



ACCORDIA GOLF TRUST

(Business Trust Registration No. 2014002)
(Constituted under the laws of the Republic of Singapore and
Managed by Accordia Golf Trust Management Pte. Ltd.)

EXTRAORDINARY GENERAL MEETING IN RELATION TO (A) THE PROPOSED DIVESTMENT; AND (B) THE PROPOSED WINDING UP

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS AND QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

The board of directors (the “**Board**”) of Accordia Golf Trust Management Pte. Ltd., as trustee-manager of Accordia Golf Trust (“**AGT**”, and the trustee-manager of AGT, the “**Trustee-Manager**”) refers to the circular despatched or issued to unitholders of AGT (“**Unitholders**”) dated 21 August 2020 (the “**Circular**”) and the announcement titled “*Extraordinary General Meeting in Relation to (A) the Proposed Divestment; and (B) the proposed Winding Up – Frequently Asked Questions*” released on 28 August 2020 (the “**FAQ Announcement**”).

Unless otherwise defined, all capitalised terms used in this Announcement shall bear the same meaning as in the Circular.

The Trustee-Manager would like to thank all Unitholders who submitted their questions in advance of AGT’s EGM to be held virtually via a “live” audio-visual webcast and “live” audio-only stream at 10.30 a.m. (Singapore time) on Monday, 14 September 2020 (or as soon as practicable immediately following the conclusion or adjournment of the AGM). The Trustee-Manager’s responses to substantial and relevant questions received from Unitholders are set out in **Appendix 1**.

In addition to the substantial and relevant questions received from Unitholders, the Trustee-Manager has received certain questions from Securities Investors Association (Singapore) (“**SIAS**”) in relation to the Proposed Divestment and proposed Winding Up and has prepared and is releasing with this Announcement, responses to the said questions. The Trustee-Manager’s responses to SIAS’ questions are set out in **Appendix 2**.

BY ORDER OF THE BOARD

Khoo Kee Cheok
Chairman

Accordia Golf Trust Management Pte. Ltd.
(Company Registration No. 201407957D)
As Trustee-Manager of Accordia Golf Trust

11 September 2020

IMPORTANT NOTICE

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The value of the units in AGT ("**Units**") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Trustee-Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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APPENDIX 1 - SUBSTANTIAL AND RELEVANT QUESTIONS

1. **As set out at paragraph 3.2(e) of the Circular, one of the conditions precedent to be satisfied under the TK Interest Transfer Agreement is that insofar as the Assignment or the acquisition of the membership interests of the TK Operator (which is expected to be consummated simultaneously with the Assignment) triggers a mandatory merger control filing requirement under the Anti-Monopoly Act, a filing having been made to and accepted by the JFTC and JFTC having issued a notice of its intent to not issue a cease and desist order pursuant to Article 9 of the Rules on Applications for Approval, Reporting, Notification, etc. pursuant to the Provisions of Articles 9 to 16 of the Anti-Monopoly Act (JFTC Rule No. 1 of 1953), as amended, or all applicable waiting periods under the applicable antitrust law in respect of the review of the Assignment having expired. Has the condition precedent as set out at paragraph 3.2(e) of the Circular been satisfied?**

Yes, the condition precedent as set out at paragraph 3.2(e) of the Circular has been satisfied.

2. **Assuming the Proposed Divestment and proposed Winding Up are approved by Unitholders, please provide the relevant dates, such as the last day of trading of Units and the expected date of payment for the First Tranche Special Distribution.**

The Trustee-Manager will release further announcements on the relevant dates after the conclusion of the EGM on 14 September 2020.

