价最终会逆转。

图八：资本投资有限公司与苏格兰抵押贷款的资产净值对比（从2021年6月1日至2022年5月31日）



图九：资本投资有限公司与苏格兰抵押贷款的股价对比（从2021年6月1日至2022年5月31日）



您基金的资产净值和股价表现明显优于SMT，SMT本身是一家管理良好的投资信托公司。然而，截至2022年9月15日，资本投资有限公司仍有约RM1.55亿现金，或每股RM1.11（低于2021年5月31日的RM1.49），有待充分利用。如果SMT的资产净值折价可以变为平价或溢价，再加上良好的长期投资者普及、适当的所有权结构和持续的优异投资业绩，那么资本投资有限公司最终也会取得同样令人满意的结果。

资本投资有限公司的股东们得到的是一个管理良好的基金，以诚信为基础，长期前景良好。凭借诱人的复合回报率，资本投资有限公司的最佳收益正在我们前方。在一棵丰硕的果树成熟之前砍倒它是没有意义的。

几个月前，一位86岁患有三种癌症的患者（每种癌症都在这位患者身上复发过）告诉陈鼎武，他后悔没有

投资资本投资有限公司。

让我分享一下歌曲《昨天，当我年轻时》中一些意味深长的歌词：

昨天当我年轻时
生活的滋味甜美，如雨落在我的舌头上
我嘲笑生活，好像这是一场愚蠢的游戏
就像晚风戏弄烛火一样
我做过的一千个梦，我计划过的一千件美事
总是建在脆弱的流沙上
我活在黑夜中，避开白昼的光
直到现在我明白岁月是如何流逝的

F. 2022年股东大会

您基金今年的年度股东大会将以线上和线下的混合方式举行。相比线上虚拟的年度股东大会，我们期待着一场更活跃、更具吸引力的年度股东大会。

我们鼓励所有股东参加您基金2022年年度股东大会并投票，因为每位股东都有权决定资本投资有限公司的未来。为什么让少数大股东决定您基金的事务及其未来？

股东也可以通过股份登记处管理的电子委托书进行投票。

有关电子委托书提交的详情以及第18届年度股东大会的通知将适时公布。

G. 2022年投资者日

为方便个人股东，您的基金今年的投资者日将于周六和周日在吉隆坡会展中心（KLCC）举行。

年度股东大会和投资者日均由资威所主办，投资者日则由资威和您的基金联合赞助。

在2022年投资者日的众多激动人心的活动中，有针对2019年活动中最后提出的主要问题的即使更新，有教育性投资演讲，同时，来自您基金投资的一些公司的高级代表，他们将带来相关公司的介绍。

您的基金2022年投资者日的详细信息将很快在www.icapital.my，www.icapital.biz，<https://events.icapital.biz/>上公布，并会同步在您的基金经理的社交媒体上。

陈鼎武

指定人

资威资产管理私人有限公司

2022年9月17日

PROFILE OF DIRECTORS

DATO' SERI MD AJIB BIN ANUAR

- Independent Non-Executive Chairman
- Aged 72, Malaysian, Male

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

Dato' Seri Ajib is a mineral resources industry professional with more than 50 years of experience and expertise in the global value chains of mineral resources industry. He is currently the President of the Malaysian Chamber of Mines (since 2003) as well as the President of the ASEAN Federation of Mining Associations (since 2016). He is also the Chairman of the Malaysian Tin Industry (Research & Development) Board (since 2003) and the Kuala Lumpur Tin Market (since 1997). He presently leads a consulting group, Magic Mirror Resources Consulting Sdn Bhd, providing consulting services in minerals and groundwater services.

Past key positions held by Dato' Seri Ajib include Group CEO and Executive Director of public listed Malaysia Smelting Corporation Berhad (MSC) - one of the world's largest tin smelting groups (1994 to 2013), Director of Rahman Hydraulic Tin Sdn Bhd - Malaysia's largest and most profitable open-pit hard rock tin mine (2004-2016), President of International Tin Research Institute - now International Tin Association (2002 to 2006 and 2012 to 2014) whilst serving as Director and Board EXCO member (1994 to 2022), Member of the Tin Committee of the London Metal Exchange (2011 to 2016) and External Consultant to the world's largest integrated tin mining and smelting group, Yunnan Tin Company Limited of China (2017 to 2021).

Prior to his appointment as the Group CEO of MSC, Dato' Seri Ajib spent 23 years in MMC Corporation Berhad Group of Companies (formerly known as Malaysia Mining Corporation Berhad Group), serving in various senior positions including General Manager of the Finance Division, Director of Business Development and Managing Director of MMC's International Marketing Division. He had also served as the Deputy Chairman of the Kuala Lumpur Commodity Exchange (1988 to 1993) as well as the Chairman of Malaysian Futures Clearing Corporation (1990 to 1993).

Dato' Seri Md Ajib Bin Anuar has no family relationship with any director or major shareholder of your Fund nor has any conflict of interest with your Fund. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years and have not been imposed of any public sanctions or penalty by relevant regulatory bodies during the financial year. He attended nine (9) Board of Directors' Meetings held in the financial year ended 31 May 2022.

DATO' SRI SYED ISMAIL BIN DATO' HAJI SYED AZIZAN

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

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

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

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

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

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

Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan has no family relationship with any director or major shareholder of your Fund nor has any conflict of interest with your Fund. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years and have not been imposed of any public sanctions or penalty by relevant regulatory bodies during the financial year. He attended nine (9) Board of Directors' Meetings held in the financial year ended 31 May 2022.

BOH BOON CHIANG

- Independent Non-Executive Director
- Chairman of the Audit Committee ("AC")
- Member of the Nomination Committee ("NC")
- Aged 60, Malaysian, Male

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

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

Mr Boh Boon Chiang was the Financial Controller of an established education provider (formerly listed in Bursa) from 1996 to 2002. He was then appointed as the Chief Financial Officer and Chief Operating Officer of the same group in 2006 and 2007 respectively. He was also appointed as the Managing Director of a University College operated by the same group in 2009. He then served as the Chief Executive Officer of a company involved in early childhood education since 2003. He served as the Group Chief Operating Officer of another company listed in Bursa since 2011 where the business of its subsidiaries is mainly involved in the trading in household electrical and electronic appliances. He also served as the Deputy Group Chief Executive Officer of the same group in 2017 before his retirement from active employment.

Mr Boh Boon Chiang has no family relationship with any director or major shareholder of your Fund nor has any conflict of interest with your Fund. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years and have not been imposed of any public sanctions or penalty by relevant regulatory bodies during the financial year. He attended nine (9) Board of Directors' Meetings held in the financial year ended 31 May 2022.

DATUK MOHD NASIR BIN ALI

- Independent Non-Executive Director
- Member of the Audit Committee ("AC")
- Aged 64, Malaysian, Male

Datuk Mohd Nasir Bin Ali was appointed to your Board of Directors on 28 September 2021. He graduated from University of Malaya with a Bachelor of Economics (Honours) and University of Strathclyde (UK) with a Master of Science in Financial Studies.

Datuk Mohd Nasir Bin Ali has experience across many industries from investment house, unit trust, fund management, stockbroking, print media, advertising and banking.

He was formerly the Group Executive Director of Utusan

Melayu (Malaysia) Berhad prior to retirement.

He now sits on the Board of EA Technique (M) Bhd, a company listed on Bursa Malaysia, Goodyear Malaysia Bhd, MIDF Amanah Investment Bank Sdn Bhd, Minority Shareholders Watch Group and a few other private limited companies.

Datuk Mohd Nasir Bin Ali has no family relationship with any director or major shareholder of your Fund nor has any conflict of interest with your Fund. He has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years and have not been imposed of any public sanctions or penalty by relevant regulatory bodies during the financial year. He attended seven (7) Board of Directors' Meetings held in the financial year ended 31 May 2022.

TAN MUN LIN

- Non-Independent Non-Executive Director
- Member of the Nomination Committee ("NC")
- Aged 35, Malaysian, Female

Ms Tan Mun Lin was appointed to your Board of Directors on 11 January 2021. She holds the Capital Markets Services Representative Licence issued by the Securities Commission of Malaysia (SC) and is licensed as a representative by the Securities and Futures Commission of Hong Kong (SFC), both for the regulated activity of fund management.

Ms Tan is a fund manager and Executive Director of Capital Dynamics Asset Management Sdn Bhd. She also serves as the deputy group CEO of Capital Dynamics, an investment advisory and fund management group licensed by the SC, the Monetary Authority of Singapore, the Australian Securities and Investments Commission and the SFC.

Ms Tan has more than 13 years of experience in the regulated investment advisory and fund management industry. She possesses extensive experience in local and global investment research and analysis, legal, regulatory & compliance, marketing/business development, HR, operations, strategy and management.

Ms Tan started her career in Capital Dynamics as Executive Assistant to CEO (Investment Research) in September 2009. She graduated with Bachelor of Commerce and Bachelor of Laws from the University of Sydney in 2009.

Ms Tan Mun Lin has no family relationship with any director or major shareholder of your Fund nor has any possible conflict of interest with your Fund save as disclosed that she is also the Executive Director of your Fund Manager. She has not been convicted of any offence (other than traffic offence, if any) within the past five (5) years and have not been imposed of any public sanctions or penalty by relevant regulatory bodies during the financial year. She attended nine (9) Board of Directors' Meetings held in the financial year ended 31 May 2022.

PROFILE OF DESIGNATED PERSON

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

MR TAN TENG BOO

Mr. Tan Teng Boo (Mr. Tan), aged 68, Malaysian, is the Designated Person of your Fund as approved by the SC under its Guidelines on the Public Offering of Securities of Closed-end Funds.

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

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

He holds an honours degree in Social Sciences, majoring in Economics from Sussex University, England. He has

over four decades of experiences in the equity markets and economies. As a result of his fascination with investing, he has the unique ability of blending his investing skills with his business experiences. As Mr. Warren Buffett, the world-renowned investor, said, "It's been awfully good to have a foot in both camps."

The Designated Person has no family relationship with any director or major shareholder of your Fund. The Designated Person and your Fund Manager have not identified any conflict of interest situation that may arise with your Fund.

The Designated Person and your Fund Manager have not been convicted of any offences (other than traffic offences, if any) within the past 5 years and have not been imposed any public sanctions or penalty by the relevant regulatory bodies during the financial year ended 31 May 2022.

FINANCIAL STATEMENTS

Contents

	Page
Directors' Report	48
Statement by Directors	50
Statutory Declaration	50
Independent Auditors' Report	51
Statement of Financial Position	53
Statement of Profit or Loss and Other Comprehensive Income	53
Statement of Changes in Equity	54
Statement of Cash Flows	54
Notes to the Financial Statements	55

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of your Fund for the financial year ended 31 May 2022.

PRINCIPAL ACTIVITY

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

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

Results

Loss after taxation for the financial year

(RM 2,038,242)

DIVIDENDS

Dividends paid or declared by your Fund since 31 May 2021 is as follows:-

In respect of the financial year 31 May 2022

A special COVID-19 relief dividend of RM0.20 per ordinary share paid on 31 December 2021

RM 28,000,000

The directors do not recommend the payment of any further dividends for the financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

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

1. Dato' Seri Md Ajib Bin Anuar
2. Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan
3. Datuk Mohammad Nasir Bin Ali
(Appointed on 28.09.2021)
4. Boh Boon Chiang
5. Tan Mun Lin

DIRECTORS' INTERESTS

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

Number of Ordinary Shares

	At 1.6.2021	Bought	Sold	At 31.5.2022
Your Fund				
<i>Direct Interests</i>				
Tan Mun Lin	20,000	-	-	20,000

By virtue of her shareholdings in your Fund, Tan Mun Lin is deemed to have interests in shares of your Fund during the financial year to the extent of your Fund's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of your Fund or its related corporations 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 directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by your Fund or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 17(b) to the financial statements.

