



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.)

UPDATE TO THE PROPOSED DIVESTMENT OF ACCORDIA GOLF TRUST'S INTERESTS IN ALL OF ITS GOLF COURSES

1. INTRODUCTION

The board of directors (the "**Board**") of Accordia Golf Trust Management Pte. Ltd., as trustee-manager of Accordia Golf Trust ("**AGT**" or the "**Trust**", and the trustee-manager of AGT, the "**Trustee-Manager**") refers to the announcement dated 29 June 2020 in relation to the proposed divestment of AGT's interests in all of its golf courses to Accordia Golf (the "**Proposed Divestment Announcement**").

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

The Board additionally refers to the announcement dated 28 July 2020 in respect of the receipt of a letter by the Trustee-Manager on 27 July 2020 from Hibiki Path Advisors Pte. Ltd. ("**Hibiki**") and certain Unitholders (collectively, the "**Requisitioning Unitholders**") at its registered office, requesting the Trustee-Manager to convene an extraordinary general meeting pursuant to Section 54 of the Business Trusts Act to consider certain resolutions (the "**Requisition Notice**").

The Trustee-Manager wishes to announce that Accordia Golf has agreed to an increase in the purchase consideration for the Proposed Divestment and accordingly the Trustee-Manager has on 7 August 2020, 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 have also received undertakings from certain of the Requisitioning Unitholders. Further details of the foregoing are set out below.

2. PRINCIPAL TERMS OF THE SUPPLEMENTAL DEED

2.1 Purchase Consideration

Pursuant to the terms of the Supplemental Deed:

- (a) the purchase consideration to be received by the Trustee-Manager for the Proposed Divestment has been increased from a fixed amount of JPY 61,800 million (approximately S\$804.1 million¹) to a fixed amount of JPY 65,200 million

¹ Based on 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 (the "**Illustrative Exchange Rate**"). Unless otherwise stated, all conversions of JPY amounts into S\$ in this announcement shall be based on the Illustrative Exchange Rate and all amounts in S\$ in this announcement shall, where such amount exceeds one million, be rounded to one decimal place.

(approximately S\$848.4 million) (the “**Revised Purchase Consideration**”), an increase of JPY 3,400 million (approximately S\$44.2 million);

- (b) the Revised Purchase Consideration does not include the sum of JPY 1.2 billion set aside by the TK Operator as special reserves for operations as set out in the unaudited consolidated financial results for FY2019/20 (the “**Special Reserves**”);
- (c) 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 Unitholders²; and
- (d) 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).

2.2 Special Distributions

Pursuant to the Revised Purchase Consideration, the net proceeds from the Proposed Divestment to be distributed to the Unitholders as soon as practicable following the Completion via special distributions, after setting aside the amounts as previously announced at paragraph 7 of the Proposed Divestment Announcement, have been increased. In particular, the Trustee-Manager now intends to distribute to Unitholders:

- (a) at least JPY 59,984 million (approximately S\$780.5 million) (being an increase of JPY 3,128 million (approximately S\$40.7 million)), representing 92% of the Revised 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, at least JPY 3,260 million (approximately S\$42.4 million) (being an increase of JPY 170 million (approximately S\$2.2 million)), representing 5% of the Revised Purchase Consideration within 25 business days after the Claim Expiry Date.

2.3 Break Fee

Pursuant to the Revised Purchase Consideration, the absolute amount of the break fee that Accordia Golf shall pay to the Trustee-Manager has been increased to JPY 326 million (approximately S\$4.2 million) from JPY 309 million (approximately S\$4.0 million). As previously announced at paragraph 4.5 of the Proposed Divestment Announcement, Accordia Golf shall pay to the Trustee-Manager 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 (a) 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 (b) the TK Interest Transfer Agreement is terminated by the Trustee-Manager pursuant to paragraph 4.4.1(ii) of the Proposed Divestment Announcement, without despatching or issuing the Circular.

