

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

	UNAUDITED AS AT 31/08/2011 RM'000	AUDITED AS AT 31/05/2011 RM'000
ASSETS		
Non-current assets		
Investments (Note 1)	241,609	270,507
Current assets		
Other receivables and deposits	1,565	2,271
Tax recoverable	3,441	2,637
Short term deposits	124,262	115,704
Cash and bank balances	314	204
	<u>129,582</u>	<u>120,816</u>
TOTAL ASSETS	<u>371,191</u>	<u>391,323</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Fair value adjustment reserve	114,520	141,927
Unappropriated profit	113,013	106,303
Total equity attributable to holders of the Company	<u>367,533</u>	<u>388,230</u>
Current liabilities		
Other payables and accruals	216	635
Provision of taxation	3,442	2,458
	<u>3,658</u>	<u>3,093</u>
TOTAL EQUITY AND LIABILITIES	<u>371,191</u>	<u>391,323</u>
Net assets per share (RM) (Note 2)	2.63	2.77
Net asset value per share (RM) (Note 3)	2.63	2.77

Notes:

- Investments shown here as at 31 August 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 RM241,608,974 as at 31 August 2011. At that date, the total market value of the investment portfolio exceeded the total book value by RM114,520,221.40.
- 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 2011.)

ICAPITAL.BIZ BERHAD (674900-X)
 CONDENSED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 31 AUGUST 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/08/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2010 RM'000	CURRENT YEAR TO DATE 31/08/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2010 RM'000
Revenue	9,205	4,041	9,205	4,041
Operating expenses	(1,511)	(1,229)	(1,511)	(1,229)
Profit from operations	7,694	2,812	7,694	2,812
Profit before taxation	7,694	2,812	7,694	2,812
Taxation	(984)	(780)	(984)	(780)
Profit for the period	6,710	2,032	6,710	2,032
Other comprehensive income:				
Fair value changes in available-for-sale investments	(27,407)	87,415	(27,407)	87,415
Total comprehensive income for the period	(20,697)	89,447	(20,697)	89,447
Earnings per share (sen)				
- Basic	4.79	1.45	4.79	1.45
- 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 2011)

ICAPITAL.BIZ BERHAD (674900-X)
 CONDENSED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 AUGUST 2011

	Share Capital RM'000	Fair Value Reserve RM'000	Unappropriated Profit RM'000	Total Equity RM'000
At 01.06.2011	140,000	141,927	106,303	388,230
Total comprehensive income for the period	-	(27,407)	6,710	(20,697)
At 31.08.2011	140,000	114,520	113,013	367,533
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

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2011)

ICAPITAL.BIZ BERHAD (674900-X)
 CONDENSED STATEMENT OF CASH FLOW
 FOR THE PERIOD ENDED 31 AUGUST 2011

	3 MONTHS ENDED 31/08/2011 RM'000	3 MONTHS ENDED 31/08/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before working capital changes	7,694	2,812
Changes in working capital		
Purchase of investments - net	1,491	(3,388)
Other receivable and deposits	706	443
Other payables and accruals	(419)	96
CASH GENERATED FROM/(USED IN) OPERATIONS	<u>9,472</u>	<u>(37)</u>
Taxes paid	(804)	(540)
Net cash generated from/(used in) operating activities	<u>8,668</u>	<u>(577)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8,668	(577)
CASH AND CASH EQUIVALENTS AT 1 JUNE	115,908	103,925
CASH AND CASH EQUIVALENTS AT 31 AUGUST	<u><u>124,576</u></u>	<u><u>103,348</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	314	648
Deposits with licensed financial institutions	124,262	102,700
	<u><u>124,576</u></u>	<u><u>103,348</u></u>

(The Condensed Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 May 2011)

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

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.

