

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)  
 CONDENSED STATEMENT OF FINANCIAL POSITION  
 AS AT 30 NOVEMBER 2021

	UNAUDITED AS AT 30/11/2021 RM'000	AUDITED AS AT 31/05/2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investments (Note 1)	304,401	213,441
<b>Current assets</b>		
Other receivables, deposit and prepayments	1,788	2,475
Current tax assets	759	635
Short-term deposits	189,320	187,544
Bank balance	15,036	22,164
	<u>206,903</u>	<u>212,818</u>
<b>TOTAL ASSETS</b>	<u>511,304</u>	<u>426,259</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	140,000	140,000
Fair value reserves	79,281	(5,187)
Retained profits	291,561	291,013
<b>Total equity attributable to owners of the Company</b>	<u>510,842</u>	<u>425,826</u>
<b>Current liabilities</b>		
Other payables and accruals	462	433
<b>TOTAL LIABILITIES</b>	<u>462</u>	<u>433</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>511,304</u>	<u>426,259</u>
Net asset value per share (RM) (Note 2)	3.65	3.04

**Notes:-**

- Investments shown here as at 30 November 2021 are taken at market value.
- The net asset value per share of the Company is calculated based on the net assets at the end of the reporting period of RM510,842,443 (31.05.2021 : RM425,826,419) divided by the number of shares in issue at the end of the reporting period of 140,000,000 (31.05.2021 : 140,000,000).

(The Condensed Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2021)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)  
 CONDENSED STATEMENT OF PROFIT OR LOSS  
 FOR THE QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2021

	INDIVIDUAL QUARTER*		CUMULATIVE QUARTER**	
	CURRENT YEAR QUARTER 30/11/2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/11/2020 RM'000	CURRENT YEAR TO DATE 30/11/2021 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/11/2020 RM'000
Revenue (Note B2)	1,008	1,175	3,421	4,027
<b>Operating expenses</b> (Note B2)				
- Professional fees and other operating expenses	(2,160)	(1,699)	(3,971)	(3,377)
<b>(Loss)/Profit before taxation</b>	(1,152)	(524)	(550)	650
Taxation (Note B6)	(132)	(168)	(285)	(296)
<b>(Loss)/Profit after taxation</b>	<b>(1,284)</b>	<b>(692)</b>	<b>(835)</b>	<b>354</b>
<b>Earnings per share (sen)</b>				
- Basic (Note B11)	(0.92)	(0.49)	(0.60)	0.25
- Diluted (Note B11)	(0.92)	(0.49)	(0.60)	0.25

\* 2nd Quarter

\*\* For the 6 months of the financial year

(The Condensed Statement of Profit or Loss should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2021)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)  
 CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE PERIOD ENDED 30 NOVEMBER 2021

	INDIVIDUAL QUARTER*		CUMULATIVE QUARTER**	
	CURRENT YEAR QUARTER 30/11/2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/11/2020 RM'000	CURRENT YEAR TO DATE 30/11/2021 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/11/2020 RM'000
(Loss)/Profit for the period	(1,284)	(692)	(835)	354
<b>Other comprehensive income:</b>				
<b>Items that may be recycled to Retained Profits:</b>				
Net fair value changes in investments	26,923	21,535	85,851	27,089
<b>Total comprehensive income for the period</b>	<b>25,639</b>	<b>20,843</b>	<b>85,016</b>	<b>27,443</b>

\* 2nd Quarter

\*\* For the 6 months of the financial year

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2021)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)  
 CONDENSED STATEMENT OF CHANGES IN EQUITY  
 FOR THE PERIOD ENDED 30 NOVEMBER 2021

