

PRESS RELEASE

Tan Sri Lim Kim Hong invests, shareholders' stakes protected, company growth secured

I-Berhad Announces Robust Q1 Profit Growth and Strategic Capital Raising Plan

i-City, 31 May 2024: I-Berhad, the master developer of i-City, Malaysia No. 1 Digital City, announced a 180% increase in its profit before tax to RM4.95 mil in Q1 2024, from Q1 2023. This significant growth, achieved despite a revenue decline from RM44.5 million to RM40.6 million, underscores the Group's strong financial management and strategic foresight. The dip in Q1 2024 revenue was due to the clearance of existing inventory in the property development segment in the corresponding quarter.

Central i-City Mall's performance significantly improved, shifting from a loss of RM399,000 in Q1 2023 to a gain of RM1.43 million this year, showcasing the success of the company's strategic investments and collaborative ventures.

The Leisure and Hospitality segment saw revenue growth of 26%, increasing from RM20.6 million to RM25.9 million, driven by corporate events at 5-star DoubleTree by Hilton i-City and Best Western i-City as well as new attractions like the Digital Sports Arena and Immersive Winterland, boosted by increased visitor numbers during school holidays and festive seasons. This segment's strong performance underscores its potential to drive the Group's 2024 strategy in building i-City as a preferred destination for eating, playing and living.

Also performing well is the Group's investment property portfolio with revenue increasing to RM5.93 million from RM5.73 million in Q1 2023. Key investment properties such as the Grade A GBI Corporate Tower Mercu Maybank, car parks and tier-3 data centre in i-City generated consistent rental income. This stable income streams highlight the strategic value and financial stability provided by I-Berhad's investment properties.

Furthermore, the Group's unbilled sales stood at RM97.2 million as of 31 March 2024, compared to RM94.5 million in 2023, reflecting the sustainable demand for i-City.

According to the press statement, "In Q1 2024, the property development segment contributed RM7.99 million to revenue. The successful launch of BeCentral Tower 1 and positive reception of BeCentral Tower 2 demonstrate market confidence in its projects while its partnership with Wyndham International to establish Wyndham Suites KLCC will enhance the appeal of its property portfolio and facilitate inventory clearance."

Looking ahead, I-Berhad plans to enhance its financial strength through a capital-raising exercise. The company intends to raise RM100 million via the issuance of redeemable preference shares (RPS) with a 3% dividend rate.

"The 3% non-cumulative dividend rate on the RPS, makes this a very attractive option for securing long-term funding compared to existing borrowing costs which range between

4.21% and 5%,” said I-Berhad. This will also significantly lower financial costs and improve cash flow management. This proposed funding is a testimony of the strong confidence and support of the founder and largest shareholder, Tan Sri Lim Kim Hong, and will be pivotal in enhancing the Group’s financial strength and resilience.

The funds raised will be primarily used to finance the completion of the Group’s BeCentral Residences and other future projects. This will ensure that crucial development projects are implemented as planned and daily operations are well-funded, spurring the development of the remaining of the Group’s RM5 billion gross development value (GDV) and grow its RM1bil investment property portfolio.

I-Berhad explained that the RPS issuance will not dilute existing shareholders' interest since the RPS are not convertible into ordinary shares. This preserves shareholder value while still raising the necessary capital. The flexibility to issue the RPS in multiple tranches over three years also allows I-Berhad to align its funding requirements with project timelines and cash flow needs, providing significant financial flexibility and certainty.

I-Berhad’s commitment to innovation continues to be recognised by the industry and the Group is set to announce a groundbreaking theme park enhancement project that will transform the tourism landscape of Shah Alam in the coming months.

.ends

For media enquiries, please contact Cynthia Lee at cynthia.lee@i-city.my or Whatsapp 019-370 7200