

**ICAPITAL.BIZ BERHAD (674900 X)**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2007**

**CONDENSED BALANCE SHEET**

	<b>UNAUDITED AS AT 28/02/2007</b>	<b>AUDITED AS AT 31/05/2006</b>
	RM'000	RM'000
<b>Non-Current Assets</b>		
Investments (Note 1)	93,033	78,129
<b>Current Assets</b>		
Cash and bank balances	153	356
Short term deposits	59,533	60,228
Other receivables and deposits	659	902
Tax recoverable	29	-
	60,374	61,486
<b>Current Liabilities</b>		
Other payables and accruals	863	626
Provision for Taxation	-	345
	863	971
<b>Net Current Assets</b>	59,511	60,515
	152,544	138,644
<b>Financed by :</b>		
Share capital	140,000	140,000
Unappropriated profit/(Accumulated loss)	12,544	(1,356)
Shareholders' funds	152,544	138,644
Net assets per share (RM)	1.09	0.99
Net asset value per share (RM)	1.44	1.13

**Notes:**

1. Investment shown here as at 28 February 2007 are taken at book cost. On this date, these investments had a total market value of RM141,478,540.
2. The investment taken for calculation of Net Assets ("NA") per share are at the lower of book cost (which was RM93,033,067.85 as at 28 February 2007) or market value.
3. The investment taken for calculation of Net Asset Value ("NAV") per share are based on market value which was RM141,478,540 as at 28 February 2007. At that date, the total market value of the investment portfolio exceeded the total book value by RM48,445,472.15.
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)

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2007

CONDENSED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 28/02/2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 28/02/2006 RM'000	CURRENT YEAR TO DATE 28/02/2007 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 28/02/2006 RM'000
Revenue	1,819	1,067	17,854	2,291
Listing expenses	(3)	(17)	(8)	(2,233)
Pre-operating expenses	-	(1)	-	(191)
Operating expenses	(745)	(574)	(2,129)	(780)
Profit/(Loss) from operations	1,071	475	15,717	(913)
Finance cost	-	-	-	-
Profit/(Loss) before taxation	1,071	475	15,717	(913)
Taxation	(499)	-	(1,817)	-
Profit/(Loss) for the period	572	475	13,900	(913)
EPS - Basic (sen)	0.41	1.03	9.93	(1.34)
- 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 incurred by 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

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**CONDENSED STATEMENT OF CHANGES IN EQUITY**

	<b>Share capital RM'000</b>	<b>Unappropriated profit/ (Accumulated loss) RM'000</b>	<b>Total RM'000</b>
At 1.6.2006	140,000	(1,356)	138,644
Profit for the period	-	13,900	13,900
At 28.02.2007	<u>140,000</u>	<u>12,544</u>	<u>152,544</u>

	<b>Share capital RM'000</b>	<b>Accumulated loss RM'000</b>	<b>Total RM'000</b>
At 1.6.2005	*	(139)	(139)
Loss for the period	-	(913)	(913)
Public issue	140,000	-	140,000
At 28.02.2006	<u>140,000</u>	<u>(1,052)</u>	<u>138,948</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 QUARTER ENDED 28 FEBRUARY 2007**

**CONDENSED CASH FLOW STATEMENT**

	<b>9 MONTHS ENDED 28/02/2007 RM'000</b>	<b>9 MONTHS ENDED 28/02/2006 RM'000</b>
<hr/>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before working capital changes	15,717	(913)
Changes in working capital		
Other payables and accruals	237	3,910
Other receivable and deposits	243	(705)
Purchase of investments - net	(14,904)	(63,707)
<b>CASH USED IN OPERATIONS</b>	<hr/> 1,293	<hr/> (61,415)
Taxes paid	(2,191)	-
Net cash used in operating activities	<hr/> <u>(898)</u>	<hr/> <u>(61,415)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	140,000
Net cash generated from financing activities	<hr/> -	<hr/> 140,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(898)	78,585
CASH AND CASH EQUIVALENTS AT 1 JUNE	60,584	*
<b>CASH AND CASH EQUIVALENTS AT 28 FEBRUARY</b>	<hr/> <u>59,686</u>	<hr/> <u>78,585</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash on hand and at banks	153	42
Deposits with licensed financial institutions	59,533	78,543
	<hr/> <u>59,686</u>	<hr/> <u>78,585</u>

\* Represent RM2

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

NOTES TO THE INTERIM FINANCIAL REPORT

PART A - EXPLANATORY NOTES:

**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 QUARTER ENDED 28 FEBRUARY 2007**

**NOTES TO THE INTERIM FINANCIAL REPORT**

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

**B1 Review of performance**

For the nine months ended 28 February 2007, the Company recorded a profit before tax of RM15.717 million, compared with a loss before tax of RM0.913 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 28 February 2007 was RM1.44, compared with NAV per share of RM1.13 as at 31 May 2006.

In the third quarter ended 28 February 2007, the Company's NAV increased by 27% from 31 May 2006.

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

In the third quarter ended 28 February 2007, the Company recorded a profit after tax of RM572,000, compared with RM11.591 million in the preceding quarter. The difference between the two quarters' performance are due to the cumulative effect of gains realised from disposal of securities in the preceding quarter and an increase in operating expenses in the current quarter. For the current quarter, the operating income and operating expenses were RM1.819 million and RM745,000 respectively, compared with RM13.481 million and RM685,000 for the preceding quarter.

The NAV per share increase by 5% in the 3rd quarter ended 28 February 2007 to RM1.44, compared with the preceding quarter of RM1.37.

**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.

Although the stock market has been rising, 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**

	Current Quarter Ended		Cumulative Quarter Ended	
	28/02/2007	28/02/2006	28/02/2007	28/02/2006
	RM'000	RM'000	RM'000	RM'000
Current tax expense for the financial period	499	-	1,560	-
Underprovision of tax expense for prior financial year	-	-	257	-

The effective tax rate in the current quarter is higher than the statutory tax rate due mainly to certain expenses which are not tax deductible.

**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.

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2007

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 current quarter ended 28 February 2007

**B13 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:

	<b>Current Quarter Ended 28.02.2007</b>	<b>Cumulative To-Date Ended 28.02.2007</b>
Profit after tax (RM'000)	572	13,900
No. of ordinary 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)	0.41	9.93

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 28 February 2007, 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: 14 March 2007