

ICAPITAL.BIZ BERHAD (674900-X)
 CONDENSED STATEMENT OF FINANCIAL POSITION
 FOR THE PERIOD ENDED 31ST MAY 2012

	UNAUDITED AS AT 31/05/2012 RM'000	AUDITED AS AT 31/05/2011 RM'000
ASSETS		
Non-current assets		
Investments (Note 1)	262,658	270,507
Current assets		
Other receivables and deposits	3,253	2,271
Current tax assets	376	179
Short term deposits	133,571	115,704
Cash and bank balances	164	204
	<u>137,364</u>	<u>118,358</u>
TOTAL ASSETS	<u>400,022</u>	<u>388,865</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Fair value adjustment reserve	137,725	141,927
Unappropriated profit	122,034	106,303
Total equity attributable to holders of the Company	<u>399,759</u>	<u>388,230</u>
Current liabilities		
Other payables and accruals	263	635
	<u>263</u>	<u>635</u>
TOTAL EQUITY AND LIABILITIES	<u>400,022</u>	<u>388,865</u>
Net assets per share (RM) (Note 2)	2.86	2.77
Net asset value per share (RM) (Note 2)	2.86	2.77

Notes:

- Investments shown here as at 31 May 2012 are taken at market value.
- The net assets per share/net asset value per share of the Company is calculated based on the net assets at the end of the reporting period of RM399,759,197 (2011 - RM388,228,921) divided by the number of shares in issue at the end of the reporting period of 140,000,000 (2011 - 140,000,000).

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 31ST MAY 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/05/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/05/2011 RM'000	CURRENT YEAR TO DATE 31/05/2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/05/2011 RM'000
Revenue (Note B1)	4,586	6,136	24,822	19,936
Operating expenses (Note B2)	(2,589)	(2,097)	(7,132)	(6,019)
Profit from operations	1,997	4,039	17,690	13,917
Finance cost	-	-	-	-
Profit before taxation	1,997	4,039	17,690	13,917
Taxation	(288)	(926)	(1,959)	(2,458)
Profit for the period	1,709	3,113	15,731	11,459
Other comprehensive income:				
Net fair value changes in available-for-sale investments	(1,086)	27,229	(4,202)	82,390
Total comprehensive income for the period	623	30,342	11,529	93,849
Earnings per share (sen)				
- Basic	1.22	2.22	11.24	8.19
- 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 31ST MAY 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	-	(4,202)	15,731	11,529
At 31.05.2012	140,000	137,725	122,034	399,759
At 01.06.2010	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

(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 31ST MAY 2012

	12 MONTHS ENDED 31/05/2012 RM'000	12 MONTHS ENDED 31/05/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before working capital changes	17,690	13,917
Changes in working capital		
Purchase of investments - net		147
Other receivable and deposits	(982)	(488)
Other payables and accruals	(372)	486
CASH GENERATED FROM OPERATIONS	<u>16,336</u>	<u>14,062</u>
Taxes paid	(2,156)	(2,079)
Net cash generated from operating activities	<u>14,180</u>	<u>11,983</u>
CASH FLOWS GENERATED FROM INVESTING ACTIVITIES		
Purchase of quoted shares	-	-
Disposal of quoted shares	3,647	-
Net cash generated from investing activities	<u>3,647</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,827	11,983
CASH AND CASH EQUIVALENTS AT 1 JUNE	115,908	103,925
CASH AND CASH EQUIVALENTS AT 31 MAY	<u><u>133,735</u></u>	<u><u>115,908</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	164	204
Deposits with licensed financial institutions	133,571	115,704
	<u><u>133,735</u></u>	<u><u>115,908</u></u>
	-	-

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

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

- (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 1 (Revised) First-time Adoption of Financial Reporting Standards

FRS 3 (Revised) Business Combinations

FRS 127 (Revised) Consolidated and Separate Financial Statements

Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1 (Revised): Additional Exemptions for First-time Adopters

Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)

IC Interpretation 4 Determining Whether An Arrangement Contains a Lease

IC Interpretation 12 Service Concession Arrangements

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 Distributions of Non-cash Assets to Owners

IC Interpretation 18 Transfers of Assets from Customers

Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)

Annual Improvement to FRSs (2010)

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation (Cont'd)

(a) 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) Amendments to FRS 7 expand the disclosure requirements in respect of fair value measurements and liquidity risk. In particular, the amendments require additional disclosure of fair value measurements by level of a fair value measurement hierarchy, if necessary. Comparatives are not presented by virtue of the exemption given in the amendments.
- (ii) Annual Improvements to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes. These amendments have no material impact on the financial statements of the Company upon their initial application.

