

ICAPITAL.BIZ BERHAD (674900-X)  
CONDENSED STATEMENT OF FINANCIAL POSITION  
FOR THE PERIOD ENDED 30TH NOVEMBER 2012

	UNAUDITED AS AT 30/11/2012 RM'000	AUDITED AS AT 31/05/2012 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investments (Note 1)	262,641	262,658
<b>Current assets</b>		
Other receivables and deposits	3,244	3,253
Current tax assets	-	376
Short term deposits	138,757	133,571
Cash and bank balances	132	164
	<u>142,133</u>	<u>137,364</u>
<b>TOTAL ASSETS</b>	<u>404,774</u>	<u>400,022</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	140,000	140,000
Fair value adjustment reserve	138,220	137,725
Unappropriated profit	126,489	122,034
<b>Total equity attributable to holders of the Company</b>	<u>404,709</u>	<u>399,759</u>
<b>Current liabilities</b>		
Other payables and accruals	5	263
Current tax liabilities	60	-
	<u>65</u>	<u>263</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>404,774</u>	<u>400,022</u>
Net assets per share (RM) (Note 2)	2.89	2.86
Net asset value per share (RM) (Note 2)	2.89	2.86

**Notes:**

- Investments shown here as at 30 November 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 RM404,709,315 (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).

(The Condensed Statement of Financial Position 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 COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30TH NOVEMBER 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/11/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/11/2011 RM'000	CURRENT YEAR TO DATE 30/11/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/11/2011 RM'000
Revenue (Note B1)	3,841	5,515	9,020	14,720
Operating expenses (Note B2)	(1,643)	(1,526)	(3,253)	(3,037)
<b>Profit from operations</b>	<b>2,198</b>	<b>3,989</b>	<b>5,767</b>	<b>11,683</b>
Finance cost	-	-	-	-
<b>Profit before taxation</b>	<b>2,198</b>	<b>3,989</b>	<b>5,767</b>	<b>11,683</b>
Taxation	(298)	(383)	(1,312)	(1,367)
<b>Profit for the period</b>	<b>1,900</b>	<b>3,606</b>	<b>4,455</b>	<b>10,316</b>
<b>Other comprehensive income:</b>				
Net fair value changes in available-for-sale investments	(18,221)	2,631	495	(24,776)
<b>Total comprehensive income for the period</b>	<b>(16,321)</b>	<b>6,237</b>	<b>4,950</b>	<b>(14,460)</b>
<b>Earnings per share (sen)</b>				
- Basic	1.36	2.58	3.18	7.37
- 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 30TH NOVEMBER 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	-	495	4,455	4,950
At 30.11.2012	<b>140,000</b>	<b>138,220</b>	<b>126,489</b>	<b>404,709</b>
At 01.06.2011	140,000	141,927	106,303	388,230
Total comprehensive income for the period	-	(24,776)	10,316	(14,460)
At 30.11.2011	<b>140,000</b>	<b>117,151</b>	<b>116,619</b>	<b>373,770</b>

(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 30TH NOVEMBER 2012

	6 MONTHS ENDED 30/11/2012 RM'000	6 MONTHS ENDED 30/11/2011 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before working capital changes	5,767	11,683
Changes in working capital		
Disposal of investments - net	512	3,648
Other receivable and deposits	9	1,188
Other payables and accruals	(258)	(605)
<b>CASH GENERATED FROM OPERATIONS</b>	<u>6,030</u>	<u>15,914</u>
Taxes paid	(876)	(1,080)
Net cash generated from operating activities	<u>5,154</u>	<u>14,834</u>
<b>CASH FLOWS GENERATED FROM INVESTING ACTIVITIES</b>		
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,154	14,834
CASH AND CASH EQUIVALENTS AT 1 JUNE	133,735	115,908
<b>CASH AND CASH EQUIVALENTS AT 30 NOVEMBER</b>	<u><u>138,889</u></u>	<u><u>130,742</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash on hand and at banks	132	127
Deposits with licensed financial institutions	138,757	130,615
	<u><u>138,889</u></u>	<u><u>130,742</u></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 30 NOVEMBER 2012

NOTES TO THE INTERIM FINANCIAL REPORT

PART A - EXPLANATORY NOTES

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. For the periods up to and including the financial year ended 31 May 2012, the Company prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The interim financial statements are the Company's first MFRS compliant interim financial statements for the part of the periods covered by the Company's first MFRS annual financial statements for the financial year ending 31 May 2013 and hence MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards ("MFRS") has been applied.

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 May 2012. 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 year ended 31 May 2012. The transition to MFRS has no material impact on the Company's reported financial position, financial performance and cash flows.

A2 Changes in Accounting Policies

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 period :-

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurements	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1: Government Loans	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 101 (Revised) : Presentation of Items of Other Comprehensive Income	1 July 2012
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

NOTES TO THE INTERIM FINANCIAL REPORT

**A2 Changes in Accounting Policies (Cont'd)**

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Company upon its initial application but may impact its future disclosures.

