

ACCORDIA GOLF TRUST

3Q FY16/17 Financial Results

13 February 2017

Stock code: ADQU

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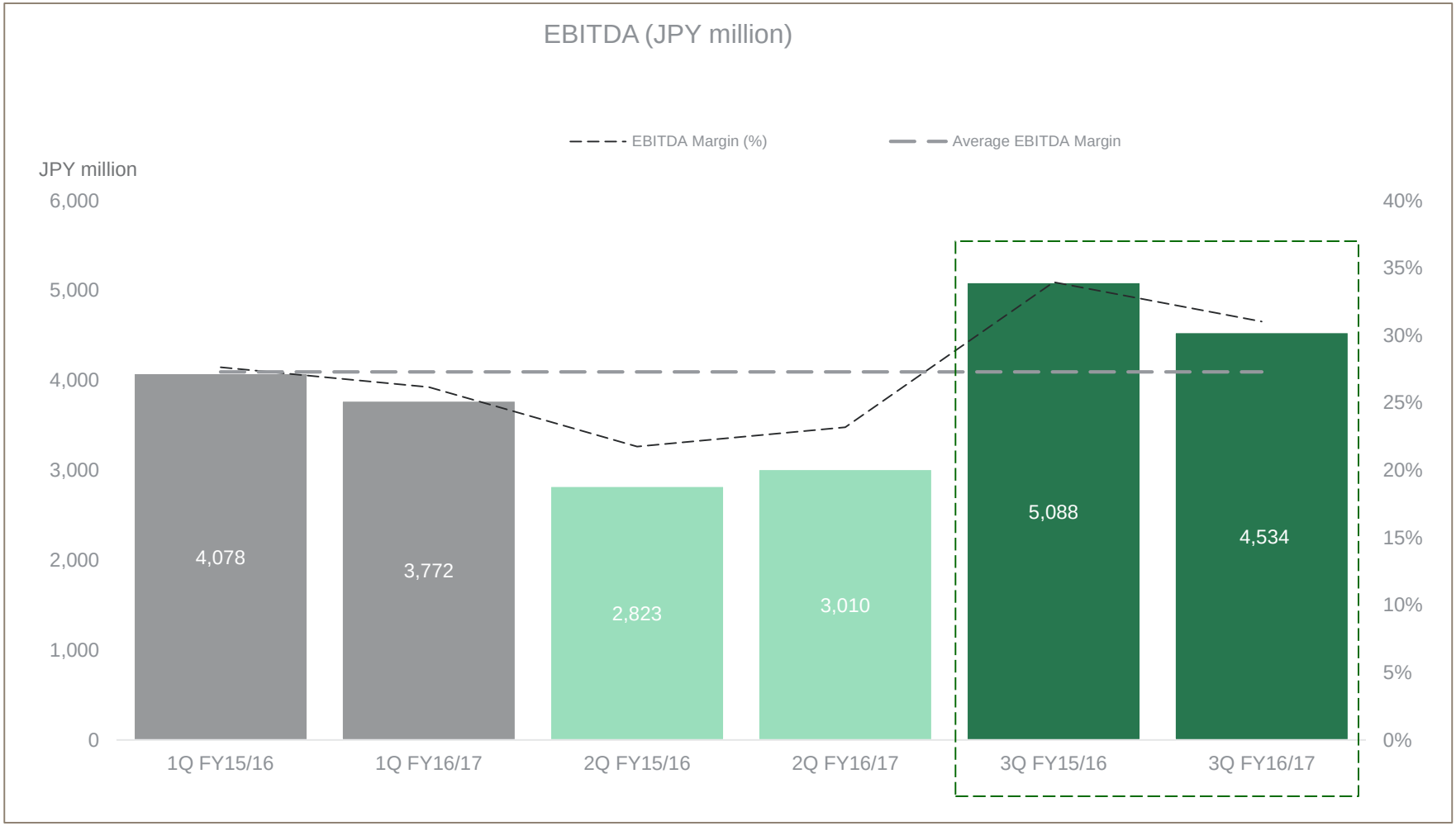
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Key Highlights

- Stable EBITDA despite changing weather conditions:
  - EBITDA margin above the average of 28% since listing in August 2014.
- 3rd quarter number of visitors stood at 1,512 thousands with utilisation rates at 79.7% which are above 3-year average.



Financial Highlights and Capital Management



Central New Golf Club, Tokyo Region (Ibaragi)

3Q FY16/17 Key Financials

JPY million

	3rd Quarter (Oct to Dec)			9 Months Year-to-date (Apr to Dec)		
	FY16/17	FY15/16	YoY Change (%)	FY16/17	FY15/16	YoY Change (%)
Operating Income	**14,612**	14,989	-2.5	42,007	42,728	-1.7
Operating Profit	**3,715**	4,234	-12.3	8,893	9,449	-5.9
Profit (after tax)	**2,979**	3,368	-11.5	6,906	7,406	-6.8
Total Distributable Income Available (100% basis)	**1,858**	2,022	-8.1	3,881	4,491(1)	-13.6
Available Distribution Per Unit (Singapore cents)	**2.09**	2.16	-3.2	4,37	4.54	-3.7

(1) **Amount includes the 10% distributable amount (JPY246 million) that was retained during the 3rd quarter.**
Distribution is payable on a semi-annual basis and the Trustee-Manager's policy is to distribute at least 90% of AGT's income available for distribution income).

	As at 31 Dec 2016	As at 31 Mar 2016
NAV per unit (SGD)	**0.93**	0.89
Price/NAV per unit	**0.68**	0.67
Loan-to-Value Ratio(2)	**28.9%**	28.8%
JPY/SGD Exchange Rate	80.87	83.37
Unit Price	0.63	0.60

(2) Loan-to-Value Ratio = Total loans and borrowings/total appraisal value of the Initial Portfolio as at 31 December 2015.
No of Units for the periods = 1,099,122,000

Statement of Comprehensive Income

JPY million

	3rd Quarter (Oct to Dec)			9 Months Year-to-date (Apr to Dec)		
	FY16/17	FY15/16	YoY change (%)	FY16/17	FY15/16	YoY change (%)
Operating Income	**14,612**	**14,989**	**-2.5**	**42,007**	**42,728**	-1.7
Golf Course Revenue	9,867	10,063	-1.9	28,109	28,420	-1.1
Restaurant Revenue	3,510	3,584	-2.1	10,216	10,395	-1.7
Membership Revenue	1,108	1,248	-11.2	3,393	3,688	-8.0
Other Operating Income	127	94	35.1	289	225	28.4
Operating Expenses	**10,897**	**10,755**	**1.3**	**33,114**	**33,279**	-0.5
Golf Course Related Cost	9,159	9,191	-0.3	27,905	28,379	-1.7
SG&A and Others	1,738	1,564	11.1	5,209	4,900	6.3
Operating Profit / (Loss)	**3,715**	**4,234**	**-12.3**	**8,893**	**9,449**	-5.9
Profit / (Loss) After Income Tax	**2,979**	**3,368**	**-11.5**	**6,906**	**7,406**	**-6.8**

Decrease in golf course related cost is mainly due to decrease in utility cost which is offset by the increase in labour and outsourcing cost.

