

ICAPITAL.BIZ BERHAD
(Company No. 674900-X)
("the Company" or "the Fund")

**SUMMARY OF KEY MATTERS DISCUSSED AT THE
FOURTEENTH ANNUAL GENERAL MEETING ("14TH AGM")**

VENUE: **BALLROOM 2, LEVEL 3
KUALA LUMPUR CONVENTION CENTRE
KUALA LUMPUR CITY CENTRE
50088 KUALA LUMPUR**

DATE: **SATURDAY, 10 NOVEMBER 2018**

TIME: **9.00 A.M.**

CHAIRMAN

The Chairman, Datuk Ng Peng Hong @ Ng Peng Hay called the Meeting to order at 9.15 a.m. and welcomed the attendees present to the Meeting.

QUORUM

The Secretary, Ms Tai Yit Chan, confirmed that a quorum was present for the Meeting. With that, the Chairman declared the Meeting duly constituted.

NOTICE

With the consent of the Share Owners present, the Notice convening the Meeting having been circulated within the prescribed period was with the permission of the Meeting taken as read.

POLLING

The Chairman informed the Meeting that in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions set out in the Notice of the Fourteenth Annual General Meeting ("14th AGM") must be voted by way of poll.

Accordingly, the Chairman in his capacity as Chairman of the Meeting, demanded for a poll to be taken on all the resolutions set out in the Notice of 14th AGM pursuant to Article 77 of the Constitution of the Company.

The Chairman further informed that the Company has appointed Tricor Investor & Issuing House Services Sdn Bhd, the Company's Special Share Registrar as Poll Administrator to facilitate the poll process and Asia Securities Sdn Bhd as the Independent Scrutineer to verify the poll results. The polling process would be conducted upon the conclusion of the deliberations of all items on the Agenda.

**AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2018
TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Chairman informed the Meeting that the Audited Financial Statements for the financial year ended 31 May 2018 ("FYE 2018") together with the Directors' and Auditors' Report were meant for discussion as the provisions in the Companies Act 2016 does not require a formal approval of Share Owners.

The Chairman then informed that the Company had received some questions from Minority Share Owner Watchdog Group ("MWSG"). The Fund Manager requested MSWG in future to give ample notice to the Company on questions to be raised so that proper replies can be given. The Secretary then read out the questions received from MSWG and the Fund Manager provided the answers in response to the queries raised in relation to the Company's strategic and financial matters. The Secretary then addressed on the questions related to Corporate Governance. A copy of the slides presentation on the questions and answers is attached herein as Annexure A.

QUESTION AND ANSWER SESSION

The Chairman invited questions from the floor and queries/comments raised in relation to the following matters were duly responded by the Board and the Designated Person of the Fund:-

- (1) The Fund Manager explained that an effective way to address the discount to Net Asset Value ("NAV") is to conduct investor relations/investor education programmes to educate the investors, promote value investing and prevent negative and unfair reporting on the fund. He further added that defamatory action has been taken against a journalist for unfair and untrue reporting which were bias and one-sided. This is to prevent fake news/articles on the fund in the future.

In response to the queries raised by a representative from City of London Investment Management Company Ltd ("CLIM") that the Board has rejected its requisition to propose for the Company to declare dividend or do a share buy-back, the Secretary clarified that the Board has duly replied the requisitionists via letters in October 2018 that the requisition did not comply with the legal requirements.

- (2) With regard to Selangor Properties Berhad ("SPB"), the Fund Manager opined that the Annual General Meeting is not the proper forum to discuss this but informed Share Owners that it will exert its rights at SPB's Extraordinary General Meeting.
- (3) The Fund Manager has explained in detail numerous times in past Annual General Meetings since 2009 that proposed share buy-back is not in the best interest of the Fund and is not appropriate for the Company as it is limited to 10% of the shares in the Company. The Company has further written to similarly explain to CLIM on 13 March 2017 and has not received any response from CLIM since.

Furthermore, the Fund Manager pointed out that despite published massive and significant buying by CLIM which has accumulated almost RM16 million shares from year 2011 up to December 2016, the discount to NAV of the Company has not improved.

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- Summary of Key Matters Discussed at the 14th AGM

Total return can be defined as appreciation based on price plus dividend received and reinvested. However, fund managers in Malaysia typically do not benchmark against total return, which is provided under the Global investment Performance Standards (GIPS). Malaysia is not a country sponsor and the Company has never claimed to be GIPS compliant in its IPO prospectus.

