

ICAPITAL.BIZ BERHAD (674900-X)
CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 MAY 2011

	UNAUDITED AS AT 31/05/2011 RM'000	AUDITED AS AT 31/05/2010 RM'000
ASSETS		
Non-current assets		
Investments (Note 1)	270,507	128,727
Current assets		
Other receivables and deposits	2,271	1,783
Tax recoverable	2,637	1,952
Short term deposits	115,704	103,677
Cash and bank balances	204	248
	<u>120,816</u>	<u>107,660</u>
TOTAL ASSETS	<u>391,323</u>	<u>236,387</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Fair value adjustment reserve	141,927	-
Unappropriated profit	106,303	94,844
Total equity attributable to holders of the Company	<u>388,230</u>	<u>234,844</u>
Current liabilities		
Other payables and accruals	635	149
Provision of taxation	2,458	1,394
	<u>3,093</u>	<u>1,543</u>
TOTAL EQUITY AND LIABILITIES	<u>391,323</u>	<u>236,387</u>
Net assets per share (RM) (Note 2)	2.77	1.68
Net asset value per share (RM) (Note 3)	2.77	2.10

Notes:

- Investments shown here as at 31 May 2011 are taken at market value.
- The net assets per share is calculated based on the net assets at the end of the reporting period.
- The investments taken for calculation of Net Asset Value ("NAV") per share are based on market value which was RM270,506,528 as at 31 May 2011. At that date, the total market value of the investment portfolio exceeded the total book value by RM141,926,384.43.
- 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 MAY 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/05/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/05/2010 RM'000	CURRENT YEAR TO DATE 31/05/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/05/2010 RM'000
Revenue	6,136	33,227	19,936	42,224
Operating expenses	(2,097)	(1,281)	(6,019)	(4,580)
Profit from operations	4,039	31,946	13,917	37,644
Finance cost	-	-	-	-
Profit before taxation	4,039	31,946	13,917	37,644
Taxation	(926)	(879)	(2,458)	(1,394)
Profit for the period	3,113	31,067	11,459	36,250
Other comprehensive income:				
Fair value changes in available-for-sale investments	27,229	-	82,390	-
Total comprehensive income for the period	30,342	31,067	93,849	36,250
Earnings per share (sen)				
- Basic	2.22	22.19	8.19	25.89
- 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 MAY 2011

	Share Capital RM'000	Fair Value Reserve RM'000	Unappropriated Profit RM'000	Total Equity RM'000
At 01.06.2010	140,000	-	94,844	234,844
Effect of adopting FRS 139	-	59,537	-	59,537
	140,000	59,537	94,844	294,381
Total comprehensive income for the period	-	82,390	11,459	93,849
At 31.05.2011	140,000	141,927	106,303	388,230
At 01.06.2009	140,000	-	58,594	198,594
Total comprehensive income for the period	-	-	36,250	36,250
At 31.05.2010	140,000	-	94,844	234,844

(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 MAY 2011

	12 MONTHS ENDED 31/05/2011 RM'000	12 MONTHS ENDED 31/05/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before working capital changes	13,917	37,644
Changes in working capital		
Purchase of investments - net	147	27,714
Other receivable and deposits	(488)	2,262
Other payables and accruals	486	15
CASH GENERATED FROM OPERATIONS	<u>14,062</u>	<u>67,635</u>
Taxes paid	(2,079)	(1,152)
Net cash generated from operating activities	<u>11,983</u>	<u>66,483</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,983	66,483
CASH AND CASH EQUIVALENTS AT 1 JUNE	103,925	37,442
CASH AND CASH EQUIVALENTS AT 31 MAY	<u><u>115,908</u></u>	<u><u>103,925</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	204	248
Deposits with licensed financial institutions	115,704	103,677
	<u><u>115,908</u></u>	<u><u>103,925</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 MAY 2011

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 financial report of the Company are prepared under the historical cost convention, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

- (a) During the current financial year, the Company has adopted the following new accounting standards and interpretations (including the consequential amendments):-

FRSs and IC Interpretations (Including the Consequential Amendments)