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

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of your Fund during the financial year are as follows:-

Fees
RM 289,700

INDEMNITY AND INSURANCE COST

The directors and officers of your Fund are covered by directors and officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM37,000. No indemnity was given to or insurance effected for auditors of your Fund.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 20 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	RM
Audit fees	47,000
Non - Audit fees	15,000
	62,000

Signed in accordance with a resolution of the directors dated 15 September 2022

Dato' Seri Md Ajib Bin Anuar
Boh Boon Chiang

STATEMENT BY DIRECTORS

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

We, Dato' Seri Md Ajib Bin Anuar and Boh Boon Chiang, being two of the directors of icapital.biz Berhad, state that, in the opinion of the directors, the financial statements set out on pages 48 to 65 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of your Fund as of 31 May 2022 and of its financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 15 September 2022

Dato' Seri Md Ajib Bin Anuar
Boh Boon Chiang

STATUTORY DECLARATION

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

I, Tan Teng Boo, being the director of Capital Dynamics Asset Management Sdn. Bhd. primarily responsible for the financial management of icapital.biz Berhad, do solemnly and sincerely declare that the financial statements set out on pages 48 to 65 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
abovementioned Tan Teng Boo,
NRIC Number: 540211-02-5441

at Kuala Lumpur in the Federal Territory on this
15 September 2022

Before me
Datin Hajah Raihela Wanchik (W-275) *Tan Teng Boo*
Commissioner for Oaths

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

(Incorporated in Malaysia)

Registration No: 200401036389 (674900-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of icapital.biz Berhad, which comprise the statement of financial position as at 31 May 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 48 to 65.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of your Fund as at 31 May 2022, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of your Fund for the current financial year. These matters were addressed in the context of our audit of the financial statements of your Fund as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined

that there are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of your Fund are responsible for the preparation of financial statements of your Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of your Fund that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of your Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of your Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on your Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of your Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause your Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of your Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that

we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005
(LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur
15 September 2022

Chong Wei-Chnoong
03525/08/2024 J
Chartered Accountant

STATEMENT OF FINANCIAL POSITION AT 31 MAY 2022

	Note	2022 RM	2021 RM
ASSETS			
NON-CURRENT ASSET			
Investments	5	283,063,721	213,440,840
CURRENT ASSETS			
Other receivables and prepayments	6	1,514,804	2,474,799
Current tax assets		747,855	635,285
Short-term deposits	7	150,174,514	187,543,508
Bank balance		12,143,889	22,164,631
		164,581,062	212,818,223
CURRENT LIABILITIES			
Other payables and accruals	8	1,465,781	432,644
NET CURRENT ASSETS		163,115,281	212,385,579
NET ASSETS		446,179,002	425,826,419
FINANCED BY:-			
Share capital	9	140,000,000	140,000,000
Reserves	10	306,179,002	285,826,419
SHAREHOLDERS' EQUITY		446,179,002	425,826,419
Net asset value per ordinary share	11	3.19	3.04

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

	Note	2022 RM	2021 RM
REVENUE			
Interest income		3,102,159	3,985,629
Dividend income		3,997,274	2,544,094
		7,099,433	6,529,723
LESS: OPERATING EXPENSES			
Accounting and administrative fees		113,500	115,500
Advertisements		6,512	6,512
Annual general meeting expenses		67,026	94,343
Auditors' remuneration			
- audit fees:			
- current financial year		47,000	47,000
- (over)/underprovision in the previous financial year		(3,000)	3,000
- non-audit fees		15,000	15,000
Custodian expenses		220,397	193,308
Directors' fees		289,700	248,673
Fund management fee		3,562,242	3,033,182
Investment advisory fee		3,562,242	3,033,182
Others		151,700	90,394
Professional fee		471,978	262,852
		8,504,297	7,142,946
LOSS BEFORE TAXATION		(1,404,864)	(613,223)
INCOME TAX EXPENSE	12	(633,378)	(582,465)
LOSS AFTER TAXATION		(2,038,242)	(1,195,688)
OTHER COMPREHENSIVE INCOME	13	50,390,825	32,713,580
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		48,352,583	31,517,892
LOSS AFTER TAXATION ATTRIBUTABLE TO:			
Owners of your Fund		(2,038,242)	(1,195,688)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-			
Owners of your Fund		48,352,583	31,517,892
Basic loss per ordinary share	14	(0.01)	(0.01)
Diluted loss per ordinary share	14	(0.01)	(0.01)

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

		Non-distributable		Distributable	
	Note	Share Capital (RM)	Fair Value Reserve (RM)	Retained Profits (RM)	Total Equity (RM)
Balance at 1.6.2020		140,000,000	(33,705,057)	288,013,584	394,308,527
Loss after taxation		-	-	(1,195,688)	(1,195,688)
Other comprehensive income: - Fair value changes of equity instruments		-	32,713,580	-	32,713,580
Total comprehensive income for the financial year		-	32,713,580	(1,195,688)	31,517,892
Transfer to retained profits arising from disposal of investments		-	(4,195,607)	4,195,607	-
Balance at 31.5.2021/1.6.2021		140,000,000	(5,187,084)	291,013,503	425,826,419
Loss after taxation		-	-	(2,038,242)	(2,038,242)
Other comprehensive income: - Fair value changes of equity instruments		-	50,390,825	-	50,390,825
Total comprehensive income for the financial year		-	50,390,825	(2,038,242)	48,352,583
Transfer to retained profits arising from disposal of investments		-	(1,332,014)	1,332,014	-
Distributions to the owners of the Company: - Dividend paid	15	-	-	(28,000,000)	(28,000,000)
Balance at 31.5.2022		140,000,000	43,871,727	262,307,275	446,179,002

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

	Note	2022 RM	2021 RM
CASH FLOWS FOR OPERATING ACTIVITIES			
Loss before taxation		(1,404,864)	(613,223)
Decrease/(Increase) in other receivables		959,995	(1,098,865)
Increase/(Decrease) in other payables		1,033,137	(465,130)
Proceeds from disposal of quoted investments		3,004,715	17,857,830
Purchase of quoted investments		(22,236,771)	(60,830,783)
CASH FOR OPERATIONS		(18,643,788)	(45,150,171)
Income tax paid		(882,500)	(1,215,000)
Income tax refunded		136,552	150,122
NET CASH FOR OPERATING ACTIVITIES		(19,389,736)	(46,215,049)
NET CASH FOR FINANCING ACTIVITY			
Dividend paid	15	(28,000,000)	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		(47,389,736)	(46,215,049)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		209,708,139	255,923,188
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	16	162,318,403	209,708,139

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2022

1. GENERAL INFORMATION

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

Registered office: 12th Floor, Menara Symphony
No.5, Jalan Professor Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 15 September 2022.

2. PRINCIPAL ACTIVITY

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

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

3. BASIS OF PREPARATION

The financial statements of your Fund are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

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

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2

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

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

(including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets

are based on assumptions about risk of default (probability of default) and expected if a default happens (loss given default). It also requires your Fund to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. Your Fund uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amount of other receivables as at the reporting date is disclosed in Note 6 to the financial statements.

(b) Income Taxes

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

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying your Fund's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

4.2 FUNCTIONAL AND PRESENTATION CURRENCY

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

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

4.3 FINANCIAL INSTRUMENTS

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

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

a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

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

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

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

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts),

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

(ii) Fair Value through Other Comprehensive Income

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

(iii) Fair Value through Profit or Loss

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

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

Equity Instruments

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

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

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

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category

comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

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

Ordinary Shares

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

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

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is

reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

4.4 CASH AND CASH EQUIVALENTS

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

4.5 IMPAIRMENT

(a) Impairment of Financial Assets

Your Fund recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income.

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

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

For all other financial instruments, your Fund recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased

significantly since initial recognition, your Fund measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

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

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, your Fund estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.6 INCOME TAXES

(a) Current Tax

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

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

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

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

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.7 OPERATING SEGMENTS

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

4.8 NET ASSET VALUE PER ORDINARY SHARE

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

4.9 FAIR VALUE MEASUREMENTS

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

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

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical asset or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

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

4.10 REVENUE AND OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Interest Income

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

5. INVESTMENTS

	2022 (RM)	2021 (RM)
Quoted investments, at fair value	283,063,721	213,440,840

Equity Investments at Fair Value Through Other Comprehensive Income

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

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

	2022(RM)	2021 (RM)
Quoted investments:-		
Apex Healthcare Berhad	6,802,148	4,964,800
APM Automotive Holdings Berhad	9,082,600	10,808,294
Bioalpha Holdings Berhad	7,113,352	10,547,384
Bioalpha Holdings Berhad - Irredeemable Convertible Preference Shares	574,894	689,873
Boustead Holdings Berhad	9,110,840	7,470,888
Capital A Berhad (formerly known as Airasia Group Berhad)	19,033,430	21,945,637
Capital A Berhad - Redeemable Convertible Unsecured Islamic Debt Securities	6,783,709	-
Capital A Berhad - Warrants	927,270	-
EUPE Corp Berhad	80,000	-
HPMT Holdings Berhad	874,309	991,485
Kelington Group Berhad	33,492,176	28,808,948
Kelington Group Berhad - Warrants	4,352,090	-
Kronologi Asia Berhad	14,933,952	19,445,250
Luxchem Corp Berhad	3,204,352	-
MKH Berhad	3,836,859	3,895,888
Oceancash Pacific Berhad	1,037,916	1,572,600
OCK Group Berhad	1,346,910	-
Padini Holdings Berhad	57,142,512	48,299,028
Parkson Holdings Berhad	3,441,345	3,303,748
Salutica Berhad	569,567	858,601
SAM Engineering & Equipment (M) Berhad	75,340,760	31,985,550

	2022(RM)	2021 (RM)
Suria Capital Holdings Berhad	13,916,425	12,372,854
Tong Herr Resources Berhad	5,758,705	4,909,060
United Plantations Berhad	2,415,600	-
Wellcall Holdings Berhad	1,892,000	570,952
	283,063,721	213,440,840

(c) During the financial year, your Fund disposed of some of its investments as part of the fund's value investing strategy. The shares sold had a fair value of RM3,004,715 (2021 - RM17,857,830) at the time of sales and your Fund realised a cumulative gain of RM1,332,014 (2021 - RM4,195,607) by transferring the associated fair value reserve to retained profits.

6. OTHER RECEIVABLES AND PREPAYMENTS

	2022 (RM)	2021 (RM)
Other payables	1,016,453	30,093
Accruals	449,328	402,551
	1,465,781	432,644

Included in prepayments is an amount of RM1,144,647 (2021 - RM1,083,237) being prepayment to related parties.

7. SHORT-TERM DEPOSITS

	2022 (RM)	2021 (RM)
Deposits with licensed financial institutions	150,174,514	187,543,508

The deposits with licensed financial institutions of your Fund at the end of the reporting period bore effective interest rates ranging from 1.75% to 2.05% (2021 - 1.55% to 2.00% per annum). The deposits with licensed financial institutions has a maturity period of 1 month (2021 - 1 to 3 months).

8. OTHER PAYABLES AND ACCRUALS

	2022 (RM)	2021 (RM)
Other receivables	356,474	1,377,758
Prepayments	1,158,330	1,097,041
	1,514,804	2,474,799

9. SHARE CAPITAL

	2022	2021	2022	2021
	Number of Shares		(RM)	
Issued and Fully Paid-up				
Ordinary Shares				
At 1 June/ 31 May	140,000,000	140,000,000	140,000,000	140,000,000

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

10. RESERVES

	2022 (RM)	2021 (RM)
Fair value reserve	43,871,727	(5,187,084)
Retained profits	262,307,275	291,013,503
	306,179,002	285,826,419

Fair Value Reserve

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

11. NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share of your Fund is calculated based on the net assets at the end of the reporting period of RM446,179,002 (2021 - RM425,826,419) divided by the number of ordinary shares in issue at the end of the reporting period of 140,000,000 (2021 - 140,000,000).

12. INCOME TAX EXPENSE

	2022 (RM)	2021 (RM)
Current tax:		
- for the financial year	547,665	718,266
- under/(over) provision in the previous financial year	85,713	(135,801)
	633,378	582,465

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

	2022 (RM)	2021 (RM)
Loss before taxation	(1,404,864)	(613,223)
Tax at the statutory tax rate of 24% (2021 - 24%)	(337,167)	(147,174)
Tax effects of:-		
Tax-exempt dividends	(211,733)	(165,590)
Single tier dividends	(747,612)	(444,993)
Non-deductible expenses	1,844,177	1,476,023
Under/(over) provision of current tax in the previous financial year	85,713	(135,801)
Income tax expense for the financial year	633,378	582,465

13. OTHER COMPREHENSIVE INCOME

	2022 (RM)	2021 (RM)
Items that Will Not be Reclassified Subsequently to Profit or Loss		
Fair value of equity investments:		
- changes during the financial year	50,390,825	32,713,580

14. LOSS PER SHARE

The basic loss per ordinary share is arrived by dividing the loss attributable to owners of your Fund for the financial year of RM2,038,242 (2021 - RM1,195,688) over the weighted average number of ordinary shares in issue during the financial year of 140,000,000 (2021 - 140,000,000).

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

15. DIVIDEND

	2022 (RM)	2021 (RM)
Special COVID-19 relief dividend of RM0.20 sen per ordinary share in respect of the current financial year	28,000,000	-

16. CASH AND CASH EQUIVALENTS

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

	2022 (RM)	2021 (RM)
Short-term deposits	150,174,514	187,543,508
Bank balance	12,143,889	22,164,631
	162,318,403	209,708,139

17. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

Your Fund has related party relationships with Capital Dynamics Asset Management Sdn. Bhd. ("CDAM"), the fund manager of your Fund and Capital Dynamics Sdn. Bhd. ("CDSB"), the investment adviser of your Fund.

In addition to the information detailed elsewhere in

the financial statements, your Fund has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

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

	2022 (RM)	2021 (RM)
Fund management fees paid to CDAM	3,562,242	3,033,182
Investment advisory fees paid to CDSB	3,562,242	3,033,182

(c) Key Management Personnel Compensation

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

	2022 (RM)	2021 (RM)
Directors of your Fund Non-executive Directors - fees	289,700	248,673

18. SEGMENTAL INFORMATION

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

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

19. FINANCIAL INSTRUMENTS

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

19.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Single Issuer Risk

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

(b) Market Risk

(i) Foreign Currency Risk

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

(ii) Interest Rate Risk

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

Interest Rate Risk Sensitivity Analysis

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

	2022 (RM)	2021 (RM)
Effects on Loss After Taxation		
Increase of 100 basis points ("bp")	1,141,326	1,425,331
Decrease of 100 bp	(1,141,326)	(1,425,331)

(iii) Equity Price Risk

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

Equity Price Risk Sensitivity Analysis

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

	2022 (RM)	2021 (RM)
Effects on Other Comprehensive Income		
Increase of 10%	28,306,372	21,344,084
Decrease of 10%	(28,306,372)	(21,344,084)

(c) Credit Risk

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

(i) Credit Risk Concentration Profile

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

(ii) Exposure to Credit Risk

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

(iii) Assessment of Impairment Losses

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

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

Other Receivables

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

Short-term Deposits and Bank Balances

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

(d) Liquidity Risk

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

Maturity Analysis

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

	Carrying Amount (RM)	Contractual Undiscounted Cash Flows (RM)	Within 1 Year (RM)
2022			
<u>Non-derivative Financial Liability</u>			
Other payables and accruals	1,465,781	1,465,781	1,465,781

	Carrying Amount (RM)	Contractual Undiscounted Cash Flows (RM)	Within 1 Year (RM)
2021			
<u>Non-derivative Financial Liability</u>			
Other payables and accruals	432,644	432,644	432,644

19.2 CAPITAL RISK MANAGEMENT

Your Fund manages its capital to ensure that entities within your Fund will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, your Fund may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

Your Fund manages its capital based on debt-to-equity ratio. As your Fund has no external borrowings, the debt-to-equity ratio is not presented as it may not provide a meaningful indicator of the risk of borrowings.

