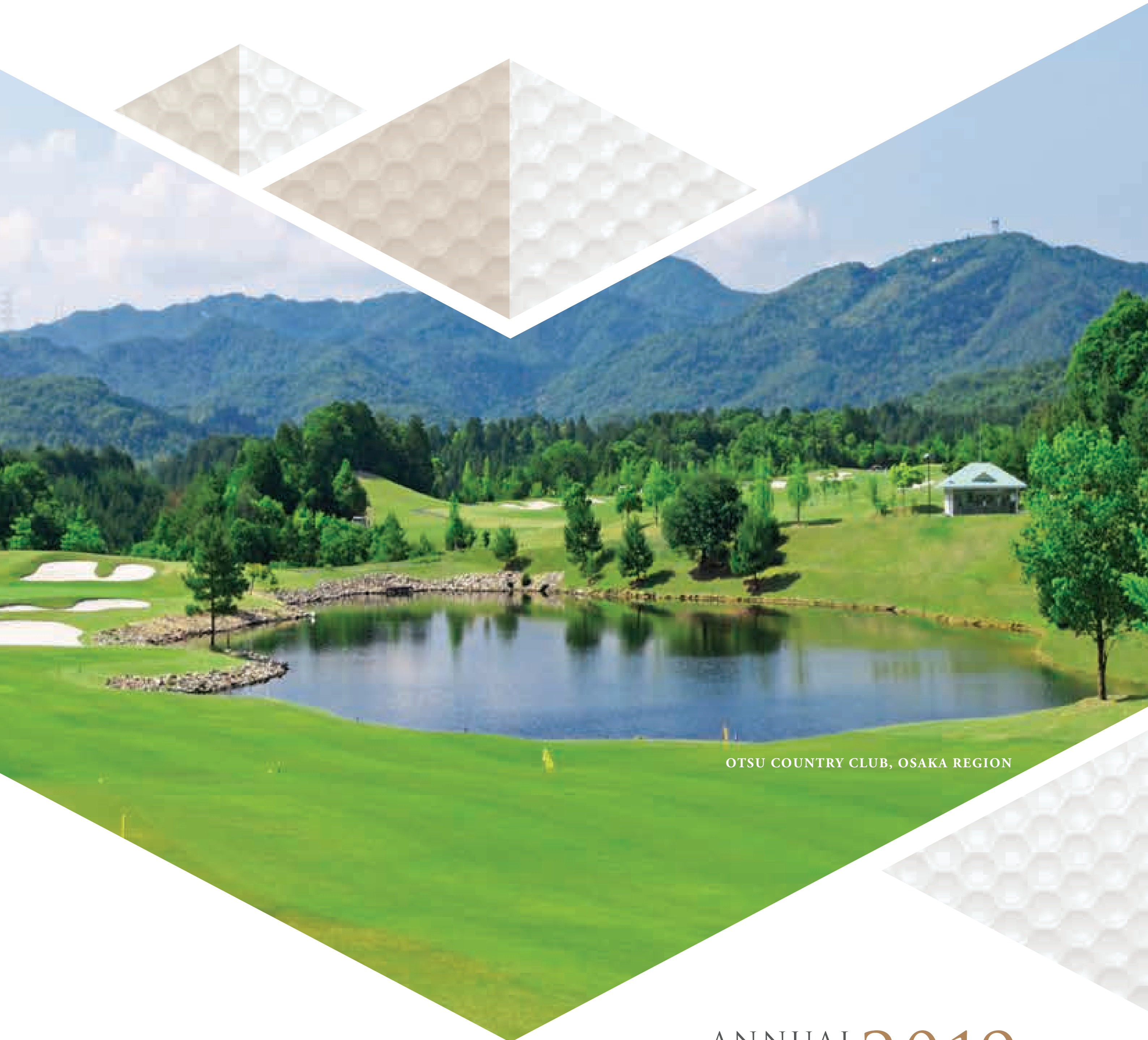
ACCORDIA GOLF TRUST

STAY THE COURSE



OTSU COUNTRY CLUB, OSAKA REGION

ANNUAL REPORT 2019

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CORPORATE PROFILE

VISION

Accordia Golf Trust strives to be a quality business trust with stabilised income-generating golf course related assets

MISSION

To deliver stable yield and maximise long-term returns to Unitholders via operational efficiency and acquisition-driven growth

Accordia Golf Trust ("AGT") is the first business trust listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") comprising golf course assets in Japan. It is primarily involved in 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.

AGT made its debut on the SGX-ST on 1 August 2014 with an initial portfolio comprising 89 golf courses located across Japan. Approximately 70% of its portfolio are in the three key metropolitan areas, namely, the Greater Tokyo region, the Greater Nagoya region and the Greater Osaka region. The total appraisal value of AGT's golf courses was JPY144.7 billion as at 31 December 2018.

AGT's objective is to generate long-term, stable cash flow through investing in golf courses, driving ranges and golf course related assets. It aims to distribute stable dividends to its unitholders and maximise returns through capital value growth.

LETTER TO UNITHOLDERS

Dear Unitholders,

FY18/19 was an eventful year for AGT. In the first half of FY18/19, AGT had successfully completed refinancing its syndicated loan facility and released its inaugural Sustainability Report. A series of natural disasters struck Japan, which had affected operations at several AGT's golf courses. Notwithstanding that, we saw a pickup in operations in the second half of the fiscal year amid good weather conditions.

FINANCIAL HEALTH AND PORTFOLIO

As at the end of FY18/19, AGT recorded distributable income of JPY3,388 million and distribution per unit of SGD3.77 cents. This translates to a yield of 6.3% against AGT's unit closing price of SGD59.5 cents as at 31 March 2019. Distributable income was lower compared to the previous year mainly due to unfavourable weather conditions that resulted in a reduction in the number of players in the first half of the year.

Its portfolio valuation as at 31 December 2018 was JPY144.7 billion, a decline of 3% year-on-year. Non-cash impairment loss of JPY4.8 billion, largely due to the potential infrastructural flood prevention project at Nishikigahara golf course, was recorded for FY18/19. Following a review at the close of FY18/19, AGT also recorded goodwill impairment loss of JPY13.1 billion after the annual assessment of the golf course holding company's ("SPC") recoverable amount not exceeding the carrying value of the SPC. This takes into account the impact of the infrastructure project at Nishikigahara golf course and underperformance of selected golf courses in previous years. Nevertheless, these impairment losses have no impact on the total distributable income available for distribution. AGT remains committed to distribute at least 90% of its taxable income available for distribution to Unitholders.

AGT adopts a prudent and disciplined approach towards capital management to ensure financial flexibility in its funding structure. In August 2018, the Trustee-Manager had secured a new five-year loan facility. Unlike the previous syndicated loan with nine lenders, the new loan facility was signed with two lenders. This arrangement, in our opinion, is more suitable for AGT's structure as it allows more flexibility and negotiation for better terms with two lenders. AGT's gross borrowings as at 31 March 2019 stood at JPY43.9 billion, translating to a loan-to-value ratio of approximately 30%.

We have seen gradual pickup in the operations at AGT's golf courses from the ongoing marketing efforts by Accordia Golf, the golf course operator of AGT. Alongside better than expected weather, the number of players in FY18/19 increased 0.5% to 5.7 million compared with a year ago.