Increase in SG& A is mainly due to commission fees paid for online web bookings, foreign exchange loss and allowance for doubtful debts.

Balance Sheet

JPY million

	As at 31 Dec 2016	As at 31 Mar 2016
Cash & Cash Equivalents	8,219	11,238
Trade and Other Receivables	2,146	2,391
Inventory	272	245
Other Current Assets	1,148	1,218
Current Assets	**11,785**	**15,092**
Property, Plant and Equipment	148,687	148,670
Intangible Assets	17,131	17,136
Other Non-current Assets	619	722
Non-current Assets	**166,437**	**166,528**
Total Assets	**178,222**	**181,620**

	As at 31 Dec 2016	As at 31 Mar 2016
Borrowings from Financial Institutions	14,836	443
Finance Lease Payables	682	592
Trade & Other Payables	4,980	5,099
Membership Deposits	11,608	10,142
Income Tax Payables	381	928
Other Current Liabilities	1,480	4,630
Current Liabilities	**33,967**	**21,834**
Borrowings from Financial Institutions and Related Party	28,853	43,000
Finance Lease Payables	2,370	1,946
Membership Deposits	823	3,570
Deferred Tax Liabilities	28,543	28,711
Other Non-current Liabilities	348	442
Non-current Liabilities	**60,937**	**77,669**
Total Liabilities	**94,904**	**99,503**
Net Assets	**83,318**	**82,117**

Capital Management

Debt Profile as at 31 December 2016	
Term Loan A (Maturity in Aug 2017)	JPY15 bil / T +1.25% (T: 6-month Yen TIBOR)
Term Loan B (Maturity in Aug 2018)	JPY15 bil / T +1.50%
Term Loan C (Maturity in Aug 2019)	JPY15 bil / T +1.75%
Subordinated Loan(1)	JPY500 mil / 3.0%
Total borrowings : JPY 43.69 billion	
Interest Rate Swap Arrangement	
Term Loan A (Maturity in Aug 2017)	JPY10 bil / 1.71%
Term Loan B (Maturity in Aug 2018)	JPY15 bil / 2.00%
Term Loan C (Maturity in Aug 2019)	JPY10 bil / 2.34%
Credit Rating	
BBB+	Obtained from Japan Credit Rating Agency on the JPY 45 billion loan of AGT's golf course holding company, Accordia Golf Asset Godo Kaisha ("SPC")
Loan-to-Value Ratio(2)	
28.9%	Total Loans / Total Asset(2) = JPY 43.69 bil/ JPY 150.98 bil

- Term Loan Lenders:
  - Mizuho Bank
  - Sumitomo Mitsui Banking Corporation
  - The Bank of Tokyo-Mitsubishi UFJ
  - Aozora Bank
  - Shinsei Bank
  - The Tokyo Star Bank
  - Mitsubishi UFJ Trust and Banking Corporation
  - Mitsubishi UFJ Lease & Finance Company
  - ShinGinko Tokyo
- Subordinated Loan Lender: Accordia Golf

(1) A subordinated loan has been extended from the Sponsor to the SPC and opened solely to deposit and manage the SPC's own funds in connection with the TK business.
(2) Based on the latest appraisal value of the Initial Portfolio as at 31 December 2015.

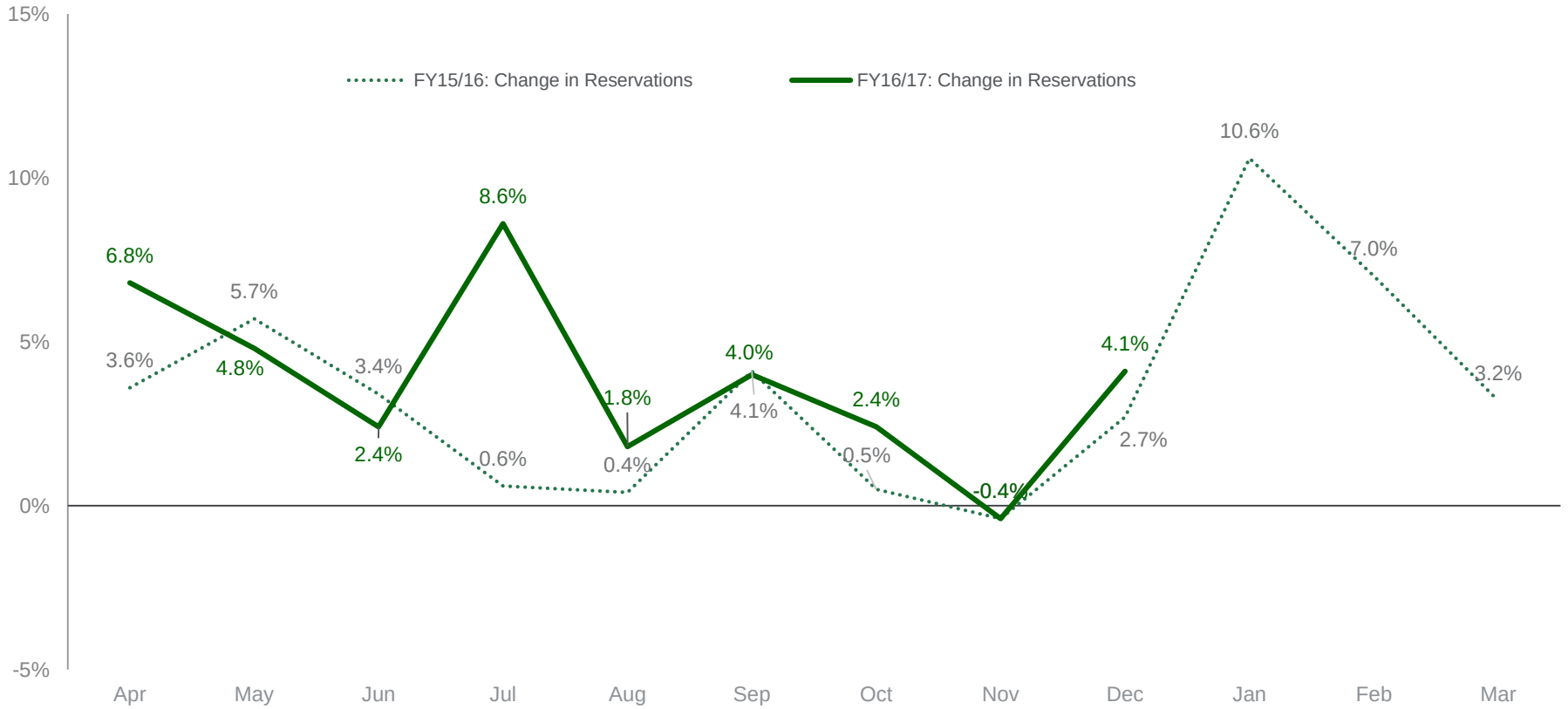
Portfolio Updates


Aoshima Golf Club, Other Region (Miyazaki)

Number of Visitors Under Reservation

Sound demand for golf brought fairly positive reservation rate each month.

