

ICAPITAL.BIZ BERHAD (674900-X)
CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31ST MAY 2013

	UNAUDITED AS AT 31/05/2013 RM'000	AUDITED AS AT 31/05/2012 RM'000
ASSETS		
Non-current assets		
Investments (Note 1)	209,700	262,658
Current assets		
Other receivables and deposits	1,950	3,253
Tax recoverable	-	376
Short term deposits	207,034	133,571
Cash and bank balances	971	164
	<u>209,955</u>	<u>137,364</u>
TOTAL ASSETS	<u><u>419,655</u></u>	<u><u>400,022</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Fair value adjustment reserve	100,071	137,725
Unappropriated profit	178,848	122,034
Total equity attributable to holders of the Company	<u>418,919</u>	<u>399,759</u>
Current liabilities		
Other payables and accruals	329	263
Provision for taxation	407	-
	<u>736</u>	<u>263</u>
TOTAL EQUITY AND LIABILITIES	<u><u>419,655</u></u>	<u><u>400,022</u></u>
Net assets per share (RM) (Note 2)	2.99	2.86
Net asset value per share (RM) (Note 2)	2.99	2.86

Notes:

- Investments shown here as at 31 May 2013 are taken at market value.
- The net assets per share/net asset value per share of the Company is calculated based on the net assets at the end of the reporting period of RM418,918,563 (2012 - RM399,759,197) divided by the number of shares in issue at the end of the reporting period of 140,000,000 (2012 - 140,000,000).

ICAPITAL.BIZ BERHAD (674900-X)
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31ST MAY 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/05/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/05/2012 RM'000	CURRENT YEAR TO DATE 31/05/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/05/2012 RM'000
Revenue (Note B1)	49,684	4,586	65,954	24,822
Operating expenses (Note B2)	(2,062)	(2,589)	(6,977)	(7,132)
Profit from operations	47,622	1,997	58,977	17,690
Finance cost	-	-	-	-
Profit before taxation	47,622	1,997	58,977	17,690
Taxation	(502)	(288)	(2,163)	(1,959)
Profit for the period	47,120	1,709	56,814	15,731
Other comprehensive income:				
Net fair value changes in available-for-sale investments	(35,319)	(1,086)	(37,654)	(4,202)
Total comprehensive income for the period	11,801	623	19,160	11,529
Earnings per share (sen)				
- Basic	33.66	1.22	40.58	11.24
- Diluted	N/A	N/A	N/A	N/A

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 May 2012)

ICAPITAL.BIZ BERHAD (674900-X)
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31ST MAY 2013

	Share Capital RM'000	Fair Value Adjustment Reserve RM'000	Unappropriated Profit RM'000	Total Equity RM'000
At 01.06.2012	140,000	137,725	122,034	399,759
Total comprehensive income for the period	-	(37,654)	56,814	19,160
At 31.05.2013	140,000	100,071	178,848	418,919
At 01.06.2011	140,000	141,927	106,303	388,230
Total comprehensive income for the period	-	(4,202)	15,731	11,529
At 31.05.2012	140,000	137,725	122,034	399,759

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2012)

ICAPITAL.BIZ BERHAD (674900-X)
CONDENSED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31ST MAY 2013

	12 MONTHS ENDED 31/05/2013 RM'000	12 MONTHS ENDED 31/05/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before working capital changes	58,977	17,690
Changes in working capital		
Purchase of investments - net	(293)	-
Disposal of investments - net	15,597	3,647
Other receivable and deposits	1,303	(982)
Other payables and accruals	66	(372)
CASH GENERATED FROM OPERATIONS	<u>75,650</u>	<u>19,983</u>
Taxes paid	(1,380)	(2,156)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>74,270</u>	<u>17,827</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	74,270	17,827
CASH AND CASH EQUIVALENTS AT 1 JUNE	133,735	115,908
CASH AND CASH EQUIVALENTS AT 31 MAY	<u><u>208,005</u></u>	<u><u>133,735</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand and at banks	971	164
Deposits with licensed financial institutions	207,034	133,571
	<u><u>208,005</u></u>	<u><u>133,735</u></u>

(The Condensed Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 May 2012)

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2013

NOTES TO THE INTERIM FINANCIAL REPORT

PART A - EXPLANATORY NOTES

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. For the periods up to and including the financial year ended 31 May 2012, the Company prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

The interim financial statements are the Company’s first MFRS compliant interim financial statements for the part of the periods covered by the Company’s first MFRS annual financial statements for the financial year ending 31 May 2013 and hence MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (“MFRS”) has been applied.

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 May 2012. 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 year ended 31 May 2012. The transition to MFRS has no material impact on the Company’s reported financial position, financial performance and cash flows.

A2 Changes in Accounting Policies

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

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurements	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1: Government Loans	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2013

NOTES TO THE INTERIM FINANCIAL REPORT

A2 Changes in Accounting Policies (Cont'd)

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Company upon its initial application but may impact its future disclosures.

The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Company upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.

The Annual Improvements to MFRSs 2009 – 2012 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Company upon their initial application.

