

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2026

	UNAUDITED AS AT 31/08/2026 RM'000	AUDITED AS AT 31/05/2026 RM'000
ASSETS		
Non-current assets		
Investments (Note 1)	529,264	517,247
Current assets		
Other receivables and prepayments	2,086	2,334
Current tax assets	268	220
Fixed deposits with licensed institutions	76,364	76,675
Bank balances	10,320	10,057
	89,038	89,286
TOTAL ASSETS	618,302	606,533
EQUITY AND LIABILITIES		
Equity		
Share capital	143,026	143,026
Fair value reserves	225,131	207,173
Retained profits	249,411	255,650
Total equity attributable to owners of the Company	617,568	605,849
Current liabilities		
Other payables and accruals	734	684
TOTAL LIABILITIES	734	684
TOTAL EQUITY AND LIABILITIES	618,302	606,533
Net asset value per share (RM) (Note 2)	4.38	4.30

Notes:-

- Investments shown here as at 31 August 2026 are taken at market value.
- The net asset value per share of the Company is calculated based on the net assets at the end of the reporting period of RM617,567,599 (31.05.2026 : RM605,848,801) divided by the number of shares in issue at the end of the reporting period of 141,036,359 (31.05.2026 : 141,036,359).

(The Condensed Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2026)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR TO DATE ENDED 31 AUGUST 2026

	INDIVIDUAL QUARTER*		CUMULATIVE QUARTER**	
	CURRENT YEAR QUARTER 31/08/2026 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2025 RM'000	CURRENT YEAR TO DATE 31/08/2026 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2025 RM'000
Revenue (Note B2)	3,102	3,212	3,102	3,212
Operating expenses (Note B2)				
- Professional fees and other operating expenses	(2,963)	(2,270)	(2,963)	(2,270)
Profit before taxation	139	942	139	942
Taxation (Note B6)	(94)	(209)	(94)	(209)
Profit after taxation	45	733	45	733
Earnings per share (sen)				
- Basic (Note B11)	0.03	0.52	0.03	0.52
- Diluted (Note B11)	0.03	0.52	0.03	0.52

* 1st Quarter

** For the 3 months of the financial year

(The Condensed Statement of Profit or Loss should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2026)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 AUGUST 2026

	INDIVIDUAL QUARTER*		CUMULATIVE QUARTER**	
	CURRENT YEAR QUARTER 31/08/2026 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2025 RM'000	CURRENT YEAR TO DATE 31/08/2026 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2025 RM'000
Profit for the period	45	733	45	733
Other comprehensive income:				
Items that may be recycled to Retained Profits:				
Net fair value changes in investments	11,674	22,199	11,674	22,199
Total comprehensive income for the period	11,719	22,932	11,719	22,932

*1st Quarter

** For the 3 months of the financial year

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2026)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2026

	<i>Non-distributable</i>		<i>Distributable</i>	
	Share	FVOCI	Retained	Total
	Capital	Reserve	Profits	Equity
	RM'000	RM'000	RM'000	RM'000
At 31.05.2025/ 01.06.2025	143,026	88,952	282,747	514,725
Profit after taxation	-	-	733	733
Other comprehensive income:				
-Fair value changes of equity instruments	-	22,199	-	22,199
Total comprehensive income for the period	-	22,199	733	22,932
Transfer to retained profits arising from disposal of Investments	-	(689)	689	-
Transactions with owners of the Company:				
-Interim dividend declared	-	-	(19,096)	(19,096)
At 31.08.2025	143,026	110,462	265,073	518,561
At 31.05.2026/ 01.06.2026	143,026	207,173	255,650	605,849
Profit after taxation	-	-	45	45
Other comprehensive income:				
-Fair value changes of equity instruments	-	11,674	-	11,674
Total comprehensive income for the period	-	11,674	45	11,719
Transfer to retained profits arising from disposal of investments	-	6,284	(6,284)	-
Transactions with owners of the Company:				
-Interim dividend declared	-	-	-	-
At 31.08.2026	143,026	225,131	249,411	617,568

