

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
 CONDENSED STATEMENT OF FINANCIAL POSITION
 AS AT 31 AUGUST 2021

	UNAUDITED AS AT 31/08/2021 RM'000	AUDITED AS AT 31/05/2021 RM'000
ASSETS		
Non-current assets		
Investments (Note 1)	272,866	213,441
Current assets		
Other receivables, deposit and prepayments	1,423	2,475
Current tax assets	591	635
Short-term deposits	188,662	187,544
Bank balance	22,098	22,164
	212,774	212,818
TOTAL ASSETS	485,640	426,259
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Fair value reserves	52,358	(5,187)
Retained profits	292,845	291,013
Total equity attributable to owners of the Company	485,203	425,826
Current liabilities		
Other payables and accruals	437	433
TOTAL LIABILITIES	437	433
TOTAL EQUITY AND LIABILITIES	485,640	426,259
Net asset value per share (RM) (Note 2)	3.47	3.04

Notes:-

- Investments shown here as at 31 August 2021 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 RM485,203,157 (31.05.2021 : RM425,826,419) divided by the number of shares in issue at the end of the reporting period of 140,000,000 (31.05.2021 : 140,000,000).

(The Condensed Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2021)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
 CONDENSED STATEMENT OF PROFIT OR LOSS
 FOR THE QUARTER AND YEAR TO DATE ENDED 31 AUGUST 2021

	INDIVIDUAL QUARTER*		CUMULATIVE QUARTER**	
	CURRENT YEAR QUARTER 31/08/2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2020 RM'000	CURRENT YEAR TO DATE 31/08/2021 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2020 RM'000
Revenue (Note B2)	2,413	2,852	2,413	2,852
Operating expenses (Note B2)				
- Professional fees and other operating expenses	(1,811)	(1,678)	(1,811)	(1,678)
Profit before taxation	602	1,174	602	1,174
Taxation (Note B6)	(153)	(128)	(153)	(128)
Profit after taxation	449	1,046	449	1,046
Earnings per share (sen)				
- Basic (Note B11)	0.32	0.75	0.32	0.75
- Diluted (Note B11)	0.32	0.75	0.32	0.75

* 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 2021)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
 CONDENSED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 31 AUGUST 2021

	INDIVIDUAL QUARTER*		CUMULATIVE QUARTER**	
	CURRENT YEAR QUARTER 31/08/2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2020 RM'000	CURRENT YEAR TO DATE 31/08/2021 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2020 RM'000
Profit for the period	449	1,046	449	1,046
Other comprehensive income:				
Items that may be recycled to Retained Profits:				
Net fair value changes in investments	58,928	5,554	58,928	5,554
Total comprehensive income for the period	59,377	6,600	59,377	6,600

* 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 2021)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
 CONDENSED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 AUGUST 2021

	<i>Non-distributable</i>		<i>Distributable</i>	
	Share Capital RM'000	FVOCI Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 31.05.2020/ 01.06.2020	140,000	(33,705)	288,013	394,308
Profit after taxation	-	-	1,046	1,046
Other comprehensive income:				
-Fair value changes of equity instruments	-	5,554	-	5,554
Total comprehensive income for the period	-	5,554	1,046	6,600
Gain arising from disposal of investments recycled to retained profits	-	(621)	621	-
At 31.08.2020	140,000	(28,772)	289,680	400,908
At 31.05.2021/ 01.06.2021	140,000	(5,187)	291,013	425,826
Profit after taxation	-	-	449	449
Other comprehensive income:				
-Fair value changes of equity instruments	-	58,928	-	58,928
Total comprehensive income for the period	-	58,928	449	59,377
Gain arising from disposal of investments recycled to retained profits	-	(1,383)	1,383	-
At 31.08.2021	140,000	52,358	292,845	485,203

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2021)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
 CONDENSED STATEMENT OF CASH FLOWS
 FOR THE PERIOD ENDED 31 AUGUST 2021