	<i>Non-distributable</i>		<i>Distributable</i>	
	Share Capital RM'000	FVOCI Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
<b>At 31.05.2020/ 01.06.2020</b>	140,000	(33,705)	288,013	394,308
Profit after taxation	-	-	354	354
Other comprehensive income:				
-Fair value changes of equity instruments	-	27,089	-	27,089
Total comprehensive income for the period	-	27,089	354	27,443
Gain arising from disposal of investments recycled to retained profits	-	(1,408)	1,408	-
<b>At 30.11.2020</b>	<b>140,000</b>	<b>(8,024)</b>	<b>289,775</b>	<b>421,751</b>
<b>At 31.05.2021/ 01.06.2021</b>	140,000	(5,187)	291,013	425,826
Loss after taxation	-	-	(835)	(835)
Other comprehensive income:				
-Fair value changes of equity instruments	-	85,851	-	85,851
Total comprehensive income for the period	-	85,851	(835)	85,016
Gain arising from disposal of investments recycled to retained profits	-	(1,383)	1,383	-
<b>At 30.11.2021</b>	<b>140,000</b>	<b>79,281</b>	<b>291,561</b>	<b>510,842</b>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2021)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)  
 CONDENSED STATEMENT OF CASH FLOWS  
 FOR THE PERIOD ENDED 30 NOVEMBER 2021

	<b>6 MONTHS ENDED 30/11/2021 RM'000</b>	<b>6 MONTHS ENDED 30/11/2020 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(550)	650
Decrease in other receivables, deposit and prepayments	687	118
Increase in other payables and accruals	29	1,362
Proceeds from disposal of quoted investments	2,868	12,734
Purchase of quoted investments	(7,977)	(42,768)
<b>CASH FOR OPERATIONS</b>	<b>(4,943)</b>	<b>(27,904)</b>
Income tax paid	(545)	(810)
Income tax refund	136	150
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<b>(5,352)</b>	<b>(28,564)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,352)</b>	<b>(28,564)</b>
CASH AND CASH EQUIVALENTS AS AT 1 JUNE	209,708	255,923
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>204,356</b>	<b>227,359</b>

(The Condensed Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2021)

**PART A - EXPLANATORY NOTES**

**A1 Basis of preparation**

The condensed interim financial statements, other than for financial instruments have been prepared under the historical cost convention.

This Condensed Report has also been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting*, International Accounting Standard (IAS) 34 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 May 2021. 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 financial year ended 31 May 2021.

**A2 Significant accounting policies**

**2.1 Changes in Accounting Policies**

During the current quarter, the Company has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark

Reform – Phase 2

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Company's financial statements.

The Company has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current quarter:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Company upon their initial application.

**A2 Significant accounting policies (con't)**

**2.2 Critical Accounting Estimates and Judgements**

*Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

**(a) Impairment of Non-Trade Receivables**

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Company to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Company uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

**(b) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

*Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Company's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

**2.3 Functional and Presentation Currency**

The functional currency of the Company is the currency of the primary economic environment in which the Company operates.

The financial statements of the Company are presented in Ringgit Malaysia ("RM") which is the functional and presentation currency.

**2.4 Financial Instruments**

Financial assets and financial liabilities are recognised in the statement of financial position when the Company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

**A2 Significant accounting policies (con't)**

**2.4 Financial Instruments (con't)**

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

**(a) Financial Assets**

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

*Debt Instruments*

**(i) Amortised Cost**

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

**(ii) Fair Value through Other Comprehensive Income**

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

**(iii) Fair Value through Profit or Loss**

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Company reclassifies debt instruments when and only when its business model for managing those assets change.

*Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Company has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Company's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.



**A2 Significant accounting policies (con't)**

**2.4 Financial Instruments (con't)**

**(b) Financial Liabilities**

**(i) Financial Liabilities at Fair Value through Profit or Loss**

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

**(ii) Other Financial Liabilities**

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

**(c) Equity Instruments**

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

*Ordinary Shares*

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

**(d) Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**2.5 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

**A2 Significant accounting policies (con't)**

**2.6 Impairment**

**(a) Impairment of Financial Assets**

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises lifetime expected credit losses for the trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience and are adjusted for looking-forward information (including time value of money where appropriate).

