

CIRCULAR DATED 21 AUGUST 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this circular to unitholders of Accordia Golf Trust ("AGT", and unitholders of AGT, "Unitholders") dated 21 August 2020 (this "Circular"). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your units in AGT ("Units"), you should immediately inform the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form) may be accessed at AGT's website at <http://www.agtrust.com.sg/>, and is also available on the website of the SGX-ST at www.sgx.com/securities/company-announcements.



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.)

CIRCULAR TO UNITHOLDERS IN RELATION TO

- (1) THE PROPOSED DIVESTMENT OF AGT'S INTERESTS IN ALL OF ITS GOLF COURSES TO ACCORDIA GOLF CO., LTD.; AND**
- (2) THE PROPOSED WINDING UP OF AGT.**

Joint Financial Advisers to the Independent Committee (as defined herein)



**Independent Financial Adviser
to the Audit and Risk Committee and the Independent Directors
of the Trustee-Manager (each as defined herein)**



CIMB BANK BERHAD (13491-P)

SINGAPORE BRANCH
(Incorporated in Malaysia)

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Pre-registration period	:	From 21 August 2020 to 12 September 2020, 10.30 a.m. ¹
Last date and time for lodgement of Proxy Forms	:	12 September 2020 at 10.30 a.m. (Singapore time)
Date and time of Extraordinary General Meeting	:	14 September 2020 at 10.30 a.m. (Singapore time) (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of AGT)
Place of Extraordinary General Meeting	:	To be convened and held by way of electronic means

¹ In view of the COVID-19 situation, the Extraordinary General Meeting will be convened via electronic means and the Unitholders must pre-register at AGT's pre-registration website from 21 August 2020 to 12 September 2020, 10.30 a.m. (Singapore time) to enable the Trustee-Manager to verify their status as Unitholders of AGT and to observe and/or listen to the Extraordinary General Meeting proceedings. Please refer to paragraph 18 of the Letter to Unitholders for more details.

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CORPORATE INFORMATION

Directors of the Trustee-Manager (“Directors”)	:	Mr Khoo Kee Cheok (Chairman and Independent Director) Mr Yoshihiko Machida (Chief Executive Officer and Executive Director) Mr Toyo Nakanishi (Executive Director) Mr Chong Teck Sin (Independent Director) Mr Hitoshi Kumagai (Independent Director)
Independent Committee of the Trustee-Manager (the “Independent Committee”)	:	Mr Khoo Kee Cheok (Chairman and Independent Director) Mr Chong Teck Sin (Independent Director) Mr Hitoshi Kumagai (Independent Director)
Trustee-Manager	:	Accordia Golf Trust Management Pte. Ltd. 80 Robinson Road #22-03A Singapore 068898
Registered Office of AGT	:	80 Robinson Road #22-03A Singapore 068898
Legal Adviser to the Trustee-Manager (as trustee-manager of AGT)	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Independent Committee	:	Wong Tan & Molly Lim LLC 80 Robinson Road #17-02 Singapore 068898
Joint Financial Advisers to the Independent Committee (the “Joint Financial Advisers”)	:	Ernst & Young Corporate Finance Pte Ltd (“EYCF”) One Raffles Quay North Tower Level 18 Singapore 048583 Daiwa Capital Markets Singapore Limited (“Daiwa CM SG”) 7 Straits View Marina One East Tower #16-05/06 Singapore 018936
Independent Financial Adviser to the Audit and Risk Committee and the Independent Directors of the Trustee-Manager (the “IFA”)	:	CIMB Bank Berhad, Singapore Branch (“CIMB”) 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623

Tax Adviser to the Trustee-Manager	:	EY Corporate Advisors Pte. Ltd. One Raffles Quay North Tower, Level 18 Singapore 048583
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Valuer of the Golf Courses (as defined herein) in relation to the Proposed Divestment (as defined herein)	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd. 12 Marina View Asia Square Tower 2 #19-02 Singapore 018961
Valuer of the Trustee-Manager's TK Interests (as defined herein) in relation to the Proposed Divestment	:	Duff & Phelps Singapore Pte Ltd Ocean Financial Centre 10 Collyer Quay #05-04/05 Singapore 049315

OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 61 to 72 of this Circular.

Accordia Golf Trust Management Pte. Ltd., in its capacity as trustee-manager of AGT (the “**Trustee-Manager**”), had, on 29 June 2020, entered into a conditional agreement (the “**TK Interest Transfer Agreement**”) with Accordia Golf Co., Ltd. (“**Accordia Golf**”), pursuant to which the Trustee-Manager agreed to divest to Accordia Golf AGT’s interests in all of its 88 golf courses located in Japan (the “**Golf Courses**”) through the assignment (the “**Assignment**”) of all of the Trustee-Manager’s rights and obligations (“**TK Interests**”) under the existing Japanese *tokumei kumiai* agreement between the Trustee-Manager and the *tokumei kumiai* operator, Accordia Golf Asset Godo Kaisha (“**AGA**” or the “**TK Operator**”) dated 27 June 2014 (as amended from time to time) (the “**TK Agreement**”) for a fixed purchase consideration of JPY61,800 million (approximately S\$804.1 million¹) (the “**Proposed Divestment**”).

Accordia Golf subsequently agreed to an increase in the purchase consideration to a fixed amount of JPY65,200 million (approximately S\$848.4 million) (the “**Purchase Consideration**”) and the Trustee-Manager had, on 7 August 2020 entered into a supplemental deed to the TK Interest Transfer Agreement (the “**Supplemental Deed**”) in relation thereto. For avoidance of doubt, references to the TK Interest Transfer Agreement in this Circular shall mean the TK Interest Transfer Agreement as amended by the Supplemental Deed.

In addition, the Trustee-Manager and Accordia Golf had received undertakings dated 7 August 2020 (the “**Irrevocable Undertakings**”) from each of Hibiki Path Advisors Pte. Ltd. (“**Hibiki**”) and Santa Lucia Asset Management Pte. Ltd. (“**Santa Lucia**”) to, among others, vote in favour for the Proposed Divestment (further details are set out at paragraph 12 of the Letter to Unitholders). As at the date of the Irrevocable Undertakings, Hibiki had an aggregate interest (direct and indirect) in 83,641,900 Units, being approximately 7.61% of the total outstanding Units in issue and Santa Lucia had an aggregate interest (direct and indirect) in 33,900,000 Units, being approximately 3.08% of the total outstanding Units in issue.

The Purchase Consideration was agreed after arm’s length negotiations between the Trustee-Manager and Accordia Golf, and was based on a willing-buyer willing-seller basis, after taking into account the various factors as set out in paragraph 7 of the Letter to Unitholders (being a reasonably attractive option for AGT to realise the value of its TK Interests and for Unitholders to unlock the value of their Units, the advantages of the Proposed Divestment relative to maintaining a listed platform, and the elimination of exposure by Unitholders to market risks).

The Purchase Consideration of JPY65,200 million (approximately S\$848.4 million) is JPY2,033 million (approximately S\$26.5 million) higher than the indicative consideration of JPY63,167 million (approximately S\$821.9 million) as set out in the Non-Binding Proposal (as defined herein).

¹ Based on the illustrative exchange rate of S\$1.00 to JPY76.8545, being the exchange rate at 5:00 p.m. on Bloomberg L.P. on 26 June 2020, being the last trading day preceding the date of the TK Interest Transfer Agreement (the “**Illustrative Exchange Rate**”). Unless otherwise stated, all conversions of Japanese yen amounts into Singapore dollars in this Circular shall be based on the Illustrative Exchange Rate and all amounts in Singapore dollars in this Circular shall, where such amount exceeds one million, be rounded to one decimal place. The Trustee-Manager does not currently intend to enter into hedging arrangements to fix the JPY-S\$ exchange rate to hedge the Purchase Consideration.

The Purchase Consideration translates to an implied purchase consideration of S\$0.772 per Unit¹, which represents:

- 36.6% premium to the closing price of S\$0.565 per Unit on 23 June 2020, being the last full trading day immediately prior to the update announcement by AGT on the Proposed Divestment released on 23 June 2020 (the “**Last Announcement Day**”), 30.7% premium to the one-month volume-weighted average price (“**VWAP**”) per Unit of S\$0.591, and 40.8% premium to the three-month VWAP per Unit of S\$0.548, in each case, up to and including the Last Announcement Day;
- 28.6% premium to the closing price of S\$0.600 per Unit on 27 November 2019, being the last full trading day immediately prior to AGT’s announcement of receipt of the Non-Binding Proposal (the “**Last Unaffected Trading Day**”), 28.5% premium to the one-month VWAP per Unit of S\$0.601, and 35.0% premium to the three-month VWAP per Unit of S\$0.572, in each case, up to and including the Last Unaffected Trading Day;
- 9.6% and 25.3% premium to the TK Interests Valuation Range (as defined herein) on a per Unit basis of between approximately S\$0.616 to S\$0.704;
- 19.4% premium to AGT’s adjusted² net tangible assets (“**NTA**”, and the adjusted NTA, the “**Adjusted NTA**”) per Unit of approximately S\$0.646 based on the audited consolidated financial results for the financial year ended 31 March 2020 (“**FY2019/20**”) and 18.2% premium to AGT’s adjusted³ NTA (“**Q1 Adjusted NTA**”) per Unit of approximately S\$0.653 based on the financial update for the first financial quarter ended 30 June 2020 (“**Q1 FY2020/21**”); and
- 11.2% premium to AGT’s adjusted⁴ net asset value (“**NAV**”, and the adjusted NAV, the “**Adjusted NAV**”) per Unit of approximately S\$0.694 based on the audited consolidated financial results for FY2019/20 and 10.2% premium to AGT’s adjusted⁵ NAV (“**Q1 Adjusted NAV**”) per Unit of approximately S\$0.701 based on the financial update for Q1 FY2020/21.

1 Derived by dividing the Purchase Consideration by the total number of outstanding Units of 1,099,122,000. The implied purchase consideration per Unit is illustrative and is not intended to represent the distribution per Unit to be received by Unitholders arising from the Proposed Divestment.

2 AGT’s adjusted NTA of JPY54,599 million (approximately S\$710.4 million) is based on the audited consolidated financial results for FY2019/20 and adjusted for the distributions to Unitholders in respect of the period from 1 October 2019 to 31 March 2020 (“**2H FY2019/20 Distribution**”) paid on 29 June 2020 and the distribution of the Special Reserves (as defined herein) as announced on 23 June 2020 (the “**23 June 2020 Announcement**”) by the TK Operator to the existing TK Investors (including the Trustee-Manager) and such sum received and distributed by the Trustee-Manager as a special distribution which, after deducting Japanese withholding tax of approximately JPY245.1 million, shall be a net amount of JPY954.9 million (which will be converted into approximately S\$12.3 million pursuant to the hedging arrangement entered into by the Trustee-Manager to convert the Japanese yen amount received from the TK Operator into Singapore dollars for distribution to Unitholders) (the “**Supplemental Distribution**”). See “*Overview – The Proposed Divestment*” of this Circular for further details on the Supplemental Distribution.

3 AGT’s adjusted NTA of JPY55,153 million (approximately S\$717.6 million) is based on the financial update for Q1 FY2020/21 and adjusted for the Supplemental Distribution.

4 AGT’s adjusted NAV of JPY58,645 million (approximately S\$763.1 million) is based on the audited consolidated financial results for FY2019/20 and adjusted for the 2H FY2019/20 Distribution paid on 29 June 2020 and the Supplemental Distribution. See “*Overview – The Proposed Divestment*” of this Circular for further details on the Supplemental Distribution.

5 AGT’s adjusted NAV of JPY59,191 million (approximately S\$770.2 million) is based on the financial update for Q1 FY2020/21 and adjusted for the Supplemental Distribution.

Following Completion (as defined herein), 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 of the SGX-ST (the “**Listing Manual**”). Having considered:

- (a) the rationale for the Proposed Divestment (as set out in paragraph 7 of the Letter to Unitholders); 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, Chapter 31A of Singapore (the “**Business Trusts Act**” or “**BTA**”) and listing on the SGX-ST. Accordingly, the Trustee-Manager is proposing the winding up of AGT (the “**Winding Up**”) under Section 45(1) of the Business Trusts Act and the Trust Deed.

In the event that Resolution 2 (as set out below) in connection with the proposed Winding Up is approved by Unitholders, the implied liquidation value¹ of AGT, which is computed by deducting the payments amounting to S\$9.3 million as set out in paragraph 9.2 of the Letter to Unitholders from the Purchase Consideration and the Cash Balance of AGT (as defined herein) of S\$3.8 million, translates to approximately S\$0.767 per Unit (the “**Implied Liquidation Value**”) and represents:

- 35.7% premium to the closing price of S\$0.565 per Unit on the Last Announcement Day, 29.9% premium to the one-month VWAP per Unit of S\$0.591, and 39.9% premium to the three-month VWAP per Unit of S\$0.548, in each case, up to and including the Last Announcement Day;
- 27.8% premium to the closing price of S\$0.600 per Unit on the Last Unaffected Trading Day, 27.7% premium to the one-month VWAP per Unit of S\$0.601, and 34.1% premium to the three-month VWAP per Unit of S\$0.572, in each case, up to and including the Last Unaffected Trading Day;
- 8.9% and 24.5% premium to the TK Interests Valuation Range on a per Unit basis of between approximately S\$0.616 to S\$0.704;
- 18.6% premium to AGT’s Adjusted NTA per Unit of approximately S\$0.646 based on the audited consolidated financial results for FY2019/2020 and 17.5% premium to AGT’s Q1 Adjusted NTA per Unit of approximately S\$0.653 based on the financial update for Q1 FY2020/21; and
- 10.5% premium to AGT’s Adjusted NAV per Unit of approximately S\$0.694 based on the audited consolidated financial results for FY2019/20 and 9.4% premium to AGT’s Q1 Adjusted NAV per Unit of approximately S\$0.701 based on the financial update for Q1 FY2020/21.

¹ As the Implied Liquidation Value is computed by deducting the payments set out in paragraph 9.2 of the Letter to Unitholders from the Purchase Consideration and the Cash Balance of AGT, and the payments are higher than the Cash Balance of AGT, the Implied Liquidation Value is therefore lower than the implied purchase consideration of S\$0.772 per Unit. For avoidance of doubt, it does not include any cash distributions in respect of the TK Interests from 1 April 2020 to the completion of the Proposed Divestment.

BACKGROUND

Following the receipt of the non-binding proposal by the Trustee-Manager from Accordia Golf for the divestment of AGT's interests in all of its Golf Courses (the "**Non-Binding Proposal**") as announced on 28 November 2019 (the "**Non-Binding Proposal Date**"), the Trustee-Manager formed an Independent Committee (comprising the independent Directors of the Trustee-Manager, being Mr Khoo Kee Cheok, Mr Chong Teck Sin and Mr Hitoshi Kumagai (the "**Independent Directors**")) to assess and review the Non-Binding Proposal and any proposed terms of the Non-Binding Proposal, and appointed the Joint Financial Advisers to assist with its evaluation of the Non-Binding Proposal and to obtain indications of interest from the market for AGT's interests in its Golf Courses.

The Trustee-Manager had, following arm's length negotiations with Accordia Golf, entered into the TK Interest Transfer Agreement on 29 June 2020 with Accordia Golf, pursuant to which the Trustee-Manager will assign all of its TK Interests to Accordia Golf for the Purchase Consideration in cash. On 7 August 2020, the Trustee-Manager and Accordia Golf entered into the Supplemental Deed which, among others, increased the purchase consideration to be received by the Trustee-Manager from JPY61,800 million (approximately S\$804.1 million) to JPY65,200 million (approximately S\$848.4 million) (further details are set out at paragraph 3 of the Letter to Unitholders). References to the TK Interest Transfer Agreement in this Circular shall mean the TK Interest Transfer Agreement as amended by the Supplemental Deed.

The binding offer submitted by Accordia Golf was the only definitive offer received by the Trustee-Manager and this offer was subsequently negotiated until its final form with the principal terms as set out in paragraph 3 of the Letter to Unitholders. The Independent Committee, the Joint Financial Advisers led by EYCF and the legal adviser to the Trustee-Manager were involved in the arm's length negotiations with Accordia Golf and its financial and legal advisers. As none of the Independent Committee, the Joint Financial Advisers and the legal adviser to the Trustee-Manager have any shareholding or other interest in Accordia Golf or its related corporations, the Proposed Divestment is not an interested person transaction under Chapter 9 of the Listing Manual vis-à-vis each of them.

As at 14 August 2020 (the "**Latest Practicable Date**"), other than one confidential non-binding indicative proposal from another third-party bidder received in February 2020, the Trustee-Manager has also not received any unsolicited offers from third parties for the acquisition of AGT's Golf Courses, the TK Interests and/or AGT even though the receipt of the Non-Binding Proposal has been public information since 28 November 2019.

The Proposed Divestment constitutes an "interested person transaction" under Chapter 9 of the Listing Manual, which requires the approval of the independent unitholders of AGT under Rule 906 of the Listing Manual (further details are set out at paragraph 11.1 of the Letter to Unitholders). In addition, the Proposed Divestment also constitutes a "major transaction" under Chapter 10 of the Listing Manual (further details are set out at paragraph 11.2 of the Letter to Unitholders). Accordingly, the Proposed Divestment is conditional upon, among others, approval from Unitholders.

INFORMATION ON AGT

AGT is a business trust constituted in the Republic of Singapore pursuant to a trust deed dated 16 June 2014 (as amended and restated) (the "**Trust Deed**"). AGT was listed on the SGX-ST on 1 August 2014 and has the principal investing strategy, directly or indirectly, of owning a portfolio of stabilised, income-generating golf courses, driving ranges and golf course related assets worldwide.

(Further details are set out at paragraph 2.2 of the Letter to Unitholders.)

APPROVALS SOUGHT

The Trustee-Manager is convening an extraordinary general meeting (“**EGM**”) to seek the approval from Unitholders by way of the following resolutions:

- (a) **Resolution 1 (By Ordinary Resolution¹)** : the Proposed Divestment; and
- (b) **Resolution 2 (By Special Resolution²)** : subject to the passing of Resolution 1, the proposed Winding Up following Completion.

THE PROPOSED DIVESTMENT

Purchase Consideration

The Purchase Consideration payable by Accordia Golf to AGT in connection with the Proposed Divestment is a fixed amount of JPY65,200 million (approximately S\$848.4 million) in cash. The Purchase Consideration does not include the sum of JPY1,200 million set aside by the TK Operator as special reserves for operations as set out in the audited consolidated financial results for FY2019/20 (the “**Special Reserves**”). The TK Operator shall be entitled to and will distribute the entire amount of the Special Reserves to the existing TK Investors (including the Trustee-Manager), subject to any applicable withholding tax and the Trustee-Manager is entitled to distribute such sums received to the Unitholders.³ After deducting the amounts due by the TK Operator to Mizuho Securities Co., Ltd.⁴ and Japanese withholding tax⁵ of approximately JPY245.1 million, the net amount available for distribution by the TK Operator to the Trustee-Manager (as a TK Investor) is approximately JPY954.9 million. The Trustee-Manager will distribute the entire amount of JPY954.9 million (which will be converted into approximately

1 “**Ordinary Resolution**” means a resolution proposed and passed as such by a majority being more than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

2 “**Special Resolution**” means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

3 The Trustee-Manager had on 23 June 2020 announced its intention to declare the distribution to Unitholders of the amount received from the distribution by the TK Operator of the Special Reserves, being the Supplemental Distribution. The payment of the Supplemental Distribution is independent of the Proposed Divestment as it is made from the Special Reserves and not from proceeds of the Proposed Divestment which will be applied towards the Special Distributions. Details of the Supplemental Distribution are set out at page 16 of this Circular. For avoidance of doubt, Accordia Golf will not receive any distribution from the TK Operator in respect of the Special Reserves and its only entitlement is as a Unitholder (and not as purchaser under the Proposed Divestment) when the Trustee-Manager makes payment of the Supplemental Distribution to all Unitholders.

4 As disclosed in AGT’s prospectus dated 21 July 2014 (the “**Prospectus**”), Mizuho Securities Co., Ltd., a “qualified institutional investor” (“**QII**”) under the FIEA, made contributions to the TK Business (as defined herein) of approximately 0.01% of the aggregate contributions to the TK Business in order to satisfy certain regulatory requirements under the FIEA.

5 As disclosed in the annual reports of AGT since Listing, the shareholder of the TK Operator and QII are entitled to 1% and 0.01% of the allocated profits and losses of the TK Operator and AGT is entitled to the remaining 98.99%, and there is a 20.42% Japanese withholding tax on distributions from the TK Operator. Such deductions are made even for AGT’s periodic semi-annual distributions. As disclosed in the Prospectus, the TK Operator, TK Investor and QII had each made contributions to the TK Business amounting to approximately 0.6%, 99.39% and 0.01% of the aggregate contributions to the TK Business (“**Aggregate Contributions to the TK Business**”) respectively. Although the TK Operator made approximately 0.6% of the Aggregate Contributions to the TK Business but receives 1.0% of the distributable income, the higher percentage received is necessary so that the TK Operator receives sufficient funds to pay the local taxes required to be borne by the TK Operator and yet retain sufficient profits which is necessary for the TK Operator to remain as an entrepreneur in respect of the TK Business. However, the TK Operator does not need to receive cash at every distribution made by the TK Operator so long as it has sufficient funds to pay the local taxes. In the case of the distribution of the Special Reserves, as the TK Operator does not need to receive cash, the available excess cash is allocated only to the TK Investors (i.e. the QII and AGT) even though the TK Operator will still be allocated the profits for accounting purposes.

S\$12.3 million pursuant to the hedging arrangement entered into by the Trustee-Manager to convert the Japanese yen amount received from the TK Operator into Singapore dollars for distribution to Unitholders) as the Supplemental Distribution to Unitholders. ,

The Trustee-Manager has obtained consent from the lenders to the TK Operator¹ for the TK Operator to pay out the Special Reserves. As announced by the Trustee-Manager on 21 August 2020, the Transfer Books and Register of Unitholders of AGT will be closed at 5.00 p.m. on 1 September 2020 for the purpose of determining each Unitholder's entitlement to the Supplemental Distribution. The payment of the Supplemental Distribution will be made on 8 September 2020.²

The payment of the Supplemental Distribution is independent of the Proposed Divestment as it is made from the Special Reserves and not from proceeds of the Proposed Divestment which will be applied towards the Special Distributions. For avoidance of doubt, Accordia Golf will not receive any distribution from the TK Operator in respect of the Special Reserves and its only entitlement is as a Unitholder (and not as purchaser under the Proposed Divestment) when the Trustee-Manager makes payment of the Supplemental Distribution to all Unitholders.

The Purchase Consideration was agreed after arm's length negotiations between the Trustee-Manager and Accordia Golf, and was based on a willing-buyer willing-seller basis, after taking into account the various factors as set out in paragraph 7 of the Letter to Unitholders (being a reasonably attractive option for AGT to realise the value of its TK Interests and for Unitholders to unlock the value of their Units, the advantages of the Proposed Divestment relative to maintaining a listed platform, and the elimination of exposure by Unitholders to market risks).

Appointment of Joint Financial Advisers

The appointments of the Joint Financial Advisers, being EYCF and Daiwa CM SG, were announced on 20 December 2019. AGT and the Trustee-Manager have the following ongoing relationships with Daiwa Securities Group Inc. and its subsidiaries ("**Daiwa Group**") since the initial public offering of AGT on the SGX-ST ("**Listing**"):

- (i) a wholly-owned subsidiary of Daiwa Group, Daiwa Real Estate Asset Management Co., Ltd. ("**DREAM**"), holds 51.0% of the shares in the Trustee-Manager and has nominated Mr Toyo Nakanishi to the board of directors of the Trustee-Manager (the "**Board**"). Pursuant to the shareholders' agreement entered into between DREAM and Accordia Golf (as holder of 49.0% of the shares in the Trustee-Manager) in relation to the Trustee-Manager, DREAM and Accordia Golf have rights in their capacity as shareholders which include, *inter alia*, rights to receive the audit reports, documents to the Board and minutes of board meetings as well as monthly income and expenditure reports;
- (ii) DREAM had also, in connection with the Listing, entered into an asset management agreement ("**Asset Management Agreement**") with the TK Operator, to provide asset management services to the TK Operator, the key terms of which had been disclosed in the Prospectus; and

1 The TK Operator had obtained secured debt facilities of up to JPY44,925 million (approximately S\$584.5 million) from Aozora Bank, Ltd and ORIX Corporation. Under the secured debt facility, any modifications to existing contracts, including the TK Agreement, are subject to lenders' consent. As the distribution of the Special Reserves requires modification to the TK Agreement, the TK Operator was required to seek consent from the lenders. The secured debt facilities are the Existing Borrowings (TK Operator) which will be repaid by Accordia Golf.

2 Unitholders whose securities accounts with the Central Depository (Pte) Limited are credited with Units as at 5.00 p.m. on 1 September 2020 will be entitled to the Supplemental Distribution to be paid on 8 September 2020.

- (iii) Daiwa PI Partners Co. Ltd. ("**Daiwa PI**"), a subsidiary of Daiwa Group¹ holds, as at the Latest Practicable Date, 5.36% of the total outstanding Units in issue.

As announced by the Trustee-Manager on 24 December 2019, the members of the Audit and Risk Committee ("**ARC**") of the Trustee-Manager had considered the potential conflict of interests in appointing Daiwa CM SG as a Joint Financial Adviser to assist with the evaluation of the Non-Binding Proposal and is of the view that any potential conflict of interests is reasonably resolved and managed for the following reasons:

- (i) as a unitholder, Daiwa Group's interests is aligned with the other minority unitholders in expecting that the Proposed Divestment is undertaken on terms that are as favourable to AGT as possible such that the returns on its investment are maximised;
- (ii) 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;
- (iii) Daiwa Group does not have any ongoing mandate under which it provides financial advisory services to Accordia Golf and its related corporations. Accordingly, there exists no financial connection between Daiwa Group and Accordia Golf which would give rise to a conflict of interest on the part of Daiwa CM SG accepting the role of Joint Financial Adviser;
- (iv) Daiwa CM SG has confirmed that it will not receive any benefits from Accordia Golf or its related corporations in connection with the Proposed Divestment;
- (v) any potential influence by DREAM (as 51.0% shareholder of the Trustee-Manager) over the appointment of Daiwa CM SG as Joint Financial Adviser has been addressed by DREAM's nominee on the Board, Mr Toyo Nakanishi, recusing from the Board deliberation on selecting a financial adviser for the Proposed Divestment;
- (vi) arising from its 51.0% shareholding in the Trustee-Manager, Daiwa Group's only interest in the Proposed Divestment is the Trustee-Manager's entitlement to a divestment fee of 0.15% of the last available appraised value obtained by the Trustee-Manager or the SPC of any investments divested directly or indirectly by AGT, as determined by such appraiser. 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; and
- (vii) there is another independent Joint Financial Adviser to work with Daiwa CM SG in the evaluation of the Non-Binding Proposal.

The ARC also considered Daiwa CM SG's knowledge of AGT and its assets, having been the joint global coordinator, issue manager and underwriter for the Listing. In addition, with Daiwa CM SG's Japanese networks through its Japanese investment banking division, it has knowledge and/or expertise of the Japanese golf course industry, Japanese-related issues that might arise in the course of the Proposed Divestment and the Japanese investor base of AGT.

¹ Daiwa Group owns 100.0% of Daiwa PI.

In deciding on the appointment of Daiwa CM SG as a Joint Financial Adviser, the following steps were also taken: (i) Daiwa CM SG had sought and obtained a legal opinion from its own Singapore legal adviser on the potential conflict of interests in relation to its appointment as a Joint Financial Adviser, (ii) the ARC had sought and obtained a legal opinion from its own Singapore legal adviser independently of the Trustee-Manager and Daiwa CM SG and (iii) Daiwa CM SG had provided certain confirmations to the ARC to address concerns of potential conflict of interests arising from their appointment as a Joint Financial Adviser.

(Further details are set out at paragraph 4.2 of the Letter to Unitholders.)

Rationale for the Proposed Divestment

- **Realisation of value**

The Proposed Divestment presents a reasonably attractive option for AGT to realise the value of its TK Interests and for Unitholders to unlock the value of their Units. The Purchase Consideration of JPY65,200 million (approximately S\$848.4 million) for the TK Interests is JPY5,360 million (approximately S\$69.7 million) higher than the book value¹ of the TK Interests as at 31 March 2020, which is JPY59,840 million (approximately S\$778.6 million). Additionally, 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 received in February 2020, which 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 subsequently negotiated until its final form with the principal terms as set out in paragraph 3 of the Letter to Unitholders. The Independent Committee, the Joint Financial Advisers led by EYCF and the legal adviser to the Trustee-Manager were involved in the arm's length negotiations with Accordia Golf and its financial and legal advisers. As none of the Independent Committee, the Joint Financial Advisers and the legal adviser to the Trustee-Manager have any shareholding or other interest in Accordia Golf or its related corporations, the Proposed Divestment is not an interested person transaction under Chapter 9 of the Listing Manual vis-à-vis each of them. The Purchase Consideration set out in the TK Interest Transfer Agreement was the negotiated price arrived at with Accordia Golf after extensive negotiations.

Pursuant to the terms of the Supplemental Deed:

- (i) the purchase consideration to be received by the Trustee-Manager for the Proposed Divestment has been increased from a fixed amount of JPY61,800 million (approximately S\$804.1 million) to a fixed amount of JPY65,200 million (approximately S\$848.4 million), an increase of JPY3,400 million (approximately S\$44.2 million);
- (ii) the Purchase Consideration does not include the Special Reserves;

1 The NTA of the TK Interests is the same as the book value of the TK Interests. The book value and NTA of the TK Interests as at 31 March 2020 is the same as that at 30 June 2020.

2 Please refer to paragraphs 6.5 and 7.3 of the Letter to Unitholders 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.

- (iii) the TK Operator shall be entitled to and will distribute the entire amount of the Special Reserves to the existing TK Investors (including the Trustee-Manager), subject to any applicable withholding tax and the Trustee-Manager is entitled to distribute such sums received to the Unitholders¹; and
- (iv) 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 (as defined herein) (which is due to be paid on or around 30 November 2020).

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 the completion of the Proposed Divestment.

As at the Latest Practicable Date, other than one confidential non-binding indicative proposal from another third-party bidder received in February 2020, the Trustee-Manager has also not received any unsolicited offers from third parties for the acquisition of AGT's Golf Courses, the TK Interests and/or AGT even though the receipt of the Non-Binding Proposal has been public information since 28 November 2019.

- **Advantages of the Proposed Divestment relative to maintaining a listed platform**

The Independent Committee has evaluated the Proposed Divestment relative to the prospects of AGT should it continue in its current form as a listed business trust. The Independent Committee notes that AGT has consistently traded at a discount to NAV. Over the last three years prior to and including the Last Unaffected Trading Day, the Unit price of AGT has traded at discounts of between 12.4% and 47.4% and at an average discount of 27.6% to the NAV per Unit. The Unit price and distribution per Unit (“DPU”) have broadly been declining, in line with declining operating profits. The year on year decrease in average revenue per player and declining membership revenue trends along with increased refinancing costs in FY2017/18 and the large membership

1 The Trustee-Manager had on 23 June 2020 announced its intention to declare the distribution to Unitholders of the JPY1,200 million cash reserve, being the Supplemental Distribution. The payment of the Supplemental Distribution is independent of the Proposed Divestment as it is made from the Special Reserves and not from proceeds of the Proposed Divestment which will be applied towards the Special Distributions. For avoidance of doubt, Accordia Golf will not receive any distribution from the TK Operator in respect of the Special Reserves and its only entitlement is as a Unitholder (and not as purchaser under the Proposed Divestment) when the Trustee-Manager makes payment of the Supplemental Distribution to all Unitholders.

After deducting the amounts due by the TK Operator to Mizuho Securities Co., Ltd. and Japanese withholding tax of approximately JPY245.1 million, the net amount available for distribution by the TK Operator to the Trustee-Manager (as a TK Investor) is approximately JPY954.9 million. The Trustee-Manager will distribute the entire amount of JPY954.9 million (which will be converted into approximately S\$12.3 million pursuant to the hedging arrangement entered into by the Trustee-Manager to convert the Japanese yen amount received from the TK Operator into Singapore dollars for distribution to Unitholders) as the Supplemental Distribution to Unitholders.

As disclosed in the Prospectus, Mizuho Securities Co., Ltd., a QII under the FIEA, made contributions to the TK Business of approximately 0.01% of the aggregate contributions to the TK Business in order to satisfy certain regulatory requirements under the FIEA. In addition, as disclosed in the annual reports of AGT since Listing, the shareholder of the TK Operator and QII are entitled to 1% and 0.01% of the allocated profits and losses of the TK Operator and AGT is entitled to the remaining 98.99%, and there is a 20.42% Japanese withholding tax on distributions from the TK Operator. Such deductions are made even for AGT's periodic semi-annual distributions. As disclosed in the Prospectus, the TK Operator, TK Investor and QII had each made contributions to the TK Business amounting to approximately 0.6%, 99.39% and 0.01% of the Aggregate Contributions to the TK Business respectively. Although the TK Operator made approximately 0.6% of the Aggregate Contributions to the TK Business but receives 1.0% of the distributable income, the higher percentage received is necessary so that the TK Operator receives sufficient funds to pay the local taxes required to be borne by the TK Operator and yet retain sufficient profits which is necessary for the TK Operator to remain as an entrepreneur in respect of the TK Business. However, the TK Operator does not need to receive cash at every distribution made by the TK Operator so long as it has sufficient funds to pay the local taxes. In the case of the distribution of the Special Reserves, as the TK Operator does not need to receive cash, the available excess cash is allocated only to the TK Investors (i.e. the QII and AGT) even though the TK Operator will still be allocated the profits for accounting purposes.

deposit refund in FY2018/19 have resulted in the declining DPU. The Proposed Divestment enables Unitholders to realise value for their Units now, compared to the realisation of value through potential future appreciation of AGT's Unit price, which may or may not materialise.

- **Elimination of exposure to market risks**

The realisation of value in AGT through the Proposed Divestment and declaration of Special Distributions (as defined herein) following Completion will enable the value in the Golf Courses to be realised without any further exposure of the Units to market risks and the COVID-19 outbreak.

(Further details are set out at paragraph 7 of the Letter to Unitholders.)

Use of Proceeds and Special Distributions

Under the TK Interest Transfer Agreement, the Trustee-Manager is required to distribute to Unitholders:

- (a) at least JPY59,984 million (approximately S\$780.5 million), representing 92% of the Purchase Consideration within 25 business days of the Assignment Date (the "**First Tranche Special Distribution**"); and
- (b) 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 (the "**Claim Expiry Date**"), 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 "**Second Tranche Special Distribution**", and together with the First Tranche Special Distribution, the "**Special Distributions**").

The First Tranche Special Distribution will amount to approximately S\$0.710 per Unit, and the Second Tranche Special Distribution will amount to approximately S\$0.039 per Unit.

The remaining 3% of the Purchase Consideration, being JPY1,956 million (approximately S\$25.5 million), along with the outstanding cash balance of AGT¹, will be used to pay, *inter alia*, the costs and expenses arising from the Proposed Divestment and in connection with the proposed Winding Up, the Base Fee (as defined herein) post-Completion and the Divestment Fee² (as defined herein) payable to the Trustee-Manager, the costs and expenses for the maintenance and management of AGT during the Interim Period (as defined herein) and tax liabilities of AGT as determined by the Inland Revenue Authority of Singapore ("**IRAS**") (if any). A detailed breakdown of the payments is set out in paragraph 9.2 of the Letter to Unitholders.

1 The estimate of outstanding cash balance of AGT at Completion used for the purposes of this Circular is S\$3.8 million. The estimate is based on the cash balance of AGT of JPY107.0 million (approximately S\$1.4 million) as at 31 March 2020 and is adjusted: (i) to include the reserve of JPY362 million (approximately S\$4.7 million) set aside from the second half FY2019/20 distributions for estimated transaction costs relating to the Proposed Divestment as announced on 23 June 2020, and (ii) for AGT's liabilities as at 31 March 2020 and actual and estimated liabilities of AGT for the period between 1 April 2020 to Completion (the "**Cash Balance of AGT**"). The actual cash balance of AGT after making the Special Distributions may be higher or lower than the Cash Balance of AGT.

2 The divestment fee payable to the Trustee-Manager will amount to 0.15% of the TK Interests Valuation and the Trustee-Manager will bear all Applicable Taxes (as defined herein) on the Divestment Fee. As the Purchase Consideration of JPY65,200 million exceeds the TK Interests Valuation Range, the Divestment Fee payable to the Trustee-Manager was calculated based on the top end of the TK Interests Valuation Range, being JPY59,497 million (approximately S\$774.2 million).

Any remaining cash in AGT after settling the above-mentioned payments shall on the Winding Up be applied to make a final distribution to the Unitholders in accordance with the Winding Up procedures set out in paragraph 10.4 of the Letter to Unitholders (the “**Final Distribution**”).

The Trustee-Manager will make further announcements on the Special Distributions, the applicable books closure date for the purpose of determining Unitholders’ entitlements (“**Books Closure Date**”) for each of the Special Distributions and the date of payment of each of the Special Distributions following Completion. The relevant announcements will also be made in respect of the Final Distribution (if any).

If the Proposed Divestment proceeds and completes by 30 September 2020 in accordance with the TK Interest Transfer Agreement, Unitholders will only receive the Special Distributions and the Final Distribution (if any) as set out above and there will be no further distribution by AGT for the period from 1 April 2020 to the completion of the Proposed Divestment. In the event that approval for Resolution 1 in relation to the Proposed Divestment is not obtained from Unitholders and the Proposed Divestment does not proceed, the Trustee-Manager will continue to hold its interests in the Golf Courses through its TK Interests and semi-annual distributions will continue. For avoidance of doubt, even if the Proposed Divestment does not proceed, Unitholders will still receive the Supplemental Distribution.

(Further details are set out at paragraph 9 of the Letter to Unitholders.)

THE PROPOSED WINDING UP OF AGT

Rationale for the proposed Winding Up

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 Letter to Unitholders); 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.

(Further details are set out at paragraph 10 of the Letter to Unitholders.)

RESOLUTIONS TO BE PROPOSED AT THE EGM

Resolution 1: The Proposed Divestment (By Ordinary Resolution)

The Trustee-Manager seeks approval from Unitholders by way of Ordinary Resolution for the Proposed Divestment pursuant to Rules 906(1)(a) and 1014(2) of the Listing Manual.

Resolution 2: The Proposed Winding Up (By Special Resolution)

Subject to the passing of Resolution 1 in relation to the Proposed Divestment, the Trustee-Manager seeks approval from Unitholders by way of Special Resolution to proceed with the proposed Winding Up in accordance with the BTA 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.

UNITHOLDERS SHOULD NOTE THAT IN THE EVENT THAT APPROVAL FOR RESOLUTION 1 IN RELATION TO THE PROPOSED DIVESTMENT IS OBTAINED 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 OF AGT AFTER COMPLETION OF THE PROPOSED DIVESTMENT NONETHELESS BY WAY OF AN APPLICATION TO COURT. FOR AVOIDANCE OF DOUBT, RESOLUTION 1 IN RELATION TO THE PROPOSED DIVESTMENT IS NOT CONDITIONAL ON RESOLUTION 2 IN RELATION TO THE PROPOSED WINDING UP BEING APPROVED.

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Trustee-Manager's absolute discretion. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event	Date and Time
Pre-registration period	: From 21 August 2020 to 12 September 2020, 10.30 a.m. ⁽¹⁾
Last date and time for lodgement of Proxy Forms	: 12 September 2020 at 10.30 a.m. (Singapore time) ⁽²⁾
Date and time of the EGM	: 14 September 2020 at 10.30 a.m. (Singapore time) (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of AGT)

If approval for the Proposed Divestment is obtained at the EGM

Expected date of Completion	: On or before 30 September 2020 (or such other date as may be agreed between the Trustee-Manager and Accordia Golf)
Expected Books Closure Date for the First Tranche Special Distribution	: To be announced
Expected payment date for the First Tranche Special Distribution	: Within 25 business days of the Assignment Date
Expected Books Closure Date for the Second Tranche Special Distribution	: To be announced
Expected payment date for the Second Tranche Special Distribution	: To be announced, but is currently expected to be within 25 business days after the Claim Expiry Date (such date to be separately announced)

If approval for the proposed Winding Up is obtained at the EGM

Notice of date of delisting of AGT	: To be announced
Expected date of delisting of AGT	: To be announced
Completion of the Winding Up	: To be announced

Event	Date and Time
Expected date of Final Distribution of any remaining cash following the Winding Up	: To be announced

Notes:

- (1) In view of the COVID-19 situation, the EGM will be convened via electronic means and the Unitholders must pre-register at AGT's pre-registration website from 21 August 2020 to 12 September 2020, 10.30 a.m. (Singapore time) to enable the Trustee-Manager to verify their status as Unitholders of AGT and to observe and/or listen to the EGM proceedings. Please refer to paragraph 18 of the Letter to Unitholders for more details.
- (2) Unitholders are requested to submit the Proxy Form in accordance with the respective instructions contained therein not later than 10.30 a.m. (Singapore time) on 12 September 2020, being not less than 48 hours before the time fixed for holding the EGM.



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.)

Directors of the Trustee-Manager

Mr Khoo Kee Cheok (Chairman and Independent Director)
Mr Yoshihiko Machida (Chief Executive Officer and Executive Director)
Mr Toyo Nakanishi (Executive Director)
Mr Chong Teck Sin (Independent Director)
Mr Hitoshi Kumagai (Independent Director)

Registered Office

80 Robinson Road
#22-03A
Singapore 068898

21 August 2020

To: Unitholders of AGT

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The Trustee-Manager is convening the EGM to seek approval from the Unitholders for the following resolutions:

- (a) Resolution 1 : the Proposed Divestment; and
(By Ordinary Resolution¹)
- (b) Resolution 2 : subject to the passing of Resolution 1, the proposed
(By Special Resolution²) Winding Up following Completion.

2. BACKGROUND

2.1 Proposed Divestment

As announced on 29 June 2020, following arm's length negotiations with Accordia Golf, the Trustee-Manager had entered into a TK Interest Transfer Agreement with Accordia Golf, pursuant to which the Trustee-Manager will assign all of its TK Interests to Accordia Golf for the Purchase Consideration in cash. On 7 August 2020, the Trustee-Manager entered into the Supplemental Deed with Accordia Golf which, among others, increased the purchase consideration to be received by the Trustee-Manager from JPY61,800 million (approximately S\$804.1 million) to JPY65,200 million (approximately S\$848.4 million). The principal terms of the TK Interest Transfer Agreement are set out in paragraph 3 below. References to the TK Interest Transfer Agreement in this Circular shall mean the TK Interest Transfer Agreement as amended by the Supplemental Deed.

1 "Ordinary Resolution" means a resolution proposed and passed as such by a majority being more than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

2 "Special Resolution" means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

In addition, the Trustee-Manager and Accordia Golf had received undertakings dated 7 August 2020 from each of Hibiki and Santa Lucia, among others, to vote in favour for the Proposed Divestment (further details are set out at paragraph 12 below).

The Proposed Divestment constitutes an “interested person transaction” under Chapter 9 of the Listing Manual, which requires the approval of the independent unitholders of AGT under Rule 906 of the Listing Manual. In addition, the Proposed Divestment also constitutes a “major transaction” under Chapter 10 of the Listing Manual. Accordingly, the Proposed Divestment is conditional upon, among others, approval from Unitholders and is expected to complete in the third quarter of 2020. (Further details on the requirement for Unitholders’ approval are set out at paragraph 11 below.)

2.2 Information on AGT

AGT is a business trust constituted in the Republic of Singapore pursuant to the Trust Deed. AGT was listed on the SGX-ST on 1 August 2014 and has the principal investing strategy, directly or indirectly, of owning a portfolio of stabilised, income-generating golf courses, driving ranges and golf course related assets worldwide.

The Golf Courses are held by AGA, a *tokumei kumiai* operator which is a Japanese limited liability company functioning as a property holding company for the purposes of managing and operating the golf course business (the “TK Business”). The Trustee-Manager invests in the Golf Courses by entering into a *tokumei kumiai* arrangement (the “TK Arrangement”) as a *tokumei kumiai* investor (“TK Investor”) with AGA. The TK Arrangement is a common method of investing and holding real estate in Japan. The relationship between the *tokumei kumiai* operators and the TK Investors is governed by *tokumei kumiai* agreements, whereby the TK Investors provide funds to the *tokumei kumiai* operators in return for income derived from the investments in properties held by the *tokumei kumiai* operators.

Under Japanese laws, a TK Investor is not allowed to actively participate in or directly control the TK Business. If a TK Investor directly controls the TK Business, it would most likely harm the *tokumei kumiai* (silent partnership) nature of the arrangement and the parties could possibly lose the benefits and advantages that would otherwise be available under the TK Arrangement. Therefore, under the TK Arrangement between the Trustee-Manager and AGA, AGA as the *tokumei kumiai* operator has sole responsibility for the acquisition, disposal and management of the Golf Courses, and neither AGT, the Trustee-Manager, nor any of their officers, directors or employees, has any active involvement in such activities. As disclosed in the Prospectus, AGA had outsourced the operation and management function of the golf course business, administrative support services, certain advisory services and other related services to Accordia Golf by way of a golf course management agreement dated 27 June 2014 entered into between AGA and Accordia Golf (the “Golf Course Management Agreement”). The Golf Course Management Agreement was automatically extended for a further five-year period on 1 August 2019.

2.3 Information on Accordia Golf

Accordia Golf is the leading golf course operator in Japan, introducing the principle of integrated golf course services in 2003. Since that time, Accordia Golf has continued to provide new golf course services under the Accordia Golf brand. The golf courses operated by Accordia Golf account for about 6% of Japan’s approximately 2,248 golf courses (according to Nihon Golf-Jo Keieisha Kyokai (Japan Golf Course Management Association) in 2018), with most distributed in the three largest and heavily populated metropolitan areas or major regional urban centres. With the total number of visitors each year surpassing eight million, Accordia Golf continues to enjoy the support of many golfers. In addition,

Accordia Golf was the sponsor of AGT for the purposes of its Listing. **Appendix A** to this Circular illustrates the relationship between, *inter alia*, AGT, the Trustee-Manager, Accordia Golf, the TK Operator, DREAM, the asset manager of the initial portfolio of golf courses of AGT (the “**Asset Manager**”) and the Unitholders as at the date of Listing. The structure of AGT has not changed since the date of Listing.

3. PRINCIPAL TERMS OF THE PROPOSED DIVESTMENT

3.1 Purchase Consideration

The Purchase Consideration payable by Accordia Golf to AGT in connection with the Proposed Divestment is a fixed amount of JPY65,200 million in cash (approximately S\$848.4 million).

Pursuant to the terms of the Supplemental Deed:

- (i) the purchase consideration to be received by the Trustee-Manager for the Proposed Divestment has been increased from a fixed amount of JPY61,800 million (approximately S\$804.1 million) to a fixed amount of JPY65,200 million (approximately S\$848.4 million), an increase of JPY3,400 million (approximately S\$44.2 million);
- (ii) the Purchase Consideration does not include the sum of JPY1,200 million set aside by the TK Operator as Special Reserves;
- (iii) the TK Operator shall be entitled to and will distribute the entire amount of the Special Reserves to the existing TK Investors (including the Trustee-Manager), subject to any applicable withholding tax and the Trustee-Manager is entitled to distribute such sums received to the Unitholders¹; and

1 The Trustee-Manager had on 23 June 2020 announced its intention to declare the distribution to Unitholders of the amount received from the distribution by the TK Operator of the Special Reserves, being the Supplemental Distribution. The payment of the Supplemental Distribution is independent of the Proposed Divestment as it is made from the Special Reserves and not from proceeds of the Proposed Divestment which will be applied towards the Special Distributions. For avoidance of doubt, Accordia Golf will not receive any distribution from the TK Operator in respect of the Special Reserves and its only entitlement is as a Unitholder (and not as purchaser under the Proposed Divestment) when the Trustee-Manager makes payment of the Supplemental Distribution to all Unitholders.

After deducting the amounts due by the TK Operator to Mizuho Securities Co., Ltd. and Japanese withholding tax of approximately JPY245.1 million, the net amount available for distribution by the TK Operator to the Trustee-Manager (as a TK Investor) is approximately JPY954.9 million. The Trustee-Manager will distribute the entire amount of JPY954.9 million (which will be converted into approximately S\$12.3 million pursuant to the hedging arrangement entered into by the Trustee-Manager to convert the Japanese Yen amount received from the TK Operator into Singapore dollars for distribution to Unitholders) as the Supplemental Distribution to Unitholders.

As disclosed in the Prospectus, Mizuho Securities Co., Ltd., a QII under the FIEA, made contributions to the TK Business of approximately 0.01% of the aggregate contributions to the TK Business in order to satisfy certain regulatory requirements under the FIEA. In addition, as disclosed in the annual reports of AGT since Listing, the shareholder of the TK Operator and QII are entitled to 1% and 0.01% of the allocated profits and losses of the TK Operator and AGT is entitled to the remaining 98.99%, and there is a 20.42% Japanese withholding tax on distributions from the TK Operator. Such deductions are made even for AGT's periodic semi-annual distributions. As disclosed in the Prospectus, the TK Operator, TK Investor and QII had each made contributions to the TK Business amounting to approximately 0.6%, 99.39% and 0.01% of the Aggregate Contributions to the TK Business respectively. Although the TK Operator made approximately 0.6% of the Aggregate Contributions to the TK Business but receives 1.0% of the distributable income, the higher percentage received is necessary so that the TK Operator receives sufficient funds to pay the local taxes required to be borne by the TK Operator and yet retain sufficient profits which is necessary for the TK Operator to remain as an entrepreneur in respect of the TK Business. However, the TK Operator does not need to receive cash at every distribution made by the TK Operator so long as it has sufficient funds to pay the local taxes. In the case of the distribution of the Special Reserves, as the TK Operator does not need to receive cash, the available excess cash is allocated only to the TK Investors (i.e. the QII and AGT) even though the TK Operator will still be allocated the profits for accounting purposes.