3. **Assuming that the Proposed Divestment is approved by Unitholders, what are the Trustee-Manager's plans for AGT following Completion?**

Following Completion, AGT will cease to have any operating business and its assets will consist wholly or substantially of cash. As such, AGT will be deemed to be a cash trust for the purpose of Rule 1018 of the Listing Manual. Having considered:

- (a) the rationale for the Proposed Divestment (as set out in paragraph 7 of the Circular); and
- (b) that post-Completion, AGT will continue to incur costs and expenses, including (but not limited to) listing fees and compliance costs which erodes the cash position of AGT,

the Trustee-Manager is of the view that it would not be meaningful for AGT to maintain its existence as a business trust registered under the Business Trusts Act and listing on the SGX-ST. Accordingly, the Trustee-Manager is proposing the Winding Up under Section 45(1) of the Business Trusts Act and the Trust Deed.

In the event that approval for Resolution 1 in relation to the Proposed Divestment is obtained from Unitholders but approval for Resolution 2 in relation to the proposed Winding Up is not obtained, the Trustee-Manager intends to proceed with the Winding Up after Completion nonetheless by way of application of court to wind up AGT.

4. Why are Unitholders not entitled to cash distributions from 1 April 2020 up to Assignment Date?

Accordia Golf had, in the purchase consideration for the Proposed Divestment, taken into account the cash distributions in respect of the TK Interests for the period from 1 April 2020 to Completion. Pursuant to the terms of the Supplemental Deed, Accordia Golf shall be entitled to the distribution of cash by the TK Operator for the period commencing from 1 April 2020 up to the Assignment Date (which is due to be paid on or around 30 November 2020).

Accordingly, Unitholders are not entitled to cash distributions from 1 April 2020 up to the Assignment Date.

APPENDIX 2 – WRITTEN RESPONSES TO SIAS’ QUESTIONS

1. **As noted in the letter to unitholders, the trust successfully divested Village Higashi Karuizawa Golf Course at the start of the year at a gain of more than four times its appraised value as at 31 December 2018.**

In addition, the trust received a non-binding proposal received from Accordia Golf Co. for the divestment of all of the interest in its golf courses in late November 2019. The purchaser is the sponsor and the controlling unitholder of the trust, as well as a controlling shareholder of the trustee-manager.

Based on the circular dated 21 August 2020, the valuation of the golf courses as at 31 May 2020 is JPY5,442 million (approximately S\$70.8 million) lower than the appraised value of the golf courses as at 31 December 2019 of JPY141,806 million (approximately S\$1,845.1 million) which was obtained prior to the widespread outbreak of COVID-19.

Based on the valuation report on the TK Interests Valuation dated 21 August 2020, the valuation of the Trustee-Manager’s TK Interests as at 31 May 2020 is between JPY52,052 million (approximately S\$677.3 million) and JPY59,497 million (approximately S\$774.2 million).

- (i) Given that the valuations of the golf courses and the TK interests have been negatively impacted by the pandemic, has the independent committee considered if it would be beneficial to unitholders to delay the transaction or to include an earn-out based on future profits so that unitholders do not get shortchanged by entering into a disposal of the prime assets when the market sentiments are weak?**

The Independent Committee (comprising all of the Independent Directors) and the ARC had considered the following:

Rationale for the Proposed Divestment

- (a) The Purchase Consideration translates to an implied purchase consideration of S\$0.772 per Unit which represents a premium to various unit price methodologies, the TK Interests Valuation Range on a per Unit basis, AGT’s Adjusted NTA per Unit and AGT’s Adjusted NAV per Unit.
- (b) The binding offer submitted by Accordia Golf was the only definitive offer received by the Trustee-Manager despite the wide market testing process. The Purchase Consideration set out in the TK Interest Transfer Agreement was the negotiated price arrived at with Accordia Golf after extensive negotiations.
- (c) Having regard to the performance of the Unit price and the DPU since the listing of AGT, and the exposure to market risks that AGT faces, the Proposed Divestment enables Unitholders to realise value for their Units now with the declaration of the Special Distributions following Completion.

(Further details of the rationale for the Proposed Divestment are set out in paragraph 7 of the Circular.)

Opinion of the IFA

The opinion of the IFA (as set out in the IFA Letter in **Appendix E** to the Circular) on the Proposed Divestment.

