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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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BERJAYA
BERJAYA CORPORATION BERHAD

(Registration No. 200101019033 (554790-X))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

RATIFICATION OF THE DISPOSAL OF THE HOTEL COMPONENT OF FOUR SEASONS HOTEL & HOTEL RESIDENCES KYOTO IN JAPAN (“HOTEL”) FOR A TOTAL CASH CONSIDERATION OF JPY50.79 BILLION (EQUIVALENT TO APPROXIMATELY RM2.06 BILLION), BEING THE SALE CONSIDERATION OF JPY49.00 BILLION (EQUIVALENT TO APPROXIMATELY RM1.99 BILLION) PLUS THE BUILDING CONSUMPTION TAX OF JPY1.79 BILLION (EQUIVALENT TO APPROXIMATELY RM72.52 MILLION) DUE TO THE TAX AUTHORITY OF JAPAN AND THE SUBSEQUENT LEASEBACK OF THE HOTEL

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



Maybank Investment Bank Berhad
(Co. Reg. No.: 197301002412)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“**EGM**”) of Berjaya Corporation Berhad (“**BCorporation**”) which will be conducted entirely through live streaming from the broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Wednesday, 1 July 2020 at 10.00 a.m. or any adjournment thereof, together with the Form of Proxy, are enclosed in this Circular.

If you decide to appoint a proxy to attend and vote remotely via the Remote Participation and Voting facilities provided on your behalf at the EGM of BCorporation, the completed Form of Proxy must be deposited at BCorporation’s Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur no later than forty-eight (48) hours before the time appointed for the EGM of BCorporation or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM of BCorporation should you subsequently wish to do so.

This Circular is dated 4 June 2020.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

BCorporation or Company	:	Berjaya Corporation Berhad
BCorporation Group or Group	:	Collectively, BCorporation and its subsidiaries
BCorporation Share(s)	:	Ordinary share(s) in BCorporation
BKD or Lessee	:	Berjaya Kyoto Development Kabushiki Kaisha
BKDS	:	Berjaya Kyoto Development (S) Pte Ltd
BLand	:	Berjaya Land Berhad
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of BCorporation
Building Consumption Tax	:	Building consumption tax of JPY1.79 billion (equivalent to approximately RM72.52 million) due to the tax authority of Japan
Bursa Securities	:	Bursa Malaysia Securities Berhad
Circular	:	This circular to the shareholders of BCorporation dated 4 June 2020 in relation to the Ratification
Colliers Singapore	:	Messrs Colliers International Consultancy & Valuation (Singapore) Pte Ltd, being the independent valuer for the Hotel
Completion Date	:	10 March 2020, being the completion date of the Disposal
Disposal	:	The disposal by KHHA of the Trust Beneficial Interest to the Purchaser for the Sale Consideration pursuant to the terms and conditions of the SPA
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
Effective Date	:	Upon completion of the Disposal which took place on 10 March 2020
EGM	:	Extraordinary General Meeting
EPS	:	Earnings per BCorporation Share
Expiry Date	:	31 December 2036
Four Seasons ¹	:	Collectively, FS Marunouchi Yugen Kaisha, being the operator of the Hotel, along with Four Seasons Hotels Limited and Four Seasons Hotels and Resorts Asia Pacific Pte Ltd
FPE	:	Financial period ended/ending, as the case may be
FYE	:	Financial year ended/ending, as the case may be
GK	:	Godo Kaisha (limited liability company)

¹ Four Seasons and its affiliates are not related to, affiliated or associated with, or a partner in the business of the BCorporation Group and no representations, warranty or guarantee is made or implied by Four Seasons in respect of any statement or information made or contained in this Circular. No member of Four Seasons nor any of their respective directors, officers, employees or agents has or will have any responsibility or liability arising out of, or related to, this Circular or the transactions contemplated in this Circular, including any liability or responsibility for any statement or information made or contained in this Circular.

DEFINITIONS *(cont'd)*

GK-TK	:	Godok Kaisha-Tokumei Kumiai (commonly referred to as silent partnership)
Hotel	:	The hotel component of Four Seasons Hotel & Hotel Residences Kyoto in Japan
Hotel Agreement	:	Any agreements entered into between the Lessee and Four Seasons that relate to the Hotel
KHHA or Seller	:	Kyoto Higashiyama Hospitality Assets Tokutei Mokuteki Kaisha
Land	:	2 parcels of freehold land held under Lots no. 445-2 and 445-3 registered with the City of Kyoto, Kyoto Prefecture within the Higashiyama district measuring a total of approximately 20,513.04 sqm, on which the Hotel is erected
Land Lease Right	:	The land lease right held by KHHA in relation to a small piece of land measuring approximately 82 sqm which is leased from a third party, namely Toyokuni Shrine, which is necessary for the operation of the Hotel
Lease Agreement	:	Amended and Restated Fixed Term Building Lease Agreement dated 10 March 2020 between BKD, the Purchaser and the Trustee for the Leaseback
Leaseback	:	The leaseback of the Hotel by BKD from the Trustee and the Purchaser pursuant to the Lease Agreement
Letter of Pledge	:	Letter of pledge dated 28 February 2020 between BKD, BCorporation, the Trustee, the Purchaser and the asset manager of the Purchaser
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	15 May 2020, being the latest practicable date before the printing and despatch of this Circular
Maybank IB	:	Maybank Investment Bank Berhad
NA	:	Net assets
NBV	:	Net book value
NDA	:	Non-Disturbance and Attornment Agreement and Guarantee dated 10 March 2020 between BKD, BKDS, the Trustee, the Purchaser, the asset manager of the Purchaser and Four Seasons
Ratification	:	Ratification for the Transaction
Sale Consideration	:	Cash consideration of JPY49.00 billion (equivalent to approximately RM1.99 billion) for the Disposal
Side Agreements	:	Collectively, the Letter of Pledge, the Trust Agreement and the NDA
SPA	:	Real Property Trust Beneficial Interest Purchase and Sale Agreement dated 28 February 2020 between KHHA and Tigre for the Disposal
sqm	:	square metres
Tigre or Purchaser	:	Godok Kaisha Tigre
TK Investors	:	Silent investors in a typical GK-TK structure

DEFINITIONS (cont'd)

Total Consideration	:	Total cash consideration of JPY50.79 billion (equivalent to approximately RM2.06 billion), being the Sale Consideration plus the Building Consumption Tax
Transaction	:	Collectively, the Disposal and the Leaseback
Transfer	:	The transfer of the Trust Beneficial Interest by the Seller upon the payment of the Total Consideration made by the Purchaser
Trust Agreement	:	Real Estate Management and Disposition Trust Agreement dated 10 March 2020 between KHHA and the Trustee
Trust Beneficial Interest	:	Trust beneficial interest in the Hotel under the Trust Agreement which enables the beneficiary to be entitled to receive income from the Trustee in return of the entrustment of the Hotel to the Trustee
Trustee or Lessor	:	Mitsubishi UFJ Trust and Banking Corporation

Currencies

JPY	:	Japanese Yen
RM and sen	:	Ringgit Malaysia and sen

All references to “**Company**” in this Circular are to BCorporation and references to “**Group**” are to BCorporation and its subsidiaries. All references to “**you**” or “**your**” in this Circular are to the shareholders of the Company.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference to any enactment, rules and regulations is a reference to that enactment, rules and regulations as may be amended or re-enacted from time to time.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Group’s plans and objectives will be achieved.

Unless otherwise stated, the exchange rate of JPY100:RM4.0512, being the middle rate quoted by BNM at 5.00 p.m. on the Completion Date is used throughout this Circular for illustrative purposes.

Any exchange rate translation in this Circular is provided solely for your convenience and should not be constituted as representative that the translated amounts stated in this Circular could have been or would have been converted into such other amounts or vice versa.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE TRANSACTION. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE RATIFICATION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

Key Information	Summary	Reference to Circular
Summary of the Transaction	<ul style="list-style-type: none">• The Transaction involves the disposal of the Trust Beneficial Interest by KHHA, an indirect subsidiary of BCorporation, to the Purchaser for a total cash consideration of JPY50.79 billion (equivalent to approximately RM2.06 billion), being the Sale Consideration plus the Building Consumption Tax, and the subsequent leaseback of the Hotel by BKD, another indirect subsidiary of BCorporation, for a lease period of about 17 years up to the Expiry Date.• The Disposal was completed on 10 March 2020 and BKD had on even date entered into the Lease Agreement with the Trustee and the Purchaser.• The Hotel is the hotel component of Four Seasons Hotel & Hotel Residences Kyoto in Japan comprising the following:<ul style="list-style-type: none">(i) a 5-storey 5-star rated hotel with 2 basement floors and 123 hotel guest rooms;(ii) the land with respect to the hotel with 123 units of hotel guest rooms based on strata title ratio;(iii) Land Lease Right;(iv) Hotel facilities; and(v) furniture, fixtures, equipment and other assets used in the operation of the Hotel.• The Sale Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration the following:<ul style="list-style-type: none">(i) market value of the Hotel of JPY43.80 billion (equivalent to approximately RM1.77 billion) as ascribed by Colliers Singapore;(ii) audited NBV of the Hotel as at 30 June 2019 of JPY23.45 billion (equivalent to approximately RM950.01 million); and(iii) original cost of investment for the Hotel of JPY26.11 billion (equivalent to approximately RM1.06 billion).	Section 2

EXECUTIVE SUMMARY (cont'd)

Key Information	Summary	Reference to Circular
Summary of the Transaction (Cont'd)	<ul style="list-style-type: none">• Save for the commitments as set out in the Lease Agreement, the NDA and the Letter of Pledge in relation to the Leaseback, there are no other liabilities, including contingent liabilities, which remain with the BCorporation Group and no other guarantees is given by the BCorporation Group to the Purchaser in relation to the Disposal.• BCorporation intends to use the proceeds from the Disposal in the following manner:<ul style="list-style-type: none">(i) part repayment of the Group's bank borrowings;(ii) funding for the Group's on-going projects and investments;(iii) the Group's future investments;(iv) the Group's working capital; and(v) defray estimated tax and expenses relating to the Transaction.	Section 2
Rationale and benefits of the Transaction	<ul style="list-style-type: none">• The Disposal provides an opportunity for the BCorporation Group to monetise its investments in the Hotel at an attractive price.• The Leaseback will ensure that there will be no interruption to the existing operations of the Hotel which is managed by BKD.	Section 3
Key risks of the Transaction	<ul style="list-style-type: none">• Risk on payment of lease rental - The ability of BKD to meet its future rental obligations to the Trustee are dependent on the performance of the Hotel which may be affected by factors beyond its control, amongst others, increased competition, political or civil unrest, natural disasters and outbreaks of infectious disease.• Non-renewal of the Lease Agreement - Failure to enter into a new lease agreement may affect BKD's business operations and financial performance in the future.	Section 4
Parties involved and the element of conflict of interests	<ul style="list-style-type: none">• None of the Directors and/or major shareholders of the Company as well as persons connected with them have any interest, direct or indirect, in the Transaction.• All advisers and expert involved in the Transaction are independent parties which have no conflict of interest arising from their role as advisers for the Transaction.	Section 10 and Appendix V
Directors' statement/ recommendation	<ul style="list-style-type: none">• The Board is of the opinion that the Transaction is in the best interest of the Company and recommends that you vote in favour of the ordinary resolution pertaining to the Ratification at the forthcoming EGM of the Company.	Section 11



BERJAYA
BERJAYA CORPORATION BERHAD

(Registration No. 200101019033 (554790-X))
(Incorporated in Malaysia)

Registered Office

Lot 13-01A, Level 13 (East Wing)
Berjaya Times Square
No. 1 Jalan Imbi
55100 Kuala Lumpur

4 June 2020

Board of Directors

Tan Sri Dato' Seri Vincent Tan Chee Yioun (*Executive Chairman*)
Dato' Sri Robin Tan Yeong Ching (*Chief Executive Officer*)
Vivienne Cheng Chi Fan (*Executive Director*)
Dato' Sri Azlan Meah Bin Hj Ahmed Meah (*Executive Director*)
Dato' Zurainah Binti Musa (*Executive Director*)
Nerine Tan Sheik Ping (*Executive Director*)
Chan Kien Sing (*Non-Independent Non-Executive Director*)
Datuk Robert Yong Kuen Loke (*Independent Non-Executive Director*)
Dr Jayanthi Naidu G. Danasamy (*Independent Non-Executive Director*)
Penelope Gan Paik Ling (*Independent Non-Executive Director*)

To: Shareholders of the Company

Dear Sir/Madam,

RATIFICATION

1. INTRODUCTION

On 28 February 2020, Maybank IB had, on behalf of the Board, announced that:

- (i) KHHA, an indirect subsidiary of BCorporation, had on even date entered into the SPA with the Purchaser for the Disposal; and
- (ii) pursuant to the Disposal, BKD, another indirect subsidiary of BCorporation, shall enter into the Lease Agreement with the Trustee and the Purchaser for the Leaseback commencing on the Effective Date.