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2026)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2026

	3 MONTHS ENDED 31/08/2026 RM'000	3 MONTHS ENDED 31/08/2025 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	139	942
Decrease in other receivables, deposit and prepayments	248	135
Increase in other payables and accruals	50	8
Proceeds from disposal of quoted investments	1,822	2,428
Purchase of quoted investments	(2,165)	-
CASH FROM OPERATIONS	94	3,513
Income tax paid	(142)	(158)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(48)	3,355
CASH FLOWS FOR INVESTING ACTIVITY		
Withdrawal of fixed deposits with tenure more than 3 months	-	20,867
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(48)	24,222
CASH AND CASH EQUIVALENTS AS AT 1 JUNE	86,732	24,828
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	86,684	49,050
 Cash and cash equivalents comprise the following:-		
Fixed deposits with licensed institutions	76,364	129,217
Bank balances	10,320	6,900
	86,684	136,117
Less:-		
Fixed deposits with tenure of more than 3 months	-	(87,067)
	86,684	49,050

(The Condensed Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2026)

PART A - EXPLANATORY NOTES

A1 Basis of preparation

This Condensed Report should be read in conjunction with the audited financial statements of the Fund for the financial year ended 31 May 2026. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Fund since the financial year ended 31 May 2026.

The financial statements of the Fund have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Adoption of Amendments to MFRSs

In the current financial year, the Fund has adopted all the Amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual financial periods beginning on or after 1 June 2025:

- Amendments to MFRS 121 *The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability*

The adoption of the above Amendments to MFRS did not have any material impact on the amounts reported in the financial statements of the Fund in the current financial year and previous financial years.

New Standards and Amendments to MFRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new MFRS and Amendments to MFRSs that are relevant to the Fund's operation which were in issue but not yet effective and not early adopted by the Fund are as listed below:

Effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments Disclosures*
- Annual Improvements to MFRS Accounting Standards – Volume 11

Effective for annual periods beginning on or after 1 January 2027

- MFRS 18 *Presentation and Disclosure in Financial Statements*
- Amendments to MFRS 121 *The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability: Translation to a Hyperinflationary Presentation Currency*

The directors anticipate that abovementioned new MFRS and Amendments to MFRSs will be adopted in the annual financial statements of the Fund when they become effective and that the adoption of these new MFRS and Amendments to MFRS is not expected to have material impact on the financial statements of the Fund in the year of initial application, except as further discussed below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 Presentation and Disclosure in Financial Statements will replace MFRS 101 Presentation of Financial Statements upon its adoption. This new Standard introduces new requirements to improve the Fund's reporting of financial performance:

- present specified categories and defined subtotals in the statements of profit or loss
- provide disclosures on management-defined performance measures in the notes to financial statements
- improve aggregation and disaggregation

MFRS 18 requires retrospective application with specific transition provisions. The adoption of MFRS 18 may have impact on the financial statements of the Fund in the period of initial application. However, it is not practicable to provide a reasonable estimate of these effects of the adoption of the said MFRS 18 until the Fund undertakes a detailed review.

A2 Material accounting policy information

The material accounting policy information set out below have been applied consistently to the periods presented in these financial statements by the Fund, unless otherwise stated.

Basis of Accounting

The financial statements of the Fund have been prepared under the historical cost convention unless otherwise stated in the significant accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Partnership takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value-in-use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Revenue

(a) Dividend Income

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

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A2 Material accounting policy information (con't)

Financial assets - classification and measurement

(i) Classification of financial assets

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Fund's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the Fund can make an irrevocable election at the time of initial recognition to account for the equity investment either at fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL").

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expenses in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest ("SPPI").

Changes in the fair value of financial assets at FVTPL are recognised in other income/(losses) in profit or loss as applicable.

