

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2008

CONDENSED BALANCE SHEET

	UNAUDITED AS AT 31/08/2008	AUDITED AS AT 31/05/2008
	RM'000	RM'000
ASSETS		
Non-current assets		
Investments (Note 1)	137,049	132,138
Current assets		
Other receivables and deposits	1,210	1,723
Tax recoverable	-	-
Short term deposits	55,791	58,590
Cash and bank balances	992	2,642
	<u>57,993</u>	<u>62,955</u>
TOTAL ASSETS	<u>195,042</u>	<u>195,093</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Unappropriated profit	54,961	52,325
Total equity	<u>194,961</u>	<u>192,325</u>
Current liabilities		
Other payables and accruals	9	2,721
Provision for Taxation	72	47
	<u>81</u>	<u>2,768</u>
TOTAL EQUITY AND LIABILITIES	<u>195,042</u>	<u>195,093</u>
Net assets per share (RM)	1.39	1.37
Net asset value per share (RM)	1.75	1.95

Notes:

- Investment shown here as at 31 August 2008 are taken at book cost. On this date, these investments had a total market value of RM186,766,471.50.
- The investment taken for calculation of Net Assets ("NA") per share are at the lower of book cost (which was RM137,049,170.78 as at 31 August 2008) or market value.
- The investment taken for calculation of Net Asset Value ("NAV") per share are based on market value which was RM186,766,471.50 as at 31 August 2008. At that date, the total market value of the investment portfolio exceeded the total book value by RM49,717,300.72.
- Calculation of NA and NAV per share are based on 140,000,000 ordinary shares in issue.

(The Condensed Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 May 2008)

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2008

CONDENSED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/08/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/08/2007 RM'000	CURRENT YEAR TO DATE 31/08/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/08/2007 RM'000
Revenue	4,412	2,293	4,412	2,293
Listing expenses	-	-	-	-
Pre-operating expenses	-	-	-	-
Operating expenses	(1,085)	(966)	(1,085)	(966)
Profit/(Loss) from operations	3,327	1,327	3,327	1,327
Finance cost	-	-	-	-
Profit/(Loss) before taxation	3,327	1,327	3,327	1,327
Taxation	(691)	(472)	(691)	(472)
Profit/(Loss) for the period	2,636	855	2,636	855
Earnings/(loss) per share (sen)				
Basic	1.88	0.61	1.88	0.61
Diluted	N/A	N/A	N/A	N/A

Notes:

(The Condensed Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2008)

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2008

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital RM'000	Unappropriated profit RM'000	Total RM'000
At 1.06.2008	140,000	52,325	192,325
Profit for the period	-	2,636	2,636
At 31.08.2008	<u>140,000</u>	<u>54,961</u>	<u>194,961</u>

	Share capital RM'000	Unappropriated profit/ (Accumulated loss) RM'000	Total RM'000
At 1.06.2007	140,000	13,244	153,244
Profit for the year	-	855	855
At 31.08.2007	<u>140,000</u>	<u>14,099</u>	<u>154,099</u>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2008)

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2008

CONDENSED CASH FLOW STATEMENT

	3 MONTHS ENDED 31/08/2008 RM'000	3 MONTHS ENDED 31/08/2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before working capital changes	3,327	1,327
Changes in working capital		
Purchase of investments - net	(4,911)	(14,769)
Other receivable and deposits	513	277
Other payables and accruals	(2,712)	(115)
Capital repayment from quoted investments	-	-
CASH USED IN OPERATIONS	<u>(3,783)</u>	<u>(13,280)</u>
Taxes refunded / (paid)	(666)	(526)
Net cash used in operating activities	<u>(4,449)</u>	<u>(13,806)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	-
Net cash generated from financing activities	<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(4,449)	(13,806)
CASH AND CASH EQUIVALENTS AT 1 JUNE	61,232	55,419
CASH AND CASH EQUIVALENTS AT 31 AUGUST	<u><u>56,783</u></u>	<u><u>41,613</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	992	213
Deposits with licensed financial institutions	55,791	41,400
	<u><u>56,783</u></u>	<u><u>41,613</u></u>

(The Condensed Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2008)

NOTES TO THE INTERIM FINANCIAL REPORT

PART A - EXPLANATORY NOTES:

A1 Basis of preparation

The financial report of icapital.biz Berhad ("the Company" or "the Fund") is prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The figures have not been audited.

