

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

**SUMMARY OF KEY MATTERS DISCUSSED AT THE
THIRTEENTH ANNUAL GENERAL MEETING ("13TH AGM")**

VENUE: **GRAND BALLROOM
RENAISSANCE KUALA LUMPUR HOTEL
CORNER OF JALAN SULTAN ISMAIL AND JALAN AMPANG
50450 KUALA LUMPUR**

DATE: **SATURDAY, 9 SEPTEMBER 2017**

TIME: **9.00 A.M.**

CHAIRMAN

The Chairman, Datuk Ng Peng Hong @ Ng Peng Hay called the Meeting to order at 9.25 a.m. and welcomed the attendees present to the Meeting.

The Chairman thereafter introduced the Board of Directors, Company Secretaries and Designated Person of the Fund Manager of the Company to all present.

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 also informed the Meeting that in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the Thirteenth Annual General Meeting ("13th 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 13th AGM in pursuance to Article 77 of the Constitution of the Company.

The Chairman further informed that the Company has appointed Boardroom Corporate Services (KL) Sdn Bhd, the Company's Share Registrar as Poll Administrator to facilitate the poll process and Boardroom Business Solution 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 2017 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 2017 (“FYE 2017”) 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 Secretary then read out the questions received from MWSG and provided the answers in response to the queries on Directors’ fees. The Fund Manager further explained on the questions related to the Company’s appeal on the tax penalty.

After addressing questions and comments from the floor in relation to the matters set out below, the Audited Financial Statements for the FYE 2017 together with the Reports of the Directors and the Auditors thereon were deemed tabled and received.

QUESTION AND ANSWER SESSION

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

- (1) Increase in Custodian Expenses was due to change in Custodian.
- (2) The benchmark used for performance returns must reflect the Company’s investment mandate and strategies which is capital appreciation. As such, using total returns as performance benchmark is not suitable for the Company. The performance returns were measured since inception which is beyond the minimum requirements of 10 years in accordance with GIPS.
- (3) Maintaining the relevant cash level in the portfolio is part of the investment decision making process which is in line with the Company’s value investing philosophy.
- (4) The realised fair value gain is not taxable for closed-end fund as provided under the Income Tax Act.
- (5) The Company has incurred among the lowest expense ratio compared to the domestic unit trusts.
- (6) The need for advertisement expenses by the Fund is to increase awareness on closed-end fund and value investing. The advertisement expenses were for the Investor Day.
- (7) An effective strategy to narrow the NAV discount is by way of investor relations, to educate investors on the benefits of investing in closed-end funds.
- (8) Impairment loss should be excluded from the operating expenses. Investors should refer to the Balance Sheet for the performance of the Company and not the Profit and Loss Statement.

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- (9) Performance of the Fund in respect of Cumulative Return and Annualised Return.
- (10) Updated the share owners on the progress of the dual listed global fund pursuant to the EGM in 2009. Mr Tan Teng Boo explained the delays and assured share owners that he will continue to put in all efforts on the matter.
- (11) Investors should focus on the entire portfolio performance instead of a single stock loss. The Fund Manager will ensure that the value investing philosophy will be consistently applied when managing the investments of the Company.
- (12) The Fund Manager explained that it is not useful to disclose the intrinsic values of the investments. First, the intrinsic value is only an approximation. Secondly, the intrinsic value can fluctuate and is not static. Thirdly, revealing the intrinsic value can adversely affect the implementation of the Fund's investment strategy and the interests of the Fund.
- (13) The capital allocation and individual stock selection need to be in line with the investment restrictions stated in the Securities Commission Guidelines on the Public Offering of Securities of Closed-end Funds. The asset allocation is also dependent on the degree of undervaluation of the stocks.
- (14) On whether there were any key audit matters to be addressed by the Company, the External Auditor, representative from Crowe Horwath, Mr Chong Tuck Wai, explained that there were none, as disclosed in the relevant page of the 2017 Annual Report.

POLL RESULTS

The following resolutions tabled at the 13th 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 <ul style="list-style-type: none"> To approve the Directors' fees and benefits payable to the Directors of the Company amounting to RM297,437 for the financial year ended 31 May 2017. 	68,431,750	98.94	733,500	1.06
Resolution	Votes FOR		Votes AGAINST	
	No. of Votes	%	No. of Votes	%
Ordinary Resolution 2 <ul style="list-style-type: none"> To approve the aggregate benefits payable of RM60,000 to the Directors of the Company from 1 June 2017 until the next Annual General Meeting of the Company, to be paid monthly in arrears after each month of completed service of the Directors. 	68,417,450	98.96	721,900	1.04
Ordinary Resolution 3 <ul style="list-style-type: none"> To re-elect Dato' Sri Syed Ismail Bin Dato' Haji Syed Azizan who is retiring pursuant to Article 96(1) of the Constitution of the Company. 	44,554,250	64.21	24,832,500	35.79

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Ordinary Resolution 4 • To re-appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration.	68,327,850	98.57	991,200	1.43
Special Resolution • Proposed Amendments to the Constitution of the Company.	68,111,050	98.43	1,088,900	1.57

CONCLUSION

There being no other business to be transacted, the Chairman declared the Meeting closed at 12.15 p.m.