

ICAPITAL.BIZ BERHAD (674900-X)
 CONDENSED STATEMENT OF FINANCIAL POSITION
 FOR THE PERIOD ENDED 28TH FEBRUARY 2014

	UNAUDITED AS AT 28/02/2014 RM'000	AUDITED AS AT 31/05/2013 RM'000
ASSETS		
Non-current assets		
Investments (Note 1)	185,067	209,700
Current assets		
Other receivables and prepayments	1,585	1,950
Short term deposits	222,663	207,034
Cash and bank balances	9,107	971
	<u>233,355</u>	<u>209,955</u>
TOTAL ASSETS	<u>418,422</u>	<u>419,655</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Fair value adjustment reserve	81,857	100,071
Unappropriated profit	195,913	178,848
Total equity attributable to holders of the Company	<u>417,770</u>	<u>418,919</u>
Current liabilities		
Other payables and accruals	7	329
Provision for taxation	645	407
	<u>652</u>	<u>736</u>
TOTAL EQUITY AND LIABILITIES	<u>418,422</u>	<u>419,655</u>
Net assets per share (RM) (Note 2)	2.98	2.99
Net asset value per share (RM) (Note 2)	2.98	2.99

Notes:

- Investments shown here as at 28 February 2014 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 RM417,770,064 (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 Condensed Statement of Financial Position 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 COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 28TH FEBRUARY 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 28/02/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 28/02/2013 RM'000	CURRENT YEAR TO DATE 28/02/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 28/02/2013 RM'000
Revenue (Note B1)	23,323	7,249	34,404	16,270
Operating expenses (Note B2)	(2,880)	(1,662)	(6,140)	(4,916)
Profit from operations	20,443	5,587	28,264	11,354
Finance cost	-	-	-	-
Profit before taxation	20,443	5,587	28,264	11,354
Taxation	(264)	(349)	(1,224)	(1,661)
Profit for the period	20,179	5,238	27,040	9,693
Other comprehensive income:				
Net fair value changes in available-for-sale investments	(25,735)	(2,830)	(18,214)	(2,335)
Total comprehensive income for the period	(5,556)	2,408	8,826	7,358
Earnings per share (sen)				
- Basic	14.41	3.74	19.31	6.92
- 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 2013)

ICAPITAL.BIZ BERHAD (674900-X)
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28TH FEBRUARY 2014

	Share Capital RM'000	Fair Value Adjustment Reserve RM'000	Unappropriated Profit RM'000	Total Equity RM'000
At 01.06.2013	140,000	100,071	178,848	418,919
Total comprehensive income for the period	-	(18,214)	27,040	8,826
Special dividend	-	-	(9,975)	(9,975)
At 28.02.2014	140,000	81,857	195,913	417,770
At 01.06.2012	140,000	137,725	122,034	399,759
Total comprehensive income for the period	-	(2,335)	9,693	7,358
At 28.02.2013	140,000	135,390	131,727	407,117

(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 28TH FEBRUARY 2014

	9 MONTHS ENDED 28/02/2014 RM'000	9 MONTHS ENDED 28/02/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before working capital changes	28,264	11,354
Changes in working capital		
Purchase of investments - net	(1,227)	-
Disposal of investments - net	7,647	2,207
Other receivable and deposits	364	1,962
Other payables and accruals	(322)	(259)
CASH GENERATED FROM OPERATIONS	34,726	15,264
Dividend paid	(9,975)	-
Taxes paid	(986)	(1,177)
NET CASH GENERATED FROM OPERATING ACTIVITIES	23,765	14,087
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,765	14,087
CASH AND CASH EQUIVALENTS AT 1 JUNE	208,005	133,735
CASH AND CASH EQUIVALENTS AT 28 FEBRUARY	231,770	147,822
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	9,107	1,072
Deposits with licensed financial institutions	222,663	146,750
	231,770	147,822

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

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
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 28 FEBRUARY 2014

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

A special dividend of 9.5 sen per ordinary share less 25% tax amounting to RM9,975,000 declared on 22 August 2013 was paid on 07 October 2013.

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. A 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:

	Current Quarter Ended		Cumulative Quarter Ended	
	28/02/2014	28/02/2013	28/02/2014	28/02/2013
	RM'000	RM'000	RM'000	RM'000
Fund management fees	<u>777</u>	<u>774</u>	<u>2,321</u>	<u>2,324</u>

ICAPITAL.BIZ BERHAD (674900-X)
 FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2014

NOTES TO THE INTERIM FINANCIAL REPORT

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of performance

For the nine months ended 28 February 2014, the Company recorded a profit before tax of RM28.3 million, compared with a profit before tax of RM11.4 million in the corresponding period of last year.