- (iv) 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).

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 the completion of the Proposed Divestment.

In addition to the Purchase Consideration payable to the Trustee-Manager, Accordia Golf will also repay the Existing Borrowings (TK Operator) (as defined herein) as set out in paragraph 3.2(c) below.¹

The Purchase Consideration was agreed after arm's length negotiations between the Trustee-Manager and Accordia Golf, and was based on a willing-buyer willing-seller basis, after taking into account the various factors as set out in paragraph 7 below (being a reasonably attractive option for AGT to realise the value of its TK Interests and for Unitholders to unlock the value of their Units, the advantages of the Proposed Divestment relative to maintaining a listed platform, and the elimination of exposure by Unitholders to market risks).

Pursuant to the terms of the TK Interest Transfer Agreement, Accordia Golf will pay the Purchase Consideration to AGT on the date falling 10 business days from the date of notification by Accordia Golf to the Trustee-Manager or by the Trustee-Manager to Accordia Golf (as the case may be) of the satisfaction or waiver (as the case may be) of the last of the Conditions set out in sub-paragraphs 3.2(d) and (e)², or such other date agreed to in writing by the Trustee-Manager and Accordia Golf (the "**Assignment Date**")³.

3.2 Conditions Precedent

The payment of the Purchase Consideration by Accordia Golf under the TK Interest Transfer Agreement is conditional on the following conditions precedent being satisfied or, at the discretion of Accordia Golf, waived (save for the conditions precedent set out in sub-paragraphs 3.2(d) and (e), which are not capable of being waived):

- (a) the representations and warranties made by the Trustee-Manager under the TK Interest Transfer Agreement are true and correct in all material respects on the date of the TK Interest Transfer Agreement and the Assignment Date;
- (b) the Trustee-Manager has performed or observed all of its obligations to be performed or observed by the Assignment Date under the TK Interest Transfer Agreement in all material respects;
- (c) borrowings from financial institutions to the parent companies of Accordia Golf for part of the funds necessary in order to pay the Purchase Consideration and to repay existing borrowings owing by the TK Operator under the loan agreement (as amended) dated 24 July 2018 between the TK Operator, Aozora Bank, Ltd. and ORIX Corporation (the "**Existing Borrowings (TK Operator)**") have been taken out, and other financing

1 As at 31 March 2020, the total amount outstanding under the Existing Borrowings (TK Operator) is JPY43,177 million (approximately S\$561.8 million). Whether Accordia Golf repays or continues with the Existing Borrowings (TK Operator) after completion of the Proposed Divestment does not affect the Purchase Consideration and the NTA of AGT.

2 The satisfaction or waiver of the Conditions set out in sub-paragraphs 3.2(a), (b), (c), (f) and (g) will be determined on the business day prior to Completion.

3 The "Assignment Date" is the date of completion of the Proposed Divestment.

to procure the funds necessary to pay the Purchase Consideration and to repay the Existing Borrowings (TK Operator) has been completed by Accordia Golf (the “**Financing Condition**”);

- (d) the approval by Unitholders at the EGM of the resolutions as may be necessary to give effect to the Assignment and the payment of distributions to Unitholders using the Purchase Consideration in the manner set out in paragraph 9.1 below (the “**Distribution Payment**”, and together with the Assignment, the “**Transactions**”);
- (e) 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 Japanese Act on Prohibition of Private Monopolisation and Maintenance of Fair Trade (the “**Anti-Monopoly Act**”), a filing having been made to and accepted by the Japan Fair Trade Commission (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;
- (f) the following documents have been delivered by the Trustee-Manager to Accordia Golf:
 - (i) the original of the TK Agreement;
 - (ii) an extract of the resolution passed by the Board to approve the Transactions;
 - (iii) the TK Operator’s written approval of the Assignment in the form set out in the TK Interest Transfer Agreement; and
 - (iv) a confirmation in writing by the Board that the Distribution Payment will be made in the manner set out in paragraph 9.1 below; and
- (g) between the date of this TK Interest Transfer Agreement and up to the Assignment Date, no order, injunction or ruling having been issued by government agencies or financial instrument exchanges or regulatory authority or having been obtained by other third party that would have the effect of prohibiting the Transactions,

(collectively, the “**Conditions**”).

UNITHOLDERS SHOULD NOTE THAT IN THE EVENT THAT ANY OF THE CONDITIONS, INCLUDING THE FINANCING CONDITION, ARE NOT SATISFIED OR, AT THE DISCRETION OF ACCORDIA GOLF, WAIVED (SAVE FOR THE CONDITIONS PRECEDENT SET OUT IN SUB-PARAGRAPHS 3.2(d) AND (e), WHICH ARE NOT CAPABLE OF BEING WAIVED), THE PROPOSED DIVESTMENT WILL NOT COMPLETE AND THE PURCHASE CONSIDERATION WILL NOT BE PAYABLE.

The Trustee-Manager will make the relevant announcement on SGXNET if the TK Interest Transfer Agreement is terminated due to the non-satisfaction of the Conditions (please refer to paragraph 3.4 for details of each of the Trustee-Manager’s and Accordia Golf’s right of termination in such a situation).

3.3 Completion

Completion of the Proposed Divestment will take place on the date falling 10 business days from the date on which the last Condition set out in paragraphs 3.2(d) and (e) above is satisfied in accordance with the terms of the TK Interest Transfer Agreement, or such other date agreed to in writing by the Trustee-Manager and Accordia Golf (“**Completion**”) and is expected to take place in the third quarter of 2020.

3.4 Termination

3.4.1 Termination by the Trustee-Manager

The Trustee-Manager may terminate the TK Interest Transfer Agreement upon written notice to Accordia Golf only if any of the following events occurs:

- (i) a resolution is passed or an order by a court of competent jurisdiction is made to wind up Accordia Golf;
- (ii) if Accordia Golf fails to re-confirm in writing to the Trustee-Manager that the commitment letters obtained from its financing institutions and its parent entity, Accordia Next Golf Co., Ltd remains in effect and have not been withdrawn and/or terminated on the date falling five business days prior to the despatch or issuance of this Circular, and, if required and requested for by the Trustee-Manager, provide to the Trustee-Manager (a) executed copies of the commitment letters obtained from its financing institutions and its parent entity, Accordia Next Golf Co., Ltd and (b) where relevant, English translations of such commitment letters;
- (iii) there is a material breach of the representations and warranties or covenants of Accordia Golf under the TK Interest Transfer Agreement;
- (iv) if Accordia Golf fails to pay the entire amount of the Purchase Consideration under the TK Interest Transfer Agreement; or
- (v) if the Financing Condition has not been satisfied or waived by Accordia Golf by 30 September 2020 or such other date as may be mutually agreed between Accordia Golf and the Trustee-Manager.

The Trustee-Manager shall not terminate the TK Interest Transfer Agreement for any reason whatsoever after the entire amount of the Purchase Consideration has been received, provided that, subject to the terms and conditions under the TK Interest Transfer Agreement in respect of the Break Fee (as defined at paragraph 3.5 below), the Trustee-Manager shall not be prevented from claiming damages due to breach of the obligations under the TK Interest Transfer Agreement occurring before the Assignment Date. In respect of sub-paragraph 3.4.1(iv) above, the Trustee-Manager may, instead of terminating the TK Interest Transfer Agreement, fix a new date for Completion (being not later than 30 September 2020 or such other date as may be mutually agreed between Accordia Golf and the Trustee-Manager) in which case the provisions of paragraph 3.4.1 shall apply to Completion as so deferred but provided such deferral may only occur once.

For avoidance of doubt, there will be no interest payable by Accordia Golf if there is any delay in payment of the Purchase Consideration. If Accordia Golf fails to make payment of the Purchase Consideration, Completion will not take place and the TK Interests will not be assigned to Accordia Golf. As stated above, in such event, the Trustee-Manager may terminate the TK Interest Transfer Agreement upon written notice to Accordia Golf.

3.4.2 Termination by Accordia Golf

Accordia Golf may terminate the TK Interest Transfer Agreement upon written notice to the Trustee-Manager only if any of the following events occurs:

- (i) a resolution is passed or an order by a court of competent jurisdiction is made to wind up the Trustee-Manager;
- (ii) there is a material breach of the representations and warranties or covenants of the Trustee-Manager under the TK Interest Transfer Agreement;
- (iii) if any of the conditions precedent set out in sub-paragraphs 3.2(d) and (e) (excluding those that Accordia Golf has waived) has not been satisfied by 14 September 2020 or such other date as may be mutually agreed between Accordia Golf and the Trustee-Manager; or
- (iv) if any of the Conditions (excluding the conditions precedent set out in sub-paragraphs 3.2(d) and (e) and those that Accordia Golf has waived) has not been satisfied by 30 September 2020 or such other date as may be mutually agreed between Accordia Golf and the Trustee-Manager.

Accordia Golf shall not terminate the TK Interest Transfer Agreement for any reason whatsoever after the entire amount of the Purchase Consideration has been paid, provided that Accordia Golf shall not be prevented from claiming damages due to breach of the obligations under the TK Interest Transfer Agreement occurring before the Assignment Date.

3.5 Break Fee

Accordia Golf shall pay the Trustee-Manager a sum of JPY326 million (approximately S\$4.2 million), being approximately 0.5% of the Purchase Consideration, as a break fee in relation to the costs and expenses of the Trustee-Manager incurred by or on behalf of the Trustee-Manager in connection with the Assignment (including without limitation, the fees and disbursements of advisers, auditors and valuers engaged by or on behalf of the Trustee-Manager in connection with the Assignment), if (i) the TK Interest Transfer Agreement is otherwise terminated and/or does not proceed to completion solely on the basis of non-satisfaction of the Financing Condition and all the other Conditions have been satisfied or, at the discretion of Accordia Golf, waived; or (ii) the TK Interest Transfer Agreement is terminated by the Trustee-Manager pursuant to paragraph 3.4.1(ii) above, without despatching or issuing the Circular (the “**Break Fee**”).

For avoidance of doubt, the Break Fee will not be payable in the event that approval for Resolution 1 in relation to the Proposed Divestment is not obtained from Unitholders.

3.6 Agreements Relating to AGT

The Trustee-Manager and Accordia Golf agree that:

- (a) the letter of representations and warranties, and indemnity dated 27 June 2014 delivered by Accordia Golf to the Trustee-Manager (the “**Representation and Warranty Letter**”);
- (b) the right of first refusal dated 27 June 2014 delivered by Accordia Golf to the Trustee-Manager (the “**Right of First Refusal**”);

- (c) the deed of call option dated 27 June 2014 entered into between the Trustee-Manager and Accordia Golf (the “**Deed of Call Option**”); and
- (d) the sponsor support agreement dated 27 June 2014 entered into between the Trustee-Manager and Accordia Golf (the “**Sponsor Support Agreement**”),

shall terminate and cease to be of further force or effect, without the need for any further action on the part of either the Trustee-Manager or Accordia Golf. The Trustee-Manager and Accordia Golf agree that there are no claims or obligations under the Representation and Warranty Letter, the Right of First Refusal, the Deed of Call Option and the Sponsor Support Agreement, and that if any such claims or obligations did exist, the parties mutually waive, discharge and release one another therefrom.

4. EVALUATION PROCESS

Following the receipt of the Non-Binding Proposal as announced on 28 November 2019, the Trustee-Manager formed an Independent Committee comprising the Independent Directors to assess and review the Non-Binding Proposal and any proposed terms of the Non-Binding Proposal. The Trustee-Manager also appointed the Joint Financial Advisers to assist with its evaluation of the Non-Binding Proposal and to obtain indications of interest from the market for AGT’s interests in its Golf Courses.

4.1 Evaluation Process

The Independent Committee, with the assistance of the Joint Financial Advisers, had undertaken the following (the “**Evaluation Process**”):

- (a) evaluated the price and terms of the Non-Binding Proposal;
- (b) engaged in several rounds of discussions with Accordia Golf and its advisers to negotiate the terms of the Proposed Divestment;
- (c) appointed Colliers International Consultancy & Valuation (Singapore) Pte Ltd. (“**Colliers**”) as the valuer to assess the value of the Golf Courses (the “**Golf Courses Valuation**”) and Duff & Phelps Singapore Pte Ltd (“**D&P**”, and together with Colliers, the “**Independent Valuers**”) as the valuer to assess the value of the Trustee-Manager’s TK Interests (the “**TK Interests Valuation**”); and
- (d) undertook a wide market testing process during which the Joint Financial Advisers¹ 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.

¹ Please see paragraph 4.2 below for further details on the appointment of Daiwa CM SG as a Joint Financial Adviser and the view of the ARC in relation thereto.

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 industry¹.

The binding offer submitted by Accordia Golf was thus the only definitive offer received by the Trustee-Manager and this offer was subsequently negotiated until its final form with the principal terms as set out in paragraph 3 above. The Independent Committee, the Joint Financial Advisers led by EYCF and the legal adviser to the Trustee-Manager were involved in the arm's length negotiations with Accordia Golf and its financial and legal advisers. As none of the Independent Committee, the Joint Financial Advisers and the legal adviser to the Trustee-Manager have any shareholding or other interest in Accordia Golf or its related corporations, the Proposed Divestment is not an interested person transaction under Chapter 9 of the Listing Manual vis-à-vis each of them.

As at the Latest Practicable Date, other than one confidential non-binding indicative proposal from another third-party bidder received in February 2020, the Trustee-Manager has also not received any unsolicited offers from third parties for the acquisition of AGT's Golf Courses, the TK Interests and/or AGT even though the receipt of the Non-Binding Proposal has been public information since 28 November 2019.

The Evaluation Process, and in particular the items set out in paragraphs 4.1(b), (c) and (d) above, had faced delays due to the COVID-19 outbreak, including the declaration of a state of emergency by the Japanese government for the period from 7 April 2020 to the last week of May 2020.

4.2 Appointment of Joint Financial Advisers

The appointments of the Joint Financial Advisers, being EYCF and Daiwa CM SG, were announced on 20 December 2019. AGT and the Trustee-Manager have the following ongoing relationships with Daiwa Group since Listing:

- (i) a wholly-owned subsidiary of Daiwa Group, DREAM, holds 51.0% of the shares in the Trustee-Manager and has nominated Mr Toyo Nakanishi to the Board. Pursuant to the shareholders' agreement entered into between DREAM and Accordia Golf (as holder of 49.0% of the shares in the Trustee-Manager) in relation to the Trustee-Manager, DREAM and Accordia Golf have rights in their capacity as shareholders which include, *inter alia*, rights to receive the audit reports, documents to the Board and minutes of board meetings as well as monthly income and expenditure reports;
- (ii) DREAM had also, in connection with the Listing, entered into an asset management agreement with the TK Operator, to provide asset management services to the TK Operator, the key terms of which had been disclosed in the Prospectus; and
- (iii) Daiwa PI, a subsidiary of Daiwa Group² holds, as at the Latest Practicable Date, 5.36% of the total outstanding Units in issue.

1 Please refer to paragraphs 6.5 and 7.3 of the Letter to Unitholders 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.

2 Daiwa Group owns 100.0% of Daiwa PI.

As announced by the Trustee-Manager on 24 December 2019, the members of the ARC of the Trustee-Manager had considered the potential conflict of interests in appointing Daiwa CM SG as a Joint Financial Adviser to assist with the evaluation of the Non-Binding Proposal and is of the view that any potential conflict of interests is reasonably resolved and managed for the following reasons:

- (a) as a unitholder, Daiwa Group's interests is aligned with the other minority unitholders in expecting that the Proposed Divestment is undertaken on terms that are as favourable to AGT as possible such that the returns on its investment are maximised;
- (b) 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;
- (c) Daiwa Group does not have any ongoing mandate under which it provides financial advisory services to Accordia Golf and its related corporations. Accordingly, there exists no financial connection between Daiwa Group and Accordia Golf which would give rise to a conflict of interest on the part of Daiwa CM SG accepting the role of Joint Financial Adviser;
- (d) Daiwa CM SG has confirmed that it will not receive any benefits from Accordia Golf or its related corporations in connection with the Proposed Divestment;
- (e) any potential influence by DREAM (as 51.0% shareholder of the Trustee-Manager) over the appointment of Daiwa CM SG as Joint Financial Adviser has been addressed by DREAM's nominee on the Board, Mr Toyo Nakanishi, recusing from the Board deliberation on selecting a financial adviser for the Proposed Divestment;
- (f) arising from its 51.0% shareholding in the Trustee-Manager, Daiwa Group'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; and
- (g) there is another independent Joint Financial Adviser to work with Daiwa CM SG in the evaluation of the Non-Binding Proposal.

The ARC also considered Daiwa CM SG's knowledge of AGT and its assets, having been the joint global coordinator, issue manager and underwriter for the Listing. In addition, with Daiwa CM SG's Japanese networks through its Japanese investment banking division, it has knowledge and/or expertise of the Japanese golf course industry, Japanese-related issues that might arise in the course of the Proposed Divestment and the Japanese investor base of AGT.

In deciding on the appointment of Daiwa CM SG as a Joint Financial Adviser, the following steps were also taken: (i) Daiwa CM SG had sought and obtained a legal opinion from its own Singapore legal adviser on the potential conflict of interests in relation to its appointment as a Joint Financial Adviser, (ii) the ARC had sought and obtained a legal opinion from its own Singapore legal adviser independently of the Trustee-Manager and Daiwa CM SG and (iii) Daiwa CM SG had provided certain confirmations to the ARC to address concerns of potential conflict of interests arising from their appointment as a Joint Financial Adviser.

5. VALUATION OF THE TK INTERESTS AND THE GOLF COURSES

Based on the valuation report on the TK Interests Valuation issued by D&P dated 21 August 2020 (the “**TK Interests Valuation Report**”), the valuation of the Trustee-Manager’s TK Interests as at 31 May 2020 is between JPY52,052 million (approximately S\$677.3 million¹) and JPY59,497 million (approximately S\$774.2 million) (the “**TK Interests Valuation Range**”).

Based on the valuation reports on the Golf Courses Valuation issued by Colliers dated 24 July 2020 (the “**Golf Courses Valuation Reports**”), the Golf Courses Valuation as at 31 May 2020 is JPY136,364 million (approximately S\$1,774.3 million). The Golf Courses Valuation is JPY5,442 million (approximately S\$70.8 million) lower than the appraised value (the “**Appraised Valuation**”) of the Golf Courses as at 31 December 2019 of JPY141,806 million (approximately S\$1,845.1 million) as appraised by either CBRE K.K. or Tanizawa Sogo Appraisal Co., Ltd. by region, which were obtained prior to the widespread outbreak of COVID-19.

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 summary letter in relation to each of the TK Interests Valuation Report (the “**TK Interests Valuation Summary Letter**”) and the Golf Courses Valuation Reports (the “**Golf Courses Valuation Summary Letter**”) are set out in **Appendices B and C** to this 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 the Nishikigahara golf course (“**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 compound annual growth rate (“**CAGR**”) of 0.6% per annum and projected an average golf course utilisation rate of 78.8%;

1 Based on the Illustrative Exchange Rate of S\$1.00 to JPY76.8545. Unless otherwise stated, all conversions of Japanese yen amounts into Singapore dollars in this Circular shall be based on the Illustrative Exchange Rate and all amounts in Singapore dollars in this Circular shall, where such amount exceeds one million, be rounded to one decimal place. The Trustee-Manager does not currently intend to enter into hedging arrangements to fix the JPY-S\$ exchange rate to hedge the Purchase Consideration.

- (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 among 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 weighted average cost of capital (“**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 these key assumptions 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 FY2024/25, 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.

6. BUSINESS AND FINANCIAL PERFORMANCE OF AGT

6.1 Key Financial Parameters

The key financial parameters of AGT for the last five financial years ended 31 March are as follows:

JPY million	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	CAGR
Operating Income	53,175	51,919	51,450	51,159	51,667	(0.7%)
Normalised Operating Expenses⁽¹⁾	44,163	43,848	43,659	44,415	44,615	0.3%
Normalised Operating Profit⁽¹⁾	9,012	8,071	7,791	6,744	7,052	(5.9%)
Impairment Loss	184	1,499	1,720	17,962 ⁽²⁾	2,641 ⁽³⁾	N.A.
EBITDA	12,427	11,328	10,959	10,034	11,939	(1.0%)
Capital Expenditure	1,546	1,660	2,230	1,311	1,998	N.A.
Total Distributable Income	6,041	5,178	3,436	3,388	4,658 ⁽⁴⁾	(6.3%)

Notes:

- (1) Operating expenses and operating profits are normalized to exclude the impact of impairment losses.
- (2) Includes impairment loss on PPE (as defined herein) of JPY4,818 million (approximately S\$62.7 million) and impairment loss on goodwill of JPY13,144 million (approximately S\$171.0 million). There were no impairment losses on goodwill in other financial years except in FY2018/19.
- (3) The impairment loss on PPE is recognised due to the deterioration of the performance of 19 golf courses and the lower utilisation rates and prices at the golf courses in view of the COVID-19 outbreak.
- (4) This figure includes the Supplemental Distribution of JPY954.9 million (which will be converted into approximately S\$12.3 million pursuant to the hedging arrangement entered into by the Trustee-Manager to convert the Japanese Yen amount received from the TK Operator into Singapore dollars for distribution to Unitholders), being the amount net of withholding taxes. See footnote 1 on page 16 of this Circular for further details on the Supplemental Distribution.

	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	CAGR
No. of players at AGT's Golf Courses (million)	5.81	5.75	5.70	5.72	5.92	0.5%
Average revenue per player (JPY)	8,427	8,334	8,348	8,350	8,177	(0.8%)

AGT's operating income and normalised operating profit has been declining from FY2015/16 to FY2018/19, before recovering slightly in FY2019/20 due to favourable weather as well as the TK Operator's efforts to improve utilisation rates at the Golf Courses by focusing on discounts during off-peak periods. These efforts resulted in a record 5.92 million players visiting AGT's Golf Courses before cancellations due to the COVID-19 outbreak started towards the later part of March 2020. However, the increase in the number of players has come at the cost of reduction in the average revenue per player.

Despite implementing a number of cost savings initiatives throughout FY2015/16 to FY2019/20 (the "Review Period"), such as effecting an integrated procurement system, streamlining management contracts by consolidating the contracts of external vendors, reducing headcount at certain Golf Courses and pooling resources for all of its Golf Courses, the normalised operating expenses have increased steadily.

Over the Review Period, the renewal rate of existing memberships and the sale of new subscriptions had reduced significantly resulting in larger than normal redemptions in golf membership deposits. As membership revenue is included under AGT's operating income, the TK Operator used the operational cash flows to settle the redemptions rather than taking on additional debt. As all the existing credit facilities were fully utilised according to the lenders and all the existing golf courses were already pledged against existing credit facilities, it was difficult to obtain additional financing to settle redemption of golf membership deposits.

6.2 Impairment on Property, Plant and Equipment ("PPE")

In the course of conducting its impairment assessment, the TK Operator reviews the carrying values of PPE for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

As at 31 March 2020, AGT owns 88 golf courses in Japan, which have been classified as PPE. Details of AGT's PPE and impairment losses on PPE over the last five financial years ended 31 March are as follows:

JPY million	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Appraised value of PPE as at end of third quarter of FY	150,984	150,894	149,237	144,714	141,806
Impairment Loss on PPE recorded for the FY	184	1,499 ⁽¹⁾	1,720 ⁽²⁾	4,818 ⁽³⁾	2,641 ⁽⁴⁾
Total PPE as at end of FY	148,670	146,536	146,033	141,333	138,088 ⁽⁵⁾

Notes:

- (1) AGT recorded an impairment loss on PPE amounting to JPY1,499 million (approximately S\$19.5 million) for 8 loss-making golf courses.
- (2) AGT recorded an impairment loss on PPE amounting to JPY1,720 million (approximately S\$22.4 million) for 10 loss-making golf courses.

- (3) The potential infrastructural flood prevention project at NGC and underperformance of 24 selected golf courses had been the reasons for the impairment loss on PPE of JPY4,818 million (approximately S\$62.7 million). Of the total impairment loss on PPE of JPY4,818 million (approximately S\$62.7 million), the potential infrastructural flood prevention project at NGC contributed JPY2,995 million (approximately S\$39.0 million) and rest was due to underperformance of 24 selected golf courses. Most of the 24 underperforming golf courses are located in rural areas and in very competitive markets.
- (4) The impairment loss on PPE is recognised due to the deterioration of the performance of 19 golf courses (12 of these 19 golf courses had impairment losses in FY2018/19 referred to in note 3 above as well) and the lower utilisation rates and prices at the golf courses in view of the COVID-19 outbreak.
- (5) The newly effective International Financial Reporting Standards (IFRS) 16 Leases, where the distinction between operating and financing lease is removed, was adopted by AGT at the beginning of FY2019/20. As at 31 March 2020, under IFRS 16, the 'right-of-use' assets and lease liabilities of approximately JPY29,309 million (approximately S\$381.4 million) were recognized as part of the PPE, and a total PPE of JPY167,397 million (approximately S\$2,178.1 million) was reported. However, for comparison purposes, an illustrative, pre-IFRS 16 PPE amounting to JPY138,088 million (approximately S\$1,796.7 million) has been shown in the table.

AGT has recorded impairment losses on its PPE in each of the years since FY2015/16.

In FY2018/19, the total impairment loss on PPE was significantly higher at JPY4,818 million (approximately S\$62.7 million), of which JPY2,995 million (approximately S\$39.0 million) is related to the impairment of NGC, further details of which are set out in paragraph 6.3 below.

During the latest FY2019/20 assessment, pursuant to the Appraised Valuation as at 31 December 2019 of the Golf Courses as appraised by either CBRE K.K. or Tanizawa Sogo Appraisal Co., Ltd. by region, which were obtained prior to the widespread outbreak of COVID-19, the TK Operator updated for the impact of COVID-19 and identified 19 golf courses where carrying value is above recoverable value and accordingly the Trustee-Manager recognized JPY2,641 million (approximately S\$34.4 million) in impairment loss.

6.3 NGC

NGC is located along Arakawa River where the flood risk is high. Surveys were undertaken by the Japanese government for the possibility of constructing a retention basin and on 28 June 2018, AGA received from the Japan Ministry of Land, Infrastructure, Transport and Tourism (“**JMLITT**”) a notification on the potential implementation of a flood prevention project surrounding NGC.

In the event the flood prevention project and the construction of the retention basin commences at NGC, the golf course may be reduced in size from the existing 43 holes to a substantially smaller golf course.¹ The flood prevention work would result in a significant drop in future operating cash flows and the appraised value of NGC as reported by CBRE K.K. in its appraisal report dated 31 December 2018.

CBRE K.K. has reduced the valuation of NGC from JPY4,610 million as at 31 December 2017 to JPY973 million as at 31 December 2018 due to the potential flood prevention project that the Japanese government plans to conduct at NGC. As a result, it contributed substantially to the impairment loss on PPE of JPY4,818 million which was recorded in FY2018/19. The valuation of NGC as at 31 December 2019 as part of the Appraised Valuation was further reduced to JPY525 million and was based on the assumption that the flood prevention project will commence in April 2021. This is JPY448 million (approximately S\$5.8 million) lower than the valuation of NGC as at 31 December 2018.

¹ Approximately 67.4% of the total land area of NGC will be affected by the flood prevention project, which is expected to be permanent. The Trustee-Manager understands that only 14 of the existing 43 holes are expected to remain in operation. No further details have been provided to the Trustee-Manager in relation to the flood prevention project.

NGC comprises a mixture of freehold and leasehold titles. The TK Operator does not have a leasehold title from JMLITT for the largest plot of land under lease, and only has a permission to use permit (“**Land Use Permit**”) granted by JMLITT which is valid for one year. The period of validity of the Land Use Permit was changed in 2018 from three years to one year, as the local officials had strongly indicated that such land would most likely to be used as part of the Japan government’s flood prevention project in near future.

The lease term of NGC is from 1 April 2020 to 31 March 2021 and is renewed on an annual basis until such time when the details of the flood prevention project has been determined. No compensation will be payable to the TK Operator in the event the Land Use Permit is terminated given that this is not a leasehold right but a mere permission to use the land.

The appraised valuation of NGC as at 31 May 2020 pursuant to the Golf Courses Valuation Reports is JPY296 million (approximately S\$3.9 million). Further details on the valuation of NGC is set out in the Golf Courses Valuation Summary Letter at **Appendix C** to this Circular.

6.4 Impairment of Goodwill

On 1 August 2014, as part of its initial public offering, AGT acquired the initial portfolio of golf courses from Accordia Golf through the acquisition of the TK Interests and recorded a goodwill of JPY17,079 million, which was the difference between the purchase price of JPY75,225 million and fair value of net assets acquired of JPY58,146 million.

Details of AGT’s goodwill and impairment loss on goodwill over the last five financial years ending 31 March are as follows:

JPY million	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Book value of TK Interest as at end of FY	76,200	75,447	75,447	61,994	59,840
Impairment Loss on Goodwill recorded for the FY	Nil	Nil	Nil	13,144	Nil
Total Goodwill as at end of FY	17,079	17,079	17,079	3,935	3,935

For the purposes of AGT’s initial public offering in 2014, the Trustee-Manager’s TK Interests was valued as at 1 August 2014 to be between JPY61,223 million (approximately S\$796.6 million) to JPY81,982 million (approximately S\$1,066.7 million). Based on the TK Interests Valuation Report issued by D&P dated 21 August 2020, the TK Interests Valuation Range as at 31 May 2020 is between JPY52,052 million (approximately S\$677.3 million) and JPY59,497 million (approximately S\$774.2 million). The median value of the TK Interests Valuation Range by D&P represents a decrease of 22.1% from the median value of the TK Interests as at 1 August 2014 which at that time was estimated by another independent valuer.

On 31 March 2019, the Trustee-Manager had updated its business plan to take into consideration market developments in Japan and the declining trend in average unit price per player which resulted in a potential reduction of future cash flows attributable to the forecasted underperformance of selected golf courses and the reduction in expected operating cash flows from NGC following the notification of the flood prevention project by the Japanese government. As a result, the assumption regarding profitability margins and costs to sell have been reduced by 10 – 34% as compared to prior years. Based on the Trustee-Manager’s assessment, JPY13,144 million (approximately S\$171.0 million) of goodwill impairment was recognised as at 31 March 2019.

As disclosed in AGT's annual report for FY2018/19, AGT had determined the fair value of the TK Interests using the present value of future cash flows based on current market expectations with a forecast horizon of 4 years (2018: 3 years) and the terminal value was derived assuming no long term growth (2018: no long term growth). The post-tax rate used to discount the forecasted cash flows from the TK Operator was 4.5% (2018: 4.8%) per annum.

D&P had, after the discussions with the Trustee-Manager, used the cash flow projections prepared by the Trustee-Manager and applied a long-term growth rate of 0.5% with the discount rate of 5.7% to 6.1% in their preparation of the TK Interests Valuation Report.

The TK Interests Valuation Summary Letter is set out in **Appendix B** to this Circular.

6.5 Update on 1Q FY2020/21 and Outlook

As set out in AGT's announcement of results for the fourth quarter and full year ended 31 March 2020 released on 11 June 2020, the International Monetary Fund had projected a contraction of growth by -5.2% for Japan in 2020 which is in contrast with its earlier growth forecast of 0.7% in January 2020. The COVID-19 outbreak might push worldwide economies into recessions, including the Japanese economy. For the time being, economic activity will remain at a lower level than pre-COVID-19 and changes in the golf course industry is expected to continue, with new measures in place to minimise the spread of the COVID-19 outbreak. Further details of the COVID-19 outbreak are set out in paragraph 7.3 below. The Trustee-Manager expects that due to the impact of COVID-19, the golf courses with weak balance sheets will continue to be consolidated at a faster rate.

Given the fluidity of the unfolding COVID-19 situation, and the potential long drawn recovery process, the TK Operator had adopted new measures to mitigate the spread of COVID-19, which included closing down higher risk segments such as restaurants, locker rooms and baths, shuttle services and implementing 18 hole thru-play, bypassing Japan's traditional one-hour lunch break practice. Further, the TK Operator also plans to continue to streamline its cost structure to align with the new norm and establish stringent health and safety protocols to restore consumer confidence and employee safety, including introducing good hygiene practices, stepping up efforts to increase the frequency of sanitisation of the premises, cancelling meetings involving large numbers of individuals and business trips, and encourage working from home.

The key financial parameters based on the financial update for Q1 FY2020/21 as compared to the first financial quarter ended 30 June 2019 ("Q1 FY2019/20") are as follows:

	1 Apr 2020 to 30 Jun 2020 (JPY million)	1 Apr 2019 to 30 Jun 2019 (JPY million)	Change %
Operating Income	10,654	14,615	(27.1)
Operating Expenses	(9,544)	(11,154)	(14.4)
EBITDA	2,335	4,326	(46.0)
Operating Profit	1,110	3,461	(67.9)

	1 Apr 2020 to 30 Jun 2020	1 Apr 2019 to 30 Jun 2019	Change %
Number of players (million)	1.42	1.62	(12.3)
Utilisation (%)	75.3%	85.0%	(11.4)
Average revenue per player (JPY)	6,641	8,475	(21.6)

The performance of the portfolio golf courses has shown a significant decline in Q1 FY2020/21 due to the state of emergency declared by the Japanese government for the period from 7 April 2020 to the last week of May 2020. Many golfers stayed home during this period, resulting in high number of cancellations. As a result, the number of players in Q1 FY2020/21 decreased by 12.3% as compared to Q1 FY2019/20.

Revenue per player in Q1 FY2020/21 on average fell approximately 21.6% as compared to Q1 FY2019/20. This was mainly due to: (i) discounts on play fees given to golfers to encourage higher visitor numbers, resulting in a fall of play fee by 12.4%; and (ii) the closure of restaurants during the state of emergency as a precaution to contain the spread of the COVID-19 outbreak, resulting in a drop-in restaurant revenue by 49.2%.

Operating income for 1Q FY2020/21 was JPY10,654 million, which was 27.1% lower than 1Q FY2019/20. The decrease was primarily due to the decline in both the number of players as well as the average revenue per player. The decrease in operating income was partly offset by JPY288 million in government subsidies by Japan government for employees during the state of emergency declared.

Operating expenses for 1Q FY2020/21 was JPY9,544 million, which was 14.4% lower than 1Q FY2019/20, due to the reduction in variable cost including part-time labour, merchandise and material expenses, and golf course management fees.

As a result, operating profit for 1Q FY2020/21 was JPY1,110 million, which was 67.9% lower than 1Q FY2019/20.

In line with Japan government's effort to boost local domestic tourism, the TK Operator has rolled out discounts and outreach programs to improve utilisation by domestic players, and there are signs of recovery in the utilisation in June 2020. There were more players in the month of June 2020 as compared to the month of June 2019 although the year-on-year average revenue per player for the month of June declined by 18.4%. However, revenue per player is expected to remain lower than previous years' and there is no certainty that the performance will achieve full recovery to the same level as pre-COVID-19 for the remaining fiscal year. The impact of COVID-19 could continue for 6 to 12 months or possibly longer.

7. RATIONALE FOR THE PROPOSED DIVESTMENT

7.1 Realisation of value

The Proposed Divestment presents a reasonably attractive option for AGT to realise the value of its TK Interests and for Unitholders to unlock the value of their Units.

The Purchase Consideration of JPY65,200 million (approximately S\$848.4 million) for the TK Interests is JPY5,360 million (approximately S\$69.7 million)¹ higher than the book value² of the TK Interests as at 31 March 2020, which is JPY59,840 million (approximately S\$778.6 million).

1 This is also the net gain arising from the Proposed Divestment.

2 The NTA of the TK Interests is the same as the book value of the TK Interests. The book value and NTA of the TK Interests as at 31 March 2020 is the same as that at 30 June 2020.

The Purchase Consideration translates to an implied purchase consideration of S\$0.772 per Unit¹, which represents:

- (a) 36.6% premium to the closing price of S\$0.565 per Unit on the Last Announcement Day, 30.7% premium to the one-month VWAP per Unit of S\$0.591, and 40.8% premium to the three-month VWAP per Unit of S\$0.548, in each case, up to and including the Last Announcement Day;
- (b) 28.6% premium to the closing price of S\$0.600 per Unit on the Last Unaffected Trading Day, 28.5% premium to the one-month VWAP per Unit of S\$0.601, and 35.0% premium to the three-month VWAP per Unit of S\$0.572, in each case, up to and including the Last Unaffected Trading Day;
- (c) 9.6% and 25.3% premium to the TK Interests Valuation Range on a per Unit basis of between approximately S\$0.616 and S\$0.704;
- (d) 19.4% premium to AGT's Adjusted NTA per Unit of approximately S\$0.646 based on the audited consolidated financial results for FY2019/20 and 18.2% premium to AGT's Q1 Adjusted NTA per Unit of approximately S\$0.653 based on the financial update for Q1 FY2020/21; and
- (e) 11.2% premium to AGT's Adjusted NAV per Unit of approximately S\$0.694 based on the audited consolidated financial results for FY2019/20 and 10.2% premium to AGT's Q1 Adjusted NAV per Unit of approximately S\$0.701 based on the financial update for Q1 FY2020/21.

In the event that Resolution 2 (as set out below) in connection with the proposed Winding Up is approved by Unitholders, the Implied Liquidation Value of AGT translates to be approximately S\$0.767 per Unit and represents:

- (i) 35.7% premium to the closing price of S\$0.565 per Unit on the Last Announcement Day, 29.9% premium to the one-month VWAP per Unit of S\$0.591, and 39.9% premium to the three-month VWAP per Unit of S\$0.548, in each case, up to and including the Last Announcement Day;
- (ii) 27.8% premium to the closing price of S\$0.600 per Unit on the Last Unaffected Trading Day, 27.7% premium to the one-month VWAP per Unit of S\$0.601, and 34.1% premium to the three-month VWAP per Unit of S\$0.572, in each case, up to and including the Last Unaffected Trading Day;
- (iii) 8.9% and 24.5% premium to the TK Interests Valuation Range on a per Unit basis of between approximately S\$0.616 to S\$0.704;
- (iv) 18.6% premium to AGT's Adjusted NTA per Unit of approximately S\$0.646 based on the audited consolidated financial results for FY2019/2020 and 17.5% premium to AGT's Q1 Adjusted NTA per Unit of approximately S\$0.653 based on the financial update for Q1 FY2020/21; and

¹ Derived by dividing the Purchase Consideration by the total number of outstanding Units of 1,099,122,000 as at the Latest Practicable Date. The implied purchase consideration per Unit is illustrative and is not intended to represent the distribution per Unit to be received by Unitholders arising from the Proposed Divestment.

- (v) 10.5% premium to AGT's Adjusted NAV per Unit of approximately S\$0.694 based on the audited consolidated financial results for FY2019/20 and 9.4% premium to AGT's Q1 Adjusted NAV per Unit of approximately S\$0.701 based on the financial update for Q1 FY2020/21.

Additionally, 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 received in February 2020. 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 industry¹.

The binding offer submitted by Accordia Golf was thus the only definitive offer received by the Trustee-Manager and this offer was subsequently negotiated until its final form with the principal terms as set out in paragraph 3 above. The Independent Committee, the Joint Financial Advisers led by EYCF and the legal adviser to the Trustee-Manager were involved in the arm's length negotiations with Accordia Golf and its financial and legal advisers. As none of the Independent Committee, the Joint Financial Advisers and the legal adviser to the Trustee-Manager have any shareholding or other interest in Accordia Golf or its related corporations, the Proposed Divestment is not an interested person transaction under Chapter 9 of the Listing Manual vis-à-vis each of them. The Purchase Consideration set out in the TK Interest Transfer Agreement was the negotiated price arrived at with Accordia Golf after extensive negotiations.

Pursuant to the terms of the Supplemental Deed:

- (i) the purchase consideration to be received by the Trustee-Manager for the Proposed Divestment has been increased from a fixed amount of JPY61,800 million (approximately S\$804.1 million) to a fixed amount of JPY65,200 million (approximately S\$848.4 million), an increase of JPY3,400 million (approximately S\$44.2 million);
- (ii) the Purchase Consideration does not include the Special Reserves;

¹ Please refer to paragraphs 6.5 and 7.3 of the Letter to Unitholders 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.

- (iii) the TK Operator shall be entitled to and will distribute the entire amount of the Special Reserves to the existing TK Investors (including the Trustee-Manager), subject to any applicable withholding tax and the Trustee-Manager is entitled to distribute such sums received to the Unitholders¹; and
- (iv) 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).

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 the completion of the Proposed Divestment.

As at the Latest Practicable Date, other than one confidential non-binding indicative proposal from another third-party bidder received in February 2020, the Trustee-Manager has also not received any unsolicited offers from third parties for the acquisition of AGT's Golf Courses, the TK Interests and/or AGT even though the receipt of the Non-Binding Proposal has been public information since 28 November 2019.

7.2 Advantages of the Proposed Divestment relative to maintaining a listed platform

The Independent Committee has evaluated the Proposed Divestment relative to the prospects of AGT should it continue in its current form as a listed business trust. The Independent Committee notes that AGT has consistently traded at a discount to NAV. Over the last three years prior to and including the Last Unaffected Trading Day, the Unit price of AGT has traded at discounts of between 12.4% and 47.4% and at an average discount of 27.6% to the NAV per Unit.

¹ The Trustee-Manager had on 23 June 2020 announced its intention to declare the distribution to Unitholders of the JPY1,200 million cash reserve, being the Supplemental Distribution. The payment of the Supplemental Distribution is independent of the Proposed Divestment as it is made from the Special Reserves and not from proceeds of the Proposed Divestment which will be applied towards the Special Distributions. For avoidance of doubt, Accordia Golf will not receive any distribution from the TK Operator in respect of the Special Reserves and its only entitlement is as a Unitholder (and not as purchaser under the Proposed Divestment) when the Trustee-Manager makes payment of the Supplemental Distribution to all Unitholders.

After deducting the amounts due by the TK Operator to Mizuho Securities Co., Ltd. and Japanese withholding tax of approximately JPY245.1 million, the net amount available for distribution by the TK Operator to the Trustee-Manager (as a TK Investor) is approximately JPY954.9 million. The Trustee-Manager will distribute the entire amount of JPY954.9 million (which will be converted into approximately S\$12.3 million pursuant to the hedging arrangement entered into by the Trustee-Manager to convert the Japanese yen amount received from the TK Operator into Singapore dollars for distribution to Unitholders) as the Supplemental Distribution to Unitholders.

As disclosed in the Prospectus, Mizuho Securities Co., Ltd., a QII under the FIEA, made contributions to the TK Business of approximately 0.01% of the aggregate contributions to the TK Business in order to satisfy certain regulatory requirements under the FIEA. In addition, as disclosed in the annual reports of AGT since Listing, the shareholder of the TK Operator and QII are entitled to 1% and 0.01% of the allocated profits and losses of the TK Operator and AGT is entitled to the remaining 98.99%, and there is a 20.42% Japanese withholding tax on distributions from the TK Operator. Such deductions are made even for AGT's periodic semi-annual distributions. As disclosed in the Prospectus, the TK Operator, TK Investor and QII had each made contributions to the TK Business amounting to approximately 0.6%, 99.39% and 0.01% of the Aggregate Contributions to the TK Business respectively. Although the TK Operator made approximately 0.6% of the Aggregate Contributions to the TK Business but receives 1.0% of the distributable income, the higher percentage received is necessary so that the TK Operator receives sufficient funds to pay the local taxes required to be borne by the TK Operator and yet retain sufficient profits which is necessary for the TK Operator to remain as an entrepreneur in respect of the TK Business. However, the TK Operator does not need to receive cash at every distribution made by the TK Operator so long as it has sufficient funds to pay the local taxes. In the case of the distribution of the Special Reserves, as the TK Operator does not need to receive cash, the available excess cash is allocated only to the TK Investors (i.e. the QII and AGT) even though the TK Operator will still be allocated the profits for accounting purposes.

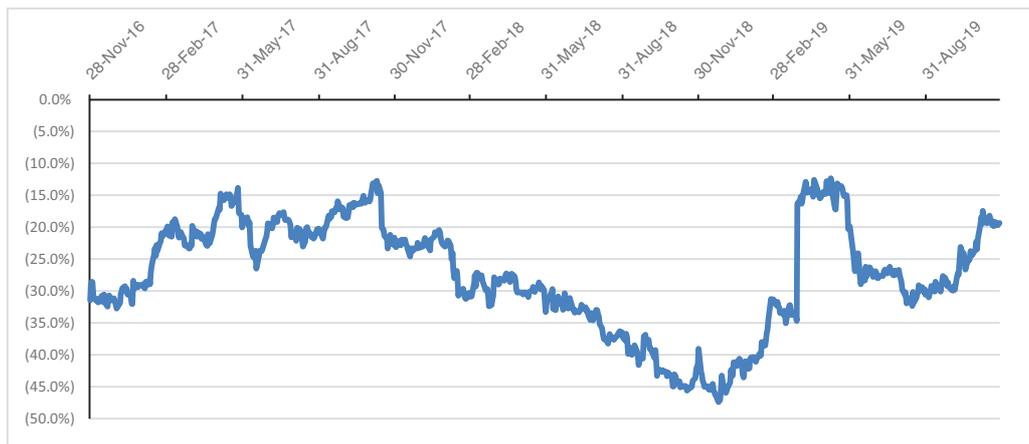
Unit Price vs NAV per Unit⁽¹⁾ (\$\$)



Note:

- (1) Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

Discount to NAV⁽¹⁾ (%)



Note:

- (1) Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

The Unit price and DPU have broadly been declining, in line with declining operating profits. The year on year decrease in average revenue per player and declining membership revenue trends along with increased refinancing costs in FY2017/18 and the large membership deposit refund in FY2018/19 have resulted in the declining DPU.

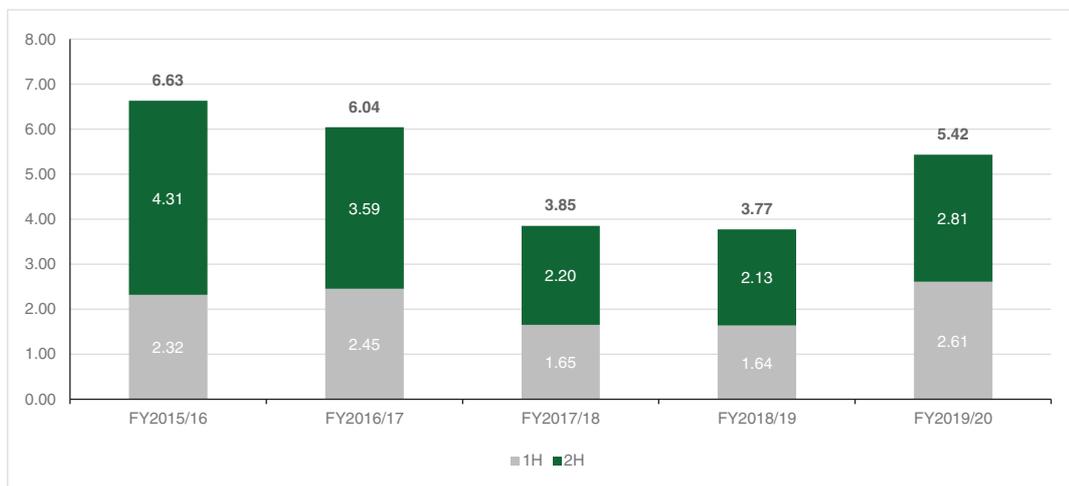
Unit Price since Listing⁽¹⁾ (S\$)



Note:

- (1) Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

Distribution per Unit⁽¹⁾ (S\$ cents)



Note:

- (1) The distribution figure for 2H FY2019/20 includes the Supplemental Distribution of JPY954.9 million (which will be converted into approximately S\$12.3 million pursuant to the hedging arrangement entered into by the Trustee-Manager to convert the Japanese yen amount received from the TK Operator into Singapore dollars for distribution to Unitholders), being the amount net of withholding taxes. See footnote 1 on page 16 of this Circular for further details on the Supplemental Distribution.

In addition, no acquisitions have been made by the Trustee-Manager since Listing. The TK Operator, which is responsible for the acquisition and management of golf courses under the *tokumei kumiai* arrangement with the Trustee-Manager, evaluated suitable golf course acquisitions from time to time. However, it was difficult for the TK Operator to raise financing to make the accretive acquisitions and consequently, the TK Operator was unable to propose any acquisitions to the Trustee-Manager. This has in turn affected AGT's ability to improve its DPU.

AGT's trading volume on the SGX-ST has historically been low. For the six-month period prior to the Last Unaffected Trading Day, the average daily trading volume for the market days on which the Units were traded was 975,152 Units, representing approximately 0.089% of the total outstanding Units in issue.

The Proposed Divestment enables Unitholders to realise value for their Units now, compared to the realisation of value through potential future appreciation of AGT's Unit price, which may or may not materialise (see paragraph 7.1 above for further details on the financial information relating to the Proposed Divestment).

7.3 Elimination of exposure to market risks

The market price of the Units is subject to a number of factors, including performance of the Golf Courses, availability of financing, trading liquidity of the Units, the prospects of the Singapore business trust market, the prospects of the Japanese golf course market, and prevailing interest rates and economic conditions in Japan.

The COVID-19 outbreak has resulted in quarantines, travel restrictions, enhanced health screenings at ports of entry and elsewhere, event cancellations and suspensions, city lockdowns and closed international borders. Given the uncertainties as to the development of the COVID-19 outbreak, it is difficult to predict how long such conditions will exist and the extent to which AGT may be affected.

The COVID-19 outbreak has, and may continue to have, an adverse impact on businesses and economies globally. There have been disruptions to businesses in many sectors, including retail, hospitality, travel, manufacturing, logistics, construction, aviation and shipping. The outbreak has resulted, and may continue to result, in protracted market volatility, business shutdowns and falling real estate prices. For instance, in February and March 2020, stock markets worldwide fell significantly in value, in reaction to the COVID-19 outbreak. A number of governments have revised gross domestic product growth forecasts for 2020 downward in response to the economic slowdown caused by the outbreak. The COVID-19 outbreak may further deteriorate and result in an economic crisis or recession in the global economy.

