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For Capital Dynamics Sdn Bhd

Low Guat Meng, Executive Director

Note from Publisher :

*i* Capital will not be published for the issue dated 30 Apr 2015. But, www.icapital.biz will be updated as usual. Our office's operating hours will also not be affected.

The number of people registering for "The Art of Successful Investing" seminar is increasing steadily by the day, an indication that people are hungry for serious quality investing education. This week, we finally received approval from the SIDC for the seminar to be accredited with 10 CPE points. For those who need CPE points for their licence renewals, the seminar is really God-send. At an attractive price, licence holders can really look forward to attend a course that is experience rich and being taught by an industry veteran in a world-class hall. It definitely will be unlike the usual CPE course.

# Section A : Market Opinion

*This section is based on a top-down/market-timing approach. In each issue of i* Capital®*, Capital Dynamics will look at the major economic variables, locally and abroad, major equity markets plus some technical indicators before reaching its conclusion for the KLSE Composite Index. In other words, Section A should be read in toto.*

## A.1. Economic Fundamentals

Data to be expected (Date in parentheses is actual release date).

| | Apr 27 – May 3 | May 4 – May 10 |
|---|---|---|
| Malaysia | (30 Apr) Mar producer price index | Mar external trade |
| US | (28 Apr) Apr consumer confidence index<br>(29 Apr) 1Q GDP (Advance)<br>(29 Apr) FOMC meeting<br>(30 Apr) 1Q employment cost index<br>(30 Apr) 25 Apr initial claims<br>(30 Apr) Mar personal income<br>(30 Apr) Mar consumer spending<br>(1 May) Apr manufacturing PMI<br>(1 May) Apr auto sales | Mar trade balance<br>Apr non-manufacturing PMI<br>1Q productivity<br>2 May initial claims<br>Apr employment report |
| Japan | (28 Apr) Mar retail sales<br>(30 Apr) Mar industrial production<br>(1 May) Mar consumer price index<br>(1 May) Mar employment report<br>(1 May) Mar household income<br>(N/A) Mar housing starts<br>(1 May) Apr auto sales | |
| China | (1 May) Apr manufacturing PMI<br>(1 May) Apr non-manufacturing PMI | Apr consumer price index |

### *A.1. (i). Malaysia*

Consumer price index

In Mar, the consumer price index (CPI) rose 0.9% from Feb and a year ago – see **table 1**. The cost of transportation jumped in Mar from Feb, reflecting the rise in taxi fare. The implementation of GST will see another spurt in inflation rate in Apr – see **figure 1**. In Jan-Mar, the CPI rose 0.7% from the same period a year ago.

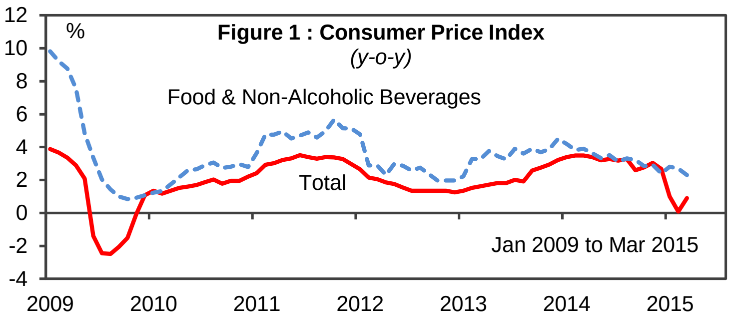



Table 1: Consumer Price Index *(% change)*

| | From Feb 2015 | From Mar 2014 |
|---|---|---|
| **Total** | **0.9** | **0.9** |
| Food & non-alcoholic beverages | -0.3 | 2.3 |
| Alcoholic beverages & tobacco | 0.0 | 10.6 |
| Clothing & footwear | 0.4 | -0.2 |
| Housing, water, electricity, gas & other fuels | -0.4 | 1.9 |
| Furnishings, household equipment, & routine household maintenance | 0.1 | 0.2 |
| Health | 0.4 | 3.6 |
| Transport | 8.0 | -4.9 |
| Communication | 0.0 | -0.9 |
| Recreation services & culture | -0.2 | 0.6 |
| Education | 0.1 | 2.2 |
| Restaurants & hotels | 0.3 | 2.8 |
| Miscellaneous goods & services | 0.3 | 1.5 |

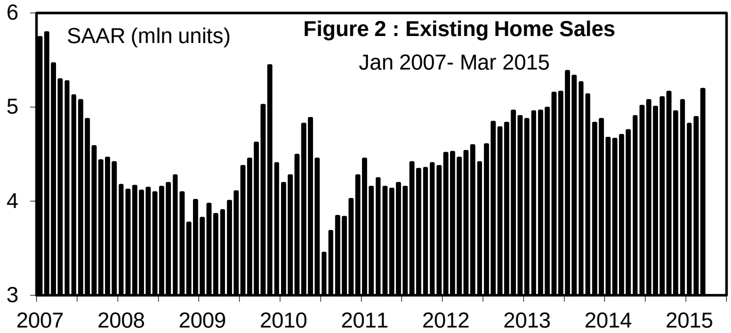
## ***A.1. (ii). International***

US

The US leading economic index rose 0.2% in Mar from Feb. Over the 6 months to Mar, the leading economic index rose 1.8%, much slower than the 3.3% growth during the previous 6 months, suggesting a moderating US economy.

Positive contributors in Mar – beginning with the largest – were initial claims, interest rate spread, average consumer expectations for business conditions, Leading Credit Index, manufacturers' new orders for nondefense capital goods excluding aircraft, and manufacturers' new orders for consumer goods and materials. On the other hand, the negative contributors in Mar – beginning with the largest – were building permits, ISM new orders index, and average weekly manufacturing hours. Stock prices were essentially unchanged in Mar.

The housing market sprang to life as the weather warmed up. Existing home sales in Mar jumped by 6.1%, month-on-month, to a seasonally adjusted annual rate (SAAR) of 5.19 mln units. This was the largest monthly rise since Dec 2010 and the sales level was the highest in 18 months – see **figure 2**. Meanwhile, year-on-year, sales increased by 10.4%.




The sales of single-family homes rose by 5.5% month-on-month, while the sales of condominium & co-op homes jumped by 11.1%. Year-on-year, the sales of existing single-family homes and condominium & co-op homes increased by 10.9% and 7.1% respectively.

Total housing inventory increased by 5.3% from Feb to 2.0 mln units, which represents a supply of 4.6 months at the current sales pace. Meanwhile, the median price of existing homes rose by 7.8% from a year ago to US$212,100.

In Mar, housing starts rose by 2.0%, month-on-month, but fell by 2.5%, year-on-year, to a SAAR of 0.926 mln units. The number of single family housing units under construction rose by 4.4% from Feb, but the number of multi-family housing units under construction declined by 7.1%. Year-on-year, single family housing starts fell by 2.7% to a SAAR of 618,000 units, while multi-family housing starts declined by 4.7% to a SAAR of 287,000 units. On the other hand, building permits, an indication of future activity, fell by 5.7% from Feb to a SAAR of 1.039 mln units. Housing starts have plateaued at about 1 mln units, SAAR, for slightly more than a year and there is no sign of a breakout soon.

The headline CPI in Mar increased 0.2% from the previous month. Apart from food, the prices for all other categories rose in Mar. Excluding the food and energy components, the core CPI also rose by 0.2% – see **table 2**. Year-on-year, the headline CPI fell by 0.1%, while the core CPI increased by 1.8% in Mar – see **figure 3**. With oil prices crawling up, US deflation is expected to end soon.

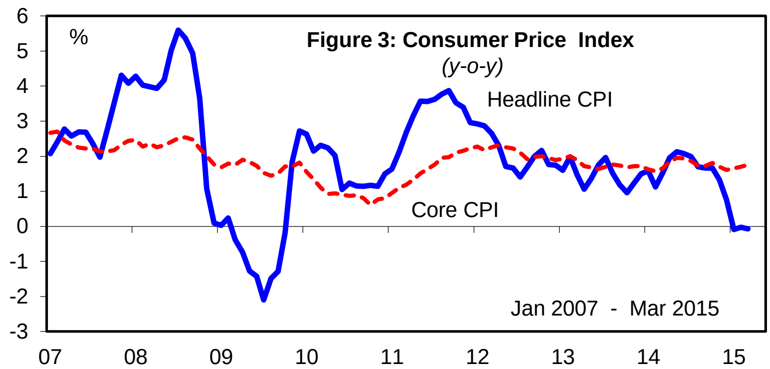



Table 2: Consumer Price Index *(% change from the prior month)*

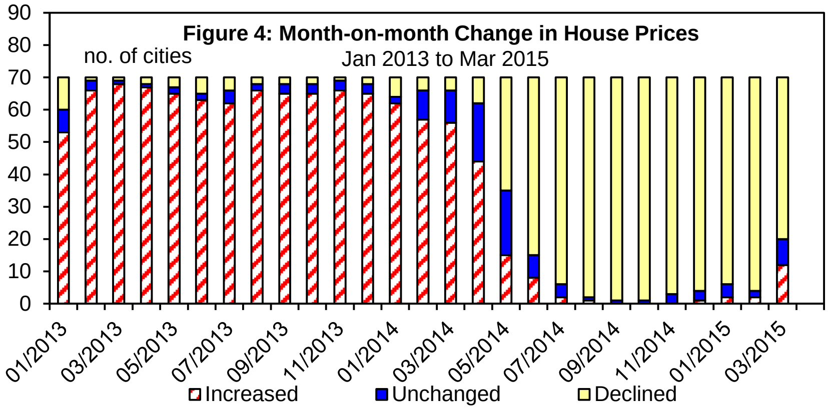
| | Jan 2015 | Feb 2015 | Mar 2015 |
|---|---|---|---|
| **All Items** | **-0.7** | **0.2** | **0.2** |
| All items less food and energy | 0.2 | 0.2 | 0.2 |
| Energy | -9.7 | 1.0 | 1.1 |
| Food | 0.0 | 0.2 | -0.2 |
| Apparel | 0.3 | 0.3 | 0.5 |
| Shelter | 0.3 | 0.2 | 0.3 |
| Transportation | 0.4 | 0.3 | 0.0 |
| Medical care | 0.1 | -0.2 | 0.4 |

Seasonally adjusted, the money supply (M2) in Mar rose 0.2% from Feb to US$11,846.0 bln. Year-on-year, money supply (M2) increased by 6.1%. Monetary expansion should continue its downtrend due to the end of quantitative easing.

The seasonally adjusted initial claims for the week ending 11 Apr 2015 was 294,000, up 12,000 from the previous week, while its 4-week moving average edged up by 250 from the previous week to 282,750. Continuing jobless claims for the week ending 4 Apr 2015 registered a seasonally adjusted 2.268 mln, down by 40,000 from the previous week, while its 4-week moving average fell by 32,750 to 2.329 mln.

China

In Mar, out of the 70 cities where house prices were surveyed, 50 reported declines in prices on a month-on-month basis, 12 registered price increase, and 8 reported no change in prices – see **figure 4**. As shown, the housing sector has warmed up in response to the removal of the house purchase restriction policy and interest rate cuts.




Europe

In Mar, the year-on-year growth of new passenger car registrations in Western Europe accelerated to 10.9%, the highest growth since Mar 2014, with 1,560,740 units sold. On a month-on-month basis, new passenger car sales surged by 76.1%, largely due to gains in car sales in the United Kingdom – see **table 3**.

In Jan-Mar 2015, the cumulative new car sales rose by 8.5% from the same period last year. Going forward, new car sales are expected to continue its uptrend in the coming months.

Table 3: New Passenger Car Registrations

| | Car registrations | | Yearly change (units) | |
|---|---|---|---|---|
| | Feb 2015 | Mar 2015 | Feb 2015 | Mar 2015 |
| France | 147,584 | 196,565 | 6,294 | 16,700 |
| Germany | 223,254 | 323,039 | 13,905 | 26,631 |
| Italy | 134,697 | 161,303 | 15,721 | 21,114 |
| Spain | 86,717 | 112,299 | 17,954 | 32,371 |
| United Kingdom | 76,958 | 492,774 | 8,222 | 27,950 |
| **Western Europe** | **886,102** | **1,560,740** | **62,094** | **153,877** |

In Mar, Eurozone's deflation eased a little. The annual inflation rate was -0.1%, up from -0.3% in Feb – see **figure 5**. Excluding energy, the inflation rate was a mild 0.6% – see **table 4.** Many member countries in the Eurozone encountered deflation in Mar, with Greece again registering the most serious deflation problem. With oil price stabilising, the deflationary pressure should ease.

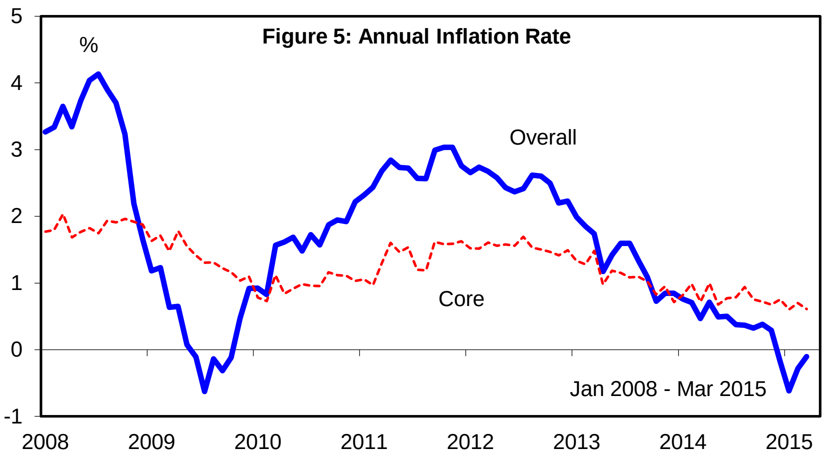



Table 4: Annual Inflation Rate (%)

| | Jan 2015 | Feb 2015 | Mar 2015 |
|---|---|---|---|
| **All items** | **-0.6** | **-0.3** | **-0.1** |
| Energy | -9.3 | -7.9 | -6.0 |
| All-items excluding energy | 0.4 | 0.6 | 0.6 |
| Food, alcohol & tobacco | -0.1 | 0.5 | 0.6 |
| Non-energy industrial goods | -0.1 | -0.1 | 0.0 |
| Services | 1.0 | 1.2 | 1.0 |

## Japan

In Mar, exports rose by 8.5%, year-on-year, to 6.93 trillion Yen, but imports dropped by 14.5% to 6.70 trillion yen – see **table 5**. Consequently, the trade balance turned positive to record a surplus of 229.3 bln Yen. As shown in **figure 6**, this is the first trade surplus in nearly 3 years. The favourable performance in exports was due mainly to the weaker Yen effect as in US$ terms, the export value is still on a downtrend.

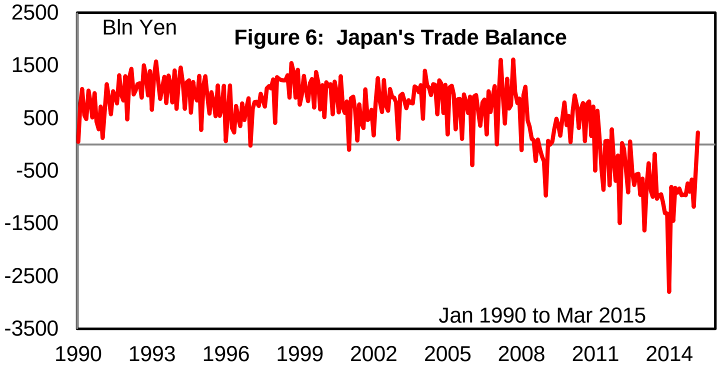



Table 5: Exports

| Area/country | Value (bln Yen) Mar 2015 | % change from a year ago Mar 2015 |
|---|---|---|
| Asia | **3,677.5** | 6.7 |
| China | 1,201.2 | 3.9 |
| S. Korea | 508.2 | 4.3 |
| Taiwan | 397.6 | 6.1 |
| North America | 1,471.9 | 22.1 |
| USA | 1,377.8 | 21.3 |
| Western Europe | 716.8 | 7.0 |
| Germany | 173.2 | -3.6 |
| UK | 96.5 | 12.7 |
| France | 54.8 | -0.1 |
| **Total** | **6,927.4** | **8.5** |

## Australia

The CPI rose 0.2%, quarter-on-quarter, in 1Q 2015, the same pace as in the previous quarter. Increases in the costs of domestic holiday travel & accommodation (3.5%), tertiary education (5.7%), and medical & hospital services (2.2%) were the major contributors to the rise in CPI. However, this was partially offset by price falls in automotive fuel (-12.2%) and fruits (-8.0%) – see **table 6**. Year-on-year, the CPI grew by 1.3%, while the trimmed mean measure rose by 2.3% – see **figure 7**.

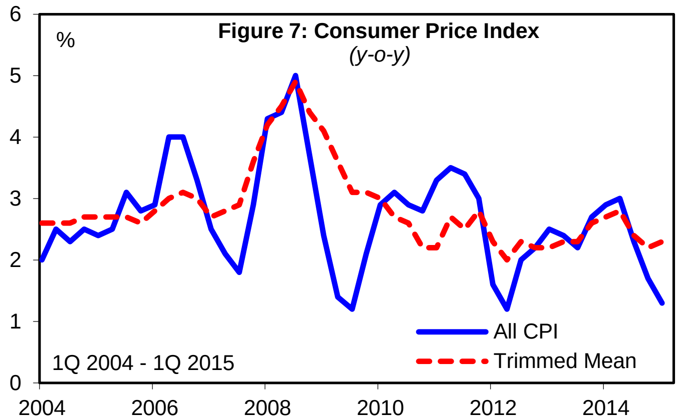



Table 6: Consumer Price Index *(% change)*

| | From 4Q 2014 | From 1Q 2014 |
|---|---|---|
| **All groups** | **0.2** | **1.3** |
| Food & non-alcoholic beverages | 0.2 | 1.9 |
| Alcohol & tobacco | 0.8 | 5.2 |
| Clothing & footwear | -1.3 | -0.7 |
| Housing | 0.8 | 2.7 |
| Furnishings, household equipment & services | -0.5 | 1.5 |
| Health | 2.5 | 4.4 |
| Transport | -3.4 | -6.2 |
| Communication | -1.4 | -4.5 |
| Recreation & culture | 0.7 | 2.0 |
| Education | 5.3 | 5.4 |
| Insurance & financial services | 0.2 | 1.8 |

## Singapore

Year-on-year, total trade contracted by 6.8% in Mar as exports grew by 0.7% while imports plunged by 14.7%. Non-oil domestic exports (NODX) rose by 18.5%. It reflected the expansion in both electronic and non-electronic NODX – see **table 7**. Meanwhile, non-oil re-exports (NORX) rose by 1.7%, year-on-year, in Mar, due to an expansion in non-electronic NORX, which offset the decline in electronic NORX.

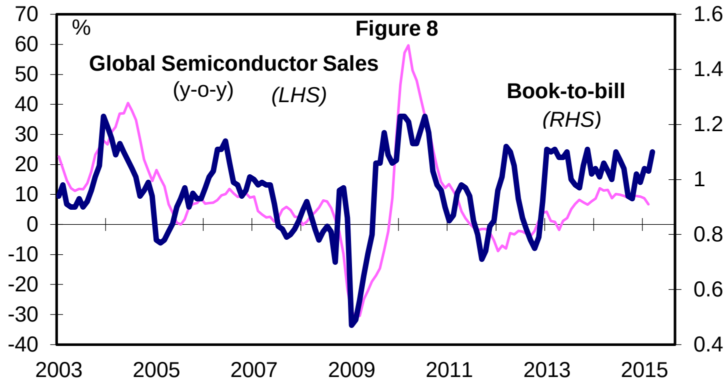
NODX to all of Singapore's top trading partners except for Indonesia and Japan increased in Mar on a year-on-year basis. The EU28, the US and Malaysia were the main contributors to the growth. At the same time, NODX to the emerging markets surged by 60.0% in Mar.

Table 7: NODX *(y-o-y % change)*

| | Jan 2015 | Feb 2015 | Mar 2015 |
|---|---|---|---|
| **Total** | **4.3** | **-9.7** | **18.5** |
| **Electronic products** | **5.0** | **-12.5** | **10.4** |
| Disk drives | -19.3 | -35.3 | 3.0 |
| PCB assembled | -27.9 | -33.7 | -8.6 |
| Integrated circuits | 32.0 | -4.4 | 24.4 |
| Telecommunications equipment | 36.2 | 36.6 | 28.4 |
| Consumer electronics | -39.7 | -44.7 | -39.9 |
| **Non-electronic products** | **4.0** | **-8.5** | **21.6** |
| Total chemicals | 4.2 | -21.6 | 17.4 |
| Pharmaceuticals | 25.9 | -22.4 | 65.9 |
| Petrochemicals | -17.4 | -30.9 | -13.4 |

Semiconductors

On a 3-month moving average basis, the book-to-bill ratio for the North American Semiconductor Equipment Industry in Mar rose from 1.03 in Feb to 1.1. Month-on-month, orders rose by 4.6% to US$1,374.4 mln, while shipments fell by 2.4% to US$1,249.1 mln. On a year-on-year basis, orders and shipments rose by 5.9% and 1.9% respectively. Orders for semiconductor equipment are being supported by solid global semiconductor sales – see **figure 8**.




## A.2. International Perspectives

### *A.2. (i). New York*

Besides the headline unemployment rate that is normally reported by the mass media, the US Bureau of Labor Statistics also computes and reports other employment related data. Amongst the many, **figure 1** is interesting. *i* Capital has shown this figure before but it was for a much shorter period. We wonder whether Janet Yellen has seen this crucial figure.