Year-on-Year changes of number of visitors under reservation as at beginning of month

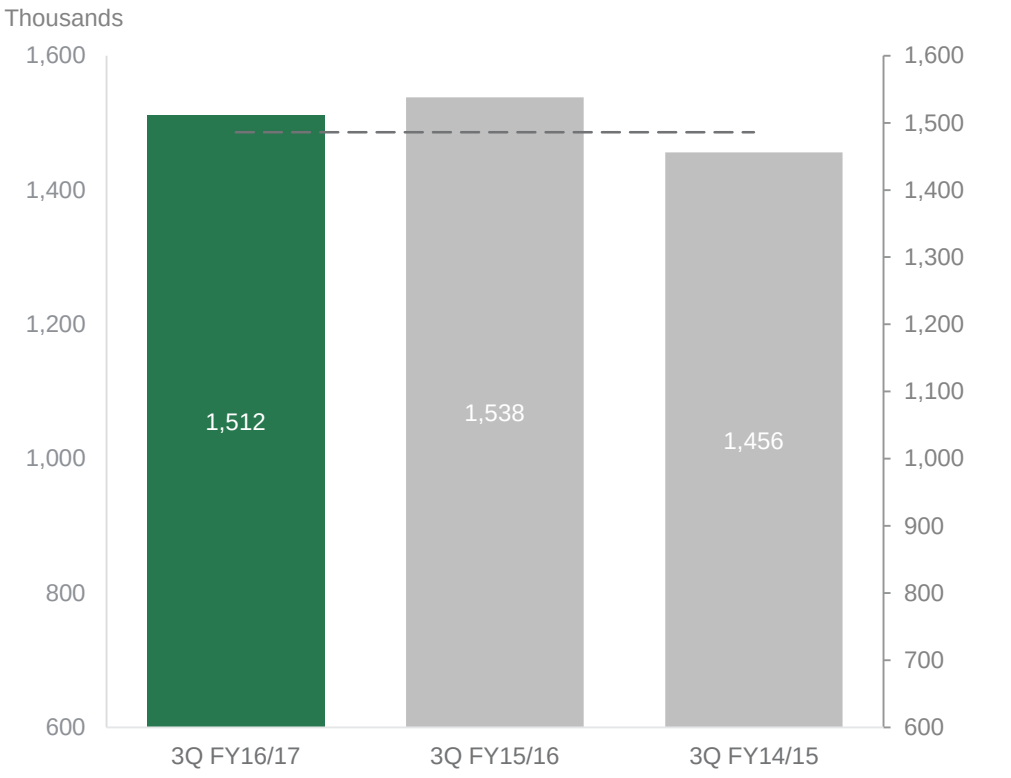


The calculation on change in reservation is based on actual reservation vs the same month of the previous year for 89 golf courses and does not reflect any cancellation due to weather conditions

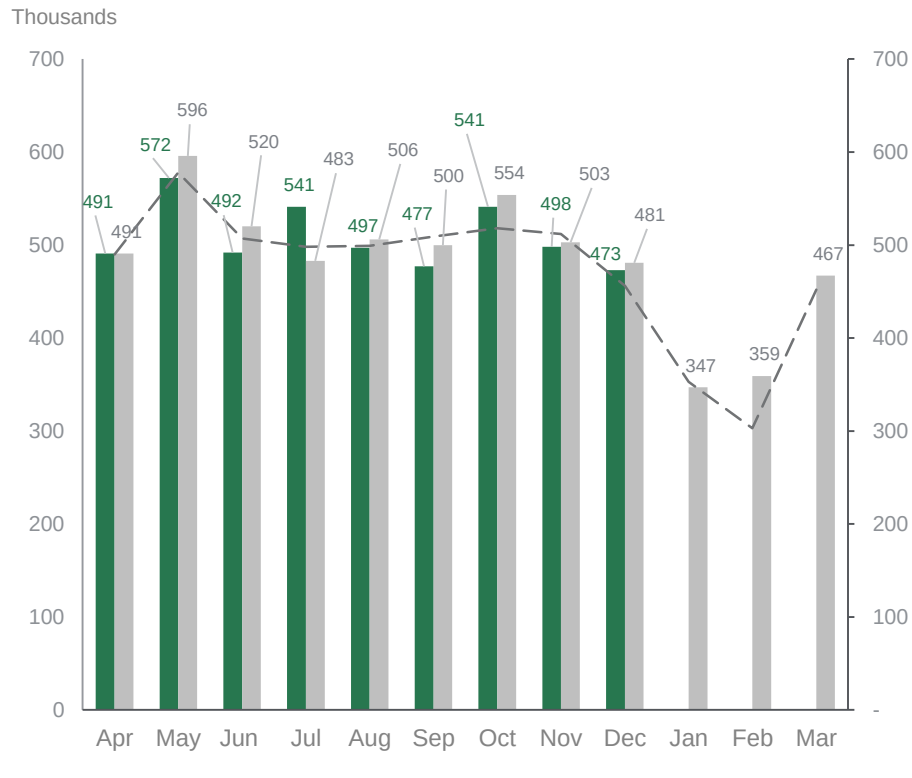
Stable Operating Performance of the Golf Courses

- Short-term fluctuations caused by weather tends to be mitigated in the longer period.

Number of Visitors in 3rd quarter since FY14/15



Number of Visitors (Monthly)



FY 16/17 FY 15/16 3-year Average

Outlook


Hanao Country Club, Tokyo Region (Chiba)

Outlook

Japan Economy

- Expected to recover gradually with underlying support from domestic factors such as: real wages and Implementation of economic stimulus package
- Downside risk factors includes: yen appreciation and World economic slowdown
- GDP forecast revised upwards(1):
  - Fiscal Year 2016 at 1.4% (from 1.0%);
  - Fiscal Year 2017 at 1.5% (from 1.3%); and
  - Fiscal Year 2018 at 1.1% (from 0.9%)


The Business Of Sport

Golf: Plenty of room in Asia for all

Source: Straits Times dated 13 Jan 2017

Steady Number of Golf Plays in Japan Expected to Continue

- Affordable play cost leads to steady number of plays in the mid-to-long run.

Golf Remains as a Popular Leisure and Sports

- Golf continues to be a healthy leisure activity for seniors.
  - Japanese baby boomers who have money and more time for golf.
  - Higher healthy life expectancy of seniors led to increasing demand as players can play at a higher age.


