

ICAPITAL.BIZ BERHAD (674900-X)

CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 NOVEMBER 2010

	UNAUDITED AS AT 30/11/2010 RM'000	AUDITED AS AT 31/05/2010 RM'000
ASSETS		
Non-current assets		
Investments (Note 1)	240,585	128,727
Current assets		
Other receivables and deposits	2,416	1,783
Tax recoverable	75	558
Short term deposits	103,158	103,677
Cash and bank balances	44	248
	<u>105,693</u>	<u>106,266</u>
TOTAL ASSETS	<u>346,278</u>	<u>234,993</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Fair value adjustment reserve	108,177	-
Unappropriated profit	98,101	94,844
Total equity attributable to holders of the Company	<u>346,278</u>	<u>234,844</u>
Current liabilities		
Other payables and accruals	-	149
	<u>-</u>	<u>149</u>
TOTAL EQUITY AND LIABILITIES	<u>346,278</u>	<u>234,993</u>
Net assets per share (RM) (Note 2)	1.70	1.68
Net asset value per share (RM) (Note 3)	2.47	2.10

Notes:

- Investments shown here as at 30 November 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 RM132,408,580.19 as at 30 November 2010) or market value.
- The investments taken for calculation of Net Asset Value ("NAV") per share are based on market value which was RM240,585,353 as at 30 November 2010. At that date, the total market value of the investment portfolio exceeded the total book value by RM108,176,772.81.
- 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 30 NOVEMBER 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/11/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/11/2009 RM'000	CURRENT YEAR TO DATE 30/11/2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/11/2009 RM'000
Revenue	2,823	1,397	6,864	3,995
Operating expenses	(1,299)	(1,079)	(2,528)	(2,053)
Profit from operations	1,524	318	4,336	1,942
Finance cost	-	-	-	-
Profit before taxation	1,524	318	4,336	1,942
Taxation	(299)	17	(1,079)	(268)
Profit for the period	1,225	335	3,257	1,674
Other comprehensive income:				
Net fair value changes in available-for-sale investments	108,177	-	108,177	-
Total comprehensive income for the period	109,402	335	111,434	1,674
Earnings per share (sen)				
- Basic	0.88	0.24	2.33	1.20
- 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 30 NOVEMBER 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	-	108,177	3,257	111,434
At 30.11.2010	140,000	108,177	98,101	346,278
At 01.06.2009	140,000	-	58,594	198,594
Total comprehensive income for the period	-	-	1,674	1,674
At 30.11.2009	140,000	-	60,268	200,268

(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 30 NOVEMBER 2010

	6 MONTHS ENDED 30/11/2010 RM'000	6 MONTHS ENDED 30/11/2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before working capital changes	4,336	1,942
Changes in working capital		
Purchase of investments - net	(3,681)	(11,734)
Other receivable and deposits	(633)	2,753
Other payables and accruals	(149)	(99)
CASH USED IN OPERATIONS	<u>(127)</u>	<u>(7,138)</u>
Taxes paid	(596)	(396)
Net cash used in operating activities	<u>(723)</u>	<u>(7,534)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(723)	(7,534)
CASH AND CASH EQUIVALENTS AT 1 JUNE	103,925	37,442
CASH AND CASH EQUIVALENTS AT 30 NOVEMBER	<u><u>103,202</u></u>	<u><u>29,908</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	44	18
Deposits with licensed financial institutions	103,158	29,890
	<u><u>103,202</u></u>	<u><u>29,908</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)

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 cyclicalities 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 cyclicalities 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 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 six months ended 30 November 2010, the Company recorded a profit before tax of RM4.336 million, compared with a profit before tax of RM1.942 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 30 November 2010 was RM2.47, compared with NAV per share of RM2.10 as at 31 May 2010.

In the second quarter ended 30 November 2010, the Company's NAV increased by 18% from 31 May 2010.

B2 Comparison with immediate preceding quarter's results

In the second quarter ended 30 November 2010, the Company recorded a profit after tax of RM1.225 million, compared with RM2.032 million in the preceding quarter. The difference between the two quarters' performance is due mainly to lower dividend income in the current quarter. For the current quarter, the revenue and operating expenses were RM2.823 million and RM1.299 million respectively, compared with RM4.041 million and RM1.229 million for the preceding quarter.

The NAV per share increased by 6% in the second quarter ended 30 November 2010 to RM2.47, compared with the preceding quarter of RM2.32.

NOTES TO THE INTERIM FINANCIAL REPORT

B3 Current year prospects commentary by Fund Manager

When a calendar year draws to a close, investors typically like to gaze at the crystal ball and figure out what lies ahead. As the turbulent and volatile 2010 draws to a close, many will be asking what will 2011 be like. As your fund manager, Capital Dynamics Asset Management Sdn Bhd does not believe that this artificial division of time has any bearing on how the economy and market will turn out in 2011. What is important is the underlying cause and effect relationship and whether this will continue in the coming months and years.

The underlying cause and effect structure of the global economy in the last decade and how that is reflected in the global financial markets are best captured by the *i* Capital Long Boom. First put forward by Tan Teng Boo, the Designated Person of your fund, the *i* Capital Long Boom simply states that a secular global boom has been unfolding for many years now. Fundamentally driven by the unprecedented transformation of China and supported by 3 other factors, the structure of the global economy has been transformed and as a result, the global economy is experiencing a long secular boom, the likes of which the global community has never seen before. At the same time, due to the nature of the *i* Capital Long Boom, the global economy is experiencing an unusual phenomenon and this will persist.

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, we had everything before us, we had nothing before us...."

Written by Charles Dickens in "A Tale of Two Cities", the phrase above best describes what it has been like for the global and Malaysian economies and what it will possibly be like in the foreseeable future. There will be plentiful opportunities, existing side by side with plentiful risks. What should investors do in such demanding and quick changing conditions? To be brave and subsequently suffer? Or to be fearful and miss the rewards?

In such demanding conditions, filled with fluidity, rapid changes, unprecedented trends and developments, where the heart pounds and the mind is numbed, as your fund manager, Capital Dynamics Asset Management Sdn Bhd would want to focus on its tested "Intelligently Eclectic" value investing philosophy.

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	
	30/11/2010	30/11/2009	30/11/2010	30/11/2009
	RM'000	RM'000	RM'000	RM'000
Current tax expense/(credit)	299	(17)	1,079	268

NOTES TO THE INTERIM FINANCIAL REPORT

B5 Taxation (Cont'd)

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 30/11/2010 RM'000	Current Quarter Ended 30/11/2009 RM'000
Profit before taxation	1,524	318
Tax at the statutory rate of 25%	381	80
Tax effects of:		
- Non-taxable income	-	-
- Tax-exempt dividends	(527)	(227)
- Non-deductible expenses	445	130
Tax for the financial period	299	(17)
	Cumulative Quarter Ended 30/11/2010 RM'000	Cumulative Quarter Ended 30/11/2009 RM'000
Profit before taxation	4,336	1,942
Tax at the statutory rate of 25%	1,084	486
Tax effects of:		
- Non-taxable income	(38)	-
- Tax-exempt dividends	(544)	(458)
- Non-deductible expenses	577	240
Tax for the financial period	1,079	268

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 30 November 2010.

NOTES TO THE INTERIM FINANCIAL REPORT

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 30.11.2010	Cumulative To-Date Ended 30.11.2010
Profit after tax (RM'000)	1,225	3,257
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)	0.88	2.33

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 30 November 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: 10 January 2011