

iCapital.biz unveils dividend policy to boost share price and value



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iCapital.biz Bhd (ICAP) is introducing an innovative dividend policy to reduce the gap between ICAP's share price and net asset value (NAV) and potentially bring its share price to a premium, as it did initially.

The policy includes a 1% Base Rate of NAV per share plus an 8% Top-up Rate, but the Top-up Rate won't apply if ICAP's share price is trading at parity or a premium to NAV.

The dividend yield is expected to be around 4%, paid annually.

Additionally, ICAP is introducing a dividend reinvestment plan (DRP), allowing shareholders to reinvest dividends into new ICAP shares.

The goal is to remedy the NAV-share price discount without compromising the fund's investment philosophy.

ICAP's designated person, Tan Teng Boo, mentioned that this innovative policy aims to resolve the persistent discount issue between ICAP's share price and NAV.

The proposed DRP aims to increase shareholder participation in ICAP, boost liquidity, and improve long-term capital appreciation.

The dividend policy will be explained in detail at ICAP's AGM on November 4, 2023.

ICAP's NAV has outperformed the MSCI Malaysia Index over three years, rising 34.03%, while the share price has increased by 53.53%.

ICAP will call for an Egm to seek shareholder approval for the DRP, with RHB Investment Bank Bhd as the principal adviser and Astramina Advisory Sdn Bhd as the financial adviser for ICAP's dividend policy and proposed DRP. **-TMR**