

ICAPITAL.BIZ BERHAD (674900-X)
CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 29TH FEBRUARY 2012

	UNAUDITED AS AT 29/2/2012 RM'000	AUDITED AS AT 31/05/2011 RM'000
ASSETS		
Non-current assets		
Investments (Note 1)	263,743	270,507
Current assets		
Other receivables and deposits	1,361	2,271
Tax recoverable	3,999	2,637
Short term deposits	134,011	115,704
Cash and bank balances	154	204
	<u>139,525</u>	<u>120,816</u>
TOTAL ASSETS	<u>403,268</u>	<u>391,323</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Fair value adjustment reserve	138,811	141,927
Unappropriated profit	120,325	106,303
Total equity attributable to holders of the Company	<u>399,136</u>	<u>388,230</u>
Current liabilities		
Other payables and accruals	4	635
Provision of taxation	4,128	2,458
	<u>4,132</u>	<u>3,093</u>
TOTAL EQUITY AND LIABILITIES	<u>403,268</u>	<u>391,323</u>
Net assets per share (RM) (Note 2)	2.85	2.77
Net asset value per share (RM) (Note 3)	2.85	2.77

Notes:

- Investments shown here as at 29 February 2012 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 RM124,932,772.25 as at 29 February 2012) or market value.
- The investments taken for calculation of Net Asset Value ("NAV") per share are based on market value which was RM263,743,302.90 as at 29 February 2012. At that date, the total market value of the investment portfolio exceeded the total book value by RM138,810,530.65.
- 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 29TH FEBRUARY 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 29/2/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 28/02/2011 RM'000	CURRENT YEAR TO DATE 29/2/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 28/02/2011 RM'000
Revenue (Note B1)	5,514	6,936	20,235	13,800
Operating expenses (Note B2)	(1,505)	(1,394)	(4,543)	(3,922)
Profit from operations	4,009	5,542	15,692	9,878
Finance cost	-	-	-	-
Profit before taxation	4,009	5,542	15,692	9,878
Taxation	(302)	(453)	(1,670)	(1,532)
Profit for the period	3,707	5,089	14,022	8,346
Other comprehensive income:				
Net fair value changes in available-for-sale investments	21,660	114,698	(3,116)	114,698
Total comprehensive income for the period	25,367	119,787	10,906	123,044
Earnings per share (sen)				
- Basic	2.65	3.64	10.02	5.96
- 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 2011)

ICAPITAL.BIZ BERHAD (674900-X)
 CONDENSED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 29TH FEBRUARY 2012

	Share Capital RM'000	Fair Value Adjustment 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	-	(3,116)	14,022	10,906
At 29.02.2012	140,000	138,811	120,325	399,136
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

(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 29TH FEBRUARY 2012

	9 MONTHS ENDED 29/02/2012 RM'000	9 MONTHS ENDED 28/02/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before working capital changes	15,692	9,878
Changes in working capital		
Other receivable and deposits	910	381
Other payables and accruals	(631)	(125)
CASH GENERATED FROM OPERATIONS	<u>15,971</u>	<u>10,134</u>
Taxes paid	(1,362)	(1,207)
Net cash generated from operating activities	<u>14,609</u>	<u>8,927</u>
CASH FLOWS GENERATED FROM INVESTING ACTIVITIES		
Purchase of quoted shares	-	(8,698)
Disposal of quoted shares	3,648	2,088
Net cash generated from/(used in) investing activities	<u>3,648</u>	<u>(6,610)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,257	2,317
CASH AND CASH EQUIVALENTS AT 1 JUNE	115,908	103,925
CASH AND CASH EQUIVALENTS AT 29 FEBRUARY	<u><u>134,165</u></u>	<u><u>106,242</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	154	2,644
Deposits with licensed financial institutions	134,011	103,598
	<u>134,165</u>	<u>106,242</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 29 FEBRUARY 2012

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 reports 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 the 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

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2012

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation (Cont'd)

FRSs and IC Interpretations (Including the Consequential Amendments)

IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Annual Improvements 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 amendment 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 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.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2012

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.

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	
	29/02/2012	28/02/2011	29/02/2012	28/02/2011
	RM'000	RM'000	RM'000	RM'000
Fund management fees	<u>708</u>	<u>661</u>	<u>2,149</u>	<u>1,854</u>

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2012

NOTES TO THE INTERIM FINANCIAL REPORT

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of performance

For the nine months ended 29 February 2012, the Company recorded a profit before tax of RM15.692 million, compared with a profit before tax of RM9.878 million in the corresponding period of last year.

The higher profit before tax is mainly due to higher revenue as shown in the following table :

INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING QUARTER
29.02.2012	28.02.2011	29.02.2012	28.02.2011
RM'000	RM'000	RM'000	RM'000

1. Revenue Consist of :

INTEREST

Interest amount	937	722	2,870	2,130
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DIVIDEND INCOME

Dividend received	4,577	6,185	9,036	11,490
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GAIN/(LOSS) ON DISPOSAL OF QUOTED INVESTMENT

Gain on disposal of securities	-	29	8,329	180
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	5,514	6,936	20,235	13,800
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As the company is a closed-end fund, a better indication of its performance would be the movement of its Net Assets Value (NAV). The NAV per share as at 29 February 2012 was RM2.85, compared with NAV per share of RM2.77 as at 31 May 2011.

In the third quarter ended 29 February 2012, the Company's NAV increased by 2.9% from 31 May 2011.

