

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE YEAR ENDED 31 MAY 2007

CONDENSED BALANCE SHEET

	UNAUDITED	AUDITED
	AS AT	AS AT
	31/05/2007	31/05/2006
ASSETS	RM'000	RM'000
Non-current assets		
Investments (Note 1)	96,001	78,129
Current assets		
Other receivables and deposits	1,793	902
Tax recoverable	157	-
Short term deposits	55,100	60,228
Cash and bank balances	319	356
	57,369	61,486
TOTAL ASSETS	153,370	139,615
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Unappropriated profit/(Accumulated loss)	13,244	(1,356)
Total equity	153,244	138,644
Current liabilities		
Other payables and accruals	126	626
Provision for Taxation	-	345
	126	971
TOTAL EQUITY AND LIABILITIES	153,370	139,615
Net assets per share (RM)	1.09	0.99
Net asset value per share (RM)	1.65	1.13

Notes:

1. Investment shown here as at 31 May 2007 are taken at book cost. On this date, these investments had a total market value of RM173,320,796.
2. The investment taken for calculation of Net Assets ("NA") per share are at the lower of book cost (which was RM96,001,558.16 as at 31 May 2007) or market value.
3. The investment taken for calculation of Net Asset Value ("NAV") per share are based on market value which was RM173,320,796 as at 31 May 2007. At that date, the total market value of the investment portfolio exceeded the total book value by RM77,319,237.84.
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)

FINANCIAL REPORT FOR THE YEAR ENDED 31 MAY 2007

CONDENSED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/05/2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/05/2006 RM'000	CURRENT YEAR TO DATE 31/05/2007 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/05/2006 RM'000
Revenue	2,022	1,056	19,876	3,347
Listing expenses	8	(2)	-	(2,235)
Pre-operating expenses	-	-	-	(191)
Operating expenses	(993)	(756)	(3,122)	(1,536)
Profit/(Loss) from operations	1,037	298	16,754	(615)
Finance cost	-	-	-	-
Profit/(Loss) before taxation	1,037	298	16,754	(615)
Taxation	(337)	(602)	(2,154)	(602)
Profit/(Loss) for the period	700	(304)	14,600	(1,217)
Earnings/(loss) per share (sen)				
Basic	0.50	(0.22)	10.43	(1.41)
Diluted	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

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE YEAR ENDED 31 MAY 2007

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital RM'000	Unappropriated profit/ (Accumulated loss) RM'000	Total RM'000
At 1.06.2006	140,000	(1,356)	138,644
Profit for the year	-	14,600	14,600
At 31.05.2007	<u>140,000</u>	<u>13,244</u>	<u>153,244</u>

	Share capital RM'000	Accumulated loss RM'000	Total RM'000
At 1.06.2005	*	(139)	(139)
Loss for the year	-	(1,217)	(1,217)
Public issue	140,000	-	140,000
At 31.05.2006	<u>140,000</u>	<u>(1,356)</u>	<u>138,644</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)
FINANCIAL REPORT FOR THE YEAR ENDED 31 MAY 2007
CONDENSED CASH FLOW STATEMENT

	12 MONTHS ENDED 31/05/2007 RM'000	12 MONTHS ENDED 31/05/2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before working capital changes	16,754	(615)
Changes in working capital		
Purchase of investments - net	(17,872)	(79,404)
Other receivable and deposits	(891)	(901)
Other payables and accruals	(500)	486
Capital repayment from quoted investments	-	1,275
CASH USED IN OPERATIONS	(2,509)	(79,159)
Taxes paid	(2,656)	(257)
Net cash used in operating activities	<u>(5,165)</u>	<u>(79,416)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	140,000
Net cash generated from financing activities	<u>-</u>	<u>140,000</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(5,165)	60,584
CASH AND CASH EQUIVALENTS AT 1 JUNE	60,584	*
CASH AND CASH EQUIVALENTS AT 31 MAY	<u>55,419</u>	<u>60,584</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	319	356
Deposits with licensed financial institutions	55,100	60,228
	<u>55,419</u>	<u>60,584</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 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 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 financial report are consistent with those adopted in the preparation of the audited financial statements for the year ended 31 May 2006, except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for the financial period beginning or after 1 January 2006:

FRS 101	Presentation of Financial Statements
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 140	Investment Property

The adoption of FRS 101, 108, 110, 132, 133, 136 and 140 does not have significant financial impact on the Company.

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.

NOTES TO THE INTERIM FINANCIAL REPORT

A12 Contingent liabilities or contingent assets

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

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of performance

For the twelve months ended 31 May 2007, the Company recorded a profit before tax of RM16.754 million, compared with a loss before tax of RM0.615 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 May 2007 was RM1.65, compared with NAV per share of RM1.13 as at 31 May 2006.

In the fourth quarter ended 31 May 2007, the Company's NAV increased by 46% from 31 May 2006.

B2 Comparison with immediate preceding quarter's results

In the fourth quarter ended 31 May 2007, the Company recorded a profit after tax of RM700,000, compared with RM572,000 in the preceding quarter. The difference between the two quarters' performance are due to the cumulative effect of an increase in both dividend income and operating expenses, with a decrease in income tax expenses in the current quarter. For the current quarter, the operating income and operating expenses were RM2.022 million and RM993,000 respectively, compared with RM1.819 million and RM745,000 for the preceding quarter.

The NAV per share increase by 15% in the 4th quarter ended 31 May 2007 to RM1.65, compared with the preceding quarter of RM1.44.

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	
	31/05/2007	31/05/2006	31/05/2007	31/05/2006
	RM'000	RM'000	RM'000	RM'000
Current tax expense for the financial period	337	602	1,897	602
Underprovision of tax expense for prior financial year	-	-	257	-
	<u>337</u>	<u>602</u>	<u>2,154</u>	<u>602</u>

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.

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 31 May 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:

	Current Quarter Ended 31.05.2007	Cumulative To-Date Ended 31.05.2007
Profit after tax (RM'000)	700	14,600
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)	0.50	10.43

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 May 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: 26.06.2007