For all other financial instruments, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

**(b) Impairment of Non-Financial Assets**

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

**2.7 Income Taxes**

**(a) Current Tax**

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

**A2 Significant accounting policies (con't)**

**2.7 Income Taxes (con't)**

**(b) Deferred Tax**

Deferred tax is recognised using the liability method for temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

**2.8 Operating Segments**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

**2.9 Net Asset Value Per Ordinary Share**

Net asset value per ordinary share is calculated by dividing the net assets by the number of ordinary shares issued at the end of the reporting period.

**2.10 Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

**A2 Significant accounting policies (con't)**

**2.11 Revenue and Other Operating Income**

**(a) Dividend Income**

Dividend income from investment is recognised when the right to receive dividend payment is established.

**(b) Interest Income**

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

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

The Company's Financial Statements for the financial year ended 31 May 2021 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.

**A5 Individually significant items**

There are no significant items affecting the assets, liabilities, equity, net income or cash flows during the current quarter.

**A6 Changes in estimates**

There were no significant changes in estimates that have a material effect on the current quarter-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 quarter-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 material events subsequent to the end of the interim period reported 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 quarter-to-date.

**A13 Contingent liabilities or contingent assets**

There were no contingent liabilities or contingent assets pending as at 30 November 2021.

**A14 Significant related party transactions**

The Company has a related party transaction (“RPT”) with Capital Dynamics Asset Management Sdn Bhd (“CDAM”), the Fund Manager of the Company.

In accordance with the requirements in the MMLR, which took effect on 27 January 2015, the provision of investment advisory services by Capital Dynamics Sdn Bhd (“CDSB”) to the Fund is regarded as a RPT. CDSB is regarded as a related party because it is a person connected with Capital Dynamics Global Private Limited who is a major shareholder of CDAM.

The amounts transacted with CDAM and CDSB during the current quarter and cumulative quarter to-date are as follows:-

	Current Quarter Ended		Cumulative Quarter Ended	
	30/11/2021	30/11/2020	30/11/2021	30/11/2020
	RM'000	RM'000	RM'000	RM'000
Fund management fees - CDAM	899	738	1,721	1,477
Investment advisory fees - CDSB	899	738	1,721	1,477

**A15 Significant events during the quarter**

- (a) The outbreak of Coronavirus Disease 2019 (COVID-19) in early 2020 has affected the business and economic environments of the Company. The governments and various private corporations have taken different measures to prevent the spread of the virus such as travel bans, quarantines, closures of non-essential services, social distancing and home quarantine requirements which impacted consumers' spending pattern and the Company's operations directly or indirectly. Notwithstanding, the COVID-19 pandemic, the Company NAV for the current reporting period has increased by 21.12% compared with preceding year corresponding quarter. However, given the unpredictability associated with the COVID-19 pandemic and any further contingency measures that may be put in place by the governments and various private corporations, the potential financial impact of the COVID-19 pandemic on the Company's 2022 financial statements could not be reasonably quantified at this junction.
- (b) Further to the updates on the Judicial Review in the first quarter report ended 31 August 2021, the High Court has dismissed the application for Judicial Review on the grounds that the Judicial Review was not a suitable mode to determine this dispute. The High Court did not make any determination on the issue of whether CLIM is a shareholder of ICAP. Subsequently, ICAP initiated a civil action against CLIM. The Originating Summons and Affidavit in Support has been filed to the High Court of Malaya Kuala Lumpur on 11 November 2021 and served on CLIM on 12 November 2021 (Originating Summons No. WA-24NCC-517-11/2021). The Originating Summons was fixed for case management on 29 November 2021.

Pursuant to the case management held on 29 November 2021, the High Court gave the following directions:

1. CLIM to file its Affidavit in Reply on or before 10.12.2021;
2. ICAP to file its Affidavit in Reply on or before 24.12.2021;
3. Next case management is fixed on 24.12.2021.