Accordingly, COVID-19 may lead to reduced demand for golf course and golf course related businesses. This could have an adverse impact on the business, financial condition, results of operations and prospects of AGT. For example, AGT may face further difficulty in obtaining financing for golf course acquisitions, limiting AGT's ability to improve its DPU. AGT's Unit trading price had also been adversely affected due to COVID-19. Moreover, the COVID-19 outbreak could also adversely affect AGT in ways that cannot be foreseen. The realisation of value in AGT through the Proposed Divestment and declaration of Special Distributions following Completion will enable the value in the Golf Courses to be realised without any further exposure of the Units to market risks and the COVID-19 outbreak.

8. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT

The pro forma financial effects of the Proposed Divestment on AGT, prepared based on AGT's audited consolidated financial results for FY2019/20 are set out below.

It should be noted that the pro forma financial effects set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of AGT after Completion.

8.1 Pro Forma NTA per Unit

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Proposed Divestment on AGT's NTA per Unit, based on AGT's audited consolidated financial results for FY2019/20 and assuming that the Proposed Divestment was completed on 31 March 2020, are as follows:

	Before the Proposed Divestment ⁽¹⁾	After the Proposed Divestment ⁽¹⁾
NTA (S\$ million)	710.4	780.2 ⁽²⁾
Number of Units⁽³⁾ ('000)	1,099,122	1,099,122
NTA per Unit (S\$)	0.646	0.710

Notes:

- (1) Based on the audited consolidated financial results for FY2019/20 of AGT. Adjusted for the 2H FY2019/20 Distribution paid on 29 June 2020 and the Supplemental Distribution. See footnote 1 on page 16 of this Circular for further details on the Supplemental Distribution.
- (2) Calculated by replacing the book value of the TK Interest as at 31 March 2020 with the Purchase Consideration.
- (3) Based on the total number of Units outstanding as at 31 March 2020.

8.2 Pro Forma Distribution per Unit

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Proposed Divestment on AGT's DPU, based on AGT's audited consolidated financial results for FY2019/20 and assuming that the Proposed Divestment was completed on 1 April 2019, are as follows:

	Before the Proposed Divestment ⁽¹⁾	After the Proposed Divestment
Net Profit (S\$ million)	20.1	N.A. ⁽⁴⁾
Distributable Income (S\$ million)	59.6 ⁽³⁾	N.A. ⁽⁴⁾
Number of Units⁽²⁾ ('000)	1,099,122	1,099,122
DPU (cents)	5.42	N.A. ⁽⁴⁾

Notes:

- (1) Based on the audited consolidated financial results for FY2019/20 of AGT.
- (2) Based on the total number of Units outstanding as at 31 March 2020.
- (3) Distributable income includes the Supplemental Distribution.
- (4) After the Proposed Divestment, AGT would not have any income-producing assets.

9. USE OF PROCEEDS AND SPECIAL DISTRIBUTIONS

9.1 The Special Distributions

Under the TK Interest Transfer Agreement, the Trustee-Manager is required to distribute to Unitholders:

- (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 First Tranche Special Distribution will amount to approximately S\$0.710 per Unit, and the Second Tranche Special Distribution will amount to approximately S\$0.039 per Unit.

The Trustee-Manager will make further announcements on the Special Distributions, the applicable Books Closure Date for each of the Special Distributions and the date of payment of each of the Special Distributions following Completion.

9.2 Use of Remaining Purchase Consideration and Cash Balance of AGT and Final Distribution

After setting aside 97% of the Purchase Consideration for the Special Distributions, the remaining 3% of the Purchase Consideration of JPY1,956 million (approximately S\$25.5 million), along with the outstanding cash balance of AGT¹, will be applied as follows:

- (i) approximately S\$6.5 million for costs and expenses arising from the Proposed Divestment (which include professional fees to be paid to (a) the Joint Financial Advisers, (b) the legal advisers to the Trustee-Manager and the Independent Committee, (c) the Independent Financial Adviser, (d) EY Corporate Advisors Pte. Ltd. as tax adviser to the Trustee-Manager, (e) the Independent Valuers and (f) expenses relating to the EGM) and in connection with the proposed Winding Up and any other fees, costs and expenses which may be payable prior to the Winding Up in accordance with the Winding Up procedures in the manner set out at paragraph 10.4 below;
- (ii) approximately S\$0.8 million for costs and expenses for the maintenance and management of AGT during the Interim Period;

¹ The estimate of outstanding cash balance of AGT at Completion used for the purposes of this Circular is S\$3.8 million. The estimate is based on the Cash Balance of AGT. The actual cash balance of AGT after making the Special Distributions may be higher or lower than the Cash Balance of AGT.

- (iii) approximately S\$0.2 million to pay the Base Fee due to the Trustee-Manager under the Trust Deed¹ during the Interim Period;
- (iv) approximately S\$1.2 million to pay the Divestment Fee due to the Trustee-Manager under the Trust Deed²;
- (v) S\$0.55 million of cash for any other claims³, expenses or liabilities not already provided for above; and
- (vi) to settle any potential liabilities, including but not limited to any tax liabilities (and associated penalties and liabilities), of AGT prior to the Winding Up.

Any remaining cash in AGT after settling the above-mentioned payments shall on the Winding Up be applied to make a Final Distribution to the Unitholders in accordance with the Winding Up procedures set out in paragraph 10.4 below.

The Trustee-Manager will make further announcements on the Final Distribution, the applicable Books Closure Date for the Final Distribution and the date of payment of the Final Distribution following Completion (if any).

If the Proposed Divestment proceeds and completes by 30 September 2020 in accordance with the TK Interest Transfer Agreement, Unitholders will only receive the Special Distributions and the Final Distribution (if any) as set out above and there will be no further distribution by AGT for the period from 1 April 2020 to the completion of the Proposed Divestment. In the event that approval for Resolution 1 in relation to the Proposed Divestment is not obtained from Unitholders and the Proposed Divestment does not proceed, the Trustee-Manager will continue to hold its interests in the Golf Courses through its TK Interests and semi-annual distributions will continue. For avoidance of doubt, even if the Proposed Divestment does not proceed, Unitholders will still receive the Supplemental Distribution.

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- 1 After the completion of the Proposed Divestment, the Trustee-Manager has to attend to post-Completion matters (such as managing the claims which may be made prior to the Claim Expiry Date and ensuring compliance with AGT's obligations as a listed business trust) and continue to perform its role as a Trustee-Manager in the Interim Period. Under the Trust Deed, Trustee-Manager is entitled to receive for its own account out of the Trust Property (as defined herein) a base fee (the "**Base Fee**"), being a fee not exceeding the rate of 0.11% per annum of the value of the total assets of AGT on a consolidated basis, which may be offset by the Performance Fee (as defined herein) in the event that the Performance Fee is a negative figure, so as to reduce the amount of the Base Fee payable to the Trustee-Manager. For avoidance of doubt, the Base Fee shall be subject to a minimum amount of zero and there shall not be any portion of the negative Performance Fee carried forward to offset the Base Fee for any subsequent periods. Under the Trust Deed, the Trustee-Manager is also entitled to receive for its own account out of the Trust Property in relation to any financial year, a performance fee calculated at a rate not exceeding 0.25% per annum of the Adjusted Net Operating Income (as defined herein) of the investments of AGT (calculated based on the currency in which the Adjusted Net Operating Income is received and before accounting for such fee in that financial year) (the "**Performance Fee**"). As AGT will not have any Adjusted Net Operating Income post-Completion, the Trustee-Manager will not be entitled to a Performance Fee post-Completion. However, the Trustee-Manager will continue to receive a Base Fee post-Completion which is expected to amount to S\$239,000. This amount is to cover the operational expenses of the Trustee-Manager post-Completion as it will continue to operate AGT post-Completion and is for the period of up to March 2021, which is the expected period by which the Winding Up will be completed.
 - 2 Under the Trust Deed, the Trustee-Manager is entitled to receive a divestment fee (the "**Divestment Fee**"), calculated as an amount (net of all Applicable Taxes) equal to a rate not exceeding 0.15% of the last available appraised value obtained by the Trustee-Manager or the relevant special purpose vehicle of any investments sold or divested directly or indirectly (through a special purpose vehicle or otherwise) by AGT as determined by such appraiser appointed pursuant to the Trust Deed (pro-rated if applicable to the proportion of AGT's interest in the investments sold or divested). As the Purchase Consideration of JPY65,200 million exceeds the TK Interests Valuation Range, the Divestment Fee payable to the Trustee-Manager was calculated based on the top end of the TK Interests Valuation Range, being JPY59,497 million (approximately S\$774.2 million).
 - 3 Excludes claims made by Accordia Golf under the TK Interest Transfer Agreement (if any) which will be satisfied from 5% of the Purchase Consideration intended for the Second Tranche Second Distribution. Refers to any claims, expenses or liabilities not presently anticipated by the Trustee-Manager.

AGT has applied for an advance tax ruling from the IRAS to obtain confirmation that the sale of TK Interests is a capital transaction and hence Singapore income tax should not be applicable on gain from the Proposed Divestment. As at the Latest Practicable Date, the IRAS has not issued a ruling and there is no assurance that the IRAS will issue a positive ruling. As AGT's prior years' tax matters are subject to agreement by the IRAS, this may impact the tax ruling to be applied. In the event that the IRAS were to rule that the investment in the TK Interests should be regarded as being held on revenue account, gain (if any) from the Proposed Divestment will be subject to Singapore income tax at the prevailing Singapore corporate income tax rate of 17.0%. Any income tax arising will be settled by the Trustee-Manager as provided under paragraph 9.2(vi) above.

In addition, where there are any prior years' tax liabilities (and associated penalties and interest), such tax liabilities (and associated penalties and interest) are to be met by the Trustee-Manager as provided under paragraph 9.2(vi) above or other monies of AGT.

An overview of certain Japanese and Singapore tax considerations are set out in **Appendix D** to this Circular.

9.3 AGT Deemed to be a Cash Trust during the Interim Period

In the period following Completion and up to and including the date of Winding Up (the "**Interim Period**"), AGT will cease to have any operating business and its assets will consist wholly or substantially of cash. Being a cash trust, AGT will be subject to Rule 1303(2) and Rule 1018 of the Listing Manual.

Pursuant to Rule 1303(2), the SGX-ST may at any time suspend trading of the listed securities of an issuer where there is a change in the issuer's assets that produces a situation where its assets consist wholly or substantially of cash or short-dated securities.

Under Rules 1018(1)(a) and (b), an issuer's securities would normally be suspended from trading until such time that the issuer has a business which is able to satisfy the SGX-ST's requirements for a new listing, and all relevant information has been announced. In addition, upon Completion, AGT must:

- (a) place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal(s) undertaken by the issuer) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore (the "**MAS**"). The amount that is placed in the escrow account cannot be drawn down until the completion of the acquisition of a business which is able to satisfy SGX-ST's requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by Unitholders and pro-rata distributions to Unitholders (collectively, the "**Rule 1018 Escrow Requirements**"); and
- (b) provide monthly valuations of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business to the market via SGXNET.

The Trustee-Manager had on 24 July 2020 submitted an application to SGX-ST to seek a waiver from the Rule 1018 Escrow Requirements (the "**Rule 1018 Escrow Waiver**") in the event of Completion on the basis that the Special Distributions amount in aggregate to approximately S\$822.9 million and are in excess of 90% of the post-Completion cash balance of AGT¹ of S\$767.0 million.

¹ The post-Completion cash balance of AGT of S\$852.2 million is calculated by adding the outstanding cash balance of AGT at Completion of S\$3.8 million with the Purchase Consideration of JPY65,200 million (approximately S\$848.4 million).

The SGX-ST had replied on 20 August 2020 that it has no objection to the Trustee-Manager's application for the Rule 1018 Escrow Waiver, subject to the following:

- (a) the Trustee-Manager announcing the Rule 1018 Escrow Waiver granted, the reasons for seeking the Rule 1018 Escrow Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Rule 1018 Escrow Waiver conditions have been satisfied. If the Rule 1018 Escrow Waiver conditions have not been met on the date of the announcement, the Trustee-Manager must make an update announcement when the conditions have all been met;
- (b) submission of a written confirmation from the Trustee-Manager that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Trustee-Manager;
- (c) the Board's confirmation that the Rule 1018 Escrow Waiver will not be in contravention of any laws and regulations governing AGT and its constitution (or the equivalent in AGT's country of incorporation); and
- (d) confirmation by the Trustee-Manager in the Circular and via SGXNet that the Special Distributions of JPY63,244 million and the Supplemental Distribution, will be distributed to Unitholders, and would amount to more than the 90% of cash and short-dated securities (including existing cash balance and the consideration arising from the disposal(s) undertaken by AGT) referred to under Rule 1018(1)(a) of the Listing Manual,

(collectively, the "**Rule 1018 Escrow Waiver Conditions**").

Further to sub-paragraph (c) of the Rule 1018 Escrow Waiver Conditions, the Board confirms that the Rule 1018 Escrow Waiver will not be in contravention of any laws and regulations governing AGT and its Trust Deed.

Further to sub-paragraph (d) of the Rule 1018 Escrow Waiver Conditions, the Trustee-Manager confirms that the Special Distributions will be distributed to Unitholders in accordance with paragraph 9.1 above, and would amount to more than 90% of cash and short-dated securities (including existing cash balance and the Purchase Consideration arising from the Proposed Divestment undertaken by AGT) referred to under Rule 1018(1)(a) of the Listing Manual.

In addition, the Trustee-Manager would like to clarify that as announced on 21 August 2020, the payment of the Supplemental Distribution will be made on 8 September 2020. Accordingly, at the time of Completion, the Supplemental Distribution would already have been paid to Unitholders, and the Supplemental Distribution will not form part of the Trustee-Manager's cash and short-dated securities (including existing cash balance and the Purchase Consideration arising from the Proposed Divestment undertaken by AGT) referred to under Rule 1018(1)(a) of the Listing Manual.

As at the date of this Circular, the cash distributions of both the First Tranche Special Distribution and the Second Tranche Special Distribution have not been completed as the Proposed Divestment, which is subject to Unitholders' approval, has not completed, and the Trustee-Manager will make an update announcement when these conditions have been met. Save for the foregoing, the Trustee-Manager has met the other Rule 1018 Escrow Waiver conditions.

AGT's NAV per Unit will decrease to approximately S\$0.009¹ following the Special Distributions. Since the assets of AGT after completion of the Proposed Divestment will consist wholly or substantially of cash, the Units will be suspended following completion of the Proposed Divestment and Unitholders will not be able to trade the Units on the SGX-ST after AGT becomes a cash trust.

Notwithstanding that AGT will become a cash trust post-Completion, the Trustee-Manager will still have to manage AGT post-Completion (such matters include managing any claims which may be made prior to the Claim Expiry Date and ensuring compliance by AGT of its obligations as a listed business trust) and continue to perform its role as trustee-manager in the Interim Period.

10. THE PROPOSED WINDING UP

10.1 Background and Rationale for the proposed Winding Up

Following Completion, AGT will cease to have any operating business and its assets will consist wholly or substantially of cash and AGT will not have a business that will satisfy the requirements of SGX-ST for listing. As such, AGT will be deemed to be a cash trust for the purpose of Rule 1018 of the Listing Manual (Further details are set out at paragraph 9.3 above). Pursuant to Rule 1018(2) of the Listing Manual, the SGX-ST will remove AGT from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash trust.

Having considered:

- (a) the rationale for the Proposed Divestment (as set out in paragraph 7 above); 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 of AGT after Completion nonetheless by way of application to court to wind up AGT.

The Trustee-Manager is of the view that the Winding Up by the passing of a Special Resolution by the Unitholders at the EGM is the faster and more cost-effective way of winding up AGT as compared to an application to court to wind up AGT.

¹ Calculated as taking the sum of the Adjusted NAV and Purchase Consideration and subtracting the book value of the TK Interests as at 31 March 2020 and the Special Distributions, and such sum divided by total outstanding Units in issue.

10.2 Winding Up by the passing of a Special Resolution by the Unitholders at the EGM

Clause 22.1 of the Trust Deed provides that AGT may be wound up in accordance with the relevant laws, regulations and guidelines that apply to AGT, including the BTA.

Section 45(1) of the BTA provides that the trustee-manager of a registered business trust shall wind up the registered business trust upon the passing of a Special Resolution by the unitholders of the registered business trust at a general meeting directing the trustee-manager to wind up the business trust.

The proposed Winding Up, which shall be undertaken in accordance with the BTA and the Trust Deed, will be subject to the approval of the Unitholders by way of the Special Resolution as set out in the Notice of EGM, being passed at the EGM.

Under the BTA, the proposed Winding Up is deemed to and shall commence at the time of the passing of the Special Resolution at the EGM.

10.3 Winding Up by application to Court

In the event that approval for the proposed Winding Up is not obtained, the Trustee-Manager intends to proceed with the winding up of AGT after completion of the Proposed Divestment nonetheless, by way of an application to court to wind up AGT.

Pursuant to Section 46(1) of the BTA, a registered business trust may be wound up under an order of the court on the application of, among others, the trustee-manager of the registered business trust.

Pursuant to Section 46(2) of the BTA, the court may, on application by the trustee-manager under Section 46(1) of the BTA, order the trustee-manager of a registered business trust to wind up the registered business trust if, among other things, the court thinks it just and equitable to make the order, and upon such order, the trustee-manager shall wind up the business trust.

Subject to any orders of the court giving directions as to the winding up of AGT pursuant to Section 48(2) of the BTA, the Trustee-Manager shall proceed to wind up AGT in accordance with Clause 22.2 of the Trust Deed set out in paragraph 10.4 below.

10.4 Winding Up Procedure in accordance with the Trust Deed

Clause 22.2 of the Trust Deed provides that, in the event that AGT is to be wound up, the Trustee-Manager shall, *inter alia*, proceed as follows:

- (a) dispose of the Trust Property of AGT as soon as practicable after commencement of Winding Up;
- (b) repay any outstanding borrowings effected by AGT and all debts and liabilities in respect of AGT;
- (c) retain from any distribution to be made to the Unitholders any amount equal to any contingent liability to the IRAS or the Central Depository (Pte) Limited (the “CDP”) under any indemnity given to the IRAS or CDP (and in the case of CDP, such fees, costs and expenses due to CDP);

- (d) retain all fees, costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee-Manager in connection with the Winding Up; and
- (e) distribute to the Unitholders in proportion to the number of fully paid-up Units held by each of the Unitholders, the net cash proceeds available for distribution.

10.5 Further details relating to the proposed Winding Up

Please see paragraph 9.2 above for further details on, among others, AGT's existing liabilities and costs and expenses incurred in connection with the proposed Winding Up.

In the event that approval for Resolution 1 in relation to the Proposed Divestment is obtained from Unitholders, but approval for Resolution 2 relating to the proposed Winding Up is not obtained, the Trustee-Manager intends to proceed with the Winding Up after Completion nonetheless, by way of an application to court. For avoidance of doubt, Resolution 1 in relation to the Proposed Divestment is not conditional on Resolution 2 in relation to the proposed Winding Up being approved.

10.6 Last Day of Trading, Suspension, and Delisting

According to Rule 1018 of the Listing Manual, if the assets of an issuer consist wholly or substantially of cash or short-dated securities, its securities will normally be suspended and the suspension will remain in force until the issuer has a business which is able to satisfy the SGX-ST's requirements for a new listing and all relevant information has been announced. Since the assets of AGT after Completion will consist wholly or substantially of cash, the Units will remain suspended following Completion.

Unitholders should also note that Unitholders' approval for the proposed Winding Up will lead to the delisting of AGT from the SGX-ST. Rule 1308 of the Listing Manual provides that Rule 1307, which requires approval of Unitholders for delisting, would not be applicable in the context of a voluntary winding up. Rule 1308 further provides that Rule 1309, which requires a reasonable exit offer to be offered to unitholders, would not be applicable in the context of a voluntary winding up.

The last day of trading of Units and the date on which the Units is expected to be withdrawn from the Official List of the SGX-ST will be announced in due course.

Unitholders should in any event note that Rule 1018(2) of the Listing Manual provides that the SGX-ST will remove AGT from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash trust. If the delisting occurs, Unitholders will hold units in an unlisted registered business trust. Units of unlisted business trusts are generally valued at a discount to the units of comparable listed business trusts as a result of the lack of liquidity.

It is likely to be difficult for Unitholders to sell their Units in the absence of a public market for the Units. Unitholders should also note that if the delisting occurs, while AGT will be subject to the Business Trusts Act and the Singapore Code on Take-Overs and Mergers, AGT will no longer be subject to the rules of the Listing Manual subsequent to its delisting.

11. REQUIREMENT FOR UNITHOLDERS' APPROVAL

11.1 The Proposed Divestment as an Interested Person Transaction

11.1.1 Interested Person Transaction

Under Chapter 9 of the Listing Manual, an immediate announcement and Unitholders' approval is required in respect of a transaction between AGT and AGT's interested persons if the value of that transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) exceeds 5.0% of the latest audited consolidated NTA of AGT.

As at the Latest Practicable Date, Accordia Golf directly holds 28.85% of the total number of Units and 49.0% of the shares of the Trustee-Manager. Accordingly, for the purposes of Chapter 9 of the Listing Manual:

- (a) AGT is an "entity at risk";
- (b) Accordia Golf is a "controlling unitholder" of AGT under the BTA as well as a "controlling shareholder" of the Trustee-Manager under the Listing Manual;
- (c) pursuant to the Proposed Divestment, AGT, an entity at risk, is divesting all of its interests in its Golf Courses to Accordia Golf; and
- (d) the Proposed Divestment constitutes an interested person transaction.

11.1.2 AGT Unitholders' Approval and Other Existing Interested Person Transactions

The Purchase Consideration payable by Accordia Golf to the Trustee-Manager is JPY65,200 million (approximately S\$848.4 million), representing 114.0% of the latest audited NTA of AGT of JPY57,209 million (approximately S\$744.4 million) as at 31 March 2020. Accordingly:

- (a) the Proposed Divestment is required to be approved by the Unitholders (with Accordia Golf and its associates abstaining) under Rule 906(1) of the Listing Manual; and
- (b) the Proposed Divestment is conditional upon such approval.

During the course of the current financial year up to the Latest Practicable Date, other than the Proposed Divestment and interested person transactions approved at the Listing and excluding interested person transactions with a value of less than S\$100,000 each, there were no interested person transactions entered into between AGT and Accordia Golf, its subsidiaries and associates or any other interested persons.

11.1.3 Abstention from Voting

Under Rule 919 of the Listing Manual, interested persons and their associates (as defined in the Listing Manual) must not vote on a resolution, nor accept appointments as proxies unless specific instructions as to voting are given, in relation to a matter in respect of which such persons are interested at the EGM. Accordingly, Accordia Golf and its associates will abstain from voting on the resolution in relation to the Proposed Divestment. As at the Latest Practicable Date, Accordia Golf holds a direct interest in 28.85% of the total outstanding Units in issue.

Paragraph 4.2 above sets out the ongoing relationships that AGT and the Trustee-Manager have with Daiwa Group since Listing. Daiwa PI, a subsidiary of Daiwa Group¹ holds, as at the Latest Practicable Date, 5.36% of the total outstanding Units in issue.

Notwithstanding the relationships set out at paragraph 4.2 above, the Trustee-Manager is of the view that Daiwa PI should be able to vote on the Proposed Divestment for the reasons set out below:

- (i) as a Unitholder, Daiwa Group's interests is aligned with the other minority Unitholders in expecting that the Proposed Divestment is undertaken on terms that are as favourable to AGT as possible such that the returns on its investment are maximised;
- (ii) 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;
- (iii) Daiwa Group does not have any ongoing mandate under which it provides financial advisory services to Accordia Golf and its related corporations. Accordingly, there exists no financial connection between Daiwa Group and Accordia Golf which would give rise to a conflict of interest on the part of Daiwa PI not abstaining from voting on the Proposed Divestment;
- (iv) Daiwa CM SG and Daiwa PI have each confirmed that it will not receive any benefits from Accordia Golf or its related corporations in connection with the Proposed Divestment;
- (v) any potential influence by DREAM (as 51.0% shareholder of the Trustee-Manager) over the Proposed Divestment has been addressed by the formation of the Independent Committee comprising the Independent Directors to assess, review and make recommendation on the Proposed Divestment, and DREAM's nominee on the Board, Mr Toyo Nakanishi, recusing from making any decisions in connection with the Proposed Divestment;
- (vi) 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

¹ Daiwa Group owns 100.0% of Daiwa PI.

arising from the Proposed Divestment. In addition, 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;

- (vii) arising from its appointment as one of the Joint Financial Advisers in relation to the Proposed Divestment, Daiwa CM SG's only interest in the Proposed Divestment is Daiwa CM SG's entitlement to a fee payable upon the completion of the Proposed Divestment; and
- (viii) Daiwa Group adopts policies and procedures to effectively segregate the operations of its business units (such as Daiwa PI, DREAM and Daiwa CM SG) such that each operation is conducted without regard for the interests of the other entities.

11.2 The Proposed Divestment as a Major Transaction

Chapter 10 of the Listing Manual classifies transactions into (a) non-discloseable transactions, (b) discloseable transactions, (c) major transactions, and (d) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following applicable bases:

- (i) the NAV of the assets to be disposed of, compared with AGT's NAV pursuant to Rule 1006(a) of the Listing Manual;
- (ii) the net profits attributable to the assets disposed of, compared with AGT's net profits pursuant to Rule 1006(b) of the Listing Manual; and
- (iii) the aggregate value of the consideration received, compared with AGT's market capitalisation based on the total number of issued Units pursuant to Rule 1006(c) of the Listing Manual.

Where any of the relative figures computed on the bases set out above exceeds 5% but does not exceed 20.0%, the transaction is classified as a "discloseable transaction" under Rule 1010 of the Listing Manual which would require the issue of an announcement. Under Rule 1014(1) of the Listing Manual, where any of the relative figures computed on the basis of the above exceeds 20.0%, the transaction is classified as a "major transaction" which would be subject to the approval of Unitholders.

The relative figures for the Proposed Divestment using the applicable bases of comparison are set out in the table below:

Criteria	AGT (S\$ million)	The Proposed Divestment (S\$ million)	Relative Percentage (%)
The NAV of the assets to be disposed of, compared with AGT's NAV	797.0 ⁽¹⁾	778.6	97.7%
The net profits attributable to the assets to be disposed of, compared with AGT's net profits	20.1 ⁽¹⁾	20.1	100.0%

Criteria	AGT (S\$ million)	The Proposed Divestment (S\$ million)	Relative Percentage (%)
Aggregate value of the consideration received compared with AGT's market capitalisation	703.4 ⁽²⁾	848.4	120.6%

Notes:

- (1) Based on the audited consolidated financial results for FY2019/20 of AGT. For avoidance of doubt, this NAV has not been adjusted for the 2H FY2019/20 Distribution paid on 29 June 2020 and the Supplemental Distribution. See footnote 1 on page 16 of this Circular for further details on the Supplemental Distribution.
- (2) Based on the market capitalisation of AGT on 26 June 2020, being the last trading day preceding the date of the TK Interest Transfer Agreement.

Given that the relative figures for the Proposed Divestment computed using the applicable bases of comparison exceed 20.0%, the Trustee-Manager is seeking Unitholders' approval for the Proposed Divestment.

11.3 The Proposed Winding Up

Subject to and conditional upon the passing of Resolution 1 in relation to the Proposed Divestment, the Trustee-Manager is seeking Unitholders' approval for the proposed Winding Up by way of Special Resolution.

In the event that approval for the Proposed Divestment is obtained from Unitholders but approval for the proposed Winding Up is not obtained, the Trustee-Manager intends to proceed with the winding up of AGT after Completion nonetheless by way of an application to court to wind up AGT. The Trustee-Manager is seeking a Special Resolution to effect the proposed Winding Up as it believes it is a faster and more cost-efficient method compared to applying to court to wind up AGT.

All Unitholders, including Accordia Golf and its associates, will be able to vote on the resolution relating to the proposed Winding Up.

UNITHOLDERS SHOULD NOTE THAT IN THE EVENT THAT APPROVAL FOR RESOLUTION 1 IN RELATION TO THE PROPOSED DIVESTMENT IS OBTAINED 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 OF AGT AFTER COMPLETION OF THE PROPOSED DIVESTMENT NONETHELESS BY WAY OF AN APPLICATION TO COURT. FOR AVOIDANCE OF DOUBT, RESOLUTION 1 IN RELATION TO THE PROPOSED DIVESTMENT IS NOT CONDITIONAL ON RESOLUTION 2 IN RELATION TO THE PROPOSED WINDING UP BEING APPROVED.

12. UNDERTAKINGS BY HIBIKI AND SANTA LUCIA

Hibiki and Santa Lucia have provided Irrevocable Undertakings to Accordia Golf and the Trustee-Manager to, among others:

- (a) vote, or procure the voting of, all of the Units in which they have an interest (direct and indirect)¹ in favour of the resolutions to approve the Proposed Divestment, the Winding Up and any other matter necessary or proposed to implement the Proposed Divestment and/or the Winding Up at any meeting of the Unitholders to be convened to approve the Proposed Divestment and/or the Winding Up and at any adjournment thereof; and
- (b) comply with certain non-solicitation and no-talk provisions.

The Trustee-Manager did not make any payment to Hibiki and Santa Lucia for providing the Irrevocable Undertakings.

13. RECOMMENDATION OF THE JOINT FINANCIAL ADVISERS

The Joint Financial Advisers have recommended the Proposed Divestment to the Independent Committee as the Proposed Divestment represents a reasonably attractive option for AGT to realise the value of its TK Interests and for Unitholders to unlock the value of their Units. In arriving at this recommendation, the Joint Financial Advisers have considered, *inter alia*, the premiums stated in paragraph 7.1 above, the wide market testing process and their negotiations with Accordia Golf set out in paragraph 4.1 above, and the rationale for the Proposed Divestment. In particular, the Joint Financial Advisers have considered the following:

- (i) 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.
- (ii) the Proposed Divestment enables Unitholders to realise value for their Units now, compared to the realisation of value through potential future appreciation of AGT's Unit price, which may or may not materialise:
 - (a) over the last three years prior to and including the Last Unaffected Trading Day, the Unit price of AGT has traded at discounts of between 12.4% and 47.4% and at an average discount of 27.6% to the NAV per Unit;
 - (b) the Unit price and DPU have broadly been declining; and
 - (c) the Proposed Divestment eliminates further exposure of the Units to market risks due to the COVID-19 outbreak; and

¹ As at the date of the Irrevocable Undertakings, Hibiki had an aggregate interest (direct and indirect) in 83,641,900 Units, being approximately 7.61% of the total outstanding Units in issue and Santa Lucia had an aggregate interest (direct and indirect) in 33,900,000 Units, being approximately 3.08% of the total outstanding Units in issue.

- (iii) the binding offer submitted by Accordia Golf was the only definitive offer received by the Trustee-Manager and this offer was subsequently negotiated until its final form with the principal terms as set out in paragraph 3 above.¹

14. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

14.1 IFA

As announced by the Trustee-Manager on 29 June 2020, CIMB has been appointed as the IFA as required under Rule 921(4)(a) of the Listing Manual to provide an opinion on whether the Proposed Divestment will be carried out on normal commercial terms and will not be prejudicial to the interests of AGT and its minority Unitholders. A copy of the letter from the IFA (the “**IFA Letter**”), containing its advice in full, is set out in **Appendix E** to this Circular and Unitholders are advised to read the IFA Letter carefully.

14.2 Factors taken into consideration by the IFA

In arriving at its recommendation, the IFA has taken into account several key considerations, set forth in paragraph 6.1 of the IFA Letter. Unitholders should read paragraph 6.1 of the IFA Letter in conjunction with, and in the context of, the full text of the IFA Letter.

14.3 Advice of the IFA

Based upon, and having considered, *inter alia*, the factors described at paragraph 6.1 of the IFA Letter as a whole, an extract of which is set out in italics below, and the information that has been made available to the IFA as at the Latest Practicable Date, the IFA is of the opinion that as at the Latest Practicable Date, the Proposed Divestment is on normal commercial terms and is not prejudicial to the interests of AGT and its minority Unitholders.

Unitholders should read the extract below in conjunction with, and in the context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

“6.1 Key Factors

In arriving at our advice to the Independent Directors and the Audit and Risk Committee on the terms of the Proposed Divestment, we have considered inter alia the following factors which should be read in the context of the full text of this letter

- (i) *The Purchase Consideration is at a premium of between approximately 9.6% to 25.3% to the range of the Appraised Value;*
- (ii) *The Purchase Consideration represents a premium of 9.0% and 16.8% to the NAV and NTA of the TK Interests as at 30 June 2020, respectively;*

¹ The Independent Committee, the Joint Financial Advisers led by EYCF and the legal adviser to the Trustee-Manager were involved in the arm's length negotiations with Accordia Golf and its financial and legal advisers. As none of the Independent Committee, the Joint Financial Advisers and the legal adviser to the Trustee-Manager have any shareholding or other interest in Accordia Golf or its related corporations, the Proposed Divestment is not an interested person transaction under Chapter 9 of the Listing Manual vis-à-vis each of them.

- (iii) *The Implied Value represents a premium of 7.3% and 14.9% to the NAV and NTA of the Group as well as a premium of 9.4% and 17.4% to the Adjusted NAV and Adjusted NTA of the Group as at 30 June 2020, respectively;*
- (iv) *The P/NAV of the Units implied by the Implied Value is higher than the historical trailing P/NAV of the Units throughout the 3 year period up to the full trading day prior to the Non-Binding Proposal Date and up to the Latest Practicable Date;*
- (v) *Prior to the Non-binding Proposal Date, the Units had not closed at or above the Implied Value per Unit since 13 November 2017;*
- (vi) *The Implied Value per Unit represents a premium of between 22.1% to 44.7% over the various VWAPs in the 3-year period prior and up to the full trading day prior to the Non-Binding Proposal Date;*
- (vii) *Between the Non-Binding Proposal Date and up to the Latest Practicable Date, the market price of the Units had not closed at or above the Implied Value per Unit;*
- (viii) *It is likely that the market prices of the Units since the announcement of the Non-Binding Proposal and as at the Latest Practicable Date, are being supported by the Proposed Divestment;*
- (ix) *The P/NAV of AGT implied by the Implied Value is significantly above the corresponding range of multiples of the Hospitality Trusts;*
- (x) *The LTM Distribution Yield of AGT implied by the Implied Value is within the range of LTM Distribution Yields of the Hospitality Trusts;*
- (xi) *While the EV/EBITDA and LTM Distribution Yield of AGT implied by the Implied Value are less favourable than those in Japanese Comparable Companies, the P/NAV of AGT implied by the Implied Value is above the corresponding mean and median multiples of the Japanese Comparable Companies;*
- (xii) *While the EV/EBITDA, P/NAV and LTM Distribution Yield of AGT implied by the Implied Value are less favourable than those in the Japanese Precedent Transactions, the market price premia implied by the Implied Value per Unit are significantly above the corresponding takeover premia for the Japanese Precedent Transactions;*
- (xiii) *While the LTM Distribution Yield of AGT implied by the Implied Value is less favourable than those of the Hospitality Trusts Transactions, the P/NAV of AGT implied by the Implied Value is in line with the corresponding multiples of the Hospitality Trusts Transactions;*
- (xiv) *The market price premia implied by the Implied Value per Unit are significantly above the corresponding premia of the Hospitality Trusts Transactions;*
- (xv) *The market price premia implied by the Implied Value per Unit are significantly above the corresponding premia of the Trust Privatisations;*

- (xvi) *While the market price premia implied by the Implied Value per Unit are below the corresponding mean premia of the Company Privatisations, it is nevertheless well within their range of premia;*
- (xvii) *The LTM Distribution Yield of the Units implied by the Implied Value per Unit is below both the (i) historical average yield of the Units from the date after the declaration of AGT's first distribution and up to the full trading day prior to the Non-Binding Proposal Date and the (ii) historical 3-year average yield of the Units up to the full trading day prior to the Non-Binding Proposal Date;*
- (xviii) *The Implied Value per Unit is above the research analysts' target prices for the Units;*
- (xix) *The Independent Committee and Trustee-Manager had conducted a wide market testing process and the only definitive offer received by the Trustee-Manager was from Accordia Golf;*
- (xx) *The Trustee-Manager intends to distribute at least 97% of the Purchase Consideration from the Proposed Divestment to the Unitholders as soon as practicable following the Completion via the Special Distributions with any remaining amounts through the Final Distribution following the Winding Up;*
- (xxi) *The general decline in AGT's operating profit, net profit attributable to Unitholders and distributions for the period between FY15/16 to FY19/20 and Q1 FY20/21;*
- (xxii) *The Trustee-Manager intends to proceed with the Winding Up after Completion by way of application of court to wind up AGT if the Winding Up Resolution is not approved;*
- (xxiii) *The outlook of AGT has been and continues to be negatively affected by the COVID-19 outbreak and it is difficult to predict how long such conditions will exist and the extent to which AGT may be affected;*
- (xxiv) *AGT does not have voting rights in AGA (save for veto rights in certain material matters) nor have operational control over the TK Interests and the Golf Courses comprised within the TK Interests;*
- (xxv) *Accordia Golf already has significant influence over AGT and the operations of the Golf Courses as at the Latest Practicable Date;*
- (xxvi) *Accordia Golf and its associates will abstain from voting (either in person or by proxy) on the Proposed Divestment;*
- (xxvii) *Hibiki and Santa Lucia which collectively hold approximately 10.7% of the Units have provided Irrevocable Undertakings to vote in favour of the Proposed Divestment and the Winding Up;*
- (xxviii) *The Group expects to record an estimated net gain of approximately JPY5,360 million from the Proposed Divestment; and*
- (xxix) *As at the Latest Practicable Date, there is no publicly available evidence of any alternative offer for the Golf Courses, TK Interests or the Units."*

In rendering the opinion above, the IFA has not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Unitholder. As each Unitholder would have different investment objectives and profiles, the IFA would advise that any individual Unitholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

15. RECOMMENDATIONS

15.1 The Proposed Divestment

The Independent Committee (comprising all of the Independent Directors) and the ARC have 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.¹
- (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 above.)

Opinion of the IFA

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

Recommendation of the Joint Financial Advisers

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

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

Accordingly, the Independent Committee recommends that Unitholders vote at the EGM in favour of Resolution 1.

¹ The Independent Committee, the Joint Financial Advisers led by EYCF and the legal adviser to the Trustee-Manager were involved in the arm's length negotiations with Accordia Golf and its financial and legal advisers. As none of the Independent Committee, the Joint Financial Advisers and the legal adviser to the Trustee-Manager have any shareholding or other interest in Accordia Golf or its related corporations, the Proposed Divestment is not an interested person transaction under Chapter 9 of the Listing Manual vis-à-vis each of them.

Unitholders should note that the Purchase Consideration to be received by the Trustee-Manager for the Proposed Divestment is a fixed amount and other than the Special Distributions and the Final Distribution (if any), there will be no further distribution by AGT for the period from 1 April 2020 to the completion of the Proposed Divestment.

15.2 The Proposed Winding Up

Having regard to the rationale for, and benefits of, the proposed Winding Up as set out in paragraph 10 above, the Board of Directors believes that the proposed Winding Up would be beneficial to, and is in the interests of AGT.

Accordingly, the Trustee-Manager recommends that Unitholders vote at the EGM in favour of Resolution 2.

16. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the Latest Practicable Date, based on the Register of Directors' Unitholdings and the Register of Substantial Unitholders' Unitholdings maintained by the Trustee-Manager and save as disclosed in **Appendix F** to this Circular, none of the Directors of the Trustee-Manager or the substantial unitholders of AGT has any interest, direct or indirect, in the Proposed Divestment.

17. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Trustee-Manager in relation to the Proposed Divestment or any other transactions contemplated in relation to the Proposed Divestment.

18. EXTRAORDINARY GENERAL MEETING AND ACTION TO BE TAKEN BY UNITHOLDERS

18.1 Background on COVID-19

The Trustee-Manager refers to:

- (a) the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed entities in Singapore to, *inter alia*, conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means; and
- (b) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**") which was gazetted on 13 April 2020, and which sets out the alternative arrangements in respect of, *inter alia*, general meetings of business trusts (the "**Alternative Arrangements**").

The Alternative Arrangements set out in the Order will apply to meetings convened, held and conducted from 27 March 2020 to 30 September 2020.

Due to the current COVID-19 restrictions set out therein, Unitholders will **not** be able to attend the EGM in person. Instead, the alternative arrangements and key dates relating to participation in the EGM via electronic means are set out in paragraph 18.4 below.

18.2 Date, time and conduct of EGM

Pursuant to the Order, the EGM will be convened and held by way of electronic means at 10.30 a.m. (Singapore time) on 14 September 2020 (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of AGT (the “**AGM**”)), for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM, which is set out on page H-1 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolutions. Approval by way of Ordinary Resolution is required in respect of Resolution 1 in relation to the Proposed Divestment, and approval by way of Special Resolution is required in respect of Resolution 2 in relation to the proposed Winding Up.

The Trustee-Manager’s Chairman, Mr Khoo Kee Cheok will conduct the proceedings of the EGM. The Trustee-Manager will endeavour to address all substantial and relevant questions submitted in advance of the EGM prior to or during the EGM. The Trustee-Manager will publish the responses to the substantial and relevant questions which the Trustee-Manager is unable to address during the EGM, on AGT’s website and on SGXNET prior to the EGM. The Trustee-Manager will publish the minutes of the EGM on AGT’s website and on SGXNET within one month from the date of the EGM, and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM.

Unitholders will not be able to ask questions at the EGM live during the webcast or audio-stream, and therefore it is important for Unitholders who wish to ask questions to submit their questions in advance of the EGM.

18.3 Circular, Notice of EGM and Proxy Form

This Circular, the Notice of EGM and the instrument appointing the Chairman of the EGM as proxy (“**Proxy Form**”) will be sent to Unitholders solely by electronic means via publication on AGT’s website at the URL <http://agtrust.com.sg/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of these documents will **not** be sent to Unitholders.

18.4 Alternative arrangements for participation in EGM

Unitholders may participate in the EGM by:

- (a) observing and/or listening to the EGM proceedings through a “live” audio-visual webcast or “live” audio-only stream via their mobile phones, tablets or computers;
- (b) submitting questions to the Chairman of the EGM in advance of the EGM; and
- (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

The EGM shall commence immediately following the conclusion or adjournment of the AGM as per paragraph 18.2 above. Unitholders who have pre-registered for the AGM will be considered to have enrolled for the EGM.

A Unitholder who has Units entered against his/her name in (a) the Register of Unitholders; or (b) the Depository Register as at the cut-off time being 48 hours prior to the time of the EGM (being the time at which the name of the Unitholder must appear in the Register of Unitholders or the Depository Register, in order for him/her to be considered to have Units entered against his/her name in the said Registers), shall be entitled to attend (via electronic means), submit questions in advance and vote by proxy at the EGM.

In view of the COVID-19 situation, all Unitholders who wish to exercise his/her vote are requested to complete the Proxy Form in accordance with the instructions therein and submit them either (i) by post, to the Trustee-Manager c/o the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623; or (ii) electronically, via email to the Unit Registrar at srs.teamd@boardroomlimited.com, not less than 48 hours before the time appointed for the EGM. A Unitholder (whether individual or corporate) who wishes to exercise his/her/its vote must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Unitholder wishes to exercise his/her/its voting rights at the EGM. Where a Unitholder (whether individual or corporate) appoints Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

Details of the steps for pre-registration, pre-submission of questions, submission of proxy forms and voting at the EGM are set out in **Appendix G** to this Circular.

18.5 Key dates for participation in EGM

Key Dates	Actions
21 August 2020 (Friday)	Unitholders may begin to pre-register at the URL https://globalmeeting.bigbangdesign.co/agtrust/ for “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings.
5.00 p.m. (Singapore time) on 2 September 2020 (Wednesday)	Deadline for SRS investors who wish to appoint the Chairman as proxy to approach their respective SRS operator to submit their votes.
10.30 a.m. (Singapore time) on 11 September 2020 (Friday)	Deadline to submit questions relating to the resolutions to be tabled at the EGM in advance.
10.30 a.m. (Singapore time) on 12 September 2020 (Friday)	Deadline to pre-register at https://globalmeeting.bigbangdesign.co/agtrust/ for “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings.
10.30 a.m. (Singapore time) on 12 September 2020 (Saturday)	Deadline for proxy forms to be received by the Company for the EGM.

Key Dates	Actions
10.00 a.m. (Singapore time) on 13 September 2020 (Sunday)	<p>Authenticated persons who have pre-registered for the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings will receive an email which will contain user ID and password details, as well as the link to access the “live” audio-visual webcast and a telephone number to access the “live” audio-only stream of the EGM proceedings (the “Confirmation Email”).</p> <p>Authenticated persons who do not receive the Confirmation Email by 10.00 a.m. (Singapore time) on 13 September 2020, but have registered by the 12 September 2020 deadline should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6230 9768 or srs.teamd@boardroomlimited.com.</p>
<p>Date and time of EGM 10.30 a.m. (Singapore time) on 14 September 2020 (Monday) (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of AGT)</p>	<ul style="list-style-type: none"> • Click on the link in the Confirmation Email and enter the user ID and password to access the “live” audio-visual webcast of the EGM proceedings; or • Call the telephone number in the Confirmation Email to access the “live” audio-only stream of the EGM proceedings.

18.6 Information relating to SRS Investors

SRS investors who wish to attend the EGM are advised to consult their respective SRS Agent Banks for further information and if they are in any doubt as to the action they should take, SRS investors should seek independent professional advice.

18.7 Unitholders who hold their Units through Relevant Intermediaries

Unitholders who hold their Units through a relevant intermediary (as defined below), other than SRS investors, and who wish to participate in the EGM by (a) observing and/or listening to the EGM proceedings through “live” audio-visual webcast or “live” audio-only stream via their mobile phones, tablets or computers; (b) submitting questions to the Chairman of the EGM in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, should approach their respective relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their SRS operator to submit their votes by 5.00 p.m. (Singapore time) on 2 September 2020, being 7 clear working days before the date of the EGM.

“**relevant intermediary**” means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity; or

- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity.

18.8 Important Notice

Due to the evolving COVID-19 situation in Singapore, the Trustee-Manager may be required to change the arrangements for the EGM at short notice. Unitholders should check AGT's website at the URL <http://agtrust.com.sg/> and the SGX website for the latest updates on the status of the EGM.

19. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Divestment, the proposed Winding Up, AGT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

20. JOINT FINANCIAL ADVISERS' RESPONSIBILITY STATEMENT

To the best of the Joint Financial Advisers' knowledge and belief, save for the information set out in **Appendices A to G** to this Circular, this Circular constitutes full and true disclosure of all material facts about the Proposed Divestment, the proposed Winding Up, AGT and its subsidiaries, and the Joint Financial Advisers are not aware of any facts the omission of which would make any statement in this Circular misleading.

21. CONSENTS

Each of the Joint Financial Advisers, the IFA, the Independent Valuers and the Tax Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter (in the case of the IFA), the TK Interests Valuation Summary Letter (in the case of D&P), the Golf Courses Valuation Summary Letter (in the case of Colliers) and **Appendix D** to this Circular (in the case of the Tax Adviser) and all references thereto as well as to the TK Interests Valuation Report and the Golf Courses Valuation Reports, in the form and context in which they are included in this Circular.

22. DOCUMENTS FOR INSPECTION

Copies of the following documents 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 this Circular up to and including the date falling three months thereafter¹:

- (i) the TK Interest Transfer Agreement;
- (ii) the Supplemental Deed;

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

- (iii) the TK Interests Valuation Report;
- (iv) the TK Interests Valuation Summary Letter as set out in **Appendix B** to this Circular;
- (v) the Golf Courses Valuation Reports;
- (vi) the Golf Courses Valuation Summary Letter as set out in **Appendix C** to this Circular;
- (vii) the IFA Letter as set out in **Appendix E** to this Circular; and
- (viii) the written consents of each of the Joint Financial Advisers, the IFA, the Independent Valuers and the Tax Adviser.

The Trust Deed will also be available for inspection at the registered office of the Trustee-Manager for so long as AGT is in existence.

23. CAUTIONARY STATEMENT

Unitholders should note that the Proposed Divestment is subject to fulfilment of conditions. There is no certainty or assurance as at the Latest Practicable Date that the Proposed Divestment will be completed. Accordingly, Unitholders are advised to exercise caution when trading in Units of AGT.