NOTES TO THE INTERIM FINANCIAL REPORT

B2 Comparison with immediate preceding quarter's results

In the third quarter ended 29 February 2012, the Company recorded a profit after tax of RM3.707 million, compared with RM3.606 million in the preceding quarter. The difference between the two quarters' performance is due mainly to lower operating expenses and slightly lower tax paid in the current quarter. For the current quarter, the revenue and operating expenses were RM5.514 million and RM1.505 million respectively, compared with RM5.515 million and RM1.526 million for the preceding quarter.

The NAV per share increased by 6.7% in the third quarter ended 29 February 2012 to RM2.85, compared with the preceding quarter of RM2.67.

The following items are not applicable to the company :

- (a) Interest expense;
- (b) Depreciation and amortization;
- (c) Provision for and write off of receivables;
- (d) Provision for and write off of inventories;
- (e) Gain or loss on disposal of unquoted investments or properties
- (f) Impairment of assets;
- (g) Foreign exchange gain or loss;
- (h) Gain or loss on derivatives; and
- (i) Exceptional items (with details).

B3 Current year prospects commentary by Fund Manager

At the time of writing this quarter's commentary, your Fund's NAV is RM2.88, a rise of 7% from the last time we wrote this commentary, compared with a 9% rise on the KL Composite Index. The rise in NAV came despite the fact that your fund held around RM134 million in cash or 95.7 sen per share.

In the meantime, Malaysians anxiously wait for the announcement of the next general election, possibly one of the most important for this young nation. In the recent quarters, the Malaysian economy has continued to expand, not as robustly as in 2010 but enough to keep the unemployment rate from rising. The global economic backdrop has been mixed – the large emerging economies have seen declines in economic growth rates, Europe continues to grapple with ring fencing her crisis and the US showing surprising resilience. With such a confusing mixture of economic and financial ingredients, many investors can become paralysed with confusion leading to inaction or indecision. Both outcomes are unhealthy and do not lead to healthy investment returns. So what should investors or as we call them, shareowners, do given the persistently fluid local and global environments?

Some investors and even our shareowners may forget that the investments of icapital.biz Berhad are selected based on a value investing style. Value investing is a simple concept – ceteris paribus, we would invest in a company if its market valuation is lower than its intrinsic value. While simple in concept, practising it is a lot tougher as it demands two qualities of successful investing. One is patience and the second is discipline. Patience is needed because one would not be able to know when the market valuation would reach or surpass its intrinsic value. Discipline is needed because it is very easy to get distracted by other investing approaches, approaches which can produce shorter-term results but which would in the longer-term lead to lower or often negative returns. This brings us to our next point.

On 13 April 2012, it was announced that a foreign fund manager from the Isle of Man has acquired, from the open market, 8,284,991 shares or 5.92% of icapital.biz Berhad. This purchase is interesting from two angles. One, it shows that the perception of icapital.biz Berhad as an illiquid stock is just that - a misconception. Buying a 5.92% stake in any listed company is a substantial amount and yet the market price of icapital.biz Berhad was not substantially affected.

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NOTES TO THE INTERIM FINANCIAL REPORT

Two, the discount to the NAV of icapital.biz Berhad is a sound investing opportunity that should be taken advantage of. The foreign fund manager is a value investor looking for undervalued stocks.

The latter point is important as it shows foreign investors spotting undervalued stocks which are right in front of our eyes and many local investors missing them. Famous scientist Louis Pasteur said, "Chance favours the prepared mind". Despite the persistent turbulence in markets and economies, your Fund's NAV has held up very well and this was achieved despite holding substantial cash. Value investors succeed because they have prepared minds and use them to take advantage of chances that others missed. Prepare your mind and take advantage of the NAV discount to your advantage.

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	
	29/02/2012 RM'000	28/02/2011 RM'000	29/02/2012 RM'000	28/02/2011 RM'000
Current tax expense	302	453	1,670	1,532

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:

B5 Taxation

	Current Quarter Ended		Cumulative Quarter Ended	
	29/02/2012 RM'000	28/02/2011 RM'000	29/02/2012 RM'000	28/02/2011 RM'000
Profit before taxation	4,009	5,542	15,692	9,878
Tax at the statutory rate of 25%	1,002	1,385	3,923	2,469
Tax effect of				
Non-taxable income	-	(7)	(2,082)	(45)
Tax-exempt dividends	(1052)	(1,276)	(1,217)	(1,820)
Non-deductible expenses	352	351	1,046	928
Tax for the financial period	302	453	1,670	1,532

B6 Status of corporate proposals

There was no corporate proposal announced during the current quarter or the current financial year-to-date.

B7 Borrowings and debt securities

There were no group borrowings and debt securities outstanding as at the end of the reporting period.

B8 Changes in material litigation

There was no material litigation pending as at the date of this report.

B9 Dividend

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2012

NOTES TO THE INTERIM FINANCIAL REPORT

The Directors did not declare any dividend for the current quarter ended 29 February 2012.

B10 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 29/02/2012 RM'000	Cumulative To-Date Ended 29/02/2012 RM'000
Profit after tax (RM'000)	3,707	14,022
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)	2.65	10.02

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.

B11 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.

B12 Investments

As at 29 February 2012, 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.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2012

NOTES TO THE INTERIM FINANCIAL REPORT

B13 Realised and unrealized 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 realized and unrealized profits or losses.

The breakdown of the retained profits of the Company as at 29 February 2012 into realized and unrealized profits pursuant to Bursa Malaysia's Directive Ref: LD26/10 dated 20 December 2010 is tabulated below:

	As at 29/02/2012 RM'000	As at 31/05/2011 RM'000
Total retained profits of the Company		
Realised	120,325	106,303
Unrealised	-	-
Total retained profits as per statement of financial position	<u>120,325</u>	<u>106,303</u>

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

SECRETARIES

Kuala Lumpur
Date: 30 April 2012