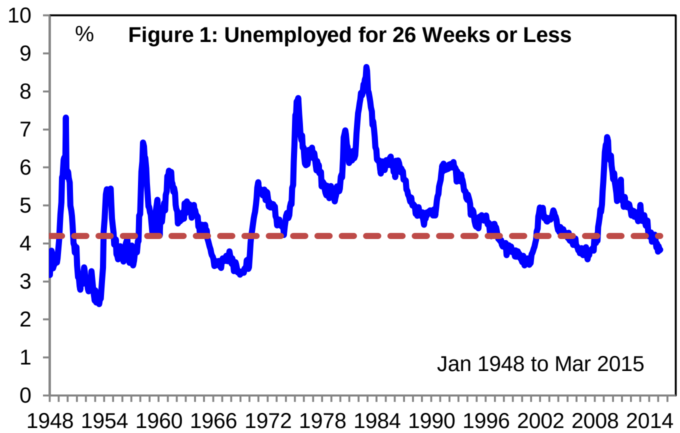



Figure 1 tells us a few facts. One, despite all the yelling that the US economic recovery has been weak, the unemployment rate for those unemployed for 26 weeks or less has been dropping steadily and has in fact dropped to a very normal level. The unemployment rate for those unemployed for 26 weeks or less has in fact reached a level that was in the past only found during boom years – the Fifties, the second half of the Sixties, the Nineties and before the 2008 US-led global financial crisis. Figure 1 is telling us that the US labour market is close to full employment and when taking the other indicators that *i* Capital has shown in its recent issues into account, higher US wages should be around the corner. What happens to US monetary policy then ?

Two, US recessions occurred when the unemployment rate for those unemployed for 26 weeks or less has dropped to such low levels. Is one around the corner now ? After all, as *i* Capital shared in last week's issue, the current economic recovery cycle is already longer than the average US recovery cycle and is already the 2nd longest. Post World War 2, US recessions were signalled whenever the yield curve inverted. This is because post World War 2, the global and US pricing environments were inflationary. With the central banks in the developed economies now so worried about deflation taking hold and all targeting inflation rates of 2% and with the medium and long-term bond yields of many developed countries in negative territory, will there be an inverted yield curve signal ? If not, can a US recession occur without the conventional warning signs ? Can a US recession occur due to inadequate aggregate demand ? For now, *i* Capital has no answer but it is useful to remember that in the past, whenever the unemployment rate for those unemployed for 26 weeks or less falls to the current low levels, a US recession is nearby.

As *i* Capital has advised previously, at its current valuation, the NYSE is priced for perfection. Whether it will lead to higher wages and hence earlier and faster than expected monetary tightening or whether a US recession is close by, it is worth while remembering figure 1. As *i* Capital has said before, the US Federal Reserve has to look ahead. *i* Capital retains its bearish **short-term** outlook of the NYSE at a range of 1,550 to 2,150 for the S&P 500. See Stop Press for the latest. For the **medium-term**, *i* Capital is retaining its bearish outlook at a revised range of 1,350 to 2,150. *i* Capital will review its **long-term** outlook of the NYSE at a later stage.

### *A.2. (ii). Tokyo*

## "Xi Widens Economic Door to Pakistan"

## "Philippines And U.S. Navies Hold Big Exercises"

Two headlines reported in the Wall Street Journal on 21 Apr 2015 revealed a lot about China and Shinzo Abe. China's president Xi Jinping went to Pakistan and unveiled a massive US$46 bln infrastructure development programme in Pakistan, known as the China-Pakistan Economic Corridor. On the other hand, the US and the Philippines held their biggest joint military exercise in 15 years called "Balikatan" or shoulder to shoulder.

Both events are meant to deepen ties between the two respective countries. One event will greatly benefit the host country and all others surrounding Pakistan. The other event will lead to great sufferings on all sides should the military exercise lead to actual conflict or war. One is certainly win-win; the other is surely lose-lose. The former is always the civilised approach taken by China, whether it is led by Xi Jinping, Chou Enlai or Mao Zedong. The latter is the barbaric approach taken by Japan, led by Shinzo Abe. Why do we say so ?

Well, on the sidelines of the Asian-African Conference in Jakarta, prime minister Shinzo Abe and China's president Xi Jinping held a meeting as part of efforts to improve bilateral ties. Then, soon after the meeting, 3 of prime minister Shinzo Abe's cabinet ministers visited the war-linked Yasukuni Shrine in Tokyo on Thursday, 23 Apr 2015. The visits by Eriko Yamatani, disaster management minister, Haruko Arimura, minister in charge of female empowerment, and Sanae Takaichi, internal affairs and communications minister, came just a day, one day, after Abe met with Xi Jinping in Indonesia. All 3 ministers also visited the shrine in Oct last year.

As if the visit was not insulting enough to China, Japan's chief cabinet secretary Yoshihide Suga said Yamatani's visit was made in a private capacity but Yamatani told reporters later that she has expressed her "gratitude to the spirits of the war dead" who fought for Japan.

Everyone knows that the Yasukuni war shrine has been a major source of diplomatic friction as it honours wartime prime minister General Hideki Tojo and other convicted Class-A war criminals. Past visits by Japan's prime ministers and ministers have always drawn strong criticisms from China and South Korea, both of which suffered under Japan's wartime brutality.

China lends a sincere hand to help Pakistan and the entire Indian sub-continent. Japan under Shinzo Abe intentionally and hypocritically escalates tensions with her neighbours and her cabinet takes a war-like path. How to trust such an insincere government ? How to trust the rally on the Tokyo stock market, especially when the Nikkei 225 is already trading at a rich 22-23 time PE and Abe's government keeps pushing it up ? *i* Capital reluctantly revises its **short-term** outlook to a range of 16,000 to 22/23,000. See Stop Press for the latest. *i* Capital is retaining its bearish **longer-term** outlook of the Nikkei.

### *A.2. (iii). Hong Kong*

The bulls for the Hong Kong stock market came out of the blues. Consequently, the Hang Seng index has rallied in almost a straight line. Is it heading higher ? Is it sustainable ? To answer this very difficult question, first, we need to take a look at the Shanghai stock market, the driver of the current rally in the Hong Kong stock market.

**Figure 1** shows the monthly chart of the Shanghai Composite Index and its monthly RSI. After being in the bearish doldrums for 6-7 years, the Shanghai stock market suddenly came alive. From around mid-2014, the Shanghai Composite Index has been surging and has gone up more than 100% in less than one year. The CEO of Capital Dynamics has been bullish on the Shanghai stock market since 2013. In fact, in 2014, he told the media that the only stock market that he would invest in then would be the Shanghai stock market as it was highly undervalued. However, in less than one year, this undervaluation has disappeared and within a short time, the Shanghai stock market is trading at a PE multiple quite close to that of the New York stock market, which is a level that even Warren Buffett finds difficult to identify attractive stocks to invest in. And the RSI for Shanghai is at highly overbought level. Nevertheless, based on the prolonged pent-up demand, the strong momentum and the People's Bank of China aggressively easing her monetary policy, the Shanghai stock market is heading higher, at least for the shorter-term. A target of 5,000 to 5,500 is expected. As Shanghai rises, the Hong Kong stock market will be pulled up also.

Figure 1:
Shanghai Composite Index

*i* Capital has been bullish on the Hong Kong market for quite some time now. In such a feverish type of mood and with the rally expected to continue, it is easy to get carried away but that is precisely the time to be wary. This straight line type of bull market is usually not sustainable and often leads to an unexpected sharp crash. The rate of the current rise is similar to the rate of ascent in 2006-2007 – see figure 1 – a rally that lasted less than 2 years. For the **short-term,** *i* Capital retains its outlook of the Hong Kong stock market at a range of 23,000 to 28,000. The 28,000 level is a major resistance region but as *i* Capital is still bullish on Shanghai, a break above this would see the Hang Seng testing its 2007 all-time high of 32,000. Still, be on the look out for the NYSE. See Stop Press for the latest. For the **medium-term**, assuming no major crash on the NYSE, *i* Capital retains its outlook of the Hang Seng Index at a range of 23,000 to 32,000. In the **long-term**, *i* Capital revises its outlook. While it still expects the Hang Seng Index to test the 50,000 mark, the Hang Seng is expected to decline first before it can try to reach that target.

## *A.2. (iv). China on the move*

On 18 Mar 2004, *i* Capital started an exclusive section on China, an immensely important, huge, and complex nation. As our managing director described it, the emergence of China is an event that happens only once in a millennium. Tracking its fast emergence and understanding its development will therefore be useful not only for investors but also for businessmen and management. This exclusive series "China on the move" started with "A Brief History of China", made up of 8 parts, started with the Xia Dynasty (夏朝) and rounded up by examining Deng's reforms.

### China Today

China today is the world's most exciting, dynamic, and successful economy. What drove China's phenomenal growth in the past few years ? In the previous parts of China Today, we examined her economic structure, sources of growth, the current conditions, and her future.

Renminbi in the SDR ?

Later this year, the Executive Board of the International Monetary Fund (IMF) will hold its review of the basket composition of the Special Drawing Rights (SDR). One of the main considerations in the once-in-a-5-year review will be the possibility of the Renminbi to be included in the SDR currency basket. What is the SDR and what are the implications for the Renminbi to be included in the SDR currency basket ?

SDR is an international reserve asset created by the IMF in 1969 to supplement its member countries' official reserves. It was created to support the Bretton Woods fixed exchange rate system. However, the Bretton Woods system began to wobble when President Nixon announced his New Economic

Policy in Aug 1971, whereby amongst others, he ordered a suspension of the US$ convertibility into gold. As the Bretton Woods fixed exchange rate system was anchored on the US$, whose value was expressed in gold at a set price of US$35 per ounce, Nixon's announcement seriously undermined the very foundation of the Bretton Woods system. Although attempts were undertaken to maintain the fixed exchange rate system, the Bretton Woods system finally collapsed in Mar 1973 when 6 members of the European Community tied their currencies together and jointly floated against the US$.

The SDR is neither a currency, nor a claim on the IMF. SDRs are allocated to member countries in proportion to their IMF quotas and serve as costless, unconditional international reserve assets. Holders of SDRs can use them to exchange for freely usable currencies from other IMF members. However, the collapse of the Bretton Woods system and the rapid growth of the international capital market in facilitating borrowing by creditworthy governments, have reduced the need for SDRs. Nevertheless, the liquidity crisis arising from the 2008 US-led global financial crisis has revived the importance of the SDRs. Although SDRs cannot be used directly for market intervention or liquidity provision, they are very valuable at times of systemic crisis because SDRs have the same properties as the swap line, in that holders can have access to foreign currency liquidity. This provides confidence to the markets, which could prevent a run on a country's currency and keep much-needed credit line open. In fact, in Aug 2009, in only its third general allocation, a SDR allocation of SDR161.2 bln was made in an effort to mitigate the effects of the US-led global financial crisis. Currently, the total cumulative SDR allocations stood at SDR204 bln or equivalent to US$281.7 bln as at the exchange rate of 20 Apr, 2015.

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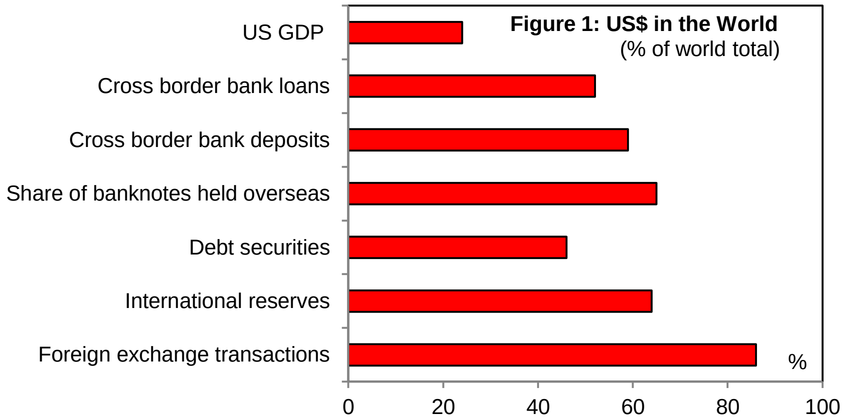



**Figure 1: US$ in the World**
(% of world total)

The value of the SDR is based on the weighted average value of a basket of currencies, comprising the US$, Euro, Pound Sterling, and the Japanese Yen. The weights of the 4 currencies in the SDR are 41.9% for the US$, 37.4% for the Euro, 11.3% for the Pound Sterling, and 9.4% for the Japanese Yen. The weights were derived based on the value of the exports of goods and services and the amount of reserves denominated in the respective currencies. Although the weight of the US$ has been declining over the years, it is still over weighted if measured against the share of the US economy in the world economy. However, the high weightage of the US$ was justified by its wide usage in international transactions – see **figure 1**.

Due to China's rising share in international trade and growing contribution in world economic growth, as well as palpable weakness in the international monetary system that is dominated by a single currency, China's Renminbi was considered to be included in the SDR currency basket during the last review in 2010. However, Renminbi was rejected in the final decision because although China met the first condition of being a prominent player in international trade, the Renminbi failed to meet the second condition of being a freely usable currency. IMF defined a currency as freely usable if it is widely used to make payments for international transactions and it is widely traded in the principal exchange markets.

5 years have passed since the last review and China has made significant progress in facilitating the international use of the Renminbi. China hopes to achieve capital account convertibility this year. China

has been actively promoting the use of Renminbi in international trade and financial transactions. As at the end of 2014, China has signed currency swap deals with 28 countries worth about RMB3 trillion. She has established more than a dozen offshore Renminbi clearing centres around the world. An increasing proportion of China's trade is settled in Renminbi. Offshore Renminbi financial assets have also sprang up like mushrooms after the rain. More importantly, the usage of Renminbi has spread conspicuously beyond Hong Kong. In Oct last year, the UK government became the first Western country to issue a sovereign bond denominated in Renminbi. As a result of these developments, offshore countries excluding Hong Kong, handled 25% of global payments in Renminbi in Feb 2015 compared with 17% in Feb 2013. In addition, according to data from SWIFT, the Renminbi has overtaken the Canadian and Australian dollars to become the world's 5th largest global payment currency since Nov 2014. Last year, the People's Bank of China said that the Renminbi has become the world's 7th largest reserve currency.

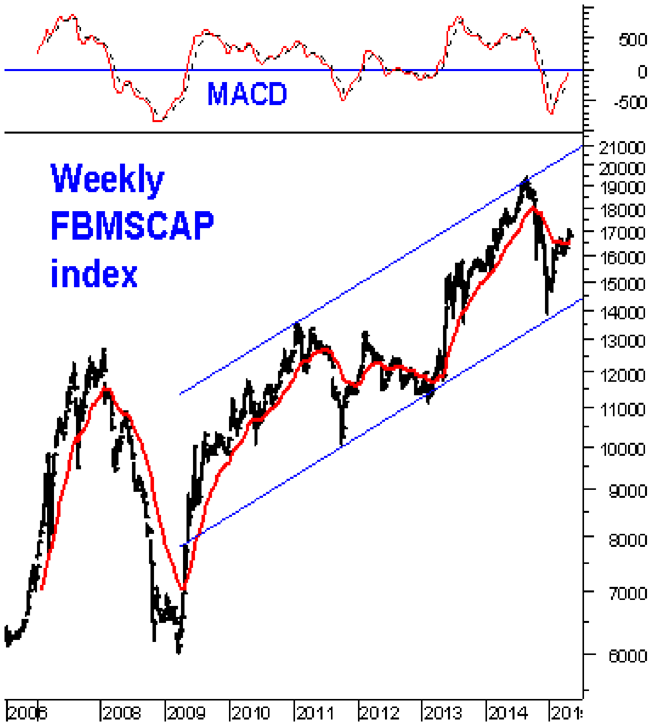
Hence, it is highly likely that the Renminbi will be added into the SDR currency basket later this year. Although the usage of the SDR is still very limited, the inclusion of the Renminbi could raise its profile and trigger a reform movement in the international financial system that is not centred on a single currency. As shown during the US-led global financial crisis and the years that follow, the US Federal Reserve, when conducting its monetary policy, will always consider the domestic objectives first, while neglecting or ignoring the effects on the wider world. For example, its prolonged easy monetary policy has undermined the financial stability of emerging economies and restricted the monetary policy execution of emerging countries. A SDR that includes the Renminbi will certainly help to create a multipolar global financial structure and improve the stability of the global financial system.

## A.3. Technical

(one technical indicator is shown per issue)

The KLSE CI is above its 30-day, 50-day and 50-week moving averages. Its daily DMI is uncertain while its daily MACD has shaped a bearish crossover.

This week's *i* Capital updates the KL weekly FBMSCAP index. Since its recovery from the US-led global financial crisis, the index has been oscillating within a major uptrend. PE expansion and rising appetite for small-cap ideas, coupled with earnings growth, pushed the index to a historic high of 19,160 points in 2014. Recently, the index has made a rebound from the lower support of its ascending price channel after a plunge of about 27% from its historic high due to a few hot penny stocks turning red which caused other counters to follow suit. The support line not only held but also shoved the index above its 30-week exponential moving average. Its weekly MACD has shaped a bullish crossover. With gains seen limited on the back of the weaker close in most global markets, will this uptrend be able to sustain for long?




## A.4. KLSE Conclusion and Recommendation

KLSE Composite Index : Market Valuation

| | 23.04.15 | 16.04.15 | 24.04.14 |
|---|---|---|---|
| PE Ratio | 19.06 | 19.07 | 17.61 |
| Div Yield | 3.06 | 3.06 | 2.99 |
| Price/Bk Value | 2.27 | 2.27 | 2.42 |
| FBM KLCI | 1,846.08 | 1,847.94 | 1,865.28 |

### DESTRUCTIVE CREATOR

**If size is any indication** of the outcome of an event, our investment seminar on Saturday, 9 May 2015 is going to be exciting and fun. A few days ago, we have already received more than 600 participants. For those who forgot to register for this experience-rich day of fun, well, we just got approval for the seminar to come with 10 CPE (SIDC) points. As part of the 25th anniversary of *i* Capital, this 3 in 1 session by Tan Teng Boo at only RM299 is truly top value for money. Last day for early bird is 30 Apr.

In the last few months, the 4th prime minister of Malaysia is predictably at his same old tricks again. Mastered after decades of intense practice, the 4th prime minister of Malaysia has raised the art of destruction to its finest level. He started his life-long career of destruction, tragically with Malaysia's most visionary prime minister ever, Tunku Abdul Rahman. The short-sighted 4th prime minister just kept on attacking the really visionary socio-economic policies of Tunku. The 1st prime minister made sure that the rule of law was not compromised and Malaysia's judiciary system was among the best in the entire Commonwealth. Tunku Abdul Rahman very wisely implemented a balanced economic growth and development strategy – a strategy so wise and so far sighted that even until today the 4th prime minister cannot even begin to understand what it was all about. In his 22 years of rule, the 4th prime minister created many structural imbalances for the Malaysian economy that were to haunt the economy until now. Tunku Abdul Rahman correctly implemented policies to modernise and develop agriculture at the same time as he aggressively implemented policies to industrialise Malaysia. The creation of modern industrialised Petaling Jaya is a result of this, for instance. Tunku Abdul Rahman made Bahasa Malaysia the official language but he also made sure that English was the most important de facto language for all Malaysians (this policy was no less wise than what Lee Kuan Yew did for Singapore). Due to his far sighted policies, University of Malaya quickly became one of the top universities in the entire Commonwealth. It was so prestigious that Malaysians of all races aspire to get admitted there. Malaysia was racing ahead, built upon a performance-based society so that the whole nation can develop and progress in a sustainable manner. Yet he knew, he recognised that the Malay community needed more help than the other communities. Hence, government agencies such as FELDA, MARA, FELCRA, NAPRA (National Padi and Rice Authority), MARDI, FAMA, Bank Pertanian, PERNAS (National Corporation), and MRD (Malaysia Rubber Development Corporation) and a whole list of government agencies aimed specifically at helping the Malays were established. Yet, he was often criticised, led by the "ultras" like the childish 4th prime minister then, for not paying enough attention to the needs of the Malays and allowing the non-Malays to gain at their expense. The irony was that the other communities also felt neglected, a situation that can only happen when a leader, acting as a statesman, has the entire nation's interest at heart and not just one community. Tunku Abdul Rahman was unforgivably ousted due to an engineered May 1969 incident. Guess who played a major role in his unjustifiable ouster ? Academicians R. S. Milne and Diane K. Mauzy argued convincingly that it was the 4th prime minister's relentless attacks that were the principal cause of Tunku Abdul Rahman's downfall and his subsequent resignation as prime minister in 1970.

Having tasted blood, he subsequently went to destroy Malaysia's highly respected education system (the standard of English amongst Malaysians, for example, has been in a perpetual decline since then), battered Malaysia's rule of law and her hard earned judiciary system (guess who has the honour of sacking Malaysia's Lord President ?), attacked Malaysia's monarchy, sacked one deputy prime minister (another deputy resigned only after 5 years of being his deputy), ousted Malaysia's 5th prime minister (one who had the guts to against the foolish and lousy economic policies of the 4th prime minister) and now is about to repeat his life-long passion of destroying Malaysia.

After the best bull market Malaysia has ever enjoyed (from 1974 to mid-1981), the KLCI peaked at 540 points in 30 Jun 1981 – see **figure 1**. Two weeks later, the 4th prime minister was sworn in on 16 Jul 1981. What were his first 6 years as prime minister like ?

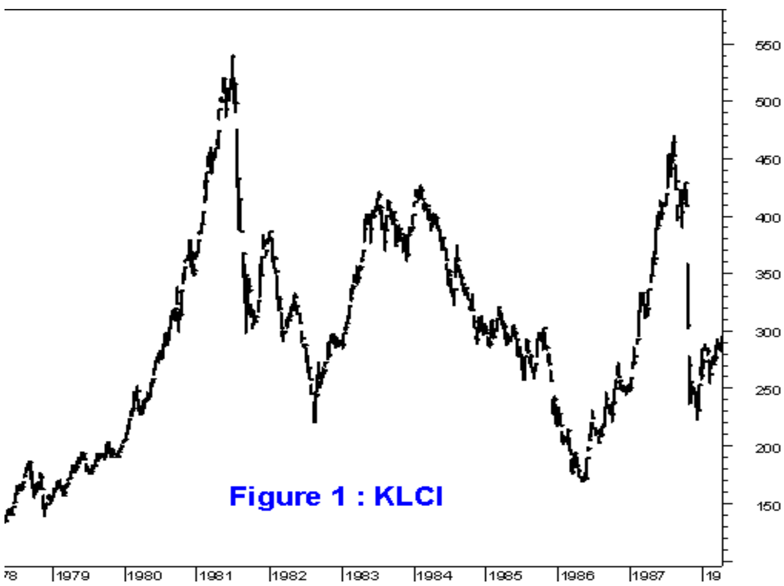


**Figure 1 : KLCI**

One, the peak of the KLCI on 30 Jun 1981 was a very bad premonition of the massive destruction and bad luck that was coming Malaysia's way over the next 22 years. From mid-1981 onwards, the KLCI had its worst ever bear market in its entire history. Lasting almost 5 long years, the bear market touched bottom on 7 May 1986 at 171 points – after a massive plunge of 70%. By 1985/1986, Malaysia's economy was suffering its Great Depression. Unemployment rate shot up to near double digits. The Malaysian banking and stockbroking systems were in shambles. All the major industries in Malaysia suffered. The Malaysian property market collapsed. No, there was no global crisis. America, Japan and Europe were booming. The NYSE and Tokyo were surging.