We continue to remain committed to maintain a robust capital structure, review our cash flow and overall liquidity position for a healthy balance.

LETTER TO UNITHOLDERS

CROSSING THE NEW ERA OF JAPAN

Japan went through a disaster year in FY18/19. A series of natural disasters struck the nation and had affected its economic growth in the second half of the year. While there were no significant damages at AGT's golf courses, heavy rain and landslide had affected visitation to our golf courses. Utilisation rate as at 31 March 2019 was 76.8%, a slight dip of 0.7 percentage point compared with a year ago. In October 2019, the Japanese government will raise consumption tax from 8% to 10% to support mainly the nation's social security expenses. To ease the impact, the government will provide a JPY2 trillion worth of tax reform package as transitional support for households and corporates. While the increase is inevitable, we do not foresee the tax hike to have a significant impact on AGT's golf course operations.

The nation has done well in its tourism industry and welcomed 31 million visitors in 2018. Underpinned by mega sports events such as 2019 Rugby World Cup, PGA Tour and 2020 Summer Olympics, Japan is well on track to reach its target of 40 million visitors by 2020. With the inclusion of golf in the Summer Olympics, we remain hopeful that it will raise the popularity of the sport among the next generation.

PRESERVING THE GAME

Rejuvenation of the Japanese golf industry a difficult task as aging population remains as a challenge. To enhance the appeal of golf and encourage participation, Accordia Group has engaged in activity such as being volunteer coach at The First Tee, a youth development organisation introducing the game of golf.

Women and juniors continue to remain as the under-represented group. We have implemented proactive strategy to attract this group of players. Currently, female players account for approximately 12% in the total number of players at Accordia Group, 5 percentage points higher than the national average.

CONTINUING EFFORTS ON SUSTAINABILITY

We recognise the growing importance of conducting business and pursuing sustainability in a way that delivers long-term value to our stakeholders. Rapid aging population and acute labour shortages have prompted the Japanese government to relax its immigration policy to draw in foreign labour. Tapping the change in policy, we are partnering with overseas agencies to gain access to a wider pool of prospective skilled talents.

Torrential rain pounded Western Japan in July 2018 and triggered landslides and flash flooding. Evacuation orders were in place for nearly 2 million people. As part of our continuing efforts to support and contribute to a stronger community, Accordia Group pledged a donation of JPY2 million flood relief to the community.

LETTER TO UNITHOLDERS

We will share more details on our sustainability efforts in the second edition of our Sustainability Report, which will be published online in August 2019. The Board continues to maintain oversight over the environmental, social and governance (ESG) issues and goals to ensure that they align with our approach. These ESG issues will be reviewed and monitored periodically.

LOOKING AHEAD

We continue to leverage our strengths as we strive to achieve steady and long-term returns for Unitholders. The Trustee-Manager endeavours to ensure the stability and profitability of AGT's golf courses.

ACKNOWLEDGEMENT

On behalf of the Board, we are very pleased to welcome Mr Toyo Nakanishi on board as Executive Director for the Trustee-Manager and look forward to his contributions and insights. We hope to leverage on Mr Nakanishi's vast experience and connections attained around the Asia-Pacific region, to reach out to a wider pool of investors.

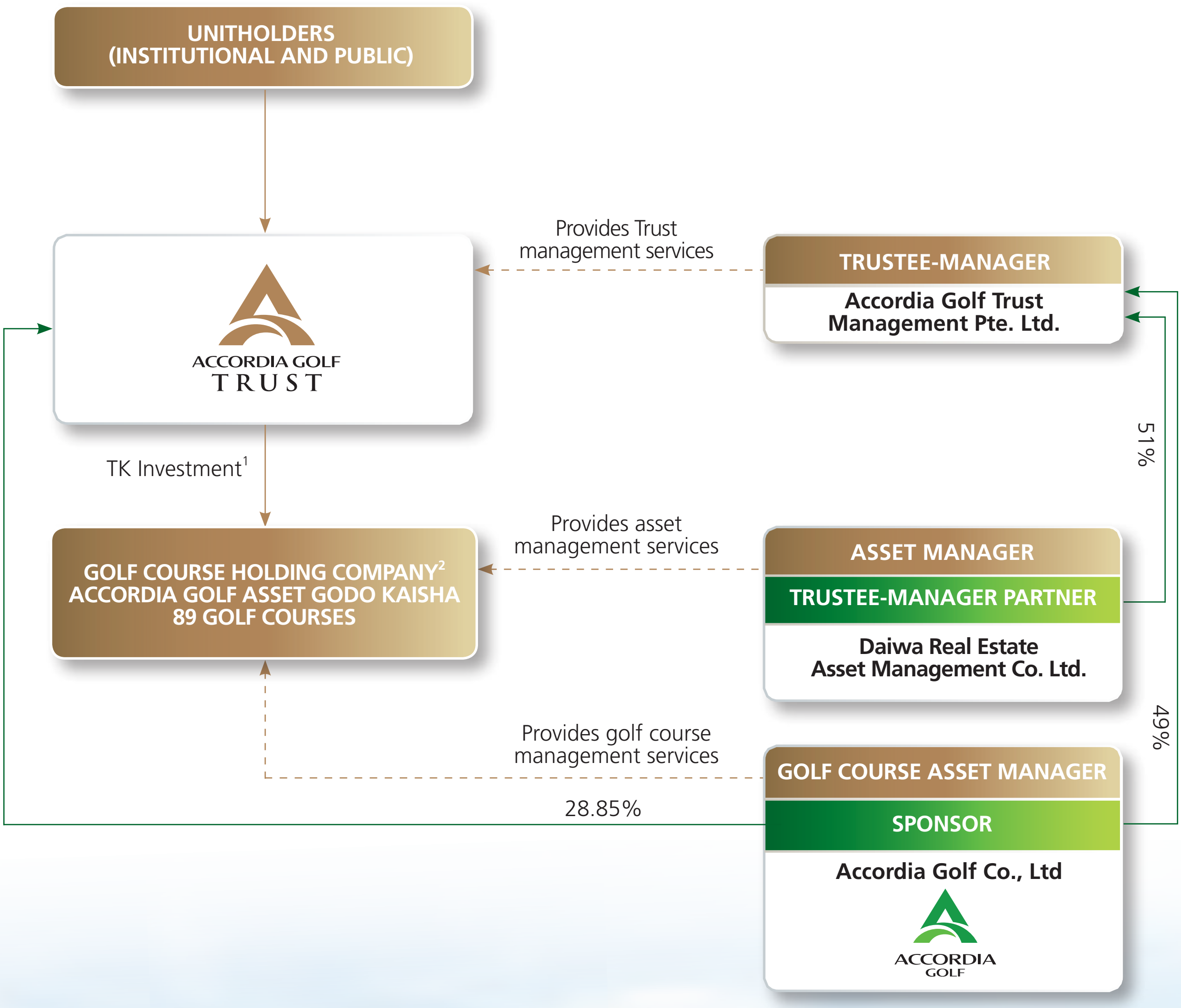
In addition, we would also like to welcome Mr Fumihiko Niwa on board as the Chief Financial Officer. He has close to 30 years of experiences primarily in finance and accounting fields at various companies. Prior to joining the Trustee-Manager, Mr Niwa played a key role at Accordia Golf, the sponsor of AGT, to enhance the organisation's corporate value.