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

FRSs and IC Interpretations (Including the Consequential Amendments)

FRS 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised) Business Combinations	1 July 2010
Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)	1 July 2010
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 138: Consequential Amendments Arising From FRS 3 (Revised)	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
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
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)	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 (Revised): Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation (Cont'd)

FRSs and IC Interpretations (Including the Consequential Amendments)

IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Annual Improvement to FRSs (2010)	1 January 2011

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

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.

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 2011 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.

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

NOTES TO THE INTERIM FINANCIAL REPORT

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.

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	
	31/08/2011	31/08/2010	31/08/2011	31/08/2010
	RM'000	RM'000	RM'000	RM'000
Fund management fees	<u>723</u>	<u>578</u>	<u>723</u>	<u>578</u>

NOTES TO THE INTERIM FINANCIAL REPORT

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of performance

For the three months ended 31 August 2011, the Company recorded a profit before tax of RM7.694 million, compared with a profit before tax of RM2.812 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 2011 was RM2.63, compared with NAV per share of RM2.77 as at 31 May 2011.

In the first quarter ended 31 August 2011, the Company's NAV decreased by 5% from 31 May 2011.

B2 Comparison with immediate preceding quarter's results

In the first quarter ended 31 August 2011, the Company recorded a profit after tax of RM6.710 million, compared with RM3.113 million in the preceding quarter. The difference between the two quarters' performance is due mainly to sales in two of its holdings in the current quarter, resulting in a gain of RM4.176 million. For the current quarter, the revenue and operating expenses were RM9.205 million and RM1.511 million respectively, compared with RM6.136 million and RM2.097 million for the preceding quarter.

The NAV per share decreased by 5% in the first quarter ended 31 August 2011 to RM2.63, compared with the preceding quarter of RM2.77.

B3 Current year prospects commentary by Fund Manager

In our last commentary dated 6 July 2011, we wrote :

"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."

Since then, events globally have confirmed our worries. Stock markets have tumbled and the global economy is slowing down fast. Not surprisingly, Bursa Malaysia and the Malaysian economy have been adversely affected as well. At the time of writing this commentary, debt laden Europe and America face political paralysis as the large emerging economies battle to bring inflation under control. It would, therefore, appear that the global economic and financial backdrop remains challenging and it would take some time before the global markets can stabilize.

Given such persistent turbulence, your fund manager, Capital Dynamics Asset Management Sdn Bhd, would continue to navigate carefully with its "Intelligently Eclectic" value investing philosophy. In the quarter ended 31 August 2011, the "safety net" of icapital.biz Berhad has increased to above RM124 million.

Lastly, the Annual General Meeting and the 2011 Investor Day of icapital.biz Berhad will be held on Saturday, 1st October 2011 at the Kuala Lumpur Convention Centre. Shareowners are encouraged to attend both events and to bring their families and friends to the Investor Day.

ICAPITAL.BIZ BERHAD (674900-X)
 FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 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	
	31/08/2011	31/08/2010	31/08/2011	31/08/2010
	RM'000	RM'000	RM'000	RM'000
Current tax expense	<u>984</u>	<u>780</u>	<u>984</u>	<u>780</u>

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	
	31/08/2011	31/08/2010	31/08/2011	31/08/2010
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	7,694	2,812	7,694	2,812
Tax at the statutory rate of 25%	1,924	703	1,924	703
Tax effects of				
Non-taxable income	(1,044)	(38)	(1,044)	(38)
Tax-exempt dividends	(255)	(16)	(255)	(16)
Non-deductible expenses	359	131	359	131
Tax for the financial period	984	780	984	780

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 AUGUST 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 August 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 31/08/2011 RM'000	Cumulative To-Date Ended 31/08/2011 RM'000
Profit after tax (RM'000)	6,710	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)	4.79	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.

B15 Investments

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

	As at 31/08/2011 RM'000	As at 31/05/2011 RM'000
Total retained profits of the Company		
Realised	113,013	106,303
Unrealised	-	-
Total retained profits as per statement of	<u>113,013</u>	<u>106,303</u>

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

SECRETARIES

Kuala Lumpur
Date: 13 September 2011