His administration took office in 1981 with the promising slogan of “Bersih, Cekap, Amanah” which quickly became “Bohong, Curi, Angkat”. Very quickly, it became embroiled in financial scandals and economic adventures that broke out with startling regularity, many truly spectacular and massive enough to have bankrupted most developing countries that are not as resource rich as Malaysia. It is not just the Proton, the Perwaja, the MAS, the HICOM, the Renong, and an endless list. The 4th prime minister foolishly tried to corner the global tin market in the early Eighties and not surprisingly, failed miserably, which any 1st year economics undergraduate could have told him. In the early Nineties, his financial adventures saw Bank Negara becoming a currency speculator and lost billions while the one he called a moron made billions.

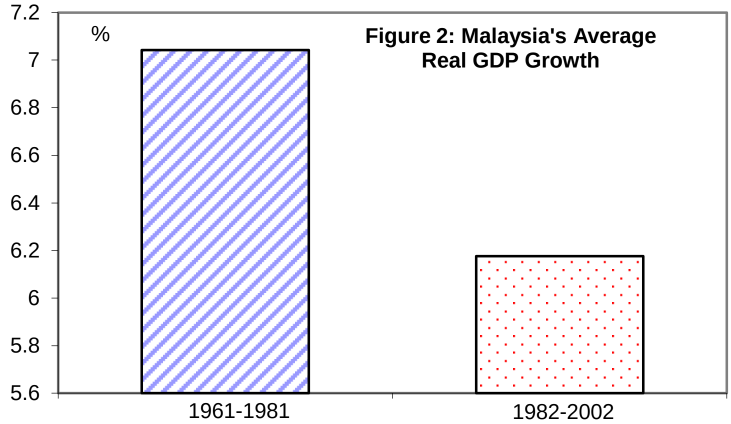
Bumiputra Malaysia Finance (BMF) is a Malaysian name that most Malaysians, especially those below 40 years old, would not be familiar with. In Jul 1983, what was then the biggest banking scandal in world history, erupted in Hong Kong, when it was discovered that BMF, a unit of Bank Bumiputra Malaysia Bhd, had lost as much as US$1 bln which had been siphoned off by prominent public figures into private bank accounts. The story involved murder, suicide and the involvement of officials at the very top of the Malaysian government. Ultimately it involved a bailout by the Malaysian government. Mak Foon Tan, the murderer of Jalil Ibraim, a Bank Bumi assistant manager who was sent to Hong Kong to investigate the disappearance of the money, was given a death sentence, and Malaysian businessman George Tan who had participated in looting most of the funds, was jailed after his Carrian Group collapsed in what was then Hong Kong’s biggest bankruptcy. The most important part is this - no Malaysian politician was ever caught or punished. A White Paper prepared by an independent commission cited Cabinet minutes of the 4th prime minister giving an okay to a request to throw more money into the scandal in an effort to contain it. 32 years later, Malaysians still do not know what really happened to Bumiputra Malaysia Finance and Carrian. Bank Bumiputra had to be rescued many times before having to be morphed into CIMB.

George Soros has branded the 4th prime minister as "a menace to his own country". This is an understatement. He is actually Malaysia’s destructive creator. Whatever he creates, whenever he creates, he destroys. He created Proton, he created Malaysia’s heavy industries (remember HICOM?) and as a result, destroyed Malaysia’s fledgling manufacturing sector. He created cronies and consequently destroyed the competitive features of the Malaysian economy which are essential for efficiency and productivity growth. He created money politics and in the process, destroyed the heart work of Tunku Abdul Rahman, Tun Tan Siew Sin, Tun Sambanthan, Hussein Onn, Tun Suffian, etc. He created Labuan, Langkawi, the Twin Towers and easily destroyed Malaysia’s rich-with-potential agriculture and commodity sectors. In creating himself as a leader, he simply destroyed all others.

So, his first 5-6 years were a total disaster. Even Abdullah Badawi did better than the 4th prime minister in his term as the 5th prime minister. The subsequent 16-17 years were to see Malaysia decimated even more.

MALAYSIA’S REAL ECONOMIC PERFORMANCE

**Figure 2** shows Malaysia’s economic performance from 1961 onwards, split into two important sub-periods. As obvious, figure 1 shows that Malaysia’s average real GDP grew at a significantly faster rate from 1961 to 1981 than from 1982 to 2002. This in simple words meant that the 4th prime minister did worse than Hussein Onn, Tun Razak and Tunku Abdul Rahman. Not surprising but this simple fact is sadly unknown to almost all Malaysians and yet it tells so much about Malaysia’s economic performance from 1982 to 2002 – instead of all the heaps of false praises of an economic miracle, her economic performance has actually been just so-so aka average. It was an economic mirage hyped as an economic miracle.




Measured in nominal terms, Malaysia’s average GDP grew at 11.9% per annum from 1961-1981, also much faster than the 9.3% annual growth recorded from 1982 to 2002.

Malaysia’s real economic performance from 1982 to 2002 raises the critical question of whether Malaysia could have achieved more economic growth and development without Malaysians having to pay so high a price to achieve so little.

**Figure 3** shows an even more shocking aspect of Malaysia's economic performance from 1982 to 2002. It compares the growth in GDP per capita of Malaysia against her Asian neighbours. Seen in this way, Malaysia's economic growth from 1982 to 2002 has been actually very lacklustre and disappointing.

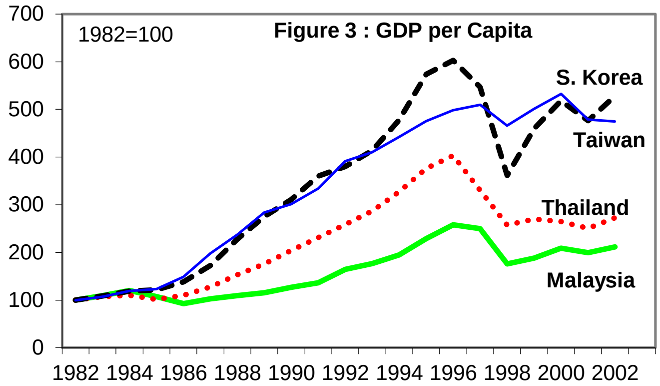


Figure 3 : GDP per Capita

In 1982, GDP per capita for South Korea was US$1,895 while Malaysians enjoyed a GDP per capita of US$1,852 or a very small difference of US$43.

Twenty years later in 2002, South Koreans were enjoying a per capita GDP of US$10,006 while Malaysians were congratulating themselves in enjoying a per capita GDP of only US$3,915. By 2002, the difference in GDP per capita was a huge US$6,091.

Should Malaysians know everything about 1MDB ? Yes, certainly. Should Malaysians know everything about BMF, Perwaja, MAS, the tin market and Bank Negara currency debacles, the cronies who made themselves super wealthy at the expense of ordinary Malaysians, the endless list of corruptions, etc ? Yes. Malaysian should also know with full disclosure why the super expensive Putrajaya was needed when KL was suffering from an oversupply of office space, why KLIA had to be located in Sepang, and became the furthest airport in the world and Malaysians should also know when they can get full accountability from all our political leaders.

<u>The KLSE</u>

The NYSE trades at around 20-21 times PE. The PE multiple for the Nikkei is even higher. Even the once attractive Shanghai Composite index is nearer to the PE multiple of NYSE. Locally, the KLCI is rising even though poor corporate earnings have pushed its PE ratio to above 19 times. Markets are trading as if interest rates, especially US interest rate, would stay low perpetually. For now, *i* Capital is not convinced that the drop in the 2nd half of 2014 for the KLCI was not an ominous trend. The boom and bust cycle has not become extinct. *i* Capital retains its outlook of the KLSE at a range of 1,750 to 1,860 for the **<u>immediate-term</u>**. See Stop Press for the latest. For the **<u>short-term</u>**, *i* Capital also retains its bearish outlook to a range of 1,300 to 1,860. For now, the bearish **<u>medium-term</u>** outlook of *i* Capital is retained with a possible target range of 800-900. Over the longer-term, *i* Capital remains concerned over Malaysia's uncertain political and economic future. For its **<u>long-term</u>** outlook, *i* Capital still expects the KLCI to drop below 1,000 points before reversing.

**Section B : Stock Selections**

*Stocks selected under this section are meant for medium and/or long-term investments. Capital Dynamics could use either a top-down/market-timing approach or a strictly bottom-up style or a combination of both when selecting stocks. When stocks are recommended under Section B, it does not mean that its price will take 1 or 2 years to move. If the price moves too fast, i Capital® may recommend a sell. Or if it is still attractive after holding for a while and its price has gone up, we may still recommend holding or even buying more. Or if it declines, i Capital® quotes Warren Buffett who was supposed to have said this : "If you aren't prepared to see your stocks go down 50%, you shouldn't own them. Be prepared for declines – and arrange your financial affairs such that you won't have to sell out".*

# (1) SKP Resources (SKPRES, 7155)

Principal activities
Manufacturing of plastic parts and components, contract manufacturing, precision mould making, the sub-assembly of electronic and electrical equipment and other secondary processes.

Major shareholder/s
Beyond Imagination S/B, Renown Million S/B, Dato' Gan Kim Huat, Graceful Assessment S/B,

Financial highlights (RM mln) – 31 March

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|
| Sales | 195.7 | 257.0 | 414.8 | 423.3 | 412.8 |
| Pre-tax profit | 18.06 | 31.93 | 49.65 | 53.79 | 39.76 |
| Net profit | 13.40 | 26.25 | 36.84 | 39.55 | 29.34 |
| Adjusted net profit | 13.08 | 25.96 | 35.92 | 37.12 | 26.66 |
| | | | | | |
| Depreciation | 8.965 | 8.999 | 8.695 | 8.592 | 8.227 |
| Finance cost | 0.088 | - | 0.004 | 0.001 | - |
| | | | | | |
| Current assets | 99.72 | 126.8 | 186.6 | 190.8 | 220.6 |
| Current liabilities | 30.07 | 45.84 | 76.54 | 62.14 | 74.91 |
| Fixed assets | 70.62 | 77.68 | 71.12 | 69.79 | 75.28 |
| Return on equity (%) | 9.518 | 17.63 | 21.74 | 19.86 | 12.92 |

Latest paid-up:
900.0 mln shares of RM0.10 each
Market capitalisation with warrants:
RM860 mln @ RM0.890
2016 PE Ratio:
Around 15 times @ RM0.890

| 3rd quarter *RM mln* | 31/12/2014 | 31/12/2013 |
|---|---|---|
| Sales | 422.2 | 302.2 |
| Pretax profit | 41.17 | 29.04 |
| Net profit | 30.71 | 21.83 |
| Finance cost | - | - |

This week, *i* Capital provides coverage on SKP Resources Bhd (SKP), a company based in Johor and listed on the KLSE in Feb 2003. Its origins date back to Jun 1974 when 1 of its main subsidiaries was first incorporated to be initially involved in property holding. Only in 1994 did it start to manufacture plastic injected products.

The business
SKP's bread and butter business is in the manufacture of plastic parts components and mould, as well as the sub-assembly of electronic and electrical equipment and other secondary processes. There are various ways to make a plastic part, such as injection moulding, blow moulding, compression moulding, transfer moulding, rotational moulding, and extrusion, amongst others. The method to be used depends on the type of products to be made, the plastic resin, volume of production, production rate and tooling cost. Due to the fact that SKP requires a high production volume and rate, the injection moulding method is preferred. Other advantages of injection moulding are that it is able to produce complex shapes with good dimensional control and has low material loss as sprues and glues can be reused. For example, blow moulding is only able to produce hollow thin walled parts such as bottles, floats and containers. The injection moulding machine and tooling costs are, however, higher than the rest. The cost of the moulding machine is directly proportional to the clamping force which depends on the size of the mould and can range from around RM200,000 to RM6 mln. The clamping force keeps the mould closed during the process. The machines commonly come from Japan, China and Germany.

The entire process of injection moulding starts with the plastic resins (raw materials) which are most commonly classified into thermoplastic and thermosetting plastics. The former remains soft at elevated temperature until they are hardened by cooling and can be re-melted repeatedly. The latter on the other hand cannot be re-softened. Usually in the form of granular, it is loaded into the hopper of the machine where it is then heated by heater bands till it melts. Along the barrel, the screw will then inject the softened resin through the nozzle of the machine, displacing air content in the mould cavity. The mould which is divided into 2 parts, fastened on the movable and fixed platens, would close before the previous step is carried out. The plastic in contact with the cold sidewalls of the mould stiffens first, sealing the cavity. As cooling takes place, the mass is hardened, permitting the removal of the finished part. After cooling, the mould is opened and the part is removed by the ejector system. The most important factors of this method are the outer and inner pressure and temperature of the material and mould. The outer pressure ensures the entire cavity is filled, the inner pressure keeps the product from shrinking as it cools, the high temperature material means low viscosity to fill the mould easily and the cooler the mould means the quicker the material will harden since cooling time takes up 40-60% of the cycle time. The 4 different combinations will determine the type of part produced. After the plastic part is made, it may undergo secondary processes such as hot stamping, silk screen printing, pad printing, and spray painting. Upon completion of the secondary process, the plastic part is either then sent to the customer after being packaged or is sub-assembled into other plastic parts and components according to the specifications and requirements of the customers. The sub-assembled parts are then packaged and sent to the customers upon completion.

The quality of the parts also relies heavily on the quality of the mould made. The moulds can be made of either heat treated (hardened) steel, pre-hardened steel, and aluminium, amongst others. The choice of material is one of economics. Hardened steel moulds (usually 48-52 HRC) generally cost more to construct but offer a longer lifespan to offset higher initial cost over a higher number of parts. Pre-hardened steel moulds are less wear resistant, usually for lower volume. The 3 stages to make a mould are designing, machining and assembling. A very wide knowledge of production process, products, metalworking, accuracy requirements and capabilities of each machine installed in each factory is necessary from the designer. Although nowadays there is the computer aided design (CAD) system, the skill sets of a design engineer are still highly and urgently sought after. Unfortunately in Malaysia, there is a serious lack of such skills. The database developed in CAD is stored and processed further by computer aided manufacturing (CAM) system into necessary data and instructions for operating computer numerical control (CNC) machining centres. This has reduced the need for skilled machinists due to more automation which are handled by mere operators. Manual milling is, however, at times still used. Machining is then carried out on the mould base by the CNC milling machines, electrical discharge machine (EDM), wirecut EDM (WEDM) and others. Once the individual parts of the mould are machined, they will be assembled into the final mould. If each piece is machined accurately, the assembly should not take a long time. Adjustment of the assembled mould, which is a must, is then undertaken. The precision of the mould depends on the complexity of the part and customer requirements. As a gauge, a high precision requires the tolerance to be less than 50 microns/0.05mm. Precision measurement tools include Vernier calipers, micrometer and profile checker which can measure up to 2, 3 and 6 decimal points respectively. A mould can have more than 1 cavity if the part made is small. This means that 1 mould can produce a few small parts in 1 cycle. As the number of cavities and size of mould increase, so does the cost. If the mould is well designed, productivity will also be higher.

SKP has 4 manufacturing plants, of which 3 are located in Batu Pahat and 1 in Johor Bahru. The group recently acquired the main subsidiaries in Tecnic Group Bhd (Tecnic) which will be explained further below. Post acquisition, SKP has 230 injection moulding machines, with clamping force ranging from 55 to 1,300 tonnes. Its subsidiary Syarikat Sin Kwang Plastic Industries S/B has 6 CNC machines, 5 EDMs, 3 WEDMs, 11 grinding/milling/drilling machines and a tooling capability of up to 850 tonnages and precision of 10-50 microns. SKP also has 6 advanced spray paint robots, each costing around RM200,000. This was set up for its major customer with a total investment of RM8 mln. The robots are able to spray from all angles as opposed to the limited 2 angle simple robots. Raw materials (plastic resins), components (printed circuit boards, battery packs etc), labour costs, electricity costs and overheads make up 20%, 40%, 10%, 5% and 25% of total costs respectively. SKP practices a cost pass-through method whereby the impact from favourable or adverse fluctuations in raw material prices and exchange rates can be passed on or claimed back from its customers. Its production capacity is currently operating at around 80% with a total workforce of 3,000, post acquisition. Its major customers are Dyson, Sony and Panasonic which take up 40%, 8-10% and 5% respectively of total sales post acquisition. SKP supplies the front and back panels for Sony's TV models. Sony in Malaysia is the mother plant for TV sets globally. In terms of the bottom line, Dyson would make up 70%. Before the acquisition, Dyson was contributing 55-60% and 75% to the top and bottom lines respectively.

Dyson

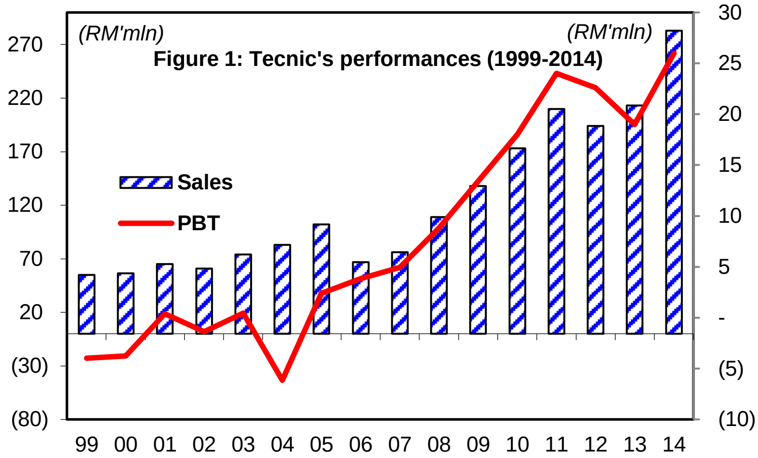
Dyson became a major customer in Nov 2009 when SKP was appointed as a contract manufacturer starting with small quantities. Previously SKP was only a sub-contractor to Meiban Group Pte Ltd (Meiban), one of the 2 initial suppliers of Dyson besides V.S Industry Bhd. For those who are unfamiliar, Dyson is the Apple version of household electronic products specialising in vacuum cleaners with cyclonic technology, bladeless fans and hand dryers. SKP's responsibilities range from the sourcing of raw materials and components to manufacturing the plastic parts to sub-assembling into the final product. The equipment used in the assembly line, though small in value, are owned by Dyson while it subcontracts the management of workers and space to SKP. Currently SKP is handling 2 vacuum cleaner models (old and new model). A model usually has a life of 4-5 years. The old and new models are currently producing at a rate of 80,000 and 20,000-30,000 units per month respectively. The production of the new model will slowly ramp up and phase out the old model. SKP is also producing the Dyson Humidifier, a new model of its bladeless fan which was recently launched and at the moment available in Japan only. Previously all the bladeless fan models were given to Meiban. While Dyson exports to 67 countries, out of its total sales, the US, Europe, Japan and Australia/Asia markets make up 50%, 10%, 10% and 30% respectively.

Expansion

To cater to the new bladeless fan model and future Dyson products, the group in Apr 2014 acquired a 2-hectare land in Senai, Johor. A total investment of around RM34 mln will be incurred to build the factory. This will increase its capacity by 90% over the next 3 years (excluding the increase in capacity coming from the acquisitions) on the basis of 30% each year. While the quota set by the government is 3 foreign workers per local head, SKP has managed to utilise a support letter from Dyson and obtain approval to increase its foreign workers ratio to around 4:1. This is essential as the nature of sub-assembly services is labour intensive. 1 assembly line can have a total of around 50 workers. A majority of SKP's foreign workers are Nepalese.

Acquisition

The group recently acquired the subsidiaries of Tecnic; namely, Bangi Plastics S/B, Plastictecnic (M) S/B and Sun Tong Seng Mould-Tech S/B for RM200 mln. 50% of the consideration was funded by internally generated funds while the balance was via issuance of 172.4 mln shares. The acquired subsidiaries are also involved in plastic mould design and fabrication, plastic injection and blow moulding of plastic products. Note that both Tecnic and SKP share a common management. The quality of the management can be shown in the former's financial performance since financial year (FY) 1999 – see **figure 1**. In FY1999, Tecnic was making sales and loss before tax of RM54.9 mln and RM4 mln respectively. Its performance remained somewhat stagnant for several years. The current management took over in 2007. By FY2014, Tecnic's sales have surged to RM283 mln with a profit before tax of RM26 mln.




Tecnic's customers come from a more diversified range of industries compared with SKP's which primarily serves the electrical and electronics (E&E) sector. As at FY2013, its sales were from the E&E sector (57.7%), rigid packaging for the oil & gas and lubricant sector (19.8%), rigid packaging for food & beverage sector (13.5%) and the automotive sector (9%). The acquisition would thus enlarge the diversity of SKP's customer base as a whole. In the world of high-volume injection moulding, customers want to look for suppliers who have had experience in many industries and with many different product applications. This is because such diversity leads to advanced design, diagnostic and manufacturing skills. On the other hand, since the E&E sector makes up more than half of Tecnic's sales, it will be hard to ignore the fact that post acquisition, the E&E sector will still contribute the major portion to SKP's sales.

Barriers to entry ?