Impairment of financial assets

The Fund assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

The Fund applies the simplified approach under MFRS 9 which requires expected lifetime loss to be recognised from initial recognition. The expected loss allowance is based on provisional matrix.

A2 Material accounting policy information (con't)

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(a) Other financial liabilities

The Fund's other financial liabilities include payables.

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Income Taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Equity

(a) Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Net Asset Value Per Ordinary Share

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

Cash And Cash Equivalents

The Fund adopts the indirect method in the preparation of the statement of cash flows.

Cash and cash equivalents comprise cash and bank balances and deposits placed with licensed banks which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents are presented net of fixed deposits with tenure of more than 3 months.

A2 Material accounting policy information (con't)

Critical accounting judgements and key sources of estimation uncertainty

(a) Critical judgement in applying the Fund's accounting policies

In the process of applying the Fund's accounting policies, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

A3 Auditors' opinion on preceding annual financial statements

The Company's Financial Statements for the financial year ended 31 May 2026 were not qualified by the auditors.

A4 Seasonality or cyclical of operations

As the Company is a closed-end fund, it is dependent on the performance of the companies in which it has invested.

A5 Individually significant items

There are no significant items affecting the assets, liabilities, equity, net income or cash flows during the current quarter.

A6 Changes in estimates

There were no significant changes in estimates that have a material effect on the current quarter-to-date.

A7 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

A8 Dividend paid

There was no dividend paid during the current quarter-to-date.

A9 Segmental reporting

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

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

A10 Valuations of property, plant and equipment

No valuation was carried out as the Company does not have any property, plant and equipment.

A11 Subsequent event

There were no material events subsequent to the end of the interim period reported that have not been reflected in the financial statements for the said period.

A12 Changes in the composition of the Company

There were no changes in the composition of the Company during the current quarter-to-date.

A13 Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets pending as at 31 August 2026.

A14 Significant related party transactions

The Company has a related party transaction ("RPT") with Capital Dynamics Asset Management Sdn Bhd ("CDAM"), the Fund Manager of the Company.

In accordance with the requirements in the MMLR, which took effect on 27 January 2015, the provision of investment advisory services by Capital Dynamics Sdn Bhd ("CDSB") to the Fund is regarded as a RPT. CDSB is regarded as a related party because it is a person connected with Capital Dynamics Global Private Limited who is a major shareholder of CDAM.

The amounts transacted with CDAM and CDSB during the current quarter and cumulative quarter to-date are as follows:-

	Current Quarter Ended		Cumulative Quarter Ended	
	31/08/2026	31/08/2025	31/08/2026	31/08/2025
	RM'000	RM'000	RM'000	RM'000
Fund management fees - CDAM	1,071	962	1,071	962
Investment advisory fees - CDSB	1,071	962	1,071	962

A15 Significant events during the financial year

Further to the latest announcement on 18 August 2026, the Board wishes to update that a Motion to amend the original leave questions has been filed to the Federal Court on 1 September 2026. During the case management on 7 September 2026, the Respondent informed the Court that it had no objection to the proposed amendments to the original leave questions.

Accordingly, the Court fixed 17 November 2026 for the parties to record a consent order and thereafter proceed with the substantive hearing of the leave applications based on the amended leave questions. The deadline for filing the written submissions remains unchanged.

The next case management is fixed for 3 November 2026 to monitor the filing of the parties' written submissions.

The Fund will make further announcements on the developments of the above matter as and when necessary.

