

**ICAPITAL.BIZ BERHAD (674900 X)**  
**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2006**

**CONDENSED BALANCE SHEET**

	<b>UNAUDITED AS AT 31/08/2006</b>	<b>AUDITED AS AT 31/05/2006</b>
	RM'000	RM'000
<b>Non-Current Assets</b>		
Investments (Note 1)	86,986	78,129
<b>Current Assets</b>		
Cash and bank balances	11	356
Short term deposits	51,580	60,228
Other receivables & deposits	1,625	902
Tax recoverable	223	-
	<u>53,439</u>	<u>61,486</u>
<b>Current Liabilities</b>		
Other payables and accruals	45	626
Provision for Taxation	-	345
	<u>45</u>	<u>971</u>
<b>Net Current Assets</b>	<u>53,394</u>	<u>60,515</u>
	<u>140,380</u>	<u>138,644</u>
<b>Financed by :</b>		
Share capital	140,000	140,000
Unappropriated profit/(losses)	380	(1,356)
Shareholders' funds	<u>140,380</u>	<u>138,644</u>
Net assets per share (RM)	1.00	0.99
Net asset value per share (RM)	1.22	1.13

**Notes:**

1. Investment shown here as at 31 August 2006 are taken at book cost. On this date, these investments had a total market value of RM117,425,972.
2. The investment taken for calculation of Net Assets ("NA") per share are at the lower of book cost (which was RM86,986,434 as at 31 August 2006) or market value.
3. The investment taken for calculation of Net Asset Value ("NAV") per share are based on market value which was RM117,425,972 as at 31 August 2006. At that date, the total market value of the investment portfolio exceeded the total book value by RM30,439,538.
4. Calculation of NA and NAV per share are based on 140,000,000 ordinary shares in issue.

(The Condensed Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 May 2006)

**ICAPITAL.BIZ BERHAD (674900 X)**  
**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2006**

**CONDENSED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/08/2006 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2005 RM'000	CURRENT YEAR TO DATE 31/08/2006 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2005 RM'000
Revenue	2,553	-	2,553	-
Listing expenses	(2)	(129)	(2)	(129)
Pre-Operating expenses	-	(83)	-	(83)
Operating expenses	(699)	-	(699)	-
Profit/(Loss) from Operations	1,852	(212)	1,852	(212)
Finance cost	-	-	-	-
Profit/(Loss) before taxation	1,852	(212)	1,852	(212)
Taxation	(116)	-	(116)	-
Profit/(Loss) for the period	1,736	(212)	1,736	(212)
EPS - Basic (sen)	1.24	(10,600,000)	1.24	(10,600,000)
- Diluted (sen)	N/A	N/A	N/A	N/A

**Notes:**

(The Condensed Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2006)

All expenses of icapital.biz Berhad for the preceding year corresponding financial period under review were mainly due to preliminary expenses, pre-operating expenses and professional fees in respect of the public issue of up to 140 million ordinary shares of RM1.00 each in icapital.biz Berhad

**ICAPITAL.BIZ BERHAD (674900 X)**  
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**CONDENSED STATEMENT OF CHANGES IN EQUITY**

	<b>Share capital RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Total RM'000</b>
At 1.6.2006	140,000	(1,356)	138,644
Profit for the period	-	1,736	1,736
At 31.08.2006	<u>140,000</u>	<u>380</u>	<u>140,380</u>

	<b>Share capital RM'000</b>	<b>Accumulated losses RM'000</b>	<b>Total RM'000</b>
At 1.6.2005	*	(139)	(139)
Loss for the period	-	(212)	(212)
At 31.08.2005	<u>*</u>	<u>(351)</u>	<u>(351)</u>

\* Represent RM2

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2006)

**ICAPITAL.BIZ BERHAD (674900 X)**  
**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2006**

**CONDENSED CASH FLOW STATEMENT**

	<b>3 MONTHS ENDED 31/08/2006 RM'000</b>	<b>3 MONTHS ENDED 31/08/2005 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before working capital changes	1,852	(212)
Changes in working capital		
Other payables and accruals	(581)	212
Other receivable & deposits	(723)	-
Purchase of investments	(8,857)	-
<b>CASH USED IN OPERATIONS</b>	<b>(8,309)</b>	<b>-</b>
Taxes paid	(684)	-
Net cash used for operating activities	<b>(8,993)</b>	<b>-</b>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,993)	-
CASH AND CASH EQUIVALENTS AT 1 JUNE	60,584	*
<b>CASH AND CASH EQUIVALENTS AT 31 AUGUST</b>	<b>51,591</b>	<b>*</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash on hand and at banks	11	*
Deposits with licensed financial institutions	51,580	-
	<b>51,591</b>	<b>*</b>