Furthermore, the amendments to FRS 101 (Revised) clarify that an entity may choose to present the analysis of the items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Company has chosen to present the items of other comprehensive income in the statement of changes in equity.

(b) 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 9 Financial Instruments	1 January 2015
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 (Revised) Employee Benefits	1 January 2013
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (2011) Separate Financial Statements	1 January 2013
FRS 128 (2011) Investments in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1 (Revised): Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 1 (Revised): Government Loans	1 January 2013
Amendments to FRS 7: Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2012

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation (Cont'd)

(b)	FRSs and IC Interpretations (including the Consequential Amendments)	Effective date
	Amendments to FRS 101 (Revised): Presentation of Items of Other Comprehensive Income	1 July 2012
	Amendments to FRS 112: Recovery of Underlying Assets	1 January 2012
	Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
	IC Interpretation 15 Agreements for the Construction of Real Estate	Withdrawn on 19 November 2011
	IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
	IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
	Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011

The Company's next set of financial statements for the annual period beginning on 1 June 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRS"). As a result, the Company will not be adopting the above accounting standards and interpretations (including the consequential amendments) that are effective for annual periods beginning on or after 1 June 2012.

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.

ICAPITAL.BIZ BERHAD (674900-X)
 FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 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 information is presented as the Company is a closed-end fund and operates primarily in Malaysia.

The Company's investments are managed as a portfolio of equity investments. The fund manager of the Company is responsible for allocating resources for investment in accordance with the overall investment strategies as set out in the prospectus. The fund manager assesses the performance of the investments portfolio and provides updates to the Board of Directors on the financial performance of the Company's investments.

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	
	31/05/2012	31/05/2011	31/05/2012	31/05/2011
	RM'000	RM'000	RM'000	RM'000
Fund management fees	<u>746</u>	<u>699</u>	<u>2,895</u>	<u>2,553</u>

ICAPITAL.BIZ BERHAD (674900-X)
 FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2012

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 2012, the Company recorded a profit before tax of RM17.690 million, compared with a profit before tax of RM13.917 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 31.05.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.05.2011 RM'000	CURRENT YEAR TO DATE 31.05.2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.05.2011 RM'000

1. Revenue Consist of :

INTEREST

Interest amount	957	808	3,828	2,938
-----------------	-----	-----	-------	-------

DIVIDEND INCOME

Dividend received	3,629	3,183	12,665	14,673
-------------------	-------	-------	--------	--------

GAIN/(LOSS) ON DISPOSAL OF QUOTED INVESTMENT

Gain on disposal of securities	-	2,145	8,329	2,325
--------------------------------	---	-------	-------	-------

	4,586	6,136	24,822	19,936
--	-------	-------	--------	--------

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 31 May 2012 was RM2.86, compared with NAV per share of RM2.77 as at 31 May 2011.

In the fourth quarter ended 31 May 2012, the Company's NAV increased by 3.2% from 31 May 2011.

NOTES TO THE INTERIM FINANCIAL REPORT

B2 Comparison with immediate preceding quarter's results

In the fourth quarter ended 31 May 2012, the Company recorded a profit after tax of RM1.709 million, compared with RM3.707 million in the preceding quarter. The difference between the two quarters' performance is due mainly to higher operating expenses and lower investment income on dividend received. For the current quarter, the revenue and operating expenses were RM4.586 million and RM2.589 million respectively, compared with RM5.514 million and RM1.505 million for the preceding quarter.

The NAV per share increased by 0.4% in the fourth quarter ended 31 May 2012 to RM2.86, compared with the preceding quarter of RM2.85.

