**QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCH GROUP RELATING TO THE EXTRAORDINARY GENERAL MEETING OF IOI PROPERTIES GROUP BERHAD TO BE HELD ON WEDNESDAY, 30 SEPTEMBER 2026**

**Q1. The Circular shows that pro forma EPS could decline from 19.32 sen to 16.37 sen following the Proposed Disposals and Proposed Offering, and further to 15.30 sen if the Over-allotment Option is fully exercised.**

**Could the Board explain quantitatively why shareholders should accept this earnings dilution and specify the timeframe and measurable financial targets by which the capital recycling exercise is expected to restore or exceed the pre-transaction EPS and return on equity?**

***(Circular, Section 6.3 – Earnings and EPS, Pages 50-51)***

*The establishment and listing of IOIPG REIT gives the Group a dedicated capital recycling platform. It allows us to unlock capital from our mature investment properties, while still retaining meaningful exposure to the future performance of these assets through up to 60% unitholding in IOIPG REIT.*

*The proceeds from the listing will also give the Group additional financial capacity to fund future development projects, property investments and other related activities. Where appropriate, we can also use the proceeds to reduce borrowings, which both utilisation could have a positive impact on our EPS.*

*The Group expects contributions from Asia Square Tower 2 and South Beach Consortium to narrow the EPS, while further deployment of the fund into new investment opportunities could provide potential upside.*

**Q2. Approximately 66% of the proposed proceeds, or RM3.07 billion, will be allocated to project development, property investment and related activities.**

**Could management identify the major projects or investment opportunities currently being considered, their expected investment amounts, target returns and expected contribution to earnings, rather than providing only a broad description of the intended use?**

***(Circular, Section 4 - Use of Proceeds, Page 40)***

*At this stage, the RM3.07 billion earmarked for future growth initiatives has not been assigned to a fixed allocation among project development, acquisitions, property investments and asset enhancement initiatives. This provides the Group with flexibility to deploy the proceeds according to project progress, funding requirements and suitable investment opportunities.*

*At this juncture, the fund would be deploy for Malaysia investment assets such as IOI City Mall Phase 3, Iconic tower and office tower, IOI RIO Mall and office tower.*

**Q3. IOIPG REIT will begin with gearing approximately 34.1% against a permitted borrowing limit of up to 50% of the REIT Guidelines.**

**What prudent internal gearing ceiling will the Manager adopt, and how much acquisition headroom would remain if property values declined or financing costs increased materially?**

**Will the Manager commit to maintaining the gearing materially below the regulatory maximum rather than using the full permitted capacity for acquisitions?**

***(Circular, Section 2.2.2 – Mode of settlement of the Disposal Consideration, Page 18)***

*The Manager intends to maintain a balanced of capital structure for IOIPG REIT, taking into consideration potential acquisition requirements, financing costs, asset valuations, cash flows and prevailing market conditions and applicable regulatory requirements.*

*Any future acquisition will be evaluated together with the appropriate capital structure to maximise long term value for unitholders, while maintaining sufficient financial headroom to navigate uncertainties arising from the changes in market conditions and ensuring compliance with the applicable regulatory requirements.*

**Q4. IOI City Mall alone has an appraised value of approximately RM5.15 billion, representing about two-thirds of the total portfolio.**

**Does the Board consider this level of concentration appropriate for a newly listed REIT, and what is the target portfolio mix between retail, office, hospitality and other asset classes over the next five years?**

**(Circular, Section 2.2.2 – Mode of settlement of the Disposal Consideration, Page 18)**

*IOI City Mall is the flagship asset of IOIPG REIT portfolio and given its scale and income-generating profile represents a significant proportion of the portfolio. The Board recognises the concentration arising from the asset's significant scale and considers this to be a natural feature of the portfolio at this stage. The retail segment remains the core income generator, with IOI City Mall providing a strong foundation for the portfolio's overall income generation.*

*At the same time, IOIPG REIT is also designed as an economically synergistic portfolio, where retail, office and hotel assets complement one another. Each asset has distinct operating and income characteristics, providing diversification and contributing to the overall resilience of the portfolio.*

*Over the next five years, the Manager does not intend to adopt a rigid target portfolio mix by asset class. Instead, the REIT will take a disciplined and opportunistic approach in evaluating acquisitions, considering factors such as asset quality, income-generating potential, valuations, financing costs, market conditions and the overall capital structure. Retail is expected to remain the largest component and core income contributor, while opportunities across the office, hospitality and other suitable asset classes will be considered where they enhance the quality, diversification and long-term value of the portfolio.*

**Q5. Upon completion, IOIPG will retain 60% of IOIPG REIT, while the Manager and all six (6) hotel Master Lessees are controlled by IOIPG.**

**What specific governance safeguards will ensure that decisions on rent, acquisitions, disposals, asset enhancement, related-party transactions and other dealings are made in the best interests of all REIT unitholders and not primarily in the interests of the controlling shareholder?**

**(Circular, Section 3.2 – Proposed Disposals and Proposed Offering, Page 39)**

*Specific safeguards are in place to ensure that related party transactions are conducted in the best interests of unitholders.*

*Such transactions are subject to oversight by the Board of the Manager of IOIPG REIT, with appropriate governance processes in place to manage potential conflicts of interest. For transaction meeting the prescribed threshold, an independent adviser will be appointed and unitholder approval obtained, where required.*

*The Trustee is also independently reviews RPTs and has discretion under the Trust Deed on whether to enter into such transactions. These safeguards provide independent checks and balances across the Manager, Trustee and unitholders, helping to ensure that transactions involving the controlling shareholder are evaluated objectively and that the interests of all REIT unitholders are protected.*