FRS 4 Insurance Contracts

FRS 7 Financial Instruments: Disclosures

FRS 8 Operating Segments

FRS 101 (Revised) Presentation of Financial Statements

FRS 123 (Revised) Borrowing Costs

FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Vesting Conditions and Cancellations

Amendments to FRS 7, FRS 139 and IC Interpretation 9

Amendments to FRS 101 and FRS 132: Puttable Financial Instruments and Obligations Arising on Liquidation

Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments

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

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation(Cont'd)

- (a) During the current financial year, the Company has adopted the following new accounting standards and interpretations (including the consequential amendments):-

FRSs and IC Interpretations (Including the Consequential Amendments)

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset,

Minimum Funding Requirements and their Interaction

Annual Improvements to FRSs (2009)

- (b) The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Company's financial statements, other than the following:-

- (i) FRS 7 requires additional disclosures about the financial instruments of the Company. Prior to 1 June 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 - Financial Instruments: Disclosures and Presentation. FRS 7 requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Company has applied FRS 7 prospectively in accordance with the transitional provisions. Accordingly, the new disclosures have not been applied to the comparatives and are included throughout the financial statements for the current financial year.

- (ii) FRS 101 (Revised) introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Company has elected to present this statement as one single statement.

The revised standard also separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of comprehensive income as other comprehensive income.

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 classification of items in the statement.

FRS 101 (Revised) also requires the Company to make new disclosures to enable users of the financial statements to evaluate the Company's objectives, policies and processes for managing capital.

Comparative information has been re-presented so that it is in conformity with the requirements of this revised standard.

ICAPITAL.BIZ BERHAD (674900-X)
 FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2011

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation(Cont'd)

- (b) (iii) The adoption of FRS 139 (including the consequential amendments) has resulted in several changes to accounting policies relating to recognition and measurements of financial instruments.

The financial impact to the financial statements is summarised as follows:-

	AUDITED AT 1.6.2010 RM
<u>Fair value reserve</u>	
Fair value of quoted shares	59,536,159

It was the Company's accounting policy to measure investments at the lower of cost and market value, determined on an aggregate basis. In the previous financial year, the investments were stated at cost. Upon adoption of FRS 139 during the financial year, these investments are now classified as available-for-sale financial assets at fair value through profit or loss, measured at fair value.

The financial impacts are recognised as an adjustment to the opening balance of fair value reserve upon the adoption of FRS 139. Comparatives are not adjusted/presented by virtue of the exemption given in this standard.

- (c) The Company has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

FRSs and IC Interpretations (Including the Consequential Amendments)	Effective date
FRS 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised) Business Combinations	1 July 2010
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (Revised) Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)	1 July 2010

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2011

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation(Cont'd)

FRSs and IC Interpretations (Including the Consequential Amendments)	Effective date
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)	1 July 2010
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interprétation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 Transfer of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Annual Improvement to FRSs (2010)	1 January 2011

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Company's operations except as follows:-

Amendments to FRS 7: Improving Disclosures about Financial Instruments

The possible impact of Amendments to FRS 7: Improving Disclosures about Financial Instruments on the financial report upon its initial application is not disclosed by virtue of the exemption given in this standard.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2011

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation(Cont'd)

Annual Improvements 2010

Annual Improvements to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes. These amendments are expected to have no material impact on the financial statements of the Company upon their initial application.

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 31 MAY 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:

	Current Quarter Ended		Cumulative Quarter Ended	
	31/05/2011	31/05/2010	31/05/2011	31/05/2010
	RM'000	RM'000	RM'000	RM'000
Fund management fees	699	546	2,553	2,019

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2011

NOTES TO THE INTERIM FINANCIAL REPORT

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of performance

For the twelve months ended 31 May 2011, the Company recorded a profit before tax of RM13.917 million, compared with a profit before tax of RM37.644 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 May 2011 was RM2.77, compared with NAV per share of RM2.10 as at 31 May 2010.

In the fourth quarter ended 31 May 2011, the Company's NAV increased by 32% from 31 May 2010.