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B1 Statement of Investment Portfolio (Para 9.40)

	Description of Investment	Industry	Shares (unit)	Fair Value (RM)	Fair Value as a Percentage of Net Assets (%)
Long-Term Investments					
Malaysia -100%					
1	APM Automotive Holdings Berhad	Industrial Products & Services	4,697,800	14,093,400	2.28%
2	AirAsia X Berhad	Consumer Products & Services	17,012,700	13,525,097	2.19%
3	Aemulus Holdings	Technology	10,500,200	4,252,581	0.69%
4	Bioalpha Holdings Berhad	Consumer Products & Services	35,556,840	355,568	0.06%
5	Capital A Berhad	Consumer Products & Services	48,000,000	16,320,000	2.64%
6	Capital A Berhad - RCUIDS	Consumer Products & Services	186,100	219,598	0.04%
7	Capital A Berhad - Warrants	Consumer Products & Services	4,880,366	707,653	0.11%
8	Coraza Integrated Technology Berhad	Technology	2,543,300	2,950,228	0.48%
9	CPE Technology Berhad	Technology	2,932,100	3,547,841	0.57%
10	Dufu Technology Corp. Berhad	Technology	7,571,100	20,441,970	3.31%
11	Edeltec Holdings Berhad	Technology	39,277,963	13,943,677	2.26%
12	Edeltec Holdings Berhad - Warrants	Technology	19,638,981	2,553,068	0.41%
13	Fraser & Neave Holdings Berhad	Consumer Products & Services	1,061,100	27,036,828	4.38%
14	Hibiscus Petroleum Berhad	Consumer Products & Services	9,172,080	18,802,764	3.04%
15	HPMT Holdings Berhad	Oil & Gas Producers	1,802,700	351,526	0.06%
16	Kelington Group Berhad	Industrial Products & Services	16,214,700	149,175,240	24.15%
17	MI Technovation Berhad	Technology	5,323,700	32,634,281	5.28%
18	Notion Vtec Berhad	Industrial Products & Services	4,258,200	2,235,555	0.36%
19	OCK Group Berhad	Telecommunications Service Providers	6,159,900	2,679,556	0.43%
20	Padini Holdings Berhad	Consumer Products & Services	25,510,050	30,612,060	4.96%
21	Parkson Holdings Berhad	Consumer Products & Services	22,942,298	4,359,037	0.71%
22	Sam Engineering & Equipment (M) Berhad	Industrial Products & Services	18,154,400	82,239,432	13.32%
23	Shangri-La Hotels (M) Berhad	Consumer Products & Services	900,000	1,449,000	0.23%
24	Suria Capital Holdings Berhad	Transportation & Logistics	11,894,380	14,511,144	2.35%
25	Tong Herr Resources Berhad	Industrial Products & Services	1,888,100	4,512,559	0.73%
26	United Plantations Berhad	Plantation	1,561,200	49,864,728	8.07%
27	Unisem (M) Berhad	Technology	3,570,600	15,889,170	2.57%
	Total Investments		323,210,858	529,263,561	85.68%

B2 Review of performance (Para 9.40)

For the three months ended 31 August 2026, the Company recorded a profit before tax of RM0.14 million, compared with profit before tax of RM0.94 million in the preceding year ended 31 August 2025.

As shown in the following table, the decrease of profit before tax for the three months ended 31 August 2026 was mainly due to lower interest received and higher operating expenses.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/08/2026 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2025 RM'000	CURRENT YEAR TO DATE 31/08/2026 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2025 RM'000
Revenue Consist of:-				
Interest income	618	1,083	618	1,083
Dividend income	2,484	2,129	2,484	2,129
	<u>3,102</u>	<u>3,212</u>	<u>3,102</u>	<u>3,212</u>
Operating Expenses Consist of:-				
Professional fees and other operating expenses	(2,963)	(2,270)	(2,963)	(2,270)
Profit before taxation	139	942	139	942
Taxation	(94)	(209)	(94)	(209)
Profit after taxation	45	733	45	733
Other comprehensive income:				
Net fair value changes in investments	11,674	22,199	11,674	22,199
Total comprehensive income for the period	<u>11,719</u>	<u>22,932</u>	<u>11,719</u>	<u>22,932</u>

As the Company is a closed-end fund, a better indication of its performance would be the movement of its Net Assets Value ("NAV"). The Company's NAV increased by 19.10% to RM617.58 million as at 31 August 2026 compared with RM518.56 million as at 31 August 2025 mainly due to increase in net fair value changes in investments. This resulted in a increase of NAV per share as at 31 August 2026 to RM4.38, compared with NAV per share of RM3.68 as at 31 August 2025.

