

**ICAPITAL.BIZ BERHAD (674900-X)**  
**FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2007**  
**CONDENSED BALANCE SHEET**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31/08/2007</b>	<b>31/05/2007</b>
<b>ASSETS</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current assets</b>		
Investments (Note 1)	110,770	96,001
<b>Current assets</b>		
Other receivables and deposits	1,516	1,793
Tax recoverable	211	157
Short term deposits	41,400	55,100
Cash and bank balances	213	319
	<u>43,340</u>	<u>57,369</u>
<b>TOTAL ASSETS</b>	<u>154,110</u>	<u>153,370</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	140,000	140,000
Unappropriated profit	14,099	13,244
<b>Total equity</b>	<u>154,099</u>	<u>153,244</u>
<b>Current liabilities</b>		
Other payables and accruals	11	126
	<u>11</u>	<u>126</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>154,110</u>	<u>153,370</u>
Net assets per share (RM)	1.10	1.09
Net asset value per share (RM)	1.84	1.65

**Notes:**

1. Investment shown here as at 31 August 2007 are taken at book cost. On this date, these investments had a total market value of RM213,674,673.50.
2. The investment taken for calculation of Net Assets ("NA") per share are at the lower of book cost (which was RM110,770,355.17 as at 31 August 2007) or market value.
3. The investment taken for calculation of Net Asset Value ("NAV") per share are based on market value which was RM213,674,673.50 as at 31 August 2007. At that date, the total market value of the investment portfolio exceeded the total book value by RM102,904,318.33.
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 2007)

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2007

CONDENSED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/08/2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2006 RM'000	CURRENT YEAR TO DATE 31/08/2007 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2006 RM'000
Revenue	2,293	2,553	2,293	2,553
Listing expenses	-	(2)	-	(2)
Pre-operating expenses	-	-	-	-
Operating expenses	(966)	(699)	(966)	(699)
Profit/(Loss) from operations	1,327	1,852	1,327	1,852
Finance cost	-	-	-	-
Profit/(Loss) before taxation	1,327	1,852	1,327	1,852
Taxation	(472)	(116)	(472)	(116)
<b>Profit/(Loss) for the period</b>	<b>855</b>	<b>1,736</b>	<b>855</b>	<b>1,736</b>
<b>Earnings/(loss) per share (sen)</b>				
Basic	0.61	1.24	0.61	1.24
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 2007)

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2007

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital RM'000	Unappropriated profit RM'000	Total RM'000
At 1.06.2007	140,000	13,244	153,244
Profit for the period	-	855	855
At 31.08.2007	<u>140,000</u>	<u>14,099</u>	<u>154,099</u>

	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>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2007)

**ICAPITAL.BIZ BERHAD (674900-X)**  
**FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2007**  
**CONDENSED CASH FLOW STATEMENT**

	<b>3 MONTHS ENDED 31/08/2007 RM'000</b>	<b>3 MONTHS ENDED 31/08/2006 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before working capital changes	1,327	1,852
Changes in working capital		
Purchase of investments - net	(14,769)	(8,857)
Other receivable and deposits	277	(723)
Other payables and accruals	(115)	(581)
Capital repayment from quoted investments	-	-
<b>CASH USED IN OPERATIONS</b>	<u>(13,280)</u>	<u>(8,309)</u>
Taxes paid	(526)	(684)
Net cash used in operating activities	<u>(13,806)</u>	<u>(8,993)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	-
Net cash generated from financing activities	<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(13,806)	(8,993)
CASH AND CASH EQUIVALENTS AT 1 JUNE	55,419	60,584
<b>CASH AND CASH EQUIVALENTS AT 31 AUGUST</b>	<u><u>41,613</u></u>	<u><u>51,591</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash on hand and at banks	213	11
Deposits with licensed financial institutions	41,400	51,580
	<u><u>41,613</u></u>	<u><u>51,591</u></u>

(The Condensed Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2007)

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 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 2007. 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 2007, except for the adoption of Financial Reporting Standards ("FRS") 124: Related Party Disclosures effective for the financial period beginning or after 1 October 2006.

The adoption of FRS 124 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 2007 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 three months ended 31 August 2007, the Company recorded a profit before tax of RM1.327 million, compared with a profit before tax of RM1.852 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 2007 was RM1.84, compared with NAV per share of RM1.65 as at 31 May 2007.

In the first quarter ended 31 August 2007, the Company's NAV increased by 12% from 31 May 2007.

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

In the first quarter ended 31 August 2007, the Company recorded a profit after tax of RM855,000, compared with RM700,000 in the preceding quarter. The difference between the two quarters' performance are due to the cumulative effect of an increase in dividend income and income tax expenses, with a decrease in operating expense in the current quarter. For the current quarter, the operating income and operating expenses were RM2.293 million and RM966,000 respectively, compared with RM2.022 million and RM993,000 for the preceding quarter.

The NAV per share increased by 12% in the 1st quarter ended 31 August 2007 to RM1.84, compared with the preceding quarter of RM1.65.

**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	
	31/08/2007	31/08/2006	31/08/2007	31/08/2006
	RM'000	RM'000	RM'000	RM'000
Current tax expense for the financial period	472	116	472	116

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 August 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 31.08.2007</b>	<b>Cumulative To-Date Ended 31.08.2007</b>
Profit after tax (RM'000)	855	855
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)	0.61	0.61

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 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: 30/10/2007**