**A15 Significant events during the quarter (con't)**

ICAP has filed an application for interim injunction in the Originating Summons No. WA-24NCC-517-11/2021 in the High Court of Malaya Kuala Lumpur on 16 December 2021 against City of London Investment Management Limited ("CLIM").

The interim injunction filed against CLIM is to, amongst others:-

1. Prohibit CLIM from acquiring further shares and/or increasing its aggregate shareholding in ICAP beyond its current aggregate shareholding of 21.955% of the total issued capital of ICAP as at 14 December 2021, pending the final determination of ICAP's Originating Summons; and
2. Prohibit CLIM from exercising and/or controlling the exercise of the voting rights in respect of its aggregate shareholding in ICAP in excess of 20% of the total issued capital of ICAP, pending the final determination of ICAP's Originating Summons.

Further to the hearing held on 21 December 2021, the Board of Directors of ICAP wishes to announce that on 21 December 2021, the High Court of Malaya Kuala Lumpur had granted the following *ad interim* injunction Orders upon ICAP's undertaking to pay damages, until the disposal of the Originating Summons No. WA-24NCC-517-11/2021 or until such further orders of the High Court of Malaya Kuala Lumpur:-

1. an injunction to prohibit CLIM either by itself and/or through its nominees, agents, clients and/or employees, from acquiring any further shares in ICAP and/or increasing its aggregate shareholding in ICAP beyond its current aggregate shareholding of 21.955% of the total issued capital of ICAP as at 14.12.2021; and
2. in the event CLIM either by itself and/or through its nominees, agents, clients and/or employees, sell and/or dispose-off and/or reduce its aggregate shareholding in ICAP to below 20% of the total issued capital of ICAP, an injunction to restrain CLIM either by itself and/or through its nominees, agents, clients and/or employees, from acquiring shares in ICAP that would result in an increase in CLIM's aggregate shareholding in ICAP in excess of 20% of the total issued capital of ICAP.

The High Court directed CLIM to file their Affidavit in Reply to the Injunction Application on or by 31 December 2021.

In respect of the Originating Summons, the High Court gave the following directions: -

- a. Parties are to file their written submissions on or by 7.01.2022; and
- b. Hearing is fixed on 12.01.2022.

CLIM subsequently wrote to the High Court to request for a variation to the *ad interim* injunction orders granted. Clarification of the *ad interim* injunction orders was fixed on 24 December 2021. In view of this, the case management for the Originating Summons fixed for 24 December 2021 was vacated.

At the hearing held on 12 January 2022, the Board of Directors of ICAP wishes to announce that both parties have completed their oral submissions. and the Plaintiff had filed the Plaintiff's Outline Submission to the High Court on 12 January 2022. The High Court has fixed 26 January 2022 for the Plaintiff to file further submissions and for the Defendant to file its reply submissions on or by 10 February 2022. Decision of the Originating Summons is now fixed on 7 March 2022.

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B1 Statement of Investment Portfolio (Para 9.40)

