

iCapital Declares Maiden Interim Dividend Of 10.41 Sen Per Share, Offers Reinvestment Option

By Jenny Gim - September 27, 2024



Mr Tan Teng Boo, Designated Person of icapital.biz

icapital.biz Bhd (iCapital), Malaysia's only listed closed-end fund, is declaring its maiden interim dividend of 10.41 sen per iCapital share for its financial year ending May 31, 2025 (FY2024/2025).

In a press statement, iCapital noted that the company's dividend reinvestment plan (DRP) shall also apply to the entire portion of this interim dividend. This means that shareholders will be given an option to reinvest their interim dividend into new shares. The Board of iCapital has fixed the issue price of the new shares to be issued following the DRP at RM2.92 per share.

This issue price approximates the 5-day volume weighted average market price of the shares immediately prior to the price fixing date of RM3.02, and is ex-interim dividend. The entitlement date for the interim dividend will be announced after the approval from Bursa Malaysia has been obtained for the listing and quotation of the new shares.

Tan Teng Boo, the designated person of iCapital said, “We designed this highly innovative dividend policy to address the needs of various shareowners – those seeking long-term capital appreciation, those needing some regular distribution and those who may have to cash in their holdings.”

“Meanwhile, the DRP shows that we are confident in the growth prospects of iCapital. If shareholders believe in the long-term capital appreciation of iCapital, the DRP provides a good avenue for shareholders to maintain their participation in iCapital.”

For some background, iCapital’s innovative dividend policy was first announced on September 29, 2023. It is formulated as follows: a Base Rate of 1% of iCapital’s Net Asset Value (NAV) per share, plus 8% of the difference between iCapital’s share price and NAV. This additional 8% is referred to as the Top-up Rate. In summary, this innovative dividend policy consists of the aggregate of the 1% Base Rate and the 8% Top-up Rate.

Under the written procedures established by iCapital pursuant to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996, foreigners who hold shares within the 20% limit of the total number of issued shares, shall also be entitled to the interim dividend, and hence the option to reinvest their shares into the DRP. This is provided that such participation will not result in a breach of the Prescribed Limit.

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