On 10 March 2020, Maybank IB had, on behalf of the Board, announced that the Disposal was completed on even date following the settlement of the Total Consideration by the Purchaser in cash and BKD had on even date entered into the Lease Agreement with the Trustee and the Purchaser.

Both KHHA and BKD are 100%-owned subsidiaries of BKDS which in turn is held by BCorporation and BLand at 50% equity interest each respectively. BLand is a listed subsidiary of BCorporation.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE TRANSACTION AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE RATIFICATION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY. THE NOTICE OF EGM AND FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE RATIFICATION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

2. DETAILS OF THE TRANSACTION

2.1 Background information on the Transaction

On 10 March 2020, KHHA had disposed of the Trust Beneficial Interest to the Purchaser for a total cash consideration of JPY50.79 billion (equivalent to approximately RM2.06 billion), being the Sale Consideration plus the Building Consumption Tax, in accordance with the terms and conditions of the SPA and BKD had subsequently leased back the Hotel from the Trustee and the Purchaser for a lease period of about 17 years up to the Expiry Date at an annual rental rate to be computed based on formulas set out in Section 1(iii) of Appendix II of this Circular.

To facilitate the Transaction, the BCorporation Group had also entered into the following agreements:

- (i) Letter of Pledge with the Trustee, the Purchaser and the asset manager of the Purchaser to set out the responsibilities and obligations of BKD and BCorporation (as the guarantor to BKD) to the Trustee, the Purchaser and the asset manager of the Purchaser with regards to certain matters relating to the Lease Agreement, the NDA and the Hotel Agreements which include, amongst others, the Trustee's consent for changes to the terms of the Hotel Agreements and cancellation of the Lease Agreement;
- (ii) Trust Agreement with the Trustee to entrust the legal ownership of the Hotel to the Trustee for the creation of the Trust Beneficial Interest; and
- (iii) NDA with the Trustee, the Purchaser, the asset manager of the Purchaser and Four Seasons to ensure that the rights, duties and expertise of Four Seasons will continue in accordance with the terms of the Hotel Agreements after the Disposal.

The salient terms of the SPA, the Lease Agreement and the Side Agreements are set out in Appendices I, II and III of this Circular respectively.

Following the execution of the Trust Agreement, KHHA had obtained consent of the Trustee for the Transfer.

2.2 Information on the Hotel

The Hotel which is erected on 2 parcels of freehold land held under Lots no. 445-2 and 445-3 registered with the City of Kyoto, Kyoto Prefecture within the Higashiyama district measuring a total of approximately 20,513.04 sqm, comprises the following:

- (i) a 5-storey 5-star rated hotel with 2 basement floors and 123 units of hotel guest rooms;
- (ii) the land with respect to the hotel with 123 units of hotel guest rooms based on strata title ratio;
- (iii) Land Lease Right;

- (iv) facilities, including, amongst others, wedding chapel, wedding showroom, ballrooms, gym studios, spa boutique, beauty salon, meeting rooms, restaurants, lounges, carpark bays, indoor swimming pool, barber shop, flower shop and, laundry and dry-cleaning services; and
- (v) furniture, fixtures, equipment and other assets used in the operation of the Hotel.

The Hotel which commenced operations in 2016, is operated and managed under the 'Four Seasons' brand by Four Seasons. The Hotel is located at 445-3 Myohoin Maekawacho, Higashiyama Ward, Kyoto Prefecture 605-0932, Japan and is surrounded by several tourist attractions such as Kyoto National Museum, Sanjusangendo Temple, Chishakuin Temple and Myohoin Temple. The Hotel is located approximately 60-minute drive from Osaka International Airport and 7-minute drive from Kyoto Station.

Other information on the Hotel are as follows:

Age (Approximate)	3 years and 11 months
No. of hotel guest rooms	123 units
No. of carpark bays	71
Existing use	Hotel
Title details	<p><u>Land title</u> Lots no. 445-2 and 445-3</p> <p><u>Building titles</u> Lots no.445-3-1, 445-3-102, 445-3-105, 445-3-106, 445-3-107, 445-3-109, 445-3-113, 445-3-115, 445-3-117, 445-3-119, 445-3-121, 445-3-202, 445-3-205, 445-3-206, 445-3-207, 445-3-209, 445-3-213, 445-3-215, 445-3-217, 445-3-221, 445-3-302, 445-3-305, 445-3-306, 445-3-307, 445-3-309, 445-3-313, 445-3-315, 445-3-317, 445-3-321, 445-3-331, 445-3-335, 445-3-337, 445-3-339, 445-3-341, 445-3-343, 445-3-347, 445-3-351, 445-3-402, 445-3-405, 445-3-406, 445-3-407, 445-3-411, 445-3-417, 445-3-421, 445-3-431, 445-3-435, 445-3-437, 445-3-439, 445-3-441, 445-3-443, 445-3-447 and 445-3-451</p>
Rental income for 14-month FPE 30 June 2019 attributable to KHHA (in JPY'000)	2,150,529 ⁽¹⁾
Audited NBV of the Hotel as at 30 June 2019 (in JPY'000)	23,450,326
Gross floor area	21,215.39 sqm
Occupancy rate	59.7% ⁽²⁾
Express condition	Nil
Restriction in-interest	Nil
Encumbrances	Nil

Notes:

- (1) For information purposes, there are 57 residential units which are separated from the Hotel that form part of Four Seasons Hotel & Hotel Residences Kyoto in Japan.

The rental income attributable to KHHA includes the rental income generated from the hotel guest rooms and the shared rental income generated from the hotel residences that participated in the shared rental pool income programme with the Hotel ("Participants") net of the rental income distributed to the Participants. The average number of the Participants for the 14-month FPE 30 June 2019 is around 31.

- (2) Based on average occupancy rate of the Hotel and the Participants for the 14-month FPE 30 June 2019.

2.3 Background information on the Purchaser

Tigre was incorporated in Japan on 16 August 2019 under the laws of Japan as a GK under the name of Godo Kaisha Support No.33. It assumed its present name on 13 December 2019.

Tigre is principally involved in the following activities:

- (i) real estate acquisition, possession, disposition, lease and management; and
- (ii) real estate trust beneficiary interest acquisition, possession and disposition.

Tigre is a special purpose company formed for the purpose of holding the Trust Beneficial Interest under the GK-TK structure, which is a common real estate investment structure in Japan.

In a typical GK-TK structure, the TK Investors and the GK will enter into agreements where the TK Investors will provide funds to the GK for the GK to carry out the business of the partnership in return for a share of profits arising from such business. Under the agreements with the GK, the TK Investors' rights are passive in nature and their liability is limited to their respective contributions.

As at the LPD, Tigre has a paid-in capital of JPY100,000 contributed by Ippan Shadan Hojin Tigre Holdings (formerly known as Ippan Shadan Hojin Support Holdings), which in turn is held by its director, namely Mr. Masakazu Hongo, for bankruptcy remoteness purpose whereby such structure eliminates the TK Investors' influence on Tigre and minimises the impact of the bankruptcy or insolvency of the TK Investors on Tigre.

2.4 Basis and justification for the Sale Consideration and annual rental rate under the Lease Agreement

The Sale Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration the following:

- (i) market value of the Hotel of JPY43.80 billion (equivalent to approximately RM1.77 billion) as ascribed by Colliers Singapore, as set out in its valuation certificate dated 25 February 2020 based on the income approach using the discounted cash flow method;
- (ii) audited NBV of the Hotel as at 30 June 2019 of JPY23.45 billion (equivalent to approximately RM950.01 million); and
- (iii) original cost of investment for the Hotel of JPY26.11 billion (equivalent to approximately RM1.06 billion) as detailed in Section 2.6 of this Circular.

The Sale Consideration represents:

- (i) a premium of JPY5.20 billion (equivalent to approximately RM210.66 million) or about 11.87% over the market value of the Hotel of JPY43.80 billion which is justifiable after taking into consideration, amongst others, the rating of the Hotel as an international luxury 5-star rated hotel operated and managed under the 'Four Seasons' brand by Four Seasons, the prime location of the Hotel and limited new supply of luxury hotels in Kyoto, Japan in recent years; and
- (ii) a premium of JPY25.55 billion (equivalent to approximately RM1.04 billion) or about 108.96% over the audited NBV of the Hotel as at 30 June 2019 of JPY23.45 billion.

The Purchaser had, on 10 March 2020, paid the Sale Consideration, together with the Building Consumption Tax, to KHHA in cash.

The annual rental rates under the Lease Agreement were arrived at after taking into consideration, amongst others, the Sale Consideration, the Purchaser's expected rate of return which is around the most probable expected rate of return achievable of the Hotel as set out in the valuation certificate from Colliers Singapore dated 25 February 2020 as included in Appendix IV of this Circular and the actual financial performance of the Hotel, which in the Board's view is fair and reasonable.

2.5 Liabilities which remain with and guarantees given by the BCorporation Group

Save for the commitments as set out in the Lease Agreement, the NDA and the Letter of Pledge in relation to the Leaseback, there are no other liabilities, including contingent liabilities, which remain with the BCorporation Group and no other guarantees given by the BCorporation Group to the Purchaser in relation to the Disposal.

2.6 Original cost and date of investment

The total cost comprising the cost of the Land, construction and development costs of the Hotel since 11 May 2012 up to completion of the construction of the Hotel on 30 June 2016 is JPY26.11 billion (equivalent to approximately RM1.06 billion).

2.7 Use of proceeds

The Company intends to use the proceeds from the Disposal in the following manner:

Description of use	Amount		Estimated timeframe for use of proceeds from the Completion Date
	(JPY'million)	(RM'million)	
Part repayment of bank borrowings ⁽¹⁾	38,177	1,547	6 months
Funding for on-going projects (including Four Seasons Resort & Private Residences Okinawa in Japan as announced by BLand on 17 January 2019) and investment of the Group (including purchase of listed securities)	4,715	191	12 months
Future investments of which announcements will be made pursuant to the Listing Requirements, if required	3,406	138	12 months
Working capital including payment of trade and other payables, operating expenses and staff related expenses ⁽²⁾	1,242	50	12 months
Defray estimated tax and expenses relating to the Transaction ⁽³⁾	1,460	59	6 months
Total	49,000	1,985	

Notes:

- (1) To repay the bank borrowings of the BCorporation Group as follows:

	Amount	
	(JPY'million)	(RM'million)
BCorporation Group* (excluding BLand and its subsidiaries ("BLand Group"))	30,068	1,218
BLand Group	8,109	329
	38,177	1,547

* Including the repayment of bank borrowings obtained for the development of the Hotel.

As at the LPD, the total borrowings of the BCorporation Group is approximately RM5.59 billion. The repayment is expected to result in interest savings of approximately RM57.79 million per annum based on the principal repayment of approximately RM1.55 billion and average effective interest rate of 3.74% per annum.

In view that the BCorporation Group has been adversely affected by Coronavirus Disease 2019 ("COVID-19"), part of the proceeds from the Disposal which was originally intended to be used for part repayment of bank borrowings, as disclosed in the Company's announcement dated 28 February 2020 have been conserved for other purposes.

- (2) The breakdown of working capital has yet to be determined as the funds will be allocated to the subsidiaries of which the utilisation will be determined by the management of the respective subsidiary.
- (3) The estimated tax and expenses relating to the Transaction comprise the following:

	Amount	
	(JPY'million)	(RM'million)
Payment of withholding tax for the dividends to be declared by KHHA upon completion of the Disposal	1,317.00	53.35
Professional fees, fees payable to the relevant authorities, printing and despatch costs of this Circular, cost of convening the forthcoming EGM of the Company for the Ratification, advertisement cost and other incidental expenses	142.92	5.79
	1,459.92	59.14

Any shortfall or excess of funds allocated for estimated tax and expenses will be funded from or used for working capital.