² The Trustee-Manager had on 23 June 2020 announced its intention to declare the distribution to Unitholders of the JPY 1.2 billion cash reserve, being the Supplemental Distribution.

For avoidance of doubt, the percentage amount of the break fee to be paid by Accordia Golf to the Trustee-Manager has not changed at 0.5% of the purchase consideration.

3. UNDERTAKINGS BY HIBIKI AND CERTAIN UNITHOLDERS

Hibiki (being one of the Requisitioning Unitholders) and Santa Lucia Asset Management Pte Ltd have each provided an irrevocable undertaking dated 7 August 2020 (the “**Irrevocable Undertakings**”) to Accordia Golf and the Trustee-Manager to, subject to the release of this announcement by the Trustee-Manager of the increase in the purchase consideration to JPY 65,200 million (approximately S\$848.4 million), among others:

- (a) vote, or procure the voting of, all of the Units in which they have an interest (direct and indirect)³ (the “**Relevant Units**”) 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;
- (b) comply with certain non-solicitation and no-talk provisions; and
- (c) promptly withdraw or procure the withdrawal of the Requisition Notice no later than one business day after the release of this announcement.

The Trustee-Manager will make a further announcement on the SGX-ST when it receives notification of the withdrawal of the Requisition Notice.

4. ANALYSIS OF THE REVISED PURCHASE CONSIDERATION

The Revised Purchase Consideration of JPY 65,200 million (approximately S\$848.4 million) for the TK Interests is JPY 4,671 million (approximately S\$60.8 million)⁴ higher than the book value of the TK Interests as at 31 March 2020, which is JPY 60,529 million (approximately S\$787.6 million).

The Revised Purchase Consideration translates to an implied purchase consideration of S\$0.772 per Unit⁵, 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;

³ As at the date of the Irrevocable Undertakings, Hibiki has an aggregate interest (direct and indirect) in 83,641,900 Units and Santa Lucia Asset Management Pte. Ltd. has an aggregate interest (direct and indirect) in 33,900,000 Units.

⁴ This is also the estimated net gain arising from the Proposed Divestment.

⁵ Derived by dividing the Revised Purchase Consideration by the total number of outstanding Units of 1,099,122,000 as at 31 March 2020. 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.

- (c) 9.6% and 25.3% premium to the Indicative TK Interests Valuation Range on a per Unit basis;
- (d) 19.1% premium to AGT's adjusted⁶ NTA (the "**Adjusted NTA**") per Unit based on the unaudited consolidated financial results for FY2019/20; and
- (e) 10.9% premium to AGT's adjusted⁷ NAV (the "**Adjusted NAV**") per Unit based on the unaudited consolidated financial results for FY2019/20.

A comparison of the premiums arising from the Revised Purchase Consideration per Unit to those arising from the Purchase Consideration per Unit are set out in the following table:

	Revised Purchase Consideration	Purchase Consideration
Premium to the closing price per Unit on the Last Announcement Day	36.6%	29.5%
Premium to the one-month VWAP per Unit up to and including the Last Announcement Day	30.7%	23.9%
Premium to the three-month VWAP per Unit up to and including the Last Announcement Day	40.8%	33.4%
Premium to the closing price per Unit on the Last Unaffected Trading Day	28.6%	21.9%
Premium to the one-month VWAP per Unit up to and including the Last Unaffected Trading Day	28.5%	21.8%
Premium to the three-month VWAP per Unit up to and including the Last Unaffected Trading Day	35.0%	28.0%
Premium to the TK Interests Valuation Range on a per Unit basis	9.6% - 25.3%	3.9% – 18.7%
Premium to the Adjusted NTA per Unit	19.1%	12.9%
Premium to the Adjusted NAV per Unit	10.9%	5.1%

⁶ AGT's adjusted NTA of JPY 54,741 million (approximately S\$712.3 million) is based on the unaudited consolidated financial results for FY2019/20 and adjusted for distributions paid on 29 June 2020 and the Supplemental Distribution.