Yours faithfully

ACCORDIA GOLF TRUST MANAGEMENT PTE. LTD.
(as Trustee-Manager of Accordia Golf Trust)
Company Registration No. 201407957D

Mr Khoo Kee Cheok
Chairman
21 August 2020

GLOSSARY

2H FY2019/20 Distribution	:	The distribution to Unitholders in respect of the period from 1 October 2019 to 31 March 2020
Accordia Golf	:	Accordia Golf Co., Ltd.
Adjusted Net Operating Income	:	The gross revenue comprising the aggregate revenue of the golf courses, driving ranges, Golf Course Related Assets and Driving Range Related Assets, whether directly or indirectly held by the Trustee-Manager (whether wholly or partly or whether through a special purpose vehicle or otherwise) less merchandise and material expenses, labour costs and other operating expenses in respect of such golf courses, driving ranges, Golf Course Related Assets and Driving Range Related Assets, but before deduction of fees payable to Accordia Golf under the Golf Course Management Agreement
Adjusted NAV	:	AGT's adjusted NAV of JPY58,645 million (approximately S\$763.1 million) is based on the audited consolidated financial results for FY2019/20 and adjusted for the 2H FY2019/20 Distribution paid on 29 June 2020 and the Supplemental Distribution. See footnote 1 on page 16 of this Circular for further details on the Supplemental Distribution
Adjusted NTA	:	AGT's adjusted NTA of JPY54,599 million (approximately S\$710.4 million) is based on the audited consolidated financial results for FY2019/20 and adjusted for the 2H FY2019/20 Distribution paid on 29 June 2020 and the Supplemental Distribution. See footnote 1 on page 16 of this Circular for further details on the Supplemental Distribution
AGA or TK Operator	:	Accordia Golf Asset Godo Kaisha, a <i>tokumei kumiai</i> operator which is a Japanese limited liability company functioning as a property holding company for the purposes of managing and operating the golf course business
AGM	:	Annual general meeting of AGT
AGT	:	Accordia Golf Trust
Alternative Arrangements	:	Alternative arrangements in respect of, <i>inter alia</i> , general meetings of business trusts
Anti-Monopoly Act	:	Japanese Act on Prohibition of Private Monopolisation and Maintenance of Fair Trade

Applicable Taxes	:	All applicable goods and services tax, value added tax or other similar tax, whether imposed in Singapore or elsewhere, and all other applicable sales tax, government impositions, duties and levies whatsoever imposed thereon by the relevant authorities in Singapore or elsewhere, excluding any tax on the income of the Trustee-Manager
Appraised Valuation	:	The appraised value of the Golf Courses as at 31 December 2019 of JPY141,806 million (approximately S\$1,845.1 million) as appraised by either CBRE K.K. or Tanizawa Sogo Appraisal Co., Ltd. by region, which were obtained prior to the widespread outbreak of COVID-19
ARC	:	The audit and risk committee of the Trustee-Manager, which comprises Mr Chong Teck Sin (Chairman), Mr Khoo Kee Cheek (Member), and Mr Hitoshi Kumagai (Member)
Asset Manager	:	Daiwa Real Estate Asset Management Co., Ltd., the asset manager of the initial portfolio of golf courses of AGT
Assignment	:	The assignment of all of the Trustee-Manager's TK Interests under the TK Agreement
Assignment Date	:	Has the meaning ascribed to it in paragraph 3.1 of the Letter to Unitholders, being the date of completion of the Proposed Divestment
Base Fee	:	A base fee which the Trustee-Manager is entitled to receive for its own account out of the Trust Property under the Trust Deed, being a fee not exceeding the rate of 0.11% per annum of the value of the total assets of AGT on a consolidated basis, which may be offset by the Performance Fee in the event that the Performance Fee is a negative figure, so as to reduce the amount of the Base Fee payable to the Trustee-Manager. For avoidance of doubt, the Base Fee shall be subject to a minimum amount of zero and there shall not be any portion of the negative Performance Fee carried forward to offset the Base Fee for any subsequent periods
Board	:	The Board of Directors of the Trustee-Manager
Books Closure Date	:	The books closure date for the purpose of determining Unitholders' entitlements to the First Tranche Special Distribution, Second Tranche Special Distribution or Final Distribution (where applicable)

Break Fee	:	The sum of JPY326 million (approximately S\$4.2 million), being approximately 0.5% of the Purchase Consideration, as a break fee in relation to the costs and expenses of the Trustee-Manager incurred by or on behalf of the Trustee-Manager in connection with the Assignment (including without limitation, the fees and disbursements of advisers, auditors and valuers engaged by or on behalf of the Trustee-Manager in connection with the Assignment), if (i) the TK Interest Transfer Agreement is otherwise terminated and/or does not proceed to completion solely on the basis of non-satisfaction of the Financing Condition and all the other Conditions have been satisfied or, at the discretion of Accordia Golf, waived; or (ii) the TK Interest Transfer Agreement is terminated by the Trustee-Manager pursuant to paragraph 3.4.1(ii) of the Letter to Unitholders, without despatching or issuing the Circular
Business Trusts Act or BTA	:	The Business Trusts Act, Chapter 31A of Singapore, as amended from time to time
CAGR	:	Compound annual growth rate
Cash Balance of AGT	:	The estimate of outstanding cash balance of AGT at Completion used for the purposes of this Circular is S\$3.8 million. The estimate is based on the cash balance of AGT of JPY107.0 million (approximately S\$1.4 million) as at 31 March 2020 and is adjusted: (i) to include the reserve of JPY362 million (approximately S\$4.7 million) set aside from the second half FY2019/20 distributions for estimated transaction costs relating to the Proposed Divestment as announced on 23 June 2020), and (ii) for AGT's liabilities as at 31 March 2020 and actual and estimated liabilities of AGT for the period between 1 April 2020 to Completion
CDP	:	The Central Depository (Pte) Limited
Circular	:	This circular to Unitholders dated 21 August 2020
Claim Expiry Date	:	The (i) 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
Colliers	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd.
Completion	:	The date falling 10 business days from the date on which the last Condition set out in paragraphs 3.2(d) and (e) above is satisfied in accordance with the terms of the TK Interest Transfer Agreement, or such other date agreed to in writing by the Trustee-Manager and Accordia Golf

Conditions	:	The conditions precedent in respect of the Proposed Divestment, as set out in paragraph 3.2 of the Letter to Unitholders
Confirmation Email	:	Authenticated persons who have pre-registered for the “live” audio-visual webcast or “live” audio-only stream of the EGM proceedings will receive an email which will contain user ID and password details, as well as the link to access the “live” audio-visual webcast and a telephone number to access the “live” audio-only stream of the EGM proceedings
D&P	:	Duff & Phelps Singapore Pte Ltd
Daiwa CM SG	:	Daiwa Capital Markets Singapore Limited
Daiwa Group	:	Daiwa Securities Group Inc. and its subsidiaries
Daiwa PI	:	Daiwa PI Partners Co. Ltd.
Deed of Call Option	:	The deed of call option dated 27 June 2014 entered into between the Trustee-Manager and Accordia Golf
Director	:	Director of the Trustee-Manager
Distribution Payment	:	The payment of distributions to Unitholders using the Purchase Consideration in the manner set out in paragraph 9.1 of the Letter to Unitholders
Divestment Fee	:	A divestment fee which the Trustee-Manager is entitled to receive under the Trust Deed, calculated as an amount (net of all Applicable Taxes) equal to a rate not exceeding 0.15% of the last available appraised value obtained by the Trustee-Manager or the relevant special purpose vehicle of any investments sold or divested directly or indirectly (through a special purpose vehicle or otherwise) by AGT as determined by such appraiser appointed pursuant to the Trust Deed (pro-rated if applicable to the proportion of AGT’s interest in the investments sold or divested)
DPU	:	Distribution per Unit
DREAM	:	Daiwa Real Estate Asset Management Co., Ltd.
Driving Range Related Assets	:	Listed or unlisted debt securities and listed or unlisted shares of, or issued by, corporations, mortgage-backed securities, listed or unlisted units in unit trusts or interests in other driving range funds, and assets incidental to the investment in driving ranges including, without limitation, hotels used in or in association with any driving ranges or any building on driving ranges

EGM	:	The extraordinary general meeting of Unitholders to be convened and held by way of electronic means 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) to approve the matters set out in the Notice of Extraordinary General Meeting on page H-1 of this Circular
Evaluation Process	:	The evaluation process as set out in paragraph 4.1 of the Letter to Unitholders undertaken by the Independent Committee, with the assistance of the Joint Financial Advisers
Existing Borrowings (TK Operator)	:	The existing borrowings owing by the TK Operator under the loan agreement (as amended) dated 24 July 2018 between the TK Operator, Aozora Bank, Ltd. and ORIX Corporation
EYCF	:	Ernst & Young Corporate Finance Pte Ltd
FIEA	:	Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) of Japan
Final Distribution	:	The final distribution to the Unitholders made in accordance with the Winding Up procedures set out in paragraph 10.4 of the Letter to Unitholders
Financing Condition	:	A condition precedent under the TK Interest Transfer Agreement as set out in paragraph 3.2(c) of the Letter to Unitholders which requires borrowings from financial institutions to the parent companies of Accordia Golf for part of the funds necessary in order to pay the Purchase Consideration and to repay the Existing Borrowings (TK Operator) having been taken out, and other financing to procure the funds necessary to pay the Purchase Consideration and to repay the Existing Borrowings (TK Operator) having been completed by Accordia Golf
First Tranche Special Distribution	:	The distribution to Unitholders 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
FY2015/16	:	Financial year ended 31 March 2016
FY2016/17	:	Financial year ended 31 March 2017
FY2017/18	:	Financial year ended 31 March 2018
FY2018/19	:	Financial year ended 31 March 2019
FY2019/20	:	Financial year ended 31 March 2020

FY2020/21	:	Financial year ended 31 March 2021
FY2021/22	:	Financial year ended 31 March 2022
FY2024/25	:	Financial year ended 31 March 2025
FY	:	Financial year ended 31 March
Golf Courses	:	The 88 golf courses located in Japan in AGT's portfolio
Golf Course Management Agreement	:	The golf course management agreement dated 27 June 2014 entered into between AGA and Accordia Golf
Golf Course Related Assets	:	Listed or unlisted debt securities and listed or unlisted shares of, or issued by, corporations, mortgage-backed securities, listed or unlisted units in unit trusts or interests in other golf course funds, and assets incidental to the investment in golf courses including, without limitation, hotels used in or in association with any golf courses or any building on golf courses
Golf Courses Valuation	:	The valuation of the Golf Courses
Golf Courses Valuation Reports	:	The valuation reports on the Golf Courses Valuation issued by Colliers dated 24 July 2020
Golf Courses Valuation Summary Letter	:	The valuation summary letter on the Golf Courses Valuation issued by Colliers dated 21 August 2020 as set out in Appendix C to this Circular
Hibiki	:	Hibiki Path Advisors Pte. Ltd.
IFA	:	CIMB Bank Berhad, Singapore Branch, the independent financial adviser in relation to the Proposed Divestment
IFA Letter	:	The letter from the IFA to the Independent Directors and the ARC as set out in Appendix E to this Circular
Illustrative Exchange Rate	:	The illustrative exchange rate of S\$1.00 to JPY76.8545, being the exchange rate at 5:00 pm on Bloomberg L.P. on 26 June 2020, being the last trading day preceding the date of the TK Interest Transfer Agreement. The Trustee-Manager currently does not intend to enter into hedging arrangements to fix the JPY-S\$ exchange rate to hedge the Purchase Consideration

Implied Liquidation Value	:	The Implied Liquidation Value is computed by deducting the payments amounting to S\$9.3 million as set out in paragraph 9.2 of the Letter to Unitholders from the Purchase Consideration and the Cash Balance of AGT of S\$3.8 million. For avoidance of doubt, it does not include any cash distributions in respect of the TK Interests from 1 April 2020 to the completion of the Proposed Divestment
Independent Committee	:	An independent committee formed by the Trustee-Manager comprising the Independent Directors, to assess and review the Non-Binding Proposal and any proposed terms of the Non-Binding Proposal
Independent Directors	:	Mr Khoo Kee Cheok, Mr Chong Teck Sin and Mr Hitoshi Kumagai
Independent Valuers	:	D&P and Colliers
Interim Period	:	The period following Completion and up to and including the date of Winding Up
IRAS	:	Inland Revenue Authority of Singapore
Irrevocable Undertakings	:	The undertakings from each of Hibiki and Santa Lucia dated 7 August 2020 to the Trustee-Manager and Accordia Golf
JFTC	:	Japan Fair Trade Commission
JMLITT	:	Japan Ministry of Land, Infrastructure, Transport and Tourism
Joint Financial Advisers	:	EYCF and Daiwa CM SG
Last Announcement Day	:	23 June 2020, being the last full trading day immediately prior to the update announcement by AGT on the Proposed Divestment released on 23 June 2020
Last Unaffected Trading Day	:	27 November 2019, being the last full trading day immediately prior to AGT's announcement of receipt of the Non-Binding Proposal
Latest Practicable Date	:	14 August 2020, being the latest practicable date prior to the issue or despatch of this Circular
Listing	:	The initial public offering of AGT on the SGX-ST
Listing Manual	:	Listing manual of the SGX-ST
MAS	:	Monetary Authority of Singapore
NAV	:	Net asset value

NGC	:	Nishikigahara golf course
Non-Binding Proposal	:	The non-binding proposal received by the Trustee-Manager from Accordia Golf for the divestment of AGT's interests in all of its Golf Courses
Non-Binding Proposal Date	:	28 November 2019
NTA	:	Net tangible assets
Order	:	COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being more than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Performance Fee	:	A performance fee which the Trustee-Manager is entitled to receive for its own account out of the Trust Property in relation to any financial year under the Trust Deed, which is calculated at a rate not exceeding 0.25% per annum of the Adjusted Net Operating Income of the investments of AGT (calculated based on the currency in which the Adjusted Net Operating Income of such investments is received and before accounting for such fee in that financial year)
PPE	:	Property, plant and equipment
Proposed Divestment	:	The divestment by the Trustee-Manager to Accordia Golf of AGT's interests in all of its Golf Courses through the Assignment of all of the Trustee-Manager's TK Interests under the TK Agreement for the Purchase Consideration
Prospectus	:	AGT's prospectus dated 21 July 2014
Proxy Form	:	The instrument appointing the Chairman of the EGM as proxy
Purchase Consideration	:	The agreed purchase consideration of JPY65,200 million (approximately S\$848.4 million)
Q1 FY2019/20	:	The first financial quarter ended 30 June 2019
Q1 FY2020/21	:	The first financial quarter ended 30 June 2020
QII	:	Qualified institutional investor

Representation and Warranty Letter	:	The letter of representations and warranties, and indemnity dated 27 June 2014 delivered by Accordia Golf to the Trustee-Manager
Review Period	:	FY2015/16 to FY2019/20
Rule 1018 Escrow Requirements	:	The requirement under Rule 1018(1)(a) of the Listing Manual for AGT to, upon Completion, place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the disposal(s) undertaken by the issuer) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the MAS. The amount that is placed in the escrow account cannot be drawn down until the completion of the acquisition of a business which is able to satisfy SGX-ST's requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by Unitholders and pro-rata distributions to Unitholders
Rule 1018 Escrow Waiver	:	The waiver from the Rule 1018 Escrow Requirements
Santa Lucia	:	Santa Lucia Asset Management Pte. Ltd.
Second Tranche Special Distribution	:	Subject to there being no claims by Accordia Golf by the Claim Expiry Date, the distribution to Unitholders 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
Securities Account	:	The securities account maintained by a Depositor with CDP but not including a securities sub-account maintained with a Depository Agent
SFA	:	Securities and Futures Act (Chapter 289 of Singapore)
SGX-ST	:	Singapore Exchange Securities Trading Limited
Special Distributions	:	The First Tranche Special Distribution and the Second Tranche Special Distribution
Special Reserves	:	The sum of JPY1,200 million set aside by the TK Operator as special reserves for operations as set out in the audited consolidated financial results for FY2019/20
Special Resolution	:	A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed

Sponsor Support Agreement	:	The sponsor support agreement dated 27 June 2014 entered into between the Trustee-Manager and Accordia Golf
Supplemental Deed	:	The supplemental deed to the TK Interest Transfer Agreement dated 7 August 2020 entered into between the Trustee-Manager and Accordia Golf
Supplemental Distribution	:	The distribution of the sum received by the Trustee-Manager from the TK Operator's distribution of the Special Reserves to the existing TK Investors (including the Trustee-Manager), subject to any applicable withholding tax as a special distribution as announced on 23 June 2020. After deducting the amounts due by the TK Operator to Mizuho Securities Co., Ltd. ¹ and Japanese withholding tax ² of approximately JPY245.1 million, the net amount available for distribution by the TK Operator to the Trustee-Manager (as a TK Investor) is approximately JPY954.9 million. The Trustee-Manager will distribute the entire amount of JPY954.9 million (which will be converted into approximately S\$12.3 million pursuant to the hedging arrangement entered into by the Trustee-Manager to convert the Japanese yen amount received from the TK Operator into Singapore dollars for distribution to Unitholders) as the Supplemental Distribution to Unitholders
Tax Adviser	:	EY Corporate Advisors Pte. Ltd.
TK Arrangement	:	The existing Japanese <i>tokumei kumiai</i> arrangement between AGT and the TK Operator
TK Agreement	:	The <i>tokumei kumiai</i> agreement between the Trustee-Manager and the TK Operator dated 27 June 2014 (as amended from time to time)
TK Interests	:	All the rights and obligations of the Trustee-Manager under the TK Agreement

1 As disclosed in the Prospectus, Mizuho Securities Co., Ltd., a QII under the FIEA, made contributions to the TK Business of approximately 0.01% of the aggregate contributions to the TK Business in order to satisfy certain regulatory requirements under the FIEA.

2 As disclosed in the annual reports of AGT since Listing, the shareholder of the TK Operator and QII are entitled to 1% and 0.01% of the allocated profits and losses of the TK Operator and AGT is entitled to the remaining 98.99%, and there is a 20.42% Japanese withholding tax on distributions from the TK Operator. Such deductions are made even for AGT's periodic semi-annual distributions. As disclosed in the Prospectus, the TK Operator, TK Investor and QII had each made contributions to the TK Business amounting to approximately 0.6%, 99.39% and 0.01% of the Aggregate Contributions to the TK Business respectively. Although the TK Operator made approximately 0.6% of the Aggregate Contributions to the TK Business but receives 1.0% of the distributable income, the higher percentage received is necessary so that the TK Operator receives sufficient funds to pay the local taxes required to be borne by the TK Operator and yet retain sufficient profits which is necessary for the TK Operator to remain as an entrepreneur in respect of the TK Business. However, the TK Operator does not need to receive cash at every distribution made by the TK Operator so long as it has sufficient funds to pay the local taxes. In the case of the distribution of the Special Reserves, as the TK Operator does not need to receive cash, the available excess cash is allocated only to the TK Investors (i.e. the QII and AGT) even though the TK Operator will still be allocated the profits for accounting purposes.

TK Interest Transfer Agreement	:	The conditional agreement entered into between the Trustee-Manager and Accordia Golf on 29 June 2020 and as amended by the Supplemental Deed dated 7 August 2020 pursuant to which the Trustee-Manager will assign all of its TK Interests to Accordia Golf for the Purchase Consideration in cash
TK Interests Valuation	:	The valuation of the Trustee-Manager's TK Interests
TK Interests Valuation Range	:	The valuation of the Trustee-Manager's TK Interests as at 31 May 2020 which is between JPY52,052 million (approximately S\$677.3 million) and JPY59,497 million (approximately S\$774.2 million)
TK Interests Valuation Report	:	The valuation report on the TK Interests Valuation issued by D&P dated 21 August 2020
TK Interests Valuation Summary Letter	:	The valuation summary letter on the TK Interests Valuation issued by D&P dated 21 August 2020 as set out in Appendix B to this Circular
TK Investor	:	<i>Tokumei kumiai</i> investor
Transactions	:	Has the meaning ascribed to it in paragraph 3.2(d) of the Letter to Unitholders
Trust Deed	:	The deed of trust constituting AGT dated 16 June 2014 (as amended and restated)
Trustee-Manager	:	Accordia Golf Trust Management Pte. Ltd., in its capacity as trustee-manager of AGT
Trust Property	:	<p>In relation to a business trust, means all property and rights of any kind whatsoever which are held on trust for the unitholders of the business trust, in accordance with the terms of the trust deed, including:</p> <ul style="list-style-type: none"> (i) contributions of money or any other assets to the business trust; (ii) property that forms part of the assets of the business trust under the provisions of the BTA; (iii) property arising in relation to any contract, agreement or arrangement entered into by or on behalf of the trustee in its capacity as trustee of the business trust; (iv) property arising in relation to any claims or rights held by or on behalf of the trustee in its capacity as trustee of the business trust;

- (v) proceeds from money borrowed or raised by the trustee of the business trust for the purposes of the business trust;
- (vi) property acquired, directly or indirectly, with the contributions or money referred to in paragraph (i), (ii), (iii), (iv) or (v) or with the proceeds thereof; and
- (vii) profits, income and property derived, directly or indirectly, from contributions, money or property referred to in paragraph (i), (ii), (iii), (iv) or (v)

Units	:	A unit representing an undivided interest in AGT
Unitholder	:	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
VWAP	:	Volume-weighted average price
WACC	:	Weighted average cost of capital
Winding Up	:	The winding up of AGT in accordance with the BTA and the Trust Deed

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

Notes:

- (1) 100% of *Ippan Shadan Hojin's* ("ISH") voting rights are held by the members of ISH, which consists of two certified public accountants who are members of Tokyo Kyodo Accounting Office, an independent structured vehicle management service provider with nominal equity contribution to achieve bankruptcy remoteness.
- (2) The TK Operator is not entitled to receive any fees from AGT. Instead, as the TK Operator injected its own cash (funded using the subordinated loan granted by Accordia Golf to New SPC (as defined in the Prospectus) (the "**TK Operator's Own Funding**")) into the TK Business (amounting to approximately 0.6% of the aggregate of (i) the TK Contribution (as defined in the Prospectus) made by AGT and the Qualified Institutional Investor (as defined in the Prospectus) and (ii) the TK Operator's Own Funding), it is entitled to receive return of distributions equal to 1.0% of the distributable income from the TK Business.
- (3) The Asset Manager is regulated under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) of Japan ("**FIEA**").
- (4) A 0.01% TK contribution by the Qualified Institutional Investor is required to satisfy certain regulatory requirements under the FIEA.
- (5) Pursuant to a Pro-Shop Business (as defined in the Prospectus) outsourcing agreement entered into between the SPC (as defined in the Prospectus) and a subsidiary of Accordia Golf (the "**Pro-Shop Subsidiary**"), the Pro-Shop Subsidiary (as defined in the Prospectus) will pay New SPC a "commission fee" in connection with certain outsourced services.
- (6) At the date of Listing, Daiwa PI Partners Co. Ltd. ("**Daiwa PI**") was issued share warrants of Accordia Golf which, if fully exercised, would have resulted in Daiwa PI holding 11.86% of the total issued shares of Accordia Golf (including treasury shares) and 12.14% of the total voting rights in Accordia Golf (based on the share capital of Accordia Golf as at the date of Listing). Daiwa PI currently has no share warrants of Accordia Golf.
- (7) The Trustee-Manager is 51% owned by the Asset Manager and 49% owned by Accordia Golf.
- (8) The services to be provided by the Asset Manager include advice on the termination and renewal of the Golf Course Management Agreement and advice on golf course acquisition/sale.
- (9) Daiwa Investment Management Inc ("**DIMI**") is the intermediate holding company of Daiwa PI. DIMI is 100% owned by Daiwa Securities Group Inc. ("**DSGI**") and accordingly, DSGI is the ultimate holding company of Daiwa PI.

TK INTERESTS VALUATION SUMMARY LETTER

DUFF & PHELPS

The Independent Committee
Accordia Golf Trust Management Pte. Ltd.
(In its capacity as the Trustee-Manager of Accordia Golf Trust)
80 Robinson Rd, #22-03A
Singapore 068898

21 August 2020

**Valuation Summary Letter on
Market Value of the Trustee-Manager's
Tokumei-Kumiai Interests as at 31 May 2020**

Dear Sirs,

Pursuant to our engagement letter dated 28 January 2020 and addendum dated 22 June 2020 between the Independent Committee (the "Client") of Accordia Golf Trust Management Pte Ltd, as trustee-manager of Accordia Golf Trust ("AGT" or the "Trust", and the trustee-manager, the "Trustee-Manager") and Duff & Phelps Singapore Pte Ltd ("Duff & Phelps"), we have performed an analysis on the Market Value of the Trustee-Manager's rights and obligations ("TK Interests") under the existing Japanese *tokumei kumiai* agreement between the Trustee-Manager and the *tokumei kumiai* operator, Accordia Golf Asset Godo Kaisha ("AGA" or "TK Operator") dated 27 June 2014 (as amended from time to time) as at 31 May 2020 ("Valuation Date").

1. BACKGROUND AND INTRODUCTION

The Trust is a business trust listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") comprising of golf course assets in Japan.

The Trust is primarily involved in the principal investing strategy, directly or indirectly, of owning a portfolio of stabilized, income-generating golf courses, driving ranges and golf course related assets worldwide. Approximately 70% of its 88 golf courses are in three key metropolitan areas, namely, the Greater Tokyo region, the Greater Nagoya region and the Greater Osaka region. The Trust's sponsor is Accordia Golf Co., Ltd (the "Sponsor" or "Accordia Golf") which owns a 28.85% effective stake in AGT.

The Trustee-Manager had, through the announcements released on 28 November 2019, 12 December 2019 and 20 December 2019, announced that it had received a non-binding proposal ("Non-Binding Proposal") from the Sponsor for the divestment of AGT's interests in all of its golf courses for an indicative consideration of JPY 63,167 million. In addition, under the Non-Binding Proposal, the Sponsor would assume the debts of the holding company, Accordia Golf Asset Godo Kaisha ("AGA" or "TK Operator"), which holds all the golf courses.

The Trustee-Manager subsequently announced on 29 June 2020, that it had entered into a conditional agreement (the “TK Interest Transfer Agreement”) with Accordia Golf, pursuant to which the Trustee-Manager will assign all of its TK Interests to Accordia Golf for a purchase consideration (“Purchase Consideration”) of JPY61,800 million in cash (the “Proposed Divestment”).

The Proposed Divestment constitutes an “Interested Person Transaction” under Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “SGX-ST”, and the listing manual of the SGX-ST, the “Listing Manual”), which requires the approval of the independent unitholders of AGT under Rule 906 of the Listing Manual. In addition, the Proposed Divestment also constitutes a “major transaction” under Chapter 10 of the Listing Manual. Accordingly, the Proposed Divestment is conditional upon, among others, approval from Unitholders at an extraordinary general meeting. A circular is to be issued to Unitholders for the purpose of seeking Unitholders’ approval for the Proposed Divestment (the “Circular”).

In connection with the Non-Binding Proposal, Duff & Phelps Singapore Pte Ltd (“Duff & Phelps”) was appointed by the Client to perform an independent valuation of the Trustee-Manager’s TK Interests as at 31 May 2020 (“Valuation Date”) to comply with the Listing Manual.

This valuation summary letter has been prepared for the purpose of incorporation in the Circular to be issued in relation to the Proposed Divestment, and is a summary of the information contained in our final report titled “Valuation of Tokumei-Kumiai Interests as at 31 May 2020” dated 21 August 2020 (the “Final Valuation Report”). Accordingly, this letter should be read in conjunction with the full text of our Final Valuation Report, a copy of which will be available for inspection during normal business hours at the registered office of the Trustee-Manager from the date of the Circular up to and including the date falling three months thereafter.

Unless otherwise stated, words and expressions defined in the Circular will have the same meaning in this letter.

2. BASIS AND DEFINITIONS

Basis of Valuation

The basis of valuation used in our analysis is Market Value, which is defined by the International Valuation Standards (“IVS”) 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.*”

Definition of Business Enterprise and Equity Value

Business enterprise is the total invested capital, that is equivalent to the combination of all interest-bearing debts, shareholders' loans and shareholders' equity. Alternatively, the business enterprise is equivalent to the combination of all tangible assets (buildings, machinery and equipment), long-term investment, net operating working capital and intangible assets of a continuing business. Equity value is equivalent to business enterprise value less interest-bearing debts.

3. VALUATION METHODOLOGIES

Our valuation conclusion relies on the approaches judged to be most appropriate for the purpose and scope of our analysis, as well as the nature and reliability of the data available to us. We have considered the following valuation approaches in estimating the Market Value of the Trustee-Manager's TK Interests:

A. Income Approach

The income approach explicitly recognizes that the current value of the business is premised on the expected receipt of future economic benefits to be generated over its remaining life. These benefits can be in the form of earnings, net income, cash flow, or other measures of profitability and should include the proceeds from final disposition as well as cost savings and tax deductions. Value indications are developed by discounting expected benefits to their present value at the required rate of return that incorporates the time value of money and risks associated with the particular asset. The discount rate selected is generally based on expected rates of return available from alternative investments of similar type, quality, and risk as of the Valuation Date.

B. Market Approach

The market approach is a technique used to estimate value from an analysis of actual transactions or offerings for economically comparable business available as of the Valuation Date. The process is essentially that of comparison and correlation between the subject business and similar business which have recently been sold or are offered for sale in the market. The transaction or offering prices of the comparable business are adjusted for dissimilarities in characteristics including status/stage, location, time of sale, growth and size, and among others. The adjusted prices of the comparable business provide an indication of value for the subject business.

C. Net Assets Approach

Net Assets Approach indicates the Market Value of the total common equity of a business by adjusting the asset and liability balances on the company's balance sheet to their Market Value equivalents. The Net Assets Approach is based on the summation of the individual piecemeal values of the underlying assets and liabilities. The Market Value of equity is then indicated by the sum of the Market Value of the assets less the Market Value of the liabilities.

Utilizing the valuation approaches detailed above, we evaluated the suitability and appropriateness of each approach and corroborated differing value indications, to arrive at the estimated Market Value of the TK Interests. Accordingly, we have adopted the Income Approach as the primary approach and used the Net Assets Approach as a further cross-check to our value conclusion.

Due to the limited number of publicly listed companies that are 'pure play' golf course operators and the lack of publicly available data on transactions, we did not conclude based on Market Approach in our analysis as the results may not be meaningful or relevant.

4. VALUATION SUMMARY AND CONCLUSION

Based on our analysis and information provided by the Trustee-Manager, **the Market Value of the TK Interests as at Valuation Date is estimated to range between JPY52,052 million and JPY59,497 million.**

A. Summary of Results based on Income Approach

Using the Discounted Cash Flow method ("DCF"), a form of the Income Approach, Duff & Phelps has arrived at a valuation range between JPY52,052 million and JPY59,497 million for the Market Value of the TK Interests. In arriving at our conclusion, we have relied on cash flow projections provided by the Trustee-Manager from FY2020/21 to FY2024/25, and adopted the following key assumptions and inputs:

- 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;
- the Trustee-Manager has assumed that projected revenue for the Nishiki-gahara golf course ("NGC") from FY2021/22 onward 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;
- between FY2021/22 and FY2024/25, in line with the historical trend, the Trustee-Manager has assumed total visitors for the Golf Courses to grow at a compound annual growth rate ("CAGR") 0.6% per annum and projected an average golf course utilisation rate of 78.8%;

- 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;
- D&P has assessed a weighted average cost of capital (“WACC”) of 5.9% to discount the projected cash flows;
- 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
- 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%.

B. Cross Check based on Net Assets Approach

To arrive at the net asset value (“NAV”) of the TK Operator, we updated the book value of PPE as of Valuation Date with the appraised value of the 88 golf courses under the TK Operator, provided by third party independent appraisers, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (“Colliers”), amounting to JPY136,364 million.

We understand from the Trustee-Manager that the book value of the other assets and liabilities (i.e. PPE) held on the TK Operator’s latest unaudited balance sheet as of 31 March 2020, prepared under International Financial Reporting Standards¹ (“IFRS”), represents a reasonable proxy for their Market Value and thus no further adjustments were required to arrive at their Market Value equivalents.

Based on the analysis above the total net assets of the TK Operator amounted to JPY57,227 million as of the Valuation Date. We have further adjusted for membership interest in the TK Interests to arrive at the NAV of the TK Operator (based on 98.99% share in TK Interests held by AGT) of JPY56,649 million, which we have utilized as a further cross-check to our DCF analysis.

We have separately computed the net tangible assets (“NTA”) of the TK Operator, which excludes the carrying amount of goodwill and other intangible assets amounting to

¹ AGA’s J-GAAP financials are converted to IFRS for the purpose of AGT group consolidation each quarter. Goodwill is not amortized under IFRS so that IFRS conversion adjustments are made each quarter to AGA’s net book value of goodwill to restate the value at its original value of JPY17 billion (under IFRS) subject to any impairment.

JPY4,046 million from total net assets. NTA of the TK Operator (based on 98.99% share in TK Interests held by AGT) amounted to JPY52,645 million as of the Valuation Date.

C. Market Approach

Based on the key business segments of the publicly traded companies, only 2 of the comparable companies identified were 'pure play' golf course operators. However, these 2 comparable companies operate in geographical regions outside of Japan domestic market.

In addition, we have also searched for comparable transactions of domestic golf course operators, however due to the limited market data on recent transactions, this is used as more of a cross check rather than as a basis of conclusion.

Given the above limitation of closely comparable companies and lack of publicly available data on transactions, we did not conclude based on Market Approach in our analysis as the results may not be meaningful or relevant.

5. TERMS OF REFERENCE AND LIMITING CONDITIONS TO OUR VALUATION

- i. Duff & Phelps' valuation summary letter and Final Valuation Report do not constitute an audit in accordance with Auditing Standards. Duff & Phelps has not independently investigated or verified the data provided by the Trustee-Manager. We have, however, reviewed such data for its consistency and reasonableness, relied on explanations and information provided by the Trustee-Manager and accepted such data to be true and accurate. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information, representation or assurance provided to us by and on behalf of AGT and the TK Operator.
- ii. The Trustee-Manager has reviewed the information contained in the valuation summary letter and Final Valuation Report and has confirmed in writing to us, having made reasonable enquiries to establish that this is the case, that to the best of its knowledge and belief, the factual information contained therein is, in all material respects, complete and accurate and not misleading in the manner of its portrayal and therefore forms a reliable basis for our work. In particular, the Trustee-Manager is not aware of any further information which should be relevant to our analysis.
- iii. The responsibility for forecasts and the assumptions on which they are based is solely that of the Trustee-Manager. Duff & Phelps do not provide assurance on the achievability of the results forecasted because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of the Trustee-Manager. It must be emphasized that revenue and profit forecasts necessarily depend upon subjective judgment. They are to a greater or lesser extent, according to the nature of the business and the period covered by the

forecasts, subject to substantial inherent uncertainties. In consequence, they are not capable of being audited or substantiated in the same way as financial statements, which present the results of completed periods. In the event that the Trustee-Manager is not able to achieve the results of the TK Operator's projected financials, the value of the TK Interests can be adversely affected.

- iv. Our valuation conclusions are based upon prevailing market, economic, industry, monetary and other conditions and on the information made available to us as at the Valuation Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility and are not required to update, revise or reaffirm our valuation conclusion set out in this valuation summary letter to reflect event or developments subsequent to the Valuation Date.
- v. The valuation results and underlying projections and assumptions may be materially affected by increased volatility in current and future economic, political, regulatory, financial, market or other circumstances as a result of COVID-19. As such, a higher degree of caution should be attached to our valuation than may normally be the case.
- vi. Duff & Phelps has relied on data from external sources. These sources are considered to be reliable and therefore, Duff & Phelps assumes no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where Duff & Phelps has relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure the accuracy of such data and that such data has been accurately and correctly extracted from those sources. Duff & Phelps has assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.
- vii. The scope of work has been limited both in terms of the areas of the business and operations which have been reviewed. There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- viii. We are not required to and have not conducted a comprehensive review of the business, operational or financial condition of the TK Operator and accordingly, make no representation or warranty, expressed or implied, in this regard. We are not required to and have not visited the golf courses owned by the TK Operator.
- ix. Our valuation is not and should not be construed to be the valuation of AGT or as investment advice to the current and prospective investors in AGT. The scope of our engagement does not require us to express, and we do not express, a view on the future prospects of AGT. This letter and Final Valuation Report are not intended to form the basis of any decision regarding the ownership of stake in AGT and does not purport to contain all the information that may be necessary or desirable to fully evaluate the Proposed Divestment. The assessment of the commercial and investment merits of AGT is solely the responsibility of the Directors of the Trustee-Manager.

- x. Our valuation summary letter and Final Valuation Report is issued on the understanding that the Trustee-Manager has drawn our attention to all matters of which they are aware concerning the financial position of the businesses, which may have an impact on the valuation summary letter and Final Valuation Report up to the Valuation Date. Duff & Phelps has no responsibility to update the valuation summary letter and Final Valuation Report for events and circumstances occurring after the Valuation Date.
- xi. The use of our valuation summary letter and Final Valuation Report is restricted to the purpose indicated herein. Duff & Phelps authorizes the Client to include a copy of this valuation summary letter in the Circular. Such disclosure is authorised in consideration of the condition that Duff & Phelps shall have a reasonable opportunity to review and approve any references to Duff & Phelps, its work, this engagement, the valuation summary letter and Final Valuation Report prior to the disclosure to SGX-ST.
- xii. Duff & Phelps does not have any responsibility or liability to any third parties for their reliance on our reports. Duff & Phelps expressly disclaims all liability for any loss or damage of whatever kind which may arise from any person acting on any information and opinions contained in the valuation summary letter and Final Valuation Report which are contrary to the stated purpose. Full terms and conditions of our work are included in our Agreement.
- xiii. Duff & Phelps has acted as an independent third party and, as such, shall not be considered an advocate should any dispute arise between concerned parties.
- xiv. Our terms of reference do not require us to provide advice on legal, regulatory, accounting, property and taxation matters and where specialist advice has been obtained by the Trustee-Manager and made available to us, we have considered and where appropriate relied upon such advice.
- xv. Duff & Phelps have no present or planned future interest in our Client or its group companies and the fee for our services for the valuation summary letter and Final Valuation Report is not contingent upon the outcome of the transaction.

6. CONFIDENTIALITY AND DUTY OF CARE

This valuation summary letter and our Final Valuation Report are addressed strictly to our Client and are for the intended purpose as set out above and accordingly neither the valuation summary letter nor the Final Valuation Report may be used or relied upon in any other connection, and are not intended to confer any benefit on, any other person (including without limitations the respective unitholders of AGT). Any recommendation made by the Board of Directors (the "Board") of the Trustee-Manager in respect to this Proposed Divestment shall remain the responsibility of the Board.

In rendering our valuation conclusion, we have not had regard to the specific investment objectives, financial situation or individual circumstances of any unitholders or shareholders. Our valuation conclusion should not be the sole basis for deciding whether or not to execute the Proposed Divestment. The responsibility of determining the final transaction price rests solely with the Client.

We understand that the Independent Financial Advisor (“IFA”) may require this valuation summary letter and our Final Valuation Report for their internal reference. The IFA will perform their own separate analysis to satisfy their roles and responsibilities. Our role and report is not meant to substitute their own procedures to substantiate the opinion they are required to render.

While a copy of this letter may be reproduced in the Circular, neither the Client nor its Board may reproduce, disseminate or refer to this letter and the Final Valuation Report (or any part thereof) for any other purposes at any time and in any manner without the prior written consent of Duff & Phelps in each specific case. In any event, giving our consent to the inclusion of letter in such a circular, we do not accept any duty of care and deny any responsibilities or liability to any third party other than the party to whom our letter and report is addressed, unless otherwise provided by law.

Respectfully submitted by,

The image shows a handwritten signature in black ink that reads "Duff & Phelps". The signature is written in a cursive, flowing style.

DUFF & PHELPS SINGAPORE PTE LTD

GOLF COURSES VALUATION SUMMARY LETTER



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21 August 2020

Independent Committee (the “**Client**”)
Accordia Golf Trust Management Pte. Ltd.
as trustee-manager of Accordia Golf Trust
 (“**AGT** or the “**Trust**” and the trustee-manager,
the “**Trustee-Manager**”)
80 Robinson Road
#22-03A Singapore 068898

Dear Sirs,

**RE: Valuation of 88 golf courses located across Japan (the “Portfolio” or
“Portfolio Properties”)**

We refer to your instructions of 30 January 2020 and Addendum dated 22 June 2020 to undertake a valuation in respect of the Portfolio Properties owned by the Trust. The Trust is listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). We understand a non-binding proposal (the “**Non-Binding Proposal**”) was received by the Trustee-Manager from Accordia Golf Co., Ltd. for the divestment of AGT’s interests in all of its Golf Courses and the purpose of the valuation of the Portfolio Properties is to evaluate the Non-Binding Proposal and to comply with the listing rules of the SGX-ST.

Our instructions are to provide our opinion of the market value of the Portfolio ‘as is’. The basis of the valuation is stated in the Valuation Summary appended herein and the date of the valuation is at 31 May 2020. We understand that this letter and the Valuation Summary may be included in the Circular in response to the SGX.

The Portfolio Properties and their respective valuations are listed in the table below.

	<u>Region</u>	<u>Name of Property</u>	<u>31 May 2020 Val Round (JPY'000)</u>
1	Greater Tokyo	Ishioka Golf Club West Course	961,000
2	Greater Tokyo	Mito Golf Club	2,379,000
3	Greater Tokyo	Kitsuregawa Country Club	273,000
4	Greater Tokyo	Koryo Country Club	827,000
5	Greater Tokyo	Minagawajo Country Club	1,816,000
6	Greater Tokyo	Ohiradai Country Club	1,442,000
7	Greater Tokyo	Tsuchiura Country Club	4,081,000
8	Greater Tokyo	Central Golf Club	3,189,000
9	Greater Tokyo	Central Golf Club NEW Course	1,194,000
10	Greater Tokyo	Wildduck Country Club	1,157,000
11	Greater Tokyo	Kanra Country Club	1,221,000
12	Greater Tokyo	Twin Lakes Country Club	873,000
13	Greater Tokyo	Midono Country Club	927,000
14	Greater Tokyo	Fujioka Golf Club	2,439,000
15	Greater Tokyo	Kanetsu Highland Golf Club	1,778,000
16	Greater Tokyo	Myogi Country Club	1,294,000
17	Greater Tokyo	Northern Country Club Akagi Golf Course	96,000
18	Greater Tokyo	Northern Country Club Jomo Golf Course	106,000



	<u>Region</u>	<u>Name of Property</u>	<u>31 May 2020 Val Round (JPY'000)</u>
19	Greater Tokyo	Northern Country Club Nishikigahara Golf Course	296,000
20	Greater Tokyo	Tamagawa Country Club	1,561,000
21	Greater Tokyo	Yorii Country Club	2,771,000
22	Greater Tokyo	Sainomori Country Club	1,943,000
23	Greater Tokyo	Chichibu Kokusai Country Club	623,000
24	Greater Tokyo	Kodamakamikawa Country Club	1,528,000
25	Greater Tokyo	Sawara Country Club	2,226,000
26	Greater Tokyo	Chiba Sakuranosato Golf Club	1,680,000
27	Greater Tokyo	Naritahigashi Country Club	2,362,000
28	Greater Tokyo	Tokyowan Country Club	3,828,000
29	Greater Tokyo	Aqualine Golf Club	2,250,000
30	Greater Tokyo	Kamogawa Country Club	607,000
31	Greater Tokyo	Hanao Country Club	804,000
32	Greater Tokyo	Daiatsugi Country Club Hon Course	8,380,000
33	Greater Tokyo	Daiatsugi Country Club Sakura Course	6,859,000
34	Greater Tokyo	Odawara Golf Club Matsuda Course	2,414,000
		Total Greater Tokyo	66,185,000
35	Greater Osaka	Sorei Golf Club Tsuchiyama Course	1,188,000
36	Greater Osaka	Naranomori Golf Club	2,576,000
37	Greater Osaka	Yamato Kougen Country Club	512,000
38	Greater Osaka	Kamo Country Club	4,040,000
39	Greater Osaka	Lake Forest Resort	1,028,000
40	Greater Osaka	Izumisano Country Club	4,770,000
41	Greater Osaka	Misaki Country Club	1,473,000
42	Greater Osaka	Otsu Country Club	8,013,000
43	Greater Osaka	Kyowa Golf Club	1,105,000
44	Greater Osaka	Kisaichi Country Club	4,757,000
45	Greater Osaka	Kameoka Golf Club	1,428,000
46	Greater Osaka	Atagohara Golf Club	2,759,000
47	Greater Osaka	Harima Country Club	1,925,000
48	Greater Osaka	Kasai Country Club	621,000
49	Greater Osaka	Shirasagi Golf Club	488,000
		Total Greater Osaka	36,683,000
50	Greater Nagoya	Castlehill Country Club	2,051,000
51	Greater Nagoya	Tsukude Golf Club	1,069,000
52	Greater Nagoya	Shinyo Country Club	1,549,000
53	Greater Nagoya	Sun Classic Golf Club	670,000
54	Greater Nagoya	Forest Mizunami Country Club	986,000
55	Greater Nagoya	Fujiwara Golf Club	1,899,000
56	Greater Nagoya	Yokkaichinosato Golf Club	2,380,000
57	Greater Nagoya	Kasumi Golf Club	843,000
58	Greater Nagoya	Forest Geino Golf Club	860,000
59	Greater Nagoya	Sorei Golf Club Seki Course	738,000
60	Greater Nagoya	Route 25 Golf Club	728,000
61	Greater Nagoya	Meisho Golf Club	443,000
		Total Greater Nagoya	14,216,000



62	Other	Jurigi Country Club	1,456,000
63	Other	Ashitaka Six Hundred Club	1,914,000
64	Other	Mishima Country Club	2,333,000
65	Other	Izu Kokusai Country Club	307,000
66	Other	Takehara Country Club	504,000
67	Other	Hongo Country Club	895,000
68	Other	Sanyo Kokusai Golf Club	793,000
69	Other	Central Fukuoka Golf Club	1,059,000
70	Other	Nijo Country Club	1,642,000
71	Other	Fukuoka Pheasant Country Club	660,000
72	Other	Nagasaki Park Country Club	492,000
73	Other	Huis Ten Bosch Country Club	107,000
74	Other	Sasebo Kokusai Country Club	690,000
75	Other	Beppu No Mori Golf Club	844,000
76	Other	Amagaseonsen Country Club	198,000
77	Other	Kikuchi Country Club	463,000
78	Other	Aoshima Golf Club	850,000
79	Other	Rainbow Sports Land Golf Club	292,000
80	Other	Yunoura Country Club	1,063,000
81	Other	Osato Golf Club	743,000
82	Other	Hananomori Golf Club	465,000
83	Other	Yamataminami Country Club	177,000
84	Other	Dainiigata Country Club Sanjo Course	88,000
85	Other	Dainiigata Country Club Izumosaki Course	720,000
86	Other	Kanazawa Central Country Club	65,000
87	Other	Tarumae Country Club	319,000
88	Other	Onuma Lake Golf Club	141,000
		Total Other	19,280,000
		Total Portfolio	136,364,000

Our 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”.

This definition of value is consistent with the international definition of Market Value as advocated by RICS, International Valuation Standards (IVS), and where applicable, local (Japan) valuation standards. We note that the concept of market value is consistent under both IVS and Japan real estate appraisal standards, and as such confirm there is no departure.

We have prepared a market valuation on the basis of use as appropriate and defined by the Client. 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. Our valuation is based on a fully operational business including plant and machinery, and fixtures, fittings and furniture but excluding stock, trade debtors and creditors. We have assumed that each of the Portfolio Properties holds all the necessary permits, statutory consents, trade licences and health and safety certificates necessary for trade, if applicable.

It has been assumed that the title in relation to the Portfolio Properties is as set out on pages 256 to 260 of the prospectus issued by the Trustee-Manager in connection with the initial public offering (“Prospectus”).

We have not made formal planning enquiries or reviewed original planning consents. We assume that



each of the Portfolio Properties have appropriate consents and that there are no outstanding statutory notices and that each of the Portfolio Properties have complied with all statutes, regulations and bylaws for its anticipated use including a current fire certificate. We have also relied on the Trustee-Managers' representations that this was in good order as at the valuation date.

We have assumed that the buildings have been constructed in accordance with, and currently complies with, all statutory requirements, relevant National Standards and Codes of Practice i.e. Japan's Building Standard Law and is in a condition fit for its existing use. We are not qualified to provide a technical opinion on structural and engineering matters and our comments should not be relied upon in this context.

The valuation methodology, assumptions and limiting conditions are set out in the following notes:

Valuation methodologies

In undertaking this valuation, we have used the Income Approach with the method being discounted cash flow (DCF), as this is the method normally employed by investors in assessing these types of property.

Income approach

This approach is essentially a capitalisation of the value of the future stream of earnings from the operations. The method adopted to achieve this capitalisation can vary between a simple multiple of the "maintainable" level of net profit to the more dynamic discounted cash flow approach.

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 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 golf course property. The DCF method entails the capitalisation 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 each of the Portfolio Properties.

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

This letter and the valuation summary do not contain all the necessary data and information included in arriving at our valuation opinion.

Future trading performance and earnings related assumptions

In our valuation of an asset we have assumed that all permits and licenses, if applicable, will not restrict potential earnings.

Our estimates of the net earnings that could be sustained over the economic life of the assets will take into account lower levels of performance which might be achieved in periods of economic downturn (or political instability) as well as improvements in business performance which might be achieved, for example, by extending the operational season and making additional sales to different market segments.

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 and representations by the Trustee-Manager. Property data/information provided is assumed to be correct. Whilst Colliers International has endeavored to ensure the accuracy of the information, it has not independently verified all information provided.
- The valuations and reports were undertaken based upon information available as at the date of inspection. Colliers International accepts no responsibility for subsequent changes in information as to the scheme, areas, income, expenses or market conditions.
- The methodologies adopted in valuing the Portfolio Properties 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 each of the Portfolio Properties and future economic conditions in the local market.
- Under current circumstances our valuation(s) is / are reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the properties under frequent review.
- This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed in our engagement proposal dated 30 January 2020 and Addendum dated 22 June 2020. Reliance on this letter 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. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), 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 Portfolio Properties.

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 Portfolio Properties and the valuers undertaking the valuation are suitably qualified and authorized to practice as valuers.

Yours faithfully,

For and on Behalf of

Colliers International Consultancy and Valuation (Singapore) Pte Ltd.

