

ICAPITAL.BIZ BERHAD (674900-X)

CONDENSED STATEMENT OF FINANCIAL POSITION  
FOR THE PERIOD ENDED 28 FEBRUARY 2011

	UNAUDITED AS AT 28/02/2011 RM'000	AUDITED AS AT 31/05/2010 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investments (Note 1)	250,035	128,727
<b>Current assets</b>		
Other receivables and deposits	1,402	1,783
Tax recoverable	1,765	1,952
Short term deposits	103,598	103,677
Cash and bank balances	2,644	248
	<u>109,409</u>	<u>107,660</u>
<b>TOTAL ASSETS</b>	<u><b>359,444</b></u>	<u><b>236,387</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	140,000	140,000
Fair value adjustment reserve	114,698	-
Unappropriated profit	103,190	94,844
<b>Total equity attributable to holders of the Company</b>	<u><b>357,888</b></u>	<u><b>234,844</b></u>
<b>Current liabilities</b>		
Other payables and accruals	24	149
Provision of taxation	1,532	1,394
	<u>1,556</u>	<u>1,543</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>359,444</b></u>	<u><b>236,387</b></u>
Net assets per share (RM) (Note 2)	1.74	1.68
Net asset value per share (RM) (Note 3)	2.56	2.10

**Notes:**

- Investments shown here as at 28 February 2011 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 RM135,337,013.17 as at 28 February 2011) or market value.
- The investments taken for calculation of Net Asset Value ("NAV") per share are based on market value which was RM250,035,308 as at 28 February 2011. At that date, the total market value of the investment portfolio exceeded the total book value by RM114,698,294.83.
- 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 28 FEBRUARY 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 28/02/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 28/02/2010 RM'000	CURRENT YEAR TO DATE 28/02/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 28/02/2010 RM'000
Revenue	5,936	5,002	13,800	8,997
Operating expenses	(1,394)	(1,246)	(3,922)	(3,299)
<b>Profit from operations</b>	<b>5,542</b>	<b>3,756</b>	<b>9,878</b>	<b>5,698</b>
Finance cost	-	-	-	-
<b>Profit before taxation</b>	<b>5,542</b>	<b>3,756</b>	<b>9,878</b>	<b>5,698</b>
Taxation	(453)	(247)	(1,532)	(515)
<b>Profit for the period</b>	<b>5,089</b>	<b>3,509</b>	<b>8,346</b>	<b>5,183</b>
<b>Other comprehensive income:</b>				
Net fair value changes in available-for-sale investments	114,698	-	114,698	-
<b>Total comprehensive income for the period</b>	<b>119,787</b>	<b>3,509</b>	<b>123,044</b>	<b>5,183</b>
<b>Earnings per share (sen)</b>				
- Basic	3.64	2.51	5.96	3.70
- 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 28 FEBRUARY 2011

	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	-	114,698	8,346	123,044
At 28.02.2011	140,000	114,698	103,190	357,888
At 01.06.2009	140,000	-	58,594	198,594
Total comprehensive income for the period	-	-	5,183	5,183
At 28.02.2010	140,000	-	63,777	203,777

(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 28 FEBRUARY 2011

	9 MONTHS ENDED 28/02/2011 RM'000	9 MONTHS ENDED 28/02/2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before working capital changes	9,878	5,698
Changes in working capital		
Purchase of investments - net	(6,610)	(8,879)
Other receivable and deposits	381	1,476
Other payables and accruals	(125)	(73)
<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>	<u>3,524</u>	<u>(1,778)</u>
Taxes paid	(1,207)	(718)
Net cash generated from/(used in) operating activities	<u>2,317</u>	<u>(2,496)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,317	(2,496)
CASH AND CASH EQUIVALENTS AT 1 JUNE	103,925	37,442
<b>CASH AND CASH EQUIVALENTS AT 28 FEBRUARY</b>	<u><u>106,242</u></u>	<u><u>34,946</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash on hand and at banks	2,644	29
Deposits with licensed financial institutions	103,598	34,917
	<u><u>106,242</u></u>	<u><u>34,946</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:-

<b>FRSs/IC Interpretations (including the Consequential Amendments)</b>	<b>Effective Date</b>
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

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation (Cont'd)

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.

(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.

ICAPITAL.BIZ BERHAD (674900-X)  
FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2011

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation (Cont'd)

	As at 31/05/2010 RM'000	Effect of FRS 139 RM'000	As at 01/06/2010 RM'000
<b>Consolidated statement of financial position</b>			
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.

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.

**ICAPITAL.BIZ BERHAD (674900-X)  
FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2011**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**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.

**A13 Significant related party transactions**

The Company has a related party relationship with Capital Dynamics Asset Management Sdn Bhd ("CDAM"), the Fund Manager of the Company. The Director of the Company, YM Tunku Tan Sri Dato' Seri Ahmad Bin Tunku Yahaya, is a director and substantial shareholder of CDAM.