⁷ AGT's adjusted NAV of JPY 58,787 million (approximately S\$764.9 million) is based on the unaudited consolidated financial results for FY2019/20 and adjusted for distributions paid on 29 June 2020 and the Supplemental Distribution.

5. PRO FORMA FINANCIAL EFFECTS OF THE REVISED PURCHASE CONSIDERATION ON THE PROPOSED DIVESTMENT

The pro forma financial effects of the Proposed Divestment on AGT pursuant to the Revised Purchase Consideration, as prepared based on AGT's unaudited 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.

5.1 Pro Forma NTA per Unit

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Proposed Divestment on AGT's NTA per Unit pursuant to the Revised Purchase Consideration, based on AGT's unaudited 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)	712.3	773.0
Number of Units ⁽²⁾ ('000)	1,099,122	1,099,122
NTA per Unit (S\$)	0.648	0.703

Notes:

- (1) Based on the unaudited consolidated financial results for FY2019/20 of AGT. Adjusted for the distributions paid on 29 June 2020 and the Supplemental Distribution.
- (2) Based on the total number of Units outstanding as at 31 March 2020.

5.2 Pro Forma Distribution per Unit

There is no change to the pro forma financial effects of the Proposed Divestment pursuant to the Revised Purchase Consideration on AGT's DPU pursuant to the Revised Purchase Consideration from that set out at paragraph 6.2 of the Proposed Divestment Announcement.

Further details of the pro forma financial effects of the Proposed Divestment pursuant to the Revised Purchase Consideration will be disclosed in the Circular.

6. SUPPLEMENTAL DISTRIBUTION

The purchase consideration payable by Accordia Golf in connection with the Proposed Divestment does not include the sum of JPY 1.2 billion set aside by the TK Operator as special reserves for operations as set out in the unaudited consolidated financial results for FY2019/20. After deducting the amounts due by the TK Operator to the shareholder of the TK Operator and Mizuho Securities Co., Ltd.⁸ and Japanese withholding tax⁹, the net amount available for

⁸ As disclosed in AGT's prospectus dated 21 July 2014, Mizuho Securities Co., Ltd., a "qualified institutional investor" ("QII") under the Financial Instruments and Exchange Act ("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.

⁹ 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

distribution by the TK Operator to the Trustee-Manager (as a TK Investor) is approximately JPY 954.9 million (approximately S\$12.4 million), and which the Trustee-Manager will distribute the full amount to Unitholders. This payment is independent of the Proposed Divestment.

As announced by the Trustee-Manager on 23 June 2020, the Trustee-Manager will be seeking consent from the lenders to the TK Operator, for the TK Operator to pay out the JPY 1.2 billion cash reserve. The Trustee-Manager wishes to highlight that the process for procuring lenders' consent is underway, and it is currently expected that lenders' consent will be obtained by the end of August 2020.

After consent is obtained from the lenders, details of the books closure date for the distribution as well as the payment date will be announced by the Trustee-Manager. It is currently expected that the payment of this distribution will be made in September 2020.

7. NO DISTRIBUTION BY AGT FOR THE PERIOD FROM 1 APRIL 2020 TO COMPLETION

As set out at paragraph 2.1 of this announcement, Accordia Golf shall be entitled to the distributions of cash, to be distributed in respect of the TK Interests (including, without limitation, the distribution of cash 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). If the Proposed Divestment proceeds and completes, Unitholders will only receive the special distributions referred to at paragraph 2.2 of this announcement and there will be no distribution by AGT for the period from 1 April 2020 to completion of the Proposed Divestment.

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.

8. DOCUMENTS FOR INSPECTION

A copy of the Supplemental Deed will be 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 announcement up to and including the date falling three months thereafter.

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.

9. CAUTIONARY STATEMENT

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

20.42% Japanese withholding tax on distributions from the TK Operator. Such deductions are made even for AGT's periodic semi-annual distributions.

BY ORDER OF THE BOARD

Khoo Kee Cheok
Chairman

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

7 August 2020

IMPORTANT NOTICE

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

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