

ICAPITAL.BIZ BERHAD (674900 X)
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2005

CONDENSED BALANCE SHEET

| | UNAUDITED AS AT 30/11/2005 | AUDITED AS AT 31/05/2005 |
|--|---|---|
| | RM'000 | RM'000 |
| Non-Current Assets | | |
| Investments (Note 1) | 17,265 | - |
| Current Assets | | |
| Cash and bank balances | 98 | * |
| Short term deposits | 122,683 | - |
| Tax recoverable | 24 | - |
| Other receivable & deposits | 607 | 1.3 |
| | <u>123,412</u> | <u>1.3</u> |
| Current Liabilities | | |
| Other payables and accruals | 2,204 | 140.0 |
| | <u>2,204</u> | <u>140.0</u> |
| Net Current Assets/(Liabilities) | <u>121,208</u> | <u>(138.7)</u> |
| | <u>138,473</u> | <u>(138.7)</u> |
| Financed by: | | |
| Share capital | 140,000 | * |
| Accumulated losses | (1,527) | (138.7) |
| Shareholders' funds | <u>138,473</u> | <u>(138.7)</u> |
| | | |
| Net tangible assets/(liabilities) per share (RM) | 0.99 | (69,350) |
| Net asset/(liability) value per share (RM) | 1.00 | (69,350) |

* Represent RM2

Notes:

1. Investment shown here as at 30 November 2005 are taken at book cost. On this date, these investment had a total market value of RM18,492,119.
2. The investment taken for calculation of Net Tangible Assets ("NTA") per share are at the lower of book cost (which was RM17,264,818 as at 30 November 2005) or market value.
3. The investment taken for calculation of Net Asset Value ("NAV") per share are based on market value which was RM18,492,119 as at 30 November 2005. At that date, the total market value of the investment portfolio exceeded the total book value by RM1,227,301.
4. Calculation of NTA and NAV per share are based on 140,000,000 ordinary shares in issue.

There are no comparative results presented as these are the first set of quarterly results for the second quarter ended 30 November 2005 announced by icapital.biz Berhad.

(The Condensed Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 May 2005)

ICAPITAL.BIZ BERHAD (674900 X)
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2005

CONDENSED INCOME STATEMENT

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|------------------------|--|--|--|---|
| | CURRENT YEAR QUARTER 30/11/2005 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30/11/2004 RM'000 | CURRENT YEAR TO DATE 30/11/2005 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30/11/2004 RM'000 |
| Revenue | 1,225 | N/A | 1,225 | N/A |
| Listing expenses | (2,088) | N/A | (2,217) | N/A |
| Pre-Operating expenses | (107) | N/A | (190) | N/A |
| Operating expenses | (206) | N/A | (206) | N/A |
| Loss from Operations | (1,176) | N/A | (1,388) | N/A |
| Finance cost | - | - | - | - |
| Loss before taxation | (1,176) | N/A | (1,388) | N/A |
| Taxation | - | N/A | - | N/A |
| Loss for the period | (1,176) | N/A | (1,388) | N/A |
| EPS - Basic (sen) | (3.58) | N/A | (4.22) | N/A |
| - Diluted (sen) | N/A | N/A | N/A | N/A |

Notes:

There are no comparative results presented as these are the first set of quarterly results for the second quarter ended 30 November 2005 announced by icapital.biz Berhad.

(The Condensed Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2005)

ICAPITAL.BIZ BERHAD (674900 X)
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2005

CONDENSED STATEMENT OF CHANGES IN EQUITY

| | Share Capital RM'000 | Accumulated losses RM'000 | Total RM'000 |
|---------------------|-------------------------------------|--|-------------------------|
| At 1.6.2005 | * | (139) | (139) |
| Loss for the period | - | (1,388) | (1,388) |
| Public issue | 140,000 | - | 140,000 |
| At 30.11.2005 | <u>140,000</u> | <u>(1,527)</u> | <u>138,473</u> |

* Represent RM2

Notes:

There are no comparative results presented as these are the first set of quarterly results for the second quarter ended 30 November 2005 announced by icapital.biz Bhd.

