

ICAPITAL.BIZ BERHAD (674900-X)
CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31ST AUGUST 2012

	UNAUDITED AS AT 31/08/2012 RM'000	AUDITED AS AT 31/05/2012 RM'000
ASSETS		
Non-current assets		
Investments (Note 1)	281,374	262,658
Current assets		
Other receivables and deposits	1,380	3,253
Current tax assets	-	376
Short term deposits	138,462	133,571
Cash and bank balances	139	164
	<u>139,981</u>	<u>137,364</u>
TOTAL ASSETS	<u>421,355</u>	<u>400,022</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Fair value adjustment reserve	156,441	137,725
Unappropriated profit	124,589	122,034
Total equity attributable to holders of the Company	<u>421,030</u>	<u>399,759</u>
Current liabilities		
Other payables and accruals	262	263
Current tax liabilities	63	-
	<u>325</u>	<u>263</u>
TOTAL EQUITY AND LIABILITIES	<u>421,355</u>	<u>400,022</u>
Net assets per share (RM) (Note 2)	3.01	2.86
Net asset value per share (RM) (Note 2)	3.01	2.86

Notes:

- Investments shown here as at 30 August 2012 are taken at market value.
- The net assets per share/net asset value per share of the Company is calculated based on the net assets at the end of the reporting period of RM421,030,273 (2012 - RM399,759,197) divided by the number of shares in issue at the end of the reporting period of 140,000,000 (2012 - 140,000,000).

ICAPITAL.BIZ BERHAD (674900-X)
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31ST AUGUST 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/08/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2011 RM'000	CURRENT YEAR TO DATE 31/08/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2011 RM'000
Revenue (Note B1)	5,179	9,205	5,179	9,205
Operating expenses (Note B2)	(1,610)	(1,511)	(1,610)	(1,511)
Profit from operations	3,569	7,694	3,569	7,694
Finance cost	-	-	-	-
Profit before taxation	3,569	7,694	3,569	7,694
Taxation	(1,014)	(984)	(1,014)	(984)
Profit for the period	2,555	6,710	2,555	6,710
Other comprehensive income:				
Net fair value changes in available-for-sale investments	18,716	(27,407)	18,716	(27,407)
Total comprehensive income for the period	21,271	(20,697)	21,271	(20,697)
Earnings per share (sen)				
- Basic	1.82	4.79	1.82	4.79
- Diluted	N/A	N/A	N/A	N/A

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 May 2012)

ICAPITAL.BIZ BERHAD (674900-X)
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31ST AUGUST 2012

	Share Capital RM'000	Fair Value Adjustment Reserve RM'000	Unappropriated Profit RM'000	Total Equity RM'000
At 01.06.2012	140,000	137,725	122,034	399,759
Total comprehensive income for the period	-	18,716	2,555	21,271
At 31.08.2012	140,000	156,441	124,589	421,030
At 01.06.2011	140,000	141,927	106,303	388,230
Total comprehensive income for the period	-	(27,407)	6,710	(20,697)
At 31.08.2011	140,000	114,520	113,013	367,533

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2012)

ICAPITAL.BIZ BERHAD (674900-X)
CONDENSED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31ST AUGUST 2012

	3 MONTHS ENDED 31/08/2012 RM'000	3 MONTHS ENDED 31/08/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before working capital changes	3,569	7,694
Changes in working capital		
Purchase of investments - net	-	1,491
Other receivable and deposits	1,873	706
Other payables and accruals	(1)	(419)
CASH GENERATED FROM OPERATIONS	5,441	9,472
Taxes paid	(575)	(804)
Net cash generated from operating activities	<u>4,866</u>	<u>8,668</u>
CASH FLOWS GENERATED FROM INVESTING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,866	8,668
CASH AND CASH EQUIVALENTS AT 1 JUNE	133,735	115,908
CASH AND CASH EQUIVALENTS AT 31 AUGUST	<u>138,601</u>	<u>124,576</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	139	314
Deposits with licensed financial institutions	138,462	124,262
	<u>138,601</u>	<u>124,576</u>
	-	-

(The Condensed Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 May 2012)

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2012

NOTES TO THE INTERIM FINANCIAL REPORT

PART A - EXPLANATORY NOTES

A1 Basis of preparation

The financial report of icapital.biz Berhad ("the Company" or "the Fund") is prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The figures have not been audited. The financial report should be read in conjunction with the audited financial statements for the year ended 31 May 2012.