	3 MONTHS ENDED 31/08/2021 RM'000	3 MONTHS ENDED 31/08/2020 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	602	1,174
Decrease in other receivables, deposit and prepayments	1,052	93
Increase in other payables and accruals	4	2,864
Proceeds from disposal of quoted investments	2,868	6,750
Purchase of quoted investments	(3,365)	(18,027)
CASH FROM/(FOR) OPERATIONS	1,161	(7,146)
Income tax paid	(245)	(405)
Income tax refund	136	150
NET CASH FROM/(FOR) OPERATING ACTIVITIES	1,052	(7,401)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,052	(7,401)
CASH AND CASH EQUIVALENTS AS AT 1 JUNE	209,708	255,923
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	210,760	248,522

(The Condensed Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2021)

PART A - EXPLANATORY NOTES

A1 Basis of preparation

The condensed interim financial statements, other than for financial instruments have been prepared under the historical cost convention.

This Condensed Report has also been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting*, International Accounting Standard (IAS) 34 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 May 2021. 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 Company since the financial year ended 31 May 2021.

A2 Significant accounting policies

2.1 Changes in Accounting Policies

During the current quarter, the Company has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

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

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark

Reform – Phase 2

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

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

The Company has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current quarter:-

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

Effective Date

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

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

A2 Significant accounting policies (con't)

2.2 Critical Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

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

(a) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Company to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Company uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

(b) Income Taxes

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

Critical Judgements Made in Applying Accounting Policies

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

2.3 Functional and Presentation Currency

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

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

2.4 Financial Instruments

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

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

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

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

A2 Significant accounting policies (con't)

2.4 Financial Instruments (con't)

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

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

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

(ii) Fair Value through Other Comprehensive Income

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

(iii) Fair Value through Profit or Loss

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

The Company reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

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

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

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

A2 Significant accounting policies (con't)

2.4 Financial Instruments (con't)

(b) Financial Liabilities

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

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

(ii) Other Financial Liabilities

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

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

(c) Equity Instruments

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

Ordinary Shares

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

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

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

2.5 Cash and Cash Equivalents

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

A2 Significant accounting policies (con't)

2.6 Impairment

(a) Impairment of Financial Assets

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

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

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

For all other financial instruments, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

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

(b) Impairment of Non-Financial Assets

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

An impairment loss is recognised in profit or loss.

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

2.7 Income Taxes

(a) Current Tax

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

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

A2 Significant accounting policies (con't)

2.7 Income Taxes (con't)

(b) Deferred Tax

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

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

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

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

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

2.8 Operating Segments

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

2.9 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.

2.10 Fair Value Measurements

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

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

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

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

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

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

A2 Significant accounting policies (con't)

2.11 Revenue and Other Operating Income

(a) Dividend Income

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

(b) Interest Income

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

A3 Auditors' opinion on preceding annual financial statements

The Company's Financial Statements for the financial year ended 31 May 2021 were not qualified by the auditors.

A4 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.

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 2021.

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	
	31/08/2021	31/08/2020	31/08/2021	31/08/2020
	RM'000	RM'000	RM'000	RM'000
Fund management fees - CDAM	822	739	822	739
Investment advisory fees - CDSB	822	739	822	739

A15 Significant events during the quarter

- (a) The outbreak of Coronavirus Disease 2019 (COVID-19) in early 2020 has affected the business and economic environments of the Company. The governments and various private corporations have taken different measures to prevent the spread of the virus such as travel bans, quarantines, closures of non-essential services, social distancing and home quarantine requirements which impacted consumers' spending pattern and the Company's operations directly or indirectly. Notwithstanding, the COVID-19 pandemic, the Company NAV for the current reporting period has increased by 21.03% compared with preceding year corresponding quarter. However, given the unpredictability associated with the COVID-19 pandemic and any further contingency measures that may be put in place by the governments and various private corporations, the potential financial impact of the COVID-19 pandemic on the Company's 2022 financial statements could not be reasonably quantified at this junction.
- (b) The Company has filed a Judicial Review in the High Court of Malaya Kuala Lumpur on 2 March 2020 to review the decision made by Securities Commission (“SC”) in respect of the 20% single shareholding limit as provided under Paragraph 3.7.1 (iii) of Securities Commission Guidelines for Public Offerings of Securities of Closed-end Funds and Paragraph 7.40 of Bursa Malaysia Securities Berhad Main Market Listing Requirements (“JR”). The JR directly concerns the acquisitions by City of London Investment Management Limited (“CLIM”) through its nominees of the shares in the Company which has resulted in CLIM through its nominees, holding more than 20% of the total issued and paid-up capital of the Company. Leave to commence the JR was granted by the High Court on 30 July 2020 and the JR was initially fixed for hearing on 12 January 2021. Due to disruption caused by COVID-19, the hearing was postponed to 26 August 2021 and continued on 29 September 2021. The matter is now fixed for a decision on 18 October 2021.

