

**ICAPITAL.BIZ BERHAD (674900-X)**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**FOR THE PERIOD ENDED 31ST AUGUST 2013**

	<b>UNAUDITED AS AT 31/08/2013 RM'000</b>	<b>AUDITED AS AT 31/05/2013 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investments (Note 1)	199,567	209,700
<b>Current assets</b>		
Other receivables and deposits	1,853	1,950
Short term deposits	208,253	207,034
Cash and bank balances	852	971
	<u>210,958</u>	<u>209,955</u>
<b>TOTAL ASSETS</b>	<u><u>410,525</u></u>	<u><u>419,655</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	140,000	140,000
Fair value adjustment reserve	89,476	100,071
Unappropriated profit	170,077	178,848
<b>Total equity attributable to holders of the Company</b>	<u>399,553</u>	<u>418,919</u>
<b>Current liabilities</b>		
Other payables and accruals	318	329
Dividend payable	9,975	-
Provision for taxation	679	407
	<u>10,972</u>	<u>736</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>410,525</u></u>	<u><u>419,655</u></u>
Net assets per share (RM) (Note 2)	2.85	2.99
Net asset value per share (RM) (Note 2)	2.85	2.99
<b>Net assets per share (RM) (Note 3)</b>	<b>2.93</b>	-
<b>Net asset value per share (RM) (Note 3)</b>	<b>2.93</b>	-

**Notes:**

- Investments shown here as at 31 August 2013 are taken at market value.
- The net assets per share/net asset value per share of the Company (after dividend) is calculated based on the net assets at the end of the reporting period of RM399,552,747 (RM409,527,747 less RM9,975,000) (2013 - RM418,918,563) divided by the number of shares in issue at the end of the reporting period of 140,000,000 (2013 - 140,000,000).
- The net assets per share/net asset value per share of the Company (before dividend) is calculated based on the net assets at the end of the reporting period of RM409,527,747 (2013 - RM418,918,563) divided by the number of shares in issue at the end of the reporting period of 140,000,000 (2013 - 140,000,000).**

**ICAPITAL.BIZ BERHAD (674900-X)**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31ST AUGUST 2013**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/08/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2012 RM'000	CURRENT YEAR TO DATE 31/08/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2012 RM'000
<b>Revenue (Note B1)</b>	<b>3,401</b>	<b>5,179</b>	<b>3,401</b>	<b>5,179</b>
Operating expenses (Note B2)	(1,608)	(1,610)	(1,608)	(1,610)
<b>Profit from operations</b>	<b>1,793</b>	<b>3,569</b>	<b>1,793</b>	<b>3,569</b>
Finance cost	-	-	-	-
<b>Profit before taxation</b>	<b>1,793</b>	<b>3,569</b>	<b>1,793</b>	<b>3,569</b>
Taxation	(589)	(1,014)	(589)	(1,014)
<b>Profit for the period</b>	<b>1,204</b>	<b>2,555</b>	<b>1,204</b>	<b>2,555</b>
<b>Other comprehensive income:</b>				
Net fair value changes in available-for-sale investments	(10,595)	18,716	(10,595)	18,716
<b>Total comprehensive income for the period</b>	<b>(9,391)</b>	<b>21,271</b>	<b>(9,391)</b>	<b>21,271</b>
<b>Earnings per share (sen)</b>				
- Basic	0.86	1.82	0.86	1.82
- Diluted	N/A	N/A	N/A	N/A

**ICAPITAL.BIZ BERHAD (674900-X)**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31ST AUGUST 2013**

	<b>Share Capital RM'000</b>	<b>Fair Value Adjustment Reserve RM'000</b>	<b>Unappropriated Profit RM'000</b>	<b>Total Equity RM'000</b>
At 01.06.2013	140,000	100,071	178,848	418,919
Total comprehensive income for the period	-	(10,595)	1,204	(9,391)
Special dividend	-	-	(9,975)	(9,975)
<b>At 31.08.2013</b>	<b>140,000</b>	<b>89,476</b>	<b>170,077</b>	<b>399,553</b>
At 01.06.2012	140,000	137,725	122,034	399,759
Total comprehensive income for the period	-	18,716	2,555	21,271
<b>At 31.08.2012</b>	<b>140,000</b>	<b>156,441</b>	<b>124,589</b>	<b>421,030</b>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2013)

