

# PROPOSED ACQUISITION OF ACCORDIA GOLF TRUST'S 88 GOLF COURSES IN JAPAN

**AN ATTRACTIVE OPPORTUNITY FOR ACCORDIA GOLF TRUST'S ("AGT") UNITHOLDERS TO EXPEDITIOUSLY REALIZE VALUE FOR THEIR UNITS AT A PREMIUM TO ADJUSTED NET ASSET VALUE AND HISTORICAL TRADING PRICES, AND RECEIVE A CASH DISTRIBUTION<sup>1</sup> FROM THE PROCEEDS.**

Hibiki Path Advisors (with an aggregate interest of ~7.61%) and Santa Lucia Asset Management (with an aggregate interest of ~3.08%) have each provided an irrevocable undertaking to vote in favour of AGT's Proposed Divestment, among others.

## WHAT IS THE RATIONALE FOR THE PROPOSED ACQUISITION?

### Relatively Low Trading Volume and Persistent Trading Discount to Net Asset Value

- AGT's trading volume has historically been low, with average daily trading volume representing approximately 0.089%<sup>2</sup> of total Units outstanding
- AGT has consistently traded at discounts to net asset value of between 12.4% and 47.4%, and at an average discount of 27.6%<sup>3</sup>

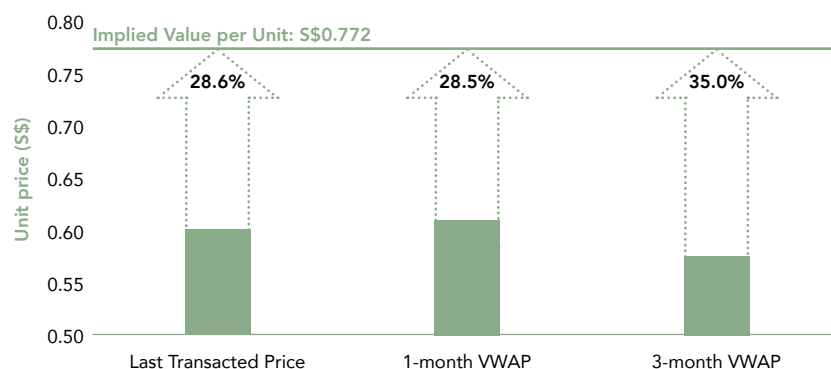
### Lack of Acquisition-driven Growth and Limited Ability to Improve Distribution per Unit

- No acquisitions have been made by the Trustee-Manager since AGT's listing
- Difficulty in raising accretive financing for acquisitions affected the ability of the Trustee-Manager to improve AGT's distribution per Unit

## WHAT IS THE PURCHASE CONSIDERATION?

- On 7 August 2020, Accordia Golf agreed to an increase in the purchase consideration, from JPY61,800 million (approximately S\$804.1 million<sup>4</sup>) to **JPY 65,200 million (S\$848.4 million)**, and this translates to an implied purchase consideration of **S\$0.772 per Unit** ("Implied Value per Unit")
- The Implied Value per Unit represents the following  **premia** over the last transacted price, as well as the volume weighted average price ("VWAP") of the Units in the following periods prior to and including the Last Unaffected Trading Day<sup>5</sup>

### PRIOR TO AND INCLUDING THE LAST UNAFFECTED TRADING DAY



## IMPORTANT DATES

Wednesday, 2 September 2020,  
5.00 p.m. (Singapore time):

Deadline for SRS investors who wish to appoint the Chairman as proxy to submit their votes

Saturday, 12 September 2020,  
10.30 a.m. (Singapore time):

Last date and time for lodgement of Proxy Forms

Last date and time to pre-register to attend the "live" broadcast of the Extraordinary General Meeting ("EGM")

Monday, 14 September 2020,  
10.30 a.m. (Singapore time):

EGM (to be convened and held by way of electronic means)

<sup>1</sup> Please refer to the Trustee-Manager's announcements dated 29 June 2020 and 7 August 2020, as well as the Circular dated 21 August 2020 for more details.

<sup>2</sup> For the market days on which the Units were traded during the 6-month period prior to and including 27 November 2019.

<sup>3</sup> For the period from 28 November 2016 to 27 November 2019 (Source: Bloomberg).

<sup>4</sup> 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 infographic shall be based on the Illustrative Exchange Rate and all amounts in S\$ in this infographic shall, where such amount exceeds one million, be rounded to one decimal place.

<sup>5</sup> 27 November 2019, being the last full trading day immediately prior to AGT's announcement of receipt of the Non-Binding Proposal.

## WHAT DO THE INDEPENDENT FINANCIAL ADVISER (“IFA”) AND THE INDEPENDENT COMMITTEE RECOMMEND?

**CIMB, in its capacity as the IFA, has opined that the Proposed Divestment is on normal commercial terms and is not prejudicial to the interests of AGT and its minority Unitholders**

Some of the key factors highlighted in the IFA Letter include:

- The Purchase Consideration is at a premium of between approximately 9.6% to 25.3% to the range of valuation of the Trustee-Manager’s TK Interests as at 31 May 2020
- It is likely that the market prices of the Units since the announcement of the Non-Binding Proposal on 28 November 2019, and as at the Latest Practicable Date being 14 August 2020, are being supported by the Proposed Divestment
- The market price premia implied by the Implied Value per Unit are significantly above the corresponding premia when compared to:
  - selected transactions involving acquisition of interests in entities principally engaged in ownership and operation of golf courses in Japan;
  - past takeovers or amalgamations of hospitality trusts listed on the SGX-ST; and
  - recent successful privatisations of REITs and Business Trusts listed on the SGX-ST
- The Implied Value per Unit is above the research analysts’ target prices for the Units

### RECOMMENDATION FROM THE INDEPENDENT COMMITTEE:

The Independent Committee 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 (the Proposed Divestment).

Please refer to the IFA’s opinion and Independent Committee’s recommendation in AGT’s Circular dated 21 August 2020.

## WHAT ARE THE NEXT STEPS?

- Read AGT’s [Circular](#)
- Download, complete and sign your [Proxy Form](#), before submitting it to the **Unit Registrar** (by Saturday, 12 September 2020, 10.30 a.m. Singapore time) or **SRS operator** (by Wednesday, 2 September 2020, 5.00 p.m. Singapore time)



### 1 Complete your Proxy Form by:

- Filling in your personal particulars
- Appointing the Chairman of the EGM as your proxy to vote on your behalf
- Indicating the number of votes for or against Resolution 1 (to approve AGT’s Proposed Divestment) and Resolution 2 (to approve the proposed Winding Up)
- Signing off



### 2 Submit Proxy forms in either of the following manners:

#### POST TO:

**Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd**, at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623

or

#### EMAIL TO:

**Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd**, at [srs.teamd@boardroomlimited.com](mailto:srs.teamd@boardroomlimited.com)