Govinda Singh FCCA FCMA MRICS

Kumiko Nakakubo 中窪久美子 MRICS

Executive Director and Registered Valuer

Licensed Japan Real Estate Appraiser

Valuation and Advisory Services | Asia



VALUATION SUMMARY – PORTFOLIO OF 88 GOLF COURSES

Property / Address	: 88 golf courses located across Japan 34 Greater Tokyo Region 15 Greater Osaka Region 12 Greater Nagoya Region 27 Other Regions
Client	: Independent Committee of Accordia Golf Trust Management Pte. Ltd. as trustee-manager of Accordia Golf Trust
Purpose	: Bid Assessment
Brief Description	: 88 golf courses located across Metropolitan and Regional Japan. The golf clubs offer memberships and are pay and play public courses managed and operated under the well-known 'Accordia' brand. Each property offers an 18-hole or more golf course together with commensurate facilities including a clubhouse, driving range and food and beverage amenities. The properties are all located in scenic locations, surrounded by mountains and forested areas. Golf courses offer both a challenging undulating and flat landscapes that appeal to golfers of all ages. Golf course utilisation was circa 76.9% on average across the Portfolio for FY19/20 as per Accordia Golf Trust's Financial Results for 4Q and Full Year FY19/20 announced by the Trustee-Manager on 11 June 2020. Total loyalty members were 3.83 million as at 31 March 2020, accounting for approx. 57.2% of golf players in Japan. Average revenue per player was JPY8,177, with a total of 5.92 million players in FY19/20.
Registered Owner	: Accordia Golf Asset Godo Kaisha ("Accordia")
Tenure	: Freehold and long leasehold



Legal Description and Zoning : Lands zoned for golf course, agricultural and forest. Ratio of leased lands is about 24.6% of the total land area.

'As is' use is golf course, with appropriate permission to use for forest and agricultural lands.

We are aware of express conditions, restriction in interest or encumbrances that could prevent an orderly sale in regard to the Northern Country Club Nishikigahara Golf Course. Following our site visit and subsequent discussions with the Ministry of Land, Infrastructure, Transport and Tourism, we understand that the River lands, which are subject to a permit to use, can only be renewed on an annual basis for a period not beyond one year. It is the intention that the land will be returned to the Ministry of Land within the short term to facilitate dam and water defenses for the local area which is highly prone to flooding. Based on the size of the land to be returned this will likely significantly reduce the number of golf holes available to play from the current 43 going forward. As such, given the inherent going concern risks, with no legal recourse to compensation for the loss in land, our valuation reflects this material situation and assumes a reduced golf course offering from 2022 onwards.

We are not aware of any further express conditions, restriction in interest or encumbrances that could prevent an orderly sale except where stated.

Interest Valued : As set out on pages 256 to 260 of the Prospectus

Basis of Valuation : Market Value, 'As is' basis

Valuation Approach : Income (DCF) Method

Terminal Capitalization Rate : 6.80% - 9.40%

Discount Rate : 6.90% - 9.50%

Date of Valuation : 31 May 2020

Valuation : **JPY136,364,000,000**
(One Hundred and Thirty-Six Billion, Three Hundred and Sixty-Four Million Japanese Yen Only)

Value per hole: JPY71,171,000

Implied Yield: 6.7% (based on 2022 stabilised net income)

The following assumptions have been adopted in arriving at our opinion of values:

Assumptions, Disclaimers, Limitations & Qualifications

- 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;

- 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;
- between FY2021/22 and FY2024/25, in line with the historical trend, the Trustee-Manager has assumed total visitors for the Golf Courses to grow at a compound annual growth rate ("CAGR") 0.6% per annum and projected an average golf course utilisation rate of 78.8%;
- 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
- 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.

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 30 January 2020 and our subsequent Addendum dated 22 June 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter 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. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), 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 valuers have no pecuniary interest that would conflict with the proper valuation of the Portfolio Properties.

Prepared By

: Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

He is suitably qualified to carry out the valuation and has over 17 years' experience in the valuation of properties of this magnitude and nature, globally. He is also a qualified, chartered certified accountant and a Fellow of both the Association of Chartered Certified Accountants (ACCA) and Chartered Institute of Management Accountants (CIMA).

He has been supported by a core team of local (Japanese) licenced valuers including Kumiko Nakakubo and Toshi Suzuki.



The foregoing personnel were supported by an experienced team of local researchers and analysts who assisted in assembling and analysing the relevant data.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their respective abilities to give an unbiased opinion of the values or that could conflict with a proper valuation of the Portfolio Properties.

TAX CONSIDERATIONS

The following summary is intended to be an overview of certain Singapore and Japan tax considerations in respect of the Proposed Divestment and is based upon laws, regulations, rulings and decisions in effect as at the Latest Practicable Date, all of which are subject to changes (possibly with retroactive effect). This summary is not a tax advice and does not purport to be a comprehensive description of all the tax considerations that may be relevant to Unitholders. Unitholders should consult their own tax advisers on the tax implications that may apply to their own individual circumstances.

JAPAN TAXATION

Japanese tax treatment of the Proposed Divestment

The Japanese tax treatment of the Proposed Divestment would depend on the classification of AGT for Japanese tax purposes, specifically whether it is considered to be similar to a type of Japanese legal entity that is “pass through” or not for Japanese tax purposes.

Based on a high-level analysis, AGT will be categorised as a type of non-transparent trust. In other words, AGT will not be considered as “pass through” for Japanese tax purposes, and that the Unitholders will not be deemed to be directly holding TK Interests. In such a situation, AGT should not be subject to Japanese withholding tax and corporate income tax on the Proposed Divestment.

On the other hand, in the event AGT is treated as “pass through” for Japanese tax purposes, the Unitholders may be deemed to be directly selling the TK interests. If a Unitholder is a Japanese resident individual/corporation, the Proposed Divestment would then be taxed in Japan in the following manner:

- If the Unitholder is a Japanese resident individual, any gain on the Proposed Divestment allocable to the Unitholder would be considered income of the Unitholder. In the absence of any employee/employer relationship between AGT and the Unitholder, it is likely that the gain would be treated as miscellaneous income or a capital gain. If treated as miscellaneous income, the income would be taxable at the individual’s marginal rate for the Japanese national income tax (“**National Tax**”) (up to 45.945% inclusive of the National Tax surtax) as well as the Japanese local inhabitants tax (typically 10.0%), therefore potentially resulting in a combined tax rate of up to 55.945%. If the gain is treated as a capital gain, it would be taxed at either 20.315% (long term investments held for over 5 years) or 39.63% (short term investments held for less than 5 years).
- If the Unitholder is a Japanese corporation, it will be subject to Japanese corporate income taxes on any gains, at the rate of 30%-35% depending on its capital amount, etc.
- A foreign Unitholder of AGT without a Japanese permanent establishment should not be subject to Japanese tax on any receipt from the Proposed Divestment.

Unitholders should consult their own tax advisers on their own tax implications in their respective tax jurisdiction(s) of any receipt from AGT in respect of the Proposed Divestment.

Japanese tax treatment of the TK Operator's distribution of the Special Reserves to AGT

The TK Operator's distribution of the Special Reserves to AGT will be treated as a TK distribution. When the TK Operator distributes cash as TK profit to AGT (and on the basis that AGT is treated as a corporation for Japanese tax purposes), 20.42% Japanese withholding tax will be imposed on the TK Operator's distribution of the Special Reserves to AGT. There is no reduced tax rate or exemption under the Japan-Singapore tax treaty.

SINGAPORE TAXATION

Income Tax

Taxation of AGT

For Singapore tax purposes, the income of a registered business trust (which is the case for AGT) is taxed at the trustee-manager level.

The Trustee-Manager, in its capacity as the trustee-manager of AGT, is liable to Singapore income tax on the income of AGT, at the prevailing income tax rate (currently 17.0%), on:

- (a) income accruing in or derived from Singapore; and
- (b) unless otherwise exempt, income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law.

Partial tax exemption will be granted for the first S\$200,000 of normal chargeable income (from the year of assessment 2020 onwards):

- (a) 75.0% of up to the first S\$10,000 of chargeable income; and
- (b) 50.0% of up to the next S\$190,000 of chargeable income.

AGT's income or receipt from the Proposed Divestment includes:

- (a) receipt from the Proposed Divestment (i.e. assignment of its TK Interests); and
- (b) the TK Operator's distribution of the Special Reserves to AGT.

Receipt from the Proposed Divestment

Singapore does not impose tax on capital gains. The determination of whether gains from disposal of investments are income or capital in nature is based on a consideration of the facts and circumstances of each case.

AGT has applied for an advance tax ruling from the IRAS to obtain confirmation that the sale of TK Interests is a capital transaction and hence Singapore income tax should not be applicable on gain from the Proposed Divestment. As at the Latest Practicable Date, the IRAS has not issued a ruling and there is no assurance that the IRAS will issue a positive ruling. For completeness, if the IRAS were to rule that the investment in the TK Interests should be regarded as being held on revenue account, gain (if any) from the Proposed Divestment will be subject to Singapore income tax at the prevailing Singapore corporate income tax rate of 17.0%. As AGT's prior years' tax matters are subject to agreement by the IRAS, this may impact the tax ruling to be applied.

TK Operator's distribution of the Special Reserves to AGT

The distribution of the Special Reserves to AGT should be regarded as foreign-sourced income and hence be subject to Singapore income tax at the prevailing income tax rate (currently 17.0%) when it is:

- (a) remitted to, transmitted or brought into, Singapore;
- (b) applied in or towards satisfaction of any debt incurred in respect of a trade or business carried on in Singapore; or
- (c) applied to purchase any movable property which is brought into Singapore.

Foreign tax credit may be claimed for tax paid in a foreign jurisdiction against the Singapore tax payable on the same income, subject to conditions being met.

In view that the TK Operator's distribution of the Special Reserves to AGT will be subject to Japanese withholding tax (see "Japan Taxation" above), AGT should be able to claim foreign tax credit on the Japanese withholding tax suffered. As the Japanese withholding tax rate on the TK Operator's distribution of the Special Reserves to AGT is 20.42%, which is higher than the prevailing Singapore income tax rate of 17.0%, there should not be net Singapore tax payable on the TK Operator's distribution of the Special Reserves to AGT.

Goods and Services Tax

AGT is not registered for Goods and Services Tax ("**GST**") purposes in Singapore. As such, AGT is not required to charge GST on the assignment of its TK Interest.

Taxation of Unitholders

For Singapore tax purposes, the income of a registered business trust (which is the case for AGT) is taxed at the trustee-manager level, i.e. in the hands of the Trustee-Manager in the case of AGT. Any distribution made by the trustee-manager of a registered business trust is exempt from tax in the hands of its unitholders. Therefore, the Unitholders will not be subject to Singapore income tax on distribution from AGT and no credit will be allowed to the Unitholders for the tax paid by the Trustee-Manager on the income of AGT.

There is also no Singapore withholding tax on the distributions or return of capital made by AGT to its Unitholders. However, Unitholders should consult their own tax advisers on their own tax implications in their respective tax jurisdiction(s) of any receipt from AGT.

INDEPENDENT FINANCIAL ADVISER'S LETTER

LETTER FROM CIMB TO THE INDEPENDENT DIRECTORS AND
THE AUDIT AND RISK COMMITTEE

CIMB BANK BERHAD (13491-P)
Singapore Branch
(Incorporated in Malaysia)

50 Raffles Place #09-01
Singapore Land Tower
Singapore 048623

21 August 2020

To: **The Independent Directors and the Audit and Risk Committee**
Accordia Golf Trust Management Pte. Ltd.,
as trustee-manager of Accordia Golf Trust ("AGT", and
the trustee-manager, the "Trustee-Manager")
80 Robinson Road
#22-03A
Singapore 068898

Dear Sirs,

**PROPOSED DIVESTMENT OF ACCORDIA GOLF TRUST'S INTERESTS IN ALL OF ITS
GOLF COURSES TO ACCORDIA GOLF CO., LTD.**

1. INTRODUCTION

On 28 November 2019 ("**Non-Binding Proposal Date**"), the Trustee-Manager, announced that it had received a non-binding proposal ("**Non-Binding Proposal**") in connection with a potential transaction which may or may not lead to a divestment of AGT's interests in all of its golf courses (the "**Proposed Divestment**").

On 20 December 2019, the Trustee-Manager announced that the Non-Binding Proposal was from Accordia Golf Co., Ltd ("**Accordia Golf**" or "**Sponsor**"), and the indicative consideration for the Proposed Divestment will be JPY 63,167 million, including assumption of the debt of the holding company which holds all the golf courses (subject to various assumptions like further evaluation by Accordia Golf and the financial and other performance of AGT after the issuance of the Non-Binding Proposal).

The Trustee-Manager provided several updates on the progress and developments on the Proposed Divestment via announcements released on 24 December 2019, 2 January 2020, 13 January 2020, 31 January 2020, 20 March 2020 and 7 April 2020. In particular, on 13 January 2020, the Trustee-Manager announced that it had formed an independent committee (comprising the Independent Directors of the Trustee-Manager, being Mr Khoo Kee Cheok, Mr Chong Teck Sin and Mr Hitoshi Kumagai) to assess and review the Non-Binding Proposal and any proposed terms of the Proposed Divestment ("**Independent Committee**"). Further to that announcement, on 7 April 2020, the Trustee-Manager announced, *inter alia*, that its financial advisers were still in the process of, among others, evaluating the price and terms of the Non-Binding Proposal, engaging in discussions with Accordia Golf and its advisors on the terms of the Proposed Divestment, and obtaining indications of interest from the market and

engaging in discussions on such indications. The Trustee-Manager also stated on 7 April 2020 that its Independent Committee had not yet finalised the valuations with its valuers, and that the Independent Committee is of the opinion that the completion of its review of the Proposed Divestment would be completed on or around June 2020.

On 23 June 2020 (“**Last Announcement Day**”), the Trustee-Manager announced that the evaluation of the Proposed Divestment was at an advanced stage and it would be completed on or around June 2020.

On 29 June 2020 (“**Announcement Date**”), the Trustee-Manager announced that following arm’s length negotiations with Accordia Golf, it had entered into a conditional agreement (“**TK Interest Transfer Agreement**”) with Accordia Golf in relation to the Proposed Divestment to divest AGT’s interests in all of its 88 golf courses located in Japan (the “**Golf Courses**”) through the assignment (“**Assignment**”) to Accordia Golf of all the Trustee-Manager’s rights and obligations (“**TK Interests**”) under the existing Japanese tokumei kumiai agreement between the Trustee-Manager and the tokumei kumiai operator, Accordia Golf Asset Godo Kaisha (the “**TK Operator**” or “**AGA**”) dated 27 June 2014 (as amended from time to time) (the “**TK Agreement**”) for a fixed purchase consideration of JPY 61,800 million.

On 7 August 2020 (“**Revision Announcement Date**”), the Trustee-Manager announced that Accordia Golf had agreed to an increase in the purchase consideration to a fixed amount of **JPY 65.200 million** (the “**Purchase Consideration**”) and the Trustee-Manager had entered into a supplemental deed to the TK Interest Transfer Agreement (the “**Supplemental Deed**”) in relation thereto. In addition, the Trustee-Manager and Accordia Golf had received undertakings dated 7 August 2020 (the “**Irrevocable Undertakings**”) from each of Hibiki Path Advisors Pte. Ltd. (“**Hibiki**”) and Santa Lucia Asset Management Pte Ltd (“**Santa Lucia**”) to, among others, vote in favour for the Proposed Divestment.

In connection with the Proposed Divestment, CIMB Bank Berhad, Singapore Branch (“**CIMB**”) has been appointed as the independent financial adviser (“**IFA**”), as required under Rule 921(4)(a) of the Listing Manual to advise on whether the Proposed Divestment is on normal commercial terms and is not prejudicial to the interests of AGT and its minority unitholders.

This letter sets out, *inter alia*, our evaluation of the terms of the Proposed Divestment and our advice thereon. It forms part of the circular dated 21 August 2020 issued by AGT to its unitholders (“**Unitholders**”) setting out, *inter alia*, details of the Proposed Divestment as well as the recommendation of the directors of the Trustee-Manager (the “**Directors**”) who are considered independent for the purposes of the Proposed Divestment (the “**Independent Directors**”) and the Audit and Risk Committee in respect thereof (the “**Circular**”).

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meanings herein. Any differences between the amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

In order that this letter is comprehensive and concise, details contained in the Circular, where necessary or relevant are not wholly reproduced, but instead, are referenced to, or summarised throughout this letter. We recommend that the Independent Directors and the Audit and Risk Committee advise Unitholders to read these contextual references and summaries with due care.

2. TERMS OF REFERENCE

We have been appointed pursuant to Rule 921(4)(a) of the Listing Manual to advise on whether the Proposed Divestment is on normal commercial terms and is not prejudicial to the interests of AGT and its minority Unitholders. Our terms of reference do not require us to evaluate or comment on the commercial risks and/or commercial merits of the Proposed

Divestment or the future prospects of the business of AGA and/or AGT and we have not made such evaluation or comment. However, we may draw upon the views of the Directors and/or the senior executives of the Trustee-Manager (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this letter. We have not been requested to and we do not express any opinion on the relative merits of the Proposed Divestment as compared to any other alternative transaction. We have not been requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Units, the TK Interests or any assets or investments of AGT.

We have held discussions with the Directors and senior executives of the Trustee-Manager and have examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors, the senior executives of the Trustee-Manager and the Trustee-Manager's other professional advisers. We have not independently verified such information, whether written or verbal, and accordingly we cannot and do not warrant or make any representation (whether express or implied) regarding, or accept any responsibility for, the accuracy, completeness or adequacy of such information. However, we have made reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information.

We have relied upon the assurances of the Directors (including those who may have delegated supervision of the Circular) that they have taken all reasonable care to ensure that the facts stated and opinions expressed by them and the Trustee-Manager in the Circular are fair and accurate in all material respects. The Directors have confirmed to us, that to the best of their knowledge and belief, all material information relating to any of AGT and its subsidiary (the "**Group**"), the TK Interests and the Proposed Divestment have been disclosed to us, that such information is fair and accurate in all material respects and that there are no other material facts and circumstances the omission of which would make any statement in the Circular inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have not made any independent evaluation or appraisal of (i) the TK Interests; (ii) the Golf Courses and golf course related assets held by AGA; nor (iii) any other assets and liabilities (including without limitation, intangible assets) of the Group and we have not been furnished with any such evaluation or appraisal, save for the valuation reports by Duff & Phelps Singapore Pte Ltd ("**Duff & Phelps**") and Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("**Colliers**") (collectively known as the "**Valuation Reports**"), the summary letters of which are set out in Appendix B and Appendix C of the Circular. We are not experts in the evaluation or appraisal of the subject matter of each of the Valuation Reports and have referred solely to the Valuation Reports prepared by the abovementioned independent valuers for such evaluation and appraisal.

Our analysis and opinion is based upon market, economic, industry, monetary and other conditions prevailing as at 14 August 2020 (the "**Latest Practicable Date**"), as well as the information made available to us as at the Latest Practicable Date. Such conditions may change significantly over a short period of time. Accordingly, we do not express any opinion or view on the future prospects, financial performance and/or financial position of the Group, AGA or the Golf Courses and golf course related assets held by AGA. Unitholders should take note of any announcements and/or documents relevant to their consideration of the Proposed Divestment which may be released or published by or on behalf of the Trustee-Manager after the Latest Practicable Date.

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profile or particular needs and constraints of any individual Unitholder. As each Unitholder would have different investment objectives and profiles, any Unitholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Trustee-Manager has been separately advised in relation to the preparation of the Circular (other than this letter). We were not involved in and have not provided any advice in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for, and express no views (express or implied) on, the contents of the Circular (other than this letter).

3. PRINCIPAL TERMS OF THE PROPOSED DIVESTMENT

The principal terms of the Proposed Divestment, as extracted from the Circular, are set out below in *italics*. All terms and expression used in the extract below shall have the same meanings as those in the Circular, unless otherwise stated. Unitholders are advised to read the entire Circular including relevant sections, as extracted below, carefully.

We note that the Purchase Consideration is fixed at JPY 65,200 million and is not subject to any adjustments between the date of the TK Interest Transfer Agreement and the Completion Date, regardless of any changes to the financial position, financial performance or conditions of AGA or the Golf Courses over the said period.

Relevant sections extracted from the Letter to Unitholders (Pages 16 to 21 of the Circular):

“3.1 Purchase Consideration

The Purchase Consideration payable by Accordia Golf to AGT in connection with the Proposed Divestment is a fixed amount of JPY65,200 million in cash (approximately S\$848.4 million).

Pursuant to the terms of the Supplemental Deed:

- (i) the purchase consideration to be received by the Trustee-Manager for the Proposed Divestment has been increased from a fixed amount of JPY61,800 million (approximately S\$804.1 million) to a fixed amount of JPY65,200 million (approximately S\$848.4 million), an increase of JPY3,400 million (approximately S\$44.2 million);*
- (ii) the Purchase Consideration does not include the sum of JPY1,200 million set aside by the TK Operator as special reserves for operations as Special Reserves;*
- (iii) the TK Operator shall be entitled to and will distribute the entire amount of the Special Reserves to the existing TK Investors (including the Trustee-Manager), subject to any applicable withholding tax and the Trustee-Manager is entitled to distribute such sums received to the Unitholders; and*
- (iv) 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).*

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 the completion of the Proposed Divestment.

In addition to the Purchase Consideration payable to the Trustee-Manager, Accordia Golf will also repay the Existing Borrowings (TK Operator) (as defined herein) as set out in paragraph 3.2(c) below.

The Purchase Consideration was agreed after arm's length negotiations between the Trustee-Manager and Accordia Golf, and was based on a willing-buyer willing-seller basis, after taking into account the various factors as set out in paragraph 7 below (being a reasonably attractive option for AGT to realise the value of its TK Interests and for Unitholders to unlock the value of their Units, the advantages of the Proposed Divestment relative to maintaining a listed platform, and the elimination of exposure by Unitholders to market risks).

*Pursuant to the terms of the TK Interest Transfer Agreement, Accordia Golf will pay the Purchase Consideration to AGT on the date falling 10 business days from the date of notification by Accordia Golf to the Trustee-Manager or by the Trustee-Manager to Accordia Golf (as the case may be) of the satisfaction or waiver (as the case may be) of the last of the Conditions set out in sub-paragraphs 3.2(d) and (e), or such other date agreed to in writing by the Trustee-Manager and Accordia Golf (the "**Assignment Date**").*

3.2 Conditions Precedent

The payment of the Purchase Consideration by Accordia Golf under the TK Interest Transfer Agreement is conditional on the following conditions precedent being satisfied or, at the discretion of Accordia Golf, waived (save for the conditions precedent set out in sub-paragraphs 3.2(d) and (e), which are not capable of being waived):

- (a) the representations and warranties made by the Trustee-Manager under the TK Interest Transfer Agreement are true and correct in all material respects on the date of the TK Interest Transfer Agreement and the Assignment Date;*
- (b) the Trustee-Manager has performed or observed all of its obligations to be performed or observed by the Assignment Date under the TK Interest Transfer Agreement in all material respects;*
- (c) borrowings from financial institutions to the parent companies of Accordia Golf for part of the funds necessary in order to pay the Purchase Consideration and to repay existing borrowings owing by the TK Operator under the loan agreement (as amended) dated 24 July 2018 between the TK Operator, Aozora Bank, Ltd. and ORIX Corporation (the "**Existing Borrowings (TK Operator)**") have been taken out, and other financing to procure the funds necessary to pay the Purchase Consideration and to repay the Existing Borrowings (TK Operator) has been completed by Accordia Golf (the "**Financing Condition**");*
- (d) the approval by Unitholders at the EGM of the resolutions as may be necessary to give effect to the Assignment and the payment of distributions to Unitholders using the Purchase Consideration in the manner set out in paragraph 9.1 below (the "**Distribution Payment**", and together with the Assignment, the "**Transactions**");*
- (e) 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 Japanese Act on Prohibition of Private Monopolisation and Maintenance of Fair Trade (the "**Anti-Monopoly Act**"), a filing having been made to and accepted by the*

Japan Fair Trade Commission (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;

- (f) the following documents have been delivered by the Trustee-Manager to Accordia Golf:
 - (i) the original of the TK Agreement;
 - (ii) an extract of the resolution passed by the Board to approve the Transactions;
 - (iii) the TK Operator’s written approval of the Assignment in the form set out in the TK Interest Transfer Agreement; and
 - (iv) a confirmation in writing by the Board that the Distribution Payment will be made in the manner set out in paragraph 9.1 below; and
- (g) between the date of this TK Interest Transfer Agreement and up to the Assignment Date, no order, injunction or ruling having been issued by government agencies or financial instrument exchanges or regulatory authority or having been obtained by other third party that would have the effect of prohibiting the Transactions,

(collectively, the “**Conditions**”).

UNITHOLDERS SHOULD NOTE THAT IN THE EVENT THAT ANY OF THE CONDITIONS, INCLUDING THE FINANCING CONDITION, ARE NOT SATISFIED OR, AT THE DISCRETION OF ACCORDIA GOLF, WAIVED (SAVE FOR THE CONDITIONS PRECEDENT SET OUT IN SUB-PARAGRAPHS 3.2(d) AND (e), WHICH ARE NOT CAPABLE OF BEING WAIVED), THE PROPOSED DIVESTMENT WILL NOT COMPLETE AND THE PURCHASE CONSIDERATION WILL NOT BE PAYABLE.

The Trustee-Manager will make the relevant announcement on SGXNET if the TK Interest Transfer Agreement is terminated due to the non-satisfaction of the Conditions (please refer to paragraph 3.4 for details of each of the Trustee-Manager’s and Accordia Golf’s right of termination in such a situation).

3.3 Completion

Completion of the Proposed Divestment will take place on the date falling 10 business days from the date on which the last Condition set out in paragraphs 3.2(d) and (e) above is satisfied in accordance with the terms of the TK Interest Transfer Agreement, or such other date agreed to in writing by the Trustee-Manager and Accordia Golf (“**Completion**”) and is expected to take place in the third quarter of 2020.

3.4 Termination

3.4.1 Termination by the Trustee-Manager

The Trustee-Manager may terminate the TK Interest Transfer Agreement upon written notice to Accordia Golf only if any of the following events occurs:

- (i) a resolution is passed or an order by a court of competent jurisdiction is made to wind up Accordia Golf;*
- (ii) if Accordia Golf fails to re-confirm in writing to the Trustee-Manager that the commitment letters obtained from its financing institutions and its parent entity, Accordia Next Golf Co., Ltd remains in effect and have not been withdrawn and/or terminated on the date falling five business days prior to the despatch or issuance of this Circular, and, if required and requested for by the Trustee-Manager, provide to the Trustee-Manager (a) executed copies of the commitment letters obtained from its financing institutions and its parent entity, Accordia Next Golf Co., Ltd and (b) where relevant, English translations of such commitment letters;*
- (iii) there is a material breach of the representations and warranties or covenants of Accordia Golf under the TK Interest Transfer Agreement;*
- (iv) if Accordia Golf fails to pay the entire amount of the Purchase Consideration under the TK Interest Transfer Agreement; or*
- (v) if the Financing Condition has not been satisfied or waived by Accordia Golf by 30 September 2020 or such other date as may be mutually agreed between Accordia Golf and the Trustee-Manager.*

The Trustee-Manager shall not terminate the TK Interest Transfer Agreement for any reason whatsoever after the entire amount of the Purchase Consideration has been received, provided that, subject to the terms and conditions under the TK Interest Transfer Agreement in respect of the Break Fee (as defined at paragraph 3.5 below), the Trustee-Manager shall not be prevented from claiming damages due to breach of the obligations under the TK Interest Transfer Agreement occurring before the Assignment Date. In respect of sub-paragraph 3.4.1(iv) above, the Trustee-Manager may, instead of terminating the TK Interest Transfer Agreement, fix a new date for Completion (being not later than 30 September 2020 or such other date as may be mutually agreed between Accordia Golf and the Trustee-Manager) in which case the provisions of paragraph 3.4.1 shall apply to Completion as so deferred but provided such deferral may only occur once.

For avoidance of doubt, there will be no interest payable by Accordia Golf if there is any delay in payment of the Purchase Consideration. If Accordia Golf fails to make payment of the Purchase Consideration, Completion will not take place and the TK Interests will not be assigned to Accordia Golf. As stated above, in such event, the Trustee-Manager may terminate the TK Interest Transfer Agreement upon written notice to Accordia Golf.

3.4.2 Termination by Accordia Golf

Accordia Golf may terminate the TK Interest Transfer Agreement upon written notice to the Trustee-Manager only if any of the following events occurs:

- (i) a resolution is passed or an order by a court of competent jurisdiction is made to wind up the Trustee-Manager;*
- (ii) there is a material breach of the representations and warranties or covenants of the Trustee-Manager under the TK Interest Transfer Agreement;*
- (iii) if any of the conditions precedent set out in sub-paragraphs 3.2(d) and (e) (excluding those that Accordia Golf has waived) has not been satisfied by 14 September 2020 or such other date as may be mutually agreed between Accordia Golf and the Trustee-Manager; or*
- (iv) if any of the Conditions (excluding the conditions precedent set out in sub-paragraphs 3.2(d) and (e) and those that Accordia Golf has waived) has not been satisfied by 30 September 2020 or such other date as may be mutually agreed between Accordia Golf and the Trustee-Manager.*

Accordia Golf shall not terminate the TK Interest Transfer Agreement for any reason whatsoever after the entire amount of the Purchase Consideration has been paid, provided that Accordia Golf shall not be prevented from claiming damages due to breach of the obligations under the TK Interest Transfer Agreement occurring before the Assignment Date.

3.5 Break Fee

*Accordia Golf shall pay the Trustee-Manager a sum of JPY326 million (approximately S\$4.2 million), being approximately 0.5% of the Purchase Consideration, as a break fee in relation to the costs and expenses of the Trustee-Manager incurred by or on behalf of the Trustee-Manager in connection with the Assignment (including without limitation, the fees and disbursements of advisers, auditors and valuers engaged by or on behalf of the Trustee-Manager in connection with the Assignment), if (i) the TK Interest Transfer Agreement is otherwise terminated and/or does not proceed to completion solely on the basis of non-satisfaction of the Financing Condition and all the other Conditions have been satisfied or, at the discretion of Accordia Golf, waived; or (ii) the TK Interest Transfer Agreement is terminated by the Trustee-Manager pursuant to paragraph 3.4.1(ii) above, without despatching or issuing the Circular (the "**Break Fee**").*

For avoidance of doubt, the Break Fee will not be payable in the event that approval for Resolution 1 in relation to the Proposed Divestment is not obtained from Unitholders.

3.6 **Agreements Relating to AGT**

The Trustee-Manager and Accordia Golf agree that:

- (a) the letter of representations and warranties, and indemnity dated 27 June 2014 delivered by Accordia Golf to the Trustee-Manager (the “**Representation and Warranty Letter**”);*
- (b) the right of first refusal dated 27 June 2014 delivered by Accordia Golf to the Trustee-Manager (the “**Right of First Refusal**”);*
- (c) the deed of call option dated 27 June 2014 entered into between the Trustee-Manager and Accordia Golf (the “**Deed of Call Option**”); and*
- (d) the sponsor support agreement dated 27 June 2014 entered into between the Trustee-Manager and Accordia Golf (the “**Sponsor Support Agreement**”),*

shall terminate and cease to be of further force or effect, without the need for any further action on the part of either the Trustee-Manager or Accordia Golf. The Trustee-Manager and Accordia Golf agree that there are no claims or obligations under the Representation and Warranty Letter, the Right of First Refusal, the Deed of Call Option and the Sponsor Support Agreement, and that if any such claims or obligations did exist, the parties mutually waive, discharge and release one another therefrom.”

We note that on 17 July 2020, Accordia Golf made a press release containing, *inter alia*, a statement on the long stop date of the Proposed Divestment which indicates that Accordia Golf will not be able to extend the completion of the Proposed Divestment beyond the third quarter of 2020. An extract of the press release as published by PR Newswire Asia is set out in *italics* below.

*“The Proposed Acquisition is conditional upon, among others, approval from the Unitholders at an extraordinary general meeting of AGT to be convened by 14 September 2020 (or such other date as may be agreed between the Trustee-Manager and Accordia Golf) and is expected to be completed in the third quarter of 2020. **We wish to reiterate that we will not be able to extend our offer beyond these dates as our financing commitments will expire at the end of September.**”*

4. **RATIONALE FOR THE PROPOSED DIVESTMENT**

The full text of the rationale for the Proposed Divestment as extracted from the Letter to Unitholders (Pages 31 to 37 of the Circular) is set out in *italics* below. Unitholders are advised to read the extract below carefully.

“7.1 Realisation of value

The Proposed Divestment presents a reasonably attractive option for AGT to realise the value of its TK Interests and for Unitholders to unlock the value of their Units.

The Purchase Consideration of JPY65,200 million (approximately S\$848.4 million) for the TK Interests is JPY5,360 million (approximately S\$69.7 million) higher than the book value of the TK Interests as at 31 March 2020, which is JPY59,840 million (approximately S\$778.6 million).

The Purchase Consideration translates to an implied purchase consideration of S\$0.772 per Unit, which represents:

- (a) 36.6% premium to the closing price of S\$0.565 per Unit on the Last Announcement Day, 30.7% premium to the one-month VWAP per Unit of S\$0.591, and 40.8% premium to the three-month VWAP per Unit of S\$0.548, in each case, up to and including the Last Announcement Day;*
- (b) 28.6% premium to the closing price of S\$0.600 per Unit on the Last Unaffected Trading Day, 28.5% premium to the one-month VWAP per Unit of S\$0.601, and 35.0% premium to the three-month VWAP per Unit of S\$0.572, in each case, up to and including the Last Unaffected Trading Day;*
- (c) 9.6% and 25.3% premium to the TK Interests Valuation Range on a per Unit basis of between approximately S\$0.616 and S\$0.704;*
- (d) 19.4% premium to AGT's Adjusted NTA per Unit of approximately S\$0.646 based on the audited consolidated financial results for FY2019/20 and 18.2% premium to AGT's Q1 Adjusted NTA per Unit of approximately S\$0.653 based on the financial update for Q1 FY2020/21; and*
- (e) 11.2% premium to AGT's Adjusted NAV per Unit of approximately S\$0.694 based on the audited consolidated financial results for FY2019/20 and 10.2% premium to AGT's Q1 Adjusted NAV per Unit of approximately S\$0.701 based on the financial update for Q1 FY2020/21.*

In the event that Resolution 2 (as set out below) in connection with the proposed Winding Up is approved by Unitholders, the Implied Liquidation Value of AGT translates to be approximately S\$0.767 per Unit and represents:

- (i) 35.7% premium to the closing price of S\$0.565 per Unit on the Last Announcement Day, 29.9% premium to the one-month VWAP per Unit of S\$0.591, and 39.9% premium to the three-month VWAP per Unit of S\$0.548, in each case, up to and including the Last Announcement Day;*
- (ii) 27.8% premium to the closing price of S\$0.600 per Unit on the Last Unaffected Trading Day, 27.7% premium to the one-month VWAP per Unit of S\$0.601, and 34.1% premium to the three-month VWAP per Unit of S\$0.572, in each case, up to and including the Last Unaffected Trading Day;*
- (iii) 8.9% and 24.5% premium to the TK Interests Valuation Range on a per Unit basis of between approximately S\$0.616 to S\$0.704;*
- (iv) 18.6% premium to AGT's Adjusted NTA per Unit of approximately S\$0.646 based on the audited consolidated financial results for FY2019/2020 and 17.5% premium to AGT's Q1 Adjusted NTA per Unit of approximately S\$0.653 based on the financial update for Q1 FY2020/21; and*
- (v) 10.5% premium to AGT's Adjusted NAV per Unit of approximately S\$0.694 based on the audited consolidated financial results for*

FY2019/20 and 9.4% premium to AGT's Q1 Adjusted NAV per Unit of approximately S\$0.701 based on the financial update for Q1 FY2020/21.

Additionally, 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 received in February 2020. 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.

The binding offer submitted by Accordia Golf was thus the only definitive offer received by the Trustee-Manager and this offer was subsequently negotiated until its final form with the principal terms as set out in paragraph 3 above. The Independent Committee, the Joint Financial Advisers led by EYCF and the legal adviser to the Trustee-Manager were involved in the arm's length negotiations with Accordia Golf and its financial and legal advisers. As none of the Independent Committee, the Joint Financial Advisers and the legal adviser to the Trustee-Manager have any shareholding or other interest in Accordia Golf or its related corporations, the Proposed Divestment is not an interested person transaction under Chapter 9 of the Listing Manual vis-à-vis each of them. The Purchase Consideration set out in the TK Interest Transfer Agreement was the negotiated price arrived at with Accordia Golf after extensive negotiations.

Pursuant to the terms of the Supplemental Deed:

- (i) the purchase consideration to be received by the Trustee-Manager for the Proposed Divestment has been increased from a fixed amount of JPY61,800 million (approximately S\$804.1 million) to a fixed amount of JPY65,200 million (approximately S\$848.4 million), an increase of JPY3,400 million (approximately S\$44.2 million);
- (ii) the Purchase Consideration does not include the Special Reserves;
- (iii) the TK Operator shall be entitled to and will distribute the entire amount of the Special Reserves to the existing TK Investors (including the Trustee-Manager), subject to any applicable withholding tax and the Trustee-Manager is entitled to distribute such sums received to the Unitholders; and
- (iv) 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).

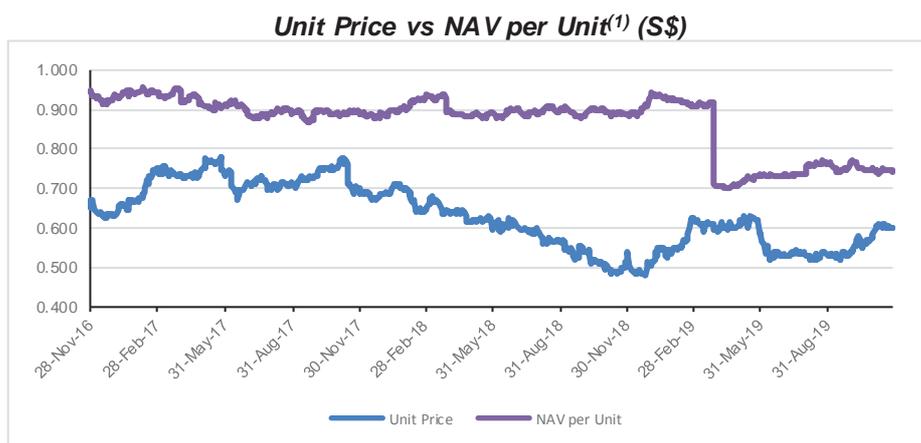
Accordia Golf had, in the purchase consideration for the Proposed Divestment, taken into account the cash distributions in respect of the TK Interests for the period from 1 April 2020 to the completion of the Proposed Divestment.

As at the Latest Practicable Date, other than one confidential non-binding indicative proposal from another third-party bidder received in February 2020, the Trustee-Manager has also not received any unsolicited offers from third parties for the acquisition of AGT's Golf Courses, the TK Interests and/or AGT

even though the receipt of the Non-Binding Proposal has been public information since 28 November 2019.

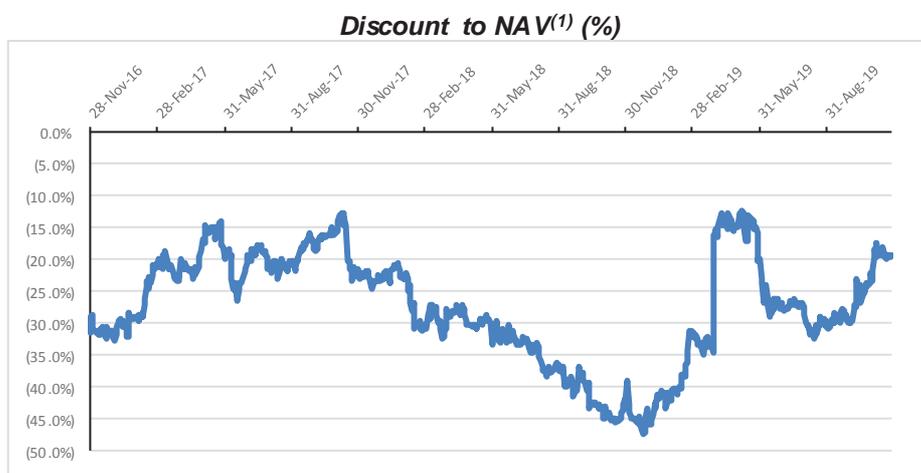
7.2 Advantages of the Proposed Divestment relative to maintaining a listed platform

The Independent Committee has evaluated the Proposed Divestment relative to the prospects of AGT should it continue in its current form as a listed business trust. The Independent Committee notes that AGT has consistently traded at a discount to NAV. Over the last three years prior to and including the Last Unaffected Trading Day, the Unit price of AGT has traded at discounts of between 12.4% and 47.4% and at an average discount of 27.6% to the NAV per Unit.



Note:

(1) Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

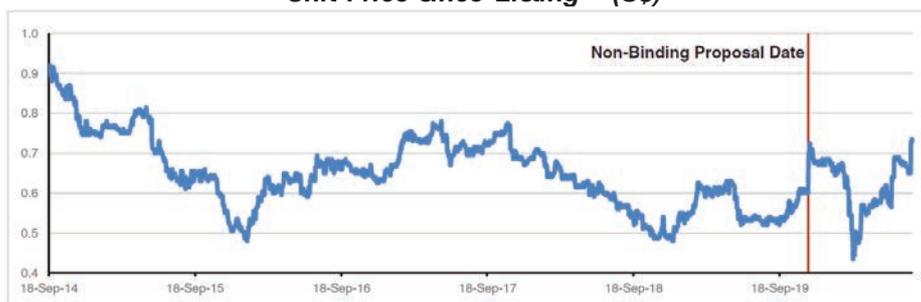


Note:

(1) Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

The Unit price and DPU have broadly been declining, in line with declining operating profits. The year on year decrease in average revenue per player and declining membership revenue trends along with increased refinancing costs in FY2017/18 and the large membership deposit refund in FY2018/19 have resulted in the declining DPU.

Unit Price since Listing⁽¹⁾ (S\$)



Note:

(1) Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

Distribution per Unit⁽¹⁾ (S\$ cents)



Note:

(1) The distribution figure for 2H FY2019/20 includes the Supplemental Distribution of JPY954.9 million (which will be converted into approximately S\$12.3 million pursuant to the hedging arrangement entered into by the Trustee-Manager to convert the Japanese Yen amount received from the TK Operator into Singapore dollars for distribution to Unitholders), being the amount net of withholding taxes. See footnote 1 on page 16 of this Circular for further details on the Supplemental Distribution.

In addition, no acquisitions have been made by the Trustee-Manager since Listing. The TK Operator, which is responsible for the acquisition and management of golf courses under the tokumei kumiai arrangement with the Trustee-Manager, evaluated suitable golf course acquisitions from time to time. However, it was difficult for the TK Operator to raise financing to make the accretive acquisitions and consequently, the TK Operator was unable to propose any acquisitions to the Trustee-Manager. This has in turn affected AGT's ability to improve its DPU.

AGT's trading volume on the SGX-ST has historically been low. For the six-month period prior to the Last Unaffected Trading Day, the average daily trading volume for the market days on which the Units were traded was 975,152 Units, representing approximately 0.089% of the total outstanding Units in issue.

The Proposed Divestment enables Unitholders to realise value for their Units now, compared to the realisation of value through potential future appreciation of AGT's Unit price, which may or may not materialise (see paragraph 7.1 above for further details on the financial information relating to the Proposed Divestment).

7.3 Elimination of exposure to market risks

The market price of the Units is subject to a number of factors, including performance of the Golf Courses, availability of financing, trading liquidity of the Units, the prospects of the Singapore business trust market, the prospects of the Japanese golf course market, and prevailing interest rates and economic conditions in Japan.

The COVID-19 outbreak has resulted in quarantines, travel restrictions, enhanced health screenings at ports of entry and elsewhere, event cancellations and suspensions, city lockdowns and closed international borders. Given the uncertainties as to the development of the COVID-19 outbreak, it is difficult to predict how long such conditions will exist and the extent to which AGT may be affected.

The COVID-19 outbreak has, and may continue to have, an adverse impact on businesses and economies globally. There have been disruptions to businesses in many sectors, including retail, hospitality, travel, manufacturing, logistics, construction, aviation and shipping. The outbreak has resulted, and may continue to result, in protracted market volatility, business shutdowns and falling real estate prices. For instance, in February and March 2020, stock markets worldwide fell significantly in value, in reaction to the COVID-19 outbreak. A number of governments have revised gross domestic product growth forecasts for 2020 downward in response to the economic slowdown caused by the outbreak. The COVID-19 outbreak may further deteriorate and result in an economic crisis or recession in the global economy.

Accordingly, COVID-19 may lead to reduced demand for golf course and golf course related businesses. This could have an adverse impact on the business, financial condition, results of operations and prospects of AGT. For example, AGT may face further difficulty in obtaining financing for golf course acquisitions, limiting AGT's ability to improve its DPU. AGT's Unit trading price had also been adversely affected due to COVID-19. Moreover, the COVID-19 outbreak could also adversely affect AGT in ways that cannot be foreseen. The realisation of value in AGT through the Proposed Divestment and declaration of Special Distributions following Completion will enable the value in the Golf Courses to be realised without any further exposure of the Units to market risks and the COVID-19 outbreak."

5. FINANCIAL EVALUATION OF THE TERMS OF THE PROPOSED DIVESTMENT

Methodologies

In assessing the terms of the Proposed Divestment, we have considered the following:

- (i) Valuation of the TK Interests appraised by Duff & Phelps;
- (ii) NAV and NTA of the TK Interests and of the Group;
- (iii) Historical trailing Price-to-NAV ratios of the Units;
- (iv) Historical trading performance of the Units on the SGX-ST;

- (v) Valuation metrics of selected trusts engaged in the hospitality sector listed on the SGX-ST, and of selected listed companies engaged in the business of operating golf courses in Japan;
- (vi) Valuation metrics and premia implied in selected transactions involving target companies engaged in the ownership and operation of golf courses in Japan as well as in trusts listed on the SGX-ST engaged in the hospitality sector;
- (vii) Premia implied in recent privatisation of entities listed on the SGX-ST;
- (viii) Distribution track record of AGT;
- (ix) Historical distribution yields of the Units;
- (x) Research analysts' target prices for the Units;
- (xi) Historical financial performance and financial position of the Group; and
- (xii) Other relevant considerations which have a bearing on our assessment.

Implied value of the Group and the Units

We note from the Circular that the Proposed Divestment, if completed, will lead to the eventual voluntary winding up of AGT (the "**Winding Up**") and delisting of the Units from the SGX-ST. We also note that the assets of AGT comprise predominantly of the TK Interests. In this regard, we have considered the implied value of the Units to Unitholders arising from the Proposed Divestment and the Winding Up in our evaluation of the terms of the Proposed Divestment.

We understand from the Circular that the Implied Liquidation Value is based on the:

- (A) Purchase Consideration which is fixed at JPY 65,200 million;
- (B) Add Cash Balance of AGT; and
- (C) Settling (i) costs and expenses arising from the Proposed Divestment (which include professional fees to be paid to (a) the Joint Financial Advisers, (b) the legal advisers to the Trustee-Manager and the Independent Committee, (c) the Independent Financial Adviser, (d) EY Corporate Advisors Pte. Ltd. as tax adviser to the Trustee-Manager, (e) the Independent Valuers and (f) expenses relating to the EGM) and in connection with the proposed Winding Up and any other fees, costs and expenses which may be payable prior to the Winding Up, (ii) costs and expenses for the maintenance and management of AGT during the period following Completion and up to and including the date of Winding Up ("**Interim Period**"), (iii) base fee due to the Trustee-Manager under the Trust Deed during the Interim Period, (iv) divestment fee due to the Trustee-Manager under the Trust Deed, (v) cash for any other claims, expenses or liabilities not already provided for above and (vi) any potential liabilities, including but not limited to any tax liabilities, (and associated penalties and liabilities), of AGT prior to the Winding Up (collectively the "**Transaction Amounts**").

Having regard to the above, we have determined the implied value of the Group ("**Implied Value**") and of the Units ("**Implied Value per Unit**") accruing to Unitholders arising from the Proposed Divestment and the Winding Up for the purposes of our analysis as follows:

(A) Purchase Consideration for TK Interests	JPY 65,200 million
(B) Add: Cash Balance of AGT ⁽¹⁾	JPY 295 million
(C) Less: Transaction Amounts ⁽¹⁾⁽²⁾	JPY (722) million
Implied Value (i.e. A + B - C)	JPY 64,773 million
Implied Value per Unit⁽²⁾⁽³⁾	S\$0.758

Notes:

- (1) Based on the Cash Balance of AGT of S\$3.8 million and Transaction Amounts of approximately S\$9.3 million as stated in the Circular, translated at the exchange rate of approximately S\$1.00 to JPY 77.7363 as at the Latest Practicable Date. Please refer to paragraph 9.2 of the Letter to Unitholders for more details on the Cash Balance of AGT and the Transaction Amounts.
- (2) Where applicable, the Transaction Amounts and Implied Value per Unit were converted at the exchange rate of approximately S\$1.00 to JPY 77.7363 as at the Latest Practicable Date.
- (3) Based on AGT's units in issue of 1,099,122,000 Units

We understand from the Trustee-Manager that as at the Latest Practicable Date, the exact quantum of the Transaction Amounts and Cash Balance of AGT have not yet been determined and hence may vary from the above estimated figure. For the purpose of our analysis throughout this letter, we have referred to the estimated Transaction Amounts and Cash Balance of AGT as stated in the Circular to derive the Implied Value which was used to evaluate the terms of the Proposed Divestment.

The Trustee-Manager has confirmed to us that save as disclosed in the Circular, AGT has no other material amount of net assets apart from the TK Interests as at the Latest Practicable Date. Accordingly, the Implied Value used in our analysis does not take into consideration any other assets or liabilities of AGT apart from the net proceeds arising from the Proposed Divestment, the Cash Balance of AGT and the Winding Up.

We note from the Circular that Accordia Golf had, in the Purchase Consideration, taken into account the cash distributions in respect of the TK Interests for the period from 1 April 2020 to the completion of the Proposed Divestment.

We also note from the Circular that if the Proposed Divestment proceeds and completes by 30 September 2020 in accordance with the TK Interest Transfer Agreement, Unitholders will only receive the Special Distributions and the Final Distribution (if any) and there will be no further distribution by AGT for the period from 1 April 2020 to the completion of the Proposed Divestment.