Injection moulding has been a commonly practiced technique for a long time and books on plastic parts manufacturing are easily available around the world. Would SKP's business then be easily replicable ? Although the mould making division does not make huge profits, it is this key area which is a lot harder to copy. One can invest RM30-50 mln and still not get it right. A team of experienced designers and machinists would go a long way in making good moulds. One may argue that moulds can simply be bought from 3rd party companies. However, being able to fabricate the moulds internally would give the company the flexibility and control over timing and cost. For example, 1 vacuum cleaner can have 150 plastic parts. A problem with 1 mould that makes that 1 plastic part can render the entire production useless. Having this capability and huge scale in terms of capacity will also give potential customers comfort when deciding which supplier it may use for a new model. There have been cases whereby the suppliers have struggled to meet the quality and quantity thereby forcing the customers to pull out. As easily replicable as one may think, competitors such as HIL Industries, LCTH Corporation and Ge-Shen Corporation have struggled in this business.

SKP has 180 mln warrants with each warrant entitling the holder to subscribe for 1 new share at an exercise price of RM0.45 during a 5-year period expiring on 27 Jun 2017. The current warrant price is RM0.330.

## Conclusion and advice

At RM0.890 along with warrants outstanding, SKP is capitalised at RM860 mln. For this, what do investors get in return ?

As at 3Q FY2015, SKP's balance sheet has zero borrowings and thus the group does not incur any finance costs. Tecnic does not have any debt as well. However, SKP has exhausted its cash holdings due to the said acquisition and is planning to fund the RM34 mln investment for the new factory via borrowings. Over the longer term, SKP's ultimate approach to managing its balance sheet is still to incur little to no borrowings. As SKP has been generating consistent positive operating cash flows, repaying should not be a major issue. SKP's return on equity (ROE) is also higher compared with its closest competitor even though its leveraging is much lower. SKP uses lesser leverage mainly due to a different business model which does not include processes like assembly of printed circuit boards via methods such as surface mount technology that requires a much higher investment compared with plastic injection. The higher ROE is hence mainly due to the higher return on asset generated, indicating the company's ability to utilise its assets well. In addition, SKP's return on capital employed has been superior and consistent in the past 6 years. The group has stuck to what it is comfortable with especially the local business environment when the company refused to just jump into the bandwagon of new markets like China and Vietnam. Even though SKP recognises that it has a customer concentration risk, the quality of its customer profile is important and the group is selective in choosing its customers. It rejected one customer who gave unfavourable terms and conditions.

Its long-term growth prospects are promising considering that Dyson is planning to invest £1 bln in research & development and wants to launch 100 new products (including new categories) over the next 4 years. More importantly for SKP, plastic parts and sub-assembly will still be required. However, the major market of Dyson is the US from which half of its sales are derived. As *i* Capital explained in the issue dated 2 Apr 2015, the current US economic recovery is already older than the average economic expansion measured since 1945. A recession can damage the demand for Dyson's products and in turn affect the group's performance, notwithstanding the new models SKP is going to produce. To take into account the possible negative impact and to provide a margin of safety, *i* Capital revises its rating for SKP Resources to a Buy at below RM0.55.

# (2) Great Wall Motor Company (Great Wall, 2333)

Principal activities
Chinese automobile manufacturer

Major shareholder/s
Wei Jian Jun, Nandayuan Hebei township government

Financial highlights (RMB mln) – 31 December

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|
| Sales | 22,986 | 30,090 | 43,160 | 56,784 | 62,591 |
| Pretax profit | 3,041 | 4,131 | 6,841 | 9,920 | 9,640 |
| Net profit | 2,701 | 3,426 | 5,692 | 8,224 | 8,042 |
| Adjusted net profit | 2,701 | 3,426 | 5,692 | 8,224 | 8,042 |
| Depreciation | 549 | 702 | 944 | 1,155 | 1,672 |
| Finance cost | 0.50 | 4.06 | 2.20 | 0.00 | 11.06 |
| Current assets | 14,825 | 20,374 | 25,848 | 31,026 | 35,314 |
| Current liabilities | 11,888 | 14,714 | 19,319 | 22,840 | 26,145 |
| Fixed assets | 7,313 | 10,443 | 14,009 | 18,646 | 22,548 |
| Return on equity (%) | 35.57 | 34.21 | 34.01 | 38.22 | 28.72 |

Latest paid-up
3,042 mln @ RMB1.00 each
Market Capitalisation
HK$177.4 bln @ HK$58.30
2015 P/E ratio
Around 15 times @ HK$58.30

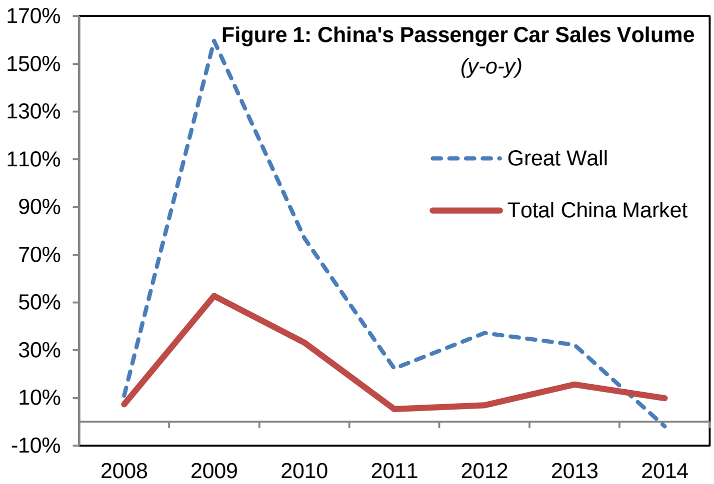
| 1st half<br>*RMB mln* | 30/06/2014 | 30/06/2013 |
|---|---|---|
| Sales | 28,527 | 26,417 |
| Pretax profit | 4,767 | 4,931 |
| Net profit | 3,954 | 4,087 |
| Finance cost | 0 | 0 |

This week, *i* Capital features Great Wall Motor, China's 8th largest automobile manufacturer as of 2014 and the largest that exclusively makes cars under its owned brands. It was founded in 1984 as a government owned enterprise and started making cars in 1997. It got listed on the Hong Kong stock exchange in 2003 and also listed domestic A shares on the Shanghai stock exchange in 2011. Current Chairman Wei Jian Jun joined the company in 1990 and is now the group's controlling shareholder. Its automobiles span a wide price range, from US$10,000 to US$40,000. Over the last few years, it has been particularly successful with Sports Utility Vehicles (SUVs) as they comprised 71% of total sales in 2014 compared with 32% in 2011. In 2014, its market share of overall passenger vehicles in China was 3.5% but its share in SUVs was 13%.

Before analysing the company, a few comments on China's auto industry are necessary to understand the competitive landscape. China is already the world's largest automobile market. In 2014, around 23.5 million vehicles were sold in China compared with 16.5 million vehicles in the United Sates. However, China's car penetration rate is still quite low at around 10% as of 2014 compared with over 50% in many developed countries. Hence, China is perhaps the single most attractive car market in the world in terms of both current size and future growth potential.

To understand the current structure of the Chinese car market, a look at its historical development is useful. In the 1980s when the automobile industry in China was in an early stage of development, the government wanted to develop home grown companies. In addition to imposing high tariffs on imported cars, the government also required that foreign car companies seeking to manufacture cars in China had to form joint ventures (JV) with local partners and the local partner had to have at least a 50% equity stake. Each foreign automaker was allowed to form up to two local JVs to produce the same category of cars. Today's market is dominated by such JVs as 7 of the top 10 Chinese automakers derive the majority of their profit from such JVs, and all 7 have state-owned enterprises as their controlling shareholder. Although the Chinese partner in the JV has at least a 50% stake, the foreign partner controls the brand and the product. For example, a consumer buying a Volkswagen in China is buying it because it is a Volkswagen, not because it is being made by a particular local JV company. In contrast, the car companies which predominately sell their own brands, including Great Wall, are more in control of their own destinies.

The group's growth of passenger cars in China, in volume terms, has generally been higher than the growth of the entire Chinese market over the last several years – see **figure 1**. As a result, its market share of passenger cars has grown from around 1% in 2008 to around 4% today. In 2009, its growth was especially strong as it had just introduced small engine sedans in the prior year and it benefited from government tax incentives which encouraged the purchase of smaller engine cars (1.6 litres or below) which led to the explosive sales growth of its sedans. In 2014, the group's China sales in volume terms declined by 2% and werer dragged down by a 55% decline in sedan sales due to an aging and relatively unpopular sedan product mix. However, overall revenue in 2014 still increased by 10% due to a 24% increase in SUV sales which have a higher average sales price (ASP) than its sedans. For the first quarter of 2015, the group's sales volume in China increased by 24%, year-on-year, which was higher than the overall market growth rate of 9%. This was again led by SUV sales which increased by 54%, year-on-year, and comprised 80% of the total sales volume.




The group's revenue & profit have grown strongly over the last several years although growth was much weaker in 2014 due to the decline in sedan sales previously mentioned – see **table 1**. The group aims to increase sales volume in 2015 by 16% and based on its performance in the first quarter of 2015, this should be achievable.

Table 1: Great Wall growth (year-on-year in %)

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|
| Revenue | 85.4 | 30.9 | 43.4 | 31.6 | 10.2 |
| Gross Profit | 164.7 | 31.8 | 54.7 | 40.1 | 6.7 |
| Profit from Operations | 247.7 | 36.1 | 66.0 | 46.2 | -4.2 |
| Net income (adjusted) | 164.1 | 26.9 | 66.1 | 44.5 | -2.2 |
| Book value per share | 31.9 | 50.4 | 28.5 | 30.1 | 19.5 |

The group's gross profit (GP) margin improved from 17% in 2009 to 28% in 2014 – see **table 2**. This is due to increasing scale economies and a shift towards SUVs which generate higher margin. In fact, both the group's GP margin and operating profit margin are higher than almost every major car manufacturer in the world. Major Chinese and global auto manufacturers typically generated GP margins of around 20% or lower in 2014. The group has benefited from its focus on SUVs which generally generate higher margin than sedans both in China and around the world but its high margin is at risk of declining given increasing competition in China's SUV segment.

Table 2: Margins and expenses

| **Margins (%)** | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|
| Gross Profit | 17.3 | 24.7 | 24.9 | 26.9 | 28.6 | 27.7 |
| EBITDA | 9.8 | 14.7 | 15.3 | 17.3 | 18.8 | 17.2 |
| Profit from Operations | 6.7 | 12.3 | 13.0 | 15.1 | 16.7 | 14.5 |
| Net income (adj) | 8.6 | 12.3 | 11.7 | 13.3 | 14.5 | 12.8 |
| | | | | | | |
| **Expense as % of revenue** | | | | | | |
| Sales & distribution | 5.7 | 4.7 | 4.0 | 3.8 | 3.3 | 3.3 |
| Administration | 2.4 | 3.8 | 4.3 | 4.0 | 4.8 | 6.1 |
| Total Selling, general & administration | 8.1 | 8.5 | 8.2 | 7.9 | 8.2 | 9.4 |

Over the last 5 years, the group's annual free cash flow (FCF) generation has been mostly positive or close to break-even until 2014 – see **table 3**. In 2014, free cash flow generation weakened primarily due to a temporary increase in working capital which should reverse in 2015. The group's overall history of cash flow generation is impressive given its rapid growth and indicates generally good working capital management.

The group's dividend payout rate is around 30% and this should be sustainable over the next few years given its healthy cash flow generation.

Table 3: Free Cash Flow and Dividends (RMB in mln)

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|
| CF from operations | 3,191.5 | 4,448.7 | 4,337.0 | 9,039.0 | 6,095.8 |
| Capex | -3,218.4 | -3,758.8 | -4,444.6 | -7,133.3 | -7,228.9 |
| FCF (Operating CF - capex) | -26.9 | 689.9 | -107.6 | 1,905.7 | -1,133.2 |
| | | | | | |
| Regular dividend per share (RMB) | 0.200 | 0.300 | 0.570 | 0.820 | 0.800 |
| Div payout rate (%) | 20.3 | 26.6 | 30.5 | 30.3 | 30.3 |
| Total Div/FCF (%) | NM | 132.3 | NM | 130.9 | NM |

The group has been in a net cash position for the last 5 years and has no debt outstanding as of Dec 2014 – see **table 4**. Given the group's large net cash position and generally good free cash flow generation, it should not have to raise new equity anytime soon. The risk of financial distress is also minimal.

Table 4: Debt (RMB in mln)

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|
| Net debt (cash) | (3,094.6) | (7,107.1) | (6,337.0) | (6,808.3) | (3,394.3) |
| Net debt/equity (%) | NM | NM | NM | NM | NM |
| Gross debt | 0.0 | 0.0 | 0.0 | 182.2 | 0.0 |
| Gross debt/equity (%) | 0.0 | 0.0 | 0.0 | 0.7 | 0.0 |

## Conclusion and Advice

At a price of HK$58.30, Great Wall is capitalised at HK$177.4 bln. For this, what do investors get in return ?

Over the next 5 to 10 years, China's passenger car market will continue to be one of the most attractive car markets in the world due to its size and relatively attractive growth rate. This means both domestic and international brands will be fighting for market shares. Large international brands have the advantage of more scale economies for their R&D and other fixed costs. Hence, via their local Chinese JVs, such brands may be able to offer more attractive products for the same price. China's automobile market is big enough to sustain local brands and such brands have the benefit of being more in control of their destinies, unlike the JVs which rely on their foreign partners to provide the brand name and the products. The long-term fate of the Chinese-foreign JVs is also uncertain as the current regulations requiring international auto brands to partner with local companies may change in the future.

Great Wall will likely maintain its position as a leading domestic Chinese car brand for the foreseeable future. The group has benefited from its focus on developing SUVs as SUV sales have been growing at more than three times the rate of overall passenger car sales in China over the last 5 years. SUVs currently make up around 21% of total passenger car sales compared with 10% in 2010 and this proportion may continue to rise over the next few years. For comparison, SUVs currently make up around 35% of passenger car sales in the United States. The group will not put significant resources into sedan development and its sedan sales should continue to decline.

The group's reliance on SUVs may become a weakness over the longer term. The growth of the entire SUV segment in China could slow down sooner than expected. The Chinese government's increasing concern over the environment may lead to policies which will allow smaller more efficient cars to gain popularity relative to SUVs. The group's currently high profit margin may also be unsustainable due to increasing competition in the SUV segment. Virtually every car brand in China is seeking to introduce more SUV models to take advantage of the segment's high growth and high profit margin. Thus, the SUV segment could see greater–than-expected supply growth and less-than-expected demand growth. Such a scenario would pressure the group's profit margin and profit growth.

The group is currently trading around 15 times forecasted 2015 earnings, which is higher than its 10-year historical average of around 9 times. The group's current high P/E may be justified if one assumes that the group's future profit growth will be even higher than its past growth. Over the last 5 years, the group's net profit grew at a compounded annual growth rate of 51%. It is likely that the group's future net profit growth will be much lower because the growth of the entire Chinese car market will slow down and the group's current high profit margin will be difficult to maintain.

The group's discounted cash flow (DCF) value heavily depends on what one assumes for its future gross margin, which is currently extremely high for the industry and faces downside risk in *i* Capital's view. If we assume the group's GP margin declines to 25%, its DCF value is around HK$42 per share. If we assume the GP margin stays near its current level indefinitely, the DCF value rises to HK$57 per share which is near the current share price.

Although the shares appear fully if not over valued currently, *i* Capital believes the group will likely remain a significant competitor in China's automobile market. Although the growth rate of the entire SUV segment will slow down in the future, the category will likely be a large part of China's car market for the long term. Hence, the group would be a Buy at the right price. In order to have adequate margin of safety, *i* Capital rates Great Wall Motor Company a Buy at HK$30 or below. At that price, it would trade at around 8 times 2015 P/E.

# Section C: The Capital Dynamics Portfolio

*This section is based on a paper portfolio that is supervised by Capital Dynamics. Purchases/sales are based on the daily closing prices. The date of purchase and sale can be any day, any time. The objective of this portfolio is capital appreciation and the emphasis will be on medium and long-term investments. The investment approach used by Capital Dynamics is what we term as "intelligently eclectic". There are no restrictions on the type of shares or stock exchanges that will be invested in. It started with RM 55,000 cash on 5 Sept 1991. The KLSE CI was 562.50 points.*

(Only available in *i* Capital)

| Counter | Date bought | Qty | Price | KLSE CI | Total cost | Current price | +/- |
|---|---|---|---|---|---|---|---|
| ICAP | 20.10.2005 | 20,000 | RM1.03 | 911.69 | RM20,661.80 | RM2.34 | +RM1.31 |
| ICAP | 20.04.2006 | 7,000 | RM1.20 | 946.62 | RM8,425.20 | RM2.34 | +RM1.14 |
| ICAP | 26.04.2007 | 13,000 | RM1.62 | 1315.97 | RM21,123.18 | RM2.34 | +RM0.72 |
| ICAP | 07.06.2007 | 5,000 | RM1.58 | 1364.41 | RM7,923.70 | RM2.34 | +RM0.76 |
| Parkson | 09.10.2007 | 36,933 | RM0.862 | 1369.39 | RM31,817.63 | RM2.10 | +RM1.238 |
| Parkson | 09.10.2007 | 23,466 | RM0.95 | 1369.39 | RM22,290.79 | RM2.10 | +RM1.15 |
| Parkson | 09.10.2007 | 4,693 | RM0.982 | 1369.39 | RM4,613.68 | RM2.10 | +RM1.118 |
| PIE | 01.11.2007 | 38,000 | RM3.50 | 1409.16 | RM133,399.00 | RM6.90 | +RM3.40 |
| Padini | 14.02.2008 | 40,000 | RM0.66 | 1436.10 | RM26,479.20 | RM1.40 | +RM0.74 |
| Padini | 28.02.2008 | 25,000 | RM0.672 | 1368.27 | RM16,850.40 | RM1.40 | +RM0.728 |
| MSC | 07.10.2010 | 6,000 | RM4.75 | 1481.45 | RM28,585.50 | RM2.72 | -RM2.03 |
| MSC | 02.12.2010 | 10,000 | RM4.25 | 1503.22 | RM42,627.50 | RM2.72 | -RM1.53 |
| Total | | | | | RM364,797.58 | | |

| | | |
|---|---|---|
| Cash balance at 16 Apr 2015 | RM | 1,134,659.96 |
| Add : | RM | - |
| Less : | RM | - |
| Net cash balance available | RM | 1,134,659.96 |

| Asset Allocation | Percent (%) | Amount (RM) |
|---|---|---|
| Cash | 64 | 1,134,659.96 |
| Equities | 36 | 638,713.20 |
| Total | 100 | 1,773,373.16 |

**Comments**
**The Capital Dynamics Portfolio** retains its portfolio.

# Section C2: *i* Capital Global

*This global portfolio is supervised by Capital Dynamics. Purchases/sales are based on the daily closing prices. The date of purchase and sale can be any day. The objective of this portfolio is capital appreciation and the emphasis will be on medium and long-term investments. The investment approach used by Capital Dynamics is what we term as "intelligently eclectic". There are no restrictions on the type of shares or stock exchanges that will be invested in. It started with US$100,000,000 cash on 4 January 2007. The reporting currency will be US$.*

| Counter | Date bought | Qty | Price | KLCI | Total cost | US$ FX | Current price | +/- |
|---|---|---|---|---|---|---|---|---|
| Porsche | 04.01.2007 | 77,000 | €98.129 | 1118.18 | €7,578,601 | 1.309 | €85.603 | -12.526 |
| REXLot* | 06.11.2008 | 40,000,000 | HK$0.201 | 895.95 | HK$8,064,120 | 0.129 | HK$0.58 | +0.379 |
| REXLot* | 04.12.2008 | 40,000,000 | HK$0.23 | 846.86 | HK$9,227,600 | 0.129 | HK$0.58 | +0.35 |
| REXLot* | 11.12.2008 | 10,000,000 | HK$0.255 | 860.68 | HK$2,557,650 | 0.129 | HK$0.58 | +0.325 |
| REXLot* | 08.01.2009 | 20,000,000 | HK$0.224 | 910.52 | HK$4,493,440 | 0.129 | HK$0.58 | +0.356 |
| REXLot* | 05.02.2009 | 50,000,000 | HK$0.26 | 879.95 | HK$13,039,000 | 0.129 | HK$0.58 | +0.32 |
| REXLot* | 26.03.2009 | 50,000,000 | HK$0.244 | 885.47 | HK$12,236,600 | 0.129 | HK$0.58 | +0.336 |
| CONCORD NEW E | 23.02.2012 | 100,000,000 | HK$0.425 | 1556.66 | HK$42,627,500 | 0.129 | HK$0.63 | +0.205 |
| CONCORD NEW E | 01.03.2012 | 50,000,000 | HK$0.395 | 1573.45 | HK$19,809,250 | 0.129 | HK$0.63 | +0.235 |
| CONCORD NEW E | 08.03.2012 | 25,000,000 | HK$0.40 | 1578.36 | HK$10,030,000 | 0.129 | HK$0.63 | +0.23 |
| CONCORD NEW E | 24.05.2012 | 15,000,000 | HK$0.275 | 1548.25 | HK$4,137,375 | 0.129 | HK$0.63 | +0.355 |
| DCH Holdings* | 22.11.2012 | 6,500,000 | HK$7.83 | 1618.55 | HK$51,047,685 | 0.129 | HK$4.52 | -3.31 |
| DCH Holdings* | 29.11.2012 | 2,000,000 | HK$8.00 | 1607.32 | HK$16,048,000 | 0.129 | HK$4.52 | -3.48 |
| DCH Holdings* | 20.12.2012 | 2,000,000 | HK$8.18 | 1670.60 | HK$16,409,080 | 0.129 | HK$4.52 | -3.66 |
| QBE Insurance | 04.07.2013 | 400,000 | A$16.18 | 1771.34 | A$6,491,416.00 | 0.910 | A$13.68 | -2.50 |
| REXLot* | 11.07.2013 | 25,000,000 | HK$0.52 | 1781.15 | HK$13,039,000 | 0.129 | HK$0.58 | +0.06 |
| REXLot* | 01.08.2013 | 15,000,000 | HK$0.51 | 1777.82 | HK$7,672,950 | 0.129 | HK$0.58 | +0.07 |

| | | |
|---|---|---|
| Cash balance at 16 Apr 2015 | US$ | 104,420,804.64 |
| Add : | US$ | - |
| Less : | US$ | - |
| Net cash balance available | US$ | 104,420,804.64 |

| Asset Allocation | Percent (%) | Amount (US$) |
|---|---|---|
| Cash | 67 | 104,420,804.64 |
| Equities | 33 | 51,594,108.89 |
| Total | 100 | 156,014,913.53 |

| | US$ FX (23 Apr 2015) | | US$ FX (23 Apr 2015) |
|---|---|---|---|
| Euro | 1.074 | £ STG | 1.499 |
| S$ | 0.742 | HK$ | 0.129 |
| A$ | 0.776 | CHF | 1.043 |

| | 4 Jan 2007 | 23 Apr 2015 | % Change |
|---|---|---|---|
| MSCI All Country World Index | 367.76 points | 439.61 points | +19.54 |
| Section C2: *i* Capital Global | US$99,970,330.11 | US$156,014,913.53 | +56.06 |

