

## TITIJAYA LAND BERHAD (“Titijaya”)

### SHAREHOLDERS’ AGREEMENT BETWEEN TITIJAYA, TOKYU LAND ASIA PTE. LTD. AND RIVERIA CITY SDN. BHD., A SUBSIDIARY OF TITIJAYA (REFERRED TO AS THE “PROPOSAL”)

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#### 1. INTRODUCTION

The Board of Directors of Titijaya (“**Board**”) wishes to announce that Titijaya had on 13 December 2019 entered into a shareholders’ agreement with Tokyu Land Asia Pte Ltd (“**TLA**”), a foreign company incorporated in Singapore (“**Shareholders’ Agreement**”) and Riveria City Sdn Bhd (“**RCSB**”) to regulate the affairs of RCSB and the respective rights of Titijaya and TLA as shareholders of RCSB and jointly participate in the development, construction, promotion and marketing of Project RIVERIA to the Malaysian and foreign market.

Further details on the Proposal is set out in the ensuing sections of this announcement.

#### 2. DETAILS OF THE PARTIES TO THE SHAREHOLDERS’ AGREEMENT

##### 2.1 Tokyu Land Asia Pte. Ltd.

TLA is a private limited company incorporated under the laws of Singapore, which is an overseas subsidiary of Tokyu Land Corporation (“**TLC**”), a comprehensive real estate company incorporated in Japan, which is a subsidiary of Tokyu Fudosan Holdings Corporation, a listed company on the Tokyo Stock Exchange. TLA is a real estate company carrying out urban development and investment management business in foreign countries other than Japan, by providing a wide range of real estate related services.

##### 2.2 Riveria City Sdn. Bhd.

RCSB is a private limited company incorporated in Malaysia on 17 May 2018. As at the date of this announcement, RCSB has an issued share capital of 400,000 ordinary shares in which 280,000 ordinary shares are held by Titijaya and 120,000 ordinary shares are held by Bina Puri Properties Sdn Bhd (“**BPPSB**”). RCSB is currently a 70% owned subsidiary of Titijaya and its principal nature of business is joint venture for property development.

On 22 April 2019, Titijaya had announced the signing of a Mutual Termination Agreement with BPPSB to mutually terminate the Joint Venture Agreement dated 21 March 2018 entered into between Titijaya and BPPSB. Pursuant to the Mutual Termination Agreement, the remaining 30% equity interest comprising 120,000 ordinary shares in RCSB held by BPPSB shall be transferred to Titijaya for a total consideration of RM120,000.00. (“**Acquisition of Shares in RCSB**”).

##### 2.3 Titijaya Land Berhad

Titijaya was incorporated in Malaysia on 9 July 2012 and principally engaged in investment holding. Titijaya is listed on the Main Market of Bursa Malaysia Securities Berhad. As of the date of this announcement, the total issued share capital of Titijaya is RM693,068,567.00 comprising 1,347,222,140 ordinary shares and 837,051,498 irredeemable convertible preference shares.

#### 3. DETAILS OF THE PROPOSAL

3.1 The principal business of RCSB is property development.

- 3.2 In order to jointly participate with TLA to in the development, construction, promotion and marketing of Project RIVERIA to the Malaysian and foreign market, Titijaya has entered into a shareholders' agreement with TLA and RCSB.
- 3.3 Simultaneously with the execution of the Shareholders' Agreement, RCSB had entered into a share subscription agreement with TLA to issue and allot 600,000 ordinary shares and 39,400,000 Class A Shares in RCSB to TLA ("**Share Subscription Agreement**") for the sum of RM600,000.00 and RM39,400,000.00 respectively and Titijaya shall subscribe for 1,000,000 ordinary shares and 91,933,999 redeemable preference shares ("RPS") for the sum of RM1,000,000.00 and RM91,933,999.00 respectively in RCSB ("**Titijaya Subscription of Shares in RCSB**").