Pending the use of the proceeds from the Disposal for the purposes set out above, the proceeds had been placed in interest-bearing deposits with financial institutions and/or short-term money market instruments as the Board deems fit. The interest derived from the deposits with financial institutions and/or any gains arising from the short-term money market instruments will be used for working capital purposes.

3. RATIONALE AND BENEFITS OF THE TRANSACTION

The Disposal provides an opportunity for the BCorporation Group to monetise its investments in the Hotel at an attractive price. Based on the Sale Consideration of JPY49.00 billion (equivalent to approximately RM1.99 billion), the BCorporation Group expects to realise an estimated gain on disposal of JPY16.03 billion (equivalent to approximately RM649.41 million).

As part of the proceeds from the Disposal will be used towards part repayment of the Group's bank borrowings, this will give rise to interest savings and in turn, will improve the BCorporation Group's financial position.

The Disposal will also unlock capital resources that are tied up in long term assets, thus improving the cash position of the BCorporation Group and providing the BCorporation Group with financial flexibility for its operations and future investments as and when they arise.

The Leaseback will ensure that there will be no interruption to the existing operations of the Hotel which is managed by BKD.

4. RISKS OF THE TRANSACTION

4.1 Risk in relation to the Disposal

In view that the Disposal was completed on 10 March 2020 following the settlement of the Total Consideration by the Purchaser in cash, the Company does not anticipate any risk to arise in relation to the Disposal.

4.2 Risk on payment of lease rental

Under the Lease Agreement, BKD shall pay rental to the Trustee and there can be no assurance that BKD will be able to meet its rental obligations in the future pursuant to the terms and conditions of the Lease Agreement. The ability of BKD in meeting its future rental obligations to the Trustee during the tenure of the Leaseback is dependent on the performance of the Hotel which may be affected by factors beyond its control, amongst others, increased competition, political or civil unrest, natural disasters and outbreaks of infectious disease such as COVID-19, swine influenza virus, avian influenza virus, Severe Acute Respiratory Syndrome (SARS) or other contagious viruses.

The COVID-19 outbreak which started to escalate in December 2019 has rapidly evolved into a global pandemic as declared by the World Health Organisation (WHO) in March 2020. To contain the pandemic situation, governments across the world have responded with the imposition of a series of containment measures which had included quarantine, travel restrictions or bans, social distancing, lockdowns and/or border closures. Consequently, the Tokyo 2020 Olympic Games had also been deferred to July 2021.

In view of the foregoing, the number of hotel guests in the Hotel has been declining significantly since February 2020 with the decline in the visitation of international visitors as well as the demand for accommodation and banquets among the locals. The significant reduction of the occupancy rate of the Hotel has adversely impacted the performance of the Hotel and in turn affected the profitability of the hotels and resorts business segment of the BCorporation Group. Hence, the business performance of the Hotel is expected to be challenging in the subsequent quarters.

In addition, the COVID-19 outbreak also poses a disruption risk to the Hotel as it could require the Hotel's employees to be quarantined, the Hotel to be disinfected and other safeguard measures if one of the employees are infected, which will result in temporary closures of the Hotel and cause further disruptions on the operations of the Hotel.

There can be no assurance that any prolonged impact from the occurrence of these unpredictable events will not seriously interrupt the operations of the Hotel which may have a material adverse effect on the performance of the Hotel and in turn will affect the ability of BKD to fulfil its future rental obligations pursuant to the terms and conditions of the Lease Agreement.

However, the BCorporation Group will seek to mitigate the aforesaid risk by increasing its efforts to trim operational costs, seek subsidy from Government of Japan for employee wages, avoid unnecessary expenses and suspend any intended or budgeted capital expenditures to conserve the cash flow of the Hotel as well as reviewing and streamlining the operations for higher operational efficiency, which include but not limited to, optimisation of manpower needs, digitalisation and automation.

In view of the above and based on the Hotel's past performance, BCorporation reasonably believes that the business of the Hotel will recover gradually to the pre-pandemic levels over the long term and the revenue generated from the Hotel would be sufficient to allow BKD to fulfil its future rental obligations pursuant to the terms and conditions of the Lease Agreement.

4.3 Risk on non-renewal of the Lease Agreement

The Leaseback under the Lease Agreement constitutes a fixed term lease which cannot be renewed on or before the expiry of the Lease Agreement. In view that BKD does not have an option to renew, failure to enter into a new lease agreement may affect BKD's business operations and financial performance in the future. This may in turn reduce the revenue to be generated from the hotels and resorts business segment of the BCorporation Group.

Notwithstanding, BKD shall use reasonable endeavours to agree on new lease terms for the period arising from and after the Expiry Date with the Lessor.

5. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

5.1 Outlook of the hotel industry in Kyoto

Among the sectors impacted by the COVID-19 outbreak, the tourism sector including the aviation, hospitality and cruise industries have felt the immediate impact of the pandemic and have been especially hard hit as both global and domestic travel have been grounded almost to a halt while major businesses and sports events have been deferred or cancelled.

Impacted by the pandemic, the number of guest nights in Japan declined significantly in February 2020 and even more extensively in March 2020 year-on-year in tandem with the decline in the visitation of international visitors and as the demand for accommodation and banquets among the Japanese people wanes.

Consequently, hotels in Japan experienced a sharp year-on-year decline of circa 36.9% in first quarter of 2020's revenue per available room due to a significant drop in room occupancy alongside a much lower average daily rate amidst a weak accommodation demand environment.

Governments across the world are adopting a gradual approach towards restarting the economy as the COVID-19 situation is still evolving. Coupled this with the deferment of the Tokyo 2020 Olympic Games to July 2021, the recovery path to the pre-pandemic levels for Japan's tourism sector is expected to be progressive in nature. For 2020, it remains a challenge for Japan to achieve the target set for tourism visitation for the year which in turn will weigh on the performance of the hotel industry.

However, Japan's hotel industry is resilient on the back of a strong track record of weathering past crises. In light of the foregoing and that the fundamental growth drivers for Japan's tourism sector have remained largely intact alongside the Government of Japan's stimulus plans, a turnaround of the situation is anticipated. As such, it is expected that the hotel room occupancy over the longer run will grow as tourist arrivals continue to increase after the COVID-19 pandemic although very much of this will depend on the global economic outlook, barring new waves of infection.

Hotel performance in Kyoto is closely linked to the country's economic performance given the large domestic market and international profile. Therefore, the performance of the hotel industry in Kyoto is expected to mirror that of Japan in general.

Kyoto is known to be a leisure destination (as it is included in the so-called 'Golden Route' which includes Tokyo, Osaka and Mount Fuji) and to a lesser degree, business hub, and with the Government of Japan's efforts in marketing Kyoto, room occupancy should not dampen but in turn, should increase following the COVID-19 fall out.

International overnight arrivals to the Kinki Region, in which Kyoto is a key destination, has increased by circa 9.0% per annum in 2016 and 2017, on the back of increased tourist arrivals witnessed across Japan. This is a robust performance and demonstrates the appeal of the destinations within the region, many of which are a must see as part of a larger trip to other areas across Japan. It is expected that the visitation in 2020 will drop by circa 20%, before recovering in 2021 on the back of a strong return in domestic and international travel, supported by visitation and the attraction of the Summer Olympics.

Kyoto, a popular leisure destination, is the principal gateway to Japan's religious and cultural centre, attracting record number of tourists each year. As such, it remains one of the strongest markets for luxury travel. Luxury hotels in Kyoto tend to mostly be located in the prestigious areas, which are also the most fashionable residential locations, synonymous with privilege. Visitation to Kyoto is all year-round. The strongest months tend to be during Golden Week and Cherry Blossom seasons when occupancies can exceed 90%.

The hotel market is very competitive in Kyoto given the increase in new supply in recent years together with increasing competition from existing hotels. This is less so at the luxury end of the market, where there has been little or no new supply in recent years, that is, apart from the Hotel, and the recently opened Park Hyatt Kyoto. However, the luxury hotel sector in Kyoto remains relatively small and still in its infancy, with its development growing as visitation to the destination rapidly increases.

The total existing room stock in Kyoto city was circa 33,608 rooms at the end of 2018 (latest available), with an additional 15,000 rooms anticipated over the next three years. Whilst this is significant in Kyoto, it is likely that demand subsided because of a shortage of rooms. A rise in supply may therefore prompt an increase in demand. However, it is likely that some of these projects may not come to fruition and/or most likely be delayed due to the COVID-19 restrictions. This in turn will benefit existing hotels in the short term, allowing for a recovery. As such, post COVID-19, the outlook for the Kyoto hotel industry remains positive, with a rebound expected.

(Source: Colliers Singapore)

5.2 Future prospects of the BCorporation Group

The BCorporation Group is a diversified entity engaged in the core businesses of marketing of consumer products and services, financial services, hotels and resorts, property investment and development, gaming, motor trading and distribution, education, food and beverage, environmental and clean technology services, and telecommunications.

The COVID-19 pandemic has brought about an unprecedented crisis which has impacted businesses globally. The Movement Control Order ("**MCO**") implemented by the Government of Malaysia effective 18 March 2020 to curb the spread of the COVID-19 has caused varied impact on the BCorporation Group's businesses.

Inter-Pacific Securities Sdn Bhd's ("**IPS**") business operations is classified as an essential service and the company has been operating as usual throughout the MCO period. IPS' business has benefited positively from the significant increase in trading volume on Bursa Securities, with the high business volume and trading activities expected to last through June 2020. In this regard, the BCorporation Group does not expect any adverse impact on IPS due to the MCO and the COVID-19 pandemic.

The Government of Malaysia has provided many incentives to help boost the property market such as a revision of the Real Property Gains Tax, reduction in stamp duty rates for property transfers, relief from payment of quit rent and assessment, and lowering of the cost of funds such as the base lending rate for loans. BNM has also encouraged banks to extend more assistance for existing mortgages and allow easier financing for new buyers. BNM has also announced a 6-month automatic deferment of all loans effective 1 April 2020.

It is anticipated that the BCorporation Group's property projects in good strategic locations will still be in demand at the right price. Leveraging on this scenario, the BCorporation Group's property development division will focus on strategically marketing its properties to the right market segments. More attractive sales packages will be introduced to encourage sales. The property development division will also run digital campaigns and social media promotions on various digital platforms to reach potential buyers and investors.

Nevertheless, as a result of the challenging economic environment, the property development division anticipates there will be a property overhang, as well as reduced demand and an increase in loan defaults, especially after the expiration of the loan moratorium in October 2020. As such, the property development division will postpone new project launches.

The food and beverage industry in Malaysia has become increasingly challenging due to the competitive market of food and beverage players as well as the mushrooming of online delivery services. The BCorporation Group's food and beverage businesses, namely Starbucks, Kenny Rogers Roasters, Jollibean and Krispy Kreme, were impacted by the implementation of the MCO as they had to cease their dine-in operations. Nevertheless, business was channeled through drive-through, take-away and delivery platforms. With the conditional MCO coming into effect, the food and beverage outlets were able to open with limited seating capacity to resume dine-in operations.

The BCorporation Group will leverage on the strength of Starbucks' brand position as a leading premium coffee chain in Malaysia and will continue with its expansion plan of opening more Starbucks, Kenny Roger Roasters and Jollibean outlets in very selective and strategic locations across Malaysia. The BCorporation Group will also increase their marketing efforts through digital and social media platforms, and continue to collaborate with food aggregators such as Grab Food and Food Panda to drive businesses via food delivery channels.

The temporary closure of all the Number Forecast Operators in Malaysia during the MCO period has affected the earnings of the BCorporation Group's gaming business.

The COVID-19 outbreak has also caused travel restrictions by many countries due to the fear of infection. Consequently, the BCorporation Group's hotels and resorts business segment has been directly and adversely impacted by the outbreak and as such, business is expected to be challenging in the coming quarters.

In addition, the Government of Malaysia's impending plan to change the telecommunication spectrum allocation policy may affect the performance of the BCorporation Group's telecommunication business going forward.

Bukit Tagar sanitary landfill ("**BTSL**") remained unaffected during the MCO period as it was operating normally as an essential service throughout the MCO period, receiving waste as usual from Dewan Bandaraya Kuala Lumpur and the relevant local councils in Selangor. Safety and health standard operating procedures were put in place in compliance with the authority's requirements. The award-winning BTSL also has one of the largest landfill biogas installation in Association of Southeast Asian Nations. The power generation operations at BTSL continue to operate during the MCO period. To-date, it is generating electricity at a 10 megawatts ("**MW**") renewable energy generation capacity that has attained Feed-in Tariff and this capacity will be further increased to 12MW in 2022. Having the advantage of an approved waste management site at Bukit Tagar, the BCorporation Group continues to explore related waste management opportunities to grow and develop the environmental business.