	31/08/2026 RM	31/08/2025 RM
Total Net Asset Value	617,567,599	518,560,885
Net Asset Value per share	4.38	3.68
Share Price	2.51	2.70

B3 Comparison with immediate preceding quarter's results

In the first quarter ended 31 August 2026, the Company recorded a profit before tax of RM0.14 million, compared to RM1.75 million of profit before tax in the immediate preceding quarter. The Company's NAV per share as at 31 August 2026 was RM4.38 compared to RM4.30 in the immediate preceding quarter.

The following items are not applicable to the Company:-

- (a) Interest expense;
- (b) Depreciation and amortization;
- (c) Provision for and write off of receivables;
- (d) Provision for and write off of inventories;
- (e) Gain or loss on disposal of unquoted investments or properties;
- (f) Foreign exchange gain or loss;
- (g) Gain or loss on derivatives; and
- (h) Exceptional items (with details).

B4 Commentary by Fund Manager – Prospects Para (9.40)

For top-down/market-timing investors – please read this section.

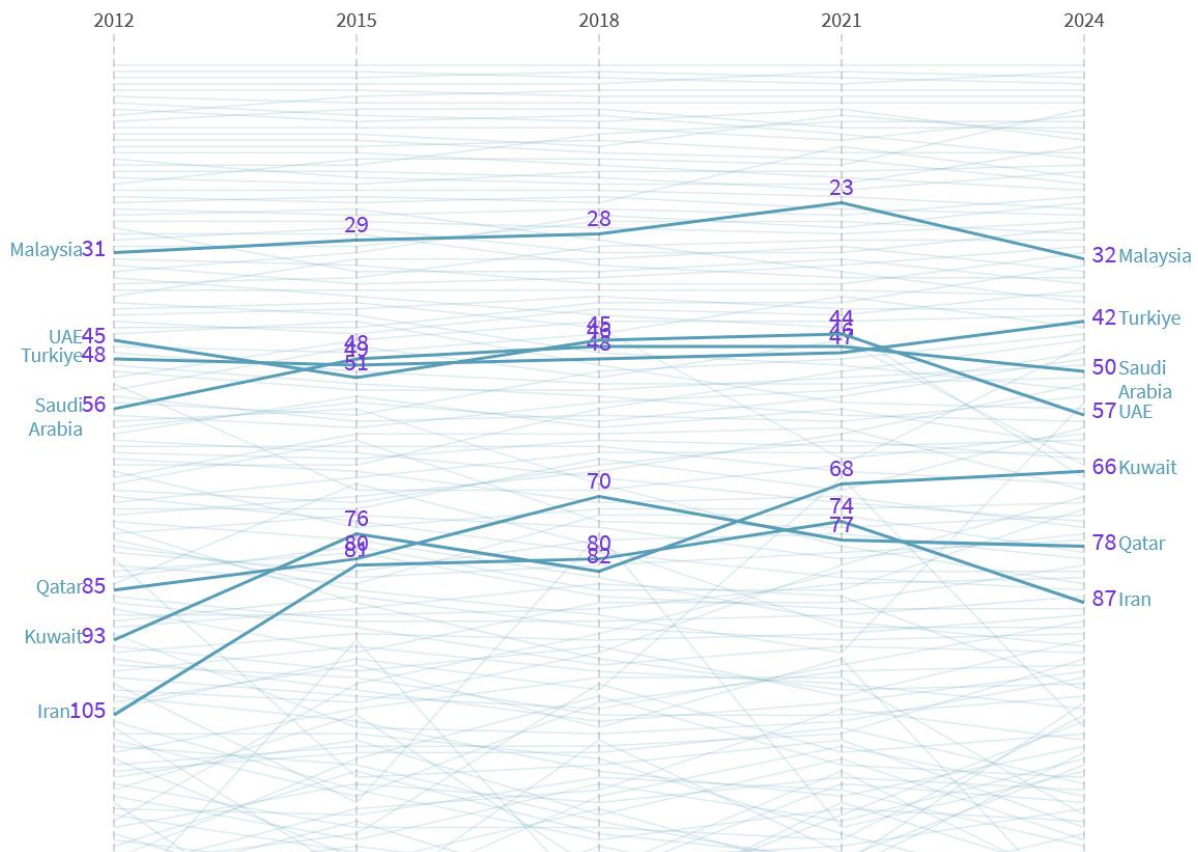
Malaysia's Multi-racial Strength

Malaysia has retained her position as the world's leading Islamic economy, topping the Global Islamic Economy Indicator (GIEI) in the State of the Global Islamic Economy Report 2025/26. The report by DinarStandard ranked Malaysia first overall. Malaysia was ranked ahead of the United Arab Emirates, Saudi Arabia, Indonesia and Bahrain and others in the overall GIEI standings (<https://www.businesstoday.com.my/2026/06/03/malaysia-ranks-top-in-global-islamic-economy-25-26-report/>). This recognition, albeit admirable, failed to recognise Malaysia's greater achievement as an Islamic economy.

A country's economic complexity depends not only on how many products it makes, but also on its underlying know-how and capabilities. Complexity also takes into account the sophistication and diversity of products made by peers. In short, economic complexity summarises the breadth and sophistication of the productive capabilities embedded in a country's exports and economic structure.

The Economic Complexity Index (ECI) has been shown to explain differences in income levels across countries and to predict future economic growth better than most single indicators. The higher the ECI, the more successful the country is.

