

icapital.biz to hold virtual EGM for DRP approval on Dec 29



CORPORATE NEWS

Tuesday, 26 Dec 2023 1:53 PM MYT



Capital Dynamics CEO and icapital.biz Bhd's designated person Tan Teng Boo

KUALA LUMPUR: icapital.biz Bhd (ICAP) will be holding an extraordinary general meeting (EGM) virtually on Dec 29, 2023 to seek shareholder approval for the proposed establishment of a dividend reinvestment plan (DRP).

ICAP encouraged all shareholders to attend the EGM and vote in favor of the DRP.

"This is because the DRP not only provides shareholders with an avenue to increase their participation in ICAP stock, but also supports the main goal of this initiative – to narrow the gap between ICAP's share price and its net asset value (NAV), setting the stage for the stock to potentially trade at a premium to the fund's NAV," the closed-end fund said in a statement.

The proposed DRP will work hand-in-hand with ICAP's dividend policy, which was formulated after years of hard work and introduced on Sept 29, 2023. ICAP had introduced this dividend policy to proactively narrow the discount between ICAP's share price and its NAV per share.

ICAP's dividend policy and proposed DRP share a common goal: to bring ICAP's share price back to trading at a premium to the fund's NAV -- just as it did during ICAP's first three years as a listed company -- or at least trade at a rational level.

Tan Teng Boo, the designated person of ICAP said: "We encourage all shareholders to attend the EGM virtually and give us their approval for the DRP. We are well aware that the majority of ICAP shareholders invested in our stock because of long-term capital appreciation. We are mindful of this, and this is embedded in the formulation of our DRP and dividend policy."

"The DRP supports our main agenda, which is the long-term capital appreciation of ICAP. At the same time, our innovative dividend policy has been designed with the goal of consistently auto-remedying the NAV-share price discount without compromising the fund's investment philosophy. Thus, if the DRP is approved, shareholders stand to gain both ways -- you get dividends as well as capital appreciation," he added.