

# Tan Teng Boo denies abusing position in adjourning AGM

By Stephanie Jacob

Tan Teng Boo, the fund manager of icapital.biz Bhd, has refuted suggestions that he overstepped the mark as a fund manager and shareholder in calling for an adjournment of the fund's annual general meeting (AGM) on Oct 11, 2014.

Speaking to the media today, he emphasised that he was doing so in his capacity as a shareholder and not a fund manager. He said he had felt it was necessary to address allegations by a columnist for the Nanyang Siang Pau, who suggested that Tan had overstepped his mark by calling for an adjournment of last month's AGM.

Tan made the proposal after it emerged that the fund's substantial shareholder City of London Investment Management Co Ltd had joined together with Laxey Partners to vote by proxy against a resolution to re-elect Tunku Abdul Aziz Tunku Ibrahim, a director who is over 70 years old.

City of London owns a 9.88% stake (13,829,700 shares), and combined with Laxey, the two hold 11.39% in total. Both announced they were voting against the proposal just two days before the AGM.

In light of their vote, the board moved to put the resolution to a poll vote during the AGM, in which case the resolution would have had to garner 75% "yes" votes from shareholders present as the AGM to pass.

It was at this point that Tan objected in his capacity as a shareholder, proposing instead that the AGM be adjourned to allow all shareholders the opportunity to vote in view of City of London and Laxey's decision.

## **'Timing a concern'**

While their decision to vote against Tunku Aziz by proxy two days (before the AGM) is valid by law, it is the timing of their announcement that was of concern, said Tan.

He noted that many of icapital.biz's shareholders held small stakes in the fund, and there is no majority shareholder as per the Securities Commission's (SC) rules. A breakdown of the fund's shareholders indicate that the largest amount of shareholders (1,478) hold between 1,001 and 10,000 shares, amounting to some 7,079,400 shares.

Given the magnitude of their vote, the two should have made their decision known much earlier to allow the rest of the shareholders to be informed, said Tan. Highlighting that given the fairly routine nature of the proposals put forward before the AGM, the turnout at the meeting had not been large. Therefore it is unlikely that the shareholders present at the AGM would have been able to pass the resolution even if they voted mostly for it in a poll vote.

### **‘Explain the vote’**

Furthermore, he said that they should have at least explained why they were voting against the resolution for Tunku Aziz to be retained on the board. While “an explanation was not legally necessary, it would have been the morally and ethically right thing to do”, said Tan.

He said that it made sense that if there must be rationale offered to appoint, then there must also be rationale offered to remove a director. At the AGM, Tan had asked if anyone from either City of London or Laxey was present to explain their position, but no one had come forward.

The fund manager said that by proposing an adjournment, he wanted to give more shareholders the opportunity to be present and vote on the resolution. The adjourned AGM will be held on Nov 30, 2014 at Wisma MCA.

Tan said he hoped that as many shareholders as possible would attend the AGM and cast their votes on the resolution. He however will not attend the adjourned AGM himself, to avoid suggestions that he is trying to influence proceedings.

Tan holds less than a 1% stake in his own capacity and through his Capital Dynamics Asset Management Sdn Bhd. He added that he has not yet decided whether to vote for or against the proposal.

He also reiterated his call for a City of London representative to be present at the meeting on Nov 30 to explain its actions to shareholders. That said, the vote on the resolution will be carried out on the day, and the decision will be final.