PGA Tour Champions to host first event in Japan in 2017

Source: Golf News Net dated 18 Oct 2016

(1) Source: CNN News dated 1 February 2017

Appendix


Lake Forest Resort, Osaka Region

Operating Expenses

JPY million

	3rd Quarter (Oct to Dec)			9 Months Year-to-date (Apr to Dec)		
	FY16/17	FY15/16	YoY Change (%)	FY16/17	FY15/16	YoY Change (%)
Operating Expenses	**10,897**	**10,755**	**1.3**	**33,114**	**33,279**	**-0.5**
Golf Course Operating Cost	**9,159**	**9,191**	**-0.3**	**27,905**	**28,379**	**-1.7**
Merchandise and Material Expenses	1,036	1,052	-1.5	2,972	3,013	-1.4
Labour and Outsourcing Expenses	4,184	4,049	3.3	12,587	12,505	0.7
Golf Course Management Fee	1,589	1,650	-3.7	4,631	4,732	-2.1
Golf Course Maintenance and Repair Cost	527	542	-2.8	2,192	2,264	-3.2
Depreciation and Amortisation	819	854	-4.1	2,425	2,541	-4.6
Utility Expenses	500	536	-6.7	1,582	1,783	-11.3
Operating Lease Expenses	504	508	-0.8	1,516	1,541	-1.6
SG&A and others	**1,738**	**1,564**	**11.1**	**5,209**	**4,900**	**6.3**
Selling, General and Administrative Expenses	1,009	839	20.3	2,997	2,643	13.4
Trustee-Manager's Fee	65	65	-	191	198	-3.5
Asset Manager's Fee	25	25	-	75	75	-
Others	639	635	0.6	1,946	1,984	-1.9

Distribution Statement

JPY million

	3rd Quarter (Oct to Dec)			9 Months Year-to-date (Apr to Dec)		
	FY16/17	FY15/16	YoY Change (%)	FY16/17	FY15/16	YoY Change (%)
Profit (after tax)	**2,979**	**3,368**	**-11.5**	**6,906**	**7,406**	**-6.8**
(+) Depreciation & Amortisation Expenses	819	854	-4.1	2,425	2,541	-4.6
(+) Interest and Other Finance Costs	413	421	-1.9	1,244	1,270	-2.0
(+) Income Tax Expense	323	445	-27.4	741	773	-4.1
EBITDA	**4,534**	**5,088**	**-10.9**	**11,316**	**11,990**	**-5.6**
Distribution Adjustments:						
(-) Change in Working Capital	(1,792)	(1,865)	-3.9	(3,912)	(3,658)	6.9
(-) Interest and Other Finance Cost Paid	(29)	(33)	-12.1	(508)	(532)	-4.5
(-) Income Tax Paid	(529)	(475)	11.4	(1,457)	(1,288)	13.1
(+) Others	29	(67)	N.M.	49	(73)	N.M.
(+) Net Cash Flows used in operating activities	2,213	2,648	-16.4	5,488	6,439	-14.8
(-) Net Cash Flows used in Investing Activities	(474)	(413)	14.8	(1,394)	(1,210)	15.2
(-)(+) Net Cash Flows used in Financing Activities Excluding Distributions	(263)	(237)	11.0	(842)	(1,212)	-30.5
(-)(+) Effect of Exchange Rate Changes on Balance of Cash	14	(2)	N.M.	(3)	(10)	N.M.
Net Increase in Cash and Cash Equivalents excluding Distributions	**1,490**	**1,996**	**-25.4**	**3,249**	**4,007**	**-18.9**
Reserved Items	368	26	N.M.	632	484	30.6
Income Retained	-	-	N.M.	-	(246)	N.M.
Income Available for Distribution to Unitholders	**1,858**	**2,022**	**-8.1**	**3,881**	**4,245**	**-8.6**

Distribution

Distribution	
3Q FY16/17	No distribution payable for the quarter

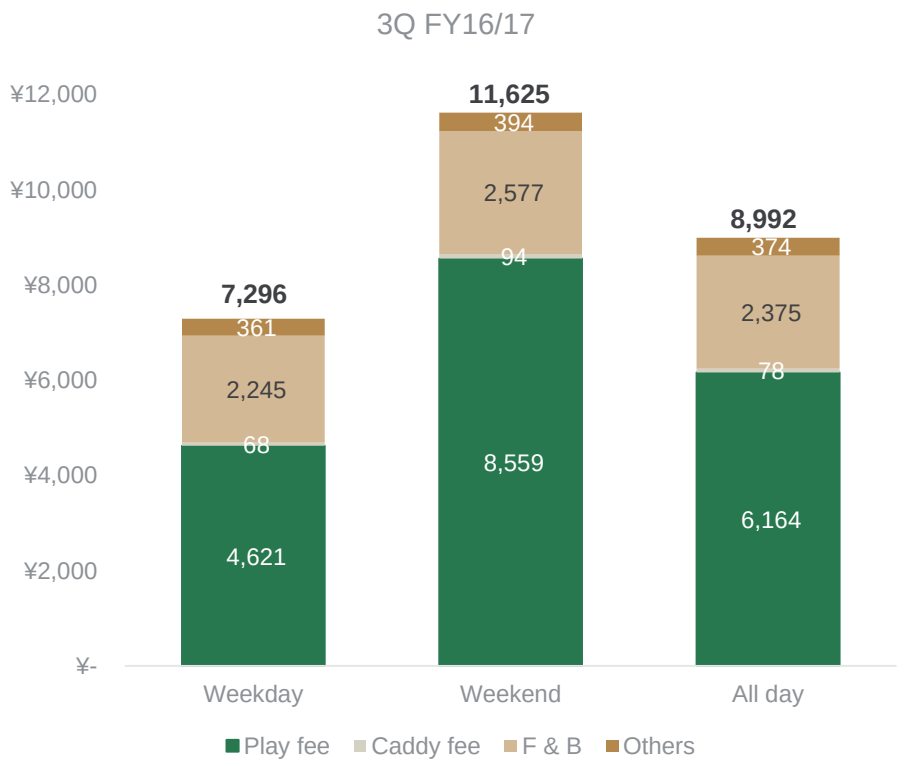
Distribution Policy	
Distribution Timing	Paid in SGD on semi-annual basis in June and December(1)
Payout	To distribute at least 90% of Distributable Income Available

