

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2009

CONDENSED BALANCE SHEET

	UNAUDITED AS AT 31/08/2009	AUDITED AS AT 31/05/2009
ASSETS	RM'000	RM'000
Non-current assets		
Investments (Note 1)	162,084	156,441
Current assets		
Other receivables and deposits	721	4,045
Tax recoverable	922	800
Short term deposits	35,269	37,420
Cash and bank balances	968	22
	<u>37,880</u>	<u>42,287</u>
TOTAL ASSETS	<u>199,964</u>	<u>198,728</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Unappropriated profit	59,933	58,594
Total equity	<u>199,933</u>	<u>198,594</u>
Current liabilities		
Other payables and accruals	31	134
Provision for Taxation	-	-
	<u>31</u>	<u>134</u>
TOTAL EQUITY AND LIABILITIES	<u>199,964</u>	<u>198,728</u>
Net assets per share (RM) (Note 2)	1.43	1.42
Net asset value per share (RM) (Note 3)	1.90	1.77

Notes:

- Investments shown here as at 31 August 2009 are taken at book cost. On this date, these investments had a total market value of RM228,772,309.00.
- The investments taken for calculation of Net Assets ("NA") per share are at the lower of book cost (which was RM162,083,766.24 as at 31 August 2009) or market value.
- The investments taken for calculation of Net Asset Value ("NAV") per share are based on market value which was RM228,772,309.00 as at 31 August 2009. At that date, the total market value of the investment portfolio exceeded the total book value by RM66,688,542.76.
- 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 2009)

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2009

CONDENSED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/08/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2008 RM'000	CURRENT YEAR TO DATE 31/08/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2008 RM'000
Revenue	2,598	4,412	2,598	4,412
Listing expenses	-	-	-	-
Operating expenses	(974)	(1,085)	(974)	(1,085)
Profit from operations	1,624	3,327	1,624	3,327
Finance cost	-	-	-	-
Profit before taxation	1,624	3,327	1,624	3,327
Taxation	(285)	(691)	(285)	(691)
Profit for the period	1,339	2,636	1,339	2,636
Earnings per share (sen)				
Basic	0.96	1.88	0.96	1.88
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 2009)

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2009

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital RM'000	Unappropriated profit RM'000	Total RM'000
At 01.06.2009	140,000	58,594	198,594
Profit for the period	-	1,339	1,339
At 31.08.2009	<u>140,000</u>	<u>59,933</u>	<u>199,933</u>

	Share capital RM'000	Unappropriated profit RM'000	Total RM'000
At 01.06.2008	140,000	52,325	192,325
Profit for the period	-	2,636	2,636
At 31.08.2008	<u>140,000</u>	<u>54,961</u>	<u>194,961</u>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2009)

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2009

CONDENSED CASH FLOW STATEMENT

	3 MONTHS ENDED 31/08/2009 RM'000	3 MONTHS ENDED 31/08/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before working capital changes	1,624	3,327
Changes in working capital		
Purchase of investments - net	(5,643)	(4,911)
Other receivable and deposits	3,324	513
Other payables and accruals	(103)	(2,712)
CASH USED IN OPERATIONS	<u>(798)</u>	<u>(3,783)</u>
Taxes paid	(407)	(666)
Net cash used in operating activities	<u>(1,205)</u>	<u>(4,449)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,205)	(4,449)
CASH AND CASH EQUIVALENTS AT 1 JUNE	37,442	61,232
CASH AND CASH EQUIVALENTS AT 31 AUGUST	<u><u>36,237</u></u>	<u><u>56,783</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	968	992
Deposits with licensed financial institutions	35,269	55,791
	<u><u>36,237</u></u>	<u><u>56,783</u></u>

(The Condensed Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2009)

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 2009. 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 2009.

(a) During the current financial year, the Company has adopted the following:

(i) FRSs issued and effective for financial periods beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

FRS 111 and FRS 120 are not relevant to the Company's operations. The adoption of the other standards did not have any material impact on the form and content of disclosures presented in the financial statements.

(ii) Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates - *Net Investment in a Foreign Operation* issued and effective for financial periods beginning on or after 1 July 2007.

This amendment is not relevant to the Company's operations.

(iii) IC Interpretations issued and effective for financial periods beginning on or after 1 July 2007:

IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above IC Interpretations are not relevant to the Company's operations.

(b) The Company has not adopted the following FRSs and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Company:

(i) FRS issued and effective for financial periods beginning on or after 1 July 2009:

FRS 8	Operating Segments
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FRS 8 replaces FRS 114₂₀₀₄ Segment Reporting and requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Company. This FRS is expected to have no material impact on the financial statements of the Company upon its initial application.

(ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation (Cont'd)

FRS 4 is not relevant to the Company's operations. The possible impacts of applying FRS 7 and FRS 139 on the financial statements upon their initial application are not disclosed by virtue of the exemptions given in these standards.

FRS 123 is not relevant to the Company's operations.

(iii) Amendments issued and effective for financial periods beginning on or after 1 January 2010:

Amendments to FRS 1 and FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 2	Vesting Conditions and Cancellations

The above amendments are not relevant to the Company's operations.

(iv) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The above IC Interpretations are not relevant to the Company's operations.

A2 Auditors' opinion on preceding annual financial statements

The Company's Financial Statements for the financial year ended 31 May 2009 were 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.

NOTES TO THE INTERIM FINANCIAL REPORT

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.

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of performance

For the three months ended 31 August 2009, the Company recorded a profit before tax of RM1.624 million, compared with a profit before tax of RM3.327 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 NAV. The NAV per share as at 31 August 2009 was RM1.90, compared with NAV per share of RM1.77 as at 31 May 2009.

In the first quarter ended 31 August 2009, the Company's NAV increased by 7% from 31 May 2009.

B2 Comparison with immediate preceding quarter's results

In the first quarter ended 31 August 2009, the Company recorded a profit after tax of RM1.339 million, compared with a loss after tax of RM11.600 million in the preceding quarter. The difference between the two quarters' performance is due mainly to a loss in selling Axiata Group Berhad (Formerly known as TM International Berhad) in the preceding quarter.

The NAV per share increased by 7% in the first quarter ended 31 August 2009 to RM1.90, compared with the preceding quarter of RM1.77.

B3 Current year prospects

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

In line with the other stock markets globally, the local stock market has recently paused. However, the longer-term outlook remains positive as the global economic recovery picks up momentum. In the first quarter, your Fund made further investments in Boustead Holdings Berhad, Suria Capital Holdings Berhad, and Tong Herr Resources Berhad.

As a value investor, icapital.biz Berhad with its Fund Manager and Investment Adviser are continuously seeking stocks that are attractively priced. By 31 August 2009, the cash assets have fallen further.

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	
	31/08/2009	31/08/2008	31/08/2009	31/08/2008
	RM'000	RM'000	RM'000	RM'000
Current tax expense	<u>285</u>	<u>691</u>	<u>285</u>	<u>691</u>

The effective tax rate of the Company stood at 17.5% as of 31 August 2009 due mainly to tax exempt dividend received / receivable during the current quarter.

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.

NOTES TO THE INTERIM FINANCIAL REPORT

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.

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 2009.

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 31.08.2009	Cumulative To-Date Ended 31.08.2009
Profit after tax (RM'000)	1,339	1,339
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)	0.96	0.96

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 2009, 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

Kuala Lumpur
Date:14.09.09