A3 Auditors' opinion on preceding annual financial statements

The Company's Financial Statements for the financial year ended 31 May 2012 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. In general, therefore, there is no seasonality or cyclicity of operations.

A5 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.

A6 Changes in estimates

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

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2013

NOTES TO THE INTERIM FINANCIAL REPORT

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 materials events subsequent to the end of the interim period reported on 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 financial year-to-date.

A13 Contingent liabilities or contingent assets

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

A14 Significant related party transactions

The Company has a related party relationship with Capital Dynamics Asset Management Sdn Bhd (“CDAM”), the Fund Manager of the Company. The Director of the Company, YM Tunku Tan Sri Dato’ Seri Ahmad Bin Tunku Yahaya, is a director and substantial shareholder of CDAM.

The amount transacted with CDAM during the current quarter and cumulative year to-date is as follows:

	Current Quarter Ended		Cumulative Quarter Ended	
	31/05/2013	31/05/2012	31/05/2013	31/05/2012
	RM’000	RM’000	RM’000	RM’000
Fund management fees	<u>765</u>	<u>746</u>	<u>3,090</u>	<u>2,895</u>

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2013

NOTES TO THE INTERIM FINANCIAL REPORT

PART B - AS REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of performance

For the twelve months ended 31 May 2013, the Company recorded a profit before tax of RM59.0 million, compared with a profit before tax of RM17.7 million in the corresponding period of last year.

The higher profit before tax is mainly due to higher revenue as shown in the following table :

INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
CURRENT YEAR QUARTER 31.05.2013	PRECEDING YEAR CORRESPONDING QUARTER 31.05.2012	CURRENT YEAR TO DATE 31.05.2013	PRECEDING YEAR CORRESPONDING PERIOD 31.05.2012
RM'000	RM'000	RM'000	RM'000

1. Revenue Consist of :

INTEREST

Interest amount	1,205	957	4,163	3,828
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DIVIDEND INCOME

Dividend received	3,553	3,629	12,665	12,665
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GAIN/(LOSS) ON DISPOSAL OF QUOTED INVESTMENT

Gain on disposal of securities	44,926	-	49,126	8,329
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49,684	4,586	65,954	24,822
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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 NAV per share as at 31 May 2013 was RM2.99, compared with NAV per share of RM2.86 as at 31 May 2012.

In the fourth quarter ended 31 May 2013, the Company's NAV increased by 4.5% from 31 May 2012.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2013

NOTES TO THE INTERIM FINANCIAL REPORT

B2 Comparison with immediate preceding quarter's results

In the fourth quarter ended 31 May 2013, the Company recorded a profit after tax of RM47.1 million, compared with RM5.2 million in the preceding quarter. The difference between the two quarters' performance is due mainly to profit on disposal of securities. For the current quarter, the revenue and operating expenses were RM49.7 million and RM2.1 million respectively, compared with RM7.2 million and RM1.7 million for the preceding quarter.

The NAV per share increased by 2.7% in the fourth quarter ended 31 May 2013 to RM2.99, compared with the preceding quarter of RM2.91.

The following items are not applicable to the company :

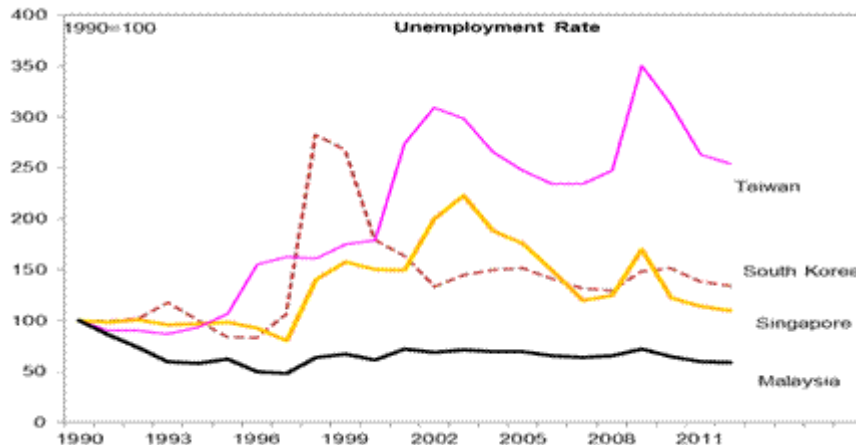
- (a) Interest expense;
- (b) Depreciation and amortization;
- (c) Provision for and write off of receivables;
- (d) Provision for and write off of inventories;
- (e) Gain or loss on disposal of unquoted investments or properties
- (f) Impairment of assets;
- (g) Foreign exchange gain or loss;
- (h) Gain or loss on derivatives; and
- (i) Exceptional items (with details).

B3 Commentary by Fund Manager - Prospects for the next financial year

In our last commentary dated 2 April 2013, we said that we still have to wait for the 13th Malaysian general election to be concluded in order for us to have better clarity of Malaysia's future. It has been almost 8 weeks since one of the most closely contested elections has been held. While an uncertainty has been consequently removed, better clarity over Malaysia's future is still work in progress as the new administration settles in.