Recommendation of the Joint Financial Advisers

The recommendation of the Joint Financial Advisers is set out in paragraph 13 of the Circular.

Having considered the above, the Independent Committee and the ARC resolved that the Proposed Divestment is based on normal commercial terms and would not be prejudicial to the interests of AGT and its non-interested Unitholders.

Accordingly, the Independent Committee had recommended that Unitholders vote at the EGM in favour of the Proposed Divestment.

There is no certainty that the Trustee-Manager will be able to, or when it will be able to, obtain a better valuation for the Golf Courses or the TK Interests or a higher purchase consideration for the TK Interests in the future. However, in recommending the Proposed Divestment to Unitholders, the Independent Committee has provided Unitholders the opportunity to consider the merits of the Proposed Divestment and vote on the Proposed Divestment.

- (ii) In addition, given that the trust divested Village Higashi Karuizawa Golf Course at a gain of more than four times its appraised value as at 31 December 2018, has the independent committee reviewed the reliability of the valuation reports? What is the assurance that the valuations of the golf courses are not materially understated (as was in the case of Village Higashi Karuizawa Golf Course)?**

The Independent Committee, with the assistance of the Joint Financial Advisers, had appointed Colliers as the valuer to assess the value of the Golf Courses and D&P as the valuer to assess the value of the Trustee-Manager's TK Interests. Colliers and D&P are independent third party valuers that are separate from CBRE K.K. and Tanizawa Sogo Appraisal Co., Ltd., the valuers which the Trustee-Manager had appointed previously to value the Golf Courses. The Independent Committee had reviewed the TK Interests Valuation Report and Golf Courses Valuation Reports prior to their finalisation, including the key assumptions used. The approach used in determining the TK Interests Valuation Range and Golf Courses Valuation were by D&P and Colliers respectively as third party experts.

The income approach based on the discounted cash flow method was used by both D&P and Colliers to conduct the TK Interests Valuation and the Golf Courses Valuation, respectively. The TK Interests Valuation Summary Letter and the Golf Courses Valuation Summary Letter are set out in **Appendices B and C** to the Circular.

The TK Interests Valuation Summary Letter provides the highlights on the key assumptions that have been used for the cash flow projections provided by the Trustee-Manager to D&P. These key assumptions are disclosed in section 4.A. of the TK Interests Valuation Summary Letter and are set out below:

- (a) the Trustee-Manager has projected the TK Operator's cash flows for FY2020/21 based on a revised FY2020/21 forecast prepared in May 2020. In the revised forecast, the revenue assumptions (i.e. number of players, utilisation rate and average revenue per player) and expense assumptions (i.e. reduction in labour and variable expenses) from the original approved budget for FY2020/21 prepared in March 2020 were revised using the Trustee-Manager's best estimate of the impact of the COVID-19 outbreak on the Golf Courses. The revised forecast considered the actual financial performance for the full month of April 2020, which was significantly impacted by the COVID-19 outbreak in Japan, other operational parameters available at the time of its preparation and assumed a gradual recovery over the remaining months of FY2020/21;
- (b) the Trustee-Manager has assumed that projected revenue for NGC from FY2021/22 onwards will be impacted due to the flood prevention infrastructure project by the local authorities. This would result in NGC being reduced from being a 43-hole golf course to a substantially smaller golf course;
- (c) between FY2021/22 and FY2024/2025, in line with the historical trend, the Trustee-Manager has assumed total visitors for the Golf Courses to grow at a CAGR of 0.6% per annum and projected an average golf course utilisation rate of 78.8%;
- (d) D&P understands from the Trustee-Manager that as at 31 May 2020, the TK Operator has put in place cost saving initiatives such as amongst others, changing facility management contracts (i.e. consolidation of external vendors), headcount reduction initiatives and the pooling of resources for all of its golf courses to minimize costs. Accordingly, the Trustee-Manager has projected lower total operating costs (as a percentage of total revenue) during the forecast period between FY2021/22 and FY2024/25, from 76.5% in FY2021/22 to 75.0% in FY2024/25;
- (e) D&P has assessed a WACC of 5.9% to discount the projected cash flows;
- (f) terminal value beyond FY2024/25 has been assessed based on the Gordon Growth Model assuming a terminal year growth rate of 0.5% per annum based on the 3-year CAGR for the TK Operator's revenue between FY2021/22 and FY2024/25; and
- (g) D&P's range of value is arrived at based on a sensitivity analysis on the enterprise value based on a +/-0.20% variation to the base WACC of 5.9%.