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	AirAsia Group Berhad	Consumer Products & Services	29,282,200	27,086,035	5.58
2	Apex Healthcare Berhad	Health Care	1,712,000	5,033,280	1.04
3	APM Automotive Holdings Berhad	Industrial Products & Services	4,541,300	10,172,512	2.10
4	Bioalpha Holdings Berhad	Consumer Products & Services	49,057,600	10,547,384	2.17
5	Bioalpha Holdings Berhad - ICPS	Consumer Products & Services	7,665,250	728,199	0.15
6	Boustead Holdings Berhad	Industrial Products & Services	12,147,786	7,349,410	1.51
7	EUPE Corporation Berhad	Property	100,000	83,000	0.02
8	HPMT Holdings Berhad	Industrial Products & Services	1,802,700	973,458	0.20
9	Kelington Group Berhad	Industrial Products & Services	28,383,200	37,749,656	7.78
10	Kelington Group Berhad - Warrants	Industrial Products & Services	9,461,066	3,500,594	0.72
11	Kronologi Asia Berhad	Technology	31,112,400	19,134,126	3.94
12	MKH Berhad	Property	2,951,430	3,895,888	0.80
13	Oceancash Pacific Berhad	Consumer Products & Services	3,145,200	1,446,792	0.30
14	Padini Holdings Berhad	Consumer Products & Services	17,006,700	53,060,904	10.94
15	Parkson Holdings Berhad	Consumer Products & Services	18,942,298	3,883,171	0.80
16	Salutica Berhad	Consumer Products & Services	1,700,200	1,079,627	0.22
17	Sam Engineering & Equipment (M) Berhad	Industrial Products & Services	4,538,600	67,625,140	13.94
18	Suria Capital Holdings Berhad	Transportation & Logistics	12,012,480	13,453,978	2.77
19	Tong Herr Resources Berhad	Industrial Products & Services	1,888,100	5,513,252	1.14
20	Wellcall Holdings Berhad	Industrial Products & Services	533,600	549,608	0.11
	Total Investments		237,984,110	272,866,014	56.23

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
 FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2021
 NOTES TO THE INTERIM FINANCIAL REPORT

B2 Review of performance (Para 9.40)

For the three months ended 31 August 2021, the Company recorded a profit before tax of RM0.60 million, compared with profit before tax of RM1.17 million in the preceding year's corresponding period ended 31 August 2020.

As shown in the following table, the decrease of profit before tax for the three months ended 31 August 2021 was mainly due to lower interest income received and higher operating expenses. The lower interest income was a result of lower cash position of the company and lower interest rate offered by the licensed banks.

	INDIVIDUAL QUARTER*		CUMULATIVE QUARTER**	
	CURRENT YEAR QUARTER 31/08/2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2020 RM'000	CURRENT YEAR TO DATE 31/08/2021 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2020 RM'000
Revenue Consist of:-				
Interest income	809	1,337	809	1,337
Dividend income	1,604	1,515	1,604	1,515
	2,413	2,852	2,413	2,852
Operating Expenses Consist of:-				
Professional fees and other operating expenses	(1,811)	(1,678)	(1,811)	(1,678)
Profit before taxation	602	1,174	602	1,174
Taxation	(153)	(128)	(153)	(128)
Profit after taxation	449	1,046	449	1,046
Other comprehensive income:				
Net fair value changes in investments	58,928	5,554	58,928	5,554
Total comprehensive income for the period	59,377	6,600	59,377	6,600

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 to RM485.20 million as at 31 August 2021 compared with RM400.91 million as at 31 August 2020 mainly due to increase in net fair value changes in investments. This resulted in an increase of NAV per share as at 31 August 2021 to RM3.47, compared with NAV per share of RM2.86 as at 31 August 2020, an increase of 21.33%.