The financial reports of the Company are prepared under the historical cost convention, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

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

FRSs and IC Interpretations (Including the Consequential Amendments)

FRS 1 (Revised) First-time Adoption of Financial Reporting Standards

FRS 3 (Revised) Business Combinations

FRS 127 (Revised) Consolidated and Separate Financial Statements

Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1 (Revised): Additional Exemptions for First-time Adopters

Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)

IC Interpretation 4 Determining Whether An Arrangement Contains a Lease

IC Interpretation 12 Service Concession Arrangements

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 Distributions of Non-cash Assets to Owners

IC Interpretation 18 Transfers of Assets from Customers

Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)

Annual Improvement to FRSs (2010)

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2012

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation (Cont'd)

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

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

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

FRSs and IC Interpretations (Including the Consequential Amendments)	Effective date
FRS 9 Financial Instruments	1 January 2015
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 127 (2011) Separate Financial Statements	1 January 2013
FRS 128 (2011) Investments in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1 (Revised): Government Loans	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2012

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation (Cont'd)

(b)	FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
	Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income	1 July 2012
	Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
	IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
	The Company's next set of financial statements for the annual period beginning on 1 June 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRS"). As a result, the Company will not be adopting the above accounting standards and interpretations (including the consequential amendments) that are effective for annual periods beginning on or after 1 June 2012.	

A2 Auditors' opinion on preceding annual financial statements

The Company's Financial Statements for the financial year ended 31 May 2012 were not qualified by the auditors.

A3 Seasonality or cyclicity of operations

As the Company is a closed-end fund, it is dependent on the performance of the companies in which it has invested. In general, therefore, there is no seasonality or cyclicity of operations.

A4 Individually significant items

There are no significant items affecting the assets, liabilities, equity, net income or cash flows during the current financial year-to-date.

A5 Changes in estimates

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

A6 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.

A7 Dividend paid

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

A8 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.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2012

NOTES TO THE INTERIM FINANCIAL REPORT

A9 Valuations of property, plant and equipment

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

A10 Subsequent event

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

A11 Changes in the composition of the Company

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

A12 Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets pending as at the date of this report.

A13 Significant related party transactions

The Company has a related party relationship with Capital Dynamics Asset Management Sdn Bhd ("CDAM"), the Fund Manager of the Company. The Director of the Company, YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya, is a director and substantial shareholder of CDAM.

The amount transacted with CDAM during the current quarter and cumulative year to-date is as follows:

	Current Quarter Ended		Cumulative Quarter Ended	
	31/08/2012	31/08/2011	31/08/2012	31/08/2011
	RM'000	RM'000	RM'000	RM'000
Fund management fees	<u>769</u>	<u>723</u>	<u>769</u>	<u>723</u>

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2012

NOTES TO THE INTERIM FINANCIAL REPORT

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of performance

For the three months ended 31 August 2012, the Company recorded a profit before tax of RM3.569 million, compared with a profit before tax of RM7.694 million in the corresponding period of last year.

The lower profit before tax is mainly due to lower revenue as shown in the following table :

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.08.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.08.2011 RM'000	CURRENT YEAR TO DATE 31.08.2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.08.2011 RM'000
1. Revenue Consist of :				
INTEREST				
Interest amount	977	919	977	919
DIVIDEND INCOME				
Dividend received	4,202	4,110	4,202	4,110
GAIN/(LOSS) ON DISPOSAL OF QUOTED INVESTMENT				
Gain on disposal of securities	-	4,176	-	4,176
	<u>5,179</u>	<u>9,205</u>	<u>5,179</u>	<u>9,205</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 NAV per share as at 31 August 2012 was RM3.01, compared with NAV per share of RM2.86 as at 31 May 2012.

In the first quarter ended 31 August 2012, the Company's NAV increased by 5.2% from 31 May 2012.

