QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCH GROUP RELATING TO THE EXTRAORDINARY GENERAL MEETING OF IOI PROPERTIES GROUP BERHAD

Q1. How comfortable is the Board with a net gearing ratio rising to 1.03x (Circular - Pro Forma III, page 16) especially with the rising global interest rate pressure and geopolitical risk?

The Board has carefully considered the increase in net gearing to 1.03x, taking into consideration the Group's operating resilience, recurring income base, liquidity position and overall financing capacity.

The Group's recurring rental income and positive rental reversions continue to support NPI growth and help mitigate, to some extent, the impact of higher financing costs.

While the Board remains mindful of the prevailing interest rate environment, geopolitical uncertainties and refinancing risks, the Group will continue to adopt a disciplined approach to capital management, balancing leverage, funding costs and returns while maintaining financial resilience and preserving flexibility to pursue sustainable long-term growth.

From a strategic perspective, the Board also considered the quality and scarcity of prime Singapore CBD assets. Asia Square Tower 2 strengthens the Group portfolio of high-quality, income-generating Singapore investment properties and, together with IOI Central Boulevard Towers, enhances the Group's scale and presence within the prime CBD office market. The proximity and complementary positioning of the two assets also provide potential benefits in tenant relationships, leasing intelligence and portfolio management. In addition, the asset offers long-term value preservation and capital appreciation potential. These strategic attributes, together with recurring income contribution, form part of the Board's overall assessment of the acquisition against the near-term increase in gearing.

Q2. The circular explicitly states the Proposed Acquisition is "not a related party transaction" yet in the same breath discloses that:

- **Dato' LYS (Group CEO and major shareholder) owns "Shenton House," a commercial property in the immediate vicinity of Asia Square Tower 2; and**
- **Both Dato' LYS and Dato' Lee Yeow Chor (being a person connected with Dato' LYS) have voluntarily abstained from Board deliberation and voting at the relevant Board meetings.**

*We wish to clarify the position that neither Dato' LYS, Dato' Lee Yeow Chor, nor any person connected with them, has any interest, direct or indirect, in the Proposed Acquisition. Accordingly, the Proposed Acquisition does **not** constitute a related party transaction under Chapter 10 of the Main Market Listing Requirements.*

Dato' LYS and Dato' Lee Yeow Chor have elected to voluntarily abstain from deliberation and voting at the relevant Board meetings in relation to the Proposed Acquisition as a proactive corporate governance measure to avoid any perception of the transaction being influenced by any potential conflict of interest position, in view of Dato' LYS' ownership of Shenton House via Shenton 101 Pte Ltd (being a company controlled by Dato' LYS), which is a separate commercial property located in the vicinity of Asia Square Tower 2 (the subject property of the Proposed Acquisition).

For the avoidance of doubt, Shenton House and its owner, Shenton 101 Pte Ltd, are not themselves the subject of, or a party to, the Proposed Acquisition and the ownership of Shenton House does not give Dato' LYS any direct or indirect interest in the Proposed Acquisition.

Further, Dato' LYS, Dato' Lee Yeow Chor and persons connected with them are not parties to the Proposed Acquisition, and none of them has any direct or indirect interest in or entitlement to any consideration or other benefit arising from the Proposed Acquisition.

Accordingly, there is no basis for Dato' LYS, Dato' Lee Yeow Chor or any person connected with them to be regarded as having an interest in the Proposed Acquisition for the purposes of Chapter 10 of the Main Market Listing Requirements.

The principal adviser and legal counsel appointed for the Proposed Acquisition have concurred that the transaction does not constitute a related party transaction.