	31/08/2021 RM	31/08/2020 RM
Total Net Asset Value	485,203,157	400,907,843
Net Asset Value per share	3.47	2.86
Share Price	2.07	1.98

B3 Comparison with immediate preceding quarter's results

In the first quarter ended 31 August 2021, the Company recorded a profit before tax of RM0.60 million, compared to RM0.56 million of loss before tax in the immediate preceding quarter.

The following items are not applicable to the Company:-

- (a) Interest expense;
- (a) Depreciation and amortization;
- (b) Provision for and write off of receivables;
- (c) Provision for and write off of inventories;
- (d) 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.

Better Times Ahead?

With the daily new infections declining steadily, Malaysia's public health crisis may have turned a decisive corner. This allows the national economy to re-open and 2022 should see a better economic performance for the Malaysian economy. Nevertheless, we hope that the ongoing political crisis does not lead the whole country into a new round of a devastating pandemic-economic crisis. The already weakened country cannot withstand another round of political nonsense.

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.

NAV Surged

Notwithstanding the disturbing pandemic-economic-political backdrop, shareowners of icapital.biz Berhad may have noticed that its NAV surged to its 3rd record high on 6th October 2021 at RM3.93 (and icapital.biz Berhad still has over RM210 million in cash reserves).

The KLCI has plunged 17.7% since touching its record of 1,896 points on 20th April 2018. Measured from the same starting date, the NAV of icapital.biz Berhad has risen 16.3%, a huge outperformance of 34 percentage points over the KLCI.

From its low of RM2.63 recorded on 27th March 2020, by 6th October 2021, the NAV of icapital.biz Berhad has surged 48.9% to RM3.93 (and icapital.biz Berhad still has over RM210 million in cash reserves). In that same period, the KLCI has gained only 16.2%. This is the compounding power of Tan Teng Boo's value investing philosophy.

The NAV of icapital.biz Berhad, in absolute amount, is now more than RM550 million. It is time for Bursa Malaysia to include icapital.biz Berhad as a component stock of the KLCI. With new infections in Malaysia falling, along with the re-opening of the Malaysian economy and RM210 over million cash in reserve, its NAV is expected to rise further. Will its share price follow suit ?

As its fund manager, my investing decisions influence the NAV performance of icapital.biz Berhad. On the other hand, the market price of icapital.biz Berhad is, positively or negatively, determined by investors, especially those who breached the 20% single shareholder limit.

Let me reiterate the power of compounding for the long term by quoting from the 2021 Annual Report :
"With icapital.biz Berhad, shareowners get a well-managed fund, founded on integrity, and offers excellent prospects. There is in fact no reason at all to wind it up -- why chop down a bountiful fruit tree before it has matured?"

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	
	31/08/2021	31/08/2020	31/08/2021	31/08/2020
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- for the period	153	278	153	278
- over provision in the previous financial years	-	(150)	-	(150)
Tax expense	153	128	153	128

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	
	31/08/2021	31/08/2020	31/08/2021	31/08/2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	602	1,174	602	1,174
Tax at the statutory rate of 24%	144	282	144	282
Tax effects of:-				
Tax-exempt dividends	(66)	(87)	(66)	(87)
Single tier dividends	(319)	(277)	(319)	(277)
Non-deductible expenses	394	360	394	360
Over provision of current tax in the previous financial years	-	(150)	-	(150)
Tax expense	153	128	153	128

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(b), there was no material litigation pending as at 31 August 2021.

B10 Dividend

The Directors did not declare any dividend for the current quarter ended 31 August 2021.

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 31/08/2021 RM'000	Cumulative Quarter Ended 31/08/2021 RM'000
Profit after taxation	449	449
Number ordinary share capital in issue at RM1.00 each	140,000	140,000
Basic earnings per share (sen)	0.32	0.32

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 2021, 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