

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2024

	UNAUDITED	AUDITED
	AS AT	AS AT
	31/08/2024	31/05/2024
	RM'000	RM'000
ASSETS		
Non-current assets		
Investments (Note 1)	468,613	513,359
Current assets		
Other receivables, deposit and prepayments	2,159	2,026
Current tax assets	665	628
Fixed deposits with licensed institutions	72,183	71,716
Bank balance	20,089	15,979
	95,096	90,349
TOTAL ASSETS	563,709	603,708
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Fair value reserves	163,194	210,497
Retained profits	259,918	252,639
Total equity attributable to owners of the Company	563,112	603,136
Current liabilities		
Other payables and accruals	597	572
TOTAL LIABILITIES	597	572
TOTAL EQUITY AND LIABILITIES	563,709	603,708
Net asset value per share (RM) (Note 2)	4.02	4.31

Notes:-

- Investments shown here as at 31 August 2024 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 RM563,112,071 (31.05.2024 : RM603,135,510) divided by the number of shares in issue at the end of the reporting period of 140,000,000 (31.05.2024 : 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 2024)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR TO DATE ENDED 31 AUGUST 2024

	INDIVIDUAL QUARTER*		CUMULATIVE QUARTER**	
	CURRENT YEAR QUARTER 31/08/2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2023 RM'000	CURRENT YEAR TO DATE 31/08/2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2023 RM'000
Revenue (Note B2)	3,135	2,991	3,135	2,991
Other income	35	-	35	-
Operating expenses (Note B2)				
- Professional fees and other operating expenses	(2,509)	(2,297)	(2,509)	(2,297)
Profit before taxation	661	694	661	694
Taxation (Note B6)	(138)	(238)	(138)	(238)
Profit after taxation	523	456	523	456
Earnings per share (sen)				
- Basic (Note B11)	0.37	0.33	0.37	0.33
- Diluted (Note B11)	0.37	0.33	0.37	0.33

* 1st Quarter

** For the 3 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 2024)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 AUGUST 2024

	INDIVIDUAL QUARTER*		CUMULATIVE QUARTER**	
	CURRENT YEAR QUARTER 31/08/2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2023 RM'000	CURRENT YEAR TO DATE 31/08/2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2023 RM'000
Profit for the period	523	456	523	456
Other comprehensive (loss)/income:				
Items that may be recycled to Retained Profits:				
Net fair value changes in investments	(40,547)	23,057	(40,547)	23,057
Total comprehensive (loss)/income for the period	(40,024)	23,513	(40,024)	23,513

* 1st Quarter

** For the 3 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 2024)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2024

	<i>Non-distributable</i>		<i>Distributable</i>	Total Equity RM'000
	Share Capital RM'000	FVOCI Reserve RM'000	Retained Profits RM'000	
At 31.05.2023/ 01.06.2023	140,000	89,134	246,995	476,129
Profit after taxation	-	-	456	456
Other comprehensive income:				
-Fair value changes of equity instruments	-	23,057	-	23,057
Total comprehensive income for the period	-	23,057	456	23,513
Transfer to retained profits arising from disposal of investments	-	-	-	-
At 31.08.2023	140,000	112,191	247,451	499,642
At 31.05.2024/ 01.06.2024	140,000	210,497	252,639	603,136
Profit after taxation	-	-	523	523
Other comprehensive loss:				
-Fair value changes of equity instruments	-	(40,547)	-	(40,547)
Total comprehensive (loss)/income for the period	-	(40,547)	523	(40,024)
Transfer to retained profits arising from disposal of investments	-	(6,756)	6,756	-
At 31.08.2024	140,000	163,194	259,918	563,112

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2024)

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2024

	3 MONTHS ENDED 31/08/2024 RM'000	3 MONTHS ENDED 31/08/2023 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	661	694
(Increase)/Decrease in other receivables, deposit and prepayments	(133)	260
Increase in other payables and accruals	25	86
Proceeds from disposal of quoted investments	6,891	-
Purchase of quoted investments	(2,692)	(11,812)
CASH FOR OPERATIONS	4,752	(10,772)
Income tax paid	(175)	(183)
NET CASH FOR OPERATING ACTIVITIES	4,577	(10,955)
CASH FLOWS FOR INVESTING ACTIVITY		
Additions of fixed deposits with tenure more than 3 months	(380)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,197	(10,955)
CASH AND CASH EQUIVALENTS AS AT 1 JUNE	26,068	145,722
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	30,265	134,767
Cash and cash equivalents comprise the following:-		
Fixed deposits with licensed institutions	72,183	127,831
Bank balances	20,089	6,936
	92,272	134,767
Less:-		
Fixed deposits with tenure of more than 3 months	(62,007)	-
	30,265	134,767

(The Condensed Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 May 2024)

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 2024. 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 2024.