In the event that approval for the resolution in relation to the Proposed Divestment is not obtained from Unitholders and the Proposed Divestment does not proceed, the Trustee-Manager will continue to hold its interests in the Golf Courses through its TK Interests and semi-annual distributions will continue. The Trustee-Manager has informed us that as at the Latest Practicable Date, it is not certain if there would be any cash available for distribution for the half year period ending 30 September 2020. For the avoidance of doubt, even if the Proposed Divestment does not proceed, Unitholders will still receive the Supplemental Distribution.

General bases and assumptions

We would highlight that unless specified otherwise, we have relied on the following general bases in our analysis:

- (i) As at the Latest Practicable Date, AGT has 1,099,122,000 Units in issue and AGT does not hold any treasury units;
- (ii) As at the Latest Practicable Date, AGT has not implemented any option scheme and there are no outstanding options granted pursuant to any option scheme and no unissued Units under option;
- (iii) As at the Latest Practicable Date, AGT has no outstanding convertible securities convertible into Units;
- (iv) We note from the TK Interest Transfer Agreement that (i) the Purchase Consideration shall not include the sum of JPY 1,200 million which has been set aside by AGA as special reserves for operations as set out in AGT's audited consolidated financial results for FY19/20 ("**Special Reserves**") and (ii) AGA shall be entitled to and will distribute the entire amount of the JPY 1,200 million to the existing TK investors (including AGT) on or before the Assignment Date and AGT shall be entitled to distribute such sums received to the Unitholders at such time and in such manner the Trustee-Manager deems fit. Accordingly, for the purposes of our analysis, we have assumed that the net amount of JPY 954.9 million (which will be converted into approximately S\$12.3 million pursuant to the hedging arrangement entered into by the Trustee-Manager to convert the JPY amount received from the TK Operator into Singapore dollars for distribution to Unitholders), being the Special Reserves net of the amounts due by AGA to Mizuho Securities Co., Ltd. and Japanese withholding tax of approximately JPY 245.1 million as disclosed in the Circular, will be distributed to Unitholders via special distributions ("**Supplemental Distribution**"). We note from the Circular that the Trustee-Manager has obtained consent from the lenders to AGA for AGA to pay out the Special Reserves and payment of the Supplemental Distribution will be made on 8 September 2020. The payment of the Supplemental Distribution is independent of the Proposed Divestment as it is made from the Special Reserves and not from proceeds of the Proposed Divestment which will be applied towards the Special Distributions. For avoidance of doubt, Accordia Golf will not receive any distribution from AGA in respect of the Special Reserves and its only entitlement is as a Unitholder (and not as purchaser under the Proposed Divestment) when the Trustee-Manager makes payment of the Supplemental Distribution to all Unitholders. We also understand from the Trustee-Manager that the Special Reserves are derived from the operations of AGA in FY19/20;
- (v) We have assumed that there are no further distribution by AGT apart from the Supplemental Distribution, the Special Distributions and the Final Distribution; and
- (vi) The underlying figures, financial and market data used in our analysis, including securities' prices, trading volumes, free float data and foreign exchange rates have been extracted from Bloomberg L.P., Eikon, Dealogic, SGXNET and/or other public filings as at the Latest Practicable Date or provided by the Trustee-Manager where relevant. CIMB makes no representations or warranties, express or implied, as to the accuracy or completeness of such information.

Valuation multiples

We have applied the following valuation multiples in our analysis:

Valuation multiples	General description
EV/EBITDA	<p>“EV” or “enterprise value” is the sum of an enterprise’s market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents.</p> <p>“EBITDA” refers to the operating profit before interest, tax, depreciation and amortisation expenses. It excludes impairment losses and other non-operating gains or losses (if any).</p> <p>The EV/EBITDA multiple illustrates the market value of an enterprise’s business relative to its pre-tax operating cashflow performance, without regard to the enterprise’s capital structure.</p>
P/NAV and P/NTA	<p>The “P/NAV” or “price-to-NAV” multiple illustrates the ratio of the market price of an enterprise’s units or shares relative to its historical NAV per unit or share as recorded in its financial statements.</p> <p>The “P/NTA” or “price-to-NTA” multiple illustrates the ratio of the market price of an enterprise’s units or shares relative to its historical NTA per unit or share as recorded in its financial statements.</p> <p>The NAV of an enterprise is defined as its total assets (<u>including</u> intangible assets) less its total liabilities, and excludes, where applicable, minority interests.</p> <p>The NTA of an enterprise is defined as its total assets (<u>excluding</u> intangible assets) less its total liabilities, and excludes, where applicable, minority interests.</p> <p>The NAV or NTA figures provide an estimate of the value of an enterprise assuming the sale of its assets at book value or net tangible asset value (as the case may be), the proceeds of which are first used to settle liabilities and obligations with the balance available for distribution to unitholders or shareholders. Comparisons of entities using their NAVs or NTAs are affected by differences in accounting policies, in particular depreciation and amortisation policies.</p>
LTM Distribution Yield	<p>The “LTM Distribution Yield” is the aggregate distribution amount per unit or share of an enterprise (“DPU”) that have gone ex-distribution in the last 12 months (“LTM”), divided by the unit or share price.</p>

5.1 Valuation of the TK Interests appraised by Duff & Phelps

We note that Duff & Phelps was commissioned by the Trustee-Manager to independently appraise the valuation of the TK Interests as at 31 May 2020. We understand from Duff & Phelps that its independent valuation was performed based on International Valuation Standards. In its valuation, Duff & Phelps had adopted the Income Approach using the discounted cash flow method and used the Net Asset Approach as cross-check for its valuation of the TK Interests. The basis of valuation, key assumptions and inputs used have been extracted from the TK Interests Valuation Summary Letter and are as set out in *italics* below:

Basis of Valuation

“The basis of valuation used in our analysis is Market Value, which is defined by the International Valuation Standards (“IVS”) 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.”

Using the Discounted Cash Flow method (“DCF”), a form of the Income Approach, Duff & Phelps has arrived at a valuation range between JPY52,052 million and JPY59,497 million for the Market Value of the TK Interests. In arriving at our conclusion, we have relied on cash flow projections provided by the Trustee-Manager from FY2020/21 to FY2024/25, and adopted the following key assumptions and inputs:

- *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;*
- *the Trustee-Manager has assumed that projected revenue for the Nishiki-gahara golf course (“NGC”) from FY2021/22 onward 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;*
- *between FY2021/22 and FY2024/25, in line with the historical trend, the Trustee-Manager has assumed total visitors for the Golf Courses to grow at a compound annual growth rate (“CAGR”) 0.6% per annum and projected an average golf course utilisation rate of 78.8%;*
- *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 among 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;*
- *D&P has assessed a weighted average cost of capital (“WACC”) of 5.9% to discount the projected cash flows;*
- *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*
- *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%.”*

A comparison of the Purchase Consideration against the market value of the TK Interests as at 31 May 2020 as appraised by Duff & Phelps ("**Appraised Value**") is set out below.

	Units	Range of Values	
		Low	High
Appraised Value	JPY million	52,052	59,497
Premium of the Purchase Consideration⁽¹⁾ to the Appraised Value	(%)	25.3%	9.6%

Source: TK Interest Valuation Summary Letter

Note:

(1) This does not take into account any transaction expenses.

Further information on the valuation of the TK Interests can be found in the TK Interests Valuation Summary Letter which is set out in Appendix B of the Circular.

We note that the Purchase Consideration is at a premium of between approximately 9.6% to 25.3% to the range of the Appraised Value.

5.2 NAV and NTA of the TK Interests and the Group

We have compared the (i) Purchase Consideration to the NAV and NTA of the TK Interests, and (ii) the Implied Value to the NAV and NTA of the Group. The Trustee-Manager has confirmed to us that, as at the Latest Practicable Date, AGT has no plans to make any material acquisition or divestment of its assets or effect a material change in the nature of AGT's business apart from the Proposed Divestment.

5.2.1 NAV and NTA of the TK Interests

The table below sets out the premium of the Purchase Consideration over the NAV and NTA of the TK Interests as at 30 June 2020.

TK Interests	NAV	NTA
	(JPY million)	(JPY million)
NAV or NTA as at 30 June 2020	59,840 ⁽¹⁾	55,802 ⁽²⁾
Purchase Consideration ⁽³⁾	65,200	65,200
Premium implied by the Purchase Consideration	9.0%	16.8%

Source: AGT's unaudited management accounts

Notes:

- (1) Based on AGT's investment in subsidiary as at 30 June 2020.
- (2) Derived by deducting the intangible assets of JPY 4,038 million from the NAV of the TK Interests of JPY 59,840 million as at 30 June 2020.
- (3) This does not take into account any transaction expenses.

Based on the above, we note that the Purchase Consideration represents a premium of 9.0% and 16.8% to the NAV and NTA of the TK Interests as at 30 June 2020, respectively. For

reference, the Purchase Consideration represents a premium of 9.0% and 16.9% to the NAV and NTA of the TK Interests as at 31 March 2020, respectively.

We note that Colliers was commissioned by the Trustee-Manager to independently appraise the valuation of the Golf Courses as at 31 May 2020 with the Golf Courses Valuation being appraised at JPY 136,364 million. The Golf Courses Valuation 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. We understand from the Golf Courses Valuation Report that Colliers' independent valuation was performed based on the International Valuation Standards. In its valuation, Colliers had conducted valuation on the Golf Courses on an "as is" basis and had adopted the Income Approach using the discounted cash flow method with a discount rate ranging from 6.9% to 9.5% and a terminal capitalisation rate of between 6.8% to 9.4%. According to Colliers, 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.

Based on information provided by the Trustee-Manager, we note that the NAV of the TK Interests as at 30 June 2020 includes property, plant and equipment where the book value of the Golf Courses is recorded at JPY 138,656 million. This closely approximates the valuation of JPY 136,364 million (i.e. a 1.7% premium) as appraised by Colliers in its valuation report on the Golf Courses as at 31 May 2020.

5.2.2 NAV and NTA of the Group

The table below sets out the premium of the Implied Value of the Group over the NAV and NTA of the Group as at 30 June 2020. As we understand from the Trustee-Manager that the NAV of the Group as at 30 June 2020 has not provided for the Special Reserves, we have also considered the adjusted NAV ("**Adjusted NAV**") and adjusted NTA ("**Adjusted NTA**") of the Group which excludes the Special Reserves.

AGT	Unadjusted		Adjusted	
	NAV	NTA	NAV	NTA
	(JPY million)	(JPY million)	(JPY million)	(JPY million)
NAV or NTA as at 30 June 2020	60,391 ⁽¹⁾	56,353 ⁽²⁾	59,191 ⁽³⁾	55,153 ⁽⁴⁾
Implied Value	64,773	64,773	64,773	64,773
Premium implied by the Value	7.3%	14.9%	9.4%	17.4%

Source: AGT's unaudited management accounts

Notes:

- (1) Based on the NAV attributable to Unitholders as at 30 June 2020.
- (2) Derived by deducting the intangible assets of JPY 4,038 million from the NAV attributable to Unitholders of JPY 60,391 million as at 30 June 2020.
- (3) Adjusted to exclude the Special Reserves of JPY 1,200 million.
- (4) Derived by deducting the intangible assets of JPY 4,038 million from the adjusted NAV attributable to Unitholders of JPY 59,191 million as at 30 June 2020.

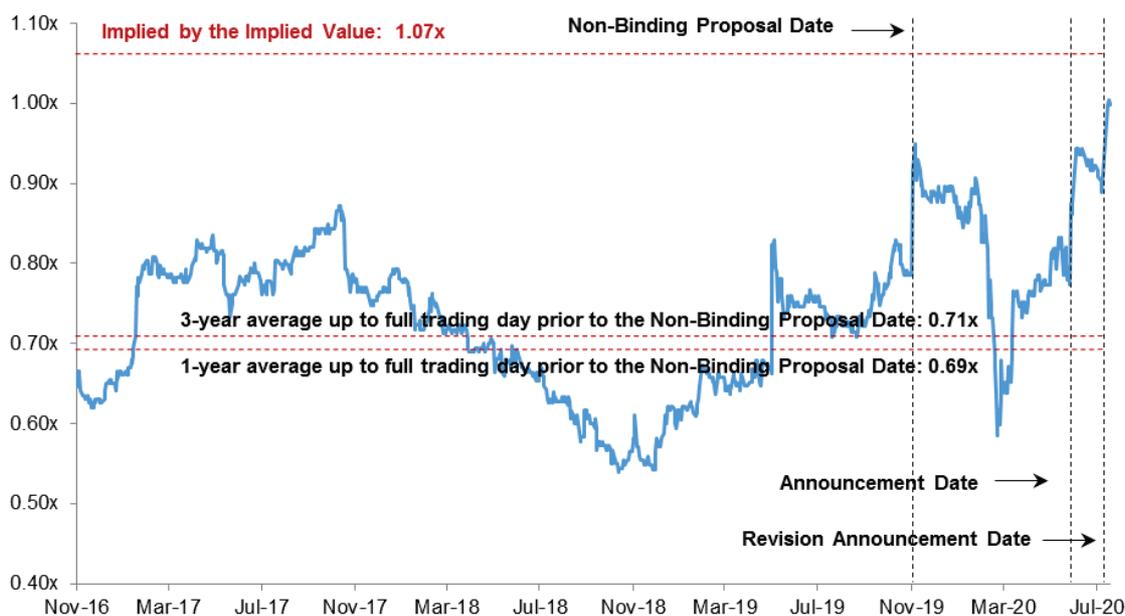
Based on the above, we note the following:

- (i) The Implied Value represents a premium of 7.3% and 14.9% to the NAV and NTA of the Group as at 30 June 2020, respectively. For reference, the Implied Value represents a premium of 5.7% and 13.2% to the NAV and NTA of the Group as at 31 March 2020, respectively; and
- (ii) The Implied Value represents a premium of 9.4% and 17.4% to the Adjusted NAV and Adjusted NTA of the Group as at 30 June 2020, respectively. For reference, the Implied Value represents a premium of 10.4% and 18.6% to the Adjusted NAV and Adjusted NTA of the Group as at 31 March 2020 (adjusted to exclude both the 2H FY19/20 distribution by AGT which has been paid on 29 June 2020 as well as the Special Reserves), respectively.

We note from the Circular that the Group expects to record a net gain of approximately JPY 5,360 million arising from the Proposed Divestment.

5.3 Historical Trailing P/NAV of the Units

We have compared the P/NAV multiple of the Units implied by the Implied Value against the historical trailing P/NAV multiples of the Units calculated based on the daily closing prices of the Units and the Group's trailing NAV per Unit as announced in AGT's quarterly results, for the period between 28 November 2016 and 27 November 2019 (being the 3 year period up to the full trading day prior to the Non-Binding Proposal Date) and up to the Latest Practicable Date.



Source: Bloomberg L.P. and the Company's filings

Notes:

- (1) The NAV for the relevant historical periods is calculated using the NAV attributable to Unitholders and issued Units on the respective dates.
- (2) Based on the Implied Value of JPY 64,773 million and the NAV attributable to Unitholders of JPY 60,391 million as at 30 June 2020.

Based on the above, we note the following:

- (i) The P/NAV of the Units of 1.07x implied by the Implied Value is higher than the historical trailing P/NAV of the Units throughout the 3 year period up to the full trading day prior to the Non-Binding Proposal Date and up to the Latest Practicable Date; and
- (ii) The P/NAV of the Units of 1.07x implied by the Implied Value is significantly higher than the historical average P/NAV of the Units for the 1-year and 3-year periods up to the full trading day prior to the Non-Binding Proposal Date of 0.69x and 0.71x, respectively.

5.4 Historical Trading Performance of the Units on the SGX-ST

We have compared the Implied Value per Unit of S\$0.758 to the historical price performance of the Units and considered the historical trading volume of the Units on the SGX-ST.

Unit holders should note that past trading performance of the Units should not in any way, be relied upon as any indication of its future trading performance. The price performance of the Units may be due to market factors and other trust-specific factors the impact of which may not be isolated and ascertained.

5.4.1 Trading performance of the Units

In reviewing the trading performance of the Units, it is relevant to examine the trading volume and price performance of the Units over a reasonable period, during which the market price of the Units may ordinarily reflect public investors' valuation of the Units, based on publicly available information.

Liquidity Analysis of the Units

In order to evaluate whether the historical market prices of Units provide a meaningful reference point for comparison with the Implied Value per Unit, we have considered the trading liquidity and free float of the Units relative to the equity of the top 10 companies by market capitalisation ("**Top 10 STI Companies**") in the FTSE Straits Times Index ("**FSSTI**") as at 27 November 2019 (being the full trading day prior to the Non-Binding Proposal Date), as outlined below:

Company Name	Market Capitalisation (\$m)	Free Float (%)	6-month ADTV (in units) / Free Float ⁽²⁾ (%)	6-month ADTV (in value) / Market Cap ⁽³⁾ (%)
DBS Group Holdings Ltd	65,858	69.9%	0.23%	0.16%
Jardine Matheson Holdings Limited	57,367	34.9%	0.10%	0.03%
Singapore Telecommunications Limited	54,050	47.4%	0.31%	0.15%
Oversea-Chinese Banking Corporation Limited	48,088	83.4%	0.14%	0.11%
Jardine Strategic Holdings Limited	47,743	15.6%	0.16%	0.02%
United Overseas Bank Limited	43,576	85.2%	0.17%	0.14%
Wilmar International Limited	26,238	31.0%	0.29%	0.08%

Company Name	Market Capitalisation (\$m)	Free Float (%)	6-month ADTV (in units) / Free Float ⁽²⁾ (%)	6-month ADTV (in value) / Market Cap ⁽³⁾ (%)
Thai Beverage Public Company Limited	21,974	32.2%	0.19%	0.06%
CapitaLand Limited	18,488	49.4%	0.27%	0.13%
Hongkong Land Holdings Limited	17,607	50.0%	0.25%	0.10%
High	65,858	85.2%	0.31%	0.16%
Low	17,607	15.6%	0.10%	0.02%
Mean	40,099	49.9%	0.21%	0.10%
Median	45,660	48.4%	0.21%	0.11%
AGT	659	58.2%	0.15%	0.08%

Source: Bloomberg L.P., Eikon

Notes:

“ADTV” – Average Daily Traded Volume

- (1) All figures as of 27 November 2019 (being the full trading day prior to the Non-Binding Proposal Date).
- (2) 6-month ADTV (in units) leading up to 27 November 2019 (being the full trading day prior to the Non-Binding Proposal Date), divided by free float number of units.
- (3) 6-month ADTV (in value) leading up to 27 November 2019 (being the full trading day prior to the Non-Binding Proposal Date), divided by market capitalisation.
- (4) The FSSTI is a capitalisation-weighted stock market index that is regarded as the benchmark index for the Singapore stock market. It tracks the performance of the top 30 companies listed on the SGX-ST.

Based on the above, we note that:

- (i) AGT's free float is higher than the corresponding mean and median free float of the Top 10 STI Companies; and
- (ii) AGT's ADTV as a percentage of free float and market capitalisation for the 6-month period leading up to 27 November 2019 (being the full trading day prior to the Non-Binding Proposal Date) are well within the range of the Top 10 STI Companies.

We further note that:

- (i) The ADTV of the Units over the 6-months period leading up to 27 November 2019 (being the full trading day prior to the Non-Binding Proposal Date) was approximately 975,000 Units worth approximately S\$0.5 million;
- (ii) During the 3-year period prior to the Announcement Day, the trading in the Units occurred on more than 99% of all market days. Hence, the Units are regularly traded indicating a ready market for the Units; and
- (iii) AGT is covered by at least 2 equity research analysts, which provide guidance to public investors in their investment decision-making in relation to AGT. These would imply that the transacted prices of the Units generally reflect publicly available information and public investors' valuation.

Based on the above, we conclude that the historical market prices of the Units provide a reasonable and valid benchmark for assessing the Implied Value per Unit.

Unit price performance

We set out below the daily closing prices and trading volumes of the Units for the period between 28 November 2016 and 27 November 2019 (being the 3 year period up to the full trading day prior to the Non-Binding Proposal Date) and up to 26 June 2020 (being the full trading day prior to the Announcement Date) (the “**Last Trading Day**”) and highlight certain key events during this period.



Source: Bloomberg L.P. and the Company's filings

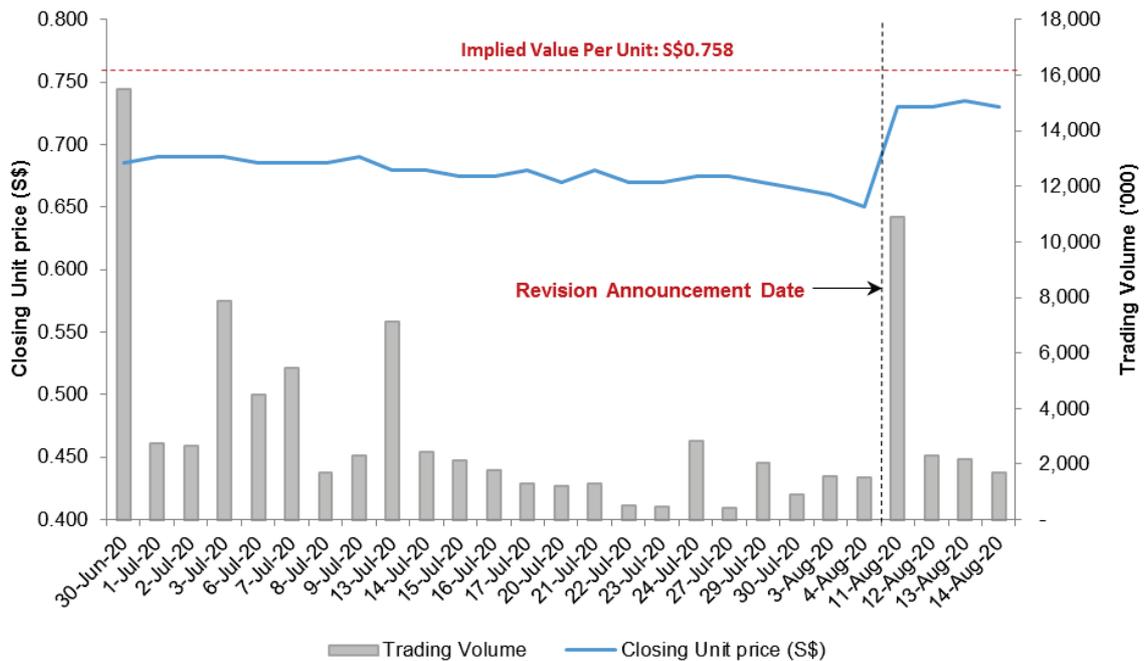
Selected announcements between 28 November 2016 and Last Trading Day

Date	Announcement
30 November 2016	The Trustee-Manager announced the commencement of the tender offer by K.K. MBKP Resort (“ MBK ”) for all of the common shares of Accordia Golf with an intention to make Accordia Golf a wholly-owned subsidiary of MBK and to delist the common stock of Accordia Golf from the First Section of the Tokyo Stock Exchange, Inc.
19 January 2017	The Trustee-Manager announced that 89.18% of voting rights in Accordia Golf were tendered pursuant to the tender offer and MBK would become the parent and majority shareholder of Accordia Golf.
13 February 2017	The Trustee-Manager announced AGT’s results for 3Q FY16/17.
25 May 2017	The Trustee-Manager announced AGT’s results for FY16/17 and declared a final DPU of S\$0.0359.
25 July 2017	The Trustee-Manager announced the extension of maturity of Term Loan A of the secured senior debt facility loaned to AGA.
14 August 2017	The Trustee-Manager announced AGT’s results for 1Q FY17/18.
13 November 2017	The Trustee-Manager announced AGT’s results for 2Q FY17/18 and declared an interim DPU of S\$0.0165.
13 February 2018	The Trustee-Manager announced AGT’s results for 3Q FY17/18.

Date	Announcement
28 May 2018	The Trustee-Manager announced AGT's result for FY17/18 and declared a final DPU of S\$0.0220.
20 June 2018	The Trustee-Manager announced that AGT's golf courses in the greater Osaka area had suffered minimal damage resulting from an earthquake and there was no material damage to the assets or casualties reported.
28 June 2018	The Trustee-Manager announced the construction of flood prevention embankments in surrounding areas of AGT's Northern Country Club Nishikigahara Golf Course.
12 July 2018	The Trustee-Manager announced that AGT's 3 golf courses, Hongo Country Club, Takehara Country Club and Fukuoka Pheasant Country Club were closed due to public road closures against possible landslides and repair works arising from torrential rainfall in Western Japan.
24 July 2018	The Trustee-Manager announced that AGA had entered into a new financing agreement with Aozora Bank, Ltd. and Orix Corporation, for new secured senior debt facilities of up to JPY 44,925 million.
13 August 2018	The Trustee-Manager announced AGT's results for 1Q FY18/19.
13 November 2018	The Trustee-Manager announced AGT's results for 2Q FY18/19 and declared an interim DPU of S\$0.0164.
13 February 2019	The Trustee-Manager announced AGT's results for 3Q FY18/19.
15 April 2019	The Trustee-Manager announced the divestment of Village Higashi Karuizawa Golf Club for a consideration of JPY 200,000,000.
10 May 2019	The Trustee-Manager announced a profit warning with respect to the Group's FY18/19 financial results.
28 May 2019	The Trustee-Manager announced AGT's results for FY18/19 and declared a final DPU of S\$0.0213.
3 June 2019	The Trustee-Manager announces the completion of divestment of Village Higashi Karuizawa Golf Club.
14 August 2019	The Trustee-Manager announced AGT's results for 1Q FY19/20.
16 October 2019	The Trustee-Manager announces that AGT's 3 golf courses, Northern Country Club Nishikigahara Golf Course in Saitama, Chichibu Kokusai Country Club in Saitama, and Odawara Golf Club Matsuda Course in Kanagawa, are closed for inspection and repair following Typhoon Hagibis (No.19) in Eastern Japan.
13 November 2019	The Trustee-Manager announced AGT's results for 2Q FY19/20 and declared an interim DPU of S\$0.0261.
28 November 2019	The Trustee-Manager announced the receipt of the Non-Binding Proposal.
12 December 2019	The Trustee-Manager announced that it had not formally commenced discussions on the terms of the Proposed Divestment with the potential acquirer as it was still in the process of appointing its financial advisers to assist with its evaluation of the Non-Binding Proposal.
20 December 2019	The Trustee-Manager announced that the Non-Binding Proposal was from Accordia Golf and that the indicative consideration for the Proposed Divestment would be JPY 63,167 million.

Date	Announcement
24 December 2019	The Trustee-Manager issued a clarification announcement in relation to the appointment of the joint financial advisers in connection with the Proposed Divestment in response to queries from the SGX-ST.
2 January 2020	The Trustee-Manager announced its responses to further queries from the SGX-ST in respect of the announcement released on 20 December 2019.
13 January 2020	The Trustee-Manager announced that the Independent Committee had been formed to review the Non-Binding Proposal and any proposed terms of the Proposed Divestment.
23 January 2020 ("COVID-19 Date")	Reports of first confirmed case of COVID-19 in Singapore and the imposition of lockdown in Wuhan and other cities in Hubei, China
31 January 2020	The Trustee-Manager announced the appointment of Duff & Phelps and Colliers in connection with the Proposed Divestment.
13 February 2020	The Trustee-Manager announced AGT's results for 3Q FY19/20.
20 March 2020	The Trustee-Manager announced that the Independent Committee and the joint financial advisers were still in discussion regarding the Proposed Divestment,
7 April 2020	The Trustee-Manager announced that the Independent Committee had not completed its review of the terms and the expected timeline in relation to the Proposed Divestment in response to queries from the SGX-ST.
14 April 2020	The Trustee-Manager provided an update of the impact of the state of emergency announcement in Japan on AGT's Golf Courses.
11 June 2020	The Trustee-Manager announced AGT's results for FY19/20 and declared a final DPU of S\$0.0169.
16 June 2020	The Business Times published an article titled "Boutique fund seeks answers from AGT over move to retain profits" which referred to the letter dated 15 June 2020 from Hibiki addressed to the Board.
23 June 2020	<p>The Trustee-Manager announced that it will seek consent from lenders of AGA to pay out the Special Reserves and that the reserve of JPY 362 million set aside from the FY19/20 2H distribution represents the estimated transaction costs in connection with the Proposed Divestment.</p> <p>The Trustee-Manager also updated that the evaluation of the Proposed Divestment was at an advanced stage and would be completed on or around June 2020</p>
25 June 2020	The Trustee-Manager announced that AGT will announce financial statements on a half-yearly basis with effect from the financial year beginning 1 April 2020.

We set out below the daily closing prices and trading volumes of the Units for the period after the Last Trading Day and up to the Latest Practicable Date:



Source: Bloomberg L.P. and the Company's announcements released on SGXNET

Selected announcements between Last Trading Day and up to the Latest Practicable Date

Date	Announcement
29 June 2020	The Trustee-Manager announced that it had entered into the TK Interest Transfer Agreement.
3 July 2020	Business Wire published a press release by Hibiki on the Proposed Divestment.
7 July 2020	In connection with Hibiki's press release on 3 July 2020, the Trustee-Manager announced that it will take into consideration (where appropriate) the queries and comments received on the Proposed Divestment in its preparation of the circular. The Trustee-Manager also advised Unitholders to carefully review the circular in its entirety when it is despatched or issued before making a decision on how they will vote on the Proposed Transaction.
17 July 2020	PR Newswire Asia published a response by Accordia Golf to Hibiki's open letter to the Trustee-Manager on the Proposed Divestment.
28 July 2020	The Business Times published an article that Hibiki, together with certain Unitholders, had sent a letter to the Trustee-Manager (the " Requisition Notice "), requesting that the Trustee-Manager convene an extraordinary general meeting on 18 August 2020 to consider the resolutions set out within the Requisition Notice. On the same day, the Trustee-Manager announced that it was considering the Requisition Notice.
7 August 2020	The Trustee-Manager announced that it had entered into a Supplemental Deed which, among others, increased the Purchase Consideration to be received by the Trustee-Manager from JPY 61,800 million to JPY 65,200 million. In addition, the Trustee-Manager and Accordia Golf had also

Date	Announcement
	received Irrevocable Undertakings from Hibiki and Santa Lucia to, among others, vote in favour for the Proposed Divestment and Winding Up.
11 August 2020	The Trustee-Manager announced that it had on 8 August 2020, received separate letters from Hibiki and CIM Dividend Income Fund to withdraw the Requisition Notice.

Based on the above, we note that between 28 November 2016 and the Latest Practicable Date:

- (i) The closing price of the Units reached a high of S\$0.780 on 25 May 2017 and thereafter trended downwards to a low of S\$0.480 on 24 December 2018;
- (ii) Following the announcement of the Non-Binding Proposal, the closing price of the Units spiked up from S\$0.600 on 28 November 2019 to S\$0.725 on 2 December 2019 and thereafter moved within a band of S\$0.670 and S\$0.725 between the Non-Binding Proposal Date and the COVID-19 Date;
- (iii) Following reports on the worsening outbreak of the COVID-19 pandemic, from 23 January 2020 (being the COVID-19 Date), the closing price of the Units plunged to a low of S\$0.435 on 19 March 2020 but subsequently recovered to S\$0.565 on 23 June 2020 (being the full trading day immediately prior to the update announcement by AGT on the Proposed Divestment);
- (iv) After the update announcement on 23 June 2020 which disclosed that (i) AGT intends to seek consent from the lenders of AGA to pay out the Special Reserves and that (ii) the evaluation of the Proposed Divestment is at an advanced stage, the closing price of the Units moved up to S\$0.64 and maintained at that level up to the Announcement Date;
- (v) Prior to the Non-Binding Proposal Date, the Units have not closed at or above the Implied Value per Unit since 13 November 2017;
- (vi) Between the Non-Binding Proposal Date and up to the Announcement Date, the market prices of the Units had not closed at or above the Implied Value per Unit;
- (vii) After the Announcement Date and up to the Revision Announcement Date, the closing price of the Units traded in a band of S\$0.650 and S\$0.690 and the market prices of the Units had not closed at or above the Implied Value per Unit;
- (viii) After the Revision Announcement Date and up to the Latest Practicable Date, the closing price of the Units moved up and traded in a very narrow band of S\$0.730 and S\$0.735, and the market prices of the Units had not closed at or above the Implied Value per Unit; and
- (ix) As at the Latest Practicable Date, the closing price of the Units was S\$0.730 and below the Implied Value per Unit.

Considering the market price reaction of the Units since the announcement of the Non-Binding Proposal, it is highly possible that the market price of the Units since the Non-Binding Proposal Date has been influenced by the Non-Binding Proposal and generally reflect investors' expectations of the Proposed Divestment. As such, we consider it appropriate to use the Non-Binding Proposal Date as a reference date for assessing the historical market prices of the Units in our evaluation of the terms of the Proposed Divestment.

Price premia and trading volume

We set out below the premia implied by the Implied Value per Unit over the historical volume-weighted average prices (“VWAP”) and historical average daily trading volumes (“ADTV”) of the Units for various periods up to the full trading day prior to the Non-Binding Proposal Date and up to the Last Trading Day.

	VWAP	Premium implied by the Implied Value per Unit over VWAP	Highest price	Lowest price	ADTV ⁽¹⁾	ADTV as a percentage of free float ⁽²⁾	Percentage of market days traded
	(\$)	(%)	(\$)	(\$)		(%)	(%)
Periods up to full trading day prior to the Non-Binding Proposal Date							
Last 3 years	0.621	22.1%	0.780	0.480	1,282,256	0.20%	100.0%
Last 2 years	0.558	35.9%	0.710	0.480	1,157,532	0.18%	100.0%
Last 1 year	0.524	44.7%	0.630	0.480	1,362,131	0.21%	100.0%
Last 6 months	0.556	36.4%	0.615	0.520	975,152	0.15%	100.0%
Last 3 months	0.571	32.8%	0.610	0.520	971,043	0.15%	100.0%
Last 1 month	0.601	26.2%	0.610	0.570	1,408,414	0.22%	100.0%
Closing Price on the full trading day prior to the Non-Binding Proposal Date	0.600	26.3%	n.a.	n.a.	1,257,900	0.20%	-
Periods up to the Last Trading Day							
Last 3 years	0.600	26.3%	0.775	0.435	1,250,692	0.20%	99.6%
Last 2 years	0.553	37.2%	0.725	0.435	1,237,653	0.19%	99.4%
Last 1 year	0.596	27.3%	0.725	0.435	1,116,758	0.17%	98.8%
Last 6 months	0.585	29.5%	0.685	0.435	1,054,418	0.16%	100.0%
Last 3 months	0.563	34.7%	0.640	0.475	1,017,937	0.16%	100.0%
Last 1 month	0.604	25.5%	0.640	0.565	1,085,252	0.17%	100.0%
From Non-Binding Proposal Date up to Last Trading Day	0.616	23.1%	0.725	0.435	1,268,709	0.20%	97.9%
Closing Price on the Last Trading Day	0.640	18.5%	n.a.	n.a.	2,939,500	0.46%	-

Source: Bloomberg L.P., Eikon

Notes:

“n.a.” – Not available

- (1) The ADTV of the Units is calculated based on the total volume of the Units traded during the period divided by the number of market days during that period.
- (2) Based on AGT’s free float of 639,210,299 Units as extracted from Eikon.

Based on the above, we note the following:

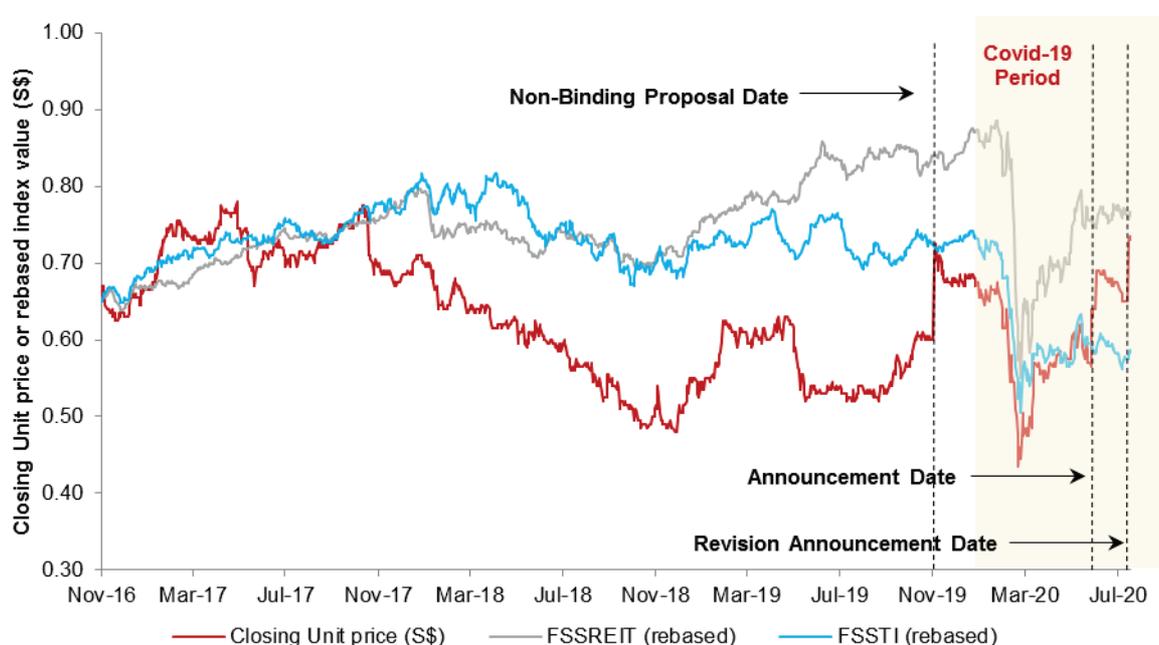
- (i) The Implied Value per Unit represents a premium of between 22.1% to 44.7% over the various VWAPs of the Units in the 3-year period prior and up to the full trading day prior to the Non-Binding Proposal Date; and
- (ii) The Implied Value per Unit represents a premium of between 23.1% to 37.2% over the various VWAPs of the Units in the 3-year period prior and up to the Last Trading Day.

We further note that:

- (i) The ADTV of the Units ranged between 971,043 Units and 1,408,414 Units, or between 0.15% and 0.22% of AGT's free float, over the various historical periods up to the full trading day prior to the Non-Binding Proposal Date; and
- (ii) The ADTV of the Units ranged between 1,017,937 Units and 1,268,709 Units, or between 0.16% and 0.20% of AGT's free float, over the various historical periods up to the Last Trading Day.

5.4.2 Price performance of the Units relative to market performance

To gauge the price performance of the Units relative to the general price performance of the stock market, we set out below the market price movement of the Units against the FSSTI and the FTSE Real Estate Investment Trust Index ("FSSREIT") for the period between 28 November 2016 and 27 November 2019 (being the 3 year period up to the full trading day prior to the Non-Binding Proposal Date) and up to the Latest Practicable Date.



Source: Bloomberg L.P.

Notes:

- (1) The FSSTI is a capitalisation-weighted stock market index that is regarded as the benchmark index for the Singapore stock market. It tracks the performance of the top 30 companies listed on the SGX-ST.
- (2) The FSSREIT Index is a free float-adjusted, market-capitalisation weighted index that reflects the performance of REITs listed on the SGX-ST.

We set out in the table below the price performance of the Units relative to the FSSTI and FSSREIT for the (i) 3-year period up to the full trading day prior to the Non-Binding Proposal Date, (ii) period between the full trading day prior to Non-Binding Proposal Date up to the COVID-19 Date and (iii) period between the full trading day prior to Non-Binding Proposal Date up to the Latest Practicable Date.

Identifier	3 year period up to the full trading day prior to the Non-Binding Proposal Date	Full trading day prior to the Non-Binding Proposal Date up to the COVID-19 Date	Full trading day prior to the Non-Binding Proposal Date up to the Latest Practicable Date
AGT	-7.7%	11.7%	21.7%
FSSTI	11.9%	0.6%	-19.7%
FSSREIT	29.3%	3.7%	-9.4%

Source: Bloomberg L.P.

Based on the above, we note the following:

- (i) Between November 2016 and October 2017, the Units were generally trading in line with the FSSTI and FSSREIT Index. Beginning around November 2017, the price performance of the Units started diverging from, and significantly underperforming, the FSSTI and FSSREIT Index;
- (ii) Between the full trading day prior to the Non-Binding Proposal Date and the COVID-19 Date, the Units had recorded an increase of 11.7% in price, which was higher than the relative performance of the FSSTI and FSSREIT Index which increased by 0.6% and 3.7% over the same period; and
- (iii) Between the full trading day prior to the Non-Binding Proposal Date up to the Latest Practicable Date, the Units had recorded an increase of 21.7% in price, which is significantly higher than the relative performance of the FSSTI and FSSREIT Index which decreased by 19.7% and 9.4% over the same period.

Based on the foregoing, we conclude that it is likely that the market prices of the Units since the announcement of the Non-Binding Proposal and as at the Latest Practicable Date are supported by market expectations relating to the Proposed Divestment. As such, there is no assurance that the market prices of the Units will maintain at current levels as at the Latest Practicable Date in the absence of the Proposed Divestment.

5.5 Valuation Metrics of Hospitality Trusts and Japanese Comparable Companies

We have compared the valuation metrics of AGT as implied in the Proposed Divestment against the valuation ratios of (i) trusts engaged in the hospitality sector listed on the SGX-ST (“**Hospitality Trusts**”) and (ii) listed companies engaged in the business of operating golf courses in Japan (“**Japanese Comparable Companies**”) (collectively the “**Comparable Entities**”).

We have considered the Comparable Entities for our comparative analysis because AGT is a business trust that primarily invests (via the TK Interests) in golf course properties and related businesses in Japan which are, in turn, part of the wider leisure and hospitality industry. We wish to highlight that the Comparable Entities are not exhaustive and we recognise that there is no entity which we consider to be highly similar or directly comparable to AGT in terms of, *inter alia*, geographical markets, composition of business activities, quality of operating assets, scale of business operations, risk profile, accounting policies, track record, future prospects, market/industry size, political risk, competitive landscape, regulatory environment, financial position and other relevant criteria.

Further, it should be noted that AGT’s main asset comprises the TK Interests which, unlike conventional investments in the shares of companies or units in real estate investment trusts (“**REITs**”) or business trusts, does not provide for any voting rights in AGA (save for veto rights in certain material matters) and hence accords only very limited control or influence over the

underlying golf course assets and businesses owned by AGA. This in turn may result in certain investors possibly ascribing a valuation discount relative to other comparable investments due to the lack of control. Please refer to paragraph 5.10.7 of this letter for more details on AGT's rights under the TK Interests.

We would further highlight that the valuation multiples of the Comparable Entities are based on transaction prices of non-controlling equity stakes which would not have imputed any premium typically required to acquire control.

As such, any comparison below is necessarily limited and serves only as an illustrative guide.

Hospitality Trusts

A brief description of the Hospitality Trusts is set out below.

Hospitality Trusts	Description
ARA US Hospitality Trust	ARA US Hospitality Trust, listed on the SGX in May 2019 and headquartered in Singapore, primarily invests in hospitality and hospitality-related assets. Its portfolio consists of 41 upscale select-service hotels with 5,340 guest rooms across 22 states in the United States of America.
Ascott Residence Trust	Ascott Residence Trust, listed on the SGX in March 2006 and headquartered in Singapore, primarily invests in serviced residences, hotels, rental housing properties and other hospitality assets. Post-merger with Ascendas Hospitality Trust which was completed on 31 December 2019, its portfolio consists of 88 properties with more than 16,000 units in 39 cities across 15 countries in Asia Pacific, Europe and the United States of America.
CDL Hospitality Trust	CDL Hospitality Trust, listed on the SGX in July 2006 and headquartered in Singapore, primarily invests in portfolios of hospitality and/or hospitality-related real estate assets. It owns over 16 hotels with a total of approximately 4,926 rooms, consisting of hotels in Singapore, Australia, New Zealand, Japan, United Kingdom and two resorts located in the Maldives, as well as the shopping arcade adjoining Orchard Hotel in Singapore.
Far East Hospitality Trust	Far East Hospitality Trust, listed on the SGX in August 2012 and headquartered in Singapore, primarily invests in hotels and serviced residences, and retail and offices. It has approximately 280 units of retail, office and serviced office commercial spaces. It has 9 hotel properties and 4 service residences in Singapore.
Frasers Hospitality Trust	Frasers Hospitality Trust, listed on the SGX in July 2014 and headquartered in Singapore, primarily invests in hospitality-related assets. Its portfolio consists of 15 properties located in 9 cities across 6 countries in Asia, Australia and Europe.

Source: Eikon, Bloomberg L.P. and the Comparable Companies' websites and filings

The valuation multiples of the Hospitality Trusts set out below are based on their closing market prices as at the Latest Practicable Date.

	Market Capitalisation (S\$m)	P/NAV (times)	LTM Distribution Yield (%)
Hospitality Trusts			
Ascott Residence Trust	2,747	0.72	5.9%
CDL Hospitality Trust	1,257	0.70	6.2%
Far East Hospitality Trust	979	0.58	6.0%
Frasers Hospitality Trust	836	0.62	5.8%
ARA US Hospitality Trust	264	0.44	8.4%
High		0.72	8.4%
Low		0.44	5.8%

	Market Capitalisation (S\$m)	P/NAV (times)	LTM Distribution Yield (%)
Hospitality Trusts			
Mean		0.61	6.5%
Median		0.62	6.0%
AGT (based on Implied Value)	833	1.07⁽¹⁾	7.1%⁽²⁾

Source: Bloomberg L.P., the Comparable Entities' filings and CIMB's analysis

Notes:

- (1) The implied P/NAV is based on the Implied Value of JPY 64,773 million against the NAV attributable to Unitholders of JPY 60,391 million as at 30 June 2020.
- (2) The implied LTM Distribution Yield is based on AGT's distribution of S\$0.0542 for FY 19/20 (inclusive of the Supplemental Distribution net of withholding tax) and the Implied Value per Unit of S\$0.758.

Based on the above, we note that:

- (i) The P/NAV of AGT implied by the Implied Value is significantly above the corresponding range of multiples of the Hospitality Trusts; and
- (ii) The LTM Distribution Yield of AGT implied by the Implied Value is above the corresponding mean and median LTM Distribution Yields of the Hospitality Trusts but is within their range of LTM Distribution Yields. We wish to highlight that this is based on AGT's distribution up to 31 March 2020 which may not have reflected the full impact of the COVID-19 outbreak.

Japanese Comparable Companies

A brief description of the Japanese Comparable Companies is set out below.

Japanese Comparable Companies	Revenue Contribution by Segment	EBITDA Margins
Heiwa Corporation ("Heiwa")	Based on the trailing twelve month period ended 30 June 2020 Golf Business: 60% Pachinko Business: 40%	15.9%
Resorttrust Inc ("Resorttrust")	Based on the trailing twelve month period ended 30 June 2020 Membership business (includes golf membership): 24% Hotel and restaurant (includes golf courses operation): 48% Medical: 27% Others: 1%	12.7%

Source: Eikon, Bloomberg L.P. and the Comparable Companies' websites and filings

We wish to reiterate that there is no one company that we consider to be highly similar to AGT which is principally involved in the investment of a portfolio of income generating golf courses and golf course related assets solely in Japan. While we note there are some listed companies that operate golf courses, we note that they are either (i) not “pure play” golf course owners or operators as they have other diversified businesses where the revenue contribution from their golf business is small relative to their entire business, or (ii) they may have golf assets which are located in different geographical markets as compared to that of AGT or (iii) has market capitalisations significantly different from AGT. Accordingly, we have identified and narrowed down to Heiwa and Resorttrust which we believe are relatively more comparable to AGT for the purposes of our analysis.

Based on the above, we note that both Heiwa and Resorttrust derives a significant portion of their revenue from golf related businesses in Japan. In particular, we wish to highlight that, as at the Latest Practicable Date, Heiwa has 142 golf courses in Japan which makes it a closer comparable to AGT which has 88 golf courses in Japan while Resorttrust only has 13 golf courses in Japan. We also note that both Japanese Comparable Companies are larger than AGT in terms of market capitalisation.

The valuation multiples of the Japanese Comparable Companies set out below are based on their closing market prices as at the Latest Practicable Date.

	Market Capitalisation (\$m)	EV/EBITDA (times)	P/NAV (times)	LTM Distribution Yield (%)
Japanese Comparable Companies				
Heiwa	2,307	11.13	0.80	4.5%
Resorttrust	1,853	11.80	1.15	3.0%
Mean and Median		11.47	0.98	3.7%
AGT (based on Implied Value)	833	10.11⁽¹⁾	1.07⁽²⁾	7.1%⁽³⁾

Source: Eikon, Bloomberg L.P. and the Comparable Companies' websites and filings

Notes:

- (1) The implied EV/EBITDA is based on the Group's total debt, cash and bank balance and NCI as at 30 June 2020; market capitalisation of JPY 64,773 million based on the Implied Value; and the Group's LTM EBITDA.
- (2) The implied P/NAV is based on the Implied Value of JPY 64,773 million against the NAV attributable to Unitholders of JPY 60,391 million as at 30 June 2020.
- (3) The implied LTM Distribution Yield is based on AGT's distribution of S\$0.0542 for FY 19/20 (inclusive of the Supplemental Distribution net of withholding tax) and the Implied Value per Unit of S\$0.758.

Based on the above, we note that:

- (i) The EV/EBITDA of AGT implied by the Implied Value is slightly below the corresponding mean and median multiples of the Japanese Comparable Companies;
- (ii) The P/NAV of AGT implied by the Implied Value is above the corresponding mean and median multiples of the Japanese Comparable Companies; and
- (iii) The LTM Distribution Yield of AGT by the Implied Value per Unit is above the range of LTM Dividend Yields of the Japanese Comparable Companies. We wish to highlight that this is based on AGT's distribution up to 31 March 2020 which may not have reflected the full impact of the COVID-19 outbreak.