We look forward to working closely with Mr Nakanishi and Mr Niwa to contribute to AGT's growth and development.

I would also like to take the opportunity to give tribute to our Unitholders and business partners for their continued support, as well as our staff for their dedication and commitment. We will stay the course to strive towards strengthening our portfolio and seek opportunities with sustained returns for our stakeholders.

KHOO KEE CHEOK
Chairman

TRUST STRUCTURE



[1] The relationship between the golf course holding company ("Golf Course Holding Company or SPC") and AGT is governed by a Tokumei Kumiai ("TK") agreement, being a silent partnership agreement. TK is a contractual relationship between an investor and a business operator, whereby the investor makes certain business contributions to the business operator (whether in the form of cash, shares or other things of value) in return for the right to receive distributions of profits generated from the business managed by the operator. The assets contributed by the investor to the business operator shall be legally owned by the business operator ("TK Investment"). For further information on TK structure, please see the prospectus of AGT dated 21 July 2014.

[2] AGT invests in the Initial Portfolio via the Golf Course Holding Company established to hold the Initial Portfolio under a TK investment structure.

BOARD OF DIRECTORS OF THE TRUSTEE-MANAGER

Date of Appointment:
20 March 2014 (as Independent Director)
16 June 2014 (as Chairman)

Date of last Re-appointment:
26 July 2018 (as Independent Director)

Board Committee served on:
- Audit and Risk Committee (as Member)
- Remuneration Committee (as Member)

Other Listed Company Directorships: Nil

Other Principal Commitments: N.A.

Past Listed Company Directorships over the preceding three years: Nil

Academic & Professional Qualifications:
- Degree in Bachelor of Science (with Honours) from the University of Singapore
- Diploma in Education from the University of Singapore

Experience:
Mr Khoo began his banking career in DBS in 1980, where he worked for 16 years and served in various management positions across several branches of the bank. He has extensive experience in directorship and management roles, having had 28 years of experience in the banking industry. He is currently a business consultant to various SMEs in Singapore.

Previous Roles:
General Manager of The Bank of East Asia Limited, Singapore Branch, Council Member representing the Bank for the Association of Banks in Singapore, Director of Summit Securities Pte Ltd, Vice President in DBS International Department and various other senior roles at DBS Bank Ltd.

Date of Appointment:
16 June 2014

Date of last Re-appointment:
26 July 2018

Board Committee served on: Nil

Other Listed Company Directorships: Nil

Other Principal Commitments: N.A.

Past Listed Company Directorships over the preceding three years: Nil

Academic & Professional Qualifications:
- Bachelor of Business Administration from Aoyama Gakuin University

Experience:
Mr Machida has extensive experience in general management and is very familiar with the golf course management business, having worked within the Accordia Group for nearly 10 years. He was the Corporate Executive Officer of the Sponsor and the Chief of the Department of General Affairs and Personnel Division from 2009, during which time he exercised an oversight and supervisory role over the general business of the Sponsor and also reported directly to the President of the Sponsor.

Previous Roles:
Mr Machida held positions in Nitto Kogyo Co., Ltd., the previous operator of the golf courses of the Sponsor, and Nitto America Co., Ltd., where he was largely responsible for overseeing the firm's golf course management activities and was also involved in the strategic planning of the firm's golf course business.

Date of Appointment:
1 August 2018

Date of last Re-appointment: N.A.

Board Committee served on: Nil

Other Listed Company Directorships:
Nil

Other Principal Commitments: N.A.

Past Listed Company Directorships over the preceding three years: Nil

Academic & Professional Qualifications:
- Bachelor of Commerce from Doshisha University

Experience:
Mr Nakanishi has more than 30 years of leadership experience in Daiwa Group's international operations. He worked in various jurisdictions including Switzerland, New York, Los Angeles and Tokyo, where he served in management positions across the planning, investment banking and brokerage divisions. Mr Nakanishi is well versed in investor relations and compliance, having worked in Daiwa's Corporate Access Department from 2000 to 2012, where he successfully supported many large-cap Chinese companies to familiarise with post listing regulatory requirements under The Stock Exchange of Hong Kong Limited (HKEX). From 2013 to 2018, he headed the Internal Audit Department for Daiwa Securities Group, where he worked closely with the Board to identify loopholes and implement risk aversion and cost savings measures within the Group.

Previous Roles:
Executive Director in Internal Audit Department for Daiwa Securities Group (listed on Tokyo Stock Exchange), Head of Corporate Access, Institutional Sales Department for Daiwa Securities. Institutional Sales in Daiwa Securities of America and Daiwa Securities Bank Switzerland.

BOARD OF DIRECTORS OF THE TRUSTEE-MANAGER

Date of Appointment:
16 June 2014

Date of last Re-appointment:
26 July 2018

Board Committee served on:
- Audit and Risk Committee (as Chairman)
- Remuneration Committee (as Member)

Other Listed Company Directorships:
- Civmec Ltd. (SGX-ST listed and ASX listed)
- Changan Minsheng APLL Logistics Co., Ltd (HKEX listed)
- InnoTek Ltd (SGX-ST listed)
- AIMS AMP Capital Industrial REIT Management Limited (Manager of the SGX-ST listed AIMS AMP Capital Industrial REIT)

Other Principal Commitments: N.A.

Past Listed Company Directorships over the preceding three years:
- AVIC International Maritime Holdings Ltd (SGX-ST listed)

Academic & Professional Qualifications:
- Masters of Business Administration from the National University of Singapore
- Bachelor of Engineering from the University of Tokyo

Experience:
Mr Chong has extensive experience in listed companies, the technology and finance and banking sectors, having held several senior appointments in government organisations and financial institutions in Singapore and Japan.

Previous Roles:
Board member of the National Kidney Foundation from 2008-2010; Strategic Development Director for China of Glaxo Wellcome Asia Pacific from 1997-1999; Board member of the Accounting and Corporate Regulatory Authority ("ACRA"), from 2004-2010 and Executive Director and Group Managing Director (Commercial) of SGX-listed Seksun Corporation Ltd from 1999-2004.

Date of Appointment:
16 June 2014

Date of last Re-appointment:
26 July 2018

Board Committee served on:
- Remuneration Committee (as Chairman)
- Audit and Risk Committee (as Member)

Other Listed Company Directorships: Nil

Other Principal Commitments:
- Trustees FAS Co., Ltd.
- Boundary Publishing Inc.
- H4, Inc.
- Gluon, Inc.
- Trustees CT, Inc.

Past Listed Company Directorships over the preceding three years:
- The Nippon Synthetic Chemical Industry Co., Ltd.

Academic & Professional Qualifications:
- Bachelor of Commerce from Waseda University, Tokyo
- Certified Public Accountant in Japan

Experience:
Mr Kumagai has extensive experience in providing financial statement audit and deal advisory services to client companies at KPMG and other accounting firms. He has been a representative partner of Trustees FAS Co., Ltd in Japan since 2006 and has been providing financial advisory services such as financial due diligence, valuation and deal management in corporate finance service. He currently teaches management accounting courses at Hosei University in Tokyo. He is an expert member of Japan Association of Corporate Directors.

Previous Roles:
Manager of transaction services at KPMG FAS Co., Ltd in Tokyo; Audit supervising senior accountant at KPMG LLP in New York.