Malaysia's ECI is way above all the other Islamic countries (figure 1), including Turkiye, Saudi Arabia, Iran, etc. In fact, Malaysia has the highest ECI ranking amongst all Islamic countries. Malaysia is just one rank below Spain in ECI, a remarkable success. The key question is why?



<https://atlas.hks.harvard.edu/rankings/>

The most important strength of Malaysia is her remarkable multi-racial, multi-religious, and multi-cultural society. As at 3rd quarter of 2025, the Malay community makes up around 58% of Malaysia's total population. The other communities make up the rest 42%, with the Chinese community forming a still significant 22.2% of the nation's total. Indians, Ibans, Kadazans and many more communities form the balance of this blessed country. Malaysian politicians who short-sightedly campaign for race-religion unity have got the fundamental issue wrong; they should actually campaign for national unity.

The other important reason why Malaysia is so successful is because of her semiconductor strength. Thanks to visionary Dr Lim Chong Eu, no other Islamic country in the whole world comes near Malaysia in terms of her global semiconductor capabilities. Again, Malaysia's semiconductor strength traces back to her multi-racial, multi-religious, and multi-cultural structure.

As with all things in life, it is very easy to destroy but very hard to build. We just need a few influential myopic politicians as leaders and before you know it, Malaysia will be another decapacitated struggling economy. To these people, do not take Malaysia's multi-racial, multi-religious, and multi-cultural strength for granted. Do not gamble away Malaysia's promising future.

Built upon the 2024 National Semiconductor Strategy (NSS) launched by prime minister Anwar, semiconductors, high technology and AI will become key pillars of Malaysia's future economic development. In contrast, Malaysia's 4th, 5th, 6th, 7th, 8th and 9th prime ministers neglected the most important industry in the world, an industry where more than 1,000 Malaysians from various states queue in the hot sun from 5.00 am on 11 July 2026 to get a job at Infineon Technologies Malacca. As Malaysia progresses, she will pull ahead of the other Islamic countries and the gap will widen. With the NSS at the core, Malaysia has an excellent chance of becoming the first developed Islamic economy in the world.