	Description of Investment	Industry	Shares (unit)	Fair Value (RM)	Fair Value as a Percentage of Net Assets (%)
<b>Long-Term Investments</b>					
<b>Malaysia -100%</b>					
1	AirAsia Group Berhad	Consumer Products & Services	29,282,200	25,914,747	5.07
2	Apex Healthcare Berhad	Health Care	1,788,500	4,703,755	0.92
3	APM Automotive Holdings Berhad	Industrial Products & Services	4,541,300	9,082,600	1.78
4	Bioalpha Holdings Berhad	Consumer Products & Services	49,057,600	9,320,944	1.82
5	Bioalpha Holdings Berhad - ICPS	Consumer Products & Services	7,665,250	728,199	0.14
6	Boustead Holdings Berhad	Industrial Products & Services	12,147,786	6,742,021	1.32
7	EUPE Corporation Berhad	Property	100,000	80,000	0.02
8	HPMT Holdings Berhad	Industrial Products & Services	1,802,700	1,153,728	0.23
9	Kelington Group Berhad	Industrial Products & Services	28,383,200	45,696,952	8.95
10	Kelington Group Berhad - Warrants	Industrial Products & Services	9,461,066	7,663,463	1.50
11	Kronologi Asia Berhad	Technology	31,112,400	16,956,258	3.32
12	Luxchem Corporation Berhad	Industrial Products & Services	3,580,200	2,559,843	0.50
13	MKH Berhad	Property	2,951,430	3,807,345	0.75
14	Oceancash Pacific Berhad	Consumer Products & Services	3,145,200	1,415,340	0.28
15	OCK Group Berhad	Telecommunications Service Providers	2,000,000	890,000	0.17
16	Padini Holdings Berhad	Consumer Products & Services	17,006,700	47,448,693	9.29
17	Parkson Holdings Berhad	Consumer Products & Services	21,942,298	4,278,748	0.84
18	Salutica Berhad	Consumer Products & Services	1,700,200	918,108	0.18
19	Sam Engineering & Equipment (M) Berhad	Industrial Products & Services	4,538,600	95,310,600	18.66
20	Suria Capital Holdings Berhad	Transportation & Logistics	12,012,480	13,694,227	2.68
21	Tong Herr Resources Berhad	Industrial Products & Services	1,888,100	5,475,490	1.07
22	Wellcall Holdings Berhad	Industrial Products & Services	533,600	560,280	0.11
	<b>Total Investments</b>		<b>246,640,810</b>	<b>304,401,341</b>	<b>59.60</b>

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**B2 Review of performance (Para 9.40)**

For the six months ended 30 November 2021, the Company recorded a loss before tax of RM0.55 million, compared with profit before tax of RM0.65 million in the preceding year's corresponding period ended 30 November 2020.

As shown in the following table, the decrease of profit before tax for the six months ended 30 November 2021 was mainly due to lower interest income received and higher operating expenses. The lower interest income was a result of lower cash position of the company and lower interest rate offered by the licensed banks.

	INDIVIDUAL QUARTER*		CUMULATIVE QUARTER**	
	CURRENT YEAR QUARTER 30/11/2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/11/2020 RM'000	CURRENT YEAR TO DATE 30/11/2021 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/11/2020 RM'000
<b>Revenue Consist of:-</b>				
Interest income	805	964	1,614	2,301
Dividend income	203	211	1,807	1,726
	1,008	1,175	3,421	4,027
<b>Operating Expenses Consist of:-</b>				
Professional fees and other operating expenses	(2,160)	(1,699)	(3,971)	(3,377)
<b>(Loss)/Profit before taxation</b>	<b>(1,152)</b>	<b>(524)</b>	<b>(550)</b>	<b>650</b>
<b>Taxation</b>	<b>(132)</b>	<b>(168)</b>	<b>(285)</b>	<b>(296)</b>
<b>(Loss)/Profit after taxation</b>	<b>(1,284)</b>	<b>(692)</b>	<b>(835)</b>	<b>354</b>
<b>Other comprehensive income:</b>				
Net fair value changes in investments	26,923	21,535	85,851	27,089
<b>Total comprehensive income for the period</b>	<b>25,639</b>	<b>20,843</b>	<b>85,016</b>	<b>27,443</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 Company's NAV increased to RM510.84 million as at 30 November 2021 compared with RM421.75 million as at 30 November 2020 mainly due to increase in net fair value changes in investments. This resulted in an increase of NAV per share as at 30 November 2021 to RM3.65, compared with NAV per share of RM3.01 as at 30 November 2020, an increase of 21.26%.

	30/11/2021 RM	30/11/2020 RM
Total Net Asset Value	510,842,443	421,750,762
Net Asset Value per share	3.65	3.01
Share Price	2.35	1.99



**B3 Comparison with immediate preceding quarter's results**

In the second quarter ended 30 November 2021, the Company recorded a loss before tax of RM1.15 million, compared to RM0.60 million of profit before tax in the immediate preceding quarter.