***Note :*** *The MSCI All Country World Index includes 48 stock markets plus the stock markets of China, which the i Capital Global cannot invest at this time.*

***Note:*** *REXLot = REXLot Holdings Ltd. (Formerly Rexcapital Financial Holdings); DCH Holdings= Dah Chong Hong Holdings Limited; CONCORD NEW E = Concord New Energy Group Ltd (Formerly China WindPower Group Ltd).*

**Comments**

**The *i* Capital Global** retains its portfolio.

# Section D : The C D Timer

*The objective of this portfolio is capital appreciation. The investment approach used by Capital Dynamics will be our own eclectic market timing. In terms of time, it lies somewhere between our **Capital Dynamics Portfolio** (Section C) and our **Eclectic Trader** (Section G). There are no restrictions on the type of shares or stock exchange that will be invested in. It started with RM 100,000 cash on 7 April 1994. The KLSE CI was 966.18 points. This paper portfolio is supervised by Capital Dynamics. Purchases /sales are based on daily closing prices. Purchases/sales can be made any day.*

| Counter | Date bought | Qty | Price | KLSE CI | Total Cost | Current price | +/- |
|---|---|---|---|---|---|---|---|
| PIE | 31.01.2007 | 6,000 | RM2.50 | 1189.35 | RM15,045.00 | RM6.90 | +RM4.40 |
| Padini | 07.06.2007 | 25,000 | RM0.44 | 1364.41 | RM11,033.00 | RM1.40 | +RM0.96 |
| PIE | 07.06.2007 | 2,400 | RM2.933 | 1364.41 | RM7,061.12 | RM6.90 | +RM3.967 |
| Parkson | 09.10.2007 | 9,746 | RM0.539 | 1369.39 | RM5,247.68 | RM2.10 | +RM1.561 |
| Parkson | 09.10.2007 | 12,516 | RM0.674 | 1369.39 | RM8,432.49 | RM2.10 | +RM1.426 |
| Parkson | 09.10.2007 | 6,257 | RM0.625 | 1369.39 | RM3,905.21 | RM2.10 | +RM1.475 |
| PIE | 28.02.2008 | 3,600 | RM4.208 | 1368.27 | RM15,195.45 | RM6.90 | +RM2.692 |
| ICAP | 30.10.2008 | 40,000 | RM1.20 | 853.56 | RM48,144.00 | RM2.34 | +RM1.14 |
| Padini | 08.01.2009 | 40,000 | RM0.484 | 910.52 | RM19,418.08 | RM1.40 | +RM0.916 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Bstead | 02.04.2009 | 11,000 | RM3.045 | 905.07 | RM33,575.38 | RM4.52 | +RM1.475 |
| Bstead | 13.08.2009 | 4,400 | RM2.491 | 1186.19 | RM10,962.56 | RM4.52 | +RM2.029 |
| Suria | 06.05.2010 | 30,000 | RM1.48 | 1331.87 | RM44,533.20 | RM2.52 | +RM1.04 |
| Total | | | | | RM222,553.17 | | |

| | | |
|---|---|---|
| Cash balance at 16 Apr 2015 | RM | 966,965.70 |
| Add : | RM | - |
| Less : | RM | - |
| Net cash balance available | RM | 966,965.70 |

| Asset Allocation | Percent (%) | Amount (RM) |
|---|---|---|
| Cash | 67 | 966,965.70 |
| Equities | 33 | 472,497.90 |
| Total | 100 | 1,439,463.60 |

**Comments**
**The CD Timer** retains its portfolio.

# Section D2 : The 2nd Chance

*The objective of this portfolio is capital recovery. In terms of time, we hope it would not take too long. The investment approach used by Capital Dynamics will be a mixture of our eclectic market timing and trading. There are no restrictions on the type of shares or stock exchange that will be invested in. Its funds will come from the sales of the dead ducks. The 2nd part started with RM57,591.50 cash on 30th Oct 2014. The KLSE CI was 1,842.78 points. This paper portfolio is supervised by Capital Dynamics. Purchases /sales are based on daily closing prices. Purchases/sales can be made any day.*

| Counter | Date bought | Qty | Price | KLSE CI | Total Cost | Current price | +/- |
|---|---|---|---|---|---|---|---|
| | | | | | | | |

| | | |
|---|---|---|
| Cash balance at 16 Apr 2015 | RM | 58,184.30 |
| Add : | RM | - |
| Less : | RM | - |
| Net cash balance available | RM | 58,184.30 |

| Asset Allocation | Percent (%) | Amount (RM) |
|---|---|---|
| Cash | 100 | 58,184.30 |
| Equities | - | - |
| Total | 100 | 58,184.30 |

**Comments**
**Section D2** was set up, at our own initiative, to assist our subscribers who may have followed our stock selections that have subsequently not worked out. The first part was started with RM15,274.69 cash on 7 Dec 2000. The KLCI was 735.97 points. Subsequently, **The 2nd Chance Portfolio** reached the original cost of RM80,000 and was closed.

On 30 Oct 2014, *i* Capital re-activated **Section D2**. It assumed that our subscribers initially invested RM10,000 (or its percentage equivalent) for each dead duck and the quantity bought was derived from there. Any dividends received have been ignored. We sold these dead ducks on 30 Oct 2014 and would re-invest the proceeds at the right time. The objective is to recover our principal as soon as it is realistically possible. Once this is achieved, we will close this special portfolio again. So far, we have sold 16 counters at a cost of RM160,000.

**The 2nd Chance** retains its portfolio.

# Section E : Updates

*Part E.1 of this Section updates our Stock Selections recommended in Section B. Part E.2 updates our Trader's Portfolio in Section H.*

## E.1. Updates On Section B : Stock Selection

### *E.1. (i) Announcements:*

**(1). AUSDRILL**
Its wholly owned subsidiary, African Mining Services has entered into a contract with Perseus Mining (Ghana) Ltd to provide open pit mining services at its Edikan Gold Mine – Eastern Pits operations in Ghana, West Africa for approximately US$223 mln. The contract is for three years with an option to extend for a further two years, and with mining scheduled to commence in 2Q15.

**(2). AXIATA**
Its dormant subsidiary, Digital Milestone S/B (DMSB) has commenced member's voluntary winding up. The winding up of DMSB is part of the rationalisation and streamlining exercise of the group.

**(3). CANONE**

With reference to the proposed acquisition of the remaining 20% of the paid-up capital of its subsidiary, F&B Nutrition S/B for a purchase consideration of RM112.9 mln, Bursa Securities has approved the listing and quotation of 39.75 mln new shares issued at RM2.84.

**(4). CNTD**

[1] Its controlling shareholder, China Development Bank Capital Corporation Ltd has provided an unconditional guarantee to support a 5-year term loan of RMB260 mln given to its subsidiary, Shanghai Golden Luodian Development Company Ltd. The proceeds will be used to fund primary land development and for general working capital purposes. [2] Its wholly owned subsidiary, China New Town Finance I Ltd has proposed to offer Renminbi denominated senior guaranteed notes and expected to be irrevocably and unconditionally guaranteed by CNTD. The net proceeds are intended to be used for general corporate purposes.

**(5). DRBHCOM**

Its wholly-owned subsidiaries, Proton Holdings Bhd (PHB) and Lotus Group International Ltd (LGIL) had entered into an agreement with Goldstar Heavy Industrial Co Ltd to form a 40:10:50 joint venture (JV) company named Goldstar LOTUS Automobile Co Ltd to produce and sell LOTUS branded passenger cars, engines, parts and components, and accessories, as well as the provision of related after-sales services. The total investment for the initial stage cost RMB450 mln and will be funded via internal funds and external borrowings.

**(6). GIORDANO**

Revenue for 12 months ending 31/12/2014 slid 5.18% to HK$5.55 bln. Pretax profit fell 34% to HK$596 mln. Net profit decreased 38.46% to HK$408 mln. Net earnings per share were 26.0 cents. 14.5 cents dividend declared. *i* Capital retains its Buy at HK$4.00 or below/Hold rating.

**(7). PUNCAK**

With reference to the suit between Syarikat Bekalan Air Selangor S/B versus the Selangor State Government (SSG) and the Federal Government, the High Court fixed the matter for further case management on 18 May 2015.

**(8). Singtel**

It has received approval from ASX Ltd (ASX) to remove its listed securities, in the form of CHESS Depository Interests, from the official list of ASX.

**(9). TALIWRK**

[1] With reference to the arbitration between its subsidiary, Ningxia Eco Wastewater Treatment Co Ltd (NEWT) and Hua Sheng Construction Group Co Ltd (HSCG), the China International Economic and Trade Arbitration Commission has ordered NEWT to pay a total sum of RMB4.66 mln, being penalty, legal costs, property preservation fee and arbitration costs incurred. [2] The acquisition of Pinggiran Muhibbah S/B for a total cash consideration of RM22.85 mln has been completed.

**(10). WASEONG**

With reference to the JV agreement between STH Sri Bulatan S/B and Stellar Marketing S/B, its indirect wholly owned subsidiaries and ING Veasna, Syn Tai Hung (Cambodia) Co Ltd has been incorporated.

**(11). YOKO**

With reference to the unconditional takeover offer by Fordington Pte Ltd (offeror) to acquire all the remaining shares in the company, the offeror has purchased 106,600 shares at RM1.70 each from 15 Apr to 21 Apr 2015.

*There is a list of counters under our completed transactions (that is, counters already recommended to be sold). Please let us know if you require this list. Our uncompleted transactions are shown below.*

## E.1. (ii) <u>Ratings</u>

| **Rating Change** | New Rating | Reason |
|---|---|---|
| 1. SKPRES | Buy at below RM0.55. | See Stock Selection. |

| Existing Rating | | Recommended Date | Price | Current Price | +/- | Latest advice. Rating change in italics. Date refer to ex-dividend, bonus, etc. |
|---|---|---|---|---|---|---|
| 1. | 1300 SMILES | | | A$6.26 | | Buy below A$4.70. |
| 2. | AGL | 18/12/2014 | A$12.88 | A$15.04 | -2.16 | SELL. |
| 3. | AIRPORT | 03/08/2000 | RM3.238 | RM6.82 | +3.582 | HOLD. |
| 4. | ALAM | 08/05/2014 | RM1.54 | RM0.68 | +0.86 | SELL. |
| 5. | AMTEK ENG | 12/09/2013 | S$0.475 | S$0.66 | +0.185 | BUY/HOLD. |
| 6. | ANTA | 09/01/2014 | HK$11.14 | HK$17.20 | -6.06 | SELL. |
| 7. | APM | 19/09/2002 | RM2.98 | RM5.10 | +2.12 | Buy below RM4.00. |
| 8. | Aquarius Platinum | 03/11/2011 | A$1.01 | A$0.17 | -0.84 | HOLD. |
| 9. | Asciano | | | A$6.61 | | Buy below A$4.10. |
| 10. | AUSDRILL | 06/11/2014 | A$0.555 | A$0.31 | -0.245 | BUY. Announcement. |
| 11. | AUSNET | 25/06/2013 | A$1.11 | A$1.47 | +0.36 | Buy at A$1.135 or below/HOLD. |
| 12. | AUST PHARMA | | | A$1.645 | | Buy at A$0.43 or below. |
| 13. | AXIATA | 24/04/2008 | RM3.823 | RM6.98 | +3.157 | HOLD. Announcement. |
| 14. | Bank of East Asia | 04/10/2007 | HK$39.91 | HK$33.40 | -6.51 | HOLD. |
| 15. | BARAKAH | 22/05/2014 | RM1.64 | RM0.905 | +0.735 | SELL. |
| 16. | BAT | | | RM66.00 | | Buy at RM45.00 or below. |
| 17. | BEN BANK | | | A$12.00 | | Buy at A$9.85 or below. |
| 18. | Best World | 11/03/2010 | S$0.34 | S$0.25 | -0.09 | 06/05/15D. HOLD. |
| 19. | BHIC | 04/10/2007 | RM4.52 | RM2.12 | -2.40 | HOLD. |
| 20. | BIPORT | 26/04/2012 | RM7.30 | RM7.10 | -0.20 | 13/05/15D. HOLD. |
| 21. | BKAWAN | 20/02/1997 | RM4.13 | RM18.24 | +14.11 | HOLD. |
| 22. | BONIA | 25/09/2008 | RM0.363 | RM1.09 | +0.727 | HOLD. |
| 23. | BPPLAS | | | RM0.91 | | Buy at RM0.50 or below. |
| 24. | BRADKEN | 28/01/2015 | A$2.64 | A$2.19 | -0.45 | HOLD. |
| 25. | BSTEAD | 10/05/2007 | RM2.331 | RM4.52 | +2.189 | HOLD. |
| 26. | CABCHARGE | 16/10/2014 | A$4.58 | A$4.46 | -0.12 | Buy at A$4.64 or below/HOLD. |
| 27. | CALTEX | | | A$35.29 | | Buy at A$15.92 or below. |
| 28. | CANONE | 30/03/2006 | RM1.01 | RM2.86 | +1.85 | 18/05/15D. HOLD. Announcement. |
| 29. | CARLSBG | 01/04/1999 | RM5.10 | RM14.26 | +9.16 | 30/04/15D. Buy at around RM11.00/HOLD. |
| 30. | CCMDBIO | 03/03/2005 | RM2.40 | RM3.88 | +1.48 | HOLD. |
| 31. | CENTURY | 29/05/2008 | RM0.593 | RM0.87 | +0.277 | HOLD. |
| 32. | CHANGYU-A | 26/06/2014 | RMB24.03 | RMB46.59 | -22.56 | SELL. |
| 33. | CHANGYU-B | 26/06/2014 | HK$17.20 | HK$36.99 | -19.79 | SELL. |
| 34. | CHINA CHILDCARE | | | HK$1.62 | | 10/06/15D. Buy at HK$1.10 or below. |
| 35. | Chip Eng Seng | 20/06/2013 | S$0.705 | S$0.965 | +0.26 | 30/04/15D. Buy below S$0.71/HOLD. |
| 36. | CHOW SANG SANG | 26/03/2015 | HK$16.60 | HK$17.20 | +0.60 | 04/06/15D. Buy at HK$17.00 or below/HOLD. |
| 37. | CHOW TAI FOOK | 03/03/2015 | HK$ 9.00 | HK$9.00 | +0.00 | Buy at HK$9.00 or below/HOLD. |
| 38. | CLEAN SEAS | 26/02/2015 | A$ 0.076 | A$0.066 | +0.01 | SELL. |
| 39. | Clear Media | 16/02/2012 | HK$3.92 | HK$9.26 | +5.34 | 03/06/15D. BUY/HOLD. |
| 40. | Clover | 21/04/2011 | A$0.315 | A$0.21 | -0.105 | HOLD. |
| 41. | CMMT | | | RM1.50 | | Buy below RM1.00. |
| 42. | CNTD | | | HK$0.39 | | Buy at HK$0.27 or below. Announcement. |
| 43. | Coca-Cola Amatil | 11/04/2014 | A$9.74 | A$10.50 | +0.76 | HOLD. |
| 44. | COCOLND | 15/03/2007 | RM0.90 | RM1.92 | +1.02 | BUY/HOLD. |
| 45. | ComfortDelGro | 07/08/2008 | S$1.55 | S$3.03 | +1.48 | 30/04/15D. HOLD. |
| 46. | CONCORD NEW E | 24/11/2011 | HK$0.32 | HK$0.63 | +0.31 | HOLD. |
| 47. | CREDIT CORP | | | A$11.20 | | Buy at A$9.71 or below. |
| 48. | CRESNDO | 12/08/2004 | RM1.18 | RM2.40 | +1.22 | HOLD. |
| 49. | CSE Global | 21/11/2013 | S$1.025 | S$0.585 | -0.44 | XD. HOLD. |
| 50. | CWT | 23/07/2009 | S$0.555 | S$1.88 | +1.325 | 30/04/15D. Buy below S$0.80/HOLD. |
| 51. | Dah Chong Hong | 22/11/2012 | HK$7.83 | HK$4.52 | -3.31 | 07/05/15D. BUY. |
| 52. | DAIBOCI | | | RM4.38 | | Buy below RM3.00. |
| 53. | DAYANG | | | RM2.58 | | Buy at RM2.00 or below. |
| 54. | DELEUM | 01/07/2010 | RM0.43 | RM1.69 | +1.26 | HOLD. |
| 55. | DIAL | 27/04/2006 | Rs 20.00 | Rs11.30 | -8.70 | HOLD. |
| 56. | DIGI | | | RM6.20 | | Buy below RM3.00. |
| 57. | DLADY | 20/05/1993 | RM1.89 | RM48.60 | +46.71 | 24/04/15D. HOLD. |
| 58. | DOMINO PIZZA | 08/05/2014 | A$19.27 | A$36.02 | -16.75 | SELL. |

| | | | | | | |
|---|---|---|---|---|---|---|
| 59. | DRBHCOM | 21/07/2000 | RM2.64 | RM1.93 | -0.71 | HOLD. Announcement. |
| 60. | DRBHCOM | 21/07/2000 | RM2.63 | RM1.93 | -0.70 | HOLD. Announcement. |
| 61. | DYNA-MAC | 11/12/2014 | S$0.325 | S$0.32 | +0.005 | 06/05/15D. SELL. |
| 62. | ENGKAH | 31/01/2007 | RM3.636 | RM2.03 | -1.606 | HOLD. |
| 63. | ENGTEX | 21/07/2005 | RM0.703 | RM1.05 | +0.347 | HOLD. |
| 64. | ERM POWER | 11/09/2014 | A$1.81 | A$2.49 | +0.68 | Buy at A$1.85 or below/HOLD. |
| 65. | EZION | 25/09/2014 | S$1.835 | S$1.225 | +0.61 | 27/04/15D. SELL. |
| 66. | F&N | 21/10/2004 | RM4.24 | RM18.50 | +14.26 | HOLD. |
| 67. | Far East Orchard | 22/11/2012 | S$1.91 | S$1.735 | -0.175 | HOLD. |
| 68. | First Reit | 19/02/2009 | S$0.469 | S$1.44 | +0.971 | BUY/HOLD. |
| 69. | FLEETWOOD | 31/03/2014 | A$2.53 | A$1.26 | -1.27 | BUY/HOLD. |
| 70. | Franshion Properties | 09/09/2011 | HK$1.49 | HK$3.02 | +1.53 | Buy at HK$1.50 or below/HOLD. |
| 71. | FREIGHT | 18/08/2005 | RM0.357 | RM1.55 | +1.193 | HOLD. |
| 72. | G8 | 10/07/2014 | A$4.54 | A$3.50 | +1.04 | SELL. |
| 73. | GAB | 28/02/1991 | RM5.35 | RM14.88 | +9.53 | Buy at RM11.50 or below/HOLD. |
| 74. | Gallant Venture | 07/07/2011 | S$0.35 | S$0.245 | -0.105 | HOLD. |
| 75. | GCE | 09/04/2015 | RM0.82 | RM0.77 | +0.05 | 28/04/15D. SELL. |
| 76. | Gem Diamonds | 02/02/2012 | £2.155 | £1.395 | -0.76 | 07/05/15D. HOLD. |
| 77. | GENM | 18/08/2010 | RM3.04 | RM4.36 | -1.32 | Sell above RM3.00. |
| 78. | GENTING | 08/12/1994 | RM3.80 | RM9.08 | +5.28 | HOLD. |
| 79. | GHLSYS | 11/09/2008 | RM0.137 | RM1.16 | -1.023 | SELL. |
| 80. | GIORDANO | 09/01/2014 | HK$6.40 | HK$3.98 | -2.42 | 28/05/15D. Buy at HK$4.00 or below/HOLD. Ann. |
| 81. | GOODBABY | | | HK$3.33 | | Buy at HK$2.30 or below. |
| 82. | HAPSENG | 15/01/2015 | RM4.09 | RM4.55 | -0.46 | SELL. |
| 83. | Health Mgt Intl | 12/02/2009 | S$0.084 | S$0.33 | +0.246 | Buy below S$0.15/HOLD. |
| 84. | HIAPTEK | 12/09/2008 | RM0.748 | RM0.54 | -0.208 | HOLD. |
| 85. | HKET | 01/07/2010 | HK$2.20 | HK$2.28 | +0.08 | HOLD. |
| 86. | HOMELOANS | | | A$0.60 | | Buy at A$0.40 or below. |
| 87. | HSPLANT | 04/07/2013 | RM2.68 | RM2.60 | -0.08 | Buy below RM2.90/HOLD. |
| 88. | HUAYANG | 19/07/2012 | RM1.206 | RM2.16 | +0.954 | Buy below RM2.625/HOLD. |
| 89. | HUISHAN | 17/12/2014 | HK$1.20 | HK$1.72 | +0.52 | Buy at HK$1.25 or below. |
| 90. | HUNTER HALL | | | A$2.00 | | Buy at A$1.81 or below. |
| 91. | HUNZPTY | 10/06/2010 | RM1.28 | RM2.36 | +1.08 | HOLD. |
| 92. | Hyflux | 19/03/2009 | S$0.96 | S$0.925 | -0.035 | 07/05/15D. HOLD. |
| 93. | ICAP | 19/10/2005 | RM1.00 | RM2.34 | +1.34 | Buy at RM3.40 and below/HOLD. |
| 94. | ICON | 25/09/2014 | RM1.56 | RM0.61 | +0.95 | SELL. |
| 95. | IJMPLNT | 09/01/2014 | RM3.42 | RM3.50 | -0.08 | SELL. |
| 96. | IMDEX | 19/12/2013 | A$0.465 | A$0.355 | -0.11 | BUY. |
| 97. | INCITEC | | | A$4.17 | | Buy at A$1.93 or below. |
| 98. | IOICORP | 13/11/2008 | RM2.467 | RM4.38 | +1.913 | HOLD. |
| 99. | IP Group PLC | 01/12/2011 | £0.71 | £2.196 | +1.486 | HOLD. |
| 100. | JES | 09/12/2010 | S$0.345 | S$0.026 | -0.319 | HOLD. |
| 101. | JTIASA | 24/05/2007 | RM1.556 | RM1.65 | +0.094 | HOLD. |
| 102. | Kathmandu Holdings | 22/12/2014 | A$2.07 | A$1.33 | -0.74 | 03/06/15D. Buy at A$2.42 or below. |
| 103. | KAWAN | 25/06/2008 | RM0.378 | RM1.90 | +1.522 | HOLD. |
| 104. | KepLand | 24/03/2011 | S$4.35 | S$4.45 | +0.10 | 05/05/15D. HOLD. |
| 105. | KEPPEL INFRA TR | 17/02/2011 | S$1.11 | S$1.12 | +0.01 | HOLD. |
| 106. | KESM | 15/05/1997 | RM3.18 | RM3.07 | -0.11 | HOLD. |
| 107. | KLCC | 05/03/2015 | RM6.85 | RM7.06 | -0.21 | SELL. |
| 108. | KMLOONG | 11/04/2013 | RM2.23 | RM2.82 | +0.59 | BUY/HOLD. |
| 109. | KOTRA | 15/05/2014 | RM1.06 | RM1.20 | +0.14 | BUY/HOLD. |
| 110. | KUCHAI | 05/08/1993 | RM0.37 | RM1.40 | +1.03 | HOLD. |
| 111. | KWANTAS | | | RM1.92 | | Buy at RM1.50 and below. |
| 112. | LBS | 23/10/2013 | RM1.82 | RM1.54 | -0.28 | HOLD. |
| 113. | LIAN BENG | 10/10/2013 | S$0.535 | S$0.56 | +0.025 | Buy below S$0.54/HOLD. |
| 114. | LIONDIV | 19/06/2003 | RM0.099 | RM0.105 | +0.006 | HOLD. |
| 115. | LUK FOOK | 23/04/2014 | HK$21.90 | HK$24.10 | +2.20 | Buy below HK$22.00/HOLD. |
| 116. | M1 | 19/03/2015 | S$ 3.78 | S$3.56 | -0.22 | XD. BUY/HOLD. |
| 117. | MAXIS | 26/09/2013 | RM7.02 | RM7.16 | -0.14 | SELL. |