Given the prevailing economic conditions and global financial outlook, the short-term prospects of the BCorporation Group appear to be challenging. Nevertheless, the Board is optimistic of the long-term prospects of the BCorporation Group after taking into consideration the Malaysian economic stimulus packages, the BCorporation Group's financial position, the financial resources available after the Disposal and the long-term strategies of the BCorporation Group. The BCorporation Group will continue its efforts to conserve its cash flow and ensure continuous profitable operations post-COVID-19.

6. EFFECTS OF THE TRANSACTION

6.1 Share capital and substantial shareholders' shareholding

The Transaction did not have any effect on the Company's issued share capital and the substantial shareholders' shareholding in BCorporation as the Transaction did not involve the issuance of new BCorporation Shares.

6.2 NA and gearing

For illustrative purposes only, based on the audited consolidated statement of financial position of BCorporation as at 30 June 2019 and assuming that the Transaction had been effected on that day, the pro forma effects of the Transaction on the consolidated NA per BCorporation Share and gearing of the BCorporation Group are as follows:

	Audited as at 30 June 2019	After the Transaction ⁽¹⁾
	(RM'000)	(RM'000)
Share capital	5,017,956	5,017,956
Equity component of irredeemable convertible unsecured loan stocks ("ICULS")	306,739	306,739
Employee share plan reserve	2,077	2,077
Warrants reserve	258,797	258,797
Other reserves	1,137,754	1,632,399 ⁽²⁾
Treasury shares	(34,253)	(34,916) ⁽³⁾
Net equity funds	6,689,070	7,183,052
No. of BCorporation Shares in issue with voting rights ('000)	5,164,924	5,161,924 ⁽³⁾
NA of BCorporation ⁽⁴⁾	6,121,457	6,615,439
NA per BCorporation Share (RM) ⁽⁵⁾	1.19	1.28
Total borrowings	6,006,018	4,537,731
Gearing (times) ⁽⁶⁾	0.98	0.69

Notes:

- (1) An exchange rate of JPY100:RM3.8460, being the rate used in preparing BCorporation's audited consolidated financial statements for the 14-month FPE 30 June 2019, is used to illustrate the pro forma effects.
- (2) Due to net gain of about RM616.49 million arising from the Disposal after taking into account the estimated withholding tax relating to the Disposal and estimated expenses relating to the Transaction of about RM56.46 million, and amounts attributable to non-controlling interests of about RM65.38 million.
- (3) Includes BCorporation Shares bought back by BCorporation subsequent to 30 June 2019 and up to the Completion Date.
- (4) Computed based on net equity funds of BCorporation less equity component of ICULS, warrants reserve and employee share plan reserve of BCorporation.
- (5) Computed based on NA of BCorporation divided by number of BCorporation Shares in issue with voting rights.
- (6) Calculated based on total interest-bearing borrowings divided by NA of BCorporation.

6.3 Earnings and EPS

For illustrative purposes only, based on the audited consolidated financial statements of BCorporation for the 14-month FPE 30 June 2019 and assuming that the Transaction had been effected on 1 May 2018, being the beginning of the 14-month FPE 30 June 2019, the pro forma effects of the Transaction on the earnings of the BCorporation Group and EPS of BCorporation are as follows:

	Audited 14-month FPE 30 June 2019	After the Transaction ⁽¹⁾
Net (loss)/profit attributable to the owners of the Company (RM'000)	(111,757)	412,406 ⁽²⁾
No. of BCorporation Shares in issue with voting rights ('000)	5,164,924	5,164,924
EPS (RM) ⁽³⁾	(0.02)	0.08

Notes:

(1) *The exchange rate of JPY100:RM3.5769, being the middle rate quoted by BNM at 5.00 p.m. on 2 May 2018, is used to illustrate the pro forma effects.*

(2) *After adjusting for the following:*

	<u>RM'000</u>
<i>Net loss attributable to the owners of the Company for the 14-month FPE 30 June 2019</i>	<i>(111,757)</i>
<i>Add: Gain on disposal</i>	<i>573,352</i>
<i>Add: Estimated savings in finance cost upon repayment of borrowings</i>	<i>59,526</i>
<i>Add: Reversal of depreciation on the Hotel</i>	<i>43,757</i>
<i>Less: Estimated withholding tax relating to the Disposal</i>	<i>(47,108)</i>
<i>Less: Estimated expenses relating to the Transaction</i>	<i>(5,401)</i>
<i>Less: Amount attributable to non-controlling interests</i>	<i>(60,808)</i>
<i>Less: Expenses charged out relating to the Leaseback pursuant to the adoption of the Malaysian Financial Reporting Standard 16</i>	<i>(39,155)</i>
	<u>412,406</u>

(3) *Computed based on net profit/(loss) attributable to the owners of the Company divided by number of BCorporation Shares in issue with voting rights.*

7. PERCENTAGE RATIO

The highest percentage ratio applicable to the Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 27.10% computed based on the Sale Consideration compared with the audited consolidated NA attributable to the owners of the Company as at 30 June 2019 of about RM6.12 billion.

8. APPROVALS REQUIRED

The Transaction is subject to the ratification from the shareholders of the Company to be obtained at the forthcoming EGM of the Company.

Pursuant to Paragraph 8.29(1) of the Listing Requirements, a listed issuer must not enter into or carry into effect a transaction or corporate proposal which requires securities holder's approval unless:

- (a) the entering into the transaction or corporate proposal is made subject to the securities holder's approval; or
- (b) the carrying into effect of the transaction or corporate proposal has been approved by the securities holders.

In view that BCorporation intended to secure the opportunity to complete the sale of the Hotel at an attractive price and the Purchaser intended to complete the Disposal soonest after the execution of the SPA, BCorporation sought a variation from complying with Paragraph 8.29(1) of the Listing Requirements by way of shareholders' ratification for the Disposal at the EGM of the Company to be convened after the completion of the Disposal which was approved by Bursa Securities. BCorporation has procured undertakings from certain shareholders of the Company with a combined voting rights of more than 50% to vote in favour of the Ratification to be tabled to its shareholders at the forthcoming EGM of the Company.

As at the LPD, Tan Sri Dato' Seri Vincent Tan Chee Yioun's interests (including certain indirect interests) in BCorporation is 51.92% and he has undertaken to vote in favour of the ordinary resolution pertaining to the Ratification at the forthcoming EGM of the Company.

9. CONDITIONALITY OF THE RATIFICATION

Save for the Ratification, there is no other corporate exercise or scheme which has been announced but not yet completed before the printing of this Circular.

The Ratification is not conditional upon any other corporate exercise or scheme of the Company.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders of the Company and persons connected with them have any interest, direct or indirect, in the Transaction.

11. DIRECTORS' STATEMENT/RECOMMENDATION

The Board, having considered all aspects of the Transaction, including but not limited to the terms of the agreements in relation to the Transaction, basis and justification for the Sale Consideration and annual rental rate under the Lease Agreement, rationale and benefits of the Transaction, and the effects of the Transaction, is of the opinion that the Transaction is in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Ratification to be tabled at the forthcoming EGM of the Company.

12. TENTATIVE TIMETABLE FOR IMPLEMENTATION

The timeline in respect of the Transaction and the EGM of the Company for the Ratification is as follows:

Event	Timeline
Execution of the SPA	28 February 2020
Completion of the Disposal and the commencement of the Leaseback	10 March 2020
EGM for the Ratification	1 July 2020

The Ratification will take immediate effect upon obtaining the approval of the shareholders of BCorporation at the forthcoming EGM of the Company.

13. EGM

The EGM of the Company, the Notice of which is enclosed in this Circular, will be conducted entirely through live streaming from the broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Wednesday, 1 July 2020 at 10.00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Ratification.

The voting on the ordinary resolution at the EGM of the Company will be by poll. If you are unable to attend and vote remotely via the Remote Participation and Voting facilities provided at the forthcoming EGM of the Company, you may appoint a proxy to attend and vote on your behalf. If you wish to do so, you must complete and deposit the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible so as to arrive at the Registered Office of the Company at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time fixed for the EGM of the Company or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the forthcoming EGM of the Company should you subsequently wish to do so.

14. FURTHER INFORMATION

You are advised to refer to the appendices for further information.

Yours faithfully,
For and on behalf of the Board of Directors of
BERJAYA CORPORATION BERHAD

Tan Sri Dato' Seri Vincent Tan Chee Yioun
Executive Chairman

APPENDIX I – SALIENT TERMS OF THE SPA

1. Purchase and sale

- (i) The Seller shall sell and the Purchaser shall purchase the Trust Beneficial Interest pursuant to the provisions of the SPA for the Total Consideration.
- (ii) The Purchaser shall pay the Total Consideration and the Seller shall perform the Transfer on the Completion Date.

2. Conditions to the Transfer

- (i) The Transfer is subject to the following conditions being satisfied by the Completion Date or, if there is any delay, not later than 30 days from the Completion Date:
 - (a) the execution of the Lease Agreement;
 - (b) the consent from the owner of the leased land to transfer the Land Lease Right to the Seller; and
 - (c) the execution of the NDA.
- (ii) The payment of the Total Consideration by the Purchaser and the performance of the Transfer by the Seller are conditional upon the following conditions being satisfied unless being waived or suspended by the Purchaser or the Seller in writing:
 - (a) the Seller and the Purchaser have performed and comply with all obligations required to be performed or complied with under the SPA by the Completion Date;
 - (b) BKD has obtained and holds all permits and licenses necessary for operating the Hotel;
 - (c) the Trust Agreement is executed validly; and
 - (d) the Trustee's consent is obtained.
- (iii) The Transfer shall become effective upon the full payment of the Total Consideration by the Purchaser in accordance with the provisions in the SPA.

3. Covenants

- (i) The Seller shall, upon receipt of the Total Consideration from the Purchaser, terminate or remove any mortgage, pledge, security interest, attachment, delinquency disposition, superficies, easement, lease, loan for use and any other rights or encumbrances which would interfere with the Trustee fully executing its rights to the Hotel or the Purchaser fully executing its rights to the Trust Beneficial Interests.
- (ii) The Seller and the Purchaser confirm that the Trustee, the Purchaser and BKD will execute the Lease Agreement on the Completion Date by amending the existing fixed term lease agreement dated 1 October 2016 between the Seller and BKD.
- (iii) The Seller shall perform the operation of the Hotel with the due care of a prudent manager and comply with or perform the related laws and regulations, in a manner substantially identical to the methods used before the execution date of the SPA from the execution date of the SPA to the Completion Date.

4. Termination

- (i) Either party may terminate the SPA without any burden to the other party if all of the conditions set out in Section 2(i) above are not satisfied after 30 days from the Completion Date.

- (ii) Either party who is not in default of the SPA (“**SPA Non-Defaulting Party**”) may cancel the SPA without assuming any liability to the other party who is in default (“**SPA Defaulting Party**”) if the SPA Defaulting Party materially breaches any of its representations and warranties, covenants, obligations or agreements under the SPA, and as a result, the SPA Non-Defaulting Party cannot achieve the purpose for which the SPA has been executed. If the Purchaser is the SPA Defaulting Party, an amount equal to 20% of the Total Consideration shall be paid to the Seller as penalty. If the Seller is the SPA Defaulting Party, any money already paid by the Purchaser to the Seller shall be returned in full to the Purchaser, together with an amount equal to 20% of the Total Consideration as penalty. Thereafter, the Lease Agreement and other agreements executed by the Purchaser in connection with the SPA shall cease to be effective.