**ICAPITAL.BIZ BERHAD (674900-X)**  
**CONDENSED STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED 31ST AUGUST 2013**

	<b>3 MONTHS ENDED 31/08/2013 RM'000</b>	<b>3 MONTHS ENDED 31/08/2012 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before working capital changes	1,793	3,569
Changes in working capital		
Purchase of investments - net	(463)	-
Other receivable and deposits	97	1,873
Other payables and accruals	(11)	(1)
Dividend payable	9,975	-
<b>CASH GENERATED FROM OPERATIONS</b>	<b>11,391</b>	<b>5,441</b>
Dividend payable	(9,975)	-
Taxes paid	(316)	(575)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,100</b>	<b>4,866</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,100	4,866
CASH AND CASH EQUIVALENTS AT 1 JUNE	208,005	133,735
<b>CASH AND CASH EQUIVALENTS AT 31 AUGUST</b>	<b>209,105</b>	<b>138,601</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash on hand and at banks	852	139
Deposits with licensed financial institutions	208,253	138,462
	<b>209,105</b>	<b>138,601</b>

(The Condensed Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 May 2013)

**ICAPITAL.BIZ BERHAD (674900-X)  
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2013**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART A - EXPLANATORY NOTES**

**A1 Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 May 2013. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the year ended 31 May 2013. The transition to MFRS has no material impact on the Company's reported financial position, financial performance and cash flows.

**A2 Changes in Accounting Policies**

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 period :-

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 9 Financial Instruments	1 January 2015
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014

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

MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss.

The company will apply this standard when effective.

**A3 Auditors' opinion on preceding annual financial statements**

The Company's Financial Statements for the financial year ended 31 May 2013 were not qualified by the auditors.

**A4 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.

**A5 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.

**ICAPITAL.BIZ BERHAD (674900-X)  
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2013**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**A6 Changes in estimates**

There were no significant changes in estimates that have a material effect on the current financial year to-date.

**A7 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.

**A8 Dividend paid**

There was no dividend paid during the current financial year-to-date.

**A9 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.

**A10 Valuations of property, plant and equipment**

No valuation was carried out as the Company does not have any property, plant and equipment.

**A11 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.

**A12 Changes in the composition of the Company**

There were no changes in the composition of the Company during the current financial year-to-date.

**A13 Contingent liabilities or contingent assets**

There were no contingent liabilities or contingent assets pending as at the date of this report.

**A14 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 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>31/08/2013</b>	<b>31/08/2012</b>	<b>31/08/2013</b>	<b>31/08/2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fund management fees	<u>768</u>	<u>769</u>	<u>768</u>	<u>769</u>

**ICAPITAL.BIZ BERHAD (674900-X)**  
**FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2013**

**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 2013, the Company recorded a profit before tax of RM1.8 million, compared with a profit before tax of RM3.6 million in the corresponding period of last year.

The lower profit before tax is mainly due to lower dividend received which is affected by disposal of shares and lower dividend declared as shown in the following table :

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT YEAR QUARTER</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER</b>	<b>CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD</b>
	<b>31.08.2013</b>	<b>31.08.2012</b>	<b>31.08.2013</b>	<b>31.08.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue Consist of :</b>				
<b>INTEREST</b>				
Interest amount	1,437	977	1,437	977
<b>DIVIDEND INCOME</b>				
Dividend received	1,964	4,202	1,964	4,202
	<b>3,401</b>	<b>5,179</b>	<b>3,401</b>	<b>5,179</b>

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 August 2013 was RM2.85 after taking into account of the special dividend of 9.5 sen per ordinary share less 25% tax amounting to RM9,975,000 declared on 22 August 2013, compared with NAV per share of RM2.99 as at 31 May 2013.