A2 Material accounting policies information

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)

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

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 financial year:-

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

Effective Date

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback 1 January 2024

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current 1 January 2024

Amendments to MFRS 101: Non-current Liabilities with Covenants 1 January 2024

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements 1 January 2024

Amendments to MFRS 121: Lack of Exchangeability 1 January 2025

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 Material accounting policies information (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 (probability of default) and expected if a default happens (loss given default). 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. The carrying amount of other receivables as at the reporting date is disclosed in Note 6 to the financial statements.

(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 Financial Instruments

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets At Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Financial Assets Through Other Comprehensive Income

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

A2 Material accounting policies information (con't)

2.4 Financial Instruments (con't)

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

2.4 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.

2.5 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 using the effective interest method.

A3 Auditors' opinion on preceding annual financial statements

The Company's Financial Statements for the financial year ended 31 May 2024 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 31 August 2024.

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	
	31/08/2024	31/08/2023	31/08/2024	31/08/2023
	RM'000	RM'000	RM'000	RM'000
Fund management fees - CDAM	1,079	919	1,079	919
Investment advisory fees - CDSB	1,079	919	1,079	919

A15 Significant events during the financial period

- (a) Further to the updates made in the 4th quarter report for the year ended 31 May 2024, the Board of Directors of ICAP (hereinafter referred to as “the Fund”) announced that for Civil Appeal No. W-02(NCC)(A)-654-04 and Civil Appeal No.W-02(IM)(NCC)-655-04/2024, the Court of Appeal has set a case management date of 17 October 2024 to update the Court on the High Court’s Grounds of Judgment, as the Grounds of Judgment is not yet available from the High Court.

Further to the updates made in the 4th quarter report for the year ended 31 May 2024 in relation to the Judgment Debtor Summons taken out against Loi Chee Fong (Judgement Debtor), the Registrar ordered the Judgment Debtor Summons to be withdrawn with no order as to costs as the Judgment Debtor had settled the Judgment Sum in full, during the case management meeting on 30 July 2024.

The Fund will make further announcement on the developments of the above matters as and when is necessary.

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2024
NOTES TO THE INTERIM FINANCIAL REPORT

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 (%)
Long-Term Investments					
Malaysia -100%					
1	Apex Healthcare Berhad	Health Care	6,406,950	17,426,904	3.09
2	APM Automotive Holdings Berhad	Industrial Products & Services	4,697,800	14,140,378	2.51
3	Bioalpha Holdings Berhad	Consumer Products & Services	49,057,600	3,924,608	0.70
4	Bioalpha Holdings Berhad - ICPS	Consumer Products & Services	7,665,250	38,326	0.01
5	Capital A Berhad	Consumer Products & Services	36,854,100	28,193,387	5.01
6	Capital A Berhad - RCUIDS	Consumer Products & Services	9,760,733	7,662,175	1.36
7	Capital A Berhad - Warrants	Consumer Products & Services	4,880,366	1,049,279	0.19
8	EUPE Corporation Berhad	Property	100,000	110,000	0.02
9	Fraser & Neave Holdings Berhad	Consumer Products & Services	1,061,100	31,726,890	5.63
10	Globetronic Technology Berhad	Technology	1,200,000	1,038,000	0.18
11	Hibiscus Petroleum Berhad	Oil & Gas Producers	9,172,080	20,178,576	3.58
12	HPMT Holdings Berhad	Industrial Products & Services	1,802,700	558,837	0.10
13	Kelington Group Berhad	Industrial Products & Services	26,996,300	81,528,826	14.48
14	Kelington Group Berhad - Warrants	Industrial Products & Services	6,197,595	10,349,984	1.84
15	Kronologi Asia Berhad	Technology	37,334,880	13,067,208	2.32
16	Kronologi Asia Berhad - Warrants	Technology	6,222,480	871,147	0.15
17	Luxchem Corporation Berhad	Industrial Products & Services	5,006,800	2,628,570	0.47
18	MKH Berhad	Property	3,011,730	3,915,249	0.70
19	MKH Oil Palm (East Kalimantan) Berhad	Plantation	430,300	243,119	0.04
20	Oceancash Pacific Berhad	Consumer Products & Services	3,145,200	1,069,368	0.19
21	OCK Group Berhad	Telecommunications Service Providers	6,159,900	3,295,547	0.59
22	Padini Holdings Berhad	Consumer Products & Services	17,006,700	56,972,445	10.12
23	Parkson Holdings Berhad	Consumer Products & Services	22,942,298	4,244,325	0.75
24	Salutica Berhad	Consumer Products & Services	1,700,200	782,092	0.14
25	Sam Engineering & Equipment (M) Berhad	Industrial Products & Services	18,154,400	97,126,040	17.25
26	Shangri-La Hotels (M) Berhad	Consumer Products & Services	700,000	1,456,000	0.26
27	Suria Capital Holdings Berhad	Transportation & Logistics	11,894,380	22,599,322	4.01
28	Tong Herr Resources Berhad	Industrial Products & Services	1,888,100	3,870,605	0.69
29	United Plantations Berhad	Plantation	1,040,800	27,060,800	4.81
30	Unisem (M) Berhad	Technology	2,967,400	9,347,310	1.66
31	Wellcall Holdings Berhad	Industrial Products & Services	1,454,100	2,137,527	0.38
	Total Investments		306,912,242	468,612,844	83.23