The financial report should be read in conjunction with the audited financial statements for the year ended 31 May 2008. The accounting policies and methods of computation adopted in this financial report are consistent with those adopted in the preparation of the audited financial statements for the year ended 31 May 2008.

A2 Auditors' opinion on preceding annual financial statements

The Company's Financial Statements for the financial year ended 31 May 2008 was not qualified by the auditors.

A3 Seasonality or cyclicity of operations

As the Company is a closed-end fund, it is dependant on the performance of the companies that it has invested in. In general, therefore, there is no seasonality or cyclicity of operations.

A4 Individually significant items

There are no significant items affecting the assets, liabilities, equity, net income or cash flows during the current financial year-to-date.

A5 Changes in estimates

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

A6 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

A7 Dividend paid

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

A8 Segmental reporting

No segmental reporting is presented as the Company is a closed-end fund based in Malaysia and the principal activity is to invest in a diversified portfolio of quoted securities.

A9 Valuations of property, plant and equipment

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

A10 Subsequent event

There were no material events subsequent to the end of the interim period reported on that have not been reflected in the financial statements for the said period.

A11 Changes in the composition of the Company

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

NOTES TO THE INTERIM FINANCIAL REPORT

A12 Contingent liabilities or contingent assets

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

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of performance

For the three months ended 31 August 2008, the Company recorded a profit before tax of RM3.327 million, compared with a profit before tax of RM1.327 million in the corresponding period of last year.

As the company is a closed-end fund, a better indication of its performance would be the movement of its Net Asset Value ("NAV"). The NAV per share as at 31 August 2008 was RM1.75, compared with NAV per share of RM1.95 as at 31 May 2008.

In the first quarter ended 31 August 2008, the Company's NAV decreased by 10% from 31 May 2008.

B2 Comparison with immediate preceding quarter's results

In the first quarter ended 31 August 2008, the Company recorded a profit after tax of RM2.636 million, compared with RM1.698 million in the preceding quarter. The difference between the two quarters' performance is due to an increase in operating income and a decrease in operating expenses in the current quarter. For the current quarter, the operating income and operating expenses were RM4.412 million and RM1.085 million respectively, compared with RM3.693 million and RM1.271 million for the preceding quarter.

The NAV per share decreased by 10% in the 1st quarter ended 31 August 2008 to RM1.75, compared with the preceding quarter of RM1.95.

B3 Current year prospects

As the Company is a closed-end fund, its prospects are dependent on the performance of stock markets in general and in particular, the performance of the investments held. The new political landscape in Malaysia, as a result of the 2008 election, has created an investment environment that is most challenging. Together with the global economic instability and financial turbulence, the prevailing political uncertainties has unnecessarily aggravated the anxieties and fears of the investment community. Nervous investors make the stock market confusingly volatile.

Although the stock market has been falling and the local political developments show no sign of improving, as a value investor, icapital.biz Berhad with its Fund Manager and Investment Adviser will continue to seek stocks that are attractively priced.

B4 Profit forecast / guarantee

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

B5 Taxation

	Current Quarter Ended		Cumulative Quarter Ended	
	31/08/2008	31/08/2007	31/08/2008	31/08/2007
	RM'000	RM'000	RM'000	RM'000
Current tax expense for the financial period	691	472	691	472

The effective tax rate in the current quarter is lower than the statutory tax rate due mainly to certain dividend received which were tax-exempted.

B6 Profit on sale of unquoted investments and/or properties

There was no profit on the sale of unquoted investments and/or properties during the current financial year-to-date.

B7 Quoted securities

This note is not applicable to the Company.

B8 Status of corporate proposals

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

B9 Borrowings and debt securities

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

NOTES TO THE INTERIM FINANCIAL REPORT

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B10 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk.

B11 Changes in material litigation

There was no material litigation pending as at the date of this report.

B12 Dividend

The Directors did not declare any dividend for the current quarter ended 31 August 2008

B13 Earnings per share

a) **Basic earnings per share**

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

	Current Quarter Ended 31.08.2008	Cumulative To-Date Ended 31.08.2008
Profit after tax (RM'000)	2,636	2,636
No. of ordinary share capital in issue during the current quarter/current year to-date ('000 of shares of RM1.00 each)	140,000	140,000
Basic earnings per share (sen)	1.88	1.88

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.

B14 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.

B15 Investments

As at 31 August 2008, 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.

BY ORDER OF THE BOARD

KUAN HUI FANG (MIA 16876)
THAM WAI YING (MAICSA 7016123)
SECRETARIES

Kuala Lumpur
Date: 09/09/2008