The amount transacted with CDAM during the current quarter and cumulative year to-date is as follows:

	<b>Current Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>28/02/2011</b>	<b>28/02/2010</b>	<b>28/02/2011</b>	<b>28/02/2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fund management fees	661	519	1,854	1,472



NOTES TO THE INTERIM FINANCIAL REPORT

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

**B1 Review of performance**

For the nine months ended 28 February 2011, the Company recorded a profit before tax of RM9.878 million, compared with a profit before tax of RM5.698 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 28 February 2011 was RM2.56, compared with NAV per share of RM2.10 as at 31 May 2010.

In the third quarter ended 28 February 2011, the Company's NAV increased by 22% from 31 May 2010.

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

In the third quarter ended 28 February 2011, the Company recorded a profit after tax of RM5.089 million, compared with RM1.225 million in the preceding quarter. The difference between the two quarters' performance is due mainly to higher dividend income in the current quarter. For the current quarter, the revenue and operating expenses were RM6.936 million and RM1.394 million respectively, compared with RM2.823 million and RM1.299 million for the preceding quarter.

The NAV per share increased by 4% in the third quarter ended 28 February 2011 to RM2.56, compared with the preceding quarter of RM2.47.

**B3 Current year prospects commentary by Fund Manager**

"2011 and the Year of the Rabbit have started off with many uncertainties and unprecedented developments. First, inflation in the emerging and developed economies has worsened and the pressure for it to worsen further may have risen. Secondly, prices of many commodities, which have surged, have stayed elevated due to global supply and demand factors and may rise further. Key amongst them is the price of crude oil. The civil war in Libya has caused a substantial oil supply disruption. At the same time, the shutdown of the Fukushima Dai-ichi nuclear plant in Japan has boosted global oil demand. From a crude oil and inflation standpoint, the political situation in tiny but strategic Bahrain deserves a close watch. The triple disasters that hit Japan on 11 March 2011 have also made the underlying global inflation situation worrying due to disruptions in the global supply chain. At the same time, growth in the largest economy in the world, America, is picking up momentum. Monetary policies globally remain too loose. Hence, the global crude oil supply/demand equation simply points towards higher oil price and unfortunately, via its impact on inflation, this can adversely affect stock market trends. Given such uncertainties, as your fund manager, Capital Dynamics Asset Management Sdn Bhd would as usual navigate this sometimes calm stock market of opportunities and sometimes choppy market of risks with caution. In the quarter ended 28 February 2011, there were a few minor trades but the core holdings of your Fund essentially remained unchanged. The level of cash holdings at the end of the said quarter stayed above RM106 million".

**B4 Profit forecast / guarantee**

The Company has not given any profit forecast or profit guarantee for the year.

**ICAPITAL.BIZ BERHAD (674900-X)**  
**FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2011**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**B5 Taxation**

	Current Quarter Ended		Cumulative Quarter Ended	
	28/02/2011	28/02/2010	28/02/2011	28/02/2010
	RM'000	RM'000	RM'000	RM'000
Current tax expense	453	247	1,532	515

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	Current Quarter Ended
	28/02/2011	28/02/2010
	RM'000	RM'000
Profit before taxation	5,542	3,756
Tax at the statutory rate of 25%	1,385	939
Tax effects of:		
- Non-taxable income	(7)	(475)
- Tax-exempt dividends	(1,276)	(471)
- Non-deductible expenses	351	254
Tax for the financial period	<u>453</u>	<u>247</u>
	Cumulative Quarter Ended	Cumulative Quarter Ended
	28/02/2011	28/02/2010
	RM'000	RM'000
Profit before taxation	9,878	5,698
Tax at the statutory rate of 25%	2,469	1,424
Tax effects of:		
- Non-taxable income	(45)	(475)
- Tax-exempt dividends	(1,820)	(928)
- Non-deductible expenses	928	494
Tax for the financial period	<u>1,532</u>	<u>515</u>

**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

**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 28 February 2011.

**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 28/02/2011</b>	<b>Cumulative To-Date Ended 28/02/2011</b>
Profit after tax (RM'000)	5,089	8,346
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)	3.64	5.96

**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 28 February 2011, 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 stock.

**ICAPITAL.BIZ BERHAD (674900-X)**  
**FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2011**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**B16 Realised and unrealised profits**

On 25 March 2010, Bursa Malaysia Securities Berhad (Bursa Malaysia) issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

The breakdown of the retained profits of the Company as at 28 February 2011 into realised and unrealised profits pursuant to Bursa Malaysia's Directive Ref: LD26/10 dated 20 December 2010 is tabulated below:

	As at 28/02/2011 RM'000	As at 30/11/2010 RM'000
Total retained profits of the Company:		
- Realised	103,190	98,101
- Unrealised	-	-
Total retained profits as per statement of financial position	<u>103,190</u>	<u>98,101</u>

**BY ORDER OF THE BOARD**  
**KUAN HUI FANG (MIA 16876)**  
**THAM WAI YING (MAICSA 7016123)**

**SECRETARIES**

Kuala Lumpur  
Date: 25/04/2011