



PRESS RELEASE

I-Berhad announces impressive 189% profit surge *Strategic growth continues to propel i-City's success*

i-City, 8 Aug 2024: I-Berhad (KLSE: IBHD), the master developer of i-City, Malaysia No. 1 Digital City, today announced a 189% increase in year-to-date profit before tax to RM11.824 million, compared to RM4.089 million for the same period last year. This impressive growth demonstrates the Group's adeptness in leveraging market opportunities and executing its long-term vision.

For Q2 2024, I-Berhad reported a profit before tax of RM6.874 million, a substantial increase from RM2.325 million in Q2 2023. This improved profitability underscores the company's strategic acumen and resilience.

The exceptional upswing is largely attributed to the dramatic increase in profit before tax in the Group's Leisure and Hospitality segment, which soared to RM4.166 million in Q2 2024 from a loss of RM0.226 million in Q2 2023. This success is due to the effectiveness of the Group's strategic initiatives and operational excellence in seizing market prospects. New attractions such as the Digital Sports Arena, Immersive Winterland, and Race Karting drove significant visitor traffic to i-City, especially during school holidays. Additionally, the Group's ability to quickly capitalise on the accelerated growth of B-leisure and MICE activities in Shah Alam contributed to the success of the 5-Star DoubleTree by Hilton i-City and Best Western Hotel—both owned by the Group.

The Property Investment segment also showed significant improvement, with a profit before tax of RM2.938 million, up from RM1.860 million in Q2 2023. This positive improvement highlights the Group's successful management and optimisation strategies in this segment. The effective implementation of strategies had led to the successful rental of investment properties held by the Group, mainly the Grade A GBI premium office tower Mercu Maybank, car parks and data centre in i-City as well as the share of results of an associate – Central i-City Mall which is Thailand's first mall in Malaysia.

Although there was a 49.9% decrease in profit before tax from the Group's Property Development Sector in Q2 2024 compared to the corresponding quarter last year, it was a sharp turnaround from a loss before tax of RM2.226mil in Q1 2024. The strong contributions of the Group's Leisure and Hospitality as well as Property Investments segments demonstrate the Group's capability of creating long-term value for its Property Development sector. The Group believes that its continued efforts in establishing i-City as a desirable international destination for eating, playing, and living will pave the way for positioning BeCentral residences and 8Premier as well as Twenty8 corporate/retail spaces as prime investment opportunities for property investors.

A press statement issued by the Group today said, "I-Berhad continues to demonstrate an upward trajectory and strong financial stability, positioning the Company well for sustained growth. Our strategic investments and long-term vision underline our commitment to creating

value for our shareholders and stakeholders. The anticipated growth driven by i-City, is set to reach fruition, reinforcing our market leadership and enhancing our competitive edge in mixed development."

PublicInvest: RPS, an inexpensive way to raise funds, retain trading buy call at RM0.32

The Group has also issued a circular for an EGM to be held later today to discuss a resolution to strengthen its financial reserves for the next phase of growth through a RM100 million financial backing by major shareholder, Tan Sri Lim Kim Hong. The proposal involves raising up to RM100 million via the issuance of redeemable preference shares (RPS) with a 3.0 percent dividend rate, to by Tan Sri Lim. This capital infusion reflects Tan Sri Lim's strong faith in the Company and his commitment to its long-term growth. The RPS issuance will not dilute existing shareholders' interests as the RPS are not convertible into ordinary shares. This approach preserves shareholder value while securing the necessary funding for future development and expansion of the Company as well as i-City.

According to PublicInvest, the issuance of these securities is an "inexpensive way to raise funds, a welcome move considering its non-dilutive effects".

The research firm said that the RM55m net proceeds into the company from this exercise is sufficient for its ongoing development works and working capital needs with the remaining RM45m to be utilised to repay previous advances by its major shareholder.

The research firm added, "We are also encouraged by this development as it signifies a strong vote of confidence in the Group's long-term prospects and reflects the major shareholder's unwavering financial support toward the success of the company, uncharacteristic of various other corporate exercises which typically involve cash-sapping rights issues and/or dilutive private placement exercises. The 3% dividend rate on the RPS also costs lower vis-à-vis bank borrowings".

The PublicInvest research paper retains its Trading Buy call with an unchanged target price of RM0.32. It said that the recent market rout which retraced I-Berhad's share price from a high of RM0.29 – after its recommendation upgrade on June 4 – to current levels as "another buying opportunity".

Encouraged by the Group's steady fundamental improvements, the research firm stated that scope for longer-term upside is still attractive with RM5 billion of GDV yet to be realised, in addition to the growing traction from the Group's Investment and Leisure portfolios.

On Tuesday, the Group announced the groundbreaking of its latest attraction SkyCity, a 60-meter high tower, featuring a 600-meter long glass slide to simulate the feeling of swimming in the sky and flying on water. The tower is slated to be opened on 11 December 2024, in conjunction with the birthday of His Royal Highness Sultan Sharafuddin Idris Shah Al-Haj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj. According to I-Berhad, SkyCity together with other attractions in i-City will contribute 5 million tourists footfall to the upcoming Visit Selangor 2025 initiative.

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