For long term value investors – please read this section.

icapital.biz Berhad is a Malaysia-focused fund, with an objective of long-term capital appreciation based on the Bamboo value investing philosophy of Capital Dynamics. icapital.biz Berhad is not allowed to sell short, invest in derivatives or undertake any borrowings.

AI & Value Investing

In my view, AI is not just a disruption or an invention. AI is a revolution, a real one. Think industrial revolution, think French or Russian revolution. On 7 April 2007, this is what I said about AI:

“Computers (are) birth of artificial intelligence. Unlike other inventions, for the first time in human history, the Internet allows an interaction of natural intelligence with artificial intelligence on a global scale – this is what makes its impact so dynamic, so powerful and so open-ended.”

It is still early days in this revolution. With its impact “open-ended”, what will happen to value investing? More pertinently, will value investors need to change their strategies in the age of AI?

The Bamboo value investing philosophy of Capital Dynamics serves us well. To recapitulate: a good way to understand this eclectic value investing philosophy is to use the analogy of the bamboo.

The bamboo has tensile strength greater than steel and can withstand compression better than concrete. Such attributes of bamboo are essential in keeping the plant, which can grow up to 60 metres in height but is only as wide at the base as the very top, from falling over and making it to be able to bend in the wind without breaking. The bamboo has superb environmental qualities, which are largely based on the sustainability merits of the plant.

As we adapt and modify in the world of AI, one thing remains certain. Ben Graham said: “Investing in a stock market is most intelligent when it is most business-like”. I would add that understanding what a business is worth remains fundamental even in the age of AI.

B5 Financial forecast / profit guarantee

The Company has not given any financial forecast or profit guarantee for the period.

B6 Taxation

	Current Quarter Ended		Cumulative Quarter Ended	
	31/08/2026	31/08/2025	31/08/2026	31/08/2025
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- for the period	94	209	94	209
Tax expense	94	209	94	209

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

	Current Quarter Ended		Cumulative Quarter Ended	
	31/08/2026	31/08/2025	31/08/2026	31/08/2025
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	139	942	139	942
Tax at the statutory rate of 24%	33	226	33	226
Tax effects of:-				
Tax-exempt dividends	-	(14)	-	(14)
Single tier dividends	(596)	(496)	(596)	(496)
Non-deductible expenses	657	493	657	493
Tax expense	94	209	94	209

B7 Status of corporate proposals

There was no corporate proposal announced during the current quarter or the current financial quarter-to-date.

B8 Borrowings and debt securities

There were no group borrowings and debt securities outstanding as at the end of the reporting period.

B9 Changes in material litigation

Except as noted in Note A15(a), there was no material litigation pending as at 31 August 2026.

B10 Dividend

The Directors did not declare any dividend for the current quarter ended 31 August 2026.

B11 Earnings per share

a) Basic Earnings Per Share

The basic earnings per share for the current quarter under review and cumulative quarter ended are computed as follows: -

	Current Quarter Ended	Cumulative Quarter Ended
	31/08/2026	31/08/2026
	RM'000	RM'000
Profit after taxation	45	45
Number ordinary share capital in issue at RM1.00 each	141,036	141,036
Basic earnings per share (sen)	0.03	0.03

B11 Earnings per share (con't)

b) Diluted Earnings Per Share

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

B12 Net asset value

The net asset value per share is calculated in accordance with the Securities Commission Malaysia's Guidelines for Public Offerings of Securities of Closed-end Funds.

B13 Investments

As at 31 August 2026, the Company did not have any investments in:-

- (1) securities listed on other stock exchanges;
- (2) other investment vehicles;
- (3) securities of unlisted companies; and
- (4) derivatives other than warrants, transferable subscriptions rights and convertible loan stocks.

B14 Soft Commission

The manager or their delegates have not received any soft commission during the year under review from its brokers/dealers by virtue of transaction conducted for the closed-end fund.

BY ORDER OF THE BOARD

Tai Yit Chan (MAICSA No.7009143) (SSM PC No.: 202008001023)

SECRETARY