As mentioned above, we consider Heiwa as being more comparable to AGT (based on number of golf courses) and as such, we would place more weight on the comparison with

Heiwa's valuation multiples in our evaluation of the Implied Value. In this regard, we note that the P/NAV multiple of AGT based on the Implied Value is higher than those of Heiwa's.

We also wish to highlight that AGT's main asset comprises the TK Interests which confers no voting rights (save for veto rights in certain material matters) and hence has far less rights and control over the underlying golf assets and businesses as compared to the Japanese Comparable Companies. This in turn may lead certain investors to possibly ascribe a valuation discount to AGT relative to other comparable investments. Furthermore, AGT is significantly smaller than both Heiwa and Resorttrust in terms of market capitalisation.

5.6 Valuation Metrics and Premia in Precedent Transactions and Privatisation Transactions

We have compared the Proposed Divestment with (i) selected transactions involving acquisition of interests in entities principally engaged in ownership and operation of golf courses in Japan ("**Japanese Precedent Transactions**") for which information is publicly available between 1 January 2015 and the Latest Practicable Date; (ii) past takeovers or amalgamations of hospitality trusts listed on the SGX-ST ("**Hospitality Trusts Transactions**") between 1 January 2017 and the Latest Practicable Date; and (iii) recent successful privatization of entities listed on the SGX-ST ("**Privatisation Transactions**") between 1 January 2017 and up to the Latest Practicable Date.

We would like to highlight that the Japanese Precedent Transactions, the Hospitality Trusts Transactions and the Privatisation Transactions differ from the Proposed Divestment in terms of, *inter alia*, the type of assets acquired (e.g. shares or units with voting rights versus TK interests), purchase consideration (e.g. cash or shares or units), the status of the acquirer and target company (e.g. private or public), transaction structure, economic and industry conditions at the time of the transaction, and the characteristics of the target company involved such as its business activities, scale of operation, geographical markets, track record, future prospects, risk profile, customer base and other relevant criteria.

We further note that there may be different commercial and financial merits specific to each of the transactions. The premium that an offeror will pay in respect of any particular acquisition depends on various factors including, *inter alia*, the offeror's intention of the target, the potential synergy that the offeror can derive from the target, the presence of competing bids, prevailing market conditions and sentiment, the attractiveness and profitability of the target's business and assets, and the existing and desired level of control in the target.

We wish to highlight that the Proposed Divestment involves the sale of TK Interests which do not confer any voting rights (save for veto rights in certain material matters) in AGA. In contrast, the Japanese Precedent Transactions, the Hospitality Trust Transactions and the Privatisation Transactions, involve the purchase of shares or units that carry voting rights. As such, it is possible that certain investors may ascribe a valuation discount to the Proposed Divestment relative to these comparative transactions.

As such, any comparison below is necessarily limited and serves only as an illustrative guide.

5.6.1. Japanese Precedent Transactions

A brief description of the target companies in the Japanese Precedent Transactions is set out below.

Targets	Description	EBITDA Margins
PGM Holdings KK (" PGM ")	A Japan-based company that is primarily engaged in the holding and operation of golf courses that it possesses. The Company is also involved in the operation of golf courses owned by the third parties, the holding and operation of cemetery and hotels, as well	Based on financial year ended 31 March 2015 24.1%

Targets	Description	EBITDA Margins
	as the operation of restaurants and stores located in its service areas.	
Accordia Golf	A Japan-based company primarily involved in the golf business. The Company is involved in the operation of golf courses and golf practice ranges. The Company is also engaged in the operation of restaurants in golf courses, as well as the sale of golf supplies.	Based on the trailing twelve month period ended 30 September 2016 23.5%

Source: Eikon, Bloomberg L.P. and the precedent transaction companies' websites and filings

We wish to highlight that both PGM and Accordia Golf are companies which hold and operate golf courses and practice ranges. AGT on the other hand is not an operating company as it only invests in the Golf Courses through its TK Interests to generate income with very limited rights, control or influence over the operations of the Golf Courses. Furthermore, both Japanese Precedent Transactions occurred more than 3 years ago under economic and industry conditions which are very different than that prevailing as at the Latest Practicable Date, especially in light of the current COVID-19 global pandemic.

We also note that the Group's EBITDA margins of 21.2% for LTM 30 June 2020 is broadly comparable with the EBITDA margins of the Japanese Precedent Transactions.

The table below sets out the implied transaction multiples for the Japanese Precedent Transactions.

Announcement Date	Target	Acquirer	Deal Value (US\$m)	Stake acquired (%)	EV/EBITDA (times)	P/NAV (times)	LTM Distribution Yield (%)
13-May-15	PGM	Heiw a	286	19.6%	14.55	1.81	0.7%
29-Nov-16	Accordia Golf	MBK Partners Ltd	1,208	89.2%	12.79	1.72	3.0%
Mean and Median					13.67	1.76	1.8%
AGT (based on Implied Value)					10.11⁽¹⁾	1.07⁽²⁾	7.1%⁽³⁾

Source: Dealogic, Eikon, and the precedent transaction companies' filings

Notes:

- (1) The implied EV/EBITDA is based on the Group's total debt, cash and bank balance and NCI as at 30 June 2020; market cap of JPY 64,773 million based on the Implied Value; and the Group's LTM EBITDA.
- (2) The implied P/NAV is based on the Implied Value of JPY 64,773 million against the NAV attributable to Unitholders of JPY 60,391 million as at 30 June 2020.
- (3) The implied LTM Distribution Yield is based on AGT's distribution of S\$0.0542 for FY19/20 (inclusive of the Supplemental Distribution net of withholding tax) and the Implied Value per Unit of S\$0.758.

Based on the above, we note that:

- (i) The EV/EBITDA and the P/NAV of AGT implied by the Implied Value are below the corresponding multiples of the Japanese Precedent Transactions; and
- (ii) The LTM Distribution Yield of AGT implied by the Implied Value per Unit is above the range of LTM Dividend Yields implied by the Japanese Precedent Transactions. We wish to highlight that this is based on AGT's distribution up to 31 March 2020 which may not have reflected the full impact of the COVID-19 outbreak.

We have also compared the market price premia for the Japanese Precedent Transactions against those implied by the Implied Value per Unit as shown in the table below.

Name of Target	Premium/(Discount) of Offer Price over / (to):			
	Date of announcement	Last transacted price prior to announcement	1 month VWAP prior to announcement	3 month VWAP prior to announcement
PGM	13-May-15	8.4	8.9	4.3
Accordia Golf	29-Nov-16	15.8	17.8	15.6
Mean and Median		12.1	13.4	9.9
AGT (based on Implied Value per Unit and Unit prices up to the full trading day prior to the Non-Binding Proposal Date)		26.3	26.2	32.8

Source: Eikon and the precedent transaction companies' filings

Based on the above, we note that the market price premia implied by the Implied Value per Unit are significantly above the corresponding takeover premia for the Japanese Precedent Transactions.

5.6.2. Hospitality Trusts Transactions

The table below sets out the implied transaction multiples for the Hospitality Trust Transactions.

Announcement Date	Target	Acquirer	P/NAV (times)	LTM Distribution Yield (%)
08-Apr-19	OUE Hospitality Trust ⁽¹⁾	OUE Commercial REIT	1.00	6.6%
03-Jul-19	Ascendas Hospitality REIT ⁽²⁾	Ascott Residence Trust	1.10	5.5%
Mean and Median			1.05	6.1%
AGT (based on Implied Value)			1.07 ⁽³⁾⁽⁵⁾	7.1% ⁽⁴⁾⁽⁵⁾

Source: Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents

Notes:

- (1) The implied P/NAV of the stapled securities of OUE Hospitality REIT is based on the last undisturbed consideration unit price of S\$0.52 for each OUE Commercial REIT unit as at the last undisturbed trading date of 5 April 2019 and the gross exchange ratio of 1.3583x and a fixed cash consideration of S\$0.04075 in cash per stapled security, which implies an offer price of S\$0.747 per stapled security, as well as the NAV per stapled security of S\$0.748 as at 31 March 2019. As the amalgamation constituted an interested person transaction under Chapter 9 of the Listing Manual, OUE Limited (the sponsor) and its associates had abstained from voting on the resolution in respect of the amalgamation in accordance with Rule 919 of the Listing Manual.
- (2) The implied P/NAV of the stapled securities of Ascendas Hospitality REIT is based on the issuance price of S\$1.30 for each Ascott Residence Trust unit and the gross exchange ratio of 0.7942x and a fixed cash consideration of S\$0.0543 in cash per stapled security, which implies an offer price of S\$1.087 per stapled security, as well as the NAV per stapled security of S\$0.99 as at 30 June 2019. As the amalgamation constituted an interested person transaction under Chapter 9 of the Listing Manual, The Ascott Limited (the sponsor) and its associates had abstained from voting on the resolution in respect of the amalgamation in accordance with Rule 919 of the Listing Manual.

- (3) The implied P/NAV is based on the Implied Value of JPY 64,773 million against the NAV attributable to Unitholders of JPY 60,391 million as at 30 June 2020.
- (4) The implied LTM Distribution Yield is based on AGT's distribution of S\$0.0542 for FY 19/20 (inclusive of the Supplemental Distribution net of withholding tax) and the Implied Value per Unit of S\$0.758.
- (5) We note that in both Hospitality Trusts Transactions, the target entities were entitled to make distributions to their respective unitholders after the announcement of the transactions for periods up to the completion of the takeover or amalgamation transactions with no adjustment to the offer prices. As no distribution will be paid by AGT in respect of its half year ending 30 September 2020 in the event the Proposed Divestment proceeds, we have also considered, strictly for illustrative and comparison purpose only, the P/NAV and LTM Distribution Yield implied in Proposed Divestment based on a hypothetical scenario assuming the AGT's 1H FY20/21 distribution forgone is the same as that of its previous 1H FY19/20 distribution of 2.61 Singapore cents. In this hypothetical scenario which accounts for the distribution forgone, the adjusted Implied Value per Unit (after deducting the hypothetical AGT's 1H FY20/21 distribution) would be S\$0.732. This, in turn, implies a P/NAV multiple of 1.04x (which is in line with the corresponding mean and median multiples of the Hospitality Trusts Transactions), and a LTM Distribution Yield of 7.4% (which is above those of the Hospitality Transactions) for the Proposed Divestment. We wish to highlight that this is strictly a hypothetical scenario as there is no assurance as at the Latest Practicable Date, as to the amount of distributions (if any) that AGT would pay for 1H FY20/21, in the event that the Proposed Divestment does not proceed.

Based on the above, we note that:

- (i) The P/NAV of AGT implied by the Implied Value is in line with the corresponding multiples of the Hospitality Trusts Transactions; and
- (ii) The LTM Distribution Yield of AGT by the Implied Value is above the corresponding distribution yield of the Hospitality Trusts Transactions. We wish to highlight that this is based on AGT's distribution up to 31 March 2020 which may not have reflected the full impact of the COVID-19 outbreak.

We have also compiled the market price premia of the Hospitality Trusts Transactions against that implied by the Implied Value per Unit as shown in the table below.

Name of Company	Date of announcement	Last transacted price prior to announcement	1 month VWAP prior to announcement	3 month VWAP prior to announcement
Amalgamation of OUE Hospitality Trust and OUE Commercial REIT	08-Apr-19	1.6	3.0	4.5
Amalgamation of Ascendas Hospitality REIT and Ascott Residence Trust	03-Jul-19	11.9	13.8	18.9
Mean and Median		6.8	8.4	11.7
AGT (based on Implied Value per Unit and Unit prices up to the full trading day prior to the Non-Binding Proposal Date) ⁽¹⁾		26.3	26.2	32.8

Source: Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents

Note:

- (1) We note that in both Hospitality Trusts Transactions, the target entities were entitled to make distributions to their respective unitholders after the announcement of the transactions for various periods prior to the completion of the takeover or amalgamation transactions with no adjustment to the offer prices. As no distribution will be paid by AGT in respect of its half year ending 30 September 2020 in the event the Proposed Divestment proceeds, we have also considered, strictly for illustrative and comparison purpose only, the market price premia implied in Proposed Divestment based on a hypothetical scenario assuming the AGT's 1H FY20/21 distribution forgone is the same as that of its previous 1H FY19/20 distribution of 2.61 Singapore cents. In this hypothetical scenario which accounts for the distribution forgone, the adjusted Implied Value per Unit (after deducting the hypothetical AGT's 1H FY20/21 distribution) would be S\$0.732. This, in turn, would imply a market price premia

of 22.0%, 21.9% and 28.2% against the last transacted price, 1 month VWAP and 3 month VWAP up to the full trading day prior to the Non-Binding Proposal Date respectively, which are above the corresponding premia of the Hospitality Trusts Transactions. We wish to highlight that this is strictly a hypothetical scenario as there is no assurance as at the Latest Practicable Date, as to the amount of distributions (if any) that AGT would pay for 1H FY20/21, in the event that the Proposed Divestment does not proceed.

Based on the above, we note that the market price premia implied by the Implied Value per Unit are significantly above the corresponding premia of the Hospitality Trusts Transactions.

5.6.3 Premia Implied in Privatisation Transactions

We note from the Circular that the Proposed Divestment, if completed, will lead to the eventual Winding Up and delisting of AGT from the SGX-ST. For the purposes of evaluating the terms of the Proposed Divestment, we have compared the financial terms of the Proposed Divestment with those of recent successful privatization of REITs, business trusts and companies listed on the SGX-ST over the period beginning 1 January 2017 up to the Latest Practicable Date.

(a) Successful Privatisations of REITs and Business Trusts Listed on the SGX-ST

We have compiled the market price premia of recent successful privatisations of REITs and business trusts listed on the SGX-ST ("**Trusts Privatisations**") against that implied by the Implied Value per Unit as shown in the table below. We wish to highlight that none of the Trust Privatisations involve voluntary delistings or transactions where the offeror and its concert parties were entitled to vote so as to improve comparisons with the Proposed Divestment.

REIT / Business Trust	Date of announcement	Premium/(Discount) of Offer Price over / (to):		
		Last transacted price prior to announcement	1 month VWAP prior to announcement	3 month VWAP prior to announcement
Frasers Commercial Trust	02-Dec-19	0.6	3.6	3.1
Ascendas Hospitality REIT	03-Jul-19	11.9	13.8	18.9
OUE H-REIT	08-Apr-19	1.6	3.0	4.5
Viva Industrial Trust	18-May-18	7.9	7.5	8.8
RHT Health Trust	15-Nov-17	5.0	2.7	0.5
Croesus Retail Trust	26-Apr-17	24.5	26.2	32.0
High		24.5	26.2	32.0
Low		0.6	2.7	0.5
Mean		8.6	9.5	11.3
Median		6.4	5.5	6.7
AGT (based on Implied Value per Unit and Unit prices up to the full trading day prior to the Non-Binding Proposal Date) ⁽¹⁾		26.3	26.2	32.8

Source: Bloomberg L.P. and the offer documents and circulars issued in relation to the transactions

Note:

- (1) We note that in the Trusts Privatisations, the target entities were entitled to make distributions to their respective unitholders after the announcement of the transactions for various periods prior to the completion of the takeover or amalgamation transactions with no adjustment to the offer prices. As no distribution will be paid by AGT in respect of its half year ending 30 September 2020 in the event the Proposed Divestment proceeds, we have also considered, strictly for illustrative and comparison purpose only, the market price premia implied in Proposed Divestment based on a hypothetical scenario assuming the AGT's 1H FY20/21 distribution forgone is the same as that of its previous 1HFY19/20 distribution of 2.61 Singapore cents. In this hypothetical scenario which accounts for the distribution forgone, the adjusted Implied Value per Unit

(after deducting the hypothetical AGT's 1H FY20/21 distribution) would be S\$0.732. This, in turn, would imply a market price premia of 22.0%, 21.9% and 28.2% against the last transacted price, 1 month VWAP and 3 month VWAP up to the full trading day prior to the Non-Binding Proposal Date respectively, which are above the corresponding mean and median premia of the Trusts Privatisations. We wish to highlight that this is strictly a hypothetical scenario as there is no assurance as at the Latest Practicable Date, as to the amount of distributions (if any) that AGT would pay for 1H FY20/21, in the event that the Proposed Divestment does not proceed.

Based on the above, we note that the market price premia implied by the Implied Value per Unit are significantly above the corresponding mean and median premia of the Trust Privatisations.

(b) Successful Privatisations of Companies Listed on the SGX-ST

We have also compared the market price premia of the Proposed Divestment with those of recent successful privatizations of companies with primary listings on the SGX-ST (“**Company Privatisations**”) over the period beginning 1 January 2017 up to the Latest Practicable Date. For this analysis, we have excluded successful voluntary delistings or transactions where the offeror and its concert party group were entitled to vote so as to improve comparisons with the Proposed Divestment.

Name of Company	Premium/(Discount) of Offer Price over / (to):			
	Date of announcement	Last transacted price prior to announcement	1 month VWAP prior to announcement	3 month VWAP prior to announcement
Auric Pacific Group Limited	07-Feb-17	13.4	17.7	23.8
Global Premium Hotels Limited	23-Feb-17	14.1	18.1	21.7
Nobel Design Holdings Ltd	02-May-17	8.5	9.4	15.9
Changtian Plastic & Chemical Limited	29-May-17	45.3	46.6	48.2
China Flexible Packaging Holdings Limited	19-Jun-17	23.2	24.3	28.2
Global Logistic Properties Limited	14-Jul-17	64.1	67.4	72.4
Fischer Tech Limited	27-Jul-17	31.3	46.9	63.6
CWT Limited	07-Sep-17	5.9	6.4	14.8
Poh Tiong Choon Logistics Limited	20-Sep-17	1.6	30.1	41.3
GP Batteries International Limited	22-Sep-17	62.5	62.9	62.7
Cogent Holdings Limited	03-Nov-17	5.2	6.2	12.7
CWG International Ltd	28-Dec-17	27.5	29.5	29.2
Tat Hong Holdings Ltd	11-Jan-18	42.9	47.5	49.1
Lee Metal Group Ltd	21-Feb-18	9.1	14.1	21.4
Wheelock Properties (Singapore) Limited	19-Jul-18	22.7	29.0	22.7
Keppel Telecommunications & Transportation Ltd	27-Sep-18	40.4	39.5	34.9
M1 Limited	27-Sep-18	26.3	29.9	29.1
Cityneon Holdings Limited	29-Oct-18	4.1	6.9	11.9
PCI Limited	04-Jan-19	27.9	44.0	47.2

Name of Company	Premium/(Discount) of Offer Price over / (to):			
	Date of announcement	Last transacted price prior to announcement	1 month VWAP prior to announcement	3 month VWAP prior to announcement
Declout Limited	07-Jan-19	62.5	66.7	66.7
Courts Asia Limited	18-Jan-19	34.9	35.8	34.0
Kingboard Copper Foil Holdings Limited	04-Apr-19	9.1	21.8	28.1
800 Super Holdings Limited	06-May-19	16.1	30.8	31.2
Memtech International Ltd	14-May-19	23.9	31.5	31.6
Boardroom Limited	15-May-19	14.3	18.9	16.1
Hupsteel Limited	28-Jun-19	51.9	58.3	58.6
Health Management International Ltd	05-Jul-19	14.1	24.8	27.4
Delong Holdings Limited	29-Jul-19	1.9	8.0	17.9
Star Pharmaceutical Limited	05-Aug-19	157.1	160.1	176.1
PS Group Holdings Ltd	20-Aug-19	195.0	266.7	267.5
Avic International Maritime Holdings Limited	27-Aug-19	37.6	66.7	62.9
San Teh Ltd	05-Sep-19	81.8	90.5	83.0
Raffles United Holdings	25-Oct-19	(1.5)	0.0	10.0
United Engineers Limited	25-Oct-19	3.8	5.7	4.6
PACC Offshore Services Holdings Ltd.	04-Nov-19	69.3	99.4	93.0
Citic Envirotech Ltd.	06-Nov-19	48.6	61.6	68.5
Breadtalk Group Ltd	24-Feb-20	19.4	30.1	24.0
Elec & Etek International Company Limited	03-Apr-20	93.0	61.3	43.8
Dynamic Colours Limited	01-Jun-20	13.6	22.8	29.1
High		195.0	266.7	267.5
Low		(1.5)	0.0	4.6
Mean		36.5	44.6	46.8
Median		23.9	30.1	31.2
AGT (based on Implied by the Value per Unit and Unit prices up to the full trading day prior to the Non-Binding Proposal Date)		26.3	26.2	32.8

Source: Bloomberg L.P. and the offer documents and circulars issued in relation to the transactions

Based on the above, we note that while the market price premia implied by the Implied Value per Unit are below the corresponding mean premia of the Company Privatisations, it is nevertheless well within their range of premia. In this regard, the implied premium of the Implied Value per Unit over the last transacted price on the full trading day prior to the Non-Binding Proposal Date would rank in the 53rd percentile of the Company Privatisations.

5.7 Analysis of Distribution and Distribution Yield of the Units

5.7.1 Distribution Track Record of AGT

We have considered the distribution track record of AGT and the distribution yield of the Units implied by the Implied Value.

	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
Interim distribution per Unit (S\$)	0.0232	0.0245	0.0165	0.0164	0.0261
Final distribution per Unit (S\$)	0.0431	0.0359	0.0220	0.0213	0.0169
Supplemental distribution per Unit (S\$)	-	-	-	-	0.0112 ⁽¹⁾
Total distribution per Unit (S\$)	0.0663 ⁽²⁾	0.0604 ⁽³⁾	0.0385 ⁽⁴⁾	0.0377 ⁽⁵⁾	0.0542 ⁽⁷⁾
Closing price ⁽⁶⁾ (S\$)	0.6350	0.7400	0.6200	0.5550	0.5850
Distribution yield (%)	10.4%	8.2%	6.2%	6.8%	9.3%
Distribution yield (%) Implied by the Value per Unit	8.7%	8.0%	5.1%	5.0%	7.1%

Source: Bloomberg L.P, the Company's annual reports and CIMB's analysis

Notes:

- (1) Based on the Supplemental Distribution (net of withholding tax) of JPY 954.9 million, which will be converted into approximately S\$12.3 million pursuant to the hedging arrangement entered into by the Trustee-Manager to convert the JPY amount received from the TK Operator into Singapore dollars for distribution to Unitholders, to arrive at the Supplemental Distribution (net of withholding tax) per Unit of S\$0.0112.
- (2) During the first half of FY15/16, AGT reserved 10% of the distributable income in consideration of a Unit buy-back exercise. This retained amount was subsequently paid out to Unitholders in the second half of FY15/16.
- (3) The total distribution per Unit for FY16/17 declined slightly mainly due to unfavourable weather conditions during FY16/17 which resulted in lesser operating days as compared to FY15/16.
- (4) The total distribution per Unit for FY17/18 declined mainly due to (i) unusually larger repayment of membership deposits, (ii) one-time upfront fee for a loan extension and (iii) unfavourable weather conditions.
- (5) The total distribution per Unit for FY18/19 declined mainly due to operational loss amid unfavourable weather conditions in the first half of FY18/19.
- (6) The prices shown in the table above are closing prices of the Units as at the relevant last cum-dividend dates.
- (7) The total distribution per Unit for FY19/20 is inclusive of the Supplemental Distribution net of withholding tax.

We note that in the prospectus of AGT dated 21 July 2014 ("IPO Prospectus") issued in connection with its initial public offering ("IPO"), AGT had stated its distribution policy of distributing 100% of AGT's distributable income for the period from 1 August 2014 to 31 March 2015. Thereafter, the Trustee-Manager would distribute at least 90% of AGT's distributable income with the actual level of distribution to be determined at the Trustee-Manager board's discretion, having regard to funding requirements, other capital management considerations and ensuring the overall stability of distributions. We understand from the Trustee-Manager that this remains the distribution policy of AGT as at the Latest Practicable Date.

From the table above, we note that the annual total distribution per Unit have decreased to between 3.77 to 5.42 Singapore Cents for the last three financial years, as compared to 6.04 to 6.63 Singapore Cents for FY16/17 and FY15/16. We further note that AGT's distribution yield has decreased from 10.4% in FY15/16 to 9.3% (inclusive of Supplemental Distribution net of withholding tax) in FY19/20. By comparison, AGT's LTM Distribution Yield implied by the Implied Value per Unit is 7.1% (inclusive of Supplemental Distribution net of withholding tax).

In respect of FY19/20, we also note that a sum of JPY 1,200 million was set aside as special reserves to enable AGA to comply with certain financial covenants in view of the projected business impact of the COVID-19 outbreak. On 23 June 2020, the Trustee-Manager announced that the impact of the COVID-19 outbreak on the actual performance of AGA in May 2020 was not as adversely affected as projected and the risk of AGA breaching the financial covenants without the JPY 1,200 million special reserves is lower than initially anticipated. We note from the Circular that the Trustee-Manager has obtained consent from the lenders to AGA for AGA to pay out the Special Reserves and payment of the Supplemental Distribution will be made on 8 September 2020. The payment of the Supplemental Distribution is independent of the Proposed Divestment as it is made from the Special Reserves and not from proceeds of the Proposed Divestment which will be applied towards the Special Distributions. For avoidance of doubt, Accordia Golf will not receive any distribution from AGA in respect of the Special Reserves and its only entitlement is as a Unitholder (and not as purchaser under the Proposed Divestment) when the Trustee-Manager makes payment of the Supplemental Distribution to all Unitholders. Taking into account the Supplemental Distribution (net of withholding tax), the total distribution per Unit for FY19/20 will increase from S\$0.0430 per Unit or S\$0.0542 per Unit.

Unitholders should note that there is no assurance that AGT will consistently pay distributions in the future or maintain the level of distributions that it has paid in the past as this would be subject to, *inter alia*, the financial performance of the Golf Courses, the Group's funding requirements and other capital management considerations. In this respect, we note from the Circular and AGT's full year results presentation for FY19/20 the following pertinent disclosures that may be relevant:

Extracted from the Circular

- *"Given the uncertainties as to the development of the COVID-19 outbreak, it is difficult to predict how long such conditions will exist and the extent to which AGT may be affected."*
- *"Accordingly, COVID-19 may lead to reduced demand for golf courses and golf course related businesses. This could have an adverse impact on the business, financial condition, results of operations and prospects of AGT. For example, AGT may face further difficulty in obtaining financing for golf course acquisitions, limiting AGT's ability to improve its DPU."*
- *"In addition, no acquisitions have been made by the Trustee-Manager since Listing. The TK Operator, which is responsible for the acquisition and management of golf courses under the tokumei kumiai arrangement with the Trustee-Manager, evaluated suitable golf course acquisitions from time to time. However, it was difficult for the TK Operator to raise financing to make the accretive acquisitions and consequently, the TK Operator was unable to propose any acquisitions to the Trustee-Manager. This has in turn affected AGT's ability to improve its DPU."*
- *"The performance of the portfolio golf courses has shown a significant decline in Q1 FY2020/21 due to the state of emergency declared by the Japanese government for the period from 7 April 2020 to the last week of May 2020. Many golfers stayed home during this period, resulting in high number of cancellations. As a result, the number of players in Q1 FY2020/21 decreased by 12.3% as compared to Q1 FY2019/20."*
- *"In line with Japan government's effort to boost local domestic tourism, the TK Operator has rolled out discounts and outreach programs to improve utilisation by domestic players, and there are signs of recovery in the utilisation in June 2020. There were more players in the month of June 2020 as compared to the month of June 2019 although the year-on-year average revenue per player for the month of June declined by 18.4%. However, revenue per player is expected to remain lower than previous"*

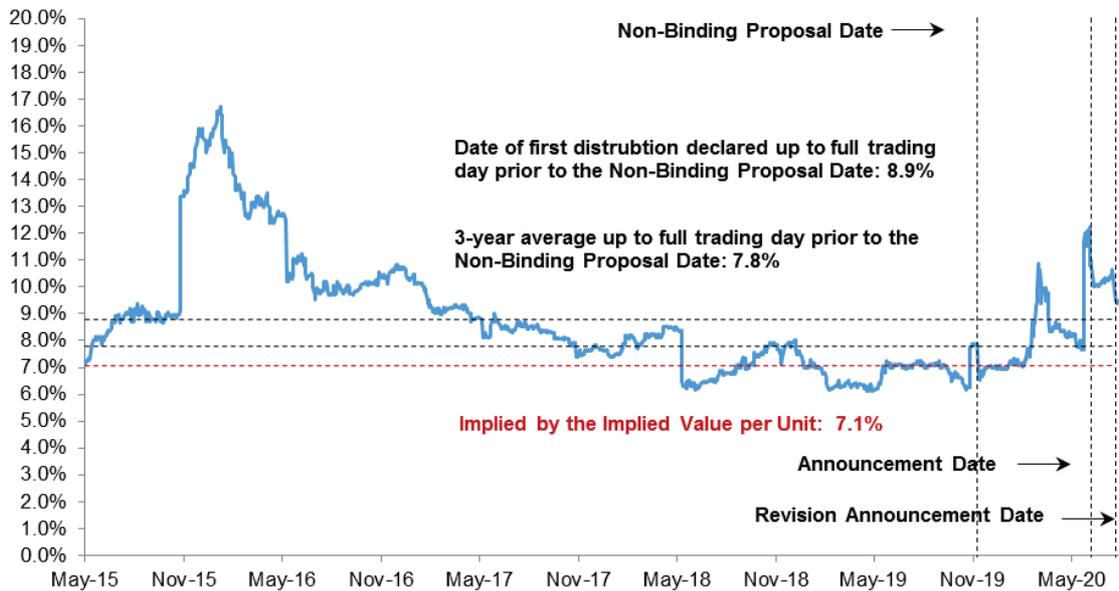
years' and there is no certainty that the performance will achieve full recovery to the same level as pre-COVID-19 for the remaining fiscal year. The impact of COVID-19 could continue for 6 to 12 months or possibly longer."

Extracted from the FY19/20 Results Presentation

- "In the month of April 2020 alone, year-on-year, number of golfers fell 24.6% to 392,000 and unit price per player fell 21.8% to JPY 6,643 due to closure of restaurant business. May 20 performance is expected to approximate performance in April 20.
- "Although state of emergency has been lifted, the implementation of social distancing and safety measures as well as restriction on movements across prefectures are still in effect today"
- "Recovery is not expected to be immediate and COVID-19 impact could continue for 6-12 months or possibly longer."

5.7.2 Historical LTM Distribution Yield of the Units

We have compared the LTM Distribution Yield of the Units implied by the Implied Value against the historical trailing LTM Distribution Yield of the Units calculated based on the daily closing prices of the Units and the LTM distribution per Unit of AGT as announced in its quarterly results, for the period between 20 May 2015 (being the date after the declaration of AGT's first distribution) and 27 November 2019 (being the full trading day prior to the Non-Binding Proposal Date) and up to the Latest Practicable Date.



Source: Bloomberg L.P. and the Company's filings

Notes:

- (1) The first distribution declared for FY 14/15 was in respect of the 8 months period from 1 August 2014 (the IPO date) up to 31 March 2015.

- (2) The implied LTM Distribution Yield of AGT implied by the Implied Value is based on AGT's distribution of S\$0.0542 for FY 19/20 (inclusive of the Supplemental Distribution net of withholding tax) and the Implied Value per Unit of S\$0.758.

Based on the above, we note that the LTM Distribution Yield of 7.1% implied by the Implied Value per Unit is below both the (i) historical average yield of the Units from the date after the declaration of AGT's first distribution and up to the full trading day prior to the Non-Binding Proposal Date of 8.9 % and the (ii) historical 3-year average yield of the Units up to the full trading day prior to the Non-Binding Proposal Date of 7.8%. We wish to highlight that this is based on AGT's distribution up to 31 March 2020 which may not have reflected the full impact of the COVID-19 outbreak.

5.7.3 Alternative Yield Investments

In the event where the Proposed Divestment is approved by Unitholders, and subject to the successful completion of the Proposed Divestment ("**Completion**"), the Trustee-Manager is required to distribute to Unitholders:

- (i) the First Tranche Special Distribution of JPY 59,984 million representing 92% of the Purchase Consideration within 25 business days of the Assignment Date (as defined under Principal Terms of the Proposed Divestment); and
- (ii) subject to there being no claims by Accordia Golf by (i) the date falling three months after the Assignment Date or (ii) the Claim Expiry Date, the Second Tranche Special Distribution of at least JPY 3,260 million, representing 5% of the Purchase Consideration, within 25 business days after the Claim Expiry Date;

(collectively, the "**Special Distributions**").

The remaining 3% of the Purchase Consideration, being JPY 1,956 million, along with the Cash Balance of AGT, will be used to pay, *inter alia*, the costs and expenses arising from the Proposed Divestment and in connection with the proposed Winding Up, the Base Fee post-Completion and the Divestment Fee payable to the Trustee-Manager and the costs and expenses for the maintenance and management of AGT during the Interim Period and tax liabilities of AGT as determined by the Inland Revenue Authority of Singapore ("**IRAS**"), if any. Any remaining cash in AGT after settling the above-mentioned payments shall on the Winding Up be applied to make a final distribution to the Unitholders in accordance with the Winding Up procedures (the "**Final Distribution**").

Unitholders may hypothetically re-invest the Special Distributions and Final Distribution in selected alternative investments including the units or shares of the Comparable Entities as shown in the table below.

Comparable Entities	LTM Distribution Yield (%)
Hospitality Trusts	
ARA US Hospitality Trust	8.4%
CDL Hospitality Trust	6.2%
Far East Hospitality Trust	6.0%
Ascott Residence Trust	5.9%
Frasers Hospitality Trust	5.8%
Mean	6.5%
Median	6.0%
Japanese Comparable Companies ⁽¹⁾	

Comparable Entities	LTM Distribution Yield (%)
Heiw a Corp	4.5%
Resorttrust Inc	3.0%
Mean and Median	3.7%
Implied by the Value per Unit	7.1%⁽¹⁾

Source: Bloomberg L.P., company financial results and CIMB's analysis

Note:

- (1) The implied LTM Distribution Yield is based on AGT's distribution of S\$0.0542 for FY 19/20 (inclusive of the Supplemental Distribution net of withholding tax) and the Implied Value per Unit of S\$0.758. We wish to highlight that this is based on AGT's distribution up to 31 March 2020 which may not have reflected the impact of the COVID-19 outbreak.

Based on the above, it would appear that Unitholders who re-invest the Special Distributions and Final Distribution may be able to achieve comparable or better distribution yields by investing in the units of ARA US Hospitality REIT. The abovementioned is for illustrative purposes only and there is no assurance that AGT or the Comparable Entities will continue to pay distributions in the future or maintain the level of distributions paid in previous periods.

5.8 Research Analysts' Target Prices

We have considered recent research reports by analysts in relation to AGT, as summarised below.

Analyst	Date of report	Recommendation	Target Price (S\$)	Premium of Implied Value per Unit to Analyst Target Price
KGI Securities (Singapore) Pte. Ltd.	15-Nov-19	Outperform	0.670	13.1%
Daiwa Capital Markets	03-Dec-19	Hold	0.730	3.8%
Mean and Median			0.700	8.3%

We note that the Implied Value per Unit of S\$0.758 is above the research analysts' target prices for the Units.

We wish to highlight that, the above target prices may not be representative of market consensus. Further, the estimated target price for the Units and other statements or opinions in the relevant report represent the individual view of the analyst (and not those of CIMB in its capacity as independent financial adviser for the purposes of this letter) based on the circumstances (including, *inter alia*, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of AGT) prevailing at the date of the publication of the relevant analyst's research report. The opinions of the analysts may change over time as a result of, *inter alia*, changes in market conditions, AGT's corporate developments and the emergence of new information relevant to AGT.

5.9 Historical Financial Performance and Financial Position of the Group

5.9.1 Full-year financial performance between FY15/16 to FY19/20

A summary of the financial performance of the Group between FY15/16 and FY19/20 is set out below.

	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
(JPY million)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Revenue	52,537	51,533	50,860	50,734	51,206
Operating profit before impairment	9,012	8,071	7,791	6,744	7,052
Impairment losses	184	1,499 ⁽¹⁾	1,720 ⁽²⁾	17,962 ⁽³⁾	2,641 ⁽⁴⁾
Profit/(loss) attributable to the Unitholders of AGT	6,517	4,000	4,095	(12,553)	1,547
Net profit/(loss) margin ⁽⁵⁾ (%)	12.40%	7.76%	8.05%	(24.74)%	3.02%

A summary of the financial position of the Group as at 31 March 2016, 31 March 2017, 31 March 2018, 31 March 2019 and 31 March 2020 is set out below.

	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
(JPY million)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Total assets	181,620	178,372	175,952	158,422	184,185
Cash and cash equivalents	11,238	10,252	8,145	8,515	8,918
Total borrowings ⁽⁶⁾	43,443	43,629	43,455	43,021	43,677
NAV attributable to Unitholders	81,914	80,280	79,802	63,857	61,255
Gearing (%) ⁽⁷⁾	23.9%	24.5%	24.7%	27.2%	23.7%
Return on equity ("ROE") ⁽⁸⁾	7.88%	4.93%	5.12%	n.m.	2.47%

A summary of the cash flows of the Group between FY15/16 and FY19/20 is set out below.

	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
(JPY million)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Net cash from operating activities	10,336	8,590	8,364	8,053	8,341
Net cash used in investing activities	(1,567)	(1,659)	(2,340)	(1,317)	(1,797)
Net cash used in financing activities	(10,259)	(7,478)	(8,131)	(6,366)	(6,136)
Net increase / (decrease) in cash	(1,490)	(547)	(2,107)	370	408

Source: The Company's filings

Notes:

"n.m." – Not meaningful

- (1) Refers to impairment loss on property, plant and equipment of JPY 1,499 million arising from the deterioration in operational performance of 8 loss-making golf courses.
- (2) Refers to impairment loss on property, plant and equipment of JPY 1,720 million arising from the deterioration in operational performance of 10 loss-making golf courses.
- (3) Refers to (i) an impairment loss on property, plant and equipment of JPY 4,818 million and (ii) an impairment loss on goodwill of JPY 13,144 million arising from the annual assessment of the recoverable amount of AGA and taking into account market development in Japan and the declining trend in average unit price per player resulting in potential reduction in cash flow and the impact of the flood prevention works at Northern Country Club Nishikigahara Golf Course. The impairment losses on property, plant and equipment were mainly attributable to the forecasted underperformance of 24 selected golf courses and an infrastructural flood prevention project announced by the local authorities, which is expected to reduce the operating cash flows to be generated from Northern Country Club Nishikigahara Golf Course. Of the total impairment loss on property, plant and equipment of JPY 4,818 million, the potential infrastructural flood prevention project at Northern Country Club Nishikigahara Golf Course contributed JPY 2,995 million and the rest was due to underperformance of 24 selected golf courses.

- (4) Refers to impairment loss on property, plant and equipment of JPY 2,641 million arising from the deterioration in operational performance of 19 golf courses (12 of these 19 golf courses had impairment losses in FY2018/19 referred to in note 3 above as well) and lower utilisation rates and prices at the golf courses in view of the COVID-19 outbreak.
- (5) Net profit margin is calculated as profit attributable to the owners of the Company divided by the revenue for the relevant financial period.
- (6) Based on borrowings less any upfront cost capitalised.
- (7) Gearing is calculated as total borrowings divided by the total assets.
- (8) ROE is calculated as the profit attributable to the owners of the Company divided by the average NAV for the period.

Audit of Financial Statements

We wish to highlight that AGT's accounts were not subject to any audit qualification since its IPO and we note that independent annual valuations were performed as part of the preparation of its annual financial accounts for the relevant financial years.

Financial Review

We set out below a summary review of AGT's financial performance based on its disclosures. Please refer to paragraph 6 of the Letter to Unitholders for more information on the business and financial performance of AGT.

Revenue

FY15/16 to FY16/17

The Group's revenue decreased by approximately 1.91% from JPY 52,537 million in FY15/16 to JPY 51,533 million in FY16/17. The decline was due to weaker performance of the Golf Courses following the earthquake in Kyushu area in April 2016, heavy rain in June 2016, torrential rain caused by typhoons in August and September 2016, warm weather during winter season in 3Q FY15/16 and heavy snowfall in February 2017.

FY16/17 to FY17/18

The Group's revenue decreased by approximately 1.31% from JPY 51,533 million in FY16/17 to JPY 50,860 million in FY17/18. The decline was due to weaker performance of the Golf Courses following typhoons on consecutive weekends in October 2017 and rain and snowfall in 4Q FY17/18. This was partially offset by better performance in the first half of FY17/18.

FY17/18 to FY18/19

The Group's revenue decreased slightly by approximately 0.25% from JPY 50,860 million in FY17/18 to JPY 50,734 million in FY18/19. The slight decline was due to poorer weather conditions in the 2nd quarter of FY18/19, which saw heavy rain in the western region in July, heat waves in July and August, and multiple typhoons resulting in lower utilisation rates for the Golf Courses. This was partially offset by the overall better performance in the remaining quarters of FY18/19.

FY18/19 to FY19/20

The Group's revenue increased by approximately 0.93% from JPY 50,734 million in FY18/19 to JPY 51,206 million in FY19/20. This was mainly due to management's effort to improve utilisation rates at the Golf Courses by focusing on discounts during off-peak. This was in spite of poor weather conditions in the 3rd quarter of FY19/20 resulting in closures of certain golf

courses and the COVID-19 outbreak in the later part of March 2020 resulting in cancellation from golfers.

Impairment losses

FY16/17

In FY16/17, the Group recorded an impairment loss on property, plant and equipment of JPY 1,499 million arising from the deterioration in operational performance of 8 loss-making golf courses.

FY17/18

In FY17/18, the Group recorded an impairment loss on property, plant and equipment of JPY 1,720 million arising from the deterioration in operational performance of 10 loss-making golf courses.

FY18/19

In FY18/19, the Group recorded impairment losses of JPY 17,962 million which comprise of (i) an impairment loss on property, plant and equipment of JPY 4,818 million and (ii) an impairment loss on goodwill of JPY 13,144 million arising from the annual assessment of the recoverable amount of AGA. The impairment losses were mainly attributable to the forecasted underperformance of 24 selected golf courses and an infrastructural flood prevention project announced by the local authorities, which is expected to reduce the operating cash flows to be generated from Northern Country Club Nishikigahara Golf Course.

FY19/20

In FY19/20, the Group recorded an impairment loss on property, plant and equipment of JPY 2,641 million arising from the deterioration in operational performance of 19 golf courses and lower utilisation rates and prices at the golf courses in view of the COVID-19 outbreak.

Please refer to paragraph 6.2, 6.3 and 6.4 of the Letter to Unitholders for more background information and reasons on the impairment on (i) property, plant and equipment, (ii) Northern Country Club Nishikigahara Golf Course and (iii) impairment on goodwill, respectively.

Operating profit and expense before impairment

The Group's operating profit has been declining from FY15/16 to FY18/19, before recovering slightly in FY19/20 due to favourable weather as well as AGA's efforts to improve utilisation rates at the Golf Courses by focusing on discounts during off-peak periods. These efforts resulted in a record 5.92 million players visiting AGT's Golf Courses before cancellations due to the COVID-19 outbreak started towards the later part of March 2020. However, the increase in the number of players has come at the cost of reduction in the average revenue per player.

Despite implementing a number of cost savings initiatives throughout FY15/16 to FY19/20, such as effecting an integrated procurement system, streamlining management contracts by consolidating the contracts of external vendors, reducing headcount at certain Golf Courses and pooling resources for all of its Golf Courses, the normalised operating expenses have increased steadily.

Profit attributable to the Unitholders of AGT

FY15/16 to FY16/17

Profits attributable to Unitholders of AGT decreased by approximately 38.62% from a profit attributable to Unitholders of JPY 6,517 million in FY15/16 to a profit attributable to Unitholders of JPY 4,000 million in FY16/17. The net profit margin decreased from approximately 12.40% in FY15/16 to a net profit margin of approximately 7.76% in FY16/17.

The decrease in profits attributable to Unitholders of AGT and net profit margin in FY16/17 was mainly due to (i) weaker performance of the Golf Courses as a result of unfavourable weather conditions as well as the Kyushu earthquake and (ii) the impairment losses recorded in Q4 FY16/17 amounting to JPY 1,499 million as compared to the impairment losses recorded in Q4 FY15/16 of JPY 184 million.

FY16/17 to FY17/18

Profits attributable to Unitholders of AGT increased slightly by 2.37% from a profit attributable to Unitholders of JPY 4,000 million in FY16/17 to a profit attributable to Unitholders of JPY 4,095 million in FY17/18. The net profit margin increased slightly from approximately 7.76% in FY16/17 to a net profit margin of approximately 8.05% in FY17/18.

The slight increase in profits attributable to Unitholders of AGT and net profit margin in FY17/18 was mainly due to management's effort to reduce costs through the integrated procurement system.

FY17/18 to FY18/19

Profits attributable to Unitholders of AGT decreased from a profit attributable to Unitholders of JPY 4,095 million in FY17/18 to a loss attributable to Unitholders of JPY 12,553 million in FY18/19. The net profit margin decreased from approximately 8.05% in FY17/18 to a net loss margin of approximately 24.74% in FY18/19.

The decrease in profits attributable to Unitholders of AGT and net profit margin in FY18/19 was mainly due to the significant impairment losses recorded during the financial year.

FY18/19 to FY19/20

Profits attributable to Unitholders of AGT increased from a loss attributable to Unitholders of JPY 12,553 million in FY18/19 to a profit attributable to Unitholders of JPY 1,547 million in FY19/20. The net profit margin increased from a net loss margin of approximately 24.74% in FY18/19 to a net profit margin of approximately 3.02% in FY19/20.

The increase in profits attributable to Unitholders of AGT and net profit margin in FY19/20 was largely due to the lower impairment loss on property, plant and equipment and the absence of goodwill impairment compared with previous financial year.

NAV attributable to Unitholders

The NAV attributable to Unitholders decreased by approximately 25.10% from JPY 81,914 million as at 31 March 2016 to JPY 61,255 million as at 31 March 2020 due to the aforementioned impairment loss incurred on the selected underperforming golf courses and goodwill.

Gearing

The gearing of AGT has been relatively stable over the last 5 financial years, ranging between 23.7% to 27.2%. We note this remains close to the gearing of AGT of 26.6% as at the IPO.

ROE

The Group's ROE decreased from 7.88% in FY15/16 to 2.47% in FY19/20 due to the aforementioned impairment loss incurred on the selected underperforming golf courses.

Cash flow

Operating Activities

The Group's cash flow from operating activities has been on a downward trend from JPY 10,336 million in FY15/16 to JPY 8,053 million in FY18/19. This was mainly due to the weaker performance of the Golf Courses over the corresponding financial periods. In FY19/20, the cash flow from operating activities broke the downward trend mainly due to improvement in performance of the Golf Courses as a result of management's effort to improve utilisation rates at the Golf Courses by focusing on discounts during off-peak.

Investing Activities

The Group's cash flow used in investing activities has largely moved within the range of JPY 1,317 million to JPY 2,340 million for the period between FY15/16 to FY19/20. These mainly relate to capital expenditure on certain property, plant and equipment.

Financing Activities

The Group's cash flow used in investing activities has been on a downward trend from JPY 10,259 million in FY15/16 to JPY 6,136 million in FY19/20. This was mainly due to lower distributions to Unitholders, in line with the weaker performance of the Golf Courses over the corresponding financial periods.

5.9.2 Update on 1Q FY2020/21 and Outlook

We note from the Circular that the performance of the portfolio golf courses has shown a significant decline in Q1 FY2020/21 due to the state of emergency declared by the Japanese government for the period from 7 April 2020 to the last week of May 2020. As a result, the number of players in Q1 FY2020/21 decreased substantially which negatively impacted AGT's (i) revenue per player, (ii) operating income, (iii) operating profit for Q1 FY2020/21. In particular, we note that AGT's net profit attributable to Unitholders declined by approximately 75.4% compared to the corresponding period last year. Please refer to paragraph 6.5 of the Letter to Unitholders for further details on the key financial parameters for Q1 FY2020/21.

In line with Japan government's effort to boost local domestic tourism, AGA has rolled out discounts and outreach programs to improve utilisation by domestic players, and there are signs of recovery in the utilisation in June 2020. However, revenue per player is expected to remain lower than previous years' and there is no certainty that the performance will achieve full recovery to the same level as pre-COVID-19 for the remaining fiscal year. The impact of COVID-19 could continue for 6 to 12 months or possibly longer.

5.10 Other Considerations

5.10.1 Indications of Interest relating to the TK Interests and No Alternative Offer

We understand from the Circular that since the Non-Binding Proposal Date, the Trustee-Manager had established the Independent Committee and appointed the Joint Financial Advisers to, amongst others, evaluate the price and terms of the Proposed Divestment and undertake a wide market testing process to obtain indications of interests for the Golf Courses, the TK Interests and/or AGT.

As disclosed in the Circular, it was stated that after conducting a wide market testing process, the Independent Committee and Joint Financial Advisers had received a confidential non-binding indicative proposal from another third party bidder in February 2020. 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.

In light of the abovementioned developments and gestation of approximately 7 months between the Non-Binding Proposal Date and the Announcement Date, it is highly possible that any other potential interested acquirors (apart from Accordia Golf and the aforementioned third party bidder) would have been aware of the possibility of a sale of the TK Interests.

The Trustee-Manager has confirmed to us that, as at the Latest Practicable Date, they are not aware of any other binding offer for the acquisition of the Golf Courses, the TK Interests and/or the Units other than those under the Proposed Divestment. Hence, the offer from Accordia Golf under the Proposed Divestment is the only definitive and binding offer available to AGT as at the Latest Practicable Date.

As at the Latest Practicable Date, there is no publicly available evidence of any alternative offer for the Golf Courses, TK Interests or the Units.

