

ICAPITAL.BIZ BERHAD (674900-X)

CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 AUGUST 2010

	UNAUDITED AS AT 31/08/2010 RM'000	AUDITED AS AT 31/05/2010 RM'000
ASSETS		
Non-current assets		
Investments (Note 1)	219,530	128,727
Current assets		
Other receivables and deposits	1,340	1,783
Tax recoverable	318	558
Short term deposits	102,700	103,677
Cash and bank balances	648	248
	<u>105,006</u>	<u>106,266</u>
TOTAL ASSETS	<u><u>324,536</u></u>	<u><u>234,993</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Fair value adjustment reserve	87,415	-
Unappropriated profit	96,876	94,844
Total equity attributable to holders of the Company	<u><u>324,291</u></u>	<u><u>234,844</u></u>
Current liabilities		
Other payables and accruals	245	149
	<u>245</u>	<u>149</u>
TOTAL EQUITY AND LIABILITIES	<u><u>324,536</u></u>	<u><u>234,993</u></u>
Net assets per share (RM) (Note 2)	1.69	1.68
Net asset value per share (RM) (Note 3)	2.32	2.10

Notes:

- Investments shown here as at 31 August 2010 are taken at market value.
- The investments taken for calculation of Net Assets ("NA") per share are at the lower of book cost (which was RM132,114,444.54 as at 31 August 2010) or market value.
- The investments taken for calculation of Net Asset Value ("NAV") per share are based on market value which was RM219,529,653 as at 31 August 2010. At that date, the total market value of the investment portfolio exceeded the total book value by RM87,415,208.46.
- Calculation of NA and NAV per share are based on 140,000,000 ordinary shares in issue.

(The Condensed Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 May 2010)

ICAPITAL.BIZ BERHAD (674900-X)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 AUGUST 2010

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/08/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2009 RM'000	CURRENT YEAR TO DATE 31/08/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2009 RM'000
Revenue	4,041	2,598	4,041	2,598
Operating expenses	(1,229)	(974)	(1,229)	(974)
Profit from operations	2,812	1,624	2,812	1,624
Finance cost	-	-	-	-
Profit before taxation	2,812	1,624	2,812	1,624
Taxation	(780)	(285)	(780)	(285)
Profit for the period	2,032	1,339	2,032	1,339
Other comprehensive income:				
Net fair value changes in available-for-sale investments	87,415	-	87,415	-
Total comprehensive income for the period	89,447	1,339	89,447	1,339
Earnings per share (sen)				
- Basic	1.45	0.96	1.45	0.96
- Diluted	N/A	N/A	N/A	N/A

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 May 2010)

ICAPITAL.BIZ BERHAD (674900-X)

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2010

	Share Capital RM'000	Fair Value Adjustment Reserve RM'000	Unappropriated Profit RM'000	Total Equity RM'000
At 01.06.2010	140,000	-	94,844	234,844
Total comprehensive income for the period	-	87,415	2,032	89,447
At 31.08.2010	140,000	87,415	96,876	324,291
At 01.06.2009	140,000	-	58,594	198,594
Total comprehensive income for the period	-	-	1,339	1,339
At 31.08.2009	140,000	-	59,933	199,933

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2010)

ICAPITAL.BIZ BERHAD (674900-X)

CONDENSED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 AUGUST 2010

	3 MONTHS ENDED 31/08/2010 RM'000	3 MONTHS ENDED 31/08/2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before working capital changes	2,812	1,624
Changes in working capital		
Purchase of investments - net	(3,388)	(5,643)
Other receivable and deposits	443	3,324
Other payables and accruals	96	(103)
CASH USED IN OPERATIONS	<u>(37)</u>	<u>(798)</u>
Taxes paid	(540)	(407)
Net cash used in operating activities	<u>(577)</u>	<u>(1,205)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(577)	(1,205)
CASH AND CASH EQUIVALENTS AT 1 JUNE	103,925	37,442
CASH AND CASH EQUIVALENTS AT 31 AUGUST	<u><u>103,348</u></u>	<u><u>36,237</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	648	968
Deposits with licensed financial institutions	102,700	35,269
	<u><u>103,348</u></u>	<u><u>36,237</u></u>

(The Condensed Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 May 2010)

**ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2010**

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 2010. 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 2010, except for the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations which were adopted by the Company with effect from 1 January 2010:-

FRSs/IC Interpretations (including the Consequential Amendments)	Effective Date
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 8 Operating Segments	1 July 2009
Revised FRS 101 (2009) Presentation of Financial Statements	1 January 2010
Revised FRS 123 (2009) Borrowing Costs	1 January 2010
Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 7, FRS 139 and IC Interpretation 9	1 January 2010
Amendments to FRS 101 and FRS 132: Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2010
Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision In Relation To Compound Instruments	1 January 2010/1 March 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
Annual Improvements to FRSs (2009)	1 January 2010

The adoption of the above new FRSs, Amendments to FRSs and Interpretations does not have a significant impact to the Company, except as described below:-

(a) Revised FRS 101 (2009) Presentation of Financial Statements

The revised FRS 101 (2009) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Company.