Further details on the assumptions have been documented in the TK Interests Valuation Report.

The Golf Courses Valuation valued the Golf Courses as at 31 May 2020 and has reflected known conditions at that time including the initial impact of the COVID-19 outbreak on performance (reflected in a drop of utilisation rates in the month of April) and the subsequent improvement following re-opening of Japan's domestic market in May.

The Golf Courses Valuation Summary Letter provides the highlights on the key assumptions that have been used. Some of the key assumptions from the Golf Courses Valuation Summary Letter are set out below:

- (a) the Golf Courses Valuation is on the basis of Market Value which is intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”. The principle of a market valuation is that certain types of property are designed for a particular purpose. Such properties change hands in the open market at prices based directly on trading potential for existing use;
- (b) in undertaking this valuation, Colliers has used the Income Approach with the method being discounted cash flow, as this is the method normally employed by investors in assessing these types of property;
- (c) the discounted cash flow approach to valuation takes into consideration the dynamic performance and earnings potential of an asset over an extended time frame. Furthermore, the process automatically gives a greater weighting and ascribed value to current anticipated earnings and those for the immediate future and attributes a lower value to earnings anticipated in the medium term and beyond. The income approach is the method normally employed by Colliers 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 golf course property;
- (d) the Trustee-Manager has projected the TK Operator’s cash flows for FY2020/21 based on a revised FY2020/21 forecast prepared in May 2020. In the revised forecast, the revenue assumptions (i.e. number of players, utilisation rate and average revenue per player) and expense assumptions (i.e. reduction in labour and variable expenses) from the original approved budget for FY2020/21 prepared in March 2020 were revised using the Trustee-Manager’s best estimate of the impact of the COVID-19 on the Golf Courses. The revised forecast considered the actual financial performance for the full month of April 2020, which was significantly impacted by the COVID-19 outbreak in Japan, other operational parameters available at the time of its preparation and assumed a gradual recovery over the remaining months of FY2020/21;
- (e) Colliers has assumed that projected revenue for NGC from FY2021/22 onwards will be impacted due to the flood prevention infrastructure project by the local authorities. This would result in NGC being reduced from being a 43-hole golf course to a substantially smaller golf course;
- (f) between FY2021/22 and FY2024/2025, in line with the historical trend, the Trustee-Manager has assumed total visitors for the Golf Courses to grow at a CAGR of 0.6% per annum and projected an average golf course utilisation rate of 78.8%;
- (g) Colliers has assessed a discount rate of between 6.9% to 9.5%, depending on the location, quality and condition of the asset to discount the projected cash flows; and

- (h) terminal value beyond FY2024/25 has been assessed based on the Gordon Growth Model assuming a terminal year growth rate of 0.1% per annum based on Colliers estimates of long-term growth projections.

Both D&P and Colliers have not undertaken any valuation update on the TK Interests Valuation and Golf Courses Valuation respectively beyond 31 May 2020. As the TK Interest Transfer Agreement was entered into in June 2020, the valuations as at 31 May 2020 are the latest practicable date for the valuations.

Copies of the TK Interests Valuation Report and the Golf Courses Valuation Report which includes the assumptions used by D&P and Colliers at arriving at the TK Interests Valuation Range and Golf Courses Valuation respectively are available for inspection during normal business hours at the registered office of the Trustee-Manager at 80 Robinson Road, #22-03A, Singapore 068898 from the date of the Circular up to and including the date falling three months thereafter.¹

Please see paragraph 5 of the Circular for further details.