| | | | | | |
|---|---|---|---|---|---|
| 118. MBMR | 18/07/2013 | RM3.77 | RM3.37 | -0.40 | HOLD. |
| 119. Mermaid Marine Aus | 16/12/2009 | A$2.904 | A$0.63 | -2.274 | HOLD. |
| 120. Mermaid Maritime | 15/07/2010 | S$0.391 | S$0.26 | -0.131 | 07/05/15D. BUY/HOLD. |
| 121. Metro Holdings | 13/12/2012 | S$0.81 | S$0.995 | +0.185 | BUY/HOLD. |
| 122. MISC | 06/12/2007 | RM9.75 | RM9.32 | -0.43 | HOLD. |
| 123. MSC | 01/04/2010 | RM3.10 | RM2.72 | -0.38 | HOLD. |
| 124. MUIIND | 31/03/2005 | RM0.12 | RM0.23 | +0.11 | HOLD. |
| 125. MYSTATE | | | A$5.21 | | Buy at A$5.20 or below. |
| 126. NESTLE | 07/08/2008 | RM27.00 | RM74.50 | +47.50 | 11/05/15D. HOLD. |
| 127. New World China | 16/02/2006 | HK$2.563 | HK$5.46 | +2.897 | HOLD. |
| 128. New World Dpt Store | 13/08/2009 | HK$6.30 | HK$2.02 | -4.28 | HOLD. |
| 129. NTPM | 15/02/2007 | RM0.222 | RM0.70 | +0.478 | HOLD. |
| 130. NUPLEX | 17/04/2014 | A$3.10 | A$3.30 | +0.20 | Buy at A$2.20 or below. |
| 131. OLDTOWN | 11/09/2014 | RM1.92 | RM1.74 | +0.18 | SELL. |
| 132. ORICA | 07/08/2014 | A$20.80 | A$19.98 | +0.82 | SELL. |
| 133. ORIENT | 14/10/1999 | RM4.141 | RM7.39 | +3.249 | HOLD. |
| 134. PADINI | 29/06/2006 | RM0.285 | RM1.40 | +1.115 | HOLD. |
| 135. PanUnited | 28/11/2014 | S$0.835 | S$0.845 | +0.01 | 28/04/15D. Buy below S$0.84/HOLD. |
| 136. PARAMON | 19/08/2004 | RM0.892 | RM1.64 | +0.748 | HOLD. |
| 137. PARKSON | 09/10/2007 | RM0.39 | RM2.10 | +1.71 | BUY/HOLD. |
| 138. Patties Food | 11/04/2014 | A$1.18 | A$1.20 | +0.02 | Buy at A$1.20 or below/HOLD. |
| 139. PAVREIT | | | RM1.58 | | Buy below RM1.20. |
| 140. PBBANK | 01/10/1992 | RM0.435 | RM19.58 | +19.145 | HOLD. |
| 141. PENERGY | 31/10/2013 | RM2.25 | RM1.46 | +0.79 | SELL. |
| 142. PERDANA | 06/09/2013 | RM1.236 | RM1.33 | +0.094 | Buy at RM1.24 or below/HOLD. |
| 143. PERISAI | 16/10/2014 | RM0.955 | RM0.555 | -0.40 | HOLD. |
| 144. Petra | 26/07/2007 | S$1.62 | S$4.00 | +2.38 | 06/05/15D. HOLD. |
| 145. Petra Diamonds | 23/02/2012 | £1.55 | £1.678 | +0.128 | HOLD. |
| 146. PHARMA | 22/04/2010 | RM1.975 | RM7.28 | +5.305 | HOLD. |
| 147. PIE | 23/11/2006 | RM2.25 | RM6.90 | +4.65 | HOLD. |
| 148. Porsche AG | 04/01/2007 | € 98.129 | €85.603 | -12.526 | BUY/HOLD. |
| 149. PPB | 14/10/1999 | RM1.47 | RM15.54 | +14.07 | 14/05/15D. HOLD. |
| 150. PTB | | | A$0.325 | | Buy at A$0.20 or below. |
| 151. PUNCAK | 19/07/2007 | RM3.72 | RM2.66 | -1.06 | HOLD. Announcement. |
| 152. PWROOT | | | RM1.85 | | Buy below RM0.90. |
| 153. QL | 09/01/2008 | RM1.603 | RM4.10 | +2.497 | HOLD. |
| 154. R. STAHL AG | 02/04/2014 | € 34.973 | €40.231 | +5.258 | Buy at EUR35.00 and below/HOLD. |
| 155. Renewable EnergyA | 15/11/2007 | S$0.242 | S$0.03 | -0.212 | HOLD. |
| 156. REXLot | 04/12/2008 | HK$0.23 | HK$0.58 | +0.35 | 16/06/15D. BUY/HOLD. |
| 157. Rotary | 03/11/2010 | S$1.04 | S$0.57 | -0.47 | XD. HOLD. |
| 158. Roxy-Pacific | 06/11/2009 | S$0.142 | S$0.52 | +0.378 | Buy below S$0.60/HOLD. |
| 159. SALCON | 21/10/2010 | RM0.73 | RM0.87 | +0.14 | HOLD. |
| 160. SCGM | | | RM2.85 | | Buy at RM1.50 and below. |
| 161. Servcorp | 26/04/2012 | A$2.92 | A$6.30 | +3.38 | Buy at A$4.60 or below/HOLD. |
| 162. Shanghai Industrial | 24/04/2008 | HK$32.90 | HK$31.00 | -1.90 | 03/06/15D. HOLD. |
| 163. Sheng Siong | 05/10/2012 | S$0.41 | S$0.815 | +0.405 | 07/05/15D. Buy below S$0.44/HOLD. |
| 164. SHENGMU | 18/09/2014 | HK$2.45 | HK$2.00 | -0.45 | BUY. |
| 165. Singtel | 13/06/2013 | S$3.60 | S$4.35 | +0.75 | Buy below S$3.96/HOLD. Announcement. |
| *166. SKPRES* | *09/02/2012* | *RM0.293* | *RM0.89* | *+0.597* | *See Stock Selection. See Rating Change.* |
| *167. SKPRES** | *23/04/2015* | *RM0.00* | *RM0.89* | *+0.89* | *See Stock Selection. See Rating Change.* |
| 168. SMRT | 09/10/2008 | S$1.80 | S$1.64 | -0.16 | HOLD. |
| 169. Sonic Healthcare | 06/09/2007 | A$15.20 | A$20.63 | +5.43 | Buy at A$12.60 or below. |
| 170. SOUND GLOBAL | 12/03/2015 | HK$7.18 | HK$7.00 | +0.18 | SELL. |
| 171. Spark Infrastructure | 13/12/2013 | A$1.56 | A$1.98 | +0.42 | Buy at A$1.58 or below/HOLD. |
| 172. SPB | 12/05/1994 | RM2.50 | RM5.46 | +2.96 | HOLD. |
| 173. StarHub | 11/04/2013 | S$4.43 | S$4.31 | +0.12 | 30/04/15D. SELL. |
| 174. STEMLFE | 23/11/2006 | RM0.50 | RM0.44 | +0.06 | SELL. |
| 175. SUNREIT | | | RM1.72 | | Buy below RM1.25. |
| 176. Suntec Reit | 15/08/2013 | S$1.575 | S$1.85 | -0.275 | SELL. |

| | | | | | | |
|---|---|---|---|---|---|---|
| 177. | SURIA | 16/08/2007 | RM2.40 | RM2.52 | +0.12 | HOLD. |
| 178. | TAANN | 24/05/2007 | RM6.25 | RM3.88 | -2.37 | HOLD. |
| 179. | TALIWRK | 16/06/2005 | RM1.2708 | RM2.27 | +0.999 | HOLD. Announcement. |
| 180. | TASCO | 05/05/2011 | RM1.55 | RM4.29 | +2.74 | HOLD. |
| 181. | TASSAL | 09/03/2015 | A$3.67 | A$3.16 | -0.51 | Buy at A$3.75 or below/HOLD. |
| 182. | TATHONG | 13/11/2014 | S$0.795 | S$0.64 | +0.155 | SELL. |
| 183. | TCHONG | 02/01/2014 | RM6.05 | RM3.08 | +2.97 | SELL. |
| 184. | TDM | 06/06/2013 | RM0.788 | RM0.78 | -0.008 | 11/05/15D. Buy below RM1.01/HOLD. |
| 185. | Teckwah | 24/02/2011 | S$0.32 | S$0.375 | +0.055 | 05/05/15D. Buy below S$0.40/HOLD. |
| 186. | TECNIC | 08/03/2012 | RM3.72 | RM0.435 | -3.285 | XD. HOLD. |
| 187. | TGUAN | | | RM2.06 | | Buy below RM1.70. |
| 188. | TGUAN-LA | | | RM1.82 | | Buy below RM1.46. |
| 189. | TGUAN-WA | 05/03/2015 | RM0.915 | RM0.91 | -0.005 | Buy below RM0.92/HOLD. |
| 190. | THPLANT | 19/12/2013 | RM1.89 | RM1.55 | +0.34 | SELL. |
| 191. | Tiffany & Co | 06/11/2012 | US$54.32 | US$86.51 | +32.19 | HOLD. |
| 192. | TINGYI | 04/12/2014 | HK$17.64 | HK$16.72 | -0.92 | 01/06/15D. Buy at HK$18.00 or below/HOLD. |
| 193. | TONGHER | 16/12/2004 | RM2.533 | RM2.19 | -0.343 | HOLD. |
| 194. | Tox Free Solutions | 31/05/2012 | A$2.47 | A$2.96 | +0.49 | Buy at A$2.50 or below/HOLD. |
| 195. | TRS | 16/12/2010 | A$13.25 | A$6.40 | -6.85 | BUY/HOLD. |
| 196. | UMCCA | 11/12/2008 | RM3.667 | RM6.42 | +2.753 | HOLD. |
| 197. | UMW | 15/12/2005 | RM3.00 | RM10.88 | +7.88 | Buy at RM11.80 or below/HOLD. |
| 198. | UMWOG | 04/12/2014 | RM2.56 | RM2.20 | +0.36 | SELL. |
| 199. | UNIMECH | 10/10/2013 | RM1.40 | RM1.41 | +0.01 | BUY/HOLD. |
| 200. | UNI-PRESIDENT | 08/01/2015 | HK$6.72 | HK$6.30 | +0.42 | 19/05/15D. SELL. |
| 201. | UOB | | | S$24.39 | | 29/04/15D. Buy below S$20.00. |
| 202. | UTDPLT | 05/06/2014 | RM28.02 | RM26.58 | +1.44 | 28/04/15D. SELL. |
| 203. | VALUEMAX | 27/03/2015 | S$ 0.35 | S$0.345 | -0.005 | Buy at S$0.35 or below/HOLD. |
| 204. | Venture | 01/08/2013 | S$7.41 | S$8.39 | +0.98 | 05/05/15D. BUY. |
| 205. | VINTAGE | 04/12/2014 | A$0.40 | A$0.41 | +0.01 | BUY. |
| 206. | VIS | 08/05/2008 | RM0.127 | RM0.385 | +0.258 | HOLD. |
| 207. | VISIONEYE | | | A$0.70 | | Buy at A$0.59 or below. |
| 208. | VS | | | RM4.00 | | 28/04/15D. Buy at RM1.90 or below. |
| 209. | WARISAN | 16/12/1999 | RM0.00 | RM2.98 | +2.98 | HOLD. |
| 210. | WASEONG | 14/08/2014 | RM1.94 | RM1.31 | +0.63 | SELL. Announcement. |
| 211. | Wheelock | 08/10/2009 | S$1.76 | S$1.925 | +0.165 | 11/05/15D. HOLD. |
| 212. | WMH | 03/03/2011 | £1.884 | £3.723 | +1.839 | 30/04/15D. HOLD. |
| 213. | WPRTS | 19/06/2014 | RM2.70 | RM4.23 | +1.53 | Buy below RM3.00/HOLD. |
| 214. | XTEP | 28/11/2013 | HK$4.13 | HK$2.92 | +1.21 | 21/05/15D. SELL. |
| 215. | YEELEE | 12/08/2010 | RM1.16 | RM2.05 | +0.89 | HOLD. |
| 216. | YOKO | 04/09/2014 | RM1.30 | RM1.70 | -0.40 | SELL. Announcement. |
| 217. | YST | | | HK$0.97 | | Buy at HK$0.50 and below. |
| 218. | YUE YUEN | 19/05/2014 | HK$21.60 | HK$28.00 | +6.40 | 03/06/15D. Buy below HK$22.00/HOLD. |

*Note: Dividend in specie given by TECNIC.

# E.2. Updates On Section H : Trading Portfolio

*[for new readers, see our brief on technical analysis for explanation of stop-loss and trailing stop. This is sent separately].*

**Malaysia**

| | |
|---|---|
| 1. HARBOUR | : Rated trading Sell. |
| 2. MAXIS | : Rated trading Sell in www.icapital.biz on Apr 17. |
| 3. MYEG | : Rated trading Sell in www.icapital.biz on Apr 17. |
| 4. MHB | : Rated trading Buy in www.icapital.biz on Apr 20. |
| 5. NCB | : Rated trading Buy in www.icapital.biz on Apr 21. |
| 6. ECOFIRS | : Rated trading Sell in www.icapital.biz on Apr 21. |
| 7. PARKSON | : Rated trading Buy in www.icapital.biz on Apr 22. |
| 8. PBA | : Rated trading Sell in www.icapital.biz on Apr 22. |
| 9. SPRITZER | : Rated trading Sell in www.icapital.biz on Apr 23. |
| 10. LCHEONG | : Rated trading Buy in www.icapital.biz on Apr 23. |

**Singapore**

| | |
|---|---|
| 1. Dyna-mac | : Rated trading Buy. |
| 2. China Dairy | : Rated trading Buy in www.icapital.biz on Apr 17. |
| 3. Lee Metal | : Rated trading Buy in www.icapital.biz on Apr 21. |
| 4. Chip Eng Seng | : Rated trading Sell in www.icapital.biz on Apr 22. |
| 5. Rotary Engg | : Rated trading Buy in www.icapital.biz on Apr 23. |

# Section F : Directors & Significant Shareholders

*In USA, insider transactions, buying/selling by company officials or owners of 10% or more of its capital are reported to their SEC. The data are analysed and used as additional market indicators. While we do not have the exact version, following changes in directors and substantial shareholdings may reveal additional insight.*

| Date | B/S | Counter | Quantity | Shareholder | New Balance |
|---|---|---|---|---|---|
| 13-17/4/2015 | B | AEON | 1.739 m | EPF | 98.530 m |
| 13-16/4/2015 | B | AFG | 1.378 m | EPF | 264.924 m |
| 16/4/2015 | B | AIRPORT | 500,000 | EPF | 216.840 m |
| 16/4/2015 | B | AMBANK | 682,800 | EPF | N/A |
| 14-16/4/2015 | B | ANCOM | 110,600 | Dato' (Dr) Siew Ka Wei | 21.885 m |
| 17-21/4/2015 | B | ANCOM | 104,500 | Siew Ka Wei | 21.990 m |
| 6/4/2015 | B | APEX | 1.040 m | Azizan b. Abd Rahman | 8.257 m |
| 14-16/4/2015 | B | ARMADA | 25.082 m | EPF | N/A |
| 13-15/4/2015 | B | ASIAPLY | 24.372 m | Dato' Yeo Boon Leong | 24.908 m |
| 9-10/4/2015 | B | AXIATA | 10.736 m | EPF | 1131.849 m |
| 14/4/2015 | B | BIMB | 100,000 | EPF | 153.485 m |
| 13-14/4/2015 | B | BIMB | 1.281 m | Lembaga Tabung Haji | 856.688 m |
| 16-17/4/2015 | B | BJAUTO | 478,200 | EPF | 42.058 m |
| 17-20/3/2015 | B | BONIA | 276,400 | Chiang Sang Sem | 2.228 m |
| 16/4/2015 | B | CAELY | 280,500 | Koh Kok Hooi | 4.024 m |
| 13-16/4/2015 | B | CIMB | 4.918 m | EPF | N/A |
| 14-17/4/2015 | B | CMSB | 812,100 | EPF | N/A |
| 17/4/2015 | B | COASTAL | 1.000 m | EPF | 27.792 m |
| 20-21/4/2015 | B | CONNECT | 3.000 m | Ng Aik Kee | 23.000 m |
| 17/4/2015 | B | CRESBLD | 3.000 m | SC Yong Holdings S/B | 61.971 m |
| 16/4/2015 | B | DEGEM | 135,200 | Legion Master S/B | 72.061 m |
| 13-17/4/2015 | B | DIALOG | 7.447 m | EPF | N/A |
| 13-17/4/2015 | B | DIGI | 3.151 m | EPF | 1084.154 m |
| 20-21/4/2015 | B | DSONIC | 20.000 m | Abu Hanifah b. Noordin | 232.130 m |
| 14-15/4/2015 | B | E&O | 1.000 m | Billford Holdings Ltd | 5.301 m |
| 15-16/4/2015 | B | ECOFIRS | 1.330 m | Dato' Tiong Kwing Hee | 108.775 m |
| 16/4/2015 | B | ECONBHD | 1.000 m | Dato' Rosli b. Mohamed Nor | 1.100 m |
| 10/4/2015 | B | EDEN | 2.000 m | Paramasivam a/l Seerangam | 9.700 m |
| 16-17/4/2015 | B | EKOVEST | 455,600 | Lim Seong Hai Holdings S/B | 39.813 m |
| 10-16/4/2015 | B | F&N | 441,500 | EPF | 29.793 m |
| 13-17/4/2015 | B | GAMUDA | 3.343 m | EPF | 221.141 m |
| 15-16/4/2015 | B | GAMUDA | 96,000 | KWAP | N/A |
| 17/4/2015 | B | GENP | 8,800 | EPF | 113.074 m |
| 8/4/2015 | B | GENP | 403,600 | KWAP | N/A |
| 8-16/4/2015 | B | GUNUNG | 60,000 | Ooi Hock Lai | 12.977 m |
| 14/4/2015 | B | HARTA | 14,300 | EPF | 58.840 m |
| 16-17/4/2015 | B | HLBANK | 2.648 m | EPF | N/A |
| 14/4/2015 | B | HOHUP | 400,000 | Insas Plaza S/B | 37.159 m |
| 13-16/4/2015 | B | HSPLANT | 164,100 | Hap Seng Consolidated Bhd | 422.129 m |
| 15/4/2015 | B | IBHD | 230.491 m | Sumurwang S/B | 591.159 m |
| 13-16/4/2015 | B | IGBREIT | 6.292 m | EPF | 192.228 m |
| 14-17/4/2015 | B | IHH | 3.836 m | EPF | 705.383 m |
| 13-17/4/2015 | B | IJM | 2.525 m | EPF | N/A |
| 8-9/4/2015 | B | IJM | 644,800 | KWAP | N/A |
| 16/4/2015 | B | IJMPLNT | 300,000 | EPF | 103.365 m |
| 13-17/4/2015 | B | INARI | 3.488 m | EPF | 43.528 m |
| 13/4/2015 | B | INARI | 1.466 m | KWAP | 22.087 m |
| 14-17/4/2015 | B | IOICORP | 6.840 m | EPF | 573.524 m |
| 13-17/4/2015 | B | IOIPG | 4.738 m | EPF | 312.784 m |
| 14-16/4/2015 | B | KHEESAN | 1.490 m | Lim Pei Tiam | 6.040 m |
| 14-15/4/2015 | B | KLK | 863,400 | ASB | 60.000 m |