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation (Cont'd)

(b) Revised FRS 139 (2010) Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Company's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments in the statement of financial position reflects the designation of the financial instruments. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments. Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:

Category	Measurement basis
Financial instruments at fair value through profit or loss	At fair value through profit or loss
Held-to-maturity investments	At amortised cost using effective interest method
Loans and receivables	At amortised cost using effective interest method
Available-for-sale investment	At fair value through other comprehensive income
Loans and other financial liabilities	At amortised cost using effective interest method

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 May 2010 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the consolidated statement of financial position as at 1 June 2010.

	As at 31/05/2010 RM'000	Effect of FRS 139 RM'000	As at 01/06/2010 RM'000
Consolidated statement of financial position			
Assets			
Investments	128,727	59,536	188,263
Equity			
Fair value adjustment reserve	-	59,536	59,536

The adoption of FRS 139 does not have any significant impact on the profit for the current financial year-to-date.

A2 Auditors' opinion on preceding annual financial statements

The Company's Financial Statements for the financial year ended 31 May 2010 were not qualified by the auditors.

A3 Seasonality or cyclicity of operations

As the Company is a closed-end fund, it is dependent on the performance of the companies in which it has invested. 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.

NOTES TO THE INTERIM FINANCIAL REPORT

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 materials 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 2010, the Company recorded a profit before tax of RM2.812 million, compared with a profit before tax of RM1.624 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 2010 was RM2.32, compared with NAV per share of RM2.10 as at 31 May 2010.

In the first quarter ended 31 August 2010, the Company's NAV increased by 10% from 31 May 2010.

B2 Comparison with immediate preceding quarter's results

In the first quarter ended 31 August 2010, the Company recorded a profit after tax of RM2.032 million, compared with RM31.067 million in the preceding quarter. The difference between the two quarters' performance is due mainly to sales of its holdings in Astro All Asia Networks Plc, Kuala Lumpur Kepong Berhad, Lion Diversified Holdings Bhd, Poh Kong Holdings Berhad, Swee Joo Berhad and Hai-O Enterprise Berhad in the preceding quarter. In the current quarter, the Company sold the balance 69,200 shares in Hai-O Enterprise Berhad, resulting in a gain of RM151,251.03 and in the said quarter, the Company added to its investment in Malaysia Smelting Corporation Berhad.

The NAV per share increased by 10% in the first quarter ended 31 August 2010 to RM2.32, compared with the preceding quarter of RM2.10.

NOTES TO THE INTERIM FINANCIAL REPORT

B3 Current year prospects

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

Since the last report, worries in the global economy have, not surprisingly, shifted again. This time, the focus is on the US economy where its economic figures were beginning to worry investors again. For many investors, this merry go round of worry can be confusingly frightening. For shareowners of icapital.biz Berhad, they can take great comfort that while the global stock markets rattled, its Fund Manager has stuck steadfastly to its "Intelligently Eclectic" value investing philosophy.

The cash as at 31 August 2010 is still hovering above RM100 million. While the Fund Manager and Investment Adviser are continuously seeking for stocks that are attractively priced, it is useful to remember what Mark Twain wrote : "There are two times in a man's life when he should not speculate : when he can't afford it, and when he can."

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	
	31/08/2010	31/08/2009	31/08/2010	31/08/2009
	RM'000	RM'000	RM'000	RM'000
Current tax expense	(780)	(285)	(780)	(285)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	Current Quarter Ended 31/08/2010 RM'000	Current Quarter Ended 31/08/2009 RM'000
Profit before taxation	2,812	1,624
Tax at the statutory rate of 25%	703	406
Tax effects of:		
- Non-taxable income	(38)	-
- Tax-exempt dividends	(17)	(231)
- Non-deductible expenses	132	110
Tax for the financial period	<u>780</u>	<u>285</u>
	Cumulative Quarter Ended 31/08/2010 RM'000	Cumulative Quarter Ended 31/08/2009 RM'000
Profit before taxation	2,812	1,624
Tax at the statutory rate of 25%	703	406
Tax effects of:		
- Non-taxable income	(38)	-
- Tax-exempt dividends	(17)	(231)
- Non-deductible expenses	132	110
Tax for the financial period	<u>780</u>	<u>285</u>

NOTES TO THE INTERIM FINANCIAL REPORT

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.

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 2010.

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 31.08.2010	Cumulative To-Date Ended 31.08.2010
Profit after tax (RM'000)	2,032	2,032
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)	1.45	1.45

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.

**ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2010**

NOTES TO THE INTERIM FINANCIAL REPORT

B15 Investments

As at 31 August 2010, 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: 29.10.10**