NOTES TO THE INTERIM FINANCIAL REPORT

B2 Comparison with immediate preceding quarter's results

In the first quarter ended 31 August 2012, the Company recorded a profit after tax of RM2.555 million, compared with RM1.709 million in the preceding quarter. The difference between the two quarters' performance is due mainly to lower operating expenses and higher investment income on dividend received. For the current quarter, the revenue and operating expenses were RM5.179 million and RM1.610 million respectively, compared with RM4.586 million and RM2.589 million for the preceding quarter.

The NAV per share increased by 5.2% in the first quarter ended 31 August 2012 to RM3.01, compared with the preceding quarter of RM2.86.

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) Impairment of assets;
- (g) Foreign exchange gain or loss;
- (h) Gain or loss on derivatives; and
- (i) Exceptional items (with details).

B3 Current year prospects commentary by Fund Manager

As the global economy is once again heading for a synchronised slowdown, Malaysia's economy has so far been expanding at quite a decent pace. In fact, in the 2nd quarter of 2012, the headline GDP growth rate was even able to expand at a faster pace. The two main contributors to this better performance came from public consumption and investment. On the worrying side, external demand was weak and together with strong import demand, Malaysia's trade surplus fell substantially. The federal government deficit also widened to 3.4% of GDP in 2Q 2012. These naturally lead investors to question the long-term sustainability of Malaysia's recent economic resilience. The answers to this fundamental question, however, can only be better ascertained after the impending election is completed. Why?

The Malaysian economy is in serious need of further structural reforms. Whether and how this will be tackled will depend on the next administration's economic policies. One could even ask whether this will be the priority of the next administration. The Malaysian economy is like a sleeping giant with vast latent human talent and still a fair amount of natural resources. With the right economic policies, the immense potential of Malaysia will be unleashed and there is really no reason then why Malaysia would not be ahead of her successful Asian neighbours. For now, we wait, hopefully not in vain.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2012

NOTES TO THE INTERIM FINANCIAL REPORT

B4 Profit forecast / guarantee

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

B5 Taxation

	Current Quarter Ended		Cumulative Quarter Ended	
	31/08/2012	31/08/2011	31/08/2012	31/08/2011
	RM'000	RM'000	RM'000	RM'000
Current tax expense	1,014	984	1,014	984

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	
	31/08/2012	31/08/2011	31/08/2012	31/08/2011
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	3,569	7,694	3,569	7,694
Tax at the statutory rate of 25%	892	1,924	892	1,924
Tax effects of				
Non-taxable income	-	(1,044)	-	(1,044)
Tax-exempt dividends	(223)	(255)	(223)	(255)
Non-deductible expenses	345	359	345	359
Tax for the financial period	1,014	984	1,014	984

B6 Status of corporate proposals

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

B7 Borrowings and debt securities

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

B8 Changes in material litigation

There was no material litigation pending as at the date of this report.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2012

NOTES TO THE INTERIM FINANCIAL REPORT

B9 Dividend

The Directors did not declare any dividend for the current quarter ended 31 August 2012.

B10 Earnings per share

a) Basic earnings per share

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

	Current Quarter Ended 31/08/2012 RM'000	Cumulative To-Date Ended 31/08/2012 RM'000
Profit after tax (RM'000)	2,555	2,555
No. of ordinary share capital in issue during the current quarter/current year to-date ('000 of shares of RM1.00 each)	140,000	140,000
Basic earnings per share (sen)	1.82	1.82

b) Diluted earnings per share

There are no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the current quarter.

B11 Net asset value

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

B12 Investments

As at 31 August 2012, 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.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2012

NOTES TO THE INTERIM FINANCIAL REPORT

B13 Realised and unrealised profits.

The breakdown of the retained profits of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with directive issued by Bursa Malaysia Securities Berhad dated 20 December 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	As at 31/08/2012 RM'000	As at 31/05/2012 RM'000
Total retained profits of the Company		
Realised	124,589	122,034
Unrealised	-	-
Total retained profits as per statement of financial position	<u>124,589</u>	<u>122,034</u>

BY ORDER OF THE BOARD
KUAN HUI FANG (MIA 16876)
THAM WAI YING (MAICSA 7016123)

SECRETARIES

Kuala Lumpur
Date: 19 September 2012