ICAPITAL.BIZ BERHAD 200401036389 (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2024
NOTES TO THE INTERIM FINANCIAL REPORT

B2 Review of performance (Para 9.40)

For the three months ended 31 August 2024, the Company recorded a profit before tax of RM0.66 million, compared with profit before tax of RM0.69 million in the preceding year's corresponding period ended 31 August 2023.

As shown in the following table, the decrease of profit before tax for the three months ended 31 August 2024 was mainly due to lower interest income received.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/08/2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2023 RM'000	CURRENT YEAR TO DATE 31/08/2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2023 RM'000
Revenue Consist of:-				
Interest income	799	1,196	799	1,196
Dividend income	2,336	1,795	2,336	1,795
	3,135	2,991	3,135	2,991
Other income	35	-	35	-
Operating Expenses Consist of:-				
Professional fees and other operating expenses	(2,509)	(2,297)	(2,509)	(2,297)
Profit before taxation	661	694	661	694
Taxation	(138)	(238)	(138)	(238)
Profit after taxation	523	456	523	456
Other comprehensive (loss)/income:				
Net fair value changes in investments	(40,547)	23,057	(40,547)	23,057
Total comprehensive (loss)/income for the period	(40,024)	23,513	(40,024)	23,513

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 by 12.7% to RM563.11 million as at 31 August 2024 compared with RM499.64 million as at 31 August 2023 mainly due to increase in net fair value changes in investments. This resulted in an increase of NAV per share as at 31 August 2024 to RM4.02, compared with NAV per share of RM3.57 as at 31 August 2023.

	31/08/2024 RM	31/08/2023 RM
Total Net Asset Value	563,112,071	499,642,395
Net Asset Value per share	4.02	3.57
Share Price	3.27	2.80

B3 Comparison with immediate preceding quarter's results

In the first quarter ended 31 August 2024, the Company recorded a profit before tax of RM0.66 million, compared to RM3.74 million of profit before tax in the immediate preceding quarter. The Company's NAV per share as at 31 August 2024 was RM4.02 compared to RM4.31 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.

Discount To Premium?

Malaysia is a founding member of ASEAN, the Association of Southeast Asian Nations. Like Malaysia, ASEAN is seen and treated as a developing regional entity. Like Malaysia, the attractions of ASEAN are still not fully understood and appreciated, especially in the way the ASEAN nations deal with problems.

The 44th and 45th ASEAN Summits and related summits kicked off in Laos on Wednesday, 9th Oct 2024. The summits prioritised stronger cooperation under "the ASEAN Way."

Addressing the opening ceremony, Lao president Thongloun Sisoulith called on ASEAN countries to continue upholding their common cause of peace, stability and sustainable development, as well as honouring their commitments to multilateralism based on equality and mutual benefit. Cooperation guided by the "ASEAN Way," Thongloun said, resonates with the *"unique characteristics of Southeast Asia with a shared goal of maintaining and promoting peace, stability and sustainable socio-economic development within the region and beyond."*

To understand and recognise the achievements of ASEAN, we need to compare the situation in Southeast Asia with the 2 most serious military conflicts presently afflicting the whole world.