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APPENDIX II – SALIENT TERMS OF THE LEASE AGREEMENT

1. Agreement to lease

- (i) The Lessor will lease and the Lessee will take on a lease of the Hotel for a fixed period commencing on the Effective Date and expiring on the Expiry Date.
- (ii) The Leaseback cannot be renewed on or before the Expiry Date. If Four Seasons exercises the renewal option under any Hotel Agreements, the Lessee and the Lessor shall use reasonable endeavours to agree on new lease terms for the period arising from and after the Expiry Date.
- (iii) The Lessee shall pay rental in arrears to the Lessor in JPY in the following manner:
 - (a) in respect of the period from the Effective Date and ending 31 December 2029:

- (I) minimum rent computed using the following formula divided by 4 (“**Minimum Rent**”);

$$\text{Minimum Rent} = (A \times B) + C$$

A = JPY49.00 billion, being the Sale Consideration

B = 3.25% for the period from the Effective Date until 31 December 2022 and 3.5% for the period from 1 January 2023 until 30 December 2036

C = JPY160.00 million

and

- (II) 50% of the amount (if any) by which the EBITDA* exceeds the amount of the Minimum Rent multiplied by 4 for any calendar year (“**Excess EBITDA**”);

Note:

* *EBITDA means earnings before interest, tax, depreciation and amortization recorded in the Quarterly Hotel Profit and Loss Statement for the relevant calculation period that has been agreed between the Lessor and the Lessee in accordance with the provisions stipulated in the Lease Agreement.*

- (b) in respect of the period from 1 January 2030 to 30 December 2036:

- (I) the lesser of the EBITDA for the relevant 3 months period and the Minimum Rent (“**Capped EBITDA**”); and
 - (II) Excess EBITDA.

provided that if the Minimum Rent for any calculation period that is less than 3 months, shall be calculated on a per diem basis.

The Minimum Rent and Capped EBITDA are payable by the Lessee to the Lessor on a quarterly basis based on a calculation period of 3 months each (save for first payment which has a calculation period from the Effective Date and ending 31 March 2020) whereas the Excess EBITDA (if any) is payable annually. All payments shall be payable on the final business day of the month immediately after the relevant calculation period.

APPENDIX II – SALIENT TERMS OF THE LEASE AGREEMENT *(cont'd)*

- (iv) On the execution date of the Lease Agreement, the Lessee shall deposit JPY438.00 million (to be increased to JPY468.00 million after the 3rd anniversary of the Effective Date) as security deposit with the Lessor to secure the performance of its obligations under the Lease Agreement.

2. Covenant of the Lessee

The Lessee shall not assign or dispose of the lease right of the Hotel or any material part thereof, or sublet the Hotel or any material part thereof, without the prior written consent of the Lessor unless the Lessee gives a written overview of the potential tenant and sub-lease terms to the Lessor and complies with the covenants and matters to be observed set out in the Lease Agreement.

3. Termination

- (i) If all of the Hotel Agreements are terminated, the Lessee shall promptly enter into an agreement reasonably satisfactory to the Lessor prescribing that the operation of the Hotel shall be entrusted to a succeeding hotel operator so that the hotel operation will continue smoothly.
- (ii) If the Lessee shall fail to pay the rental or if any material obligation of the Lessee or the Lessor shall not be performed or observed, the other party (excluding the Purchaser, the "**Claiming Party**") shall give to the party who is in default ("**Lease Agreement Defaulting Party**") which breaches its obligations and Four Seasons not less than 30 days' notice in writing to remedy the breach (if capable of remedy). If the Lease Agreement Defaulting Party fails to remedy the breach or to obtain the Claiming Party's consent to a reasonable remedial proposal given by the Lease Agreement Defaulting Party within the said period of 30 days (if capable of remedy), the Claiming Party shall be entitled to terminate the Lease Agreement.
- (iii) Notwithstanding Section 3(ii) above, if a petition is filed by or against the Lessee or the Lessor for commencement of any insolvency proceedings or arrangement, the other party may terminate the Lease Agreement with immediate effect.
- (iv) If the Lease Agreement is terminated pursuant to Sections 3(ii) and 3(iii) above, the Lease Agreement Defaulting Party shall immediately pay to the Claiming Party an amount equivalent to one year's Minimum Rent applicable at that time as penalty.

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APPENDIX III – SALIENT TERMS OF THE SIDE AGREEMENTS

SALIENT TERMS OF THE LETTER OF PLEDGE

The Lessee and the Company being the guarantor to the Lessee pledged the following to the Lessor, the Purchaser and the asset manager of the Purchaser:

1. The Lessee shall not make any change to any Hotel Agreement without prior written consent of the Lessor.
2. If the Lessee makes any request regarding the exercise of voting rights by the Lessor in the management association of the Hotel, the Lessor shall exercise its voting rights following such request upon obtaining a reasonable understanding of such request from the Lessee.
3. If Four Seasons requires the Lessor, the Purchaser and the asset manager of the Purchaser to do or not to do an act in accordance with any provision of the Hotel Agreements, the Lessee and the Company shall be responsible for dealing with Four Seasons.
4. If the Lessee makes any request to the Lessor, the Purchaser or the asset manager of the Purchaser to perform the Lessee's obligation against Four Seasons under the Hotel Agreements, the Lessor, the Purchaser and/or the asset manager of the Purchaser shall comply with such request upon obtaining a reasonable understanding of such request from the Lessee.
5. If the Lessor notifies the Lessee of its intention to terminate the Lease Agreement for any reason attributable to the Lessee and the Lease Agreement is terminated on the first anniversary of such termination notice without having a new third party entering into a new lease agreement with the Lessor, the Lessee and the Company shall assume all the responsibilities owed to Four Seasons and its affiliates.
6. If the Lessee breaches any obligation under the Lease Agreement, the Company shall indemnify the Lessor, the Purchaser or the asset manager of the Purchaser from any damage suffered to the extent that there is a legally sufficient cause.

SALIENT TERMS OF THE TRUST AGREEMENT

1. Purpose

KHHA entrusts the Hotel to the Trustee, who shall undertake the management, operation and disposition of the Hotel for the beneficiary of the Hotel ("**Beneficiary**") (which is the Purchaser pursuant to the Transfer on the Completion Date) for a period from 10 March 2020 to 10 March 2030 ("**Trust Period**") subject to a trust fee to be determined upon discussion between the Trustee and the Beneficiary.

2. Creation of the trust under the Trust Agreement ("Trust")

- (i) KHHA shall transfer the ownership of the Hotel and all other rights related to the Hotel to the Trustee upon execution of the Trust Agreement ("**Execution Date**") by delivering the original registration certificate or registered identification information of the Hotel and all documents necessary for the registration procedure for the creation of the Trust.
- (ii) Upon the transfer of the ownership of the Hotel by KHHA to the Trustee, the Trustee shall succeed the status of the lessor in the existing lease agreement of the Hotel.

3. Assignment of the Trust Beneficial Interest

Any transfer of the Trust Beneficial Interest is subject to the prior written consent of the Trustee. The party who has received the transfer of the Trust Beneficial Interest shall succeed the rights and obligations of the Beneficiary pursuant to the Trust Agreement.

APPENDIX III – SALIENT TERMS OF THE SIDE AGREEMENTS (cont'd)

4. Division of revenue and expenses

All revenue generated from the Hotel and all expenses arising from or related to the Trust (“**Expenses**”) shall be attributed to the Beneficiary on and from the Execution Date.

5. Cancellation of the Trust Agreement

The Trust Agreement may not be cancelled without the agreement of the Trustee and the Beneficiary, provided that the Trustee or the Beneficiary may terminate the Trust Agreement upon notification to the other party if, among others, it is impossible or extremely difficult to achieve the trust purpose under the Trust Agreement or perform the trust administration.

6. Termination of the Trust

- (i) The Trust shall be terminated upon expiry of the Trust Period or the cancellation of the Trust Agreement.
- (ii) When the Trust is terminated, the Trustee shall obtain the Beneficiary’s approval for the final calculation of the Trust by providing the balance sheet from the last calculation period up to the termination of the Trust to the Beneficiary.
- (iii) The principal of the Trust shall be delivered to the Beneficiary in the following manner on the business day following the date of the termination of the Trust after obtaining the approval set out in Section 6(ii) above:
 - (a) if the trust property is a real property, the Trustee shall deliver the trust property to the Beneficiary as is, cancel the registration of the Trust, and register the ownership transfer to the Beneficiary; and
 - (b) assets other than the real property in the trust property shall be delivered in funds or on an as-is basis.
- (iv) Notwithstanding Section 6(iii) above, The Trustee may receive reimbursement for the Expenses spent by the Trustee during and after the termination of the Trust.

SALIENT TERMS OF THE NDA**1. Purpose**

- (i) To ensure that the rights, duties and expertise of Four Seasons continue in accordance with the terms of the Hotel Agreements without being disturbed;
- (ii) To guarantee the performance and obligations, rights and liability of the Lessee under the Hotel Agreements by BKDS; and
- (iii) To ensure Four Seasons perform its obligation under the Hotel Agreements.

2. Performance under the Hotel Agreements

The Lessor and the Purchaser agree to allow the Lessee to observe and perform its rights and obligations under the Hotel Agreements free from interruption or disturbance throughout the term of the Hotel Agreements, and authorise the Lessee to perform obligations under the Hotel Agreements that are incumbent on the Lessor.

3. Termination of the Lease Agreement.

If the Lease Agreement is terminated during the term of the Hotel Agreements, the Lessor and Lessee shall cooperate to identify a new tenant to enter into a new lease with the Lessor on materially the same terms in the Lease Agreement and agree to assume and become responsible for all of the liabilities and obligations of the Lessee under the Hotel Agreements upon the termination of the Lease Agreement. If a new tenant has not been identified before the termination, the Lessor shall succeed to and assume the rights and obligations of the Lessee under the Hotel Agreements or enter into new hotel agreements with Four Seasons on the same terms and conditions as the Hotel Agreements.

4. Lessor's sale of the Hotel

If the Lessor sells the Hotel, the Lessor shall cause its rights, title and interest in the Hotel to be sold subject to the Lease Agreement and the Hotel Agreements in reasonably satisfactory to Four Seasons.

5. Revision of Lease Agreement

Neither Lessor nor Lessee shall agree to any amendment or supplement of the Lease Agreement without the prior written consent of Four Seasons.

6. Guarantee and indemnity by BKDS

BKDS guarantees to Four Seasons the performance and obligations, rights and liability of the Lessee under the Hotel Agreements. If the Lessee defaults in any of the obligations under any of the Hotel Agreements, BKDS shall cure such uncured default of the Lessee.

7. Confirmation of the Purchaser

The Purchaser and the asset manager of the Purchaser agree not to take or omit to take any action which would disrupt or interfere any action to be taken by the Lessor, Lessee and Four Seasons under the NDA.

8. Termination

The terms of the NDA shall be terminated on the date of the expiration or termination of the Hotel Agreements. The rights and obligations of the Lessee under the NDA shall be terminated on the earlier occurrence of the termination of the Lease Agreement or the expiration or termination of the Hotel Agreements.

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Reference No.: FSK121219GS

25 February 2020

The Board of Directors
Berjaya Corporation Berhad
Level 12, Berjaya Times Square
No.1 Jalan Imbi
55100 Kuala Lumpur
Malaysia

Dear Sir / Madam,

RE: VALUATION FOR BERJAYA CORPORATION BERHAD (“BCORP”) – THE HOTEL COMPONENT OF FOUR SEASONS HOTEL & HOTEL RESIDENCES KYOTO, JAPAN COMPRISING 123 HOTEL GUEST ROOMS AND HOTEL FACILITIES, BUT NOT INCLUDING COMMON AREAS OR COMMON PROPERTY (“SUBJECT PROPERTY” OR “HOTEL”)

We refer to your instructions on 16 October 2019 to undertake a valuation in respect of the Subject Property for disposal purposes and provide our opinion of the market value of the Subject Property.

This valuation certificate has been prepared for purposes of BCorp’s submission to Bursa Malaysia Securities Berhad and inclusion in the circular to the shareholders of BCorp for the proposed ratification of the disposal of the trust beneficial interest of the Subject Property (“**Disposal**”) and the subsequent leaseback of the Subject Property (“**Leaseback**”).

The valuation has been carried out in accordance with The Royal Institution of Chartered Surveyors (“**RICS**”) Valuation Standards and Guidelines, the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents with the necessary professional responsibilities and due diligence.

The basis of our valuation is the Market Value which is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

This definition of Market Value is consistent with the international definition of Market Value as advocated by RICS, International Valuation Standards (“**IVS**”), and where applicable, local valuation standards.

We have inspected the Subject Property on 28 February 2018 and we have confirmed with the Client that there has been no change to the Subject Property since our last inspection and to proceed as such. The material date of valuation of the Subject Property is 31 December 2019.



No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Subject Property, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the Subject Property is free from any major or material encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

This valuation certificate does not contain all the necessary data and information included in arriving at our valuation opinion and is to be read in conjunction with our formal valuation report bearing reference no. FYK121219GS dated 31 December 2019 ("**Valuation Report**").