Figure 1 is an interesting chart as it illustrates an angle of the Malaysian economy that is seldom seen and discussed. It compares the unemployment rate performance of Malaysia against some of the successful East Asian economies. Since 1990, Malaysia's unemployment rate has stayed remarkably stable and low for a prolonged period. In that same period, the economies of Taiwan, South Korea and Singapore have experienced unemployment rates that have been much more responsive to changing economic conditions.

Figure 1

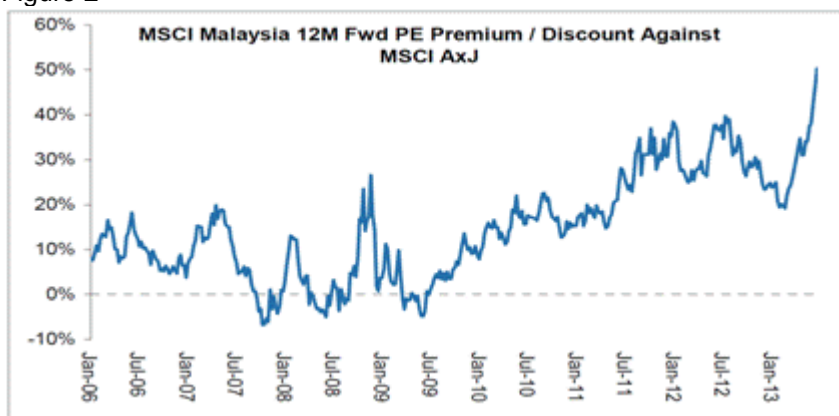


NOTES TO THE INTERIM FINANCIAL REPORT

In response to the 1997 Asian crisis, the 2000-2002 global technology recession and the more recent 2008 US-led global financial crisis, the unemployment rates of these three economies swiftly worsened. In contrast, Malaysia's unemployment rate hardly budged. Yet, out of these four economies, Malaysia's economic growth and development is the least successful. For example, the per capita income of Malaysia is substantially lower than that of the three East Asian economies.

While Malaysia's prolonged low and stable unemployment rate is laudable, it has come at a high price. A tight labour market over a prolonged period would produce many negative side-effects for any economy. Malaysia is no exception. As the new administration settles in for a 5-year term, it would be useful to critically re-examine the prevailing economic policies. To sustain our economic growth and development over the long-term, should the labour market be more responsive to changing economic conditions?

Figure 2



Source : Morgan Stanley. Note : MSCI AxJ = MSCI ex Japan; 12M Fwd = 12 months forward.

At the time of writing this commentary, the cash level of your Fund has risen above RM200 million or about RM1.43 per share. Given the recent market panic and the plunge in gold price, your Fund is like a haven amidst conditions that can be hazy. At the same time, the Malaysian stock market is not trading at bargain valuation – see figure 2 above. Scouting for attractively priced investments in such an environment can be like searching for a needle in the haystack.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2013

NOTES TO THE INTERIM FINANCIAL REPORT

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	
	31/05/2013 RM'000	31/05/2012 RM'000	31/05/2013 RM'000	31/05/2012 RM'000
Current tax expense	502	288	2,163	1,959

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	
	31/05/2013 RM'000	31/05/2012 RM'000	31/05/2013 RM'000	31/05/2012 RM'000
Profit before taxation	47,622	1,997	58,977	17,690
Tax at the statutory rate of 25%	11,906	499	14,744	4,423
Tax effects of				
Non-taxable income	(11,231)	-	(12,281)	(2,082)
Tax-exempt dividends	(661)	(817)	(1,901)	(2,034)
Non-deductible expenses	488	606	1,601	1,652
Tax for the financial period	502	288	2,163	1,959

B6 Status of corporate proposals

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

B7 Borrowings and debt securities

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

B8 Changes in material litigation

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

B9 Dividend

The Directors did not declare any dividend for the current quarter ended 31 May 2013.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2013

NOTES TO THE INTERIM FINANCIAL REPORT

B10 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 31/05/2013 RM'000	Cumulative To-Date Ended 31/05/2013 RM'000
Profit after tax (RM'000)	47,120	56,814
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)	33.66	40.58

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.

B11 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.

B12 Investments

As at 31 May 2013, 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.

ICAPITAL.BIZ BERHAD (674900-X)
FINANCIAL REPORT FOR THE PERIOD ENDED 31 MAY 2013

NOTES TO THE INTERIM FINANCIAL REPORT

B13 Realised and unrealised profits.

The breakdown of the retained profits of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with directive issued by Bursa Malaysia Securities Berhad dated 20 December 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	As at 31/05/2013 RM'000	As at 31/05/2012 RM'000
Total retained profits of the Company		
Realised	178,848	122,034
Unrealised	-	-
Total retained profits as per statement of financial position	<u>178,848</u>	<u>122,034</u>

BY ORDER OF THE BOARD
KUAN HUI FANG (MIA 16876)
THAM WAI YING (MAICSA 7016123)

SECRETARIES

Kuala Lumpur
Date: 02 July 2013