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|---|---|---|---|---|---|
| 13-17/4/2015 | B | KLK | 144,600 | EPF | 144.715 m |
| 13/4/2015 | B | KOBAY | 620,900 | Norinv Kapital S/B | 12.649 m |
| 16/4/2015 | B | KRETAM | 466,000 | Lim Nyuk Sang | 1133.893 m |
| 7-17/4/2015 | B | LATITUD | 287,000 | Koon Yew Yin | 6.323 m |
| 16/4/2015 | B | LAYHONG | 3,000 | QL Resources Bhd | N/A |
| 13-17/4/2015 | B | LITRAK | 170,100 | ASB | 35.856 m |
| 13-17/4/2015 | B | MAHSING | 1.116 m | EPF | 150.335 m |
| 3/4/2015 | B | MASTEEL | 2.000 m | TYY Resources S/B | 75.276 m |
| 15-17/4/2015 | B | MASTER | 39,000 | Chin Siew Yoong | 2.880 m |
| 13-17/4/2015 | B | MAXIS | 5.317 m | EPF | 428.433 m |
| 16-17/4/2015 | B | MAYBANK | 5.957 m | EPF | N/A |
| 14-15/4/2015 | B | MBMR | 600,000 | EPF | 53.157 m |
| 16-17/4/2015 | B | MISC | 100,000 | EPF | N/A |
| 15/4/2015 | B | MMSV | 50,000 | Tan Hock Hin | 2.310 m |
| 27/3/2015 | B | MNC | 100,700 | Metronic Global Bhd | 15.314 m |
| 20-21/4/2015 | B | MYEG | 450,000 | Norraesah bt. Haji Mohd | 8.570 m |
| 13/4/2015 | B | NHFATT | 3.800 m | Yeomann 3-Rights Value Asia Fund | 3.800 m |
| 1-9/4/2015 | B | PANAMY | 67,700 | KWAP | 2.333 m |
| 13-16/4/2015 | B | PBBANK | 4.092 m | EPF | 542.806 m |
| 9/4/2015 | B | PCHEM | 951,100 | EPF | 951,100 |
| 14-16/4/2015 | B | PELIKAN | 25,000 | Loo Hooi Keat | 53.551 m |
| 16/4/2015 | B | PESONA | 3.960 m | Kombinasi Emas S/B | 227.931 m |
| 16-20/4/2015 | B | PESONA | 7.600 m | Sincere Goldyear S/B | 93.412 m |
| 21/4/2015 | B | PESTECH | 90,000 | Lim Pay Chuan | 37.827 m |
| 13/4/2015 | B | PETGAS | 12,400 | EPF | N/A |
| 14/4/2015 | B | PRESBHD | 1.413 m | AIA Bhd | 41.311 m |
| 20/4/2015 | B | PRLEXUS | 30,000 | Boo Chin Liong | 30,000 |
| 20/4/2015 | B | PRLEXUS | 40,000 | Lau Boon Hwa | 382,400 |
| 20/4/2015 | B | PRLEXUS | 124,960 | Taufiq Ahmad | 1.325 m |
| 16/4/2015 | B | PRTASCO | 1,000 | Dato' Tey Por Yee | N/A |
| 13-20/4/2015 | B | RAPID | 867,800 | Yu Kuan Huat | 3.875 m |
| 20/4/2015 | B | REDTONE | 500,000 | Ismail b. Osman | 500,000 |
| 15/4/2015 | B | SAMCHEM | 5,000 | Dato' Ng Lian Poh | 8.510 m |
| 13-18/3/2015 | B | SANICHI | 755,000 | Mah Wee Hian | N/A |
| 17/3/2015 | B | SCIB | 1,000 | Lim Nyuk Foh | 17.893 m |
| 16-21/4/2015 | B | SEAL | 14.000 m | Poly Dynamic Motion S/B | 20.000 m |
| 13-15/4/2015 | B | SIME | 2.469 m | EPF | 798.111 m |
| 13-16/4/2015 | B | SKPETRO | 3.147 m | EPF | N/A |
| 16-17/4/2015 | B | SUNREIT | 1.813 m | EPF | 303.545 m |
| 15/4/2015 | B | SUNWAY | 2.500 m | Sungei Way Corporation S/B | 872.929 m |
| 15-21/4/2015 | B | TAANN | 18,700 | Mountex S/B | 77.326 m |
| 14-21/4/2015 | B | TAGB | 1.243 m | Datuk Tiah Thee Kian | 637.784 m |
| 16/4/2015 | B | TCHONG | 37,600 | EPF | 57.838 m |
| 10-16/4/2015 | B | TENAGA | 7.295 m | ASB | 466.727 m |
| 10-16/4/2015 | B | TENAGA | 5.556 m | EPF | N/A |
| 16/4/2015 | B | TEXCYCL | 5,000 | Ravindran A/L Markandu | 270,000 |
| 15-16/4/2015 | B | THPLANT | 2.000 m | Lembaga Tabung Haji | 638.027 m |
| 17/4/2015 | B | TIMECOM | 819,400 | EPF | N/A |
| 14/4/2015 | B | TITIJYA | 2.000 m | AIA Bhd | 24.030 m |
| 13-17/4/2015 | B | TM | 9.426 m | EPF | N/A |
| 8/4/2015 | B | TUNEINS | 500,000 | KWAP | 45.015 m |
| 13/3-10/4/2015 | B | UMWOG | 4.600 m | EPF | N/A |
| 13-15/4/2015 | B | UZMA | 1.142 m | KWAP | 10.825 m |
| 14-17/4/2015 | B | WCT | 3.383 m | EPF | N/A |
| 13/4/2015 | B | WCT | 38,000 | KWAP | 80.535 m |
| 14/4/2015 | B | WCT | 96,000 | Lembaga Tabung Haji | 109.221 m |
| 13-20/4/2015 | B | YNHPROP | 1.976 m | Dato' Dr Yu Kuan Chon | 61.419 m |
| 20/4/2015 | S | AEM | 700,000 | Yang Chao-Tung | 6.855 m |
| 14-16/4/2015 | S | AEON | 521,000 | EPF | 97.680 m |
| 15-17/4/2015 | S | AFG | 512,600 | EPF | 264.897 m |
| 14/4/2015 | S | AIRPORT | 17,000 | EPF | 216.340 m |
| 13-17/4/2015 | S | AMBANK | 1.860 m | EPF | N/A |
| 15-16/4/2015 | S | ARMADA | 5.681 m | EPF | 487.872 m |
| 13/4/2015 | S | ASIAPLY | 24.272 m | Tan Sri Dato' Lim Tong Yong | Ceased |
| 14-17/4/2015 | S | AXREIT | 212,000 | EPF | N/A |
| 14-16/4/2015 | S | AXREIT | 33,500 | KWAP | N/A |
| 6/4/2015 | S | BERTAM | 2.300 m | Lim Nyuk Foh | N/A |

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|---|---|---|---|---|---|
| 14/4/2015 | S | BJAUTO | 1.500 m | EPF | 41.580 m |
| 15/4/2015 | S | BONIA | 42,500 | Chiang Sang Bon | 1.450 m |
| 15/4/2015 | S | BSTEAD | 10.000 m | LTAT | 599.004 m |
| 10-20/4/2015 | S | CENTURY | 1.500 m | Teow Choo Chuan | 18.531 m |
| 14-16/4/2015 | S | CIMB | 1.207 m | EPF | 1379.202 m |
| 14-17/4/2015 | S | CMMT | 1.200 m | EPF | 183.147 m |
| 17/4/2015 | S | CMSB | 150,000 | Dato' Richard Alexander John Curtis | 1.060 m |
| 17/4/2015 | S | CMSB | 200,000 | EPF | N/A |
| 9-13/4/2015 | S | CSCENIC | 54,900 | Lim Chee Khoon | 16.508 m |
| 14/4/2015 | S | DGSB | 1.526 m | Omesti Holdings Bhd | 1.526 m |
| 13-17/4/2015 | S | DIALOG | 13.612 m | EPF | 574.553 m |
| 13-14/4/2015 | S | DIGI | 9.133 m | EPF | 1084.871 m |
| 13-15/4/2015 | S | DRBHCOM | 221,200 | EPF | 157.153 m |
| 20-21/4/2015 | S | DSONIC | 20.000 m | Dibena Enterprise S/B | 142.012 m |
| 16-17/4/2015 | S | ECONBHD | 4.500 m | Pang Sar | 190.500 m |
| 10/4/2015 | S | EDEN | 2.000 m | Serata Padu S/B | 58.794 m |
| 10/4/2015 | S | EG | 80,000 | Giap Seng Auto Supply S/B | Ceased |
| 15/4/2015 | S | EKIB | 50,000 | Haji Abd Talib b. Baba | 100,000 |
| 21/4/2015 | S | ESCERAM | 200,000 | Choy Swee Lan | 7.600 m |
| 10/4/2015 | S | F&N | 37,200 | ASB | 68.212 m |
| 14/4/2015 | S | FGV | 300,000 | EPF | 192.287 m |
| 10-15/4/2015 | S | FGV | 200,000 | KWAP | 205.664 m |
| 13/4/2015 | S | FLBHD | 180,000 | Lin Hao Yu | 6.114 m |
| 10-16/4/2015 | S | GAB | 275,000 | Aberdeen Asset Management PLC | 16.500 m |
| 13-16/4/2015 | S | GAMUDA | 1.288 m | EPF | 220.289 m |
| 15-16/4/2015 | S | GAMUDA | 4.000 m | KWAP | 180.060 m |
| 13-16/4/2015 | S | GENP | 337,100 | EPF | 113.065 m |
| 8-16/4/2015 | S | GENP | 731,800 | KWAP | 38.866 m |
| 16/4/2015 | S | HALEX | 112,000 | Farmcochem S/B | 7.152 m |
| 16/4/2015 | S | HANDAL | 886,600 | OSK Capital Partners S/B | Ceased |
| 14/4/2015 | S | HARVEST | 24,000 | Woo Mun Chee | 0 |
| 2/4/2015 | S | HHHCORP | 500,000 | Chan Ban Hin | 49.780 m |
| 13-17/4/2015 | S | HLBANK | 796,000 | EPF | 241.194 m |
| 16/4/2015 | S | HLFG | 500,000 | Choong Yee How | 2.400 m |
| 21/4/2015 | S | ICON | 1.326 m | Edwanee Cheah b. Abdullah | N/A |
| 20-21/4/2015 | S | ICON | 2.000 m | Jamal b. Yusof | N/A |
| 13/4/2015 | S | IHH | 775,000 | EPF | 701.645 m |
| 16-17/4/2015 | S | IJM | 2.619 m | EPF | 209.473 m |
| 8-15/4/2015 | S | IJM | 4.172 m | KWAP | 89.340 m |
| 17-20/4/2015 | S | IJM | 1.000 m | Lee Teck Yuen | 5.882 m |
| 16/4/2015 | S | IJM | 225,100 | Tan Boon Seng | 2.772 m |
| 23/7-7/8/2014 | S | INNO | 51,100 | Datuk Othman b. Walat | 173,900 |
| 13/4/2015 | S | IOICORP | 493,500 | EPF | 565.247 m |
| 16/4/2015 | S | IOIPG | 151,200 | EPF | 312.393 m |
| 20/4/2015 | S | IQGROUP | 9,200 | Daniel John Beasley | 61,800 |
| 16-20/4/2015 | S | KEN | 50,000 | Budaya Dinamik S/B | 21.031 m |
| 10/4/2015 | S | KOSSAN | 500,000 | EPF | 35.408 m |
| 15-16/4/2015 | S | KPJ | 515,800 | Lembaga Tabung Haji | 515,800 |
| 8-16/4/2015 | S | KULIM | 1.652 m | KWAP | N/A |
| 14/4/2015 | S | LIENHOE | 489,800 | Belastra S/B | 40.950 m |
| 17/4/2015 | S | M3TECH | 360,000 | Chin Chee Wing | 0 |
| 13-16/4/2015 | S | MAHSING | 86,000 | Dato' Ng Poh Seng | 1.656 m |
| 15-16/4/2015 | S | MAXIS | 4.293 m | ASB | 600.483 m |
| 17/4/2015 | S | MAXIS | 70,900 | EPF | 428.362 m |
| 15/4/2015 | S | MAYBANK | 1.382 m | EPF | N/A |
| 13-14/4/2015 | S | MHB | 96,200 | Lembaga Tabung Haji | 96.922 m |
| 10-17/4/2015 | S | MISC | 2.337 m | ASB | 244.941 m |
| 14-17/4/2015 | S | MISC | 1.461 m | EPF | 309.945 m |
| 16-20/4/2015 | S | MMSV | 104,000 | Sim Goay Hoon | 9.759 m |
| 17/4/2015 | S | MUHIBAH | 200,000 | Ooi Sen Eng | 13.025 m |
| 13/4/2015 | S | NESTLE | 28,100 | EPF | 20.262 m |
| 15/4/2015 | S | NICE | 12.100 m | UOB (Malaysia) Bhd | Ceased |
| 13-14/4/2015 | S | OCK | 300,000 | LTAT | 72.049 m |
| 20/4/2015 | S | OCNCASH | 20,000 | Han Swan Kwong | 160,000 |
| 10-13/4/2015 | S | OPCOM | 987,200 | Rezeki Tegas S/B | N/A |
| 14-17/4/2015 | S | ORIENT | 1.803 m | EPF | 51.997 m |
| 14-17/4/2015 | S | PBBANK | 939,500 | EPF | 542.270 m |

| | | | | | |
|---|---|---|---|---|---|
| 7-14/4/2015 | S | PCHEM | 2.263 m | EPF | N/A |
| 16/4/2015 | S | PERDANA | 81,000 | Surya Hidayat b. Abd Malik | 400,000 |
| 13-17/4/2015 | S | PETGAS | 712,400 | EPF | 237.188 m |
| 8-16/4/2015 | S | PETGAS | 444,000 | KWAP | 108.414 m |
| 16/4/2015 | S | PHARMA | 9,900 | Izzat b. Othman | 0 |
| 10/4/2015 | S | PHARMA | 6.000 m | LTAT | 26.010 m |
| 22/4/2015 | S | PLABS | 200,000 | Teo Kooi Cheng | 15.698 m |
| 14/4/2015 | S | POS | 119,000 | Aberdeen Asset Management PLC | 46.693 m |
| 13-17/4/2015 | S | POS | 1.041 m | EPF | 52.098 m |
| 13-14/4/2015 | S | PUNCAK | 632,300 | EPF | 1.494 m |
| 17-20/4/2015 | S | RA | 25.237 m | Francis Tan Hock Leong | 62.585 m |
| 14-21/4/2015 | S | RAPID | 846,400 | Dato' Dr Yu Kuan Chon | 17.204 m |
| 21/4/2015 | S | REV | 10,000 | Absolute Invstmnts Australia Pty Ltd | 10.621 m |
| 21/4/2015 | S | SALCON | 250,000 | Choong Moh Kheng | 2.800 m |
| 20/4/2015 | S | SCH | 4.000 m | Wong Sin Chin | 54.543 m |
| 20/4/2015 | S | SCH | 4.000 m | Yeen Yoon Hin | 54.543 m |
| 21/4/2015 | S | SEAL | 7.000 m | Kesan Anggun S/B | 20.000 m |
| 13-16/4/2015 | S | SHELL | 65,900 | EPF | 48.735 m |
| 15-16/4/2015 | S | SILKHLD | 1.000 m | Johan Zainuddin b. Dzulkifli | 59.927 m |
| 14-16/4/2015 | S | SIME | 1.962 m | EPF | 797.611 m |
| 13-17/4/2015 | S | SKPETRO | 13.030 m | EPF | 889.033 m |
| 17/4/2015 | S | SMRT | 20,000 | Ishak b. Hashim | 96,610 |
| 13/4/2015 | S | SNTORIA | 10.000 m | Sentoria Capital S/B | 267.778 m |
| 13-17/4/2015 | S | SOLUTN | 1.600 m | Mohd Shahrin b. Saparin | N/A |
| 9-15/4/2015 | S | SUPER | 368,200 | Lim Pei Tiam | 2.270 m |
| 16-20/4/2015 | S | TAANN | 100,000 | Datuk Wahab b. Hj Dolah | 38.721 m |
| 14/4/2015 | S | TAKAFUL | 16,000 | EPF | N/A |
| 13-14/4/2015 | S | TCHONG | 181,800 | EPF | 57.851 m |
| 15-16/4/2015 | S | TENAGA | 4.187 m | EPF | 829.748 m |
| 13-17/4/2015 | S | TIMECOM | 992,100 | EPF | 37.128 m |
| 14-15/4/2015 | S | TM | 3.262 m | ASB | 478.423 m |
| 13-17/4/2015 | S | TM | 8.384 m | EPF | 521.573 m |
| 15/4/2015 | S | TNLOGIS | 10,000 | Ling Cheng Fah | 15,000 |
| 13/3-8/4/2015 | S | UMWOG | 11.423 m | EPF | 127.562 m |
| 21/4/2015 | S | VS | 50,000 | Pan Swee Keat | 0 |
| 13-17/4/2015 | S | WCT | 3.001 m | EPF | 101.453 m |
| 9-10/4/2015 | S | WCT | 183,800 | KWAP | 80.497 m |
| 13-20/4/2015 | S | YNHPROP | 3.806 m | Dato' Yu Kuan Huat | 55.061 m |
| 13/4/2015 | S | YTLPOWR | 1.518 m | EPF | 382.000 m |
| 22/4/2015 | B | AMPROP | 75,000 | Share Buy Back | Treasury |
| 16-22/4/2015 | B | CBIP | 329,500 | Share Buy Back | Treasury |
| 16-22/4/2015 | B | GRANFLO | 62,000 | Share Buy Back | Treasury |
| 16-22/4/2015 | B | HAIO | 6,000 | Share Buy Back | Treasury |
| 16-22/4/2015 | B | KULIM | 328,700 | Share Buy Back | Treasury |
| 16-22/4/2015 | B | LBICAP | 119,200 | Share Buy Back | Treasury |
| 16-22/4/2015 | B | LBS | 270,000 | Share Buy Back | Treasury |
| 16-22/4/2015 | B | PARKSON | 1.546 m | Share Buy Back | Treasury |
| 16-22/4/2015 | B | RCECAP | 1.408 m | Share Buy Back | Treasury |
| 21/4/2015 | B | SUPERMX | 1,000 | Share Buy Back | Treasury |
| 21/4/2015 | B | WTHORSE | 10,000 | Share Buy Back | Treasury |

## **Feature of Section F** : TUNEINS **– Anything To Tune In?**

(Only available in *i* Capital)

Tune Ins Holdings Bhd (TIHB) is engaged in the business of general insurance, general re-insurance and life re-insurance business. In Jun 2014, AirAsia Bhd (AirAsia) and CIMB SI II S/B announced that they have sold 19.07 mln shares and 42.50 mln shares respectively, and are left with 13.65% and 9.40% respectively. Tune Group S/B (TGSB) has been paring down its stake since Jun 2014 with its most recent sale recorded in Mar 2015, bringing the total number of shares sold to be about 76.73 mln. Tan Sri Dr Anthony Francis Fernandes and Datuk Kamarudin are TIHB directors, and they have direct and indirect stakes in the company through their holdings in AirAsia and TGSB. Razman Hafidz (director) sold 50,000 shares in Sep 2014. Starting Jan 2015, Kumpulan Wang Persaraan (Diperbadankan) served its notice of interest and by mid-Apr 2015, it has accumulated about 8.95 mln shares or 5.99%.

Listed on Main Board in Feb 2013, TIHB's acquisition of Oriental Capital Assurance and the government's liberalization of the industry such as removing tariffs in 2012 caused the oversubscription of its shares. This led to a sharp 70% increase in its share price to RM2.20 in May 2013. Soon, investors' excitement cooled down and the share price fluctuated sideways for the following 9 months. Early 2013, a strong rebound in volumes drove prices to a new high of RM2.57, before its failure in acquiring a company in Indonesia coupled with heavy selling by insiders causing its share price to drop 41% within 6 months. Recently, share price started to recover with the help of its quarterly results. However, with its daily MACD still bearish and its daily DMI diverging bearishly, is there anything for the bulls to tune in ?


## Section G : The Eclectic Trader

*This section is an actual portfolio supervised by Capital Dynamics. There are actual trades with contracts. Purchase/sale can be made on any day. The objective of this portfolio is capital gains. The emphasis is on short-term trading. While the approach used will include technical analysis, we do not rely on them exclusively – it will be "intelligently eclectic". There are no restrictions on the type of shares that will be invested in. We would try to hold at least 6 or more counters. But due to the relatively small sum, some counters may have higher weightings. Stop-loss or trailing-stop will be used. This portfolio started with RM50,000 cash on 1st Dec 1993. The KLSE CI was 1,015.42 points.*

| Counter | Date bought | Qty | Price | KLSE CI | Total Cost | Current price | +/- |
|---|---|---|---|---|---|---|---|
| | | | | | | | |

| | | |
|---|---|---|
| Cash balance at 16 Apr 2015 | RM | 209,773.54 |
| Add : | RM | - |
| Less : | RM | - |
| Net cash balance available | RM | 209,773.54 |

| Asset Allocation | Percent (%) | Amount (RM) |
|---|---|---|
| Cash | 100 | 209,773.54 |
| Equities | - | - |
| Total | 100 | 209,773.54 |

**Comments**

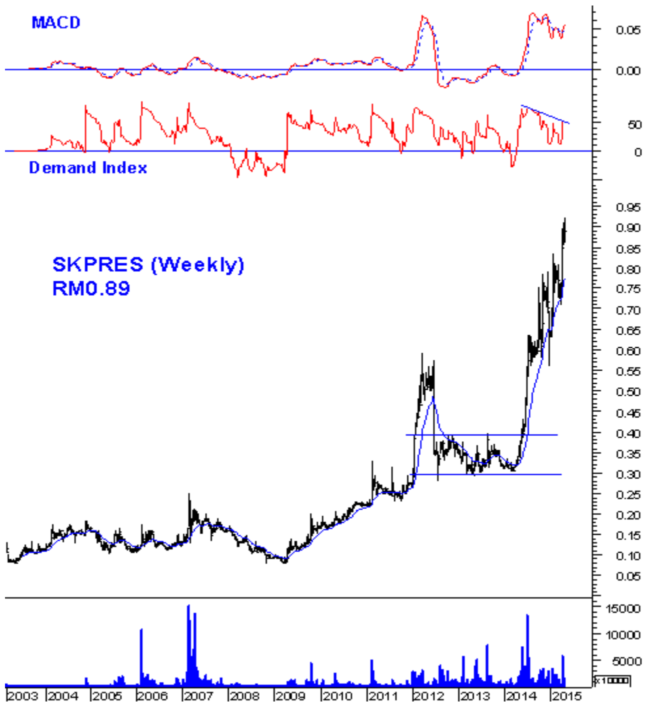
**The Eclectic Trader** retains its portfolio.