(iii) Has the independent committee considered the option of optimising its portfolio by disposing underperforming golf courses and keeping its core assets versus an outright sale of the entire portfolio?

Following the receipt of the Non-Binding Proposal, the Independent Committee, with the assistance of the Joint Financial Advisers, had undertaken a wide market testing process during which the Joint Financial Advisers had reached out to a number of selected parties, including strategic investors from leisure and/or golf course industries worldwide and large financial investors with exposure to real estate, hospitality and/or golf course industries to obtain indications of interest for the Golf Courses, the TK Interests and/or AGT.

The Independent Committee and the Joint Financial Advisers conducted a wide market testing process and despite the disruption caused by the COVID-19 outbreak and resultant economic slowdown and uncertain global outlook, obtained a confidential non-binding indicative proposal from another third-party bidder. The confidential non-binding indicative proposal was subject to a number of customary conditions, including the satisfactory completion of due diligence.

This third-party bidder subsequently undertook extensive due diligence investigations on AGT and the Golf Courses but eventually decided to withdraw from the process and did not submit a definitive proposal due to the COVID-19 outbreak and its impact on the economy and golf course industry.²

The binding offer submitted by Accordia Golf was thus the only definitive offer received by the Trustee-Manager and this offer was for AGT's interests in all (and not some only) of its Golf Courses.

¹ Prior appointment with the Trustee-Manager is required. Please contact AGT investor relations (Tel: +65 6592 1050).

² Please refer to paragraphs 6.5 and 7.3 of the Circular for further details on the impact of the COVID-19 outbreak on the golf course industry and the impact on AGT's golf course business.

The valuation reports are based on the key assumptions that were used in the cash flow projections provided by the trustee-manager to the valuers. The key assumptions included:

- **total visitors for the golf courses to grow at a compound annual growth rate of 0.6% per annum**
- **projected average golf course utilisation rate of 78.8%**
- **lower projected revenue for the Nishikigahara golf course as a result of reduction in number of holes to support flood prevention efforts by the local government (although management has stated that they are hopeful that the project may be further delayed due to the pandemic)**

(iv) What was the role of the independent committee in determining the key assumptions used in the valuation?

Please see the Trustee-Manager's response at paragraph 1(ii) above.

(v) What were the other key assumptions used in the cash flow projections that would affect the valuation, for example, the projection for revenue per player?

Please see the Trustee-Manager's response at paragraph 1(ii) above.

(vi) Can the independent committee show the sensitivity analysis of the key assumptions to help unitholders understand the impact on the valuation?

Please see the Trustee-Manager's response at paragraph 1(ii) above.

(vii) What is the basis for using a weighted average cost of capital of 5.9%?

The WACC of 5.9% used by D&P to discount the projected cash flows was based on the Capital Asset Pricing Model and their own assessment of risks.

For further details of D&P's WACC calculation, please see Exhibit 3 of the TK Interests Valuation Report, which is available for inspection during normal business hours at the registered office of the Trustee-Manager at 80 Robinson Road, #22-03A, Singapore 068898 from the date of the Circular up to and including the date falling three months thereafter.³

As disclosed, the Independent Committee and the Joint Financial Advisers conducted a wide market testing process that resulted in only one confidential non-binding indicative proposal from another third-party bidder that was received in February 2020.

³ Prior appointment with the Trustee-Manager is required. Please contact AGT investor relations (Tel: +65 6592 1050).

As recently as October 2019, the trust was profiled by SGX in its “10 Questions in 10 Minutes”. Accordia Golf and Accordia Golf Trust (combined) operate 134 golf courses, or about 6% of the market, marginally trailing the market leader (PGM Group) which has 138 golf courses, although the owner of Accordia Group had acquired ORIX Golf Management Corporation in March 2019 which has since been renamed “Next Golf Management”.

(viii) Can the independent committee help unitholders understand the “wide market testing process” that was carried out by the Joint Financial Advisors?

Please see the Trustee-Manager’s response at paragraph 1(iii) above.