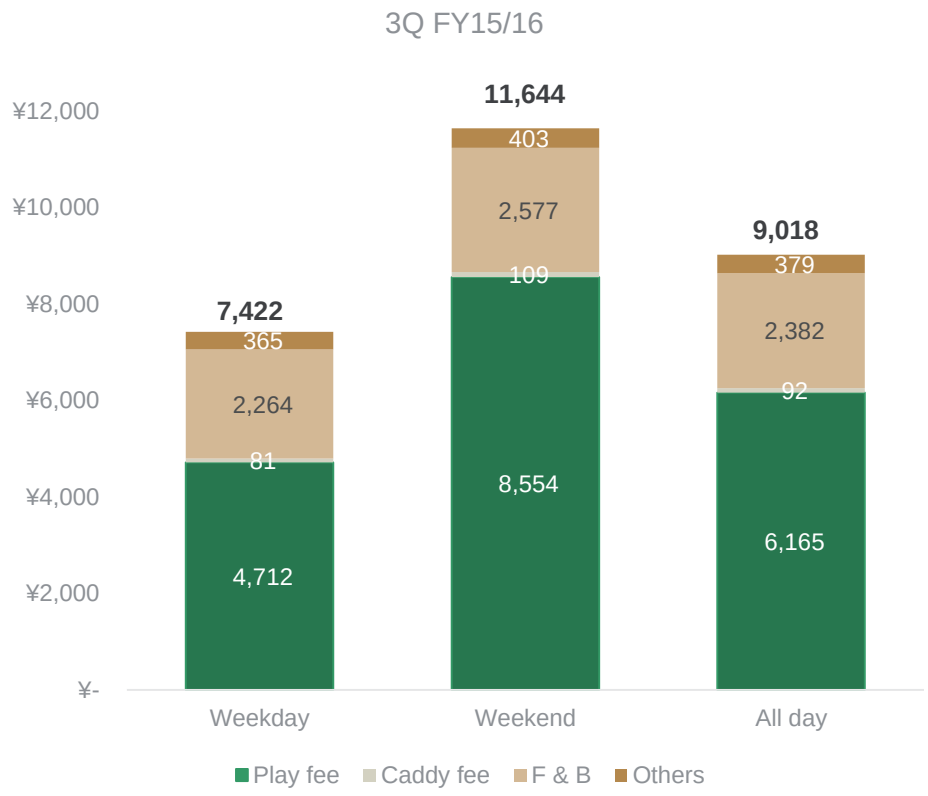
* Foreign Exchange Hedging on distribution: May utilised foreign exchange hedging strategies based on prevailing market conditions, where appropriate, to minimise any foreign exchange risk to Unitholders.

Note: The amount is calculated as at 31 March and 30 September each year, for the six month period ending on each of the said dates.

Revenue per Player (weekly basis) (3Q FY16/17 vs 3Q FY15/16)

Revenue(1) per Player (J-GAAP-based Revenue)





Note: Revenue per player based on IFRS were lower than J-GAAP base especially for weekday because of “free play” coupon of the rewards programme.
Play fee includes Green fee and cart fee

(1) Revenue does not include revenue from memberships fees and Pro-shop business.

Historical Performance of AGT (FY15/16)

- Actual Number of players for AGT's golf courses remains stable over the years.
- EBITDA(1) (based on J-GAAP) reflects the stability of players regardless of unfavourable events.



(1) Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA"): These figures are on J-GAAP basis and for illustration purposes and have not been audited or verified by third parties.

Key Statistics of Initial Portfolio Golf Courses (FY15/16)

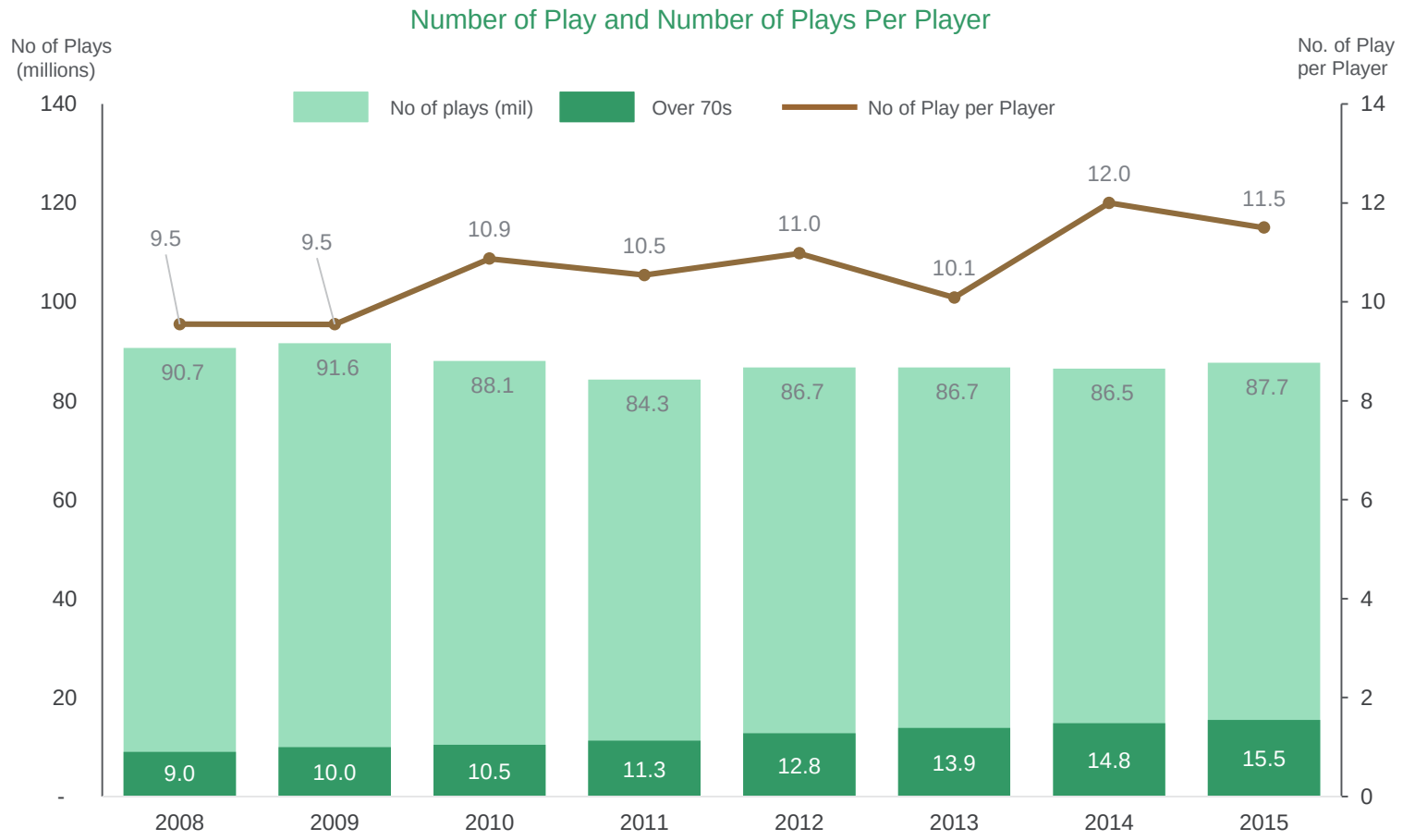
Regions	Number of Courses	%	Appraisal Value as at 31 Dec 2015 (JPY billion)[1]	%	Revenue for FY15/16 (JPY billion)[2]	Utilisation Rates FY15/16 (%)[3]	NOI FY15/16 (JPY billion)[4]	NOI Margin FY15/16* (%)	NOI Yield FY15/16** (%)
Greater Tokyo	35	39.3	73.66	48.8	23.32	79.1	5.95	25.6	8.1
Greater Osaka	15	16.9	37.97	25.1	12.54	85.9	3.38	27.0	9.0
Greater Nagoya	12	13.5	18.20	12.1	7.03	80.4	1.55	22.1	8.6
3 Largest Metropolitan Areas	**62**	**69.7**	**129.83**	**86.0**	**42.88**	**81.1**	**10.88**	**25.4**	**8.4**
Other Regions	27	30.3	21.16	14.0	10.86	69.0	1.94	17.9	9.2
Total	**89**	**100.0**	**150.98**	**100.0**	**53.75**	**77.9**	**12.82**	**23.9**	**8.5**

