

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2008

CONDENSED BALANCE SHEET

	UNAUDITED AS AT 29/02/2008	AUDITED AS AT 31/05/2007
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investments (Note 1)	115,177	96,001
<b>Current assets</b>		
Other receivables and deposits	8,466	1,793
Tax recoverable	199	157
Short term deposits	66,756	55,100
Cash and bank balances	24	319
	<u>75,445</u>	<u>57,369</u>
<b>TOTAL ASSETS</b>	<u>190,622</u>	<u>153,370</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	140,000	140,000
Unappropriated profit	50,615	13,244
<b>Total equity</b>	<u>190,615</u>	<u>153,244</u>
<b>Current liabilities</b>		
Other payables and accruals	7	126
	<u>7</u>	<u>126</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>190,622</u>	<u>153,370</u>
Net assets per share (RM)	1.36	1.09
Net asset value per share (RM)	2.04	1.65

Notes:

- Investment shown here as at 29 February 2008 are taken at book cost. On this date, these investments had a total market value of RM210,643,704.00.
  - The investment taken for calculation of Net Assets ("NA") per share are at the lower of book cost (which was RM115,177,050.83 as at 29 February 2008) or market value.
  - The investment taken for calculation of Net Asset Value ("NAV") per share are based on market value which was RM210,643,704.00 as at 29 February 2008. At that date, the total market value of the investment portfolio exceeded the total book value by RM95,466,653.17.
  - 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 2007)

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2008

CONDENSED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 2/29/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 2/28/2007 RM'000	CURRENT YEAR TO DATE 2/29/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 2/28/2007 RM'000
Revenue	30,367	1,819	41,974	17,854
Listing expenses	-	(3)	-	(8)
Operating expenses	(1,186)	(745)	(3,276)	(2,129)
Profit from operations	29,181	1,071	38,698	15,717
Finance cost	-	-	-	-
Profit before taxation	29,181	1,071	38,698	15,717
Taxation	(503)	(499)	(1,327)	(1,817)
<b>Profit for the period</b>	<b>28,678</b>	<b>572</b>	<b>37,371</b>	<b>13,900</b>
<b>Earnings per share (sen)</b>				
Basic	20.48	0.41	26.69	9.93
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 2007)

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2008

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital RM'000	Unappropriated profit RM'000	Total RM'000
At 1.6.2007	140,000	13,244	153,244
Profit for the period	-	37,371	37,371
At 29.02.08	<u>140,000</u>	<u>50,615</u>	<u>190,615</u>

	Share capital RM'000	Unappropriated profit/ (Accumulated loss) RM'000	Total RM'000
At 1.6.2006	140,000	(1,356)	138,644
Profit for the period	-	13,900	13,900
At 28.02.07	<u>140,000</u>	<u>12,544</u>	<u>152,544</u>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2007)

ICAPITAL.BIZ BERHAD (674900-X)

FINANCIAL REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2008

CONDENSED CASH FLOW STATEMENT

	9 MONTHS ENDED 29/02/2008 RM'000	9 MONTHS ENDED 2/28/2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before working capital changes	38,698	15,717
Changes in working capital		
Purchase of investments - net	(19,176)	(14,904)
Other receivable and deposits	(6,673)	243
Other payables and accruals	(119)	237
<b>CASH USED IN OPERATIONS</b>	<u>12,730</u>	<u>1,293</u>
Taxes paid	(1,369)	(2,191)
Net cash used in operating activities	<u>11,361</u>	<u>(898)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	11,361	(898)
CASH AND CASH EQUIVALENTS AT 1 JUNE	55,419	60,584
<b>CASH AND CASH EQUIVALENTS AT 29 FEBRUARY 2008</b>	<u><u>66,780</u></u>	<u><u>59,686</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash on hand and at banks	24	153
Deposits with licensed financial institutions	66,756	59,533
	<u><u>66,780</u></u>	<u><u>59,686</u></u>

(The Condensed Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2007)

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 2007. 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 2007, except for the adoption of Financial Reporting Standards ("FRS") 124: Related Party Disclosures effective for the financial period beginning or after 1 October 2006.

The adoption of FRS 124 does not have significant financial impact on the Company.

**A2 Auditors' opinion on preceding annual financial statements**

The Company's Financial Statements for the financial year ended 31 May 2007 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 nine months ended 29 February 2008, the Company recorded a profit before tax of RM38.698 million, compared with a profit before tax of RM15.717 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 29 February 2008 was RM2.04, compared with NAV per share of RM1.65 as at 31 May 2007.

In the third quarter ended 29 February 2008, the Company's NAV increased by 24% from 31 May 2007.

**B2 Comparison with immediate preceding quarter's results**

In the third quarter ended 29 February 2008, the Company recorded a profit after tax of RM28.678 million, compared with RM7.838 million in the preceding quarter. The difference between the two quarters' performance is mostly due to higher income from disposal of securities in the current quarter. The cost of this securities was RM22.778 million and the sales proceeds were RM50.999 million resulting in a gain of RM28.221 million. For the current quarter, the operating income and operating expenses were RM30.367million and RM1.186million respectively, compared with RM9.314million and RM1.124 million for the preceding quarter.

The NAV per share decreased by 3% in the 3rd quarter ended 29 February 2008 to RM2.04, compared with the preceding quarter of RM2.10.

**B3 Current year prospects**

As the Company is a closed-end fund, its prospects are dependent on the performance of the stock markets in general and in particular, the performance of the investments held.

Although the stock market has been rising, 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	
	29/02/2008	28/02/2007	29/02/2008	28/02/2007
	RM'000	RM'000	RM'000	RM'000
Current tax expense for the financial period	503	499	1,327	1,817

The effective tax rate in the current quarter is lower than the statutory tax rate due mainly to the income from disposal of securities which is not taxable.

**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 29 February 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 29.02.2008	Cumulative To-Date Ended 29.02.2008
Profit after tax (RM'000)	28,678	37,371
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)	20.48	26.69

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 29 February 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

Petaling Jaya, Selangor Darul Ehsan  
Date: 23/04/2008