The higher profit before tax is mainly due to gain on disposal of securities as shown in the following table :

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 28.02.2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 28.02.2013 RM'000	CURRENT YEAR TO DATE 28.02.2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 28.02.2013 RM'000
Revenue Consist of :				
INTEREST				
Interest amount	1,473	997	4,292	2,958
DIVIDEND INCOME				
Dividend received	2,165	2,565	5,399	9,112
GAIN/(LOSS) ON DISPOSAL OF QUOTED INVESTMENT				
Gain on disposal of securities	19,685	3,687	24,713	4,200
	<u>23,323</u>	<u>7,249</u>	<u>34,404</u>	<u>16,270</u>

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 28 February 2014 was RM2.98, compared with NAV per share of RM2.99 as at 31 May 2013.

In the third quarter ended 28 February 2014, the Company's NAV decreased by 0.3% from 31 May 2013.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2014

NOTES TO THE INTERIM FINANCIAL REPORT

B2 Comparison with immediate preceding quarter's results

In the third quarter ended 28 February 2014, the Company recorded a profit after tax of RM20.2 million, compared with RM5.7 million in the preceding quarter. The difference between the two quarters' performance is due mainly to profit on disposal of securities in the current quarter. For the current quarter, the revenue and operating expenses were RM23.3 million and RM2.9 million respectively, compared with RM7.7 million and RM1.7 million for the preceding quarter.

The NAV per share decreased by 1.3% in the third quarter ended 28 February 2014 to RM2.98, compared with the preceding quarter of RM3.02.

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

The ratio of market capitalisation to a country's GDP has reportedly been described by Warren Buffett as "probably the best single measure of where valuations stand at any given moment." It compares the total price of all publicly traded companies to a country's GDP. Typically, a result of greater than 100% is said to show that a stock market is overvalued. The table below shows this ratio for three stock markets with an estimate for 2013.

Market capitalisation/GDP (%)	2005	2012	2013e
UK	131.7	122.2	153.3
US	129.6	114.9	143.1
Malaysia	126.3	156.2	160.2

Given the overvaluation of the Kuala Lumpur stock market, finding attractive stocks at attractive prices continue to be a challenge. At the time of writing this commentary, the cash level of your Fund has risen to around RM230 million, as it took profit and sold some shares for the quarter ending 28 February 2014. Nevertheless, the fund manager continues its search for attractively valued stocks.

B4 Profit forecast / guarantee

The Company has not given any profit forecast or profit guarantee for the year.

ICAPITAL.BIZ BERHAD (674900-X)
 FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2014

NOTES TO THE INTERIM FINANCIAL REPORT

B5 Taxation

	Current Quarter Ended		Cumulative Quarter Ended	
	28/02/2014 RM'000	28/02/2013 RM'000	28/02/2014 RM'000	28/02/2013 RM'000
Current tax expense	264	349	1,224	1,661

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	
	28/02/2014 RM'000	28/02/2013 RM'000	28/02/2014 RM'000	28/02/2013 RM'000
Profit before taxation	20,442	5,587	28,264	11,354
Tax at the statutory rate of 25%	5,110	1,397	7,066	2,838
Tax effects of				
Non-taxable income	(4,921)	(922)	(6,178)	(1,050)
Tax-exempt dividends	(541)	(536)	(1,025)	(1,240)
Non-deductible expenses	682	410	1,427	1,113
Overprovision in prior years	(66)	-	(66)	-
Tax for the financial period	264	349	1,224	1,661

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

The Directors did not declare any dividend for the current quarter ended 28 February 2014.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2014

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:

	Current Quarter Ended 28/02/2014 RM'000	Cumulative To-Date Ended 28/02/2014 RM'000
Profit after tax (RM'000)	20,179	27,040
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)	14.41	19.31

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 28 February 2014, 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 28 FEBRUARY 2014

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 28/02/2014 RM'000	As at 31/05/2013 RM'000
Total retained profits of the Company		
Realised	195,913	178,848
Unrealised	-	-
Total retained profits as per statement of financial position	<u>195,913</u>	<u>178,848</u>

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

SECRETARIES

Kuala Lumpur
Date: 15 April 2014