19.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2022 (RM)	2021 (RM)
FINANCIAL ASSETS		
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>		
Investments (Note 5)	283,063,721	213,440,840
<u>Amortised Cost</u>		
Other receivables (Note 6)	356,474	1,377,758
Short-term deposits (Note 7)	150,174,514	187,543,508
Bank balance	12,143,889	22,164,631
	162,674,877	211,085,897
FINANCIAL LIABILITY		
<u>Amortised Cost</u>		
Other payables and accruals (Note 8)	1,465,781	432,644

19.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2022 (RM)	2021 (RM)
FINANCIAL ASSETS		
Equity Investments at Fair Value Through Other Comprehensive Income		
Net gains recognised in other comprehensive income	50,390,825	32,713,580

19.5 FAIR VALUE INFORMATION

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

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

	Fair Value of Financial Instruments Carried at Fair Value		
	Level 1 (RM)	Level 2 (RM)	Level 3 (RM)
2022			
<u>Financial Asset</u>			
Investments: - quoted investments	283,063,721	-	-
2021			
<u>Financial Asset</u>			
Investments: - quoted investments	213,440,840	-	-

	Fair Value of Financial Instruments Not Carried at Fair Value		
	Level 1 (RM)	Level 2 (RM)	Level 3 (RM)
2022			
<u>Financial Asset</u>			
Investments: - quoted investments	-	-	-
2021			
<u>Financial Asset</u>			
Investments: - quoted investments	-	-	-

	Total Fair Value (RM)	Carrying Amount (RM)
2022		
<u>Financial Asset</u>		
Investments: - quoted investments	283,063,721	283,063,721
2021		
<u>Financial Asset</u>		
Investments: - quoted investments	213,440,840	213,440,840

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

- (i) The fair value of quoted investments is determined at their quoted closing bid prices at the

end of the reporting period.

- (ii) There were no transfer between level 1 and level 2 during the financial year.

20. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Further to the updates made in the 2nd quarter report ended 30 November 2021, the decision of the Originating Summons initially fixed for 7 March 2022 has been adjourned to 28 March 2022, where The High Court of Malaya Kuala Lumpur ("High Court") had dismissed the Plaintiff's Originating Summons No. WA-24NCC-517-11/2021 and the Plaintiff's Application for Injunction. The Court further ordered costs of RM30,000 to be payable to the Defendant by the Plaintiff.

The broad grounds of the High Court's decision are, briefly, as follows: -

- (a) The High Court finds that the Defendant is not a member of the Plaintiff and is therefore not caught under Clause 21(2) and 8(y) of the Plaintiff's Constitution. The Plaintiff's Constitution provides a clear meaning of "member" and thus, the High Court found that the mischief rule ought not be applied.
- (b) The High Court takes note of the Plaintiff's concern that the ultimate control in the shares of the Plaintiff is with the Defendant. However, the Court is not prepared to go beyond the four corners of the Plaintiff's Constitution or to imply any term under the circumstances as this will cause confusion in the meaning of the word "shareholder".

In light on the above, your Fund had filed a Notice of Appeal on 31 March 2022 with the Court of Appeal against the High Court's decision on 28 March 2022.

On 1 April 2022, your Fund had filed an application for Erinford or further Injunction on a Certificate of Urgency with the High Court and hearing has been fixed on 10 May 2022 and has been adjourned to 30 May 2022.

The High Court has fixed a further case management for the Erinford Injunction on 18 July 2022 and pending the fixing of the hearing date of your Fund's appeal against the High Court's decision dated 28 March 2022.

On 18 July 2022 your Fund announced that the Supplementary Records of Appeal was filed in the Court of Appeal on 13 July 2022. At the case management on 14 July 2022, the Court of Appeal fixed a further case management for the Appeal on 6 October 2022 and the hearing of your Fund's appeal against the High Court's decision has been fixed on

26 October 2022.

- (c) Following the hearing of your Fund's application for Erinford or further Injunction on 23 June 2022, your Fund have reached an agreement whereby Defendant (either by itself and/or through its nominees, agents, clients and/or employees) will not acquire any further shares in your Fund and/or increase its aggregate shareholding in your Fund beyond its current aggregate shareholding of 31,401,800 shares (which is equivalent to 22.43% of your Fund's total issued capital), pending the full and final determination

and/or disposal of your Fund's appeal to the Court of Appeal against the High Court Order dated 28 March 2022 vide Civil Appeal No. W-02 (NCC)(A)-577-04/2022.

As such, on 3 August 2022, your Fund has withdrawn its application for Erinford or further Injunction with no order as to costs.

Your Fund will make further announcement on the developments of the above matter as and when is necessary.

DIRECTORS' RESPONSIBILITY STATEMENT

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

have been complied with. The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of your Fund that enables them to ensure that the financial statements comply with the Companies Act, 2016.

The Statement by Directors pursuant to Section 251(2) of the Companies Act, 2016 is set out on page 48 of this Annual Report.

INVESTMENT PORTFOLIO

As of 31 May 2022, your Fund has not invested in unlisted investments and all other investments apart from securities listed on Bursa Malaysia Securities Berhad. The investment objectives and policies of your Fund have been consistently applied to its investment portfolio.

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

	Companies	Shares (Unit)	Cost (RM)	Fair Value (RM)	Unrealised Profit/(Loss) (RM)
1	Apex Healthcare Berhad	2,282,600	5,278,085	6,802,148	1,524,063
2	APM Automotive Holdings Berhad	4,541,300	17,185,950	9,082,600	(8,103,350)
3	Bioalpha Holdings Berhad	49,057,600	13,050,056	7,113,352	(5,936,704)
4	Bioalpha Holdings Berhad - Irredeemable Convertible Preference Shares	7,665,250	153,305	574,894	421,589
5	Boustead Holdings Berhad	12,147,786	27,444,475	9,110,839	(18,333,635)
6	Capital A Berhad (formerly known as Airasia Berhad) Group	29,282,200	24,811,409	19,033,430	(5,777,979)
7	Capital A Berhad - Redeemable Convertible Islamic Debt Securities	9,760,733	7,320,550	6,783,709	(536,840)
8	Capital A Berhad - Warrants	4,880,366	-	927,270	927,270
9	EUPE Corporation Berhad	100,000	86,003	80,000	(6,003)
10	HPMT Holdings Berhad	1,802,700	643,487	874,310	230,823
11	Kelington Group Berhad	28,383,200	18,485,673	33,492,176	15,006,503

12	Kelington Group Berhad - Warrants	9,461,066	-	4,352,090	4,352,090
13	Kronologi Asia Berhad	31,112,400	19,817,030	14,933,952	(4,883,078)
14	Luxchem Corporation Berhad	5,006,800	3,733,610	3,204,352	(529,258)
15	MKH Berhad	2,951,430	5,468,915	3,836,859	(1,632,056)
16	Oceancash Pacific Berhad	3,145,200	1,722,775	1,037,916	(684,859)
17	OCK Group Berhad	3,409,900	1,588,763	1,346,910	(241,853)
18	Padini Holdings Berhad	17,006,700	4,929,308	57,142,512	52,213,204
19	Parkson Holdings Berhad	22,942,298	23,784,408	3,441,345	(20,343,064)
20	Salutica Berhad	1,700,200	2,320,178	569,567	(1,750,611)
21	SAM Engineering & Equipment (M) Berhad	18,154,400	35,926,338	75,340,760	39,414,422
22	Suria Capital Holdings Berhad	11,894,380	16,407,531	13,916,425	(2,491,107)
23	Tong Herr Resources Berhad	1,888,100	4,796,923	5,758,705	961,782
24	United Plantations Berhad	165,000	2,531,578	2,415,600	(115,978)
25	Wellcall Holdings Berhad	1,513,600	1,705,643	1,892,000	186,357
	Total	280,255,209	239,191,993	283,063,721	43,871,728

Positive fair value of investment of RM 43,871,727 represents 9.83% of the net asset value of RM446,179,002.

Details of the investments were disposed during the financial year ended 31 May 2022: -

Companies		Shares (Unit)	Cost (RM)	Disposal Value (RM)	Realised Gain / (Loss) (RM)
1	SAM Engineering & Equipment (M) Berhad	200,000	1,485,069	2,867,732	1,382,663
2	Suria Capital Holdings Berhad	118,100	187,632	136,983	(50,649)
	Total	318,100	1,672,701	3,004,715	1,332,014

Principal Activities of Companies

Apex Healthcare Berhad

Apex Healthcare develops, manufactures, markets, distributes and wholesales pharmaceuticals, consumer healthcare products and diagnostics with operations in Malaysia and Singapore.

in Malaysia, with business spanning 6 sectors: namely, plantation, heavy industries, property, finance, and investment, pharmaceutical, and trading and industrial.

Capital A Berhad (formerly known as Air Asia Group Berhad)

Capital A is a travel and lifestyle platform and South-East Asia's largest low cost carrier with operations in Malaysia, Thailand, Philippines and Indonesia.

APM Automotive Holdings Berhad

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

EUPE Corporation Berhad

EUPE Corporation Berhad is a well-established property developer with a focus in Northern Malaysia and Klang Valley.

Bioalpha Holdings Berhad

Bioalpha Holdings is an integrated health supplement company that covers the entire value chain, from R & D to cultivation of herbal raw materials to processing, manufacturing, and distribution. It operates a chain of retail pharmacies.

HPMT Holdings Berhad

HPMT Holdings manufactures and distributes high precision cutting tools, trading of third party cutting tools, supporting equipment and accessories for metalworking as well as provision of PVD coating services.

Boustead Holdings Berhad

Boustead Holdings is one of the largest conglomerates

Kelington Group Berhad

Kelington Group is a one-stop engineering solution provider of ultra-high purity gas delivery systems, process engineering, industrial gases to electronics and semiconductor industries, etc.

Kronologi Asia Berhad

Kronologi Asia Berhad is a leading provider of hybrid and cloud enterprise data management (EDM) technology and solutions. It offers hardware and software solutions, and managed services.

Luxchem Corporation Berhad

Luxchem Corporation Berhad manufactures and trades unsaturated polyester resin, latex chemical dispersions, latex processing chemicals and related products, besides distributing industrial chemicals.

MKH Berhad

MKH is involved in property development, oil palm plantation, property investment, building materials trading, and furniture manufacturing across Malaysia, China and Indonesia.

Oceancash Pacific Berhad

Oceancash Pacific is a manufacturer of insulation felts and hygiene nonwoven fabric with presence in Malaysia, Indonesia and Thailand.

OCK Group Berhad

OCK Group is involved in the provision of telecommunication services equipped with the ability to provide full turnkey services.

Padini Holdings Berhad

Padini is a leading retailer of its own fashion labels

through freestanding stores, franchised outlets, and consignment counters in Malaysia and abroad.

Parkson Holdings Berhad

Parkson is a leading department store operator in Malaysia, China, and Vietnam.

Salutica Berhad

Salutica is a vertically integrated electronic manufacturer, specialising in designing, developing and manufacturing mobile communication products, wireless electronics and lifestyle devices.

SAM Engineering & Equipment (M) Berhad

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

Suria Capital Holdings Berhad

Suria Capital is the leading port operator in Sabah.

Tong Herr Resources Berhad

Tong Herr Resources is an international stainless steel fastener manufacturing group with manufacturing operations in Malaysia and Thailand.

United Plantations Berhad

United Plantations Berhad engages in the cultivation and processing of palm oil, coconuts and other plantation crops.

Wellcall Holdings Berhad

Wellcall manufactures and sells industrial rubber hoses and related products.

ADDITIONAL INFORMATION as at 31 May 2022

1. Audit and non-audit fees

The information on the audit and non-audit fees is disclosed in page 73 of this Annual Report.

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

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

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

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

(0.75% divided by 4) multiply by NAV^(quarter)

NAV^(quarter), being the NAV of your Fund based on the last business day of the preceding quarterly fee period.

3. Brokers/Dealers Transaction Information

No.	Name of Broker/ Dealer	Brokerage fees/ commissions paid (RM)	Brokerage fees/ commissions paid (%)
1.	Broker A	18,266.12	50.96
2.	Broker B	10,706.11	29.87
3.	Broker C	6,869.78	19.17
	Total	35,842.01	100

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

4. Fund Manager's Interest in your Fund

As at 31 May 2022, the Designated Person has a direct interest in 65,000 shares and an indirect interest in 2,615,600 shares in your Fund, whilst the Fund Manager has a direct interest in 1,846,900 shares in your Fund.