(ix) Specifically, did the independent committee approach PGM Group given the strategic value of the trust’s 88 golf courses?

As the wide market testing process was undertaken on a confidential basis, the Trustee-Manager is unable to answer this question.

2. On 28 July 2020, the trust announced that it had received a letter from Hibiki Path Advisors Pte. Ltd. and certain unitholders to convene an extraordinary general meeting pursuant to Section 54 of the Business Trusts Act to consider several resolutions, which included:

- **That since Daiwa Securities Group (“DSG”) is a Unitholder and a vested interest party to the Proposed Divestment, DSG will exclude itself from voting in the EGM and abstain from voting**
- **That the Trustee-Manager should disclose to the Unitholders the fee tables to Daiwa Real Estate Asset Management Co. Ltd. and Accordia Golf annually since inception**

As set out in Paragraph 4.2 in the circular to unitholders, there are ongoing relationships between the trust/the trustee-manager and Daiwa Group since the IPO. Daiwa PI Partners Co. Ltd., a subsidiary of Daiwa Group, holds 5.36% of the total outstanding units in issue.

As disclosed, the trustee-manager is of the view that Daiwa PI should be able to vote on the proposed divestment. The reasons can be found on pages 47-48 of the EGM circular dated 21 August 2020.

(i) Can the independent committee help unitholders understand if it is appropriate for the trustee-manager (and not the independent committee) to justify that Daiwa PI should be able to vote given that the trustee-manager is 51%-owned by Daiwa Real Estate Asset Management Co., Ltd. (DREAM), a wholly-owned subsidiary of Daiwa Group?

Daiwa Group does not have any shareholding or other interest in Accordia Golf or its related corporations. Therefore, the Proposed Divestment is not an interested person transaction under Chapter 9 of the Listing Manual of the SGX-ST vis-à-vis Daiwa Group. Accordingly, the Trustee-Manager is in a position to consider this issue.

Further, as disclosed in the trust's prospectus dated 21 July 2014, the asset manager, namely DREAM (the real estate asset management arm of Daiwa Securities Group), has been the asset manager of the trust, receiving a base fee being 0.066% per annum of the appraisal value of all the golf courses, golf driving ranges and other assets. This has not been highlighted by the trustee-manager nor the independent committee in the deliberation on allowing Daiwa PI to vote on the proposed resolutions.

- (ii) **Can the independent committee clarify if it had considered how the asset management agreement between DREAM and the TK Operator may put, or perceived to put, Daiwa PI in a position of conflict?**

DREAM's role as the asset manager had been taken into consideration and, as disclosed at page 48 of the Circular, DREAM will not be paid any disposal fee in relation to the Asset Management Agreement arising from the Proposed Divestment as the Proposed Divestment does not involve a disposal of the Golf Courses by the TK Operator.

For the avoidance of doubt, the disposal fee is different from the Divestment Fee, which the Trustee-Manager is entitled to receive under the Trust Deed. Arising from its 51.0% shareholding in the Trustee-Manager, DREAM's only interest in the Proposed Divestment is the Trustee-Manager's entitlement to a Divestment Fee. However, this divestment fee arrangement was already in place at Listing and disclosed in the Prospectus, and is not a result of Daiwa Group's involvement as joint financial adviser or a specific arrangement arising from the Proposed Divestment.

- (iii) **Given the numerous relationships Daiwa Group has with the trust, the trustee-manager and the offeror, would the independent committee reconsider if the Daiwa Group should abstain so that proposed disposal will depend on how independent minority unitholders vote?**

As there is no requirement under the Listing Manual for Daiwa PI to abstain from voting on the Proposed Divestment, the Trustee-Manager is not in a position to disenfranchise Daiwa PI, as a Unitholder, from voting. The views of the Trustee-Manager on this matter are already set out at pages 47 and 48 of the Circular after due consideration and there is no change to the views of the Trustee-Manager on this issue.