NOI = Net Operating Income
*NOI Margin = NOI divided by Revenue
**NOI Yield = NOI divided by Appraisal Value

(1) Based on real estate appraisals as at 31 December 2015 conducted by the Independent Real Estate Appraisers.
(2) Gross revenue includes play fees (green fees and cart fees), caddy fees, restaurant revenue, membership fees and other revenue from the golf course.
(3) Utilisation rate = Total no. of players per 18 holes/Total operating days x 200 persons.
(4) NOI calculated by deducting merchandise and material expense, labour cost, other operating expenses from revenue and Golf Course Management Agreement Fees ("GCMA").
Note: Calculation is based on J-GAAP figures

Number of Plays in Japan Remains Stable

- Number of plays in Japan remains stable as the number of plays per player has been increasing.
- Proportion of senior plays has been increasing.



Source: Japan Productivity Centre
Nihon Golf-jo Keieisha Kyokai, Japan

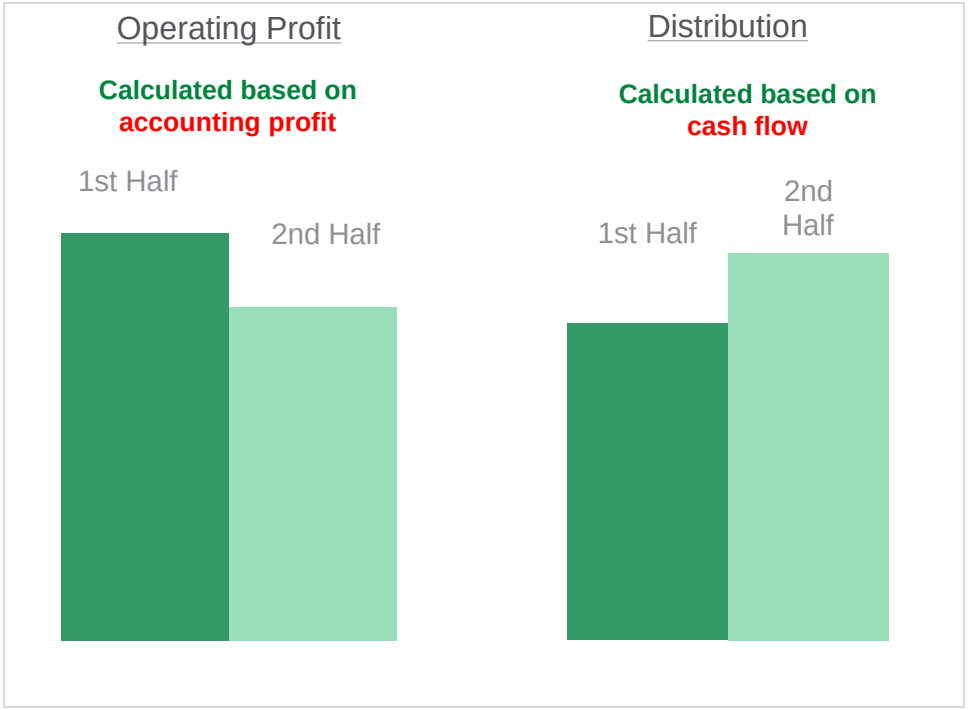
Seasonality in Operation, Accounting Profit and Cash Flows



Golf course business naturally has seasonality

Demand fluctuates according not only to Japanese seasons but also weather conditions,
e.g.

- Rainy season (June to July) : low demand & high cancellation.
- Typhoon (September to October) : high cancellation.
- Snow fall (January to March) : low demand.

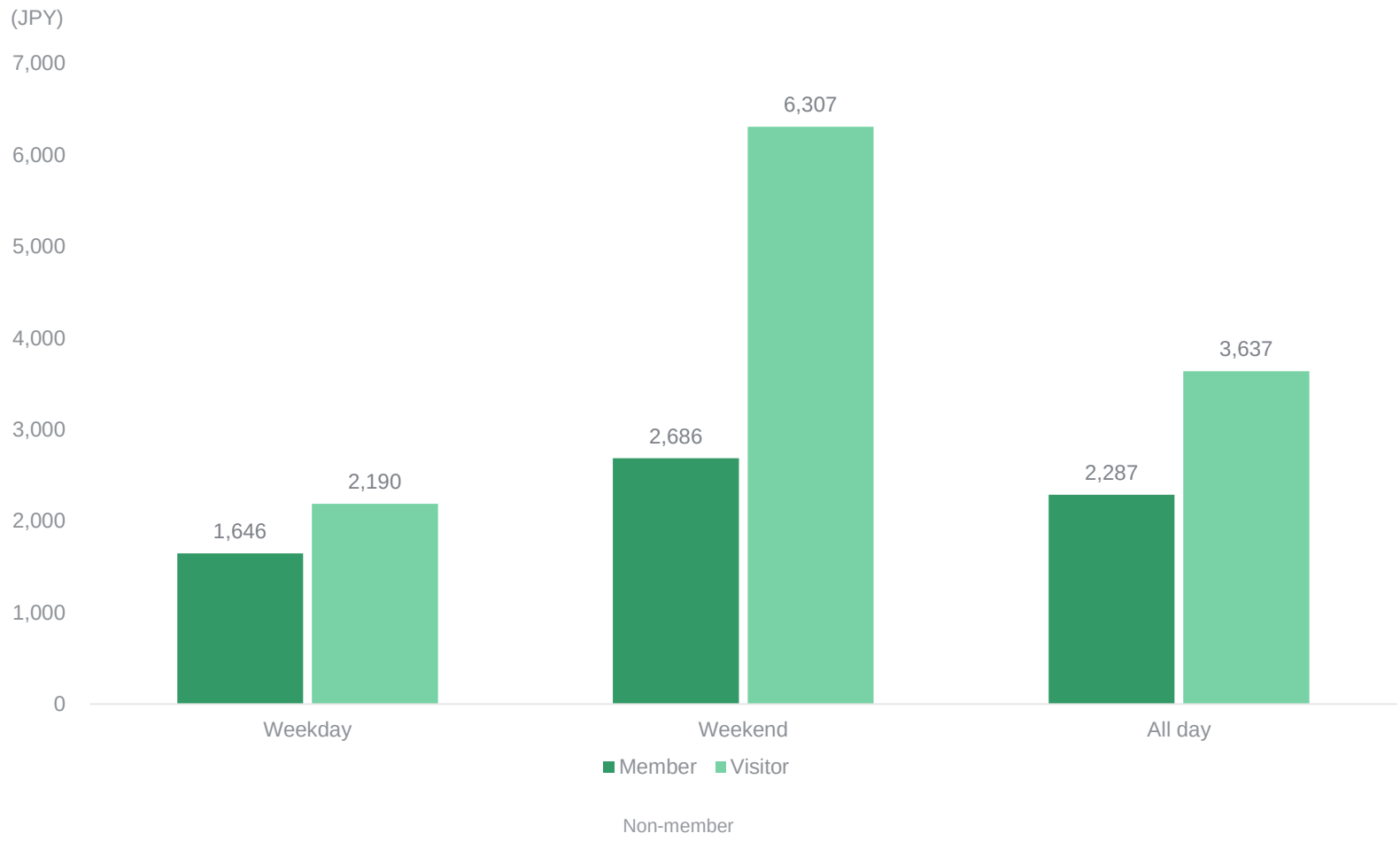


Distribution

- Cash available for distribution could differ from operating profit as the distributable amount is calculated based not only on the operating profit but also actual “cash flow”.
- The major cause for such deviation is the membership fees that are recognized monthly but actually received and become distributable mostly in the fourth quarter.