5. Gross Revenue of the Closed-End Fund

The information on your Fund's gross revenue is presented on page 53 in the audited income statement for the financial year ended 31 May 2022, as attached in this Annual Report.

6. Sales and Purchases by the Closed-End Fund Where Fund Manager is Counterparty

Your Fund Manager is not a counterparty to any of the sales or purchases of investment by your Fund.

7. Analysis of Realised and Unrealised Gains or Income, Profits and Losses of Investments

The analysis of realised and unrealised gains or income, profits and losses of the investments are presented in pages 65 to 66 of this Annual Report.

8. Financial Information of your Fund for the Last 5 Financial Years.

	2018	2019	2020	2021	2022*
Issued and Paid-up shares	140,000,000	140,000,000	140,000,000	140,000,000	140,000,000
Total Asset Value (RM)	499,133,490	450,684,050	395,206,301	426,259,063	447,644,783
NAV (RM)	498,695,086	450,208,147	394,308,527	425,826,419	446,179,002
NAV/share (RM)	3.56	3.22	2.82	3.04	3.19

* Ex-dividend of 20 sen.

Fund Price (RM)	2018	2019	2020	2021	2022
Highest	2.88	2.82	2.47	2.22	2.50
Lowest	2.47	2.33	1.86	1.87	1.85

	2018	2019	2020	2021	2022
Dividend Paid (RM)	NIL	NIL	NIL	NIL	0.20
Dividend Yield (%)	N/A	N/A	N/A	N/A	9.62

	2018	2019	2020	2021	2022
Management Expenses Ratio (MER)	1.83%	1.84%	3.39%^	1.69%	1.77%
Variance in MER compared with preceding year	-0.09%	0.01%	1.55%	-1.70%	0.08%

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

9. Average Return of your Fund Measured over 1 year, 3 years and 5 years as at the Financial Year ended 31 May 2022.

	1 Year	3 Years	5 Years
	From 1 Jun 2021 to 31 May 2022	From 1 Jun 2019 to 31 May 2022	From 1 Jun 2017 to 31 May 2022
Fund's NAV	11.04%	1.58%	0.39%
Fund's Market Price	19.70%	-2.05%	-2.94%
MSCI Malaysia	-3.24%	-4.60%	-4.13%

ANALYSIS OF SHAREHOLDINGS as at 24 August 2022

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

Distribution of Shareholdings

Size of holdings	No. of holders	%	No. of shares	%
1 – 99	130	3.998	1,079	0.001
100 – 1,000	1,021	31.396	591,884	0.423
1,001 – 10,000	1,208	37.146	5,462,328	3.902
10,001 – 100,000	661	20.326	23,769,025	16.978
100,001 to less than 5% of issued shares	232	7.134	110,175,684	78.697
5% and above of issued shares	0	0.000	0	0.000
Total	3,252	100	140,000,000	100

Substantial Shareholder

Name of Substantial Shareholder	No. of shares held			
	Direct	%	Indirect	%
City of London Investment Management Company Ltd	-	-	⁽¹⁾ 31,401,800	⁽¹⁾ 22.430

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

Directors' Shareholdings

Name of Directors	No. of shares held			
	Direct	%	Indirect	%
Dato' Seri Md Ajib Bin Anuar	-	-	-	-
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	-	-	-	-
Boh Boon Chiang	-	-	-	-
Tan Mun Lin	20,000	0.014	-	-
Datuk Mohd Nasir Bin Ali	-	-	-	-

Thirty Largest Shareholders

No.	Name	No. of shares	Percentage holding (%)
1.	Chong Ah Him @ Chong Kum Kwan	5,321,000	3.801
2.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Emerging Markets Country Fund	4,891,200	3.494
3.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Emerging BMI Markets Countryfund	4,292,200	3.066
4.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund WB7A For Bill And Melinda Gates Foundation Trust	3,556,917	2.541
5.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Global Emerging Markets Fund	3,555,500	2.540
6.	Tunku Sara Binti Tunku Ahmad Yahaya	2,915,500	2.083
7.	DB (Malaysia) Nominee (Asing) Sdn Bhd BNYM SA/NV For The World Markets Umbrella Fund PLC	2,670,500	1.908
8.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Emerging Markets Global Fund	2,645,100	1.889
9.	Maybank Nominees (Tempatan) Sdn Bhd Yeoh Ah Tu	2,419,400	1.728
10.	Annhow Holdings Sdn Bhd	2,000,000	1.429
11.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Emerging Markets Investable Fund	1,892,000	1.351
12.	Lam Fook Shin	1,823,200	1.302
13.	Cartaban Nominees (Asing) Sdn Bhd Exempt An For RBC Investor Services Trust (Clients Account)	1,761,400	1.258

Thirty Largest Shareholders

No.	Name	No. of shares	Percentage holding (%)
14.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For School Employees Retirement System Of Ohio	1,648,100	1.177
15.	Loh Kian Chong	1,600,000	1.143
16.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Emerging Markets Free Fund	1,423,200	1.017
17.	Ocuvas Sdn.Bhd.	1,368,500	0.978
18.	Leow Kok Meow & Sons Sendirian Berhad	1,250,000	0.893
19.	Heng Kim Siang	1,238,100	0.884
20.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Cornell University	1,221,400	0.872
21.	Mike Leo Tong	1,141,000	0.815
22.	Wong Yoon Tet	1,080,000	0.771
23.	Yeoh Ah Tu	1,050,000	0.750
24.	Lee Siew Lin	1,038,000	0.741
25.	Soon Khia Voon	1,002,000	0.716
26.	HSBC Nominees (Asing) Sdn Bhd Exempt An For Brown Brothers Harriman & Co. (CGWI Ltd)	990,000	0.707
27.	Lai Hui Eng	941,100	0.672
28.	Capital Dynamics Asset Management Sdn Bhd	937,400	0.670
29.	Capital Dynamics Asset Management Sdn Bhd	923,900	0.660
30.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Deseret Mutual Master Retirement Plan	900,700	0.643
	Total	59,497,317	42.498

CORPORATE RESPONSIBILITY

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

Share Owner Value

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

Community Engagement and Responsible Investing

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

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

Besides the Investor Day, it is also a tradition for your Fund to organise Annual General Meeting (AGM) on a Saturday for share owners' convenience as well as extending the usual AGM session from a half-day event to a full-day event over the past 5 years. The objective is to facilitate better and more effective share owner engagement through more insight sharing by the Designated Person and Q & A sessions.

2022 Investor Day of icapital.biz Berhad

Together with your Fund Manager, your Fund will again organise the annual Investor Day for the investing public in 2022, having been postponed for 2 years due to the COVID-19 pandemic. More information regarding the 2022 Investor Day will be shared on the corporate website of your Fund and official websites and social media channels of your Fund Manager. Do follow us closely.

Building a Better Business Community

As part of your Fund's community engagement effort, Tan Teng Boo, the Designated Person shared his business and investing insights with more than 300 CEOs and senior managers on the importance of implementing strategies for the long-term in a free-for-public webinar organised by Vistage Malaysia on 2nd March 2022. In his webinar entitled "Turning Crisis into Opportunities", Tan Teng Boo pointed out that most Malaysian firms that he has liaised with in his line of work as a fund manager, regardless of their size and status, seldom focus on strategic planning and long-term strategies. As a result, they are caught up in crisis and unable to turn them into opportunities as they do not anticipate them. Being the only Malaysian fund manager and business owner who has experienced many crises including the 1973 recession, 1985 economic crisis, 1990 Gulf War, 1997 Asian crisis, 2000 technology bubble, 2008 US-led global financial crisis, 2012 Euro debt crisis, and the 2020 pandemic recession, Tan Teng Boo enlightened the participants on how they can turn crisis into opportunities through three insightful case studies: 1). Capital Dynamics' journey of building a global fund management firm; 2). The impact of climate change; and 3). The rise of Asian middle class. Just like how he has been managing your Fund, Tan Teng Boo advised the CEOs and senior managers to be long-term focus and to ensure sufficient margin of safety in managing their businesses.

Empowering Youth

To empower our youth, Tan Teng Boo shared his research on the impact of climate change with the students of HELP University Malaysia in the Post-Pandemic Investment Opportunities Forum organised by the Business Student Committee (BSC) of HELP University Malaysia in collaboration with the Chartered Financial Analyst Society Malaysia and Capital Dynamics in February 2022. Our youth ought to be aware of the dire state of our mother earth and how their future will be affected by the worsening impact of the human-induced climate change. Tan Teng Boo also provided invaluable investment advice to the students as they start their investment journey.

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

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

EXPLANATORY NOTES

Explanatory Notes on the difference between a closed-end fund and a normal listed company

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

As provided in the Securities Commission under the Guidelines for Public Offering of Securities of Closed-end Funds ("SC CEF Guidelines"), a closed-end fund is set up for the purpose of engaging wholly in the business of investing its funds in securities through managing a portfolio of investments for the benefits of its share owners.

Other unique features of a closed-end as provided under the SC CEF Guidelines are that a closed-end fund [1] shall not conduct any other business other than that of a closed-end fund [2] shall not take effective control of its underlying investments. [3] that no shareholder shall hold more than 20% of the total issued and paid-up shares of the closed-end fund and [4] borrowings shall not exceed 30% of its Net Asset Value ("NAV"). Your Fund has adopted the strictest threshold, that is, your Fund is not allowed to borrow without the unanimous approval from share owners, thus making your Fund a safe and sound investment. All these conditions are not applicable to a normal listed company.

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

It is mandatory for your Fund to appoint a Designated Person (besides a Fund Manager) who plays a key role in managing the assets of your Fund in accordance with the investment objectives and policies as stated in your Fund's Constitution and Initial Public Offering Prospectus. The Designated Person must be approved by the Securities Commission under the SC CEF Guidelines.

Another significant difference between a closed-end fund and to a normal listed company is that the most appropriate performance indicator of a closed-end fund is its NAV which is computed on a daily marked-to-market basis and is released to the public on a weekly basis. Therefore, it is not appropriate to look at the profit or earnings or earnings per share or the profit and loss statement when tracking the performance of your Fund unlike a normal listed company. Bursa Securities has specific disclosure and reporting requirements for closed-end funds which are not applicable to a normal listed company, and vice versa.

AUDIT COMMITTEE REPORT

1. COMPOSITION

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

Name of Director	Membership	Directorship
Mr Boh Boon Chiang	Chairman	Independent Non-Executive Director
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	Member	Independent Non-Executive Director
Datuk Mohd Nasir Bin Ali (Appointed with effect from 28 September 2021)	Member	Independent Non-Executive Director

The composition of the AC fulfills the requirements set out in Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). None of the AC members are alternate Directors.

2. TERMS OF REFERENCE

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

3. MEETINGS

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

During the financial year ended 31 May 2022 ("FYE 2022"), a total of four (4) AC meetings were held. The attendance of each AC member is set out on pages 80 to 81 of this Annual Report.

As a closed-end fund ("CEF"), the entire Board of Directors of your Fund is non-executive with mostly independent and unlike a normal listed company, your Fund has no chief executive officer, management or employees. Your Fund employs an external management structure whereby all its functions are undertaken by external Service Providers, details of which are set out on page 77 of this Annual Report. The External Auditors of your Fund is Crowe Malaysia PLT.

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

4. ANNUAL ASSESSMENT

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

- is well-balanced, with Members that have diverse skill sets and core competencies; and
- has performed satisfactorily in the discharge of its functions, duties and responsibilities in accordance with the Terms of Reference during the FYE 2022.

5. SUMMARY OF THE WORK OF THE AC DURING THE FYE 2022

The principal activities undertaken by the AC in the discharge of its functions and duties during the FYE 2022 are summarised as follows:-

5.1 Financial Reporting

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

5.2 External Audit

- On 20 July 2022, the AC reviewed and discussed with the External Auditors the Audit Findings, Audit Review Memorandum and the Draft audited financial statements for FYE 2022.
- The External Auditors declared their independence with respect to the audit of your Fund in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants' By-Laws (on Professional Ethics, Conduct and Practice). The External Auditors also confirmed that they were not aware of any non-audit services which compromised their independence as External Auditors of your Fund.
- The AC also received written confirmation dated 20 July 2022 from the External Auditors that during their course of audit for FYE 2022, nothing had come to their attention on any material deficiency in internal controls of your Fund for FYE 2022.
- The AC had on 20 July 2022 conducted an evaluation on the External Auditors for FYE 2022 through External Auditors' evaluation forms based on the following criteria:-
 - Quality of services and sufficiency of resources provided by the Auditors;
 - Communication and interaction with the Auditors; and
 - Auditors' objectivity, independence and professional scepticism.

Based on the aforesaid evaluation, the AC was satisfied with the performance of the External Auditors and agreed that Crowe Malaysia PLT had demonstrated their objectivity, independence and professionalism throughout their course of audit.

- Based on the AC's recommendation, your Board agreed to table the re-appointment of Crowe Malaysia PLT as the External Auditors for the ensuing financial year for share owners' approval at the forthcoming Annual General Meeting.
- Before recommending to your Board for approval, the AC

had reviewed the Audit Planning Memorandum for the FYE 2022 received from the External Auditors, and the amount of audit and non-audit fees of your Fund for the FYE 2022, the particulars of which are as follows:-

Particulars	Amount (RM)	Total (RM)
Audit fee	47,000.00	47,000.00
Non-audit fees		15,000.00
• Review of Statement on Risk Management and Internal Control	5,000.00	
• Review of Annual Report	10,000.00	
		62,000.00

- g. The AC held two (2) private discussion sessions with the External Auditors in respect of the audit of your Fund's financial statements for the FYE 2022.