The valuation and market information are not guarantees or predictions and must be read in consideration of the following:

- The estimated value is based upon the factual information provided. Subject Property's data/information provided is assumed to be correct. Whilst Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("**Colliers International**") has endeavored to ensure the accuracy of the information, it has not independently verified all information provided.
- The valuation was undertaken based upon information available as at the date of inspection. Colliers International accepts no responsibility for subsequent changes in information as to proposed scheme, areas, income, expenses or market conditions.
- The methodologies adopted in valuing the Subject Property are based upon estimates of future results and are not predictions. Each methodology is based on a set of assumptions as to income and expenses of the Subject Property and future economic conditions in the local market.

Since undertaking our valuation in 31 December 2019, we note that prevailing circumstances as a result of the coronavirus outbreak has materially impacted travel and by extension the hospitality sector, not only in Japan but globally. This is likely to therefore have a material impact on the Subject Property's performance in the short-term, the extent of which is too early to tell, especially as there appears to be no time horizon on how short or long the fall out will be. We also note that investors have taken a position of 'wait and see' and as such pricing for hospitality related assets in Japan remain at previous levels, with no evidence of discounting in values. Indeed, we note that the risk free premium has declined (as evidenced by the compression in the yields of Japanese 10-year bond between the valuation date and 25 February 2020) as more investors shift to safer assets. This would theoretically suggest a compression in discount rates and returns.

However, given the short time since events have unfolded, at the time of this report, it is too early to determine, what, if any, impact on asset values the fall out will have for hospitality properties in Japan. In any event, given the medium to long term outlook for the hospitality industry in Japan, we remain cautiously optimistic that asset values are unlikely to materially deteriorate over this time.

Based on the above, we are of the opinion that the circumstances of the coronavirus outbreak does not affect the Market Value of the Subject Property.

The reported analysis, opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analysis, opinion and conclusion.

We also confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the Subject Property and the valuers undertaking the valuation are authorized to practice as valuers.

The summary of our valuation of the Subject Property is as attached overleaf.



Details as summarized from the Valuation Report are set out as follows:

Subject Property : The hotel component of Four Seasons Hotel & Hotel Residences Kyoto, Japan, comprising 123 hotel guest rooms and hotel facilities, but not including common areas or common property which bears the postal address of 445-3 Myohoin Maekawacho, Higashiyama Ward, Kyoto Prefecture 605-0932, Japan

Client : Berjaya Corporation Berhad

Registered owner : **Current:**
Kyoto Higashiyama Hospitality Assets Tokutei Mokuteki Kaisha (“**KHHA**”), a 100%-owned subsidiary of Berjaya Kyoto Development (S) Pte Ltd which in turn is held by BCorp and Berjaya Land Berhad at 50% equity interest respectively

After the Disposal:
Mitsubishi UFJ Trust and Banking Corporation (“**MUTB**”) as the trustee of Godo Kaisha Tigre (“**Tigre**”)

Registered lease : **Current:**
Lessor : KHHA
Lessor : Berjaya Kyoto Development Kabushiki Kaisha (“**BKD**”), a 100%-owned subsidiary of Berjaya Kyoto Development (S) Pte Ltd which in turn is held by BCorp and Berjaya Land Berhad at 50% equity interest respectively

After the Leaseback:
Lessor : MUTB as the trustee of Tigre
Lessee : BKD

Purpose : Disposal and Leaseback

Planning approvals/ details : The Subject Property is located within an area zoned for hotel and residential development together with its auxiliary facilities. The building completion certificate was issued on 5 September 2013 with reference H2500047 and the building inspection certificate was issued on 28 June 2016 with reference H2800009.

Brief description of Subject Property : The Subject Property forms part of Four Seasons Hotel & Hotel Residences Kyoto, Japan which consists of two adjoining low-rise buildings.

Opened in 2016, the Subject Property is located approximately 1.5km from Kyoto Station with its main access along Onna-zaka Hill at Higashiyama Shichijo crossing on Higashioji Street.

The Subject Property has good transport links and it is located approximately 60 mins drive from Osaka International Airport, and 7 minutes from Kyoto Station. It is also within a 10-minute walk to the Sannen-zaka shopping district, and a 10-minute drive to Gion.



The main access road to the Subject Property is Onna-zaka Hill at Higashiyama Shichijo crossing on Higashioji Street, a minor thoroughfare. Once onsite, car parking and transfers are provided. In terms of location, accessibility and visibility we believe the site is an excellent destination for visitors both local and foreign.

In addition, the Subject Property is surrounded by several tourist attractions such as Kyoto National Museum, Sanjusangendo Temple, Chishakuin Temple, and Myohoin Temple.

The Hotel is operated and managed by Four Seasons Hotels and Resorts Asia Pacific Pte Ltd and its affiliates (collectively, "**Four Seasons**¹"). Four Seasons provides services in connection with the supervision, direction, management and operation of the Hotel as a world class luxury hotel, and additionally licenses trademarks and proprietary materials in connection with the marketing, operation and management of the Hotel, to BKD.

The salient terms of the hotel agreements are as follows:

- | | |
|----------------------|--|
| Term | : A period of 20 years commencing after the opening date of the Hotel (" Initial Term ") with an option to renew the term for 20 years after the Initial Term (" First Extension ") and another 20 years after the First Extension |
| Management fees | : Comprises an advisory fee, basic fee and royalty fee which are each based on a percentage of the Hotel's gross receipts |
| Incentive fee | : Based on a percentage of the Hotel's adjusted gross operating profit depending on the Hotel's gross operating profit margin |
| Capital reserve fund | : Based on a percentage of the Hotel's gross receipts depending on the year for expenditures in connection with the replacement and renewal of furniture, fixtures and equipment or other agreed purpose |

¹Four Seasons is not related to, affiliated or associated with, or a partner in the business of, BCorp or its affiliates, and no representations, warranty or guarantee is made or implied by Four Seasons in respect of any statement or information made or contained in this valuation certificate. No member of Four Seasons nor any of their respective directors, officers, employees or agents has or will have any responsibility or liability arising out of, or related to, this valuation certificate or the transactions contemplated by this valuation certificate, including any liability or responsibility for any statement or information made or contained in this valuation certificate.



The Subject Property consists of 123 hotel guest rooms ranging from 40 square metres (“sqm”) to 250 sqm and are classified into four groups (A to D) as follows:

Type and Room Size	Number of rooms per category
A. 40-70 sqm	110
B. 70-90 sqm	7
C. 90-180 sqm	5
D. 250 sqm	1
Total	123

Since its opening in 2016, the average room rate and occupancy rate for the Subject Property are shown as follows:

	2016A	2017A	2018A	2019A
Average Hotel Room Occupancy (%)	43.3	63.7	64.2	68.9
Average Hotel Room Rate (¥)	120,440	97,044	104,105	106,102

The recent historical financial of the Hotel highlighting its major income streams and operating costs are as follows:

Currency: YEN 000s Year	2016A	2017A	2018A	2019A
HOTEL GUEST ROOMS				
Occupancy Rate (%)	43.3%	63.7%	64.2%	68.9%
Average Daily Rate	120,440	97,044	104,105	106,102
REVENUE				
Hotel Guest Rooms	518,494	2,775,847	3,000,202	3,280,568
Other Revenue	255,045	1,743,772	2,248,889	2,975,792
Total Revenue	773,539	4,519,619	5,249,091	6,256,360
EXPENSES				
Operating Expenses	604,062	3,087,953	3,333,642	3,686,601
Fixed Charges	36,298	389,996	644,660	1,223,942
Total Expenses	640,360	3,477,949	3,978,302	4,910,543
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION	133,179	1,041,670	1,270,789	1,345,817
<i>Source: FS Kyoto and Colliers estimates</i>				
<i>Note: Numbers may not sum due to rounding</i>				



The hotel facilities of the Subject Property also includes the following:

- ballroom;
- 24-hour gym and fitness centre;
- spa;
- meeting rooms;
- indoor and outdoor all-day dining;
- private dining;
- wedding chapel and show room;
- lobby lounge;
- indoor swimming pool;
- carpark;
- beauty salon;
- florist;
- private member club lounge;
- barber shop;
- salon; and
- laundry and dry-cleaning services.

The Disposal also includes, but not limited to, the following furniture, fittings, equipment and other assets which are used in the operation of the Subject Property:

- furniture and fittings in all rooms including conference and banqueting areas;
- custom made furniture for rooms and common areas;
- operating equipment and utensils in the food and beverage areas;
- kitchen equipment;
- private Automated Branch Exchange (PABX) system;
- lifts;
- escalators;
- generator set;
- air to Water Heat Pump & Storage Calorifier;
- water Pumps; and
- chillers etc

For information purposes, there are 57 residential units which are separated from the Subject Property that form part of the Four Seasons Hotel & Hotel Residences Kyoto, Japan. However, these residential units are excluded from this valuation.

Description of land : The Subject Property is situated on two plots of land measuring a total land area of approximately 20,513.04 sqm.

The site is flat and largely irregular L-shaped and has two adjoining buildings with a plot area of 20,433.55 sqm and frontage of approximately 105m on the west side and depth of approximately 175m.



Particulars of land titles : Brief particulars extracted from a search of the registered document of title at the Kyoto District office are outlined as follows:

Title No. : 445-2 and 445-3
City : Kyoto
District : Higashiyama
State : Kyoto Prefecture
Tenure : Freehold
Category of land use : Hotel and residential development
Title land area : 20,513.04 sqm
Express condition : Nil
Restriction-in-interest : Nil
Registered owner : Kyoto Higashiyama Hospitality Assets
Tokutei Mokuteki Kaisha
Encumbrances : Nil
Endorsements : Nil

Particulars of building titles : See Appendix A

Building area : 7,999.32 sqm

Gross floor area : 21,215.39 sqm



Basis of valuation : Market Value

At the time of valuation, we understand that BKD will subsequently enter into Amended and Restated Fixed Term Building Lease Agreement (“**Lease Agreement**”) with Tigre GK and MUTB upon completion of the Disposal for the leaseback of the Subject Property. The salient terms of the Lease Agreement are as follows:

Term : About 17 years which is from the effective date of the Lease Agreement until 31 December 2036

Lease rental (from the effective date of the Lease Agreement and ending on 31 March 2020 and from 1 April 2020 to 31 December 2029) : BKD will pay a minimum rent computed using the following formula divided by 4 (“**Minimum Rent**”) on a quarterly basis based on a calculation period of 3 months each (save for first payment which has a calculation period from the Effective Date and ending 31 March 2020) to MUTB:

$$\text{Minimum Rent} = (A \times B) + C$$

A = JPY49,000,000,000, being the purchase price

B = 3.25% for the period from the effective date of the Lease Agreement until 31 December 2022, and 3.5% for the period from 1 January 2023 until 30 December 2036

C = JPY160,000,000

BKD shall pay, in addition to the Minimum Rent, 50% of the excess of earnings before interest, taxes, depreciation and amortization of the Hotel (“**EBITDA**”) annually in the event that the EBITDA exceeds the amount of the Minimum Rent (“**Excess EBITDA**”) to MUTB.

Lease rental (from 1 January 2030 until 30 December 2036) : BKD shall pay the lesser of the EBITDA for the relevant 3 months period and the Minimum Rent (“**Capped EBITDA**”) to MUTB on a quarterly basis based on a calculation period of 3 months each.

BKD shall pay, in addition to the Capped EBITDA, the Excess EBITDA to MUTB.

In undertaking this valuation, we have therefore considered the likely income streams that could be generated to a potential investor given the above lease terms.



Valuation methodology and approach

: Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Approach taken by valuers in appraising hotels

Normally, in undertaking a market valuation of a hotel, the valuer would assess the property to be valued assuming its highest and best use and assuming competent and efficient management. The typical methods employed by valuers of specialized assets such as hotels are the income method (discounted cash flow "DCF" or maintainable earnings) and sale comparable approaches.

We note that the cachet that is attached to luxury hotels, and their appeal to a certain social demographic, gives us an indication that there must also be some sort of emotive element associated with investment in these types of properties. Although this could very well be strategic, it could also be derived from its potential to be a 'status symbol'; thus, one might even consider using the term 'trophy asset' when referring to prime properties in this asset class. Perhaps this is best illustrated by examples of recent trades in the UK, including the Four Seasons Park Lane, London; The Savoy, London; and Maybourne Hotel Group, where the amount goodwill buyers were willing to pay was significant.