## STOCK SELECTION CONTINUED : SKP Resources Bhd

Only available in *i* Capital →

### A Technical Analysis Of SKP Resources Bhd

Listed on the Mainboard in Feb 2003, SKP Resources Bhd was oscillating sideways for more than 6 years before it started to show changes in its trend. With Dyson, a maker of household electronic products, becoming their major customer in Nov 2009, the price broke away from its preceding trend and moved upwards. Coupled with their efforts in taking active measures to reduce their total expenditure and their successful foray as a fully integrated manufacturing solutions provider in 2011, the upward trend managed to sustain itself. In FY2012, its sales recorded an increase of 61% and its price more than doubled, hitting a historic high of RM0.59 and corrected. Then, with the announcement of the construction of a new manufacturing facility, the price broke out from its rectangle and surpassed its previous high. However, its weekly demand index has formed a bearish divergence, and its weekly MACD is uncertain. Another correction seems to be in the card.

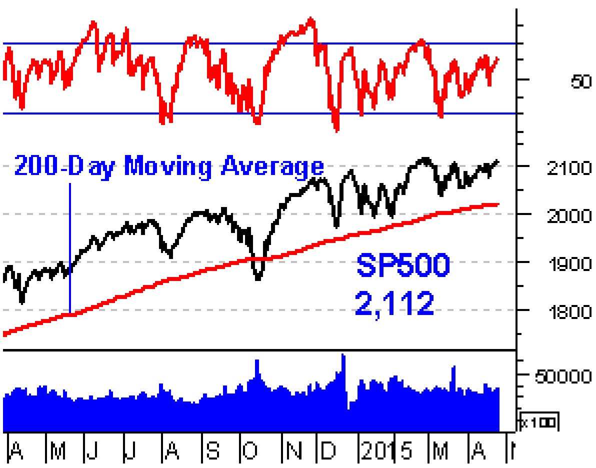


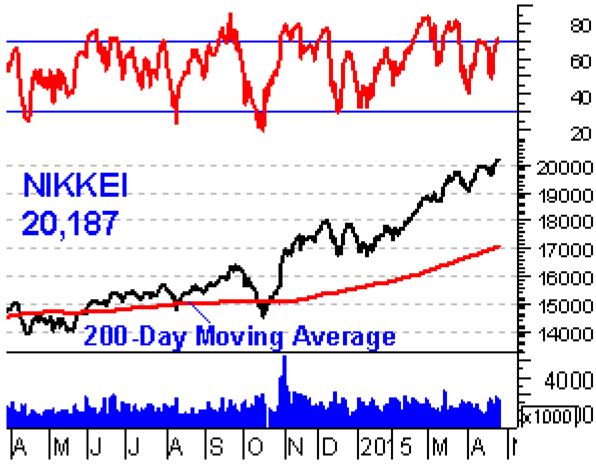

## STOCK SELECTION CONTINUED : Great Wall Motor Company

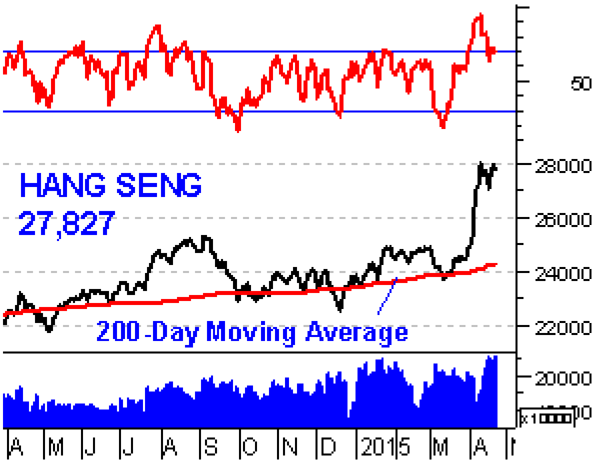
### A Technical Analysis Of Great Wall Motor Company

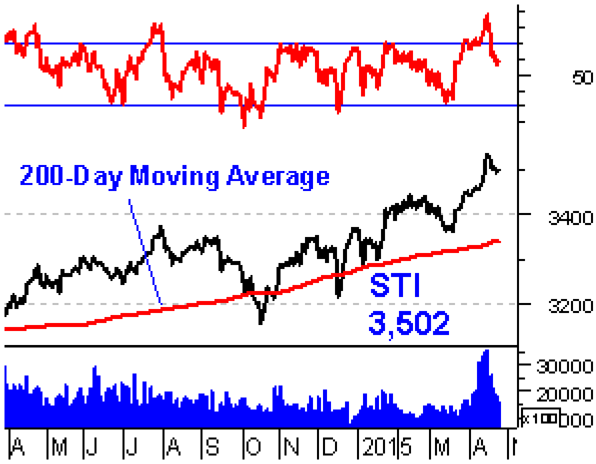
Listed in Dec 1998, when the automobile industry in China was still in its early stages of development, Great Wall Motor Company was trending sideways for 5-6 years. Then in 2009 due to its introduction of sedans which benefited from government tax incentives encouraging cars with smaller engines, the group's sales grew significantly driving its share price to rise 46 times from HK$0.33 to HK$15.43 in 2011. Nevertheless, the intensive competition from both domestic self-owned brands and joint ventures caused its share price to correct to HK$8.06 within 5 months. Since 2012, it has been travelling in a rising price channel because of the high margin generated by its focus on SUVs. The plunge in early 2014 as a result of a 55% decline in sales of its unpopular sedans brought the share price to its lower support, but it was not long before it started to recover. Recently, supported by its strong quarterly results, its share price reached a new high of HK$60.35. Its weekly MACD is still bullish but its weekly RSI is already overbought. Given that its valuation is rich, the price of Great Wall Motor Company is expected to pull back.

**The KLSE and Major Markets : STOP PRESS** ← Only available in *i* Capital




**NYSE** [2,112]: *i* Capital retains its view that the NYSE is peaking.

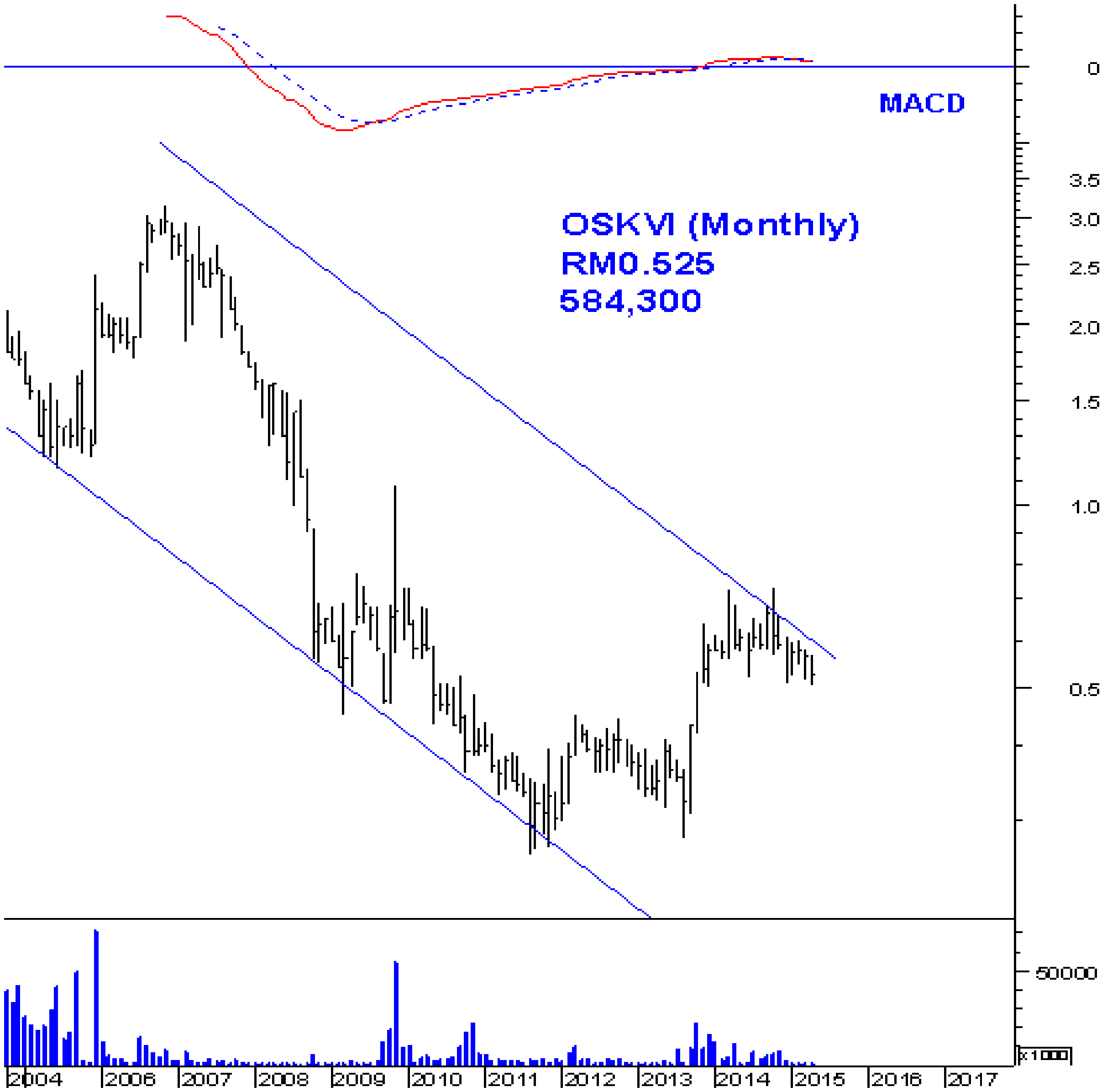
**NIKKEI** [20,187]: The Nikkei is trading at a bubbly 22-23 times PE. **HKSE** [27,827]: The steep rise on the Hong Kong stock market is not sustainable. **SGX** [3,502]: The STI will follow the rest.

**KLSE** [1,846]: *i* Capital has no reason to revise its bearish view of the KLCI.

# Section H : Trader's Portfolio

*Shares selected under this section are based on chart/technical analysis and are meant for short-term traders. It is not intended for contra trading. Traders should note that in actual trading conditions, stop-loss targets may not be fulfilled. This section is not for the novice or the uninitiated. The arithmetic of trading or investing is not symmetrical. If you lose 50%, you need to make 100% to get back to the level of your original sum. i Capital® quotes Paul Tudor Jones : "***everything gets destroyed a hundred times faster than it is built up.***"*

*FOR NEW READERS, PLEASE SEE OUR BRIEF ON TECHNICAL ANALYSIS FOR EXPLANATION OF STOP-LOSS AND TRAILING STOP. IT IS SENT SEPARATELY.*




**OSKVI (0053) > Current Price RM0.525**

OSK Ventures International Bhd has retreated from the upper boundary of its falling price channel. Its monthly MACD has formed a major bearish crossover. Therefore, *i* Capital rates OSK Ventures International as a trading Sell with a target price of RM0.27.

Section H for the printed edition has added features for traders – see table on the right. However, the rating for this Section remains based on chart and technical analysis.

| **OSKVI (0053)** | |
|---|---|
| No. of Shares Outstanding | 293,614,000 |
| Trailing EPS (sen) | (4.67) |
| Trailing PER (times) | N/A |
| Trailing Dividends (sen) | 2.00 |
| Gross Dividend Yield (%) | 3.81 |
| Book Value per Share (RM) | 0.61 |


**<u>Shangri-La HKD (S07) > Current Price S$11.78</u>**

Shangri-La Asia Limited has bounced off the lower boundary of its descending price channel and risen above its 20-week exponential moving average. Both its weekly momentum index and MACD has formed a bullish divergence. As such, *i* Capital rates Shangri-La Asia as a trading Buy with a target price of S$14.00. Place relevant stop loss.

Section H for the printed edition has added features for traders – see table on the right. However, the rating for this Section remains based on chart and technical analysis.

| **Shangri-La HKD (S07)** | |
|---|---|
| No. of Shares Outstanding | 3,579,994,056 |
| Trailing EPS (S$ cents) | 6.80 |
| Trailing PER (times) | 30.08 |
| Trailing Dividends (S$ cents) | 2.08 |
| Gross Dividend Yield (%) | 1.02 |
| Book Value per Share (S$) | 2.60 |

S E C T I O N *i*: **T H E C A P I T A L D Y N A M I C S' T R E A S U R E S**

*This section updates the performance of the funds managed by Capital Dynamics group. Presently, this includes icapital.biz Berhad, a listed closed-end fund, i Capital Global Fund and i Capital International Value Fund, both open-end funds. For more information, send emails to cdam@cdam.biz, cdpl@icapital.biz or info@capitaldynamics.com.au. Monthly NAVs are published in www.icapital.biz*

**OBJECTIVE & INVESTMENT PHILOSOPHY**

The objective of Capital Dynamics is to seek long-term capital appreciation for all managed funds, while reducing the margin of error when investing.

The strategy is driven by an "Intelligently Eclectic" value investing philosophy with emphasis on the margin of safety created by stock selections based on divergences between market prices and the underlying intrinsic values of the companies.

This is achieved with a rigorous, innovative and well-defined value investing approach. Unlike conventional value investing, Capital Dynamics incorporates key macro-economic factors and takes into account the country that it is investing in. The objective is to obtain a sound investment framework that allows it to have a clear perspective of how economies, markets and sentiment interact and how this interaction influences its investments.

# 1. *i* Capital International Value Fund

**INTRODUCTION**

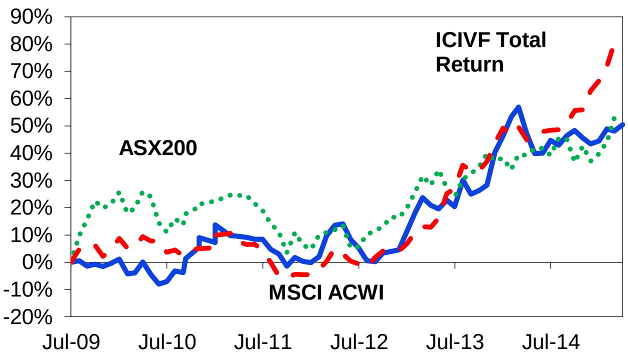
The *i* Capital International Value Fund ARSN 134 578 180 is a registered managed investment scheme which invests in listed securities in Australia and internationally. The fund is managed by Capital Dynamics (Australia) Ltd. The objective is to achieve superior long-term capital appreciation by investing globally.

**FUND FACTS**

| | |
|---|---|
| NAV (as at 31 Mar 2015) | A$1.1517 |
| Fund Manager | Capital Dynamics (Australia) Ltd |
| Structure | Open-end |
| Minimum Initial Investment | A$20,000 |
| Features | No entry and exit fees, short selling, derivatives and no borrowings. |

INCEPTION DATE – 1 JULY 2009

**ICIVF CUMULATIVE PERFORMANCE IN AUS$**
(JUL 2009 TO MAR 2015)




MSCI ACWI = MSCI All Countries World Index
ASX200 = Australian Securities Exchange Index

**RECENT PERFORMANCE**

| | 28-Feb 2015 | 31-Mar 2015 | % Change |
|---|---|---|---|
| ICIVF NAV (A$) | **1.1332** | **1.1517** | **1.63** |
| MSCI ACWI (A$) | 552.5071 | 556.0039 | 0.63 |
| ASX200 (A$) | 5,928.7700 | 5,891.5000 | -0.63 |

**TOTAL RETURN, FROM INCEPTION**

| Since inception (%) | Annual compound return (%) |
|---|---|
| **50.45** | **7.36** |
| 81.61 | 10.93 |
| 52.08 | 7.56 |

# 2. *i* Capital Global Fund

**INTRODUCTION**

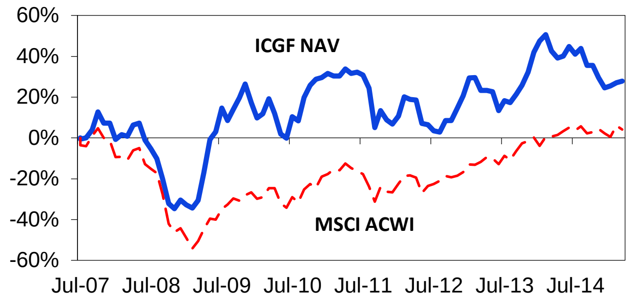
Capital Dynamics (S) Pte Ltd (CDPL), the fund management company, operates under the purview of the Monetary Authority of Singapore and is our platform for global investing. CDPL is the first Asian privately-owned global fund manager. The objective is to achieve superior long-term capital appreciation by investing globally.

**FUND FACTS**

| | |
|---|---|
| NAV (as at 31 Mar 2015) | US$ 1,279.374 |
| Fund Manager | Capital Dynamics (S) Pte Ltd |
| Structure | Open-end |
| Minimum Initial Investment | US$200,000 |
| Features | No entry and exit fees, short selling, derivatives and no borrowings. |

INCEPTION DATE - 6 JULY 2007

**ICGF CUMULATIVE PERFORMANCE IN US$**
(JUL 2007 TO MAR 2015)




**RECENT PERFORMANCE**

| | 27-Feb 2015 | 31-Mar 2015 | % Change |
|---|---|---|---|
| **ICGF (US$)** | **1,271.29** | **1,279.37** | **0.64** |
| MSCI ACWI (US$) | 432.47 | 424.76 | -1.78 |

**TOTAL RETURN, FROM INCEPTION**

| Since inception (%) | Annual compound return (%) |
|---|---|
| **27.94** | **3.23** |
| 4.12 | 0.52 |

# 3. *i* Capital.biz Berhad (ICAP,5108)

**INTRODUCTION**

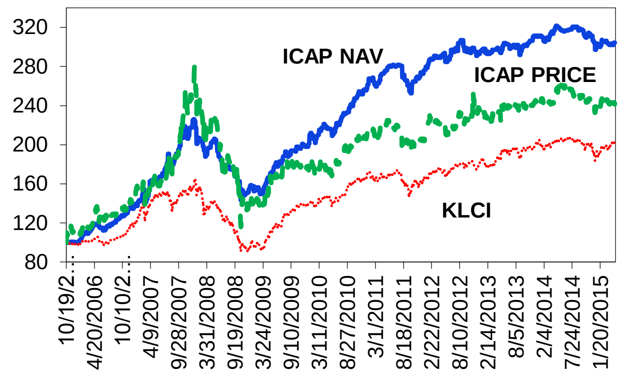
icapital.biz Berhad is a RM140 million Closed-end Fund, listed on the Main Board of Bursa Malaysia in 2005. The fund is managed by Capital Dynamics Asset Management Sdn Bhd and advised by Capital Dynamics Sdn Bhd. It is currently the only listed closed-end fund in Malaysia.

**FUND FACTS**

| | |
|---|---|
| NAV (as at 22 Apr 2015) | RM2.94 |
| Share Price | RM2.34 |
| Premium(+)/ Discount(-) | -20.41% |
| KLCI | 1,854.77 |
| Fund Manager | Capital Dynamics Asset Management Sdn Bhd |
| Paid-up Capital | 140 million shares |
| Listed on | Bursa Malaysia's Main Market |
| Structure | Closed-end |

INCEPTION DATE - 19 OCTOBER 2005

**ICAP CUMULATIVE PERFORMANCE IN MYR**
(19 OCT 2005 TO 22 APR 2015)




KLCI = Kuala Lumpur Composite Index

**RECENT PERFORMANCE**

| | 22-Mar 2015 | 22-Apr 2015 | % Change |
|---|---|---|---|
| **ICAP NAV(RM)** | **2.92** | **2.94** | **0.68** |
| **ICAP PRICE (RM)** | **2.34** | **2.34** | **0.00** |
| KLCI (RM) | 1,803.65 | 1,854.77 | 2.83 |

**TOTAL RETURN, FROM INCEPTION**

| Since inception (%) | Annual compound return (%) |
|---|---|
| **204.24** | **12.41** |
| **141.19** | **9.70** |
| 102.89 | 7.72 |

**Special Dividend of 9.5 sen per share less Income Tax of 25% for the financial year ended 31 May 2013 is deducted from NAV and share price as at 17th September 2013.*
*NOTE: % change and Total Returns are calculated based on the announced figures plus the dividend paid.*

# Enquiries

**ICIVF**
For enquiries on the ***i* Capital International Value Fund**, please email your enquiries to **info@capitaldynamics.com.au** or call our Sydney office at (+61) 2 9262 2621/16/36.

**ICGF**
For enquiries on the ***i* Capital Global Fund**, contact our office in Singapore via email to **cdpl.Info@icapital.biz** or call us at (02) 6224 8055.

**ICAP**
Call your broker for investing in the **icapital.biz Berhad**. Alternatively contact us at **cdam@cdam.biz** or call us at (603) 2070 2106 – 08.