5.3 Internal Audit

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

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

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

Name	: Dr. Wong Ka Fee
Qualification	: • Doctor of Business Administration (Behavioural Finance), Universiti Utara Malaysia • Master of Science (Management Consultancy), Liverpool John Moores University • Master of Business Administration, University of Wales
Independence	: Does not have any family relationship with any Directors and/or major share owners of your Fund
Public Sanction	: Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year

- b. The AC has reviewed and accepted the Internal Audit Plan for FYE 2022 presented by the Internal Auditors, where PKF would conduct its internal audit on the services that the Service Providers are providing to your Fund.
- c. The AC also reviewed and accepted the Internal Audit Reports on a half-yearly basis presented by the Internal

Auditors in respect of the audit of the following key processes carried out by the respective Service Providers:

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

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

- d. The AC had on 15 September 2022 reviewed and accepted the Enterprise Risk Management Report ("ERM Report") for FY 2022 respectively presented by the Internal Auditors.
- e. The AC had on 20 July 2022 conducted an evaluation of the internal audit function for FYE 2022 respectively through the Internal Auditors' Evaluation Form based on the following criteria:-
- Understanding of the business of your Fund;
 - Skills and experience of the Internal Auditors;
 - Communication skills; and
 - Overall performance of the Internal Auditors.

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

- f. The costs incurred for the Internal Audit function in respect of FYE 2022 was RM33,000.

5.4 Other Activities

a. Recurrent Related Party Transactions ("RRPTs")

The AC reviewed all the RRPTs of your Fund at its meetings held during the FYE 2022.

On 3 February 2022, your Board made an announcement to Bursa Securities because your Fund had, in the ordinary course of business, entered into the RRPTs with its related parties, namely the Fund Manager and Investment Advisor, where the aggregated actual value of such RRPTs transacted for the periods from 1 August 2021 to 30 April 2022 had exceeded the percentage ratio of 1% as prescribed under Paragraph 10.09(1)(a) of the MMLR.

Details of the announcement can be found at Bursa Securities' website, www.bursamalaysia.com and your Fund's corporate website, www.icapital.my.

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

The AC had on 15 September 2022 reviewed and recommended the following statements for Annual Report to your Board for approval:-

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

c. Tax Returns for Years of Assessment ("YA") 2021

The AC noted that your Fund has a tax credit of RM456,020.88 for YA 2021 which is pending refund by Inland Revenue Board ("IRB").

This AC Report was approved by the Board on 15 September 2022.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

Introduction

The Malaysian Code on Corporate Governance 2021 requires listed companies to maintain a sound risk management framework and internal control system to safeguard shareholders' investments and the company's assets. Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") require directors of public listed companies to include an overview statement in their annual reports on the state of their risk management framework and internal controls. The Listing Requirements and Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines"), which is issued by the Taskforce on Internal Control, provide guidance for compliance with these requirements. Set out below is your Board's Statement on Risk Management and Internal Control which has been prepared in accordance with the Guidelines.

Roles and Responsibility

A) Board of Directors

Your Board recognises the importance of maintaining sound internal control and effective risk management practices in your Fund. Your Board acknowledges that its primary responsibility is to ensure that risks in your Fund are identified, measured, and managed with an appropriate risk management framework and internal controls, and to ensure that the effectiveness, adequacy and integrity of the risk management function and internal control systems are reviewed on an ongoing basis. The review covers, inter-alia, financial and investment, operational, compliance and regulatory controls and risk management procedures and processes of your Fund. Your Board acknowledges its overall responsibility to review the adequacy and integrity of the system on internal controls. 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 that such a system is designed to mitigate and manage rather than eliminate the risk of failure to achieve business objectives.

B) Audit Committee

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

C) External Service Providers

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

Internal Audit Function

To achieve these objectives, your Board has outsourced its internal audit function to an independent professional services firm that provides independent and objective reports directly to the AC, which assists the AC in discharging its duties and responsibilities on a bi-annual basis. The internal audit function reviews the internal controls of the key activities of your Fund's service providers based on the annual internal audit plan approved by the AC.

The internal auditors perform the audit based on the International Professional Practices Standards of Internal Auditing. Since the adoption of the Enterprise Risk Management framework, the internal audit function has taken on a risk-based approach in preparing its audit strategy and plans, after having considered the risk profiles of your Fund's operations. The system of internal control has been structured in such a manner that provides reasonable assurance that the likelihood of a significant adverse impact arising from a future event or situation is at a level acceptable to the business. This is achieved through a combination of preventive, detective, and corrective measures.

The internal audit reports that were tabled to the AC for deliberation on a bi-annual basis have included responses from the service providers and their corrective actions taken or to be taken regarding specific findings and recommendations. The service provider as a whole is responsible for ensuring that the necessary corrective actions on reported weaknesses are promptly taken. The AC presents the internal audit findings on a bi-annual basis to your Board.

Other Internal Control Elements

Your Fund's overall internal control elements include:

(i) Control Environment

Your Fund Manager is responsible for managing the investments of your Fund, while your Investment Adviser provides continuous investment 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 and financial information, and computation of the Net Asset Value ("NAV"). The custodian function is performed by an approved independent custodian bank, which maintains custody of your Fund's investments and cash.

Reconciliation of cash and stock holdings is performed on a weekly and monthly basis by the Administrator and verified by your Fund Manager. Quarterly and annual financial statements are prepared by the Administrator, verified by your Fund Manager, reviewed by the AC and approved by your Board prior to submission to Bursa Securities for release to share owners. The Fund does not have any subsidiaries, material joint ventures and associated companies.

The core service providers are regulated entities, are required to have adequate risk management and internal control systems, and are respectively subjected to internal audit and compliance review by their own business requirements.

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

The Custodian has provided similar assurance via their annual

report on internal controls of their security services.

(ii) Information and Communication

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

(iii) Audit Committee

Your Board has established the AC which comprises three (3) Independent Non-Executive Directors. Details of reports of the AC are disclosed in the AC Report on pages 72 to 73 and the terms of reference of the AC are made available for reference in your Fund's website at www.icapital.my.

(iv) Whistleblowing Policy

Your Board has formalised a whistle-blowing policy as its commitment to the highest standard of integrity, openness, and accountability in the conduct of its businesses and operations.

It aspires to conduct its affairs in an ethical, responsible, and transparent manner. In recognising these values, your Fund provides an avenue for share owners, service providers, and members of the public to disclose any improper conduct of your Fund.

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

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

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

Risk Management

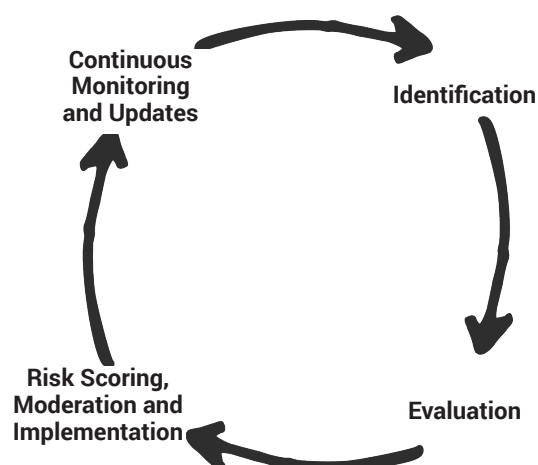
Your Board recognises that to ensure the review process for identifying, evaluating and managing the significant risks affecting your Fund is complete, the internal control procedures with clear lines of accountability and delegated authority have to be established. Your Board, throughout the current financial year, has identified and evaluated the significant risks faced by your Fund through the establishment of the Enterprise Risk Management ("ERM") framework.

The responsibility of risk identification and risk management with respect to the relevant functions lies with the respective service providers. Any significant risks identified with the corresponding risk management activities were documented in the ERM and communicated to the service providers to evaluate and score the risks.

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

register annually.

The ERM process adopted is as follows: -



Significant or Main Principal Risk Relating To Your Fund

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

Risk Profile	Causes	Mitigation Control
1. Prolonged Slow Down in Economy	Arises from the ongoing impact of Covid-19 pandemic, climate change, inflation, fluctuation in crude oil prices, war between Russia and Ukraine, fluctuation in interest rates, which has caused slowdown in many businesses and economies, including activities of Malaysian economic partners.	While economic slowdown is an external factor which is beyond your Fund's control, your Board has delegated to your Fund Manager who mitigates such risk by consistently applying the value investing philosophy where your Fund Manager will analyse the underlying business values of the investee companies (intrinsic value) over the medium to longer-term and invest when the market price is below the intrinsic value, that encompasses the core principle of margin of safety, i.e., the disparity between the intrinsic value and the market price. Your Fund Manager will also decide on the asset allocation, i.e., when the market is overvalued with less opportunities, your Fund Manager will hold more cash and wait until the market is undervalued with plenty of opportunities to invest.

Risk Profile	Causes	Mitigation Control
2. Local Political Instability	Arises from establishment of new government, changes in government leadership, war, riots and expropriation.	Your Board has delegated to your Fund Manager to mitigate such risk by consistently applying the value investing philosophy where your Fund Manager will analyse the underlying business values of the investee companies, which includes any political risk that may affect the investee companies' business operations.
3. Climate change	Cause threat to share market prices and investee companies posed by climate-related natural disasters, such as flooding, deadly heat waves, wildfires.	Your Board has delegated to your Fund Manager to mitigate such risk by applying the value investing philosophy by analysing the underlying business values of the investee companies and emphasis on margin of safety in managing your Fund investments.
4. Litigation risk	Arises from legal actions taken to protect the interest of your Fund and its share owners.	Your board has ensured that competent lawyers are consulted on the decisions made that may have legal implications/ liability which can jeopardized the Company.
5. Volatility & market risk of investee company	Arises from no direct control of the management & operations of companies invested and mismanagement of the investee companies or third-party liability. Senior rights of creditors over the shareholders in the event of winding up of the investee companies.	Your Board mitigates such risk by ensuring that your Fund Manager consistently applies the value investing philosophy and emphasizes on margin of safety in managing your Fund investments.

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

Pursuant to Paragraph 15.23 of the Bursa's MMLR, the External Auditors have reviewed this Statement on Risk Management & Internal Control. Their review was performed in accordance with

Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and the guidance published in AAPG 3 (Revised 2015), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report. Based on their review, nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by Chapter 15, Paragraph 15.26 of the Main Market Listing Requirements of Bursa Malaysia and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Practices 10.1 and 10.2 of the Malaysian Code of Corporate Governance 2021, nor is this statement factually inaccurate.

Conclusion

Your Board has received written assurance (where applicable) from your Fund Manager, Investment Advisor, Custodian and Administrator ("Service Providers") and is of the view that the risk management and internal control systems of each of the Service Providers for the year under review, in relation to their functions in your Fund pursuant to their respective terms of engagement, are in place, sound and operating adequately and effectively in all material aspects and provide a level of confidence on which your Board relies on.

After due consideration and review of the risk management and internal control, your Board is satisfied that there is no significant control failure or weaknesses identified that would result in material losses or require disclosure in your Fund's Annual Report during the financial year ended 31 May 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The corporate governance adopted by your Fund provides a framework of control mechanisms in achieving its goals. This is critical to the performance of your Fund and consequently leads to its success in adopting a strong corporate governance framework that is designed to meet the best practice principles. In particular, your Board and your Fund have the obligation to act honestly, with due care and diligence, and in the best interests of share owners and other stakeholders by emphasising on the transparency of decision-making process, fairness and trustworthiness in managing your Fund. Your Board also recognises the need to adapt and improve the principles and practices to meet the ongoing changes and challenges in regulatory requirements, international developments and investor expectations.

In making this Corporate Governance ("CG") Overview Statement, the Company is guided by Practice Note 9 of Main Market Listing

Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the CG Guide (4th edition) issued by Bursa Securities. This statement provides an overview of the Company's application of the three (3) principles set out in the MCCG throughout the financial year ended 31 May 2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities Clear Roles and Responsibilities

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

No.	Outsourced Service Providers	Scope of work
a.	Capital Dynamics Asset Management Sdn. Bhd. ("Fund Manager")	Fund management services
b.	Capital Dynamics Sdn. Bhd. ("Investment Adviser")	Investment research and advisory services
c.	Boardroom Corporate Services Sdn. Bhd. ("Corporate Secretarial")	Corporate secretarial services
d.	Boardroom Share Registrars Sdn. Bhd. ("Registrar")	Share registration services
e.	TMF Administrative Services Malaysia Sdn. Bhd. ("Administrator")	Accounting and administrative services
f.	Standard Chartered Bank Malaysia Berhad ("Custodian")	Custodian services
g.	PKF Risk Management Sdn. Bhd. ("Internal Auditors")	Internal audit review

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

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

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

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

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

Mr. Tan Teng Boo, the Designated Person of the Fund Manager

("Designated Person"), updates your Board on the investment portfolio of your Fund, and the economic and market outlook at Board meetings held from time to time. The investment portfolio of your Fund is disclosed on pages 65 to 67 of this Annual Report.

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

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

Separation of the positions promotes accountability and facilitates the division of responsibilities between them. If the same person assumes the positions of Chairman of the Board and Chairman of the Audit Committee or Nomination Committee, this gives rise to the risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees.