As such, it could be said that although the expected returns do have some impact, it is perhaps also the desirability, and associated scarcity value, that may ultimately influence the drive for investment in a luxury hotel asset. This will be exacerbated by the likely type of buyer who will tend to be an ultra-high-net-worth individual or a sovereign wealth fund, with private equity funds largely staying away from these types of assets, due to the low yields and smaller pool of buyers and sellers.

In providing our opinion of market value for the Subject Property, we have adopted the income approach using the DCF technique. The income approach using the DCF technique is the method normally employed by Colliers International and is believed to be the one best able to reflect the process used by an investor when assessing a price to bid for a particular property. The DCF method entails the capitalization of an asset's future earnings stream to a present day value, using a discount rate considered to be consistent with that which would be adopted by potential investors. It is a valuation of the business which takes place within the property.

Under international and local (Japan) valuation standards, an assessment of market value must take into consideration the highest and best use of the asset, which sometimes may not be its existing use. In addition, careful consideration must be taken in regard to the transparency and commercial reality of the transaction, and whether it reflects market or investment value.



As such, after careful consideration, given that the likely income that an investor can derive from the use of the asset, and that the lease terms effectively reflect full market rent, we consider this reflects the highest and best use of the asset in its existing condition. In addition, given the nuances of the Japan investor market, the sale and leaseback transaction is within market norm for such assets in Japan, and as such must be considered in arriving at our opinion of market value for the Subject Property.

Whilst we have also considered the comparable method in valuing the Subject Property, we find that this method is often used as a 'rule of thumb' rather than a valuation methodology, given no two hotels are 'similar' and it's rarely used by sophisticated investors in Japan and worldwide. In addition, the relative illiquid nature of the global luxury hotel market, and in particular Japan and Kyoto has not provided any recent comparable transactions. This is further underpinned by the unique nature of the Subject Property's operating model which includes the shared rental pool income from the residential units, in addition to the Disposal and Leaseback transaction.

We note that in Japan the trophy hotel market remains very illiquid. We also note the sale and leaseback of the Peninsula Tokyo in 2015, which was circa US\$3,000,000 per room. However, we do not consider this representative given the time that has elapsed, the location and the absence of residential rental units as with the Subject Property. We are also aware of the recently transacted (March 2019 completion) 40% share in the ownership of the Ritz Carlton Hotel Kyoto for ¥17.8 billion, representing a circa 3.2% yield. However, we do not consider this transaction comparable given that the income streams do not include shared rental pool income from the residential units, nor is it a sale and leaseback transaction as with the Subject Property.

We have not considered the Cost Method in undertaking the valuation as this is not an approach adopted by investors in assessing hotel investments. The Cost Method is generally only used for insurance and reinstatement value.

Income Approach by DCF Method

DCF incorporates the estimation of future annual cash flows over a ten (10)-year investment horizon from the valuation date by reference to expected revenue growth rates, operating expenses and terminal value. The present value of future cash flow is then determined by the application of an appropriate discount rate to derive a net present value of the property as at the valuation date. We have adopted the agreed lease rental, being the Minimum Rent and Excess EBITDA, as stipulated in the Lease Agreement to arrive at the projected cash flow to the owner of the Hotel for a tenure of 10 years and assumed that the property is sold at the commencement of the eleventh year of the cash flow at the expected rate of return of similar asset classes.

In undertaking this analysis, we have used a wide range of assumptions for the Subject Property including the growth of revenues during the holding period and other related property expenses.



These projections are based on assumptions and events expected to occur in the future. Therefore, no guarantee can be given that these results will be achieved. The projections are however, based on Colliers International's experience with similar projects. The following table outlines the common salient valuation assumptions to our projection unless otherwise stated:

Projection of Average Daily Rate ("ADR") and Occupancy of the Subject Property		
Year	ADR	Occupancy
Year 1	¥110,500	70.0%
Year 2	¥110,500	69.0%
Year 3	¥111,103	69.5%
Year 4	¥112,214	70.0%
Year 5	¥113,336	70.0%
Year 6	¥114,470	70.0%
Year 7	¥115,614	70.0%
Year 8	¥116,770	70.0%
Year 9	¥117,938	70.0%
Year 10	¥119,117	70.0%

We note that the Subject Property opened in 2016 and is currently going through its ramp up period, whereupon we expect the Subject Property to have stabilized growth in earnings from 2023 (Year 4) onwards.

Summary of Parameters	
Projected ADR	<p>Year 1 : ¥110,500 to Year 10 : ¥119,117</p> <p>In view of the Subject Property's 2018 Actual ADR of ¥104,105 and 2019 Actual ADR of ¥106,102, which recorded a growth of 7% and 4% respectively, we have adopted an increase of ADR by 2% to ¥110,500 by 2020 (Year 1) in view of the anticipated demand due to the upcoming Summer Olympics in Japan. After which, we expect ADR to remain the same in 2021 (Year 2) with little growth as hotel demand is expected to fall slightly due to a drop in visitors following the Summer Olympics, leading to hoteliers discounting their rates back to pre-Olympics levels. We then project ADR to increase by 1% (circa ¥1,100) from Year 4 to Year 10, in line with the expected long-term trend for the hotel market in Kyoto.</p>



Summary of Parameters	
Projected Room Occupancy	<p>Year 1 : 70.0% to Year 10 : 70.0%</p> <p>As the Subject Property opened in 2016, we note that room occupancy in the first year was at an average of 43.3%. Over the following two years, room occupancy has generally increased to 64.2% in 2018. As at the end of 2019 (nine-months actual plus three months forecast) room occupancy is forecast to reach 68.0%, representing an increase of 6% as compared to the previous year. As the Summer Olympics takes place in 2020 (Year 1) in Japan, we expect room occupancy to increase by 3% to 70.0%. However, we forecast growth to slow down in 2021 (Year 2), mainly due to lower demand for rooms following the Summer Olympics, projecting a slight dip in occupancy to 69.0%. From Year 3 to Year 10, we have adopted a 1% increase in room occupancy for Year 3 whereas the room occupancy stabilizes at 70.0% from Year 4 onwards.</p>
Other Hotel Revenue	<p>Other hotel revenue includes net income derived from the letting of the residences, which is shared between the hotel and the respective owners, food and beverage, spa and other operating departments etc. For the purpose of this report, the estimates used for calculating the Other Hotel Revenue are based on the recent historical performance of the Subject Property in addition to revenue mix ratios at established competitive hotels in the market area.</p>
Projected Cost and Expenses	<p>Generally, overhead items, which are applicable to the operation as a whole, are classified as deductions from income and include administrative and general expenses, energy costs, property operation and maintenance and marketing costs. For the purpose of this report, the estimates used for calculating the operating expenses are based on the recent historical performance of the Subject Property in addition to cost to revenue ratios at established competitive hotels in the market area.</p>



In undertaking the valuation we have then considered the terms of the Disposal and Leaseback arrangements, upon which we have derived the net rent payable and potential income to an investor, upon which we have based our valuation. The summary of our financial assumptions are set out below:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected revenue	6,553,714	6,601,193	6,703,213	6,833,375	6,932,363	7,032,649	7,134,246	7,237,173	7,341,444	7,447,077
Projected expenses	5,078,714	5,244,318	5,250,461	5,347,029	5,413,065	5,479,887	5,547,504	5,615,926	5,685,160	5,755,218
EBITDA	1,475,000	1,356,875	1,452,752	1,486,346	1,519,298	1,552,762	1,586,742	1,621,247	1,656,284	1,691,859
Lease payments	1,592,500	1,592,500	1,592,500	1,715,000	1,715,000	1,715,000	1,715,000	1,715,000	1,715,000	1,715,000
Share of EBITDA*	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net cash flow ("NCF")	1,544,725	1,544,725	1,544,725	1,663,550	1,663,550	1,663,550	1,663,550	1,663,550	1,663,550	49,685,486
Present value of NCF	1,478,206	1,414,551	1,353,637	1,394,989	1,334,917	1,277,433	1,222,424	1,169,784	1,119,410	31,993,860

*Note: 50% of excess EBITDA in the event that the EBITDA exceeds the amount of lease payment.

The projected cash flow comprising the net rent payable and potential income to an investor is derived based on:

- (i) the Minimum Rent, being 3.25% of JPY49,000,000,000 for the period from year 1 to year 3 and 3.5% of JPY49,000,000,000 for the period from year 4 to year 10 but excluding JPY160,000,000 being the projected expenses to be paid by the owner of the Hotel for quit rent, municipal and other rates, taxes and assessment charges of the Hotel to the relevant authorities; and
- (ii) the Excess EBITDA, being 50% of the Hotel's excess EBITDA in the event that the projected income stream of the Hotel⁽¹⁾, after deducting the projected costs, expenses and charges of the Hotel, exceeds the amount of Minimum Rent,

as stipulated in the Lease Agreement for a tenure of 10 years. However, in view that the projected EBITDA for the tenure of 10 years do not exceed the amount of Minimum Rent, there is no share of Excess EBITDA to the owner of the Hotel.

Note:

- (1) *The projected income stream of the Hotel which comprises income generated from the hotel guest rooms and other income of the Hotel including net income derived from the letting of the residences which is shared between the Hotel and the respective owners, food and beverage, spa and other operating departments is derived based on the salient valuation assumptions set out above. The projected income generated from the hotel guest rooms is derived based on the rooms available multiplied by the projected ADR and the projected occupancy rate whereas the other income of the Hotel is derived based on the recent historical performance of the Subject Property in addition to revenue mix ratios at established competitive hotels in the market area.*

The projected income stream adopted is in line with our expectations of market growth and the way the Subject Property is anticipated to perform in the market place. This is in line with the definition of market value as defined by RICS and IVS.



Terminal capitalization rate : 3.5% using Gordon's Growth model (Discount Rate – Long Term Rate of Growth)

Where available, we have benchmarked against existing yields of selected hotel buildings reflecting the current market condition. We have thus adopted a capitalisation rate/ all-risk yield of 3.5%; as in our opinion, it is the most probable expected rate of return achievable at the current moment for the Subject Property.

Discount rate : 4.5%

Our interpretation of the discount rate is based on our perceived risk versus the return required, looking at the rates of return of similar asset classes. A general way of determining the discount rate is to adopt the risk-free interest rate of -0.01% for Japanese 10-year government bonds as at 12 December 2019 plus additional risk premium (3.0% to 4.0%) associated with the asset class. Usually this is higher than the long term capitalisation rate. To this, we would add inflation of 1.0%, which is in line with long term expectations by the International Monetary Fund (IMF). As such, a discount rate of 4.5% is adopted for the Subject Property.

Date of inspection : 28 February 2018. We had not performed an update inspection as the Client has confirmed to us that no material changes have happened since the last site visit. In addition, the valuer had, between 2018 and 2019, visited the Subject Property on a number of occasions, and is therefore comfortable with the representations made by BCorp.

Date of valuation : 31 December 2019

Valuation : Having regard to the foregoing, our opinion of the Market Value of the Subject Property in its existing condition, taking into consideration of the lease arrangements and subject to the basis and assumptions detailed above and that the Subject Property being free from all encumbrances, restrictions and outgoings of an onerous nature, as at 31 December 2019, is **¥43,800,000,000** (Forty Three Billion And Eight-Hundred Million Japanese Yen Only).

This equates to circa RM1,677,627,600 based on an exchange rate of ¥1:RM 0.038302, being the middle rate quoted by Bank Negara Malaysia at 5:00 p.m. on 25 February 2020.

Assumptions, disclaimers, limitations & qualifications : This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this valuation certificate, and in our engagement proposal dated 16 October 2019, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within the valuation report. Reliance on this valuation certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.



Prepared by : Govinda Singh FCCA FCMA MRICS
Registered Valuer, 6367479
Colliers International Consultancy & Valuation (Singapore) Pte Ltd

For and on behalf of
Colliers International Consultancy & Valuation (Singapore) Pte Ltd

A handwritten signature in black ink, appearing to read "G. Singh", written over a horizontal line.