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) Foreign exchange gain or loss;
- (g) Gain or loss on derivatives; and
- (h) Exceptional items (with details).

**B4 Commentary by Fund Manager – Prospects Para (9.40)**

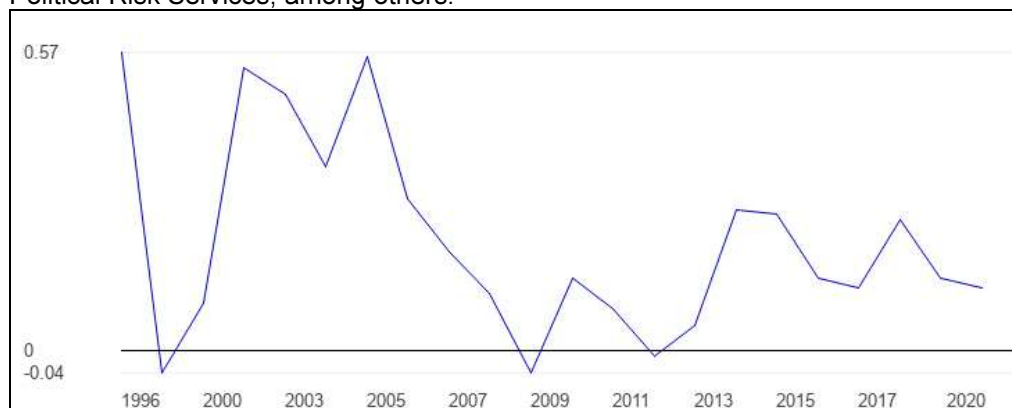
For top-down/market-timing investors – please read this section.

**Carpe diem**

We are often told that we need political stability in order to achieve economic growth. Truth of the matter is that a country also needs economic growth to attain political stability. Political stability is necessary but not sufficient to achieve economic growth. Similarly, economic growth is necessary but not sufficient to achieve political stability. Both political stability and economic growth must go hand in hand. Take a look at the United States.

On 16 January 2022, Donald Trump's held his first public event since July 2021 in Florence, Arizona. Apparently, the gathering was meant as his response to the anniversary of 6 January 2021 when Trump incited the attack on the Capitol in Washington DC, as well as an unofficial kick-off for his efforts to support Republicans in the midterm elections. In reality, the event served as the soft launch of Trump's 2024 presidential campaign. "Make America great again again ... again", Trump repeated in the said rally. Ray Dalio, a well-known hedge fund investor, believes there's a 30% chance that the United States will enter into a major "civil-war-type" conflict within the next five years. We all assume that with the NYSE and NASDAQ rallying to new peaks, everything is fine with the United States. It is not.

Malaysia has a lot of work to do on both fronts. Her index of political stability has been on a declining trend (figure 1). The index of Political Stability and Absence of Violence/Terrorism measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism. The index is an average of several other indexes from the Economist Intelligence Unit, the World Economic Forum, and the Political Risk Services, among others.



Source : [https://www.theglobaleconomy.com/Malaysia/wb\\_political\\_stability/](https://www.theglobaleconomy.com/Malaysia/wb_political_stability/)

(Figure 1)

At the same time, Malaysia needs not only to boost her economic growth but also to improve her quality of growth – greater emphasis needs to be placed on economic development and not just merely headline GDP growth.

With the new confirmed Covid-19 cases declining albeit erratically, and with the clear electoral wins in Malacca and Sarawak, Malaysia now has a limited window of opportunity to address both the political and economic challenges. Prime minister Ismail Sabri should “Carpe diem” and energetically chart a new and better beginning for Malaysia.

For long term value investors – please read this section.

icapital.biz Berhad is a Malaysia-focused fund, with an objective of long-term capital appreciation based on the Bamboo value investing philosophy of Capital Dynamics. icapital.biz Berhad is not allowed to sell short, invest in derivatives or undertake any borrowings.