In the first quarter ended 31 August 2013, the Company's NAV after adjusting for the special dividend decreased by 4.68% from 31 May 2013.

**ICAPITAL.BIZ BERHAD (674900-X)**  
**FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2013**

**NOTES TO THE INTERIM FINANCIAL REPORT**

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

In the first quarter ended 31 August 2013, the Company recorded a profit after tax of RM1.2 million, compared with RM47.1 million in the preceding quarter. The difference between the two quarters' performance is due mainly to profit on disposal of securities in the preceding quarter. For the current quarter, the revenue and operating expenses were RM3.4 million and RM1.6 million respectively, compared with RM49.7 million and RM2.1 million for the preceding quarter.

The NAV per share decreased by 4.68% in the first quarter ended 31 August 2013 to RM2.85 after taking into account of the special dividend of 9.5 sen per ordinary share less 25% tax amounting to RM9,975,000 declared on 22 August 2013, compared with the preceding quarter of RM2.99.

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 Commentary by Fund Manager - Prospects for the current financial year**

In terms of the KL Composite Index, the stock market has essentially trended sideways since our last commentary dated 2 July 2013. This tranquil appearance is misleading though. During that few months, the KL stock market actually had to deal with quite a number of issues.

There was the negative rating revision of Malaysia by Fitch and her continued poor export performance. At the same time, fresh macro-economic worries emanating from India and Indonesia spilled over to the Ringgit. Then, investors got spooked by the possibility that the US Federal Reserve would soon start its monetary tightening, which dragged many emerging stock markets down. This was followed by the US government shutdown as the highly irresponsible American politicians took all of us to the brink of another financial disaster; then, they brought us back from the brink and took all the credit for preventing a meltdown.

The sideways stock market did not do us any good. Finding attractive stocks remain a challenge. At the time of writing this commentary, the cash level of your Fund has stayed above RM200 million. As Warren Buffett shared with us the virtues of patience, "We don't get paid for activity, just for being right. As to how long we'll wait, we'll wait indefinitely."



**ICAPITAL.BIZ BERHAD (674900-X)**  
**FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2013**

**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**

	<b>Current Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31/08/2013</b>	<b>31/08/2012</b>	<b>31/08/2013</b>	<b>31/08/2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expense	589	1,014	589	1,014

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:

	<b>Current Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31/08/2013</b>	<b>31/08/2012</b>	<b>31/08/2013</b>	<b>31/08/2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation	1,794	3,569	1,794	3,569
Tax at the statutory rate of 25%	448	892	448	892
Tax effects of				
Non-taxable income	-	-	-	-
Tax-exempt dividends	(203)	(223)	(203)	(223)
Non-deductible expenses	344	345	344	345
Tax for the financial period	589	1,014	589	1,014

**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**

On 22 August 2013, the Directors declared a special dividend of 9.5 sen per ordinary share less 25% tax amounting to RM9,975,000 and it will be accounted for in the financial statements for the financial year ending 31 May 2014. The dividend was paid on 07 October 2013 to the shareholders whose names appear in the Record of Depositors on the entitlement date of 19 September 2013.

**ICAPITAL.BIZ BERHAD (674900-X)**  
**FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2013**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**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:

	<b>Current Quarter Ended 31/08/2013 RM'000</b>	<b>Cumulative To-Date Ended 31/08/2013 RM'000</b>
Profit after tax (RM'000)	1,204	1,204
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)	0.86	0.86

**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 August 2013, 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 AUGUST 2013**

**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:-

	<b>As at 31/08/2013 RM'000</b>	<b>As at 31/05/2013 RM'000</b>
Total retained profits of the Company		
Realised	170,077	178,848
Unrealised	-	-
Total retained profits as per statement of financial position	<u>170,077</u>	<u>178,848</u>

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

**SECRETARIES**

**Kuala Lumpur**  
**Date: 28 October 2013**