B2 Comparison with immediate preceding quarter's results

In the fourth quarter ended 31 May 2011, the Company recorded a profit after tax of RM3.113 million, compared with RM5.089 million in the preceding quarter. The difference between the two quarters' performance is due mainly to sales of its holdings in Mieco Chipboard Berhad, Integrax Berhad and Coastal Contract Berhad in the current quarter, resulting in a gain of RM2.145 million. For the current quarter, the revenue and operating expenses were RM6.136 million and RM2.097 million respectively, compared with RM6.936 million and RM1.394 million for the preceding quarter.

The NAV per share increased by 8% in the fourth quarter ended 31 May 2011 to RM2.77, compared with the preceding quarter of RM2.56.

B3 Prospects for the next financial year commentary by Fund Manager

2011 is about half way through and so far, it has been plagued with more turbulence and uncertainties. What lies ahead? Inflation in the emerging and developed economies has remained elevated without any signs that monetary tightening will be ending anytime soon. Yet, economic growth is suddenly slowing down fast across the globe. After a short respite, the European debt crisis is coming back to haunt global financial markets with a vengeance. The political uprising that started in smallish Tunisia has now spread to engulf most of North Africa and the Middle East. At the same time, Mother Nature continues to play havoc in all corners of the world, ranging from volcanic eruptions in Iceland to Chile, from floods in the US to drought in China, from tsunami in Japan to earthquakes in Christchurch, and more.

In contrast, Malaysia seems to be like a safe haven with Bursa Malaysia holding its grounds relatively well. Still, as John Donne wrote, *"No man is an island, entire of itself."* It is unlikely that Malaysia and Bursa Malaysia would escape unscathed if the global economy and equity markets slide further, the chances of which are not slim.

Given such persistent turbulence, your fund manager, Capital Dynamics Asset Management Sdn Bhd, would navigate this occasionally calm market of opportunities and frequently stormy market of risks with its "Intelligently Eclectic" value investing philosophy. Shareowners of icapital.biz Berhad may not be aware that this time tested philosophy has allowed your Fund's NAV to surge 32.38% from 1 June 2010 to 31 May 2011 versus only a 21.27% rise from the FBMKLCI. At the same time, your Fund's share price jumped 28.74% and all this while, your Fund still has more than RM100 million in cash as safety net. In the quarter ended 31 May 2011, the "safety net" increased to above RM115 million.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2011

NOTES TO THE INTERIM FINANCIAL REPORT

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	
	31/05/2011	31/05/2010	31/05/2011	31/05/2010
	RM'000	RM'000	RM'000	RM'000
Current tax expense	926	879	2,458	1,394

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		Cumulative Quarter Ended	
	31/05/2011	31/05/2010	31/05/2011	31/05/2010
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	4,039	31,946	13,917	37,644
Tax at the statutory rate of 25%	1,010	7,987	3,479	9,411
Tax effects of				
Non-taxable income	(536)	(7,705)	(581)	(8,180)
Tax-exempt dividends	(565)	(111)	(2,384)	(1,039)
Non-deductible expenses	506	481	1,433	975
Overprovision in prior years	511	227	511	227
Tax for the financial period	926	879	2,458	1,394

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.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2011

NOTES TO THE INTERIM FINANCIAL REPORT

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 May 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:

	Current Quarter Ended 31/05/2011	Cumulative To-Date Ended 31/05/2011
Profit after tax (RM'000)	3,113	11,459
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)	2.22	8.19

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 May 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 31 MAY 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 31 May 2011 into realised and unrealised profits pursuant to Bursa Malaysia's Directive Ref: LD26/10 dated 20 December 2010 is tabulated below:

	As at 31/05/2011 RM'000	As at 28/02/2011 RM'000
Total retained profits of the Company		
Realised	106,303	103,190
Unrealised	-	-
Total retained profits as per statement of financial position	106,303	103,190

BY ORDER OF THE BOARD

KUAN HUI FANG (MIA 16876)
THAM WAI YING (MAICSA 7016123)

SECRETARIES

Kuala Lumpur
Date: 6 July 2011