

Tan turns to minority shareholders

To fight off British fund management company City of London Investment Management

BY WEI LYNN TANG

KUALA LUMPUR: Fund manager Tan Teng Boo has once again turned to minority shareholders of icapital.biz Bhd, this time to vote for the reappointment of Tunku Abdul Aziz Tunku Ibrahim as its director at an adjourned annual general meeting (AGM) to be held on Nov 30. The move is seen as a way to fight off British fund management company City of London Investment Management Co Ltd.

City of London, the single largest shareholder of icapital.biz with a 9.89% stake, together with British activist hedge fund Laxey Partners Ltd, owns 11.39% of the closed-end fund. The two firms voted against the said resolution through a proxy form just two days before icapital.biz's 10th AGM on Oct 11.

Tan, who said he is speaking in his personal capacity as a shareholder, told a news conference yesterday that there will be three va-

cant seats on the board of icapital.biz — which can have a maximum of seven directors at any one time. One seat is currently vacant, while its chairman Tunku Tan Sri Ahmad Yahaya is resigning effective Nov 30, with one more vacant assuming Abdul Aziz does not get re-elected.

In November 2012, Tan successfully blocked City of London's and Laxey's entry to icapital.biz's board when the two firms had requested for three board seats in an AGM, but had failed to do so.

"I don't know what their real motive is [this time]," said Tan.

Abdul Aziz is a former vice-chairman of both the DAP and the Transparency International board of directors.

When asked if he thinks both parties are making a comeback to take control of the fund, Tan said: "They are already coming back, that's why they acted in this way."

While from a legal and procedural standpoint, the British funds

Tan is of the view that the British funds should have sent in their proxy forms earlier. **The Edge file photo**

have acted properly and have the right to deposit the proxy form just two days before (the AGM), Tan deems the action as "unethical" as the parties with 11.39% are in a "powerful position," and thus "oppressing the majority" — with icapital.biz's dispersed shareholding structure having 3,342 shareholders as at June 25, 2014.

Tan is of the view that the British funds should have sent in their proxy forms earlier, giving icapital.biz enough time to inform other shareholders on this development; and that City of London and Laxey should have stated their reason for rejecting the said resolution.

He also claimed that an analyst from City of London based in their Singapore office had attend-



ed icapital.biz's recent AGM, but without any evidence of registration or proper authorisation, and without revealing himself during the meeting.

"I think the shareholders must think about it carefully and decide on it intelligently. It's not just about one director ... if [City of London and Laxey] can do it in this manner, they can actually

control the whole firm."

Tan is urging all shareholders to vote in the upcoming adjourned AGM at Wisma MCA here; and for City of London to send a representative to explain its decision not to vote for the reappointment of Abdul Aziz to the board.

Nonetheless, Tan noted that if City of London does not attend the adjourned AGM or provide an explanation by the date, icapital.biz will take the outcome of the adjourned AGM "as is".

Tan, who owns less than 1% of icapital.biz in his personal name and via Capital Dynamics Asset Management Sdn Bhd, also indicated that he will not attend the adjourned AGM — both as a fund manager and a shareholder, to allow other shareowners to have their say in a fair and democratic voting process.

He, however, did not indicate if he will "tick" on the proxy form or "leave it blank".