Green Fee Profile (Member vs Non-member)

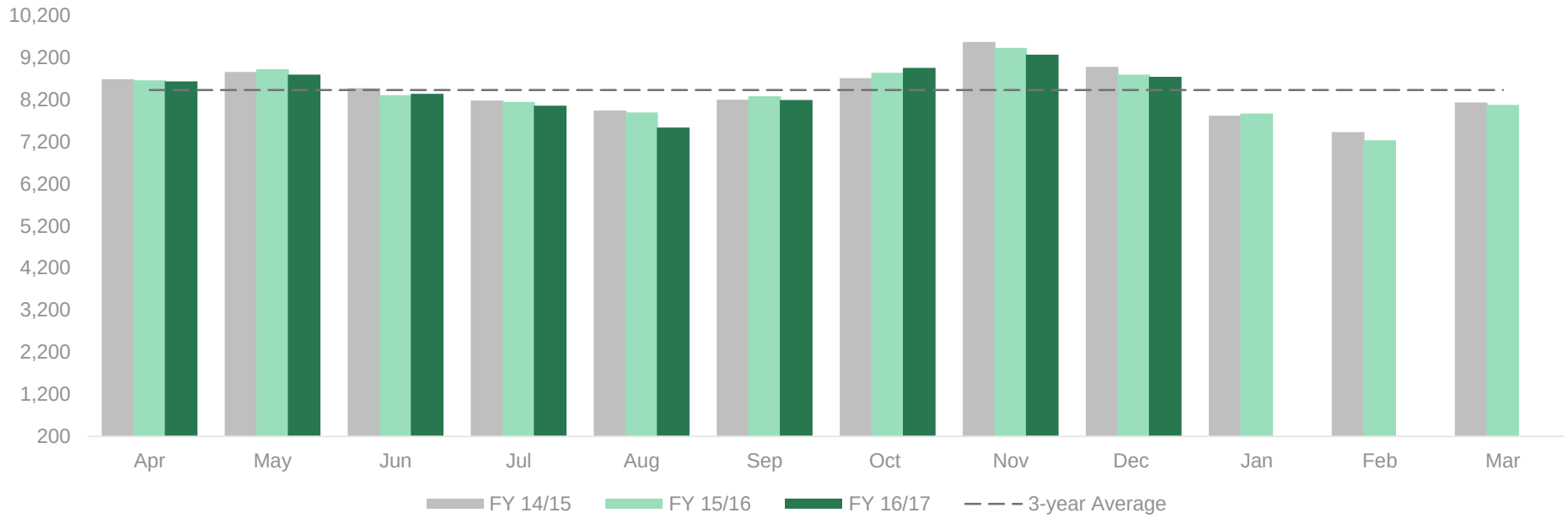
Green fee (Member vs Non-member) in FY15/16



Above fee does not include cart fees, caddy fees, F&B and others and is based on the average of 89 golf courses.
Based on J-GAAP figures.

Revenue Per Player (monthly basis)

Revenue[(1)] per visitor of AGT's 89 golf courses (J-GAAP)



JPY

Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY14/15	8,684	8,861	8,471	8,176	7,944	8,196	8,713	9,573	8,981	7,819	7,431	8,137
FY15/16	8,663	8,925	8,309	8,147	7,894	8,282	8,839	9,427	8,797	7,872	7,237	8,076
FY16/17	8,633	8,797	8,338	8,058	7,540	8,191	8,955	9,267	8,745			

(1) Revenue is based on J-GAAP figures and includes play fees (green fees and cart fees), caddy fees, restaurant revenue and other revenue from the golf course. It does not include membership fees and Pro-shop business.

Monthly Number of Players and Utilization Rate

FY16/17	Number of Players (thousands)			Utilization Rate[1]		
	Actual	YoY Change[2]	3 Year Average Change[3]	Actual	YoY Change Percentage Point (ppt)[4]	3 Year Average Percentage Point (ppt) Change[5]
Apr	491	+0.1%	+0.2%	77.9%	-0.3 ppt	-0.2 ppt
May	572	-4.0%	-1.0%	87.2%	-3.6 ppt	-0.8 ppt
Jun	492	-5.4%	-3.0%	77.8%	-4.2 ppt	-2.1 ppt
Jul	541	+11.9%	+8.6%	82.5%	+8.3 ppt	+6.3 ppt
Aug	497	-1.8%	-0.2%	76.4%	-1.2 ppt	+0.1 ppt
Sep	477	-4.6%	-6.3%	75.3%	-4.6 ppt	-5.6 ppt
Oct	541	-2.3%	4.4%	82.4%	-2.0 ppt	+2.7 ppt
Nov	498	-0.9%	-2.7%	80.9%	+0.9 ppt	-0.3 ppt
Dec	473	-1.8%	+3.7%	75.9%	-0.4 ppt	+1.3 ppt
TOTAL	4,582	-1.1%	+0.3%	79.6%	-0.8 ppt	+0.1 ppt
1Q	1,555	-3.2%	-1.3%	81.0%	-2.7 ppt	-1.0 ppt
2Q	1,515	+1.7%	+0.7%	78.1%	+0.9 ppt	+0.3 ppt
3Q	1,512	-1.7%	+1.7%	79.7%	-0.5 ppt	+1.2 ppt