Shareholders	Number of Ordinary Shares (upon completion of subscription)	Percentage of Shareholding
Titijaya	1,400,000*	70
TLA	600,000	30
<b>Total</b>	<b>2,000,000</b>	<b>100</b>

*Note: \* Upon the completion of the Acquisition of Shares in RCSB*

Shareholder	Number of RPS (upon completion of subscription)	Percentage of Shareholding
Titijaya	91,933,999	100

Shareholder	Number of Class A Shares (upon completion of subscription)	Percentage of Shareholding
TLA	39,400,000	100

- 3.4 The salient terms of the Shareholders' Agreement are:-
- (i) The Board of Directors of RCSB ("**RCSB Board**") shall consist of not more than three (3) Directors which shall initially comprise of two (2) persons appointed by Titijaya and one (1) person appointed by TLA. Each Director shall be entitled to appoint any person to act as his alternate at any meeting of the RCSB Board.
  - (ii) Funding for the Business or other requirements of RCSB shall be provided by way of loans from banks or other third parties. In addition, Titijaya and TLA shall be responsible for making available additional funding by way of Titijaya subscribing RPS and TLA subscribing Class A Shares in accordance with the Relevant Ratio and provided always that the funding by Titijaya and TLA shall be injected into RCSB concurrently to the agreed limit by both Titijaya and TLA respectively.
  - (iii) Titijaya is granted a call option to acquire from TLA, and TLA is granted a put option to sell to Titijaya, all of TLA's ordinary shares and Class A Shares in RCSB in accordance with the Shareholders' Agreement.

### 3.5 Business Funding

Pursuant to the Shareholders' Agreement, TLMY Sdn Bhd, a private limited company incorporated in Malaysia and a wholly owned subsidiary of TLA, agreed to a business funding to facilitate Project RIVERIA (as defined in Section 4 below).

The salient terms of the business funding are:-

- (i) RCSB had, on 13 December 2019 entered into a Facility Agreement with TLMY Sdn. Bhd. for a business funding amounting to RM40,000,000.00 for the development of Project RIVERIA which shall be made available to RCSB ("**Facility Agreement**").
- (ii) Following the Facility Agreement, a financial assistance which does not exceed 5% of the net tangible assets of Titijaya Land Berhad Group, is provided to RCSB, a-70% owned subsidiary of Titijaya, where a corporate guarantee is provided to TLMY Sdn Bhd, as due performance, in accordance with the Facility Agreement ("**Corporate Guarantee**").

## 4. RATIONALE FOR THE PROPOSAL

The joint participation of Titijaya and TLA in RCSB will provide Titijaya an opportunity for growth expansion as well as to access to new markets and distribution networks especially to the Japanese with the advantage of having TLA's international presence and experience.

The joint participation with TLA will also further enhance RCSB's development which is currently being carried out to develop one tower of office suites and two towers of serviced apartments development on top of the car park/lobby/shop podium comprising 784 office suites, 1,398 serviced apartments, 24 shop lots, and 2,246 vehicle parking lots with the total built-up area of approximately 2,921,984 square feet built across a leasehold land which is approximately 3.05 acres situated in Brickfields in the district of Kuala Lumpur ("**Project RIVERIA**").

Further, the Board are of the view that the collaboration with TLA in Project RIVERIA will enhance Titijaya's credibility, prestige and reputation, and accords Titijaya with greater recognition amongst investors. From the collaboration with TLA, Titijaya will be able to work with TLA's associates and their associated company to leverage on their vast project expertise in particular to the benefit of Project RIVERIA. This will in turn enhance the attractiveness and marketability of Project RIVERIA which will be beneficial to Titijaya.

Moreover, the collaboration with TLA in Project RIVERIA is also expected to enhance the confidence of Titijaya Land Berhad Group's stakeholders especially customers, business associates, and shareholders, through its profile as a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

## 5. PROSPECTS AND RISK FACTORS

The Proposal does not entail different risks other than those applying to the existing business of Titijaya being an investment holding company and will not have any effect on the issued share capital and substantial shareholdings of Titijaya, The Proposal is also not expected to have a material effect on the net assets per share, earnings per share and gearing of Titijaya Land Berhad Group.

## 6. APPROVALS REQUIRED

The Proposal is not subjected to any approvals of shareholders and the relevant government authorities being obtained.

**7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

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

**8. DIRECTORS' STATEMENT**

The Board, having considered all aspects of the Proposal, is of the opinion that the Proposal is in the best interest of the Company.

**9. ESTIMATED TIMEFRAME FOR THE COMPLETION**

Barring any unforeseen circumstances, the Proposal is expected to be completed by the second quarter of the financial year ending 30 June 2021.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Shareholders' Agreement, Share Subscription Agreement, Facility Agreement and Corporate Guarantee will be made available for inspection at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur during normal office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 16 December 2019.