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 Prospects for the next financial year commentary by Fund Manager

At the time of writing this quarter's commentary, your Fund's NAV is RM2.95, a rise of 2.4% from the last time we wrote this commentary, compared with a 2.2% rise on the KL Composite Index. The rise in NAV came despite the fact that your fund held around RM138 million or 98.6 sen cash per share.

Meanwhile, Europe, the old continent, continues to bug the rest of the world in a highly irresponsible manner. As the European politicians groped and probed for an effective solution, the old continent should take a lesson from an even older civilisation, China. What is Capital Dynamics referring to? In its issue dated 7 June 2012, i Capital penned the following precious lesson for Europe.

"The saying that there are many ways to skin a cat is apt in the current global economic conditions, especially if one is referring it to China's economy. For distressed economies like Greece, Italy, Spain, India, the US, and many more, unfortunately, the saying cannot be applied. Unlike these distressed economies, China has many options available to her leaders and government to sustain economic growth at a robust level. China can lower interest rates and/or the reserve ratio requirement, China can boost domestic demand through higher government spending or private consumption. China can ease house purchase restrictions or provide subsidies for the purchase of energy efficient household electrical appliances or motor vehicles. The government can front load many of the infrastructure projects, which China still needs badly. China can relax or ease many administrative measures, which are not so commonly used in the developed economies. The further development of Western China can by itself be a major source of growth for a long time. State-owned enterprises may be a burden in developed economies but in China, state-owned enterprises are a source of strength".

"In order for China to skin the economic growth cat, China and her leaders are not constrained by ideological considerations. Whether it is market capitalism or state capitalism, whether it is capitalism with Chinese characteristics or socialism with Chinese characteristics, well, it does not matter. As long as the cat catches mice, well, that is a good cat. As a nation that is extremely and traditionally opened to all kinds of ideas, China can and will learn from Marx, Mao, Deng, and anyone else that can contribute to China's economic development. China's policies will be pro-Keynes, pro-Hayek, pro-Marx or pro-Adam Smith depending on the socio-economic circumstances. While China's economic development has been guided by her five year development plans, she has at the same time been crossing the river of economic development by feeling each stone".

NOTES TO THE INTERIM FINANCIAL REPORT

B3 Prospects for the next financial year commentary by Fund Manager (Cont'd)

"In the classic management text 'In Search of Excellence', one of the 8 factors that can be found in successful companies is "Rigid Flexibility". The way China's economic development has been managed is a classic expression of "Rigid Flexibility". Every economy has hard landings. The US has many of them. China is no exception. However, for the current business cycle, there will be no hard landing for China".

Europe should learn from China and look for the cat that can catch mice and to stop quarrelling over whether the cat is of the right ideology or not.

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	
	31/05/2012	31/05/2011	31/05/2012	31/05/2011
	RM'000	RM'000	RM'000	RM'000
Current tax expense	288	926	1,959	2,458

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	
	31/05/2012	31/05/2011	31/05/2012	31/05/2011
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	1,997	4,039	17,690	13,917
Tax at the statutory rate of 25%	499	1,010	4,423	3,479
Tax effect of				
Non-taxable income	-	(536)	(2,082)	(581)
Tax-exempt dividends	(817)	(565)	(2,034)	(2,384)
Non-deductible expenses	606	506	1,652	1,433
Overprovision in prior years	-	511	-	511
Tax for the financial period	288	926	1,959	2,458

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.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2012

NOTES TO THE INTERIM FINANCIAL REPORT

B9 Dividend

The Directors did not declare any dividend for the current quarter ended 31 May 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 31/05/2012 RM'000	Cumulative To-Date Ended 31/05/2012 RM'000
Profit after tax (RM'000)	1,709	15,731
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)	1.22	11.24

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 31 May 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 31 MAY 2012

NOTES TO THE INTERIM FINANCIAL REPORT

B13 Realised and unrealised profits.

The breakdown of the retained profits of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with directive issued by Bursa Malaysia Securities Berhad dated 20 December 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	As at 31/05/2012 RM'000	As at 31/05/2011 RM'000
Total retained profits of the Company		
Realised	122,034	106,303
Unrealised	-	-
Total retained profits as per statement of financial position	<u>122,034</u>	<u>106,303</u>

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

SECRETARIES

Kuala Lumpur
Date: 24 July 2012