



City of Reykjavík
c/o The Honorable Mayor, Mr. Dagur B. Eggertsson
Ráðhúsinu við Tjarnargötu 11
101 Reykjavík

H.E. The Honorable Mr. Dagur,

Kuala Lumpur, 21 October 2020

Warmest greetings from Malaysia. I hope the Covid-19 situation is well under control in Iceland and the City of Reykjavik.

2. I had the pleasure to visit Iceland for the first time about three years ago. I instantly fell in love with your country and the beautiful city of Reykjavík. After my visit I was convinced and decided that I wanted my Berjaya Corporation Group of Companies to invest in Iceland, especially in the hotel and resorts industry, which is one of our core businesses.
3. I arrived at this decision based on the following observations:
 - (i) Iceland's pristine environment, natural wonders and charming culture makes the country a unique place to visit.
 - (ii) Its high standards of living can support a thriving tourism industry of well-heeled international travelers (especially from America, Europe and Asia) willing to spend large amounts of tourist dollars to indulge in and savour a truly Nordic experience.
 - (iii) There is a shortage of high end top class hotels (at least 5-star standard) and serviced apartments and an increasing demand for such accommodation in Reykjavik to meet the needs of such upmarket tourists who are accustomed to staying at some of the finest hotels and residences during their travels round the world.
 - (iv) Reykjavik's vibrant city atmosphere and lifestyle and the natural beauty of Iceland's countryside, national parks and landscapes will appeal tremendously to both urban and eco tourists.
4. Having made the decision to invest, I have never looked back. Berjaya has acquired a 75% equity interest in Iceland's flagship hotel chain, Icelandair Hotels, with the option to acquire the remaining 25% interest in two years' time. We have also acquired the Geirsgata

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11 property on the waterfront with the intention to build a five-star hotel and serviced residences in downtown Reykjavik. The enterprise value of our investments amount to over 20 billion ISK (about USD150 million), making Berjaya the single largest foreign investor in Iceland during the last few years. While we will continue to improve and upgrade the operations, standards and product offerings of the Icelandair Hotels chain, Berjaya also wishes to embark as quickly as possible on the proposed hotel development project at its Geirsgata 11 waterfront property.

5. My representative in Iceland, Dr. Tryggvi Thor Herbertsson, has been working for the last one year on securing the necessary permits and approvals to commence our proposed development on the Geirsgata 11 waterfront property. In order to make our project feasible and to commence construction works, we will need to lease part of the plot adjacent to our Geirsgata 11 property from Faxaflóahafnir. We will also need the kind co-operation and support from Faxaflóahafnir and the City of Reykjavík to be able to develop a multi-purpose building that will house a five-star hotel, private residences, serviced apartments and associated support facilities.

6. Dr. Herbertsson has had meetings with your goodself as well as other relevant people within Faxaflóahafnir and the City Government. We have presented preliminary architectural sketches and concept plans during those meetings, which I understand have been well received. Those plans are of course preliminary and we welcome comments and input from your goodself and your team to create an iconic development project on the waterfront.

7. Honorable Mayor, I am writing to request for a dialogue between the City of Reykjavík and my representative Dr. Herbertsson regarding the Geirsgata 11 waterfront project. I wish to make the following project proposal to the City of Reykjavik for the Honorable Mayor's kind consideration:

- Assuming we receive all planning and building permits and approvals on a timely basis, Berjaya expects to commence development with the target of launching operations during the first quarter of 2023. We will endeavor to complete the construction works within 24 months in order to minimize disruption and disturbance on the waterfront area from the construction works.
- We will employ between 500-600 workers during the construction period.
- During the operating period we will employ around 400 to 500 locals as permanent hotel operations and maintenance staff.
- The project cost will be approximately 40 billion ISK (around USD300 million), which should give the City around 600 million ISK annually in property and other taxes in addition to the income taxes which will be paid by the hotel employees to the Iceland tax authorities.



- The improved infrastructure on the waterfront from our project will add value and also facilitate travel within the area.
- Our project will also create new business opportunities and spin-off effects for other industries which will provide support to the hotel operations. Local businesses will also benefit from an influx of wealthy tourists patronizing their establishments.
- The hotel and residences development will be styled to preserve the local Icelandic identity and promote the same to international travelers.

8. I should also add that we have already secured a world class international hotel operator, the Four Seasons Hotel group, to manage and operate the hotel. Berjaya has the experience and track record of partnering with international luxury 5-star hotel brands to develop luxury branded hotels and residences such as our iconic Four Seasons Kyoto Hotel & Hotel Residences in Kyoto, Japan and our Ritz-Carlton Residences in Malaysia.

9. We are also currently expanding our development model with hotel and resort projects in other unique destinations on the island of Okinawa and in Yokohama, Japan. A Four Seasons Hotel on the Reykjavik waterfront will be a guaranteed draw card for international tourists and make the "Land of Fire and Ice" a "must visit" destination on the travel agenda of these wealthy travelers.

10. I sincerely hope that the Honorable Mayor and the City of Reykjavik will continue to be supportive of our Four Seasons Hotel project so that we can realize this iconic project as soon as possible. I believe that with the lifting of international travel restrictions which I am confident will happen sooner rather than later, tourism will once again flourish in Iceland. In the meantime I wish the Honorable Mayor and his colleagues continued good health and wellbeing.

With best regards.

Yours sincerely,



Tan Sri Dato' Seri Vincent Tan Chee Yioun
Founder and Executive Chairman
Berjaya Corporation Group of Companies. Malaysia

cc: Ms. Þórdís Lóa Þórhallsdóttir, Chairman of the City Council Executive Committee, Ms. Kristín Soffía Jónsdóttir, Chairman of Faxaflóahafnir.