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2005)

ICAPITAL.BIZ BERHAD (674900 X)
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2005

CONDENSED CASH FLOW STATEMENT

| | 6 MONTHS ENDED 30/11/2005 RM'000 |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Loss before working capital changes | (1,388) |
| Changes in working capital | |
| Other payables and accruals | 2,064 |
| Other receivable & deposits | (630) |
| Net cash generated from operating activities | <u>46</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchase of investments | (17,265) |
| Net cash used in investing activities | <u>(17,265)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Proceeds from issue of shares | 140,000 |
| Net cash generated from financing activities | <u>140,000</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 122,781 |
| CASH AND CASH EQUIVALENTS AT 1 JUNE | * |
| CASH AND CASH EQUIVALENTS AT 30 NOVEMBER | <u><u>122,781</u></u> |
| CASH AND CASH EQUIVALENTS COMPRISE: | |
| Cash on hand and at banks | 98 |
| Deposits with licensed financial institutions | 122,683 |
| | <u><u>122,781</u></u> |

* Represent RM2

Notes:

There are no comparative results presented as these are the first set of quarterly results for the second quarter ended 30 November 2005 announced by icapital.biz Bhd.

(The Condensed Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2005)

**ICAPITAL.BIZ BERHAD (674900 X)
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2005**

NOTES TO THE INTERIM FINANCIAL REPORT

PART A - EXPLANATORY NOTES: FRS 134

A1 Basis of preparation

The interim financial report of icapital.biz Berhad ("the Company" or "the Fund") is prepared in accordance with the requirements of FRS 134: Interim Financial Reporting (previously known as MASB 26), and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The figures have not been audited.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 May 2005. The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the preparation of the audited financial statements for the year ended 31 May 2005.

A2 Auditors' opinion on preceding annual financial statements

The Company's Financial Statements for the financial year ended 31 May 2005 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 except for the following:

On 19 October 2005, icapital.biz completed a public issue of 139,999,998 ordinary shares of RM1.00 each at an issue price of RM1.00 payable in full on application by Malaysian public pursuant to the prospectus dated 26 September 2005 issued by the Company in conjunction with its listing on the Main Board of Bursa Malaysia Securities Berhad.

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.

**ICAPITAL.BIZ BERHAD (674900 X)
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2005**

NOTES TO THE INTERIM FINANCIAL REPORT

PART A - EXPLANATORY NOTES: FRS 134

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.

A12 Contingent liabilities or contingent assets

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

NOTES TO THE INTERIM FINANCIAL REPORT

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of performance

For the six months ended 30 November 2005, the Company recorded a loss before tax and extraordinary items of RM1.388 million. No comparison is made with the corresponding period in the previous financial year as this is the first set of the quarterly report for the second quarter ended 30 November 2005 released by the Company.

Up to 30 November 2005, the listing expenses were RM2.2 million against the estimated listing expenses as stated in the prospectus of RM2.8 million.

Without the listing and pre-operating expenses of RM2.217 million and RM0.190 million respectively, the Company is profitable.

B2 Comparison with immediate preceding quarter's results

In the second quarter ended 30 November 2005, the Company recorded a loss before tax of RM1.176 million compared with RM0.212 million in the preceding quarter. However, the Company only commenced operations in the second quarter and generated a total revenue of RM1.225 million. The difference between the two quarter's performance is due to listing expenses of RM2.088 million, pre-operating expenses of RM0.107 million and operating expenses of RM0.206 million in the second quarter. Without the listing and pre-operating expenses, the Company is profitable.

B3 Current year prospects

By 30 November 2005, the Company has only invested RM17.265 million or just over 12% of the total funds raised. The present sluggish stock market offers an ideal opportunity for the Company to build its portfolio. Unless the performance of Bursa Malaysia improves rapidly, it may take some time for the Company's NAV to appreciate meaningfully.

For a closed-end fund, a better indication of its performance would be the movement of its Net Asset Value (NAV). The NAV per share of the Company as at 30 November 2005 was RM1.00. No comparison is made with the corresponding period in the previous financial year as this is the first set of the quarterly report for the second quarter ended 30 November 2005 released by the Company.

B4 Profit forecast / guarantee

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

B5 Taxation

There was no tax provision for the current quarter and the financial year-to-date since the company is operating at a loss.

There was no deferred tax and adjustments for over/under provision in respect of prior years.

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.

ICAPITAL.BIZ BERHAD (674900 X)
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2005

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 quarter ended 30 November 2005.

B13 Earnings/(Loss) per share

a) **Basic loss per share**

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

| | Current Quarter Ended 30.11.2005 | Cumulative To-Date Ended 30.11.2005 |
|--|---|--|
| Loss after tax (RM'000) | (1,176) | (1,388) |
| Total weighted average share capital in issue during the current quarter/current year to-date (no. of shares of RM1.00 each) | 32,896 | 32,896 |
| Basic loss per share (sen) | (3.58) | (4.22) |

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 30 November 2005, 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

WONG WEI FONG (MAISCA 7006751)
THAM WAI YING (MAICSA 7016123)
SECRETARIES

Petaling Jaya, Selangor Darul Ehsan
Date: 06 January 2006