One, compare Southeast Asia with Europe where the Ukrainian Crisis, which started in Feb 2022, continues to worsen and is now the most serious military conflict in Europe since the 2nd World War. The European economy has been seriously affected and thousands of people have been killed. What is even more shocking is that 70 long years after World War 2, Europe is still at war.

Two, compare Southeast Asia with the Middle-east where the initial 7 Oct Israel-Palestine crisis has now quickly worsened to be a larger Israel-Arab conflict. The economies of Israel, Palestine, Lebanon and others have been adversely affected and tens of thousands of innocent people have been killed in what the UN has called as genocide.

In South-east Asia, the South China Sea tension has often been touted by the Western media and academicians as one of the most dangerous hotspots in the world and ASEAN has been criticised for being an ineffective regional bloc in confronting China. Yet, except for the isolated tensions between China and the Philippines, South-east Asia is actually a prosperous paradise when compared with war-torn Ukraine and Middle-east.

What is the feature that is commonly found in the Ukrainian Crisis, the Middle-east conflict and the South China Sea tension? The United States.

The Ukrainian Crisis was caused by NATO, an anachronistic alliance, which is United States-dominated. Also, Ukraine is principally armed and financed by the United States.

In the never-ending Middle-east crisis, the United States is again the biggest supporter and largest weapons supplier of Israel.

In ASEAN, the super naïve President Marcos Jnr is being used as a puppet by the United States to aggressively confront China on the South China Sea dispute.

In all the three disputes in different parts of the world, what is a fact is that the United States is the main weapons supplier and the principal trouble maker. The important question to ask is this : why is it that the Philippines-China dispute has not resulted in a serious military conflict like in Ukraine or the Middle-east?

All the other nine ASEAN countries have wisely refused to take the undesirable path that the Philippines has taken against China. This is the unappreciated beauty of ASEAN. This brings us again to the "ASEAN Way". To quote Lao president again : the "*unique characteristics of Southeast Asia with a shared goal of maintaining and promoting peace, stability and sustainable socio-economic development within the region and beyond.*"

In addition, most of the ASEAN economies are performing well (with Thailand being the exception). Besides, Vietnam, Thailand, Indonesia, Cambodia and Singapore have all recently seen stable political changes. Given such positive trends and responsible societies, should the ASEAN stock markets, including that of Malaysia, not be trading at a premium to those found in conflict-torn areas like Europe and Britain ?

The same principle applies to the share price of icapital.biz Berhad. It should be trading at a premium or at least without discount. Should the present large foreign investors allow the stock price of icapital.biz Bhd to trade without any interference, the discount of your Fund will disappear at a faster pace and its stock price will then be able to trade at a rational level earlier than otherwise. Your Fund, like Malaysia or ASEAN, has yet to be understood and appreciated.

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.

Listening to Charlie Munger

As we get nearer to the 20th AGM of icapital.biz Berhad, I would like to share two useful quotes from Charlie Munger with our shareowners:

"People calculate too much and think too little."

"The big money is not in the buying and the selling, but in the waiting."

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	
	31/08/2024	31/08/2023	31/08/2024	31/08/2023
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- for the period	138	238	138	238
Tax expense	138	238	138	238

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NOTES TO THE INTERIM FINANCIAL REPORT

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	
	31/08/2024	31/08/2023	31/08/2024	31/08/2023
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	661	694	661	694
Tax at the statutory rate of 24%	158	167	158	167
Tax effects of:-				
Tax-exempt dividends	(129)	(72)	(129)	(72)
Single tier dividends	(431)	(359)	(431)	(359)
Non-deductible expenses	540	502	540	502
Tax expense	138	238	138	238

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(a), there was no material litigation pending as at 31 August 2024.

B10 Dividend

The Directors did not declare any dividend for the current quarter ended 31 August 2024.

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
	31/08/2024	31/08/2024
	RM'000	RM'000
Profit after taxation	523	523
Number ordinary share capital in issue at RM1.00 each	140,000	140,000
Basic earnings per share (sen)	0.37	0.37

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 31 August 2024, 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