Govinda Singh FCCA FCMA MRICS
Registered Valuer, 6367479
Executive Director
Valuation and Advisory Services – Asia



Appendix A

Lots No.	Description	Floor Area (sqm)	Stata Title Ratio
445-3-1	Main Hotel	17,394	1,796,151
	Rest area	45	-
445-3-102	Guest room	121	12,498
445-3-105	Guest room	46	4,816
445-3-106	Guest room	52	5,360
445-3-107	Guest room	52	5,360
445-3-109	Guest room	105	10,720
445-3-113	Guest room	51	5,360
445-3-115	Guest room	51	5,360
445-3-117	Guest room	51	5,360
445-3-119	Guest room	51	5,360
445-3-121	Guest room	52	5,360
445-3-202	Guest room	122	12,522
445-3-205	Guest room	46	4,816
445-3-206	Guest room	52	5,360
445-3-207	Guest room	52	5,360
445-3-209	Guest room	105	10,720
445-3-213	Guest room	51	5,360
445-3-215	Guest room	51	5,360
445-3-217	Guest room	105	10,720
445-3-221	Guest room	52	5,360
445-3-302	Guest room	122	12,547
445-3-305	Guest room	46	4,816
445-3-306	Guest room	52	5,360
445-3-307	Guest room	52	5,360
445-3-309	Guest room	105	10,720
445-3-313	Guest room	51	5,360
445-3-315	Guest room	51	5,360
445-3-317	Guest room	105	10,720
445-3-321	Guest room	52	5,360
445-3-331	Guest room	119	12,178
445-3-335	Guest room	58	6,089
445-3-337	Guest room	58	6,089
445-3-339	Guest room	58	6,089
445-3-341	Guest room	58	6,089
445-3-343	Guest room	119	12,178
445-3-347	Guest room	119	12,178



Lots No.	Description	Floor Area (sqm)	Stata Title Ratio
445-3-351	Guest room	59	6,192
445-3-402	Guest room	122	12,547
445-3-405	Guest room	46	4,816
445-3-406	Guest room	52	5,360
445-3-407	Guest room	68	7,098
445-3-411	Guest room	179	18,292
445-3-417	Guest room	105	10,720
445-3-421	Guest room	52	5,360
445-3-431	Guest room	111	11,359
445-3-435	Guest room	54	5,680
445-3-437	Guest room	54	5,680
445-3-439	Guest room	54	5,680
445-3-441	Guest room	54	5,680
445-3-443	Guest room	111	11,359
445-3-447	Guest room	111	11,359
445-3-451	Guest room	55	5,776

1. RESPONSIBILITY STATEMENT

The Board has seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Circular misleading.

Information pertaining to the Purchaser was provided by the management and/or directors of the Purchaser. Therefore, the responsibility of the Board is limited to ensuring that such information is accurately reproduced in this Circular.

2. CONSENTS AND CONFLICT OF INTERESTS**2.1 Maybank IB**

Maybank IB, being the Principal Adviser for the Transaction, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Maybank IB and its related and associated companies (“**Maybank Group**”) form a diversified financial group and is engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and fund management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for the Company and/or the affiliates of the Company, in addition to the role set out in this Circular. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of the Group, the shareholders of the Company and/or the affiliates of the Company and/or any other entity or person, hold long or short positions in securities issued by the Company and/or the affiliates of the Company, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of the Group and/or the affiliates of the Company. This is a result of the businesses of the Maybank Group generally acting independently of each other and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have, or in the future, may have interest or take actions that may conflict with the interest of the Group. Nonetheless, the Maybank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, the Group has existing credit facilities with the Maybank Group. The said credit facilities have been extended by the Maybank Group in its ordinary course of business. Part of the proceeds from the Disposal will be used to partially repay the existing lenders of the BCorporation Group, including the Maybank Group. Notwithstanding, Maybank IB is of the view that the said lending relationship will not give rise to a conflict of interest situation in its capacity as Principal Adviser for the Transaction as:

- (i) the extension of credit facilities to the Group arose in the ordinary course of business of the Maybank Group;
- (ii) the conduct of the Maybank Group in its banking business is strictly regulated by, among others, Financial Services Act 2013, Islamic Financial Services Act, 2013 and the Maybank Group’s own internal controls and checks; and
- (iii) the total outstanding amount owed by the Group is not material when compared to the audited NA of the Maybank Group as at 31 December 2019 of RM81.6 billion.

APPENDIX V – FURTHER INFORMATION (cont'd)

Maybank IB has confirmed that it is not aware of any circumstances that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Principal Adviser for the Transaction.

2.2 Colliers Singapore

Colliers Singapore, being the independent valuer for the Hotel, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the valuation certificate on the valuation of the Hotel and all references thereto in the form and context in which they appear in this Circular.

Colliers Singapore has confirmed that it is not aware of any circumstances that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the independent valuer for the Hotel.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**3.1 Material commitments**

Save as disclosed below, as at 31 March 2020, there are no material commitments incurred or known to be incurred by the BCorporation Group which may have a material impact on the profits and/or NA of the BCorporation Group:

	RM'million
Payments incurred for the proposed investments in several foreign investees	39.57
Approved capital expenditure	339.86
Proposed share subscription in subsidiaries and other investee companies	88.87
Share of a joint venture's land use rights fee	19.29
Total	487.59

3.2 Contingent liabilities

As at 31 March 2020, there are no contingent liabilities incurred or known to be incurred by the BCorporation Group which, upon becoming enforceable, may have a material impact on the profits and/or NA of the BCorporation Group.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

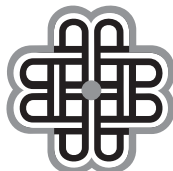
As at the LPD, the BCorporation Group is not engaged in any material litigation, claims or arbitration involving the Hotel, either as plaintiff or defendant and the Board is not aware of any proceedings, pending or threatened or of any fact likely to give rise to proceedings involving the Hotel which may materially and adversely affect the financial position or business of the BCorporation Group.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur during normal business hours from Mondays to Fridays (excluding public holidays) from the date of this Circular up to and including the date of the forthcoming EGM of the Company:

- (i) Constitution of BCorporation;
- (ii) audited consolidated financial statements of BCorporation for the FYE 30 April 2018 and 14-month FPE 30 June 2019 and the latest unaudited consolidated financial statements of BCorporation for the 6-month FPE 31 December 2019;
- (iii) the SPA;
- (iv) the Lease Agreement;
- (v) the Side Agreements;
- (vi) valuation certificate from Colliers Singapore on the valuation of the Hotel dated 25 February 2020 as included in Appendix IV of this Circular and the valuation report on the Hotel dated 25 February 2020 issued by Colliers Singapore; and
- (vii) letters of consent referred to in Section 2 of this Appendix.

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BERJAYA
BERJAYA CORPORATION BERHAD

(Registration No. 200101019033 (554790-X))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Berjaya Corporation Berhad (“**BCorporation**” or “**Company**”) will be conducted entirely through live streaming from the broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur (“**Broadcast Venue**”) on Wednesday, 1 July 2020 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the following:

ORDINARY RESOLUTION

RATIFICATION OF THE DISPOSAL OF THE HOTEL COMPONENT OF FOUR SEASONS HOTEL & HOTEL RESIDENCES KYOTO IN JAPAN (“HOTEL”) FOR A TOTAL CASH CONSIDERATION OF JPY50.79 BILLION (EQUIVALENT TO APPROXIMATELY RM2.06 BILLION), BEING THE SALE CONSIDERATION OF JPY49.00 BILLION (EQUIVALENT TO APPROXIMATELY RM1.99 BILLION) PLUS THE BUILDING CONSUMPTION TAX OF JPY1.79 BILLION (EQUIVALENT TO APPROXIMATELY RM72.52 MILLION) DUE TO THE TAX AUTHORITY OF JAPAN AND THE SUBSEQUENT LEASEBACK OF THE HOTEL (“TRANSACTION”) (“RATIFICATION”)

THAT all previous actions taken by the Board of Directors of the Company (“**Board**”) in connection with the Transaction, including the execution of the Real Property Trust Beneficial Interest Purchase and Sale Agreement dated 28 February 2020 (“**SPA**”) pertaining to the disposal of the Hotel, the Amended and Restated Fixed Term Building Lease Agreement dated 10 March 2020 (“**Lease Agreement**”) for the leaseback of the Hotel, and other relevant agreements in relation to the Transaction, details of which are set out in the circular to the shareholders of the Company dated 4 June 2020, be and are hereby approved, ratified and confirmed.

THAT all acts, deeds and things carried out by the Company and/or by its Directors and/or such other persons as authorised by its Directors, as the Board has considered necessary under or pursuant to the terms of the SPA and the Lease Agreement, be and are hereby approved, ratified and confirmed.

AND THAT the Board be and is hereby authorised to do all acts, deeds and things as they may consider necessary or expedient in the best interests of the Company with full power to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities, and to take all steps and to execute all such documents as may be required to implement, finalise and give full effect to the Ratification.

By Order of the Board

THAM LAI HENG MICHELLE
(SSM PC No.: 202008001622) (MAICSA 7013702)
Secretary

Kuala Lumpur
4 June 2020

Notes:

1. As part of the measures to stem the spread of Coronavirus Disease 2019 (COVID-19), the EGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting facilities ("RPV Facilities") provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its online website at <https://tjih.online>. Please follow the procedures provided in the Administrative Guide for the EGM of the Company in order to register, participate and vote remotely via the RPV Facilities.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the EGM of the Company to be present at the main venue of the EGM of the Company in Malaysia.
3. Shareholders/proxy(ies) from the public WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT at the Broadcast Venue on the day of the EGM of the Company.
4. A member of the Company who is entitled to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the EGM of the Company via RPV Facilities is entitled to appoint proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
5. A member, other than an authorised nominee or an exempt authorised nominee may appoint only one (1) proxy.
6. An authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), may appoint one (1) proxy in respect of each securities account.
7. An exempt authorised nominee, as defined under SICDA, and holding ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), may appoint multiple proxies in respect of each of its omnibus account.
8. An individual member who appoints a proxy must sign the Form of Proxy personally or by his attorney duly authorised in writing. A corporate member who appoints a proxy must execute the Form of Proxy under seal or under the hand of its officer or attorney duly authorised.
9. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote remotely at the EGM of the Company via RPV Facilities must request his/her proxy to register himself/herself for RPV Facilities at Tricor's online website at <https://tjih.online> latest by Monday, 29 June 2020 at 10.00 a.m.. Please follow the procedures provided in the Administrative Guide for the EGM of the Company.
10. The duly executed Form of Proxy must be deposited at the Company's Registered Office at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM of the Company.
11. Only members whose names appear in the Record of Depositors as at 24 June 2020 shall be entitled to attend and vote at the EGM of the Company.

BERJAYA CORPORATION BERHAD

Registration No. 200101019033 (554790-X)

FORM OF PROXY

I/We _____
(Name in full)

I.C. or Company Registration No. _____ CDS Account No. _____
(New or Old I.C. Nos.)

of _____
(Address)

being a member/members of BERJAYA CORPORATION BERHAD

hereby appoint: _____ I.C.No. _____
(Name in full) (New or Old I.C. Nos.)

_____ (Address)

of failing him/her, _____ I.C.No. _____
(Name in full) (New or Old I.C. Nos.)

_____ (Address)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be conducted entirely through live streaming from the broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur ("**Broadcast Venue**") on Wednesday, 1 July 2020 at 10.00 a.m. or any adjournment thereof.

This proxy is to vote on the Resolution set out in the Notice of EGM as indicated with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

RESOLUTION	FOR	AGAINST
RATIFICATION		

No. of Shares Held

Signature(s) / Common Seal of Member(s)

Dated this _____ day of _____, 2020

Notes:

- As part of the measures to stem the spread of Coronavirus Disease 2019 (COVID-19), the EGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting facilities ("RPV Facilities") provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Guide for the EGM of the Company in order to register, participate and vote remotely via the RPV Facilities.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the EGM of the Company to be present at the main venue of the EGM of the Company in Malaysia.
- Shareholders/proxy(ies) from the public WILL NOT BE ALLOWED TO BE PHYSICALLY PRESENT at the Broadcast Venue on the day of the EGM of the Company.



4. A member of the Company who is entitled to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the EGM of the company via RPV Facilities is entitled to appoint proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
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11. Only members whose names appear in the Record of Depositors as at 24 June 2020 shall be entitled to attend and vote at the EGM of the Company.

Fold this flap for sealing

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AFFIX
STAMP

THE COMPANY SECRETARY
BERJAYA CORPORATION BERHAD
LOT 13-01A, LEVEL 13 (EAST WING)
BERJAYA TIMES SQUARE
NO. 1 JALAN IMBI
55100 KUALA LUMPUR

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