Thus, the Chairman of the Board should not be a member and/or chair of any Board Committees to ensure there are checks and balances as well as objective review by the Board and the Board Committees.

In this context, your Fund has a clear division of supervisory oversight and management functions. Your Board is led by Dato' Seri Md Ajib Bin Anuar, the Independent Non-Executive Chairman, whilst your Fund does not have any employees, management and CEO, hence, the day-to-day management affairs and duties of your Fund are delegated to the respective Service Providers. Your Board undertakes the supervisory and oversight roles to ensure the respective Service Providers are performing their services in accordance with the agreed mandates. Your Board, which is made up mostly of Independent Non-Executive Directors, with diverse professional backgrounds, skills, experiences, age, ethnicity, gender and knowledge, will further strengthen the governance framework of your Fund.

Access to Information

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

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

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

- Discussion of the subject matter with the Chairman;
- Provision of written notice to the Company Secretary of the Director's intention to seek independent advice with a brief summary of the subject matter; and
- Notification to the Board and obtaining the Board's approval prior to the engagement of the professional advisor(s).

Independent advice sought shall exclude matters relating to the Directors' personal disputes, which are not related to or do not affect your Board or your Fund as a whole.

Company Secretary

Your Board is supported by one (1) suitably qualified and competent external Company Secretary who is accountable to your Board. The Company Secretary plays an advisory role to your Board on matters related to your Fund's Constitution, Board policies and procedures, in compliance with the relevant regulatory requirements, codes or guidance and legislation. The Company Secretary supports your Board by ensuring that all Board and Board Committee meetings are properly conducted and deliberations as well as conclusions arising therefrom are accurately recorded. The Company Secretary also keeps your Board updated on changes in the MMLR and directives issued by the regulatory authorities and the resultant implications to your Fund and the Directors in relation to their duties and responsibilities. The Company Secretary also undertakes continuous professional development to carry out its functions.

Board Charter

Your Board has adopted a Board Charter to ensure that all Board members are aware of their duties and responsibilities as Board members and the various laws, regulations and guidelines affecting their conduct, as well as to ensure that the principles of good corporate governance are applied in all their dealings in respect and on behalf of your Fund. The Board Charter is periodically reviewed and updated in accordance with the practicality and needs of your Fund and any new regulations that may have an impact on the discharge of your Board's duties and responsibilities.

The Board Charter which was updated on 17 August 2022, has been made available on the corporate website.

Code of Ethics & Conduct

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

Your Board and Service Providers are guided by the Code of Conduct in discharging their oversight roles and responsibilities effectively. The Code of Conduct requires your Board and Service Providers to observe high ethical business standards, to maintain a healthy corporate culture, to apply these values to all aspects of your Fund's business and professional practice, and to act in good faith in the best interests of your Fund and the share owners.

Anti-Bribery and Anti-Corruption Policy and Procedure

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

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

Whistle-Blowing Policy and Procedures

Your Board has also adopted a Whistle-blowing Policy, which has been made available on the corporate website. This provides an avenue for Service Providers, stakeholders and share owners of

the public to disclose any improper conduct within your Fund via post to the Chairman of the Audit Committee ("AC") at the registered address of your Fund, details of which are set out in the inside back cover page of this Annual Report.

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

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

Directors Fit And Proper Policy

Your Board has also adopted the Directors Fit And Proper Policy, which has been made available on the corporate website. The Directors Fit and Proper Policy aims to guide your Fund's Nomination Committee as well as your Board in their review and assessment of candidates who are to be appointed onto your Board as well as the directors who are seeking for re-election, in complying with the new requirement of Paragraph 15.01A of MMLR.

Strategies Promoting Sustainability

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

Your Fund's activities on corporate social responsibilities are disclosed on pages 70 to 71 of this Annual Report and on the corporate website.

II. Board Composition

Board Composition and Balance

Your Board has five (5) members, of which four (4) members are Independent Non-Executive Directors and one (1) member is a Non-Independent Non-Executive Director. This fulfils the MMLR which requires at least two (2) or one-third (1/3) of the Board, whichever is higher, to be Independent Non-Executive Directors.

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

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

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

Your Board will, from time to time, undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director, review its composition and size to ensure it fairly reflects the investments of the share owners while at the same time having due regard

for diversity in skills, experience, age, cultural background and gender.

Your Board contributes in areas such as policy and performance monitoring, as well as improving governance and controls. They are free from any relationship which could materially interfere with the exercise of their independent judgement, objective participation and decision making process of your Board.

Your Board is ensured of a balanced view arising from the Directors having diverse professional background, skills, experiences, age, ethnicity, gender and knowledge. In addition, majority of them are Independent Non-Executive Directors and are therefore not involved in the day-to-day operations of your Fund, which have been outsourced to the Service Providers. Your Board oversees the performance of the outsourced Service Providers of your Fund and has expressed its satisfaction and confidence in the services provided by the Service Providers involved in the operations of your Fund.

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

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

Nomination Committee

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

Name of Director	Membership	Directorship
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	Chairman	Independent Non-Executive Director
Mr Boh Boon Chiang	Member	Independent Non-Executive Director
Ms Tan Mun Lin	Member	Non-Independent Non-Executive Director

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

During the financial year ended 31 May 2022 ("FYE 2022"), the NC has undertaken the following activities:-

- Conducted the annual Board and Board Committee Assessments for the FYE 2022;
- Reviewed the outcome of the Board and Board Committee Assessments;
- Reviewed and assessed the independence of the Independent Non-Executive Directors;
- Reviewed and assessed term of office and performance of the AC and each of its members;
- Reviewed the retirement by rotation, re-election and re-appointment of the Directors pursuant to the Constitution of your Fund and the Companies Act 2016;

- Reviewed and recommended the following statements for Annual Report to your Board for approval:-
 - Board's succession plan;
 - Diversity policy; and
 - Assessment criteria of the training attended by the Directors;
- Reviewed the training needs of the Directors;
- Reviewed the composition and size of the Board of Directors;
- Identified and recommended suitable candidates as Independent Director to your Board for approval;
- Identified and recommended suitable Directors to be a member of AC for your Board's approval.

Board and Board Committee Assessments

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

Based on the summary of results compiled from the Evaluation Forms for FYE 2022, the NC reviewed the mix of skills, experience, size and diversity of your Board and opined that your Board was well-balanced, with its members having diverse skill sets and core competencies. The NC opined that your Board and Board Committees and their respective members had performed satisfactorily in the discharge of their duties and responsibilities.

Annual Assessment of the Level of Independence of the Director

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

Based on the assessment of the independence of the Independent Non-Executive Directors conducted by the NC for the FYE 2022, none of your Independent Non-Executive Directors have been involved in business transactions with your Fund and your Board is satisfied that all Independent Non-Executive Directors are able to provide checks and balances to your Board's decision making process and bring independent and objective judgement to Board's deliberations.

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

Term of Office of the Audit Committee

The NC reviewed and assessed the term of office and performance of the AC and each of its members through the

AC Evaluation Form (duly completed by NC). The NC evaluated their quality and composition, skills and competencies, meeting administration and conduct.

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

Tenure of Independent Directors

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

As at the date of this statement, none of your Directors has served your Fund for more than nine (9) years.

Appointment Process

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

Re-election of Directors

In accordance with your Fund's Constitution, at least one-third (1/3) of the Directors, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at every Annual General Meeting ("AGM"), provided always that all the Directors shall retire from office once in every three (3) years but shall be eligible for re-election.

In addition, Directors who are appointed by your Board to fill a casual vacancy or as an additional Director to the existing Directors during the year shall hold office only until the next AGM following their appointment and shall be eligible for re-election.

Based on the office period of the Directors since their last election and upon recommendation by the NC, your Board is proposing the re-election of Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan, who is due for retirement by rotation pursuant to Clause 100(1) of your Fund's Constitution and Mr Boh Boon Chiang, who is due for retirement by rotation pursuant to Clause 100(1) of your Fund's Constitution at the forthcoming AGM, and who being eligible, have offered themselves for re-election.

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

Diversity Policy

Pursuant to the Diversity Policy set out in the Board Charter, the NC and your Board shall consider diversity in terms of skills, experience, gender, ethnicity and age, amongst other criteria, when there are any appointments to your Board ("Board

appointment") and when conducting an annual assessment of the Directors, Board and Board Committees.

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

Succession Planning

Your Board has not established any succession plan for senior management as your Fund does not have any employees. As a closed-end fund, your Fund employs an external management structure whereby all your Fund's functions are undertaken by the Service Providers under their respective engagement letters/agreements.

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

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

- i. Your Board, through the NC, will identify and shortlist suitable candidates with the desirable professional background, gender, age, character, diversity, skills, experience, knowledge for the position; and
- ii. Fill the Board seat based on the recommendation of the NC.

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

Time Commitment

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

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

Your Board is satisfied that each individual Director of your Fund is committed to your Board and has a good attendance record for meetings held during the FYE 2022. The table below shows the full attendance of all the Directors for meetings held during the FYE 2022:-

	Board of Directors	Board Committees	
		AC	NC
Independent Non-Executive Chairman Dato' Seri Md Ajib Bin Anuar	9/9	-	-
Independent Non-Executive Director Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	9/9	4/4	2/2
Independent Non-Executive Director Boh Boon Chiang	9/9	4/4	2/2

	Board of Directors	Board Committees	
		AC	NC
Non-Independent Non-Executive Director Tan Mun Lin	9/9	-	2/2
Independent Non-Executive Director Datuk Mohd Nasir Bin Ali (Appointed with effect from 28 September 2021)	7/8	3/3	-

All your Directors have attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities. Your Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes, to enable them to effectively discharge their duties and maintain active participation in Board deliberations. With assistance from the NC, your Board shall assess the training needs of the Directors on an ongoing basis such as changes in laws, regulations and guidelines. Your Board is also regularly briefed on the performance of your Fund and the outlook of the local and global markets by the Designated Person.

Your Board shall ensure newly appointed Directors comply with the MAP requirements of Bursa Securities and attend appropriate induction programmes which shall be facilitated by the Fund Manager.

During the FYE 2022, your Board members attended the following Directors' continuing education programme(s):-

III. Directors' Remuneration

Directors	Date	Course/Seminar/Conference/ Forum Attended
Dato' Seri Md Ajib Bin Anuar	9 December 2021	ASEAN Private Sector Forum on Minerals
	28 December 2021	The Real Value Investing Workshop
	9 March 2022	Seminar on Coastal & Marine Geology 2022 - Deep Seabed Mining
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	28 December 2021	The Real Value Investing Workshop
Boh Boon Chiang	29 November 2021	Audit Oversight Board Conversation with Audit Committee
	28 December 2021	The Real Value Investing Workshop
Tan Mun Lin	30 June 2021	Improving Customer Experience through Digital Onboarding

Directors	Date	Course/Seminar/Conference/ Forum Attended
Tan Mun Lin	13 November 2021	Is China still a safe place to invest?
	28 December 2021	The Real Value Investing Workshop
	25 January 2022	Financial Master Class AMLA, PDPA, Cyber-Security & Integrity (Code of Ethics) and Anti-Corruption & Bribery
	19 March 2022	The Investment Talk That You Should Attend Now
	18 May 2022	BNM-SC sharing session on suspicious transactions reporting
Datuk Mohd Nasir Bin Ali	28 December 2021	The Real Value Investing Workshop

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

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

The detailed disclosure on named basis for the remuneration of individual Directors for FYE 2022 are set out below:-

Directors	Fees (RM)	Allowance (RM)	Bonus (RM)	Benefits in kind (RM)	Others (RM)	Total (RM)
Dato' Seri Md Ajib Bin Anuar	60,000	7,000	-	-	-	67,000
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan	50,000	13,000	-	-	-	63,000
Boh Boon Chiang	55,000	13,000	-	-	-	68,000
Tan Mun Lin	40,000	9,000	-	-	-	49,000

Directors	Fees (RM)	Allowance (RM)	Bonus (RM)	Benefits in kind (RM)	Others (RM)	Total (RM)
Datuk Mohd Nasir Bin Ali	33,699	9,000	-	-	-	42,699
Total	238,699	51,000	-	-	-	289,699

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

Composition

The AC assists your Board in its oversight of your Fund's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of your Fund. The Chairman of the AC and the Chairman of your Board are two (2) separate persons.

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors. The composition of the AC, including its roles and responsibilities are set out in the AC Report on page 72 of this Annual Report.

Assessment of Sustainability and Independence of External Auditors

The AC and your Board communicate regularly with the External Auditors and they are invited to attend AC meetings, whenever appropriate.

During the meetings, the External Auditors will be invited to present their yearly audit plans, audit findings and accounting standards updates to the members of the AC. The AC held two (2) private discussion sessions with the External Auditors in respect of the audit of your Fund's financial statements for FYE 2022.

The AC has obtained written assurance from the External Auditors, Crowe Malaysia PLT, who confirmed that they are, and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

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

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

A summary of the activities of the AC during the year are set out in the AC Report on pages 72 to 73 of this Annual Report.

II. Risk Management and Internal Control Framework

Establishment of Risk Management and Internal Control Framework

Your Board acknowledges its responsibilities of setting up and maintaining an effective system of risk management and internal control to ensure a proper risk management environment. In achieving this, your Board has obtained assurance that the system of risk management and internal control has taken into account the process of identifying key risks as well as the likelihood of

occurrence and materiality. Your Board, through the AC, defines the level of risk appetite, approves and oversees the operation of your Fund's Risk Management Framework. Your Board, through the AC, assesses its effectiveness and reviews any major/significant risks faced by your Fund. The AC reviews the Enterprise Risk Management and advises your Board on areas of high risk faced by your Fund and the adequacy of compliance and control.

