



MINORITY SHAREHOLDER WATCHDOG GROUP
Shareholder Activism and Protection of Minority Interest

11 September 2015

The Board of Directors
Icapital.biz Berhad
 Level 18, The Gardens North Tower
 Mid Valley City, Lingkaran Syed Putra
 59200 Kuala Lumpur

Attention: Ms. Kuan Hul Fang / Ms. Tham Wal Ying
Company Secretaries

Dear Sirs,

Re: 11th Annual General Meeting ("AGM") of Icapital.biz Berhad ("ICAP" or the Company)

MSWG received the Notice that ICAP would hold its 11th AGM at 9.00 a.m. on Saturday, 19 September 2015.

In the interest of minority shareholders and all other stakeholders of the Group and the Company, we would like to raise the following:-

Strategic & Financial Matters

- 1) Shareholders were informed at the previous AGM of the Fund that designated person and related parties were barred from acquiring the Company's shares due to the Proposed Dual Listing.

However, we noted on page 61 of the Annual Report 2015 ("AR 2015") the designated person's indirect interest had increased from 11,000 shares in the previous year to 803,000 shares in FY 2015. Was this an indication that the proposed dual listing had been aborted? What was the status of the Proposed Dual Listing?

- 2) Despite a 5% decrease on the net asset value ("NAV") of the Fund, the total remuneration to Directors, fund management and investment advisory fees had increased by 11.6% and 2.5% respectively in FYE 2015.

What was the rationale for the Remuneration Committee and the Board to approve the increase of Directors' fees as well as the fund management and investment advisory fees in FYE 2015 despite the deterioration in the NAV of the Fund?

BY FAX/HAND
 (Fax No.: 603- 2282 2733)





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11th AGM, 19 September 2015
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Corporate Governance

MSWG is promoting certain standards of corporate governance best practices in PLCs. In this regard, we hope the Board could address the following:-

- 1) To publish a summary of minutes of the general meetings on the Company's website to be in line with the spirit of transparency and good corporate governance practices based on the ASEAN CG Scorecard to assess the level of CG standards of PLCs in Malaysia.
- 2) Addressing and formalising the approach to gender diversity and actions taken to meet the target of 30% women directors and also discloses it in the Annual Report.

We would appreciate if the Board could present the points raised here and their related answers, for the shareholders present at the AGM. At the same time, we await a written reply as soon as possible for our record, and posting on our website for the benefit of other shareholders.

Thank you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lya', is written over a circular stamp.

Lya Rahman
General Manager
Corporate Service
RB/WKW

ICAPITAL.BIZ BERHAD (674900 X)
(Incorporated in Malaysia)

Registered Office:-
Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-2264 8888
Fax: 03-2282 2733

18 September 2015

By Email & Post

Minority Shareholder Watchdog Group
Tingkat 11, Bangunan KWSP
No. 3, Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur

Dear Sirs

RE: ICAPITAL.BIZ BERHAD
11TH ANNUAL GENERAL MEETING

Your letter dated 11 September 2015 refers. Please refer to the attached Annexure A for the reply to your queries.

Thank you.

Yours faithfully



DATUK NG PENG HAY
Chairman

ICAPITAL.BIZ BERHAD (674900 X)
(“icapital.biz”)

ANNEXURE A

**REPLY TO MINORITY SHAREHOLDER WATCHDOG GROUP'S LETTER
DATED 11 SEPTEMBER 2015**

Strategic & Financial Matters

- 1) Shareholders were informed at the previous AGM of the Fund that designated person and related parties were barred from acquiring from the Company's shares due to the Proposed Dual Listing.

However, we noted on page 61 of the Annual Report 2015 (“AR 2015”) the designated person's indirect interest had increased from 11,0000 shares in the previous year to 803,000 shares in FY 2015. Was this an indication that the proposed dual listing had been aborted? What was the status of the Proposed Dual Listing.

Reply:

The Designated Person's indirect interest comprised the following:

No.	Share owner	No. of shares	Remarks
(i)	Capital Dynamic Asset Management Sdn Bhd (“CDAM”), the Fund Manager	789,000	There has been no change in the shareholdings of CDAM in icapital.biz since last year. CDAM's shareholding was included in the indirect shareholding of the Designated Person due to the Capital Dynamics group restructure last year.
(ii)	Capital Dynamics Sdn Bhd (“CDSB”), the Investment Adviser	10,000	There has been no change in the shareholdings of CDSB in icapital.biz since last year.
(iii)	Family members	4,000	There has been an increase in shareholding since last year. To note, this self-imposed moratorium by the Fund Manager and Investment Adviser is only extended on their management and staff although the proposed new fund is a separate legal entity and not part of icapital.biz.
	Total	803,000	

2. Despite a 5% decrease on the net asset value ("NAV") of the Fund, the total remuneration to Directors, fund management and investment advisory fees had increased by 11.6% and 2.5% respectively in FYE 2015.

What was the rationale for the Remuneration Committee and the Board to approve the increase of Directors' fees as well as the fund management and investment advisory fees in FYE 2015 despite the deterioration in the NAV of the Fund?

Reply:

The basic director's fee is RM 40,000 per annum which has remained unchanged since 2011. The Chairman of the Board and Audit Committee and Members of the Audit Committee were not paid any additional fees for their added roles and responsibilities.

As you may be aware, the Chairman of the Board and Audit Committee has added responsibility of setting meeting agenda, conduct, organise and chairs the meeting. He also plays a facilitating role to maintain the order of the proceedings in a constructive, productive and effective manner. The Chairman also takes a leadership role in Board and Committee discussions.

The roles and responsibilities of the Audit Committee are well spelt out by the various Corporate Governance guidelines.

The Board after review, felt that such roles should be properly recognised.

Hence it is proposed that the Chairman of the Board should be paid 50% more fees than an ordinary member bringing his fees to RM 60,000 per annum.

It is also proposed that Audit Committee members should be paid RM 10,000 for their roles and that the Chairman of the Audit Committee should also be paid 50% more ie. RM 15,000 per annum.

The fund management and investment advisory fees are calculated based on the formulae in the Fund Management Agreement and Investment Advisory Agreement and disclosed in Section 5.1.4 and Section 5.3.3 of the Prospectus dated 26 September 2005. There has been no change in the formulae since the issuance of the Prospectus.

The Fund Manager and Investment Adviser charge the fund management and investment advisory fees quarterly per annum in order to reduce the fluctuation in the Net Assets Value if it is only charged at one point per annum.

Corporate Governance

MSWG is promoting certain standards of corporate governance best practices in PLCs. In this regard, we hope the Board could address the following:-

- 1) To publish a summary of minutes of the general meetings on the Company's website to be in line with the spirit of transparency and good corporate governance practices based on the ASEAN CG Scorecard to assess the level of CG standards of PLCs in Malaysia.**

Reply:

The Board notes MSWG's suggestion and will look into the same.

- 2) Addressing and formalising the approach to gender diversity and actions taken to meet the target of 30% women directors and also discloses it in the Annual Report.**

Reply:

As stated in the 2015 Annual Report and the Board Charter, all Board appointments shall be based on merit. Candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender, ethnicity and age.