

**QUESTIONS RAISED BY MSWG RELATING TO EXTRAORDINARY GENERAL MEETING OF IOI CORPORATION BERHAD**

**1) Is there any dividend policy formulated for IOIPG pursuant to the proposed listing?**

**It is noted that IOIP Group will constitute the largest part of the IOIPG pursuant to the proposed listing of IOIPG. However, the dividend payout from IOIP Group since the delisting in four years ago was very low.**

Presently, IOIPG does not have a fixed dividend policy. The board of IOIPG intends to allow the shareholders of IOIPG to participate in the profits of the Group. However, IOIPG's ability to pay dividends or make other distributions to its shareholders is subject to various factors.

The Board of IOIPG will consider the following factors, amongst others, when recommending dividends for approval by the shareholders of IOIPG or when declaring any interim dividends:-

- (i) the availability of adequate distributable reserves and cash flows;
- (ii) the operating cash flow requirements and financing commitments; and
- (iii) the anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans.

In terms of dividend payout of IOI Properties Berhad mentioned in the MSWG letter, it should be noted that the quantum of the payout are dependent on various factors, such as the adequacy of reserves and the operating requirements of IOI Properties Berhad. Further, such comparison between IOI Properties Berhad (prior to its privatisation) and the soon to be listed IOIPG may not be fair. The property businesses of IOI Corp has grown in terms of size and profitability since the privatisation of IOI Properties Berhad in 2009. The property business currently has more than 10,000 acres (excluding the Landbank under jointly controlled entities) with total market valuation amounting to RM8.1 billion, as appraised by the independent valuers, from its total landbank of approximately 5,000 acres held in FYE 30 June 2008.

**2) Media reported that the Chairman was upbeat about the operating profit of the proposed IOIPG to hit RM1 billion within the next three years. Which projects and in terms of geography will be the likely driver for IOIPG to achieve that?**

The Group is upbeat on the profit performance of IOIPG as the total GDV for its upcoming development projects for FY 2014-2016 is anticipated to be in the region of RM19.0 billion (including developments by our jointly controlled entities), whereby our overseas projects are expected to contribute approx. 50%.

The Malaysian property projects will continue to be the key revenue driver. The revenue composition by geographical location for FY 2014-2016 is as follows:

- (i) Malaysia (69%);
- (ii) Singapore (21%); and
- (iii) PRC (10%).

- 3) **What were the breakdowns of the proposed capitalisation of approximately RM1.8 billion, being an amount owing by the IOIP Group and/or the other property companies?**

**It is noted that this amount appeared in the books of IOI Properties Berhad only in FY2013.**

As mentioned in the circular, total amount owing by the IOIP Group and/or the other property companies amounted to RM2.4 billion are generally in relation to land acquisitions and construction of investment property. The major projects are IOI City Mall Project, Xiamen Land 1 & 2 and Triling Project in Clementi, Singapore. From the proposal, only RM1.8 billion will be capitalised, whereas the balance RM0.6 million will be settled via cash prior to the completion of the listing.

The amount appeared in the books of IOIP only in FY2013 as all this advance are made in the said financial year.