The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Company upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.

The Annual Improvements to MFRSs 2009 – 2012 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Company upon their initial application.

**A3 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.

**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. In general, therefore, there is no seasonality or cyclicity of operations.

**A5 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.

**A6 Changes in estimates**

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

ICAPITAL.BIZ BERHAD (674900-X)  
FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2012

NOTES TO THE INTERIM FINANCIAL REPORT

**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 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.

**A12 Changes in the composition of the Company**

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

**A13 Contingent liabilities or contingent assets**

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

**A14 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	
	30/11/2012	30/11/2011	30/11/2012	30/11/2011
	RM'000	RM'000	RM'000	RM'000
Fund management fees	<u>782</u>	<u>718</u>	<u>1,551</u>	<u>1,441</u>

ICAPITAL.BIZ BERHAD (674900-X)  
FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2012

NOTES TO THE INTERIM FINANCIAL REPORT

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of performance

For the six months ended 30 November 2012, the Company recorded a profit before tax of RM5.767 million, compared with a profit before tax of RM11,683 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 30.11.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.11.2011 RM'000	CURRENT YEAR TO DATE 30.11.2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.11.2011 RM'000
<b>1. Revenue Consist of :</b>				
<b>INTEREST</b>				
Interest amount	984	1,014	1,961	1,933
<b>DIVIDEND INCOME</b>				
Dividend received	2,345	348	6,547	4,458
<b>GAIN/(LOSS) ON DISPOSAL OF QUOTED INVESTMENT</b>				
Gain on disposal of securities	512	4,153	512	8,329
	<u>3,841</u>	<u>5,515</u>	<u>9,020</u>	<u>14,720</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 30 November 2012 was RM2.89, compared with NAV per share of RM2.86 as at 31 May 2012.

In the second quarter ended 30 November 2012, the Company's NAV increased by 1.0% from 31 May 2012.

NOTES TO THE INTERIM FINANCIAL REPORT

**B2 Comparison with immediate preceding quarter's results**

In the second quarter ended 30 November 2012, the Company recorded a profit after tax of RM1.900 million, compared with RM2.555 million in the preceding quarter. The difference between the two quarters' performance is due mainly to lower investment income on dividend received. For the current quarter, the revenue and operating expenses were RM3.841 million and RM1.643 million respectively, compared with RM5.179 million and RM1.610 million for the preceding quarter.

The NAV per share decreased by 4.0% in the second quarter ended 30 November 2012 to RM2.89, compared with the preceding quarter of RM3.01.

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**

Since our last commentary dated 19<sup>th</sup> September 2012, the global economic outlook has become less negative. Politically, the United States and China have seen successful transitions in their top leadership. Economy-wise, Capital Dynamics Asset Management Sdn Bhd, your Fund Manager, is convinced that the largest and second largest economies in the world are showing convincing signs that their economic growth rates would be picking up in 2013. At the same time, Malaysia's economy continues to remain resilient and its economic outlook for 2013 remains hopeful. There is, however, one major uncertainty that needs to be resolved and this relates to the coming general election. As we commented in our last review, for now, we just have to wait.

**B4 Profit forecast / guarantee**

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

ICAPITAL.BIZ BERHAD (674900-X)  
FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2012

NOTES TO THE INTERIM FINANCIAL REPORT

**B5 Taxation**

	Current Quarter Ended		Cumulative Quarter Ended	
	30/11/2012	30/11/2011	30/11/2012	30/11/2011
	RM'000	RM'000	RM'000	RM'000
Current tax expense	<u>298</u>	<u>383</u>	<u>1,312</u>	<u>1,367</u>

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	
	30/11/2012	30/11/2011	30/11/2012	30/11/2011
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	2,198	3,989	5,767	11,683
Tax at the statutory rate of 25%	549	997	1,442	2,921
Tax effects of				
Non-taxable income	(128)	(1,038)	(128)	(2,082)
Tax-exempt dividends	(481)	90	(704)	(165)
Non-deductible expenses	358	334	702	693
Tax for the financial period	298	383	1,312	1,367

**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.

**B9 Dividend**

The Directors did not declare any dividend for the current quarter ended 30 November 2012.

ICAPITAL.BIZ BERHAD (674900-X)  
FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2012

NOTES TO THE INTERIM FINANCIAL REPORT

**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 30/11/2012 RM'000	Cumulative To-Date Ended 30/11/2012 RM'000
Profit after tax (RM'000)	1,900	4,455
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)	1.36	3.18

**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 30 November 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 30 NOVEMBER 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 30/11/2012 RM'000	As at 31/05/2012 RM'000
Total retained profits of the Company		
Realised	126,489	122,034
Unrealised	-	-
Total retained profits as per statement of financial position	<u>126,489</u>	<u>122,034</u>

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

SECRETARIES

Kuala Lumpur  
Date : 21 January 2013