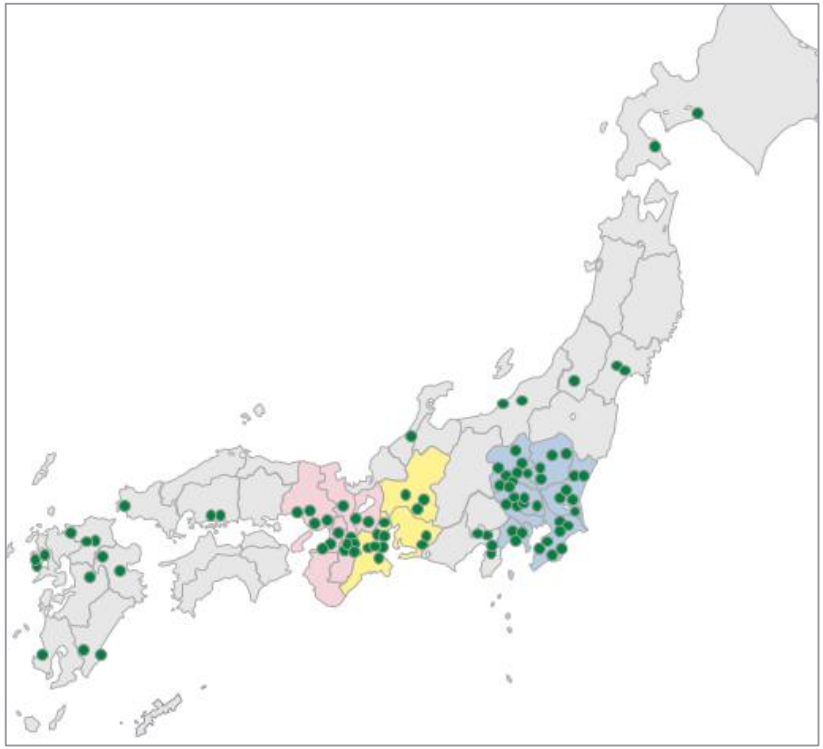
(1) Utilization Rate = Total number of players per 18 holes / (Total operating days x 50 (flights) x 4 (persons)). Total operating days exclude closed days under specific circumstances such as typhoon and snow, among other factors.
(2) Year-on-Year (YoY) Change = (Current month data - corresponding month of the previous year) / corresponding month of the previous year.
(3) 3 Year Average Change = (Current month data – previous 3 Year Average) / previous 3 Year Average.
(4) Year-on-Year (YoY) Change Percentage Point (ppt) = Current month data - corresponding month of the previous year.
(5) 3 Year Average Percentage Point Change = Current month data – previous 3 Year Average.

Operating Performance of the Golf Courses

3Q Revenue(1) in Areas (J-GAAP basis)

JPY million

Regions	Number of Courses	Revenue for 3Q		YoY Change (%)
		FY16/17	FY15/16	
Greater Tokyo	35	5,951	6,101	-2.5
Greater Osaka	15	3,111	3,140	-0.9
Greater Nagoya	12	1,793	1,826	-1.8
Other Regions	27	2,739	2,803	-2.3
Total	89	13,594	13,870	-2.0

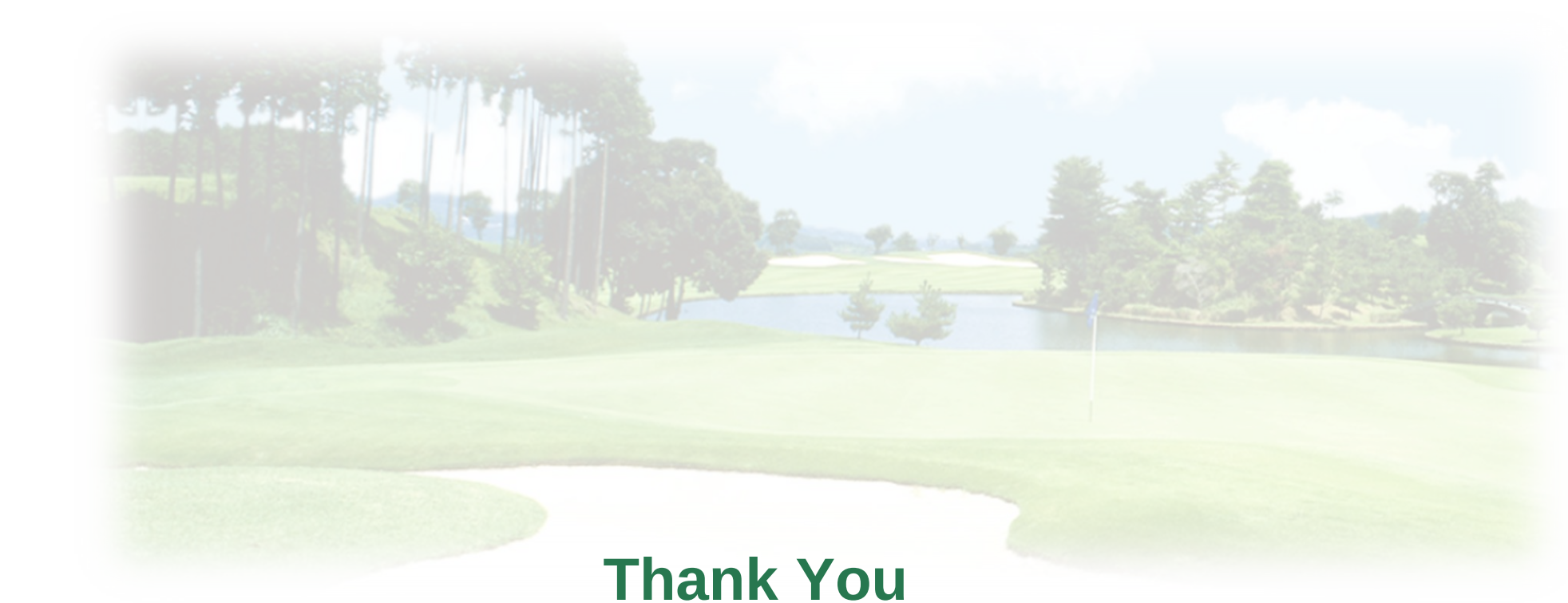


(1) Revenue is based on J-GAAP figures and includes play fees (green fees and cart fees), caddy fees, restaurant revenue and other revenue from the golf course. It does not include membership fees and Pro-shop business.

Top 20 Golf Operators/Owners in Japan

No.	Company Name	No. of Golf Courses[1]	Market Share[2]
1	**Accordia Golf[3]**	**132**	5.69%
2	PGM Group	130	5.39%
3	Orix Group	40	1.71%
4	Seibu Group	31	1.20%
5	Tokyu Group	27	1.20%
6	Ichikawa Golf Kogyo Group	24	1.11%
7	Cherry Golf Group	22	0.98%
8	OGI Group	22	0.98%
9	Unimat Group	18	0.81%
10	Taiheyo Club	17	0.73%
11	Chateraise	16	0.68%
12	GCE Group	16	0.68%
13	RESOL Group	15	0.64%
14	Resort Trust	13	0.56%
15	Tokyo Tatemono (J Golf)	12	0.51%
16	JGM Golf Group	12	0.51%
17	Kamori Kanko	11	0.47%
18	Akechi Club & Boso Country Club Group	10	0.43%
19	Daiwa House	10	0.43%
20	Hotel Monterey	10	0.43%

(1) Source: Golf-jo Kigyo Group & Keiretsu 2016
(2) Based on the total number of golf courses in Japan in 2015 (2,317) from Nihhon Golf-jo Keieisha Kyokai
(3) Combined AGT and Accordia Golf



Thank You

Investor Contact:

Brenda Ng (Senior Manager, IR)

+65 6592-1050
info@agtrust.com.sg

For more information, please visit http://agtrust.com.sg/