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

Your Fund's Statement on Risk Management and Internal Control, which provides an overview of the risk management and the state of internal control of your Fund is set out on pages 74 to 76 of this Annual Report.

Effectiveness and Independence of Internal Auditors

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

A summary of the activities and details of the Internal Auditors including performing the internal audit reviews during the financial year are set out in the AC Report on page 73 of this Annual Report

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

Corporate Disclosure Policies and Procedures

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

Leverage on Information Technology for Effective Dissemination of Information

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

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

II. Conduct of Annual General Meetings

Encourage Share Owners Participation at General Meetings

The AGM and any general meeting of your Fund serve as the principal forum for share owners to have direct access to your Board and provides the opportunity for share owners to raise questions pertaining to issues related to the annual report, audited financial statements, corporate developments, resolutions being proposed and the performance of your Fund. We are pleased to receive strong support from our share owners as indicated by their active participation at all of our past AGMs.

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

Notice of AGM

Proper notices of AGM or any general meeting are at all times circulated to the share owners at least twenty-eight (28) days prior to the general meetings, unless otherwise required by law, in order to provide sufficient time for share owners to understand and evaluate the subject matter. The Notice convening the 2022 AGM will be issued to share owners on 30 September 2022, thirty-two (32) days prior to the AGM (in excess of the minimum notice period of twenty-one (21) days prescribed by the MMLR).

Encourage Poll Voting

All resolutions set out in the notice of general meetings of your Fund must be voted on by poll. To assist share owners in exercising their right to vote, your Board has put in place the electronic proxy lodgement system ("e-proxy system") to facilitate greater share owners' participation in the voting process after taking into consideration the e-proxy system's reliability, applicability and cost efficiency. Your Chairman will also invite the Share Registrar or the Independent Scrutineer to brief the share

owners on the poll procedures before the commencement of polling at the AGM.

Effective Communication and Proactive Engagement with Share Owners

Your Fund recognises the importance of maintaining transparency and accountability to its share owners and investors. An important channel used to reach and communicate with share owners and investors is your Fund's annual report and corporate website. Timely release of financial results on a quarterly basis enables share owners to have an overview of the performance of your Fund. Weekly updates on your Fund's Net Asset Value ("NAV") per share can be found in www.bursamalaysia.com and www.icapital.my.

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

- i. General meetings of your Fund;
- ii. Announcements and disclosures made to Bursa Securities, which include the release of financial results on a quarterly basis and any other material information that may affect the decisions of the share owners and investors;
- iii. Press conferences and/or press releases; and
- iv. Conduct investor awareness and education events such as Investor day, roadshows as and when necessary.

This Corporate Governance Overview Statement was approved by your Board on 15 September 2022.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting ("18th AGM") of ICAPITAL.BIZ BERHAD ("icapital" or "Company") will be held on a hybrid basis, physically at the meeting venue and virtually through live streaming and online voting via the Remote Participation and Electronic Voting ("RPEV") Facilities, for the purpose of considering and if thought fit, passing with or without modifications the resolutions setting out in this notice:-

Meeting Platform : <https://meeting.boardroomlimited.my>

Mode of Communication : 1. In person at the physical Meeting Venue.

Meeting Title : ICAPITAL.BIZ BERHAD 18th AGM (HYBRID)

Day, Date and Time : Saturday, 26 November 2022 at 9.00 a.m.

Meeting Venue : Kuala Lumpur Convention Centre - Exhibition Hall 8ABC,
Jalan Pinang, Kuala Lumpur City Centre,
50088 Kuala Lumpur, Wilayah Persekutuan

2. Submit questions to the Board prior to the 18th AGM by emailing to enquiries@cdam.biz or Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> no later than 9.00 a.m. on Saturday, 12 November 2022.

3. Pose questions to the Board via real time submission of typed texts at <https://meeting.boardroomlimited.my> during live streaming of the 18th AGM.

AGENDA

As Ordinary Business

- | | |
|--|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 May 2022 together with the Reports of the Directors and Auditors thereon. | (Please refer to Note 1 of the Explanatory Notes) |
| 2. To approve the Directors' fees payable to the Directors of the Company amounting to RM238,699.00 for the financial year ended 31 May 2022. | Ordinary Resolution 1 |
| 3. To re-elect Mr Boh Boon Chiang as a Director who is to retire pursuant to Clause 100(1) of the Constitution of the Company and, being eligible, has offered himself for re-election. | Ordinary Resolution 2 |
| 4. To re-elect Dato' Seri Syed Ismail Bin Dato' Haji Syed Azizan as a Director who is to retire pursuant to Clause 100(1) of the Constitution of the Company and, being eligible, has offered himself for re-election. | Ordinary Resolution 3 |
| 5. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 4 |

As Special Business

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

- | | |
|---|-----------------------|
| 6. Payment of Benefits Payable to the Directors under Section 230(1)(b) of the Companies Act 2016. | Ordinary Resolution 5 |
| <p>"THAT the benefits payable to the Directors of the Company of up to an aggregate amount of RM50,000.00 for the period from 27 November 2022 until the next Annual General Meeting of the Company pursuant to Section 230(1)(b) of the Companies Act 2016, be and is hereby approved for payment on monthly in arrears after each month of completed service of the Directors."</p> | |
| 7. To transact any other business for which due notice shall have been given pursuant to the Companies Act 2016. | |

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC No.: 202008001023)

Company Secretary
Selangor Darul Ehsan
Dated: 19 October 2022

Notes:

IMPORTANT NOTICE

As the economic activities continue to normalize with the gradual lifting of the Covid-19 SOPs, the 18th AGM will be conducted on hybrid basis whereby Share Owners/Proxies/Corporate Representatives will have the option to be physically present at the Meeting Venue or to participate and vote remotely via the Remote Participation and Electronic Voting ("RPEV") Facilities which are available at <https://meeting.boardroomlimited.my>

All Share Owners who wish to participate virtually using RPEV facilities at the 18th AGM are required to register at <https://investor.boardroomlimited.com> in order to enable the Company to ascertain their eligibility to participate and to facilitate our arrangement of the 18th AGM. Kindly refer to Administrative Guide for the 18th AGM for more information.

1. A member of the Company who is entitled to attend and vote at the 18th AGM of the Company, may appoint not more than two (2) proxies to attend and vote instead of the member at the 18th AGM.
2. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
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.

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

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. A proxy need not be a member. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the 18th AGM of the Company shall have the same rights as the member to speak at the 18th AGM.
6. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
7. The appointment of proxy must:

- (i) In the case of an appointment made in hard copy form, be deposited at Company's Share Registrar's office at Level 11, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the 18th AGM or adjourned meeting at which the person named in the appointment proposes to vote together with any authority under which it is made or a copy of the authority, certified notorially or in some other manner approved by the Board;

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

- a) via fax at 603-78904670, be received at the address specified by the Company for the depositing of appointments of proxy by electronic means not less than 48 hours before the time appointed for holding the 18th AGM or adjourned meeting at which the person named in the appointment proposes to vote. Any authority pursuant to which such an appointment is made or a copy of the authority, certified notorially or in some other manner approved by the Board, must, if required by the Board, be received at the Company's Share Registrar's office at Level 11, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the 18th AGM or adjourned meeting at which the person named in the appointment proposes to vote;

- b) via e-proxy lodgement by logging in to <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the 18th AGM or adjourned meeting at which the person named in the appointment proposes to vote (for individual share owners only).

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

8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 November 2022 (General Meeting Record of Depositors) shall be eligible to attend the 18th AGM or appoint proxy(ies) to attend and/or vote on his behalf.
9. Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-

- (a) the constitution of the quorum at such meeting;
- (b) the validity of anything he did as chairman of such meeting;
- (c) the validity of a poll demanded by him at such meeting; or
- (d) the validity of the vote exercised by him at such meeting.

10. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of the 18th AGM will be put to vote by way of poll. Poll Administrator and independent Scrutineers will be appointed by the Company to conduct the poll process and verify the results of the poll respectively.

EXPLANATORY NOTES:-

1. Agenda item no. 1 - Audited Financial Statements

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

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

The benefits payable to the Directors pursuant to Section 230(1)(b) of the Companies Act 2016 will only be made by the Company monthly in arrears after each month of completed service of the Directors, if the resolution is passed. The benefits payable has been reviewed by the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company for the applicable period of between 27 November 2022 until the next Annual General Meeting of the Company. The benefits comprise allowance for attendance at the Board and Board Committee meetings, subscription to club membership, outpatient medical expenses, hospitalisation and surgical insurance, handphone allowances, travelling allowances and such other benefits which have been/may be approved by the Board of Directors. The estimated amount of benefits is determined based on the scheduled and special meetings of the Board and Board Committees to be held during the period from 27 November 2022 until the next Annual General Meeting as well as the number of Directors. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

PRESENTATION OF INVESTMENT PORTFOLIO OF THE COMPANY

In order to keep the Share Owners abreast of the investments of the Company for the financial year ended 31 May 2022, the Board is pleased to invite the Share Owners of the Company to attend the Presentation on the Company's Investment Portfolio by Mr Tan Teng Boo, the Designated Person to the Fund Manager of your Fund at the 18th AGM.

PERSONAL DATA PRIVACY:-

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 18th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 18th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 18th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

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

CDS account number of holder

PROXY FORM

No. of shares held

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

being a member of **ICAPITAL.BIZ BERHAD**, hereby appoint:-

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

*and/or (delete as appropriate)

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

or failing him/her, the *Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting ("18th AGM") of the Company to be held on a hybrid basis, physically at the Kuala Lumpur Convention Centre - Exhibition Hall 8ABC, Jalan Pinang, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Wilayah Persekutuan (Meeting Venue) and virtual live streaming via the Remote Participation and Electronic Voting ("RPEV") Facilities from the Meeting Venue on Saturday, 26 November 2022 at 9.00 a.m. or at any adjournment thereof.

(*Please delete the words "Chairman of the Meeting" if you wish to appoint some other person to be your proxy.)

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

Item No.	Agenda	Resolutions	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 May 2022 together with the Reports of the Directors and Auditors thereon.			
2.	To approve the Directors' fees payable to the Directors of the Company amounting to RM238,699.00 for the financial year ended 31 May 2022.	Ordinary Resolution 1		
3.	To re-elect Mr Boh Boon Chiang as a Director who is to retire pursuant to Clause 100(1) of the Constitution of the Company and, being eligible, has offered himself for re-election.	Ordinary Resolution 2		
4.	To re-elect Dato' Seri Syed Ismail Bin Dato' Haji Syed Azizan as a Director who is to retire pursuant to Clause 100(1) of the Constitution of the Company and, being eligible, has offered himself for re-election.	Ordinary Resolution 3		
5.	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 4		
Special Business				
6.	Payment of Benefits Payable to the Directors under Section 230(1)(b) of the Companies Act 2016.	Ordinary Resolution 5		

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

Signature/Common Seal of Shareholder

Date:



NOTES:

1. IMPORTANT NOTICE

As the economic activities continue to normalize with the gradual lifting of the Covid-19 SOPs, the 18th AGM will be conducted on hybrid basis whereby Share Owners/proxies/ corporate representatives will have the option to be physically present at the Meeting Venue or to participate and vote remotely via the Remote Participation and Electronic Voting ("RPEV") Facilities.

All Share Owners who wish to participate either in person (physically) or virtually using RPEV facilities at the 18th AGM are required to register at <https://investor.boardroomlimited.com>. Kindly refer to Administrative Guide for more information.

Share Owners who attend the 18th AGM virtually are to speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 18th AGM using RPEV Facility provided by Boardroom Share Registrar Sdn. Bhd. **Please follow the Procedures for RPEV facility in the Administrative Guide for the 18th AGM in order to participate remotely via RPV facility.**

2. A member of the Company who is entitled to attend and vote at the 18th AGM of the Company, may appoint not more than two (2) proxies to attend and vote instead of the member at the 18th AGM.
3. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
An exempt authorised nominee refers to an authorised nominee defined under Central Depositories Act which is exempted from compliance with the provisions or subsection 25A(1) of Central Depositories Act.
5. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. A proxy need not be a member. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the 18th AGM of the Company shall have the same rights as the member to speak at the 18th AGM.
7. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
8. The appointment of proxy must:-
 - (i) In the case of an appointment made in hard copy form, be deposited at Company's Share Registrar's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the 18th AGM or adjourned meeting at which the person named in the appointment proposes to vote together with any authority under which it is made or a copy of the authority, certified notarially or in some other manner approved by the Board;
 - (ii) In the case of an appointment made by electronic means :
 - a) via fax at 603-78904670, be received at the address specified by the Company for the depositing of appointments of proxy by electronic means not less than 48 hours before the time appointed for holding the 18th AGM or adjourned meeting at which the person named in the appointment proposes to vote. Any authority pursuant to which such an appointment is made or a copy of the authority, certified notarially or in some other manner approved by the Board, must, if required by the Board, be received at the Company's Share Registrar's office at Level 11, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the 18th AGM or adjourned meeting at which the person named in the appointment proposes to vote;
 - b) via e-proxy lodgement by logging in to <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the 18th AGM or adjourned meeting at which the person named in the appointment proposes to vote (for individual share owners only).
 - (iii) In the case of a poll, be received as aforesaid not less than 24 hours before the time appointed for the talking of the poll.
9. In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 November 2022 (General Meeting Record of Depositors) shall be eligible to attend the 18th AGM or appoint proxy(ies) to attend and/or vote on his behalf.
10. Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-
 - (a) the constitution of the quorum at such meeting;
 - (b) the validity of anything he did as chairman of such meeting;
 - (c) the validity of a poll demanded by him at such meeting; or
 - (d) the validity of the vote exercised by him at such meeting.
11. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of the 18th AGM will be put to vote by way of poll. Poll Administrator and independent Scrutineers will be appointed by the Company to conduct the poll process and verify the results of the poll respectively.