- (4) The discount on share price is an attractive package to invite investors to invest in the Company and expand business opportunities. The Company does not declare dividends as it is investing its portfolio to achieve long-term capital appreciation. The Fund Manager used the analogy of buying an empty piece of land versus buying a shop house.
- (5) The Board explained the detailed information of the portfolio especially on the impairment loss and unrealized gain. The representative from the External Auditors explained that the investment portfolio is a voluntary disclosure by the Company for the benefit of the Share Owners and is in compliance with accounting standards.
- (6) The impairment loss and unrealized gain of the Company are reflected in the Annual Report 2018 as cumulative amount as required under the revised accounting standard.
- (7) The Fund Manager has been very consistent in applying the value investing principles to managing the investments of the Company since the setup of the Fund.
- (8) The increase in NAV is mainly due to increase in share price.
- (9) The Company bought the shares in SPB based on value investing principles and will get the best value out of this investment.
- (10) The reason the Company disposed off the investment in Mclean Technologies Sdn Bhd was because in terms of the absolute price, it is extremely small to make an impact on the Fund's performance. It is also not easy to buy a lot of this stock. Instead of just having another stock in the portfolio, the Company has decided to dispose off the shares.
- (11) On the management of the funds, Dato' Seri Md Ajib Anuar explained that the Board of Directors has a supervisory role to ensure that the Fund operates within high standards of corporate governance that commensurate with its investment objectives, policies and structure. As the Fund's entire operations are outsourced to independent service providers, the Board ensures that these service providers have in place and operate sound internal control and effective risk management systems and practices.

- Summary of Key Matters Discussed at the 14th AGM

On the issue of check and balance between the Board and Fund Manager, he explained that under the Constitution of the Company and the Fund Management Agreement, a discretionary mandate has been given to the Fund Manager to manage the funds and all assets of the Company including decisions on buying and selling of securities and shares, payment of any dividends or on any proposals on share buy-back arrangements. The mandate under the Fund Management Agreement has been in place since the Company started as a closed-end fund in 2005. The Fund Manager provides quarterly performance reviews of the Fund at every quarterly Board meeting where members of the Board share their views and deliberate on any issues and concerns affecting the Fund's performance to assist in the Fund Manager's decisions.

- (12) A lot of money has been spent by the Fund Manager on the investing overseas project. Furthermore, the regulators have not given any clear response on this matter so far.
- (13) Mr Tan Teng Boo explained that there is no definitive time horizon in holding any stock. It depends on how the company is doing and its valuation.
- (14) On the question of impairment loss, any adjustment to the fair value will be reflected in the new fair value under the new accounting standard (MFRS9) effective next year onwards, where impairment loss will not be used anymore.
- (15) The transparency of the disclosures in Annual Report 2018 is based on the Bursa Securities listing requirements set up by Bursa Securities. It was noted that there was no issue on the disclosure of the shares by the Fund Manager. Clarity was also given to the substantial shareholdings interest by CLIM which was based on CLIM's notification to the Company instead of the total list of funds as required under the Companies Act.

After addressing the abovementioned questions and comments from the floor, the Audited Financial Statements for the FYE 2018 together with the Reports of the Directors and the Auditors thereon were deemed tabled and received.

POLL RESULTS

The following resolutions tabled at the 14th AGM of the Company were duly passed by the Share Owners of the Company:-

| Resolution | Votes FOR | | Votes AGAINST | |
|---|--------------|--------|---------------|-------|
| | No. of Votes | % | No. of Votes | % |
| Ordinary Resolution 1 • Approval of Directors' fees payable to Directors of the Company for the financial year ended 31 May 2018 | 74,107,085 | 99.271 | 544,357 | 0.729 |
| Resolution | Votes FOR | | Votes AGAINST | |
| | No. of Votes | % | No. of Votes | % |
| Ordinary Resolution 2 • Approval of aggregate benefits payable to the Directors of the Company from 11 November 2018 until the next Annual | 74,111,085 | 99.276 | 540,557 | 0.724 |

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|---|------------|--------|------------|--------|
| General Meeting of the Company to be paid monthly in arrears. | | | | |
| Ordinary Resolution 3 • Re-election of Datuk Ng Peng Hong @ Ng Peng Hay as Director. | 46,261,889 | 61.970 | 28,389,753 | 38.030 |
| Ordinary Resolution 4 • Re-election of Dato' Seri Md Ajib Bin Anuar as Director. | 46,064,089 | 61.705 | 28,587,553 | 38.295 |
| Ordinary Resolution 5 • Re-appointment of Messrs Crowe Malaysia (formerly known as Crowe Horwath) as Auditors of the Company and to authorize the Directors to fix the remuneration. | 73,730,192 | 98.766 | 921,450 | 1.234 |

CONCLUSION

There being no other business to be transacted, the Chairman declared the Meeting closed at 12.30 p.m.