\* Represent RM2

(The Condensed Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2006)

**ICAPITAL.BIZ BERHAD (674900 X)**  
**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2006**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART A - EXPLANATORY NOTES: FRS 134**

**A1 Basis of preparation**

The interim financial report of icapital.biz Berhad ("the Company" or "the Fund") is prepared in accordance with the requirements of FRS 134: Interim Financial Reporting (previously known as MASB 26), and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The figures have not been audited.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 May 2006. The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the preparation of the audited financial statements for the year ended 31 May 2006.

**A2 Auditors' opinion on preceding annual financial statements**

The Company's Financial Statements for the financial year ended 31 May 2006 was not qualified by the Auditors.

**A3 Seasonality or cyclicity of operations**

As the Company is a closed-end fund, it is dependant on the performance of the companies that it has invested in. 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 reporting is presented as the Company is a closed-end fund based in Malaysia and the principal activity is to invest in a diversified portfolio of quoted securities.

**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 material 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.

**ICAPITAL.BIZ BERHAD (674900 X)**  
**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2006**

**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 2006, the Company recorded a profit before tax of RM1.852 million, compared with a loss of RM0.212 million in the corresponding period of last year.

As the company is a closed-end fund, a better indication of its performance would be the movement of its Net Asset Value ("NAV"). The NAV per share as at 31 August 2006 was RM1.22, compared to NAV per share of RM1.13 as at 31 May 2006.

In the first quarter ended 31 August 2006, the Company's NAV increased by 8% from 31 May 2006.

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

In the first quarter ended 31 August 2006, the Company recorded a profit after tax of RM1.736 million, compared with a loss after tax of RM602,414 in the preceding quarter. The difference between the two quarters' performance are due to the cumulative effect of an increase of operating income in the form of dividends received and a decrease in operating expenses. For the current quarter, the operating income and operating expenses were RM2.553 million and RM699,042 respectively, compared with RM1.056 million and RM755,091 for the preceding quarter.

The NAV per share increase by 8% in the 1st quarter ended 31 August 2006 to RM1.22, compared with the preceding quarter of RM1.13.

**B3 Current year prospects**

As the Company is a closed-end fund, its prospects are dependent on the performance of the stock markets in general and in particular, the performance of the investments held.

As the stock market fell recently, investors' fears have replaced investors' greed. As a value investor, icapital.biz Berhad with its Fund Manager and Investment Adviser will continue to seek stocks that are attractively priced.

**B4 Profit forecast / guarantee**

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

**B5 Taxation**

	<b>3 MONTHS ENDED</b> <b>31/08/2006</b> <b>RM'000</b>	<b>3 MONTHS ENDED</b> <b>31/08/2005</b> <b>RM'000</b>
Current tax expense for the financial period	<u>116</u>	<u>-</u>

The effective tax rate is lower than the statutory tax rate of 28% due mainly to certain tax exempt dividend.

**B6 Profit on sale of unquoted investments and/or properties**

There was no profit on the sale of unquoted investments and/or properties during the current financial year-to-date.

**B7 Quoted securities**

This note is not applicable to the Company.

**B8 Status of corporate proposals**

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

**B9 Borrowings and debt securities**

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

**ICAPITAL.BIZ BERHAD (674900 X)**  
**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2006**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART B - AS REQUIRED BY THE LISTING REQUIREMENTS**

**B10 Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk.

**B11 Changes in material litigation**

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

**B12 Dividend**

The Directors did not declare any dividend for the quarter ended 31 August 2006.

**B13 Earnings/(Loss) 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:

	<b>Current Quarter Ended 31.08.2006</b>	<b>Cumulative To-Date Ended 31.08.2006</b>
Profit after tax (RM'000)	1,736	1,736
Total weighted average share capital in issue during the current quarter/ Current year to-date (no. of shares of RM1.00 each)	140,000	140,000
Basic earnings per share (sen)	1.24	1.24

**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.

**B14 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.

**B15 Investments**

As at 31 August 2006, 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.

**BY ORDER OF THE BOARD**

**KUAN HUI FANG (MIA 16876)**  
**THAM WAI YING (MAICSA 7016123)**  
**SECRETARIES**

**Petaling Jaya, Selangor Darul Ehsan**  
**Date: 15 September 2006**