Personal Data Privacy:-

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 19 October 2022.

Please fold here to seal

STAMP

BOARDROOM SHARE REGISTRARS SDN. BHD.

[Registration No. 199601006647 (378993-D)]

11TH FLOOR, MENARA SYMPHONY

NO. 5, JALAN PROF. KHOO KAY KIM

SEKSYEN 13

46200 PETALING JAYA

SELANGOR DARUL EHSAN

MALAYSIA

ADMINISTRATIVE GUIDE FOR THE HYBRID EIGHTEENTH ANNUAL GENERAL MEETING (“18TH AGM”) OF ICAPITAL.BIZ BERHAD

Meeting Platform : <https://meeting.boardroomlimited.my>

Meeting Title : ICAPITAL.BIZ BERHAD 18th AGM (HYBRID)

Day, Date and Time : Saturday, 26 November 2022 at 9.00 a.m.

Meeting Venue : Kuala Lumpur Convention Centre - Exhibition Hall 8ABC, Jalan Pinang, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Wilayah Persekutuan

Mode of Communication :

1. In person at the physical Meeting Venue.
2. Submit questions to the Board prior to the 18th AGM by emailing to enquiries@cdam.biz or Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> no later than 9.00 a.m. on Saturday, 12 November 2022.
3. Pose questions to the Board via real time submission of typed texts at <https://meeting.boardroomlimited.my> during live streaming of the 18th AGM.

1. MODE OF MEETING

The 18th AGM of the Company will be in hybrid basis and held:

- Physically at Kuala Lumpur Convention Centre - Exhibition Hall 8ABC, Jalan Pinang, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Wilayah Persekutuan (Physical Meeting)
- By way of electronic mean via Remote Participation and Electronic Voting (“RPEV”) facility which is available at <https://meeting.boardroomlimited.my> (Virtual Meeting)

2. SHARE OWNERS ENTITLED TO PARTICIPATE AND VOTE

Only share owners whose names appear in the Record of

Depositors as at 16 November 2022 shall be eligible to participate and vote at the 18th AGM or appoint proxy to participate and vote on his or her behalf.

3. REGISTRATION FOR ATTENDANCE AT 18TH AGM

Share owner who wish to participate the AGM virtually are required to register online from Wednesday, 19 October 2022 until the day of the 18th AGM on Saturday, 26th November 2022 at <https://investor.boardroomlimited.com>. For shareholder who wish to attend in-person, kindly present your original MyKAD/ passport at the registration counter on meeting day. Refer to below Table 2 below.

Table 1

Before AGM day	Virtual Meeting
Share Owners and/or Corporate share owners registration to attend the 18th AGM	<p><i>Step 1 (skip to Step 2 for existing BSIP user)</i></p> <ul style="list-style-type: none"> • Access the website https://investor.boardroomlimited.com. • Click Register to sign up as a user. • Complete registration with all required information. Upload and attached your MyKad front and back image. Click Register. • You will receive an e-mail from BSIP Online for e-mail address verification. Click on Verify E-mail Address from the e-mail received to continue with the registration. • Once your email address is verified, you will be re-directed to BSIP Online for verification of mobile number. • Click on Request OTP Code and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click Enter to complete the process. • Once your mobile number is verified, registration of your new BSIP account will be pending for final verification. • An e-mail will be sent to you to inform the approval of your BSIP account within one (1) business day. Subsequently, you can login at https://investor.boardroomlimited.com with the e-mail address and password filled up by you during registration to proceed.

Share Owners and/or Corporate share owners registration to attend the 18th AGM	<p>Step 2</p> <ul style="list-style-type: none"> • Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. • Click “Corporate Meeting” and select from the list of companies “ICAPITAL.BIZ BERHAD EIGHTEENTH (18TH) ANNUAL GENERAL MEETING (HYBRID)” and click enter. <p>a) To attend the 18th AGM remotely:</p> <ul style="list-style-type: none"> • Click “Register for RPEV”. • Read and accept the General Terms and Conditions and enter your CDS account no. to submit your request. <p>b) To appoint proxy :</p> <ul style="list-style-type: none"> • Click “Submit eProxy Form”. • Read and accept the General Terms and Conditions and enter your CDS account no. Then, insert your proxy details and voting instructions. If you wish your proxy(ies) to act upon his/her discretion, please indicate “Discretionary”. • An email notification will be sent by Boardroom to notify that request for remote participation has been received for system verification. • Upon system verification against the General Meeting Record of Depositor as of 16 November 2022, you will receive an email from Boardroom on 25 November 2022 either approving or rejecting your registration for remote participation.
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Table 2

On the 18th AGM day	Physical Meeting	Virtual Meeting
Share Owners and/or Corporate share owners participation in the 18th AGM	<p>Registration will commence starting at 7.00 a.m. at the Meeting Venue.</p> <p>Please present your original MyKAD or passport (foreigner) to the registration staff for verification against the attendance list.</p> <p>Please take note that no person will be allowed to register using MyKAD or Passport belong to another person.</p> <p>You will be given a wristband upon successful registration and only person wearing the wristband are allowed to enter the Meeting Venue.</p>	<p>The RPEV will be opened for login starting one (1) hour before the commencement of the 18th AGM at 9.00 a.m. on 26 November 2022.</p> <ul style="list-style-type: none"> • Follow the steps given to you in the email along with your remote access user ID and password to login to the RPEV Platform. (refer to step 2 in Table 1 above) • The steps will also guide you on how to view live web cast, ask questions and vote. • The live web cast will end and the messaging window will be disabled upon the Chairman announces the closure of the 18th AGM. • You can then logout from the RPEV.

If you have registered to participate the 18th AGM virtually and wish to switch to attend the 18th AGM physically kindly proceed to the Helpdesk counter on the meeting day.

4. LODGEMENT OF PROXY FORM (INDIVIDUAL SHARE OWNER)

Share Owners are encouraged to participate and vote at the 18th AGM physically or virtually using RPEV. Share Owners who are unable to participate the 18th AGM are encouraged to appoint the Chairman or their proxy to vote on their behalf.

The instrument appointing proxy(ies) may be made in the following manner:

a) In hardcopy form

The proxy form to be deposited at Company’s Share Registrar’s office at Level 11, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the 18th AGM or adjourned meeting at which the person named in the appointment proposes to vote together with any authority

under which it is made or a copy of the authority, certified notarially or in some other manner approved by the Board;

b) By electronic means:

- i) via fax at 603-78904670, be received at the address specified by the Company for the depositing of appointments of proxy by electronic means not less than 48 hours before the time appointed for holding the 18th AGM or adjourned meeting at which the person named in the appointment proposes to vote. Any authority pursuant to which such an appointment is made or a copy of the authority, certified notarially or in some other manner approved by the Board, must, if required by the Board, be received at the Company's Share Registrar's office at Level 11, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the 18th AGM or adjourned meeting at which the person named in the appointment proposes to vote;
- ii) via e-proxy lodgement by logging in to <https://investor.boardroomlimited.com> not less than 48 hours before the time appointed for holding the 18th AGM or adjourned meeting at which the person named in the appointment proposes to vote (for individual share owners only). Kindly refer to item 3. Table 1 above.

5. LODGEMENT OF CORPORATE REPRESENTATIVE CERTIFICATE

- a) Write in to bsr.helpdesk@boardroomlimited.com by providing the name of share owner, CDS account no. accompanied with the Certificate of Appointment of Corporate Representative (as the case may be) to submit the request latest by 9.00 a.m. on Thursday, 24 November 2022.
- b) Please provide a copy of corporate representative's MyKad/Identification Card (front and back) or Passport as well as his/her email address.

6. PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

Share Owners may submit questions for the Board in advance of the 18th AGM by:

- a) Emailing to enquiries@cdam.biz no later than **9.00 a.m., Saturday, 12 November 2022**. or
- b) logging in to Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> no later than **9.00 a.m. Saturday, 12 November 2022** Click "Submit Questions" after selecting "ICAPITAL.BIZ BERHAD EIGHTEENTH (18TH) ANNUAL GENERAL MEETING (HYBRID)" from 'Corporate Meeting'. The Board will endeavor to answer the questions received at the 18th AGM.

7. VOTING PROCEDURE

- (a) The voting will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (b) The Company has appointed Boardroom Share Registrars Sdn. Bhd. as the poll administrator to conduct the poll by way of electronic voting ("E-Voting") and SKY Corporate Services Sdn. Bhd. as scrutineers to verify the poll result.

(c) During the 18th AGM, real-time voting will be implemented and the Chairman will make the declaration of the poll result of each resolution after completion of voting of all the resolutions tabled at the 18th AGM.

(d) For the purposes of this 18th AGM, E-Voting will be carried via personal smart mobile phones, tablets or laptops.

(e) There are two (2) methods for share owners and proxies who wish to use their personal voting device to vote remotely. The methods are:

- i) Use QR Scanner Code given to you in the email received after successful registration; OR
- ii) Go to the website with URL <https://meeting.boardroomlimited.my>.

8. NO VOUCHERS AND DOOR GIFTS

There will be no voucher(s) or any door gift(s) for share owners/proxies who participate in the 18th AGM.

9. ONLY PERSONS WITH TAG ARE ALLOWED INTO THE MEETING ROOM

Persons without a tag will NOT be allowed to enter the meeting room. Only share owners, proxies, corporate representatives or invitees who have registered and are wearing the identification tag are allowed to enter the meeting room. Children are NOT allowed to enter the meeting room.

10. NO REPLACEMENT OF LOST OR MISPLACED TAG

There will be no replacement of lost or misplaced tag(s). Every share owner, proxy or corporate representative who has registered will get one (1) identification tag only.

11. NO RECORDING OR PHOTOGRAPHY

Strictly NO audio and/or video recording or photography of the proceedings of the 18th AGM (including presentation by Mr Tan Teng Boo) is allowed. In the event we find that there is audio and/or video recording or photography of the proceedings by anyone, we will not hesitate to take legal action against the perpetrator and/or any other person involved in the recording or photography.

12. ENQUIRIES

If you have any queries prior to the meeting, please contact the following persons during office hours:

Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone Number

General Line: +603-7890 4700

En. Anas Khalid: +603 7890 4730
Anas.Khalid@boardroomlimited.com

Mr Allen Sii: +603-7890 4788
Allen.Sii@boardroomlimited.com

NOTES

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

Boh Boon Chiang
(Independent Non-Executive Director)

Tan Mun Lin
(Non-Independent Non-Executive Director)

Datuk Mohd Nasir Bin Ali
(Independent Non-Executive Director)
(Appointed with effect from 28 September 2021)

AUDIT COMMITTEE ("AC")

Chairman
Boh Boon Chiang

Members :
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan
Datuk Mohd Nasir Bin Ali
(Appointed as Member of AC with effect from 28 September 2021)

NOMINATION COMMITTEE ("NC")

Chairman
Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan

Members :
Boh Boon Chiang
Tan Mun Lin

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Date of listing: 19 October 2005
Stock Name: ICAP
Stock Code: 5108

FUND MANAGER

Capital Dynamics Asset Management Sdn. Bhd.
[Registration No. 199601017422 (389773-H)]
16.01B, 16th Floor
Plaza First Nationwide
161, Jalan Tun H.S. Lee
50000 Kuala Lumpur

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

INVESTMENT ADVISER

Capital Dynamics Sdn. Bhd.
[Registration No. 198801004387 (171744-U)]
16.01A, 16th Floor
Plaza First Nationwide
161, Jalan Tun H.S. Lee
50000 Kuala Lumpur

Tel: (603) 2070 2104/5
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CONTENTS

About icapital.biz Berhad	Inside Front Cover
How did we do ?	
a. Letter to share owners	3
b. Important announcement	4
c. What we have done with your funds	5
Mengenai icapital.biz Berhad	17
Bagaimanakah pencapaian kita?	
a. Surat kepada pemilik-pemilik saham	18
b. Pengumuman penting	19
c. Apa yang telah kami lakukan dengan dana anda	20
关于资本投资有限公司	33
我们的表现	
a. 致股东的信函	34
b. 重要宣布	35
c. 我们如何管理您的基金	36
Profile of Directors	46
Profile of Designated Person	48
Financial Statements	
Directors' Report	48
Statement by Directors	50
Statutory Declaration	50
Independent Auditors Report	51
Statement of Financial Position	53
Statement of Profit or Loss and Other Comprehensive Income	53
Statement of Changes in Equity	54
Statement of Cash Flows	54
Notes to the Financial Statements	55
Directors' Responsibility Statement	65
Investment Portfolio	65
Additional Information	67
Analysis of Shareholdings as at 24 August 2022	69
Corporate Responsibility	70
Explanatory Notes	71
Audit Committee Report	72
Statement on Risk Management and Internal Control	74
Corporate Governance Overview Statement	76
Notice of Annual General Meeting	84
Proxy Form	87
Administrative Guide for the Hybrid 18th AGM	89
Corporate Information	Inside Back Cover