5.10.2 Rationale of Proposed Divestment

The rationale for the Proposed Divestment is set out in paragraph 7 of the Letter to Unitholders and reproduced in paragraph 4 of this letter. We wish to highlight the following pertinent matters:

- (i) The Purchase Consideration per Unit (before Transaction Amounts) represents an implied premium over the TK Interest Valuation Range, the various VWAP of the Units over the 3-month period prior up to the full trading day prior to the Non-Binding Proposal Date as well as AGT's adjusted NAV and NTA per Unit;
- (ii) The Implied Liquidation Value per Unit represents an implied premium over the TK Interest Valuation Range, the various VWAP of the Units over the 3-month period up to the full trading day prior to the Non-Binding Proposal Date as well as AGT's adjusted NAV and NTA per Unit;
- (iii) The Proposed Divestment is entered into only after the Independent Committee and the Joint Financial Advisers have conducted a wide market testing process to obtain indications of interests with the offer from Accordia Golf being the sole definitive and binding offer available;

- (iv) AGT has consistently traded at a discount to its NAV over the last three years up to the full trading day prior to the Non-Binding Proposal Date;
- (v) The Unit price and distribution per Unit have broadly been declining;
- (vi) AGT has been recording an impairment loss every year since its financial year ended 31 March 2016;
- (vii) No acquisitions have been made by the Trustee-Manager since its listing as it was difficult for AGA to raise financing to make the accretive acquisitions;
- (viii) AGT's trading volume on the SGX-ST has historically been low and the Proposed Divestment enables Unitholders to realise value for their Units now; and
- (ix) Given the uncertainties as to the development of the COVID-19 outbreak, it is difficult to predict how long such conditions will exist and the extent to which AGT may be affected. The outbreak of COVID-19 may lead to reduced demand for golf course and golf course related businesses and could have an adverse impact on the business, financial condition, results of operations and prospects of AGT. The Proposed Divestment and subsequent declaration of special distributions following Completion will enable the value in the Golf Courses to be realised without any further exposure of the Units to market risks and the COVID-19 outbreak.

5.10.3 Use of Proceeds and Listing Status of AGT

In the Circular, it was stated that the Trustee-Manager intends to distribute at least 97% of the Purchase Consideration from the Proposed Divestment to the Unitholders as soon as practicable following the Completion via the Special Distributions. The Trustee-Manager has confirmed that it is not aware or have any reason to believe that as at the Latest Practicable Date, there will be claims that may be made by Accordia Golf that may affect the distribution of proceeds of the Proposed Divestment to Unitholders.

The remaining 3% of the Purchase Consideration, along with the Cash Balance of AGT, will be used to pay, *inter alia*, the costs and expenses arising from the Proposed Divestment and in connection with the proposed Winding Up, the Base Fee post-Completion and the Divestment Fee payable to the Trustee-Manager and the costs and expenses for the maintenance and management of AGT during the Interim Period and tax liabilities of AGT as determined by the IRAS, if any. Please refer to paragraph 9.2 and Appendix D of the Circular for further details of the tax considerations in relation to the Proposed Divestment. Any remaining cash in AGT after settling the above-mentioned payments shall on the Winding Up be applied to make a Final Distribution.

Following Completion, the Trustee-Manager is of the view that it will 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, as AGT will cease to have any operating business and its assets will consist wholly or substantially of cash and AGT will be deemed to be a cash trust for the purpose of Rule 1018 of the Listing Manual and subject to the relevant rules in the Listing Manual which regulate cash companies. Trustee-Manager has confirmed to us that no binding offer has been received to inject assets or business into AGT as at the Latest Practicable Date. Accordingly, the Trustee-Manager intends to undertake a Winding Up.

5.10.4 Trading Suspension and Delisting of AGT

We note from the Circular that since the assets of AGT after completion of the Proposed Divestment will consist wholly or substantially of cash, the Units will be suspended following completion of the Proposed Divestment and Unitholders will not be able to trade the Units on the SGX-ST after AGT becomes a cash trust.

Unitholders should also note that Unitholders' approval for the proposed Winding Up will lead to the delisting of AGT from the SGX-ST and the last day of trading of Units and the date on which the Units is expected to be withdrawn from the Official List of the SGX-ST will be announced in due course. It is likely to be difficult for Unitholders to trade their Units in the absence of a public market for the Units.

5.10.5 Winding Up of AGT

We wish to highlight that the special resolution for Winding Up will be contingent on completion of the Proposed Divestment but not vice versa. While there can be no assurance that the Winding Up special resolution will be approved by Unitholders at the extraordinary general meeting, it should be noted that the Trustee-Manager intends to proceed with the Winding Up after Completion nonetheless by way of application of court to wind up AGT if the Winding Up resolution is not approved. In this regard, we note that Accordia Golf is entitled to vote on the Winding Up.

5.10.6 Outlook of the Group

We would draw the attention of Unitholders to (i) paragraph 10 of AGT's 4Q FY19/20 results announcement dated 11 June 2020, (ii) the 4Q FY19/20 results presentation, (iii) the Circular and (iv) the 1Q FY20/21 financial update presentation wherein the Trustee-Manager has made a commentary of the significant trends and competitive conditions of the industry in which the Group operates as well as factors or events that may affect the Group. We have reproduced certain excerpts below:

Results Announcement

"Economic Outlook

World economies have been rattled by the outbreak of the Covid-19. In Japan, a country-wide State of Emergency was declared in mid-April 2020. In response, the government announced a record JPY 117 trillion economic stimulus package in April 2020 and another JPY 117 trillion economic stimulus package in May 2020, to protect the Japanese economy with one of the world's largest economic stimulus packages.

The International Monetary Fund (IMF) projected a contraction of growth by - 5.2% for Japan in 2020 which is in contrast with its earlier growth forecast of 0.7% in January 2020. The Covid-19 outbreak might push worldwide economies into recessions, including the Japanese economy. For the time being, economic activity will remain at a lower level than pre-Covid-19 and changes in the golf course industry is expected to continue, with new measures in place to minimise the spread of the Covid-19 outbreak.

Japan's Golf Industry

On 24 March 2020, it was announced that the Tokyo summer Olympics will be officially postponed to July 2021. Golf will still be on the schedule for the second time

in more than a century. We see this event as an opportunity to promote golf as a sport. Golf is a sport that has not changed, but the environment and approach to the sport is ever changing.

There are 2,248 golf courses in Japan, according to Nihon Golf-jo Keiesha Kyokai (Japan Golf Course Management Association) in 2018. We expect further consolidation in the coming year as more golf courses with weak balance sheets shutter, exacerbated by the impact of COVID-19.

Looking Ahead

Given the fluidity of the unfolding COVID-19 situation, and the potential long drawn recovery process, we will adopt an agile and continuous learning mindset to ensure social distancing measures are adopted. During the state of emergency declared in Japan, we have taken active steps to close certain higher risk segments of our business such as restaurants, locker rooms and baths, and have implemented 18 hole thru-play, bypassing the Japan's traditional one-hour lunch break practice. Shuttle services provided at the various golf courses have also been suspended.

We will continue to streamline our cost structure to align with the new norm and establish stringent health and safety protocols to restore consumer confidence and employee safety. Employees are now required to put on masks and have been advised to adopt good hygiene practices. At the same time, we have stepped up efforts to increase the frequency of sanitisation of the golf course premises. Large meeting and business trips are also cancelled, with non-customer facing employees encouraged to work from home as much as possible.

As a long term, community focused golf Group, we stand united with the Japanese and Singapore government in their national efforts to contain COVID-19. While our financial performance during our usual best performing spring season have been impacted, the Group's decision to set aside some reserve from the strong performance achieved in the current financial year, will help the Group to stay in the game, allowing operations to continue smoothly and the Group to emerge stronger from this crisis."

4Q FY19/20 Results Presentation

"

- *State of Emergency declared for 7 prefectures in Japan on 7 April 2020, expanded to all 47 prefectures in Japan on 16 April 2020, and lifted for 39 prefectures on 14 May 2020 with the remaining on 25 May 2020. People requested to stay home as much as possible with movement across prefectures restricted.*
- *During this period, our golf course were not subject to closures but required to implement social distancing and safety measures.*
- *In month of April 2020 alone, year-on-year, number of golfers fell 24.6% to 392,000 and unit price per player fell 21.8% to JPY 6,643 due to closure of restaurant business.*
- *May 2020 performance is expected to approximate performance in April 2020*
- *Although state of emergency has been lifted, the implementation of social distancing and safety measures as well as restriction on movement across prefectures are still in effect today.*

- *Accordia Group continues to streamline cost structure to align with new norm while ensuring stringent health and safety protocols.*
- *Recovery is not expected to be immediate and COVID-19 impact could continue for 6-12 months or possibly longer.”*

Circular

“

- *The performance of the portfolio golf courses has shown a significant decline in Q1 FY2020/21 due to the state of emergency declared by the Japanese government for the period from 7 April 2020 to the last week of May 2020. Many golfers stayed home during this period, resulting in high number of cancellations. As a result, the number of players in Q1 FY2020/21 decreased by 12.3% as compared to Q1 FY2019/20.*
- *In line with Japan government’s effort to boost local domestic tourism, the TK Operator has rolled out discounts and outreach programs to improve utilisation by domestic players, and there are signs of recovery in the utilisation in June 2020. There were more players in the month of June 2020 as compared to the month of June 2019 although the year-on-year average revenue per player for the month of June declined by 18.4%. However, revenue per player is expected to remain lower than previous years’ and there is no certainty that the performance will achieve full recovery to the same level as pre-COVID-19 for the remaining fiscal year. The impact of COVID-19 could continue for 6 to 12 months or possibly longer.”*

1Q FY20/21 Financial Update Presentation

“

- *With high degree of uncertainty brought about by the COVID-19 outbreak and the halting of international travel to Japan, management forecast that performance of the golf industry will continue to remain muted in the coming months, as the unemployment level in Japan continues to increase and the economy contracts”*

5.10.7 AGT’s Rights Under the TK Interests

We note from the Circular and the IPO Prospectus that AGT does not have operational control over the Golf Courses under the TK Interests. In particular, we note that:

- (i) Under Japanese laws, AGT as a TK Investor is not allowed to actively participate in or directly control the TK Business. If a TK Investor directly controls the TK Business, it would most likely harm the Tokumei Kumiai (silent partnership) nature of the arrangement and the parties could possibly lose the benefits and advantages that would otherwise be available under the TK structure. Therefore, under the TK Agreement, AGA as AGA has sole responsibility for the acquisition and management of the golf courses. Neither AGT nor the Trustee-Manager, nor any of their officers, directors, or employees, may actively manage and operate any part of the TK business, nor shall such entities or individuals have any authority to act for AGA.
- (ii) AGT as the TK investor, does not have voting rights at a shareholders meeting of AGA (being the TK operator) or any other rights to actively participate in decision-making processes of AGA, including management and operation of the TK business, except for veto rights over material matters of the TK business and for the rights of inspection of the TK operator and the TK business which are granted by the laws and its

contractual rights which may be provided for in the TK agreement to the extent allowed by law. AGA, as TK operator, will otherwise manage the TK business in its sole discretion. A TK operator owes a duty of care as a good manager to the TK investor in managing and operating the TK business.

- (iii) Under the TK Agreement, AGT as the TK Investor has veto rights in respect of certain key operational matters including any amendment to the articles of incorporation, cessation or change of principal business, entry into interested person transactions and preparing or amending the annual business plan.
- (iv) The operations and management of the Golf Courses are practically effected through the veto rights of AGT as the TK Investor coupled with AGA sub-contracting the operations of the TK Business to third parties such as (i) certain operation and management functions of the Golf Courses being outsourced by AGA to Accordia Golf pursuant to the Golf Course Management Agreement and (ii) certain advisory services being outsourced to the Asset Manager under the Asset Management Agreement.

5.10.8 Accordia Golf is the single largest controlling Unitholder

As at the Latest Practicable Date, we note that the Accordia Golf is the single largest controlling Unitholder with approximately 28.85% unitholding interest in AGT. We also note that Accordia Golf has a 49.0% shareholding interest in the Trustee-Manager.

We also note that Accordia Golf is a golf course operator in Japan, primarily engaged in the management and operation of golf courses and driving ranges under the Accordia brand. As part of its asset light strategy to enhance operational efficiency, Accordia Golf established AGT in 2014 with the function of holding golf course assets and has since, in connection with the IPO, transferred 89 golf courses assets it owned and managed to AGT. Under the Sponsor Support Agreement dated 27 June 2014, Accordia Golf continues to provide the operation and management of the Golf Courses.

Based on the above, we note that Accordia Golf already has significant influence over AGT and the operations of the Golf Courses as at the Latest Practicable Date.

5.10.9 Certain Agreements between AGT and Accordia Golf

According to AGT's IPO Prospectus, AGT and the Accordia Golf had pursuant to the IPO, entered into certain agreements dated 27 June 2014 ("**IPO Agreements**") namely (i) the Representation and Warranty Letter, (ii) the Right of First Refusal, (iii) a Deed of Call Option, and (iv) the Sponsor Support Agreement. These agreements grant AGT, *inter alia*, the first right of refusal to acquire any golf course business to be acquired or disposed by Accordia Golf, and a call option over existing and future golf courses held by Accordia Golf under the Accordia brand.

We note that in connection with the Proposed Divestment, the IPO Agreements will be terminated pursuant to the TK Interest Transfer Agreement.

5.10.10 Land and Building Issues

As disclosed in AGT's IPO Prospectus, AGA has certain outstanding land and building issues in relation to the Golf Courses ("**Land and Building Issues**") which include (i) no title in respect of lands, (ii) non-registration of ownership rights, (iii) non-registration of leasehold interest, (iv) not all boundaries are delineated and (v) not all the leased lands have leases executed in writing. We note that Accordia Golf has provided indemnities and in some cases, put options, to AGT to safeguard AGT's interests in relation to the Land and Building Issues.

Since the IPO, the Trustee-Manager has periodically made announcements on the SGX-ST to provide updates to Unitholders on the ongoing resolutions of the Land and Building Issues. As at the Latest Practicable Date, certain of the Land and Building Issues are still in the midst of being resolved. Unitholders may wish to refer to AGT's periodic announcements for more information.

5.10.11 Abstention from voting

Under Rule 919 of the Listing Manual, where a meeting is held to obtain unitholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given.

In consideration of the above, we note that Accordia Golf and its associates will abstain from voting (either in person or by proxy) on the Proposed Divestment. Accordingly, only the independent Unitholders will vote and decide on the outcome of the Proposed Divestment. As at the Latest Practicable Date, Accordia Golf holds a direct interest in 28.85% of the total outstanding Units in issue.

5.10.12 Irrevocable Undertakings from Hibiki and Santa Lucia

We note from the Circular that Hibiki and Santa Lucia have provided Irrevocable Undertakings dated 7 August 2020 to Accordia Golf and the Trustee-Manager to, among others:

- (i) vote, or procure the voting of, all of the Units in which they have an interest (direct and indirect) in favour of the resolutions to approve the Proposed Divestment, the Winding Up and any other matter necessary or proposed to implement the Proposed Divestment and/or the Winding Up at any meeting of the Unitholders to be convened to approve the Proposed Divestment and/or the Winding Up and at any adjournment thereof; and
- (ii) comply with certain non-solicitation and no-talk provisions.

We note from the Circular that the Trustee-Manager did not make any payment to Hibiki and Santa Lucia for providing the Irrevocable Undertakings. We also wish to highlight that as at the date of the Irrevocable Undertakings, Hibiki has an aggregate interest (direct and indirect) in 83,641,900 Units and Santa Lucia has an aggregate interest (direct and indirect) in 33,900,000 Units, which collectively represents a unitholding interest of approximately 10.7% in AGT.

5.10.13 Financial Effects of the Proposed Divestment

We note from the Circular that the Group expects to record an estimated net gain of approximately JPY 5,360 million from the Proposed Divestment. On a proforma basis, the Proposed Divestment will increase the NTA per Unit as at 31 March 2020 from \$0.646 to S\$0.710.

5.10.14 Completion subject to certain Conditions Precedent being satisfied or waived

We note from the Circular that the payment of the Purchase Consideration by Accordia Golf under the TK Interest Transfer Agreement is conditional on the following conditions precedent being satisfied or, at the discretion of Accordia Golf, waived (save for the conditions precedent set out in 5.10.14 (d) and (e) which are not capable of being waived).

- a) the representations and warranties made by the Trustee-Manager under the TK Interest Transfer Agreement are true and correct in all material respects on the date of the TK Interest Transfer Agreement and the Assignment Date;
- b) the Trustee-Manager has performed or observed all of its obligations to be performed or observed by the Assignment Date under the TK Interest Transfer Agreement in all material respects;
- c) borrowings from financial institutions to the parent companies of Accordia Golf for part of the funds necessary in order to pay the Purchase Consideration and to repay existing borrowings owing by AGA under the loan agreement (as amended) dated 24 July 2018 between AGA, Aozora Bank, Ltd. and ORIX Corporation (the “**Existing Borrowings (TK Operator)**”) have been taken out, and other financing to procure the funds necessary to pay the Purchase Consideration and to repay the Existing Borrowings (TK Operator) has been completed by Accordia Golf (the “**Financing Condition**”);
- d) the approval by Unitholders at the EGM of the resolutions as may be necessary to give effect to the Assignment and the payment of distributions to Unitholders using the Purchase Consideration in the manner set out in paragraph 9.1 of the Letter to Unitholders (the “**Distribution Payment**”, and together with the Assignment, the “**Transactions**”);
- e) insofar as the Assignment or the acquisition of the membership interests of AGA (which is expected to be consummated simultaneously with the Assignment) triggers a mandatory merger control filing requirement under the Japanese Act on Prohibition of Private Monopolisation and Maintenance of Fair Trade (the “**Anti-Monopoly Act**”), a filing having been made to and accepted by the Japan Fair Trade Commission (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;
- f) the following documents have been delivered by the Trustee-Manager to Accordia Golf;
 - (i) the original of the TK Agreement;
 - (ii) an extract of the resolution passed by the Board of Directors of the Trustee-Manager (the “**Board**”) to approve the Transactions;
 - (iii) AGA’s written approval of the Assignment in the form set out in the TK Interest Transfer Agreement; and
 - (iv) a confirmation in writing by the Board that the Distribution Payment will be made in the manner set out in paragraph 9.1 of the Letter to Unitholders; and
- g) between the date of this TK Interest Transfer Agreement and up to the Assignment Date, no order, injunction or ruling having been issued by government agencies or financial instrument exchanges or regulatory authority or having been obtained by other third party that would have the effect of prohibiting the Transactions,

(collectively the “**Conditions**”)

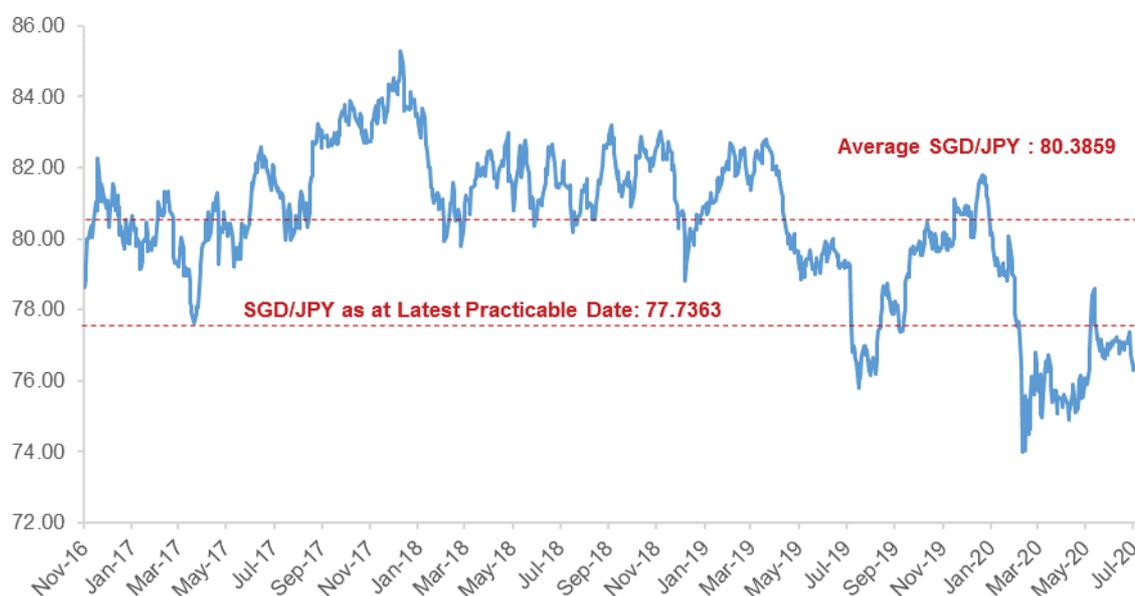
As such, there can be no assurance that the Completion will occur until all the Conditions above have been satisfied or waived.

5.10.15 Further Distribution

We wish to highlight that, if the Proposed Divestment proceeds and completes by 30 September 2020 in accordance with the TK Interest Transfer Agreement, Unitholders will only receive the Special Distributions and the Final Distribution (if any) and there will be no further distribution by AGT for the period from 1 April 2020 to the Completion of the Proposed Divestment. In the event that approval for the resolution in relation to the Proposed Divestment is not obtained from Unitholders and the Proposed Divestment does not proceed, the Trustee-Manager will continue to hold its interests in the Golf Courses through its TK Interests and semi-annual distributions will continue. For the avoidance of doubt, even if the Proposed Divestment does not proceed, Unitholders will still receive the Supplemental Distribution. Please refer to paragraph 9.2 of the Letter to Unitholders for more information on the cash distribution made by AGA to the Trustee Manager under the TK Agreement. We note that Accordia Golf has indicated that it will not be able to extend the completion of the Proposed Divestment beyond the third quarter of 2020.

5.10.16 Impact of Foreign Exchange Rate

We set out below the SGD/JPY exchange rates between 28 November 2016 between and 27 November 2019 (being the 3 year period up to the full trading day prior to the Non-Binding Proposal Date) and up to the Latest Practicable Date.



Source: Bloomberg L.P.

SGD/JPY exchange rates at various dates

Date	SGD/JPY exchange rate
31 Mar 2017	80.0384
31 Mar 2018	81.0767
31 Mar 2019	81.7127
31 Mar 2020	76.1905
30 Jun 2020	77.1069
Non-binding Announcement Date	80.1346
Last Trading Day	76.8640
Latest Practicable Date	77.7363

Source: Bloomberg L.P.

Unitholders should note that the underlying assets and liabilities of the Group as well as the Purchase Consideration are denominated in JPY, while market trading in the Units as well as distributions from AGT are denominated in SGD. Therefore, the NAV per Unit, proceeds from the Proposed Divestment, distributions by AGT and the market price of the Units in SGD terms are affected by foreign exchange fluctuation between SGD and JPY. We also wish to highlight that the Trustee-Manager does not currently intend to enter into hedging arrangements to fix the SGD/JPY exchange rate to hedge the post-Completion cash balance of AGT.

We note that between 28 November 2016 and the Latest Practicable Date, the SGD/JPY exchange rate has fluctuated from a low of approximately 74.0138 on 9 March 2020 to a high of approximately 85.2733 on 5 January 2018, with an average rate of approximately 80.3859. The SGD/JPY exchange rate as at the Latest Practicable Date of approximately 77.7363 is at the lower end of the above historical range of exchange rates. Generally, a lower SGD/JPY exchange rate will translate into a higher quantum of net proceeds from the Proposed Divestment in SGD terms.

We note that during the same period, the NAV of the Group has decreased from JPY 80,280 million as at 31 March 2017 to JPY 60,391 million as at 30 June 2020, representing a decrease of approximately 24.8%. Applying the respective foreign exchange rates, the NAV of the Group decreased from S\$1,003 million as at 31 March 2017 to S\$783 million as at 30 June 2020, representing a decrease of approximately 21.9%. In this respect, we note that the NAV in JPY terms has underperformed the NAV of the Group in SGD terms during this period.

6. SUMMARY OF OUR ANALYSIS

6.1 Key Factors

In arriving at our advice to the Independent Directors and the Audit and Risk Committee on the terms of the Proposed Divestment, we have considered *inter alia* the following factors which should be read in the context of the full text of this letter:

- (i) The Purchase Consideration is at a premium of between approximately 9.6% to 25.3% to the range of the Appraised Value;
- (ii) The Purchase Consideration represents a premium of 9.0% and 16.8% to the NAV and NTA of the TK Interests as at 30 June 2020, respectively;

- (iii) The Implied Value represents a premium of 7.3% and 14.9% to the NAV and NTA of the Group as well as a premium of 9.4% and 17.4% to the Adjusted NAV and Adjusted NTA of the Group as at 30 June 2020, respectively;
- (iv) The P/NAV of the Units implied by the Implied Value is higher than the historical trailing P/NAV of the Units throughout the 3 year period up to the full trading day prior to the Non-Binding Proposal Date and up to the Latest Practicable Date;
- (v) Prior to the Non-binding Proposal Date, the Units had not closed at or above the Implied Value per Unit since 13 November 2017;
- (vi) The Implied Value per Unit represents a premium of between 22.1% to 44.7% over the various VWAPs in the 3-year period prior and up to the full trading day prior to the Non-Binding Proposal Date;
- (vii) Between the Non-Binding Proposal Date and up to the Latest Practicable Date, the market price of the Units had not closed at or above the Implied Value per Unit;
- (viii) It is likely that the market prices of the Units since the announcement of the Non-Binding Proposal and as at the Latest Practicable Date, are being supported by the Proposed Divestment;
- (ix) The P/NAV of AGT implied by the Implied Value is significantly above the corresponding range of multiples of the Hospitality Trusts;
- (x) The LTM Distribution Yield of AGT implied by the Implied Value is within the range of LTM Distribution Yields of the Hospitality Trusts;
- (xi) While the EV/EBITDA and LTM Distribution Yield of AGT implied by the Implied Value are less favourable than those in Japanese Comparable Companies, the P/NAV of AGT implied by the Implied Value is above the corresponding mean and median multiples of the Japanese Comparable Companies;
- (xii) While the EV/EBITDA, P/NAV and LTM Distribution Yield of AGT implied by the Implied Value are less favourable than those in the Japanese Precedent Transactions, the market price premia implied by the Implied Value per Unit are significantly above the corresponding takeover premia for the Japanese Precedent Transactions;
- (xiii) While the LTM Distribution Yield of AGT implied by the Implied Value is less favourable than those of the Hospitality Trusts Transactions, the P/NAV of AGT implied by the Implied Value is in line with the corresponding multiples of the Hospitality Trusts Transactions;
- (xiv) The market price premia implied by the Implied Value per Unit are significantly above the corresponding premia of the Hospitality Trusts Transactions;
- (xv) The market price premia implied by the Implied Value per Unit are significantly above the corresponding premia of the Trust Privatisations;
- (xvi) While the market price premia implied by the Implied Value per Unit are below the corresponding mean premia of the Company Privatisations, it is nevertheless well within their range of premia;
- (xvii) The LTM Distribution Yield of the Units implied by the Implied Value per Unit is below both the (i) historical average yield of the Units from the date after the declaration of AGT's first distribution and up to the full trading day prior to the Non-Binding Proposal

Date and the (ii) historical 3-year average yield of the Units up to the full trading day prior to the Non-Binding Proposal Date;

- (xviii) The Implied Value per Unit is above the research analysts' target prices for the Units;
- (xix) The Independent Committee and Trustee-Manager had conducted a wide market testing process and the only definitive offer received by the Trustee-Manager was from Accordia Golf;
- (xx) The Trustee-Manager intends to distribute at least 97% of the Purchase Consideration from the Proposed Divestment to the Unitholders as soon as practicable following the Completion via the Special Distributions with any remaining amounts through the Final Distribution following the Winding Up;
- (xxi) The general decline in AGT's operating profit, net profit attributable to Unitholders and distributions for the period between FY15/16 to FY19/20 and Q1 FY20/21;
- (xxii) The Trustee-Manager intends to proceed with the Winding Up after Completion by way of application of court to wind up AGT if the Winding Up Resolution is not approved;
- (xxiii) The outlook of AGT has been and continues to be negatively affected by the COVID-19 outbreak and it is difficult to predict how long such conditions will exist and the extent to which AGT may be affected;
- (xxiv) AGT does not have voting rights in AGA (save for veto rights in certain material matters) nor have operational control over the TK Interests and the Golf Courses comprised within the TK Interests;
- (xxv) Accordia Golf already has significant influence over AGT and the operations of the Golf Courses as at the Latest Practicable Date;
- (xxvi) Accordia Golf and its associates will abstain from voting (either in person or by proxy) on the Proposed Divestment;
- (xxvii) Hibiki and Santa Lucia which collectively hold approximately 10.7% of the Units have provided Irrevocable Undertakings to vote in favour of the Proposed Divestment and the Winding Up;
- (xxviii) The Group expects to record an estimated net gain of approximately JPY 5,360 million from the Proposed Divestment; and
- (xxix) As at the Latest Practicable Date, there is no publicly available evidence of any alternative offer for the Golf Courses, TK Interests or the Units.

6.2 CIMB's Opinion

Based upon, and having considered, *inter alia*, the factors described above as a whole and the information that has been made available to us as at the Latest Practicable Date, we are of the opinion that as at the Latest Practicable Date, the Proposed Divestment is **ON NORMAL COMMERCIAL TERMS AND IS NOT PREJUDICIAL TO THE INTERESTS OF AGT AND ITS MINORITY UNITHOLDERS.**

This opinion is provided pursuant to Rule 921(4)(a) of the Listing Manual and only in connection with the Proposed Divestment.

The recommendation to be made by the Independent Directors and the Audit and Risk Committee to the minority Unitholders shall remain their responsibility. A copy of this letter may be reproduced in the Circular.

In rendering the opinion above, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any individual Unitholder. As each Unitholder would have different investment objectives and profiles, we would advise that any individual Unitholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Yours faithfully

For and on behalf of

CIMB BANK BERHAD, SINGAPORE BRANCH

JASON CHIAN SIET HENG
MANAGING DIRECTOR
INVESTMENT BANKING, SINGAPORE

ERIC WONG CHEAH HAW
DIRECTOR
INVESTMENT BANKING, SINGAPORE

INTERESTS OF AGT RELEVANT PARTIES

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾
Trustee-Manager						
Accordia Golf Trust Management Pte. Ltd.	–	–	–	–	–	–
Directors						
Khoo Kee Cheok	–	–	–	–	–	–
Yoshihiko Machida	–	–	–	–	–	–
Toyo Nakanishi	–	–	–	–	–	–
Chong Teck Sin	–	–	–	–	–	–
Hitoshi Kumagai	–	–	–	–	–	–
Substantial Unitholders						
Accordia Golf	317,097,000	28.85	–	–	317,097,000	28.85
Accordia Next Golf Co., Ltd. (“ ANGCL ”)	–	–	317,097,000 ⁽²⁾	28.85	317,097,000	28.85
MBK Partners JC, L.P.	–	–	317,097,000 ⁽³⁾	28.85	317,097,000	28.85
MBK Partners Fund III, L.P.	–	–	317,097,000 ⁽⁴⁾	28.85	317,097,000	28.85
MBK Partners GP III, L.P.	–	–	317,097,000 ⁽⁴⁾	28.85	317,097,000	28.85
MBK GP III, Inc	–	–	317,097,000 ⁽⁴⁾	28.85	317,097,000	28.85
Michael ByungJu Kim	–	–	317,097,000 ⁽⁴⁾	28.85	317,097,000	28.85
MBK Partners JC, GP L.P.	–	–	317,097,000 ⁽⁵⁾	28.85	317,097,000	28.85
MBK Partners JC GP, Inc.	–	–	317,097,000 ⁽⁵⁾	28.85	317,097,000	28.85
Teck Chien Kong	–	–	317,097,000 ⁽⁵⁾	28.85	317,097,000	28.85
CPP Investment Board Private Holdings (3) Inc	–	–	317,097,000 ⁽⁶⁾	28.85	317,097,000	28.85
Canada Pension Plan Investment Board	–	–	317,156,000 ⁽⁶⁾	28.86	317,156,000	28.86
Daiwa PI Partners Co. Ltd. (“ Daiwa PI ”)	58,858,000	5.36	–	–	58,858,000	5.36
Daiwa Investment Management Inc (“ DIMI ”)	–	–	58,858,000 ⁽⁷⁾	5.36	58,858,000	5.36
Daiwa Securities Group Inc. (“ DSGI ”)	–	–	58,858,000 ⁽⁸⁾	5.36	58,858,000	5.36
Hibiki Path Advisors Pte. Ltd. (“ Hibiki ”)	–	–	79,166,701 ⁽⁹⁾	7.20	79,166,701	7.20

Notes:

- (1) Based on total number of Units outstanding of 1,099,122,000 as at the Latest Practicable Date.
- (2) ANGCL is the sole shareholder of Accordia Golf. ANGCL is therefore deemed to be interested in the Units held by Accordia Golf.

- (3) MBK Partners JC, L.P. is a controlling shareholder of ANGCL. ANGCL is in turn the sole shareholder of Accordia Golf. MBK Partners JC, L.P. is therefore deemed to be interested in the Units held by ANGCL.
- (4) Michael ByungJu Kim is a controlling shareholder of MBK GP III, Inc. MBK GP III, Inc. is the sole general partner of MBK Partners GP III, L.P. MBK Partners GP III, L.P. is in turn the sole general partner of MBK Partners Fund III, L.P. MBK Partners Fund III, L.P. holds all the voting rights of MBK Partners JC, L.P. Michael ByungJu Kim, MBK GP III, Inc., MBK Partners GP III, L.P., and MBK Partners Fund III, L.P. are therefore each deemed to be interested in Units held by MBK Partners JC, L.P.
- (5) Teck Chien Kong is a controlling shareholder of MBK Partners JC GP, Inc. MBK Partners JC GP, Inc. is the sole general partner of MBK Partners JC, GP L.P. MBK Partners JC, GP L.P. is in turn the sole general partner of MBK Partners JC, L.P. Teck Chien Kong, MBK Partners JC GP, Inc. and MBK Partners JC, GP L.P. are therefore each deemed to be interested in Units held by MBK Partners JC, L.P.
- (6) Canada Pension Plan Investment Board is the sole shareholder of CPP Investment Board Private Holdings (3) Inc. CPP Investment Board Private Holdings (3) Inc. holds more than 20% of ANGCL which in turn is the sole shareholder of Accordia Golf. Canada Pension Plan Investment Board and CPP Investment Board Private Holdings (3) Inc. are therefore each deemed to be interested in Units held by ANGCL. Additionally, Canada Pension Plan Investment Board has a deemed interest in 59,000 Units held through an omnibus account maintained with its sub-custodian nominee bank.
- (7) DIMI is the intermediate holding company of Daiwa PI and is deemed to be interested in Units held by Daiwa PI.
- (8) DSGI is the ultimate holding company of Daiwa PI and is therefore deemed to be interested in Units held by Daiwa PI.
- (9) Hibiki is a fund management firm and has discrete management over a few trading accounts.

STEPS FOR PRE-REGISTRATION, PRE-SUBMISSION OF QUESTIONS AND VOTING AT THE EGM

Steps for pre-registration, pre-submission of questions and voting at the EGM

Unitholders will be able to observe and/or listen to the EGM proceedings through a “live” audio-visual webcast or “live” audio-only stream by pre-registering, submit questions in advance of the EGM and vote by appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

To do so, they will need to complete the following steps:

No.	Steps	Details
1.	Pre-registration	<p>Unitholders and SRS investors must pre-register at the pre-registration website at https://globalmeeting.bigbangdesign.co/agtrust/ from 21 August 2020 to 12 September 2020, 10.30 a.m. (Singapore time) (the “Pre-Registration Deadline”) to enable the Trustee-Manager to verify their status as Unitholders.</p> <p>Following the verification, authenticated persons will receive a Confirmation Email which will contain user ID and password details, as well as the link to access the “live” audio-visual webcast and a telephone number to access the “live” audio-only stream of the EGM proceedings.</p> <p>Authenticated persons who do not receive the Confirmation Email by 10.00 a.m. (Singapore time) on 13 September 2020, but have registered by the Pre-Registration Deadline should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6230 9768 or srs.teamd@boardroomlimited.com.</p> <p>Investors who hold Units through a relevant intermediary (other than SRS investors) will not be able to pre-register at https://globalmeeting.bigbangdesign.co/agtrust/ for the live broadcast of the EGM. Such investors who wish to participate in the live broadcast of the EGM should instead approach their relevant intermediary as soon as possible in order to make the necessary arrangements.</p>

No.	Steps	Details
2.	Pre-submission of questions	<p>Unitholders will not be able to ask questions live at the EGM during the webcast or audio stream, and therefore it is important for Unitholders to pre-register and submit their questions in advance of the EGM.</p> <p>Submission of questions: Unitholders may submit questions related to the resolutions to be tabled for approval at the EGM in advance of the EGM, in the following manner:</p> <p>(a) via the pre-registration website at https://globalmeeting.bigbangdesign.co/agtrust/;</p> <p>(b) by post to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623; or</p> <p>(c) by email to agmegm@agtrust.com.sg.</p> <p>When sending in your questions (b) by post or (c) by email, please also provide us with the following details:</p> <ul style="list-style-type: none"> • your full name; • your full NRIC/FIN/Passport Number; • your address; and • your unitholding type (e.g. CDP or SRS). <p>In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, Unitholders are strongly encouraged to submit their questions via the pre-registration website or by email.</p> <p>Deadline to submit questions: All questions must be submitted by 10.30 a.m. (Singapore time) on 11 September 2020.</p> <p>Addressing substantial and relevant questions: The Trustee-Manager will endeavour to answer all substantial and relevant questions received from Unitholders during the EGM through the “live” audio-visual webcast or “live” audio-only stream. However, as there may not be sufficient time to address all such questions during the EGM itself, the Trustee-Manager will also publish responses to questions which the Trustee-Manager is unable to address during the EGM on AGT’s website and on SGXNet prior to the EGM.</p> <p>Minutes of EGM: The Trustee-Manager will publish the minutes of the EGM on AGT’s website and on SGXNet within one month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from Unitholders which are addressed during the EGM.</p>

No.	Steps	Details
3.	Submission of Proxy Form to vote	<p>Appointment of Chairman of the EGM as proxy: Unitholders (whether individual or corporate) who wish to vote on the resolutions to be tabled at the EGM must appoint the Chairman of the EGM as their proxy to attend, speak and vote on their behalf at the EGM, in accordance with the instructions on the Proxy Form.</p> <p>Specific voting instructions to be given: Where Unitholders (whether individual or corporate) appoint the Chairman of the EGM as their proxy, they must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.</p> <p>Submission of Proxy Forms: Proxy Forms must be submitted in the following manner:</p> <p>(a) if submitted by post, the proxy form must be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623; or</p> <p>(b) if submitted electronically via email, the proxy form must be submitted to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamd@boardroomlimited.com;</p> <p>in either case, not later than 10.30 a.m. (Singapore time) on 12 September 2020, being not less than 48 hours before the time appointed for holding the EGM.</p> <p>A Unitholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.</p> <p>In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.</p> <p>SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their SRS operator to submit their votes by 5.00 p.m. (Singapore time) on 2 September 2020. Other persons holding Units through other relevant intermediary who wish to vote should approach their relevant intermediary as soon as possible to specify voting instructions.</p>

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.)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Accordia Golf Trust (“**AGT**”) will be convened and held by way of electronic means on Monday, 14 September 2020 at 10.30 a.m. (Singapore time) (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of AGT) for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular dated 21 August 2020 to Unitholders (the “**Circular**”)):

1. RESOLUTION 1 (ORDINARY RESOLUTION)

THE PROPOSED DIVESTMENT OF AGT’S INTERESTS IN ALL OF ITS GOLF COURSES TO ACCORDIA GOLF

That:

- (i) approval be and is hereby given for the Proposed Divestment, on the terms and conditions set out in the TK Interest Transfer Agreement, and the entry into of the TK Interest Transfer Agreement be and is hereby approved and ratified; and
- (ii) the Trustee-Manager and/or any Director, be and are hereby severally authorised to complete and do all such acts and things (including approving, modifying and executing all such documents as may be required) as the Trustee-Manager or such Director may consider expedient or necessary or in the interests of AGT to give effect to the Proposed Divestment.

2. RESOLUTION 2 (SPECIAL RESOLUTION)

THE PROPOSED WINDING UP

That, contingent on the passing of Resolution 1:

- (i) following completion of the Proposed Divestment, AGT be wound up in accordance with the BTA and the Trust Deed, and the Trustee-Manager be and is hereby authorised to proceed with the winding up of AGT in accordance with the BTA and the Trust Deed; and
- (ii) the Trustee-Manager and/or any Director be and are hereby severally authorised to complete and do all such acts and things (including approving, modifying and executing all such documents as may be required) as the Trustee-Manager or such Director may consider expedient or necessary or in the interest of AGT to give effect to the Winding Up.

By Order of the Board of Accordia Golf Trust Management Pte. Ltd.
(as Trustee-Manager of Accordia Golf Trust)

Tan Lay Hong
Company Secretary
Singapore, 21 August 2020

Important Notice:

1. The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to Unitholders. Instead, this Notice will be sent to Unitholders by electronic means via publication on AGT's website at the URL <http://agtrust.com.sg/>. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Circular. The Circular may be accessed at AGT's website at the URL <http://www.agtrust.com.sg/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. Unitholders will be able to observe and/or listen to the EGM proceedings through a "live" audio-visual webcast or "live" audio-only stream via their mobile phones, tablets or computers. In order to do so, Unitholders must pre-register at AGT's pre-registration website at the URL <https://globalmeeting.bigbangdesign.co/agtrust/> from 21 August 2020 to 12 September 2020, 10.30 a.m. (Singapore time) ("**Pre-Registration Deadline**") to enable the Trustee-Manager to verify their status as Unitholders.

Following the verification, authenticated Unitholders will receive an email, which will contain user ID and password details as well as instructions on how to access the "live" audio-visual webcast and "live" audio-only stream of the EGM proceedings, by 10.00 a.m. on 13 September 2020. Unitholders who do not receive an email by 10.00 a.m. on 13 September 2020 but have registered by the Pre-Registration Deadline should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6230 9768 or srs.teamd@boardroomlimited.com.

4. A Unitholder who pre-registers by the Pre-Registration Deadline to watch the "live" audio-visual webcast or "live" audio-only stream may also submit questions related to the resolutions to be tabled for approval at the EGM. To do so, all questions must be submitted by 10.30 a.m. on 11 September 2020:
 - (a) if submitted electronically, be submitted:
 - (i) via the AGT pre-registration website at the URL <https://globalmeeting.bigbangdesign.co/agtrust/>; or
 - (ii) via email to agmegm@agtrust.com.sg;
 - (b) if submitted by post, be deposited at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

Unitholders who submit questions via email or by post to the Unit Registrar must provide the following information:

- (1) the Unitholder's full name;
 - (2) the Unitholder's full NRIC/FIN/Passport Number;
 - (3) the Unitholder's address; and
 - (4) the manner in which the Unitholder holds Units in AGT (e.g., via CDP, scrip or SRS).
5. **A Unitholder will not be able to attend the EGM in person. A Unitholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Unitholder wishes to exercise his/her/its voting rights at the EGM.** The accompanying proxy form for the EGM ("Proxy Form") may be accessed at AGT's website at the URL <http://agtrust.com.sg/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a Unitholder (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

Unitholders who hold their Units through a relevant intermediary (as defined below), other than SRS investors, and who wish to participate in the EGM by (a) observing and/or listening to the EGM proceedings through "live" audio-visual webcast or "live" audio-only stream; (b) submitting questions in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, should approach their respective relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their SRS operator to submit their votes by 5.00 p.m. (Singapore time) on 2 September 2020, being 7 clear working days before the date of the EGM.

"relevant intermediary" means:

- (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who hold Units in that capacity; or
- (ii) a person holding a capital markets service licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity.

6. The Chairman of the EGM, as proxy, need not be a Unitholder of the Trust.
7. The Proxy Form must be submitted in the following manner:
 - (a) if submitted by post, be lodged at the Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted electronically, be submitted via email to the Unit Registrar at srs.teamd@boardroomlimited.com, in either case, not later than 10.30 a.m. (Singapore time) on 12 September 2020, being not less than 48 hours before the time fixed for holding the EGM.

A Unitholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

The Proxy Form must be executed under the hand (or if submitted electronically via email, alternatively by way of affixation of an electronic signature) of the appointor or of his or her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand (or if submitted electronically via email, alternatively by way of affixation of an electronic signature) of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Trustee-Manager), if the Proxy Form is submitted by post, must be lodged with the Proxy Form (or if submitted electronically via email, be emailed with the Proxy Form), failing which the Proxy Form may be treated as invalid.

The Trustee-Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form (including any related attachment). In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by CDP to the Trustee-Manager.

8. The Circular has been uploaded on SGX website on 21 August 2020 at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at AGT's website at the URL <http://www.agtrust.com.sg/>.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or its agents or service providers) for the purpose of the processing, administration and analysis by the Trustee-Manager (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Trustee-Manager (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

**PROXY FORM
EXTRAORDINARY GENERAL MEETING**

ACCORDIA GOLF TRUST

(A business trust constituted on 16 June 2014 under the laws of the Republic of Singapore)
(Registration No. 2014002)

**ACCORDIA GOLF TRUST MANAGEMENT
PTE. LTD.**

(As Trustee-Manager of Accordia Golf Trust)
(Company Registration No. 201407957D)
(Incorporated in the Republic of Singapore)

This proxy form has been made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at AGT's website at the URL <http://agtrust.com.sg/>. A printed copy of this proxy form will NOT be despatched to unitholders of AGT ("Unitholders").

IMPORTANT:

1. The Extraordinary General Meeting ("EGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copy of the Notice of EGM will not be sent to Unitholders of Accordia Golf Trust ("AGT") (the "Unitholders"). Instead, the Notice of EGM will be sent to Unitholders by electronic means via publication on AGT's website at the URL <http://agtrust.com.sg/>. The Notice of EGM will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Circular dated 21 August 2020 as well as the accompanying announcement by AGT dated 21 August 2020. This announcement may be accessed at AGT's website at the URL <http://agtrust.com.sg/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **Due to the current COVID-19 restriction orders in Singapore, a Unitholder will not be able to attend the EGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the EGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Unitholder wishes to exercise his/her/its voting rights at the EGM.**
4. This Proxy Form is not valid for use by SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their SRS operator to submit their votes by 5.00 p.m. (Singapore time) on 2 September 2020, being 7 clear working days before the date of the EGM.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 21 August 2020.
6. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the EGM as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the EGM.

I/We, _____ NRIC/Passport No. _____

of _____
(Address)

being a unitholder/unitholders of **Accordia Golf Trust**, hereby appoint the Chairman of the EGM, as my/our proxy to attend, speak and vote for me/us on my/our behalf at the EGM to be convened and held by way of electronic means on Monday, 14 September 2020 at 10.30 a.m. (Singapore time) (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of AGT) and any adjournment thereof.

I/We direct the Chairman of the EGM as my/our proxy to vote for, against or to abstain from voting on, the resolutions to be proposed at the EGM as indicated hereunder.

(Voting will be conducted by poll. If you wish the Chairman of the EGM as your proxy to cast all your votes "for" or "against" or "abstain" from voting on a resolution, please indicate with an "X" in the "For" or "Against" or "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of votes that the Chairman of the EGM as your proxy is directed to vote "For" or "Against" or to abstain from voting in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.**)

	No. of Votes For	No. of Votes Against	No. of Votes Abstain
Resolution 1 (Ordinary Resolution) To approve the Proposed Divestment for the disposal of AGT's interests in all of its Golf Courses to Accordia Golf			
Resolution 2 (Special Resolution) To approve the proposed Winding Up (Conditional upon the passing of Resolution 1)			

Dated this _____ day of _____ 2020

Total number of units in	No of units
CDP Register	
Register of Unitholders	

Signature(s) of Unitholder(s)/and, Common Seal of Corporate Unitholder



1st fold here

2nd fold here

Affix
Postage
Stamp

Accordia Golf Trust Management Pte Ltd
(as Trustee-Manager of Accordia Golf Trust)
c/o Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623

3rd fold here

IMPORTANT: PLEASE READ NOTES TO PROXY FORM BELOW

NOTES TO PROXY FORM:

1. Due to the current COVID-19 restriction orders in Singapore, a Unitholder will not be able to attend the EGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the EGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Unitholder wishes to exercise his/her/its voting rights at the EGM. This proxy form may be accessed at AGT's website at the URL <http://agtrust.com.sg/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Where a Unitholder (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

Unitholders who hold their Units through a relevant intermediary (as defined in the Notice of EGM), other than SRS investors, and who wish to participate in the EGM by (a) observing and/or listening to the EGM proceedings through "live" audio-visual webcast or "live" audio-only stream; (b) submitting questions in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, should approach their respective relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their SRS operator to submit their votes by 5.00 p.m. (Singapore time) on 2 September 2020, being 7 clear working days before the date of the EGM.

2. The instrument appointing the Chairman of the EGM as proxy ("**Proxy Form**") must be submitted in the following manner:
 - (a) if submitted by post, be lodged at the Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted electronically, via email to the Unit Registrar at srs.teamd@boardroomlimited.com,

in either case, not later than 10.30 a.m (Singapore time) on 12 September 2020, being not less than 48 hours before the time fixed for holding the EGM.

A Unitholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 restriction orders in Singapore which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

3. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she/it should insert that number of Units. If the Unitholder has Units registered in his/her/its name in the Register of Unitholders, he/she/it should insert that number of Units. If the Unitholder has Units entered against his/her/its name in the said Depository Register and Units registered in his/her/its name in the Register of Unitholders, he/she/it should insert the aggregate number of Units entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Unitholders. If no number is inserted, the Proxy Form will be deemed to relate to all the Units held by the Unitholder.
4. The Proxy Form must be executed under the hand (or if submitted electronically via email, alternatively by way of affixation of an electronic signature) of the appointor or of his or her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand (or if submitted electronically via email, alternatively by way of affixation of an electronic signature) of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Trustee-Manager), if the Proxy Form is submitted by post, must be lodged with the Proxy Form (or if submitted electronically via email, be emailed with the Proxy Form), failing which the Proxy Form may be treated as invalid.
5. The Trustee-Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form (including any related attachment). In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the EGM, as certified by CDP to the Trustee-Manager.