3. **Should unitholders approve the proposed disposal of the golf courses, the trustee-manager will distribute:**

- (a) **the First Tranche Special Distribution of at least JPY59,984 million (approximately S\$780.5 million), representing 92% of the Purchase Consideration, within 25 business days of the Assignment Date; and**
- (b) **subject to there being no claims by Accordia Golf by the Claim Expiry Date, the Second Tranche Special Distribution of at least JPY3,260 million (approximately S\$42.4 million), representing 5% of the Purchase Consideration, within 25 business days after the Claim Expiry Date.**

The claim expiry date is (i) the date falling three months after the Assignment Date or (ii) the date of Accordia Golf's written notice to the Trustee-Manager confirming that it has no claims against the Trustee-Manager and has no intention of filing any claims in the future, whichever is earlier.

- (i) Given that the purchaser is the controlling unitholder of the trust and a substantial shareholder of the trustee-manager, can the independent committee help unitholders understand why it was necessary to include a claim period in the proposed transaction?**

The Claim Expiry Date was negotiated (as part of the package of terms) with Accordia Golf on an arm's length basis.

- (ii) Would the independent committee consider asking the purchaser to waive the claim period so that the Second Tranche Special Distribution can be paid out to unitholders as soon as possible?**

Under the TK Interest Transfer Agreement, the Trustee-Manager is required to distribute to Unitholders the Second Tranche Special Distribution, subject to there being no claims by Accordia Golf by (i) the date falling three months after the Assignment Date or (ii) the date of Accordia Golf's written notice to the Trustee-Manager confirming that it has no claims against the Trustee-Manager and has no intention of filing any claims in the future, whichever is earlier. Hence, the Second Tranche Special Distribution can be paid out earlier if Accordia Golf provides the aforementioned written notice. However, it is up to Accordia Golf to decide whether it wishes to waive the claim period.

Also, as disclosed in the circular, the trustee-manager does not currently intend to enter into hedging arrangements to fix the JPY-S\$ exchange rate to hedge the Purchase Consideration.

- (iii) Would the trustee-manager help unitholders understand the cost of carrying out a JPY-S\$ hedge?**

The Trustee-Manager had not entered into any hedging arrangement as Completion and receipt of the Purchase Consideration is subject to satisfaction of various conditions precedent, including Unitholders' approval for the Proposed Divestment. As the costs of hedging arrangements are incurred at the time the arrangement is entered into, having considered the short period between the time of the EGM (14 September 2020) and the time of Completion (no later than 30 September 2020), the Trustee-Manager decided not to enter into any hedging arrangements to hedge the Purchase Consideration.

- (iv) In not hedging the JPY-S\$ exchange rate, is the trustee-manager taking the view that JPY would be relatively strong in the next 3-6 months?**

Please see the Trustee-Manager's response to question 3(iii) above.

Additional comment/question: In the trust's announcement, it was stated that SRS investors who wish to appoint the Chairman of the AGM and EGM as proxy should approach their SRS

operator to submit their votes by 5.00 p.m. (Singapore time) on 2 September 2020. Given that the AGM and EGM are scheduled to be held on 14 September 2020, is the cut-off excessive and would unduly prevent unitholders who hold units in their SRS accounts to vote on the resolutions? Have the SRS unitholders been given the requisite notice period, especially as the proposed winding up resolution is a special resolution?

Pursuant to paragraph 5.2 of the joint statement released by the Accounting and Corporate and Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation titled "*Additional Guidance on the Conduct of General Meetings During Safe Management Period*" dated 13 April 2020 and updated on 22 June 2020 (the "**Additional Guidance Announcement**"), SRS investors should be informed that if they wish to vote, they should approach their SRS operators to submit their votes at least seven working days before the general meeting. The cut-off time of 5.00 p.m. (Singapore time) on 2 September 2020 is seven clear working days from the date of the EGM on 14 September 2020 and is consistent with the requirements under paragraph 5.2 of the Additional Guidance Announcement. Accordingly, the cut-off time is not determined by the Trustee-Manager.