EXECUTIVE OFFICERS OF THE TRUSTEE-MANAGER

MR YOSHIHIKO MACHIDA
Chief Executive Officer and Executive Director

Please refer to page 6 in the Board of Directors of the Trustee-Manager section of this Annual Report for more information.

MR TOYO NAKANISHI
Executive Director

Please refer to page 6 in the Board of Directors of the Trustee-Manager section of this Annual Report for more information.

MR FUMIHIKO NIWA
Chief Financial Officer

Academic & Professional Qualifications:

- Bachelor of Science in Accounting from Chapman University in California, USA

Experience:

Mr Niwa has 30 years of experience primarily in finance and accounting fields at various companies. He started his career in KPMG LLP's Los Angeles office where he practiced as a United States Certified Public Accountant in audit, tax, and consulting services. After returning to Japan in 1999, he served in various management positions in private companies in commercial and financial industries. Mr. Niwa joined Accordia Golf Co., Ltd ("the Sponsor") as a Director in 2016 and was most recently Corporate Officer responsible for the Corporate Planning Division.

Previous Roles:

Mr Niwa joined Goldman Sachs Realty Japan Ltd. as Accounting Controller in 2001 where he was involved in real estate asset management work including setting up the Real Estate Investment Trust and Initial Public Offering of the Sponsor. Thereafter, he oversaw the restructuring of Matsushita Kosan at Aetos Japan, LLC as Director of Operations and Accounting. In 2007, he was appointed as Executive Director and Chief Accounting Officer of Morgan Stanley Capital K.K. where he sought to improve work efficiency and strengthen internal controls after the financial crisis. Mr Niwa joined the Sponsor as a Director in 2016 where he contributed to the enhancement of the organisation's corporate value.

MR TAKAHIRO KUROSAWA
Chief Investment and Asset Management Officer

Academic & Professional Qualifications:

- (Degree in) Bachelor of Law from Kokogakuin University, Tokyo

Experience:

Mr Kurosawa has extensive experience in finance, investment and asset management. He has been with the Sponsor since 2011 and was appointed Executive Senior Manager of Corporate Strategy, Management Planning Division of the Sponsor in April 2013. He is responsible for the buying and selling of golf courses on behalf of the Sponsor in relation to portfolio replacement.

Previous Roles:

Prior to joining the Sponsor, he was formerly employed with Goldman Sachs Realty Japan Ltd. ("GSRJL") since April 2000, where he was in charge of the management and collection of purchase loans in the Loan Asset Management Department and was also promoted to the position of Asset Manager. Mr Kurosawa played a key role in leading the acquisition by the Goldman Sachs group of the golf courses and was consequently promoted to Senior Asset Manager of GSRJL. He also worked with Nippon Mortgage Co., Ltd. where he was engaged in property finance work for over 13 years.

KEY HIGHLIGHTS

DISTRIBUTABLE INCOME

As at 31 March 2019
JPY 3,388 MILLION

As at 31 March 2018
JPY 3,436 MILLION

DISTRIBUTION PER UNIT[1]

As at 31 March 2019
SGD 3.77 CENTS (JPY3.08)

As at 31 March 2018
SGD 3.85 CENTS (JPY3.13)

NET ASSET VALUE PER UNIT[2]

As at 31 March 2019
SGD 71 CENTS (JPY58.10)

As at 31 March 2018
SGD 90 CENTS (JPY72.61)

APPRAISAL VALUE

As at 31 December 2018
JPY 144.7 BILLION

As at 31 December 2017
JPY 149.2 BILLION

LOAN-TO-VALUE[3]

As at 31 March 2019
30.4%

As at 31 March 2018
29.4%

UTILISATION RATE

As at 31 March 2019
76.8%

As at 31 March 2018
77.5%

1 Based on JPY/SGD exchange rate of 81.70 as at 31 March 2019 (31 March 2018: 81.02). The exchange rate takes into consideration the average forward currency contracts rate.
2 Based on JPY/SGD exchange rate of 81.78 as at 31 March 2019 (31 March 2018: 81.02).
3 Loan-To-Value = Total loan facility/Total appraisal value as at 31 December 2018.

FINANCIAL AND OPERATIONS REVIEW

	FULL YEAR (JPY MILLION)	
	FY18/19	FY17/18
Operating Income	**51,159**	51,450
Operating Profit/(Loss)	**(11,218)**	6,071
Profit/(Loss) After Income Tax	**(12,493)**	4,132
Total Distributable Income Available	**3,388**	3,436
DPU (SGD cents)*	**3.77**	3.85

* Based on JPY/SGD exchange rate of 81.70 as at 31 March 2019 (31 March 2018: 81.02). The exchange rate takes into consideration the average forward currency contracts rate.

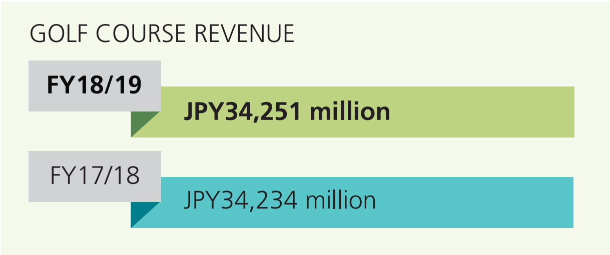
OPERATING INCOME

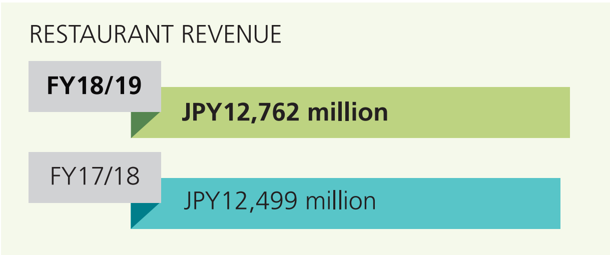
While Japan was blessed with more favourable weather conditions in the second half of FY18/19, total operating income in FY18/19 dipped 0.6% year-on-year (YoY) to JPY51,159 million. AGT's golf courses continued to receive a steady stream of players during the year, resulting in the same level of golf course revenue[1] of JPY34,251 million as the prior year, and an increase in the restaurant revenue[2] by 2.1% to JPY12,762 million over the previous year. The membership revenue[3] slipped 9.8% YoY to JPY3,721 million as we continue to see an increase in non-member play.

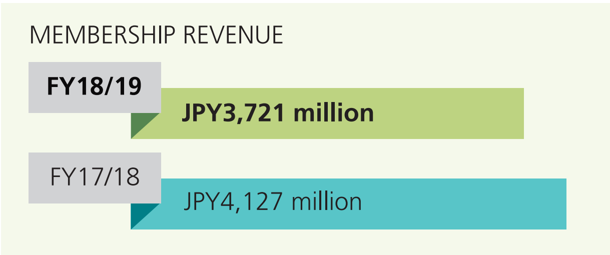
OPERATING EXPENSES

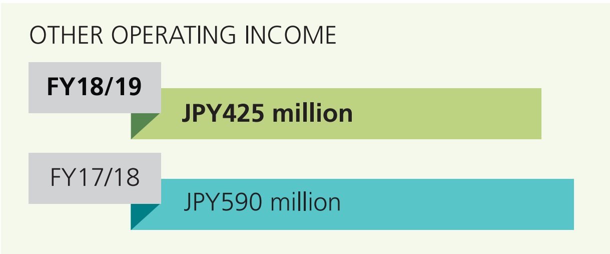
Due to the impairment losses on AGT's property, plant and equipment, and goodwill, total operating expenses surged 37.5% YoY to JPY62,377 million. Excluding the impairment losses, the total operating expenses would have been JPY44,415 million (FY17/18: JPY43,659 million).