### **A precious investment**

Why is icapital.biz Berhad a precious investment?

icapital.biz Berhad has always been managed in such a way that its shareowners can sleep soundly at night, knowing their hard earned savings are in good hands. Not only have we achieved this, we have also managed icapital.biz Berhad in such a way that in times of crisis or dire need, icapital.biz Berhad is there for its share owners.

The 20 sen Special Covid-19 Relief Dividend recently distributed is a case in point. We need to remember that a large majority of icapital.biz Berhad’s share owners are individual investors, many of whom may have been adversely affected by the Covid-19 pandemic. While many Bursa listed companies have slashed or suspended dividends since the pandemic broke out, icapital.biz Berhad distributed a hefty amount of dividend amounting to RM28 million in times of dire need, especially with the 2022 Chinese New Year so close by.

At the same time, the NAV of icapital.biz Berhad is at or near record levels while the KLCI is faltering.

### **B5 Financial forecast / profit guarantee**

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

### **B6 Taxation**

	Current Quarter Ended		Cumulative Quarter Ended	
	30/11/2021	30/11/2020	30/11/2021	30/11/2020
	RM’000	RM’000	RM’000	RM’000
Current tax:				
- for the period	132	168	285	446
- over provision in the previous financial years	-	-	-	(150)
<b>Tax expense</b>	<b>132</b>	<b>168</b>	<b>285</b>	<b>296</b>

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**B6 Taxation (con't)**

A reconciliation of income tax expense applicable to (loss)/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	
	30/11/2021	30/11/2020	30/11/2021	30/11/2020
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before taxation	(1,152)	(524)	(550)	650
Tax at the statutory rate of 24%	(276)	(126)	(132)	156
Tax effects of:-				
Tax-exempt dividends	(34)	(16)	(100)	(103)
Single tier dividends	(15)	(35)	(334)	(312)
Non-deductible expenses	457	345	851	705
Over provision of current tax in the previous financial years	-	-	-	(150)
<b>Tax expense</b>	<b>132</b>	<b>168</b>	<b>285</b>	<b>296</b>

**B7 Status of corporate proposals**

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

**B8 Borrowings and debt securities**

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

**B9 Changes in material litigation**

Except as noted in Note A15(b), there was no material litigation pending as at 30 November 2021.

**B10 Dividend**

On 18 November 2021, the directors declared a Special COVID-19 Relief Dividend of RM0.20 per share amounting to RM28,000,000 and it will be accounted for in the financial statements for the financial year ending 31 May 2022. The dividend was paid on 31 December 2021 to the shareholders whose names appeared in the Record of Depositors on the entitlement date of 20 December 2021.

**B11 Earnings per share**

**a) Basic Earnings Per Share**

The basic earnings per share for the current quarter under review and cumulative quarter ended are computed as follows:-

	Current Quarter Ended	Cumulative Quarter Ended
	30/11/2021	30/11/2021
	RM'000	RM'000
Loss after taxation	(1,284)	(835)
Number ordinary share capital in issue at RM1.00 each	140,000	140,000
Basic earnings per share (sen)	(0.92)	(0.60)

**B11 Earnings per share (con't)**

**b) Diluted Earnings Per Share**

The diluted earnings per ordinary share is equal to the basic earnings per ordinary share as there were no potential dilutive ordinary shares outstanding at the end of the reporting period.

**B12 Net asset value**

The net asset value per share is calculated in accordance with the Securities Commission Malaysia's Guidelines for Public Offerings of Securities of Closed-end Funds.

**B13 Investments**

As at 30 November 2021, 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.

**B14 Soft Commission**

The manager or their delegates have not received any soft commission during the year under review from its brokers/dealers by virtue of transaction conducted for the closed-end fund.

**BY ORDER OF THE BOARD**

**Tai Yit Chan (MAICSA No.7009143) (SSM PC No.: 202008001023)**

**SECRETARY**