The potential infrastructural flood prevention project at Nishikigahara golf course and underperformance of selected golf courses had been the primary reasons for the impairment loss on property, plant and equipment of JPY4,818 million (FY17/18: JPY1,720 million).





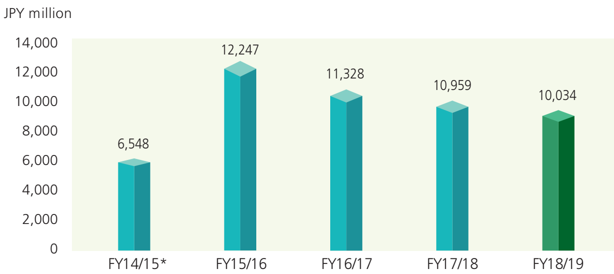




FINANCIAL AND OPERATIONS REVIEW

Following the annual assessment of the recoverable amount of SPC holding AGT's assets, goodwill impairment loss of JPY13,144 million (FY17/18: Nil) was recognised. This was largely impacted by the potential reduction of future cashflow from Nishikigahara golf course and selected underperforming golf courses. As a result, carrying value of the SPC exceeded the recoverable amount of SPC at end of the financial year. For a more detailed explanation on impairment assessment, please see Note 3(b) and (c) on pages 83 and 84 of the Annual Report.

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)



* Reporting period from 1 August 2014 to 31 March 2015.

TOTAL ASSETS AND NET ASSET VALUE

Total assets and net asset value as at the end of FY18/19 was JPY158,422 million and JPY64,270 million, respectively. Net asset value attributable to Unitholders stood at JPY63,857 million, with a net asset value per unit of SGD71 cents as at 31 March 2019.

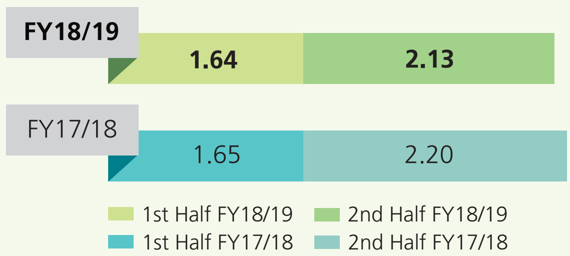
BORROWINGS

During the fiscal year, AGT entered into a new financing arrangement with two Japanese lenders to secure debt facilities of up to JPY44,925 million for a period of five years. As at 31 March 2019, AGT's gross borrowings stood at JPY43,925 million, equating to a loan-to-value ratio of 30.4%[4].

DISTRIBUTION

Total distributable income declared for FY18/19 was JPY3,388 million, equating to distribution per unit of SGD3.77 cents. The decline of JPY48 million in distributable income was attributed to operational loss amid unfavourable weather conditions in the first half of FY18/19. For the full year ended 31 March 2019, 100% of AGT's distributable income was paid to Unitholders.

DISTRIBUTION PER UNIT (100% BASIS)



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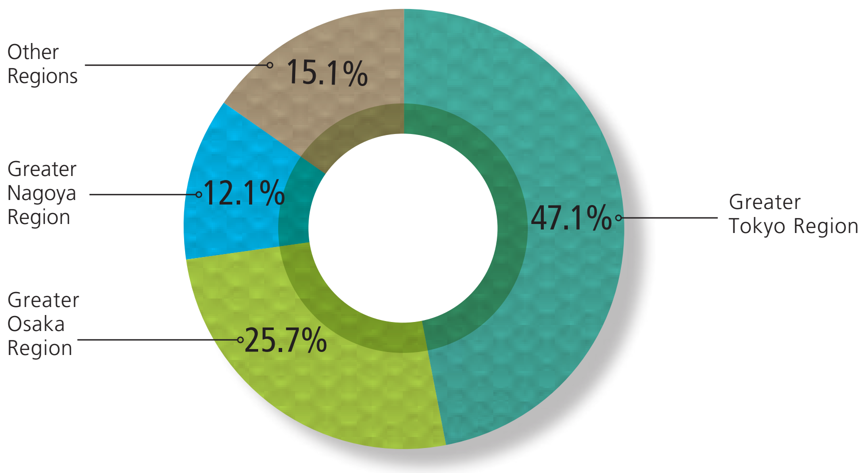
1 Golf course revenue consists of play fees (green fees and cart fees), caddie fees, accommodation fees, driving range fees and golf equipment rental fees.
2 Restaurant revenue is made up of dining, revenue from events at the hotels and sale of food and beverages at the hotels as well as course shops.
3 Membership revenue comprises annual membership fees, membership admission fees and membership transfer fees.
4 Based on the latest appraisal value as at 31 December 2018.

ASSET PORTFOLIO OVERVIEW

KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES

REGIONS	NUMBER OF COURSES	%	APPRAISAL VALUE AS AT 31 DEC 2018[1] (JPY BILLION)	%
Greater Tokyo	35	39.3	68.1	47.1
Greater Osaka	15	16.9	37.2	25.7
Greater Nagoya	12	13.5	17.5	12.1
3 Key Areas	**62**	**69.7**	**122.8**	**84.9**
Other Regions	27	30.3	21.9	15.1
TOTAL	**89**	**100.0**	**144.7**	**100.0**

APPRAISAL VALUE AS AT 31 DECEMBER 2018



REGIONS	REVENUE FY18/19[2] (JPY BILLION)	UTILISATION RATES FY18/19[3] (%)	NOI FY18/19[4] (JPY BILLION)	NOI MARGIN FY18/19[5] (%)	NOI YIELD FY18/19[6] (%)
Greater Tokyo	22.9	78.7	5.4	23.6	7.9
Greater Osaka	11.8	84.6	2.9	24.6	7.8
Greater Nagoya	6.5	77.6	1.2	18.5	6.9
3 Key Areas	**41.2**	**80.1**	**9.5**	**23.1**	**7.7**
Other Regions	10.5	67.6	1.7	16.2	7.8
TOTAL	**51.7**	**76.8**	**11.2**	**21.7**	**7.7**

1 Appraisals are conducted by independent real estate appraisers.
2 Gross revenue is based on Japanese General Acceptable Accounting Standards (J-GAAP), and includes play fees (which comprise of green fees and cart fees), caddie fees, restaurant revenue, membership fees and other revenues from the golf courses.
3 Utilisation rate = Total no. of players per 18 holes/Total operating days x 200 people
4 Net operating income (NOI) is derived by deducting merchandise and material expense, labour cost, other operating expenses from revenue and golf course management agreement (GCMA) fees.
5 NOI margin = NOI/Revenue
6 NOI yield = NOI/Appraisal value

ASSET PORTFOLIO OVERVIEW

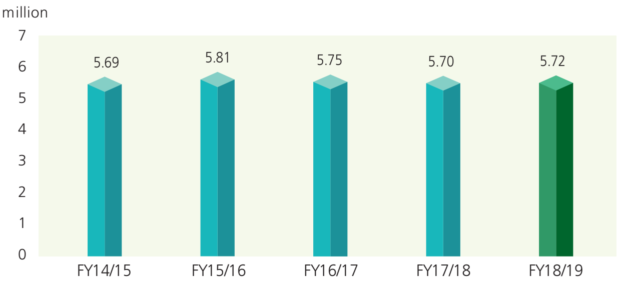
PORTFOLIO OVERVIEW

Accordia Golf remains one of the top golf course operators in Japan. As at 31 March 2019, Accordia Group had 3.48 million loyalty programme cardholders, accounting for 52% of the total number of golf players in Japan[1]. The strong Accordia brand has put us in good stead to compete with other golf courses. As at the end of FY18/19, the number of players per golf course per year for AGT was approximately 54,000, 40% higher than the national average.

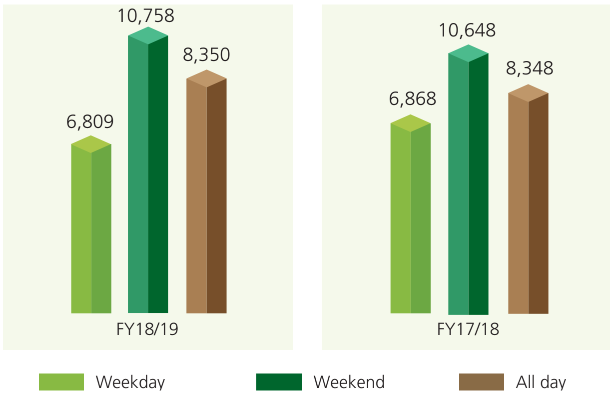
AGT's total portfolio as at 31 December 2018 was valued at JPY144.7 billion, down 3% year-on-year (YoY). This was primarily due to the potential flood prevention project that the Japanese government plans to conduct at Nishikigahara golf course, which has resulted a drop in its valuation from JPY4.61 billion to JPY0.97 billion. The golf course is located along Arakawa River that runs through the eastern part of Tokyo. If struck by strong typhoon and heavy rain, approximately 1.5 million people who live near the river trail are exposed to coastal flood. While boosting flood defences is a priority, the authority has given their assurance that the survey will not have significant impact to the operations at the golf course.

Despite unfavourable weather between July and September 2018, the number of players increased 0.5% YoY to 5.7 million in FY18/19. Revenue per player at weekends had improved 1.0% YoY to JPY10,760 on the back of Accordia Group's ongoing marketing efforts to attract more golfers. The utilisation rate at AGT's golf courses in FY18/19 remained steady at 76.8%. We hope to improve utilisation rate for weekdays, currently stood at approximately 69%, through promotional campaigns targeting senior and ladies golfers.

NUMBER OF PLAYERS



REVENUE PER PLAYER (in JPY)



Note: Revenue excludes membership fees and pro-shop business.

ONGOING MARKETING EFFORTS

We are continuing our efforts to increase participation in golf among woman and junior players. Currently, women account for approximately 12% of the total number of players in Accordia Group, higher than the national average of 7%. To spur continued interest, we partnered with GINGER, a popular Japanese women fashion magazine, to train and host golf tournament for their subscribers. The programme had drawn keen interest from ladies aged between 20 and 30 years old. Accordia Group has been organising Pink Ribbon Ladies' Golf Tournament since 2000. The annual event held in July 2018 was well received and had attracted approximately 140 women players. To strengthen the presence of Accordia brand, Accordia Group has pledged to be an apparel sponsor for Mika Miyazato, a professional Japanese golfer who plays on the Ladies Professional Golf Association.

Accordia Group, being one of the top golf course operators in Japan, hopes to keep the heritage of the golf industry by attracting new generation of players. We played host to hold biannual kids' party to cultivate interest in golf game and held regular educational field trips for schools. Accordia Group has volunteer coaches to impart proper golf etiquette to junior golfers and help them to gain confidence in game of golf.

Furthermore, to revitalise the industry and appeal to younger golfers, we invited live band to the clubs as part of an entertainment after golf and converted an outdoor area of Myogi Country Club into glamping. We are also progressively installing GPS system in AGT's golf carts. The system helps golfers navigate around the golf course and serves as a leaderboard during competition games. These initiatives are well received by younger golfers.

[1] According to the latest statistics released by Nihon Golf-jo Keieisha Kyokai, Japan had approximately 6.7 million golf players as at 31 March 2018.

ASSET PORTFOLIO OVERVIEW

TOP 10 GOLF COURSES (BY APPRAISAL VALUE)

UNIQUE JAPANESE ASSETS

No. of golf courses: 89

Appraisal value: JPY 144.71 billion[1]

GREATER TOKYO REGION

No. of Golf Courses	**35**
Appraisal Value	JPY 68.12 billion

GREATER OSAKA REGION

No. of Golf Courses	**15**
Appraisal Value	JPY 37.20 billion

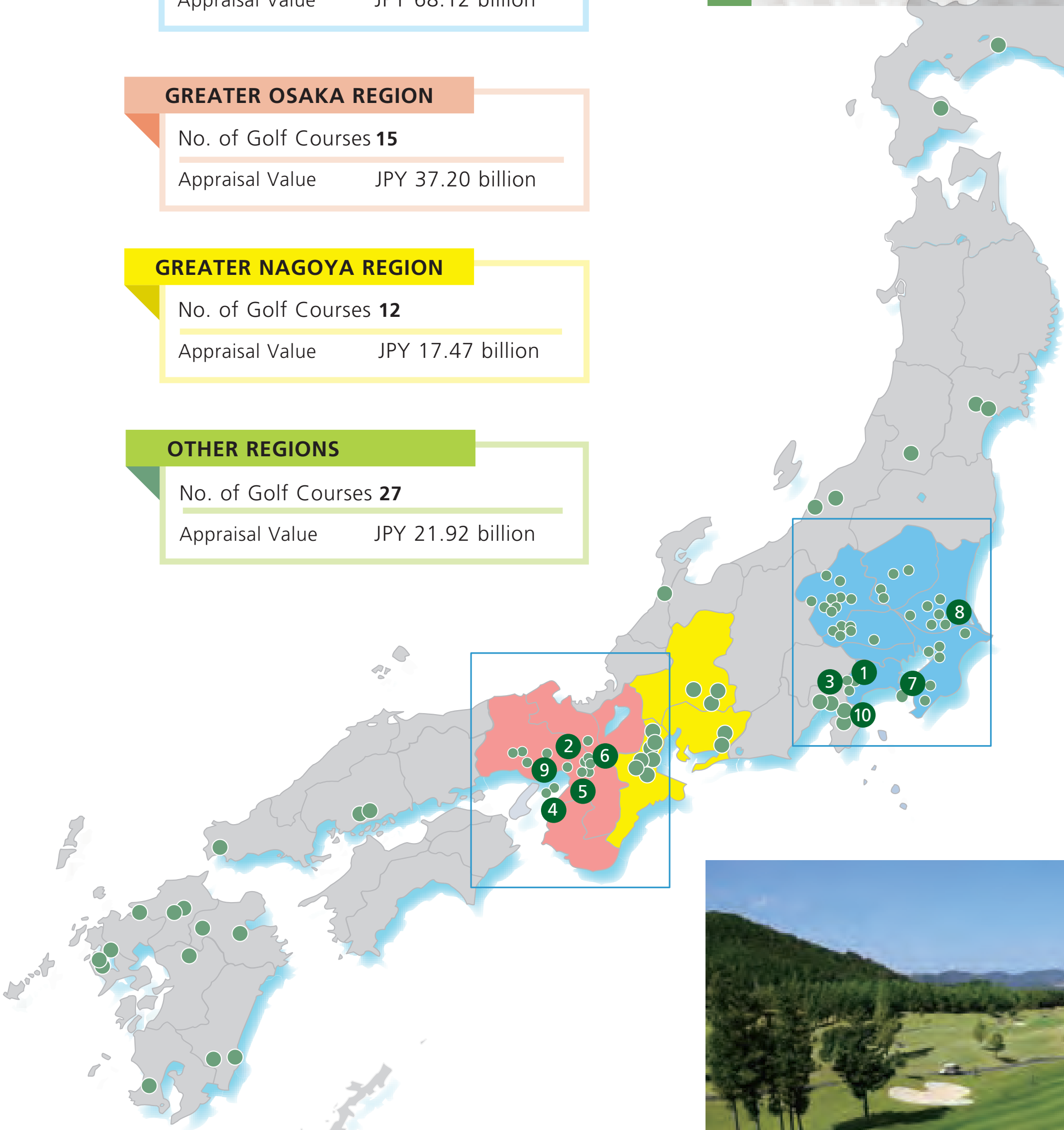
GREATER NAGOYA REGION

No. of Golf Courses	**12**
Appraisal Value	JPY 17.47 billion

OTHER REGIONS

No. of Golf Courses	**27**
Appraisal Value	JPY 21.92 billion

1 DAIATSUGI COUNTRY CLUB HON COURSE, TOKYO REGION



2 OTSU COUNTRY CLUB, OSAKA REGION

[1] Appraisal value was as at 31 December 2018 and conducted by independent real estate.

ASSET PORTFOLIO OVERVIEW

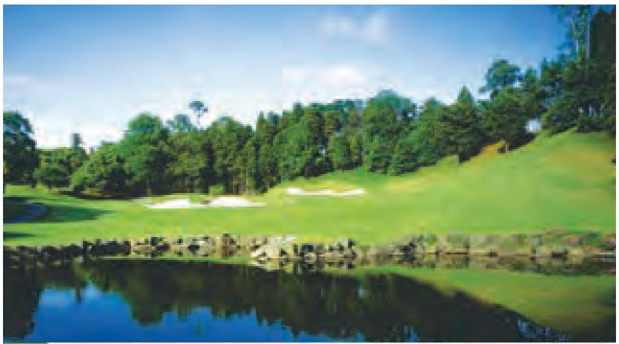
TOP 10 GOLF COURSES (BY APPRAISAL VALUE)

3 DAIATSUGI COUNTRY CLUB SAKURA COURSE, TOKYO REGION

4 IZUMISANO COUNTRY CLUB, OSAKA REGION

5 KISAICHI COUNTRY CLUB, OSAKA REGION

6 KAMO COUNTRY CLUB, OSAKA REGION



7 TOKYOWAN COUNTRY CLUB, TOKYO REGION

8 TSUCHIURA COUNTRY CLUB, TOKYO REGION

9 ATAGOHARA GOLF CLUB, OSAKA REGION

10 MISHIMA COUNTRY CLUB, OTHER REGION

ASSET PORTFOLIO OVERVIEW

KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES

GREATER TOKYO REGION

NO.	GOLF COURSE	APPRAISAL VALUE AS AT 31 DECEMBER 2018 (JPY MILLION)	LOCATION	NO. OF HOLES	INAUGURAL BY THE YEAR	REVENUE FY18/19 (JPY MILLION)	UTILISATION RATES FY18/19 (%)	NO. OF VISITORS FY18/19
1	Daiatsugi Country Club Hon Course	8,000	Atsugi-Shi, Kanagawa	27	1970	1,334	87.1	95,323
2	Daiatsugi Country Club Sakura Course	6,530	Atsugi-Shi, Kanagawa	18	1981	1,124	110.4	80,614
3	Tokyowan Country Club	3,780	Sodegaura-Shi, Chiba	27	1979	1,071	90.4	98,127
4	Tsuchiura Country Club	3,600	Inashiki-Shi, Ibaraki	27	1962	903	86.5	93,425
5	Central Golf Club	2,880	Namegata-Shi, Ibaraki	36	1974	989	77.7	111,283
6	Odawara Golf Club Matsuda Course	2,870	Ashigarakami-Gun, Kanagawa	18	1973	636	83.4	60,684
7	Yorii Country Club	2,830	Osato-Gun, Saitama	18	1978	673	79.9	58,362
8	Fujioka Golf Club	2,650	Fujioka-Shi, Gunma	36	1968	715	68.2	99,244
9	Aqualine Golf Club	2,600	Kisarazu-Shi, Chiba	18	1997	644	81.0	58,145
10	Naritahigashi Country Club	2,440	Katori-Shi, Chiba	18	1982	575	81.6	59,102
11	Mito Golf Club	2,430	Mito-Shi, Ibaraki	36	1966	827	68.0	98,400
12	Kanetsu Highland Golf Club	2,000	Takasaki-Shi, Gunma	27	1972	616	80.1	87,433
13	Chiba Sakuranosato Golf Club	1,950	Katori-Shi, Chiba	18	1984	548	82.5	59,753
14	Minagawajo Country Club	1,910	Tochigi-Shi, Tochigi	18	1973	595	76.4	55,441
15	Sawara Country Club	1,910	Katori-Shi, Chiba	18	1990	627	82.0	58,848
16	Ohiradai Country Club	1,800	Tochigi-Shi, Tochigi	27	1974	597	72.9	79,657
17	Tamagawa Country Club	1,570	Hiki-Gun, Saitama	18	1994	578	80.9	59,034
18	Sainomori Country Club	1,460	Chichibu-Shi, Saitama	18	1989	647	79.8	57,960

ASSET PORTFOLIO OVERVIEW

KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES

GREATER TOKYO REGION (cont'd)

NO.	GOLF COURSE	APPRAISAL VALUE AS AT 31 DECEMBER 2018 (JPY MILLION)	LOCATION	NO. OF HOLES	INAUGURAL BY THE YEAR	REVENUE FY18/19 (JPY MILLION)	UTILISATION RATES FY18/19 (%)	NO. OF VISITORS FY18/19
19	Kodamakamikawa Country Club	1,400	Kodama-Gun, Saitama	18	1988	534	83.7	60,604
20	Kanra Country Club	1,350	Kanra-Gun, Gunma	18	1975	500	78.8	57,341
21	Central Golf Club New Course	1,340	Namegata-Shi, Ibaraki	18	1979	476	81.7	58,491
22	Wildduck Country Club	1,310	Kamisu-Shi, Ibaraki	18	1991	454	77.9	56,550
23	Myogi Country Club	1,270	Tomioka-Shi, Gunma	18	1986	971	75.4	54,742
24	Ishioka Golf Club West Course	1,110	Kasama-Shi, Ibaraki	18	1990	539	82.9	60,008
25	Hanao Country Club	1,070	Isumi-Gun, Chiba	18	1992	499	83.3	60,123
26	Koryo Country Club	1,020	Kanuma-Shi, Tochigi	27	1975	515	69.1	75,202
27	Midono Country Club	1,000	Fujioka-Shi, Gunma	18	1990	510	83.3	60,657
28	Northern Country Club Nishikigahara Golf Course	973	Saitama-Shi, Saitama	43	1963	1,221	85.3	147,890
29	Twin Lakes Country Club	935	Fujioka-Shi, Gunma	18	1988	550	84.6	61,571
30	Chichibu Kokusai Country Club	741	Chichibu-Gun, Saitama	18	1975	351	72.5	52,226
31	Kamogawa Country Club	646	Kamogawa-Shi, Chiba	18	1970	587	82.6	59,957
32	Kitsuregawa Country Club	332	Sakura-Shi, Tochigi	27	1987	536	65.6	71,443
33	Northern Country Club Akagi Golf Course	270	Shibukawa-Shi, Gunma	27	1976	402	60.9	53,166
34	Northern Country Club Jomo Golf Course	113	Agatsuma-Gun, Gunma	18	1978	238	72.0	40,025
35	Village Higashi Karuizawa Golf Club*	28	Annaka-Shi, Gunma	18	1978	271	60.9	43,942
	TOTAL	**68,118**				**22,853**	**78.7**	**2,444,773**

* Village Higashi Karuizawa Golf Club was divested on 3 June 2019.

ASSET PORTFOLIO OVERVIEW

KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES

GREATER OSAKA REGION

NO.	GOLF COURSE	APPRAISAL VALUE AS AT 31 DECEMBER 2018 (JPY MILLION)	LOCATION	NO. OF HOLES	INAUGURAL BY THE YEAR	REVENUE FY18/19 (JPY MILLION)	UTILISATION RATES FY18/19 (%)	NO. OF VISITORS FY18/19
1	Otsu Country Club	7,480	Otsu-Shi, Shiga	45	1969	1,582	85.9	155,301
2	Izumisano Country Club	4,610	Izumisano-Shi, Osaka	27	1972	996	91.9	97,548
3	Kisaichi Country Club	4,400	Katano-Shi, Osaka	27	1968	1,001	91.7	98,780
4	Kamo Country Club	4,340	Kizugawa-Shi, Kyoto	36	1974	1,096	86.5	125,997
5	Atagohara Golf Club	3,190	Takarazuka-Shi, Hyogo	27	1960	820	77.1	83,748
6	Naranomori Golf Club	2,090	Nara-Shi, Nara	18	1988	679	87.0	62,825
7	Harima Country Club	1,990	Ono-Shi, Hyogo	18	1965	581	89.9	65,110
8	Kameoka Golf Club	1,820	Kameoka-Shi, Kyoto	18	1998	535	85.5	59,678
9	Lake Forest Resort	1,580	Soraku-Gun, Kyoto	45	1993	1,521	80.5	146,369
10	Sorei Golf Club Tsuchiyama Course	1,380	Kouga-Shi, Shiga	18	1996	433	75.8	52,151
11	Kyowa Golf Club	1,270	Soraku-Gun, Kyoto	18	1974	486	82.8	59,137
12	Misaki Country Club	1,220	Sennan-Gun, Osaka	18	1970	570	89.7	64,913
13	Yamato Kougen Country Club	760	Nara-Shi, Nara	18	2001	537	82.9	60,205
14	Kasai Country Club	583	Kasai-Shi, Hyogo	18	1987	426	78.3	56,389
15	Shirasagi Golf Club	491	Himeji-Shi, Hyogo	18	1996	496	82.1	59,425
	TOTAL	**37,204**				**11,759**	**84.6**	**1,247,576**

GREATER NAGOYA REGION

NO.	GOLF COURSE	APPRAISAL VALUE AS AT 31 DECEMBER 2018 (JPY MILLION)	LOCATION	NO. OF HOLES	INAUGURAL BY THE YEAR	REVENUE FY18/19 (JPY MILLION)	UTILISATION RATES FY18/19 (%)	NO. OF VISITORS FY18/19
1	Yokkaichinosato Golf Club	2,470	Yokkaichi-Shi, Mie	18	1988	699	81.3	59,013
2	Shinyo Country Club	2,100	Toki-Shi, Gifu	18	1990	643	83.1	60,364
3	Fujiwara Golf Club	2,000	Inabe-Shi, Mie	27	1993	736	70.9	76,378
4	Castlehill Country Club	1,950	Toyokawa-Shi, Aichi	18	1993	648	79.8	57,950
5	Forest Mizunami Country Club	1,370	Mizunami-Shi, Gifu	18	1987	521	84.7	61,834
6	Kasumi Golf Club	1,290	Tsu-Shi, Mie	18	1992	491	76.0	54,734
7	Sorei Golf Club Seki Course	1,250	Kameyama-Shi, Mie	18	1996	402	73.6	52,223
8	Tsukude Golf Club	1,230	Shinshiro-Shi, Aichi	18	1994	538	79.3	56,594
9	Forest Geino Golf Club	1,170	Tsu-Shi, Mie	18	1991	460	71.3	51,184
10	Sun Classic Golf Club	1,020	Kani-Gun, Gifu	18	1992	541	86.8	63,201
11	Route 25 Golf Club	920	Iga-Shi, Mie	18	1995	483	77.5	55,184
12	Meisho Golf Club	701	Tsu-Shi, Mie	18	1984	386	70.3	51,206
	TOTAL	**17,471**				**6,548**	**77.6**	**699,865**

ASSET PORTFOLIO OVERVIEW

KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES

OTHER REGIONS

NO.	GOLF COURSE	APPRAISAL VALUE AS AT 31 DECEMBER 2018 (JPY MILLION)	LOCATION	NO. OF HOLES	INAUGURAL BY THE YEAR	REVENUE FY18/19 (JPY MILLION)	UTILISATION RATES FY18/19 (%)	NO. OF VISITORS FY18/19
1	Mishima Country Club	2,970	Mishima-Shi, Shizuoka	18	1988	652	82.4	59,967
2	Ashitaka Six Hundred Club	2,110	Numazu-Shi, Shizuoka	18	1969	622	83.7	60,438
3	Jurigi Country Club	1,710	Fuji-Shi, Shizuoka	18	1973	478	66.7	46,430
4	Nijo Country Club	1,610	Itoshima-Shi, Fukuoka	18	1974	537	83.1	59,350
5	Yunoura Country Club	1,210	Hioki-Shi, Kagoshima	18	1989	459	79.7	57,715
6	Sanyo Kokusai Golf Club	1,090	Sanyoonoda-Shi, Yamaguchi	36	1980	657	63.0	91,435
7	Hongo Country Club	1,050	Mihara-Shi, Hiroshima	18	1977	394	66.7	46,953
8	Dainiigata Country Club Izumosaki Course	882	Santo-Gun, Niigata	18	1974	341	63.8	42,852
9	Sasebo Kokusai Country Club	873	Sasebo-Shi, Nagasaki	18	1976	375	69.7	50,328
10	Beppu No Mori Golf Club	838	Beppu-Shi, Oita	27	1974	489	66.3	71,584
11	Osato Golf Club	809	Kurokawa-Gun, Miyagi	18	1998	326	84.4	57,366
12	Central Fukuoka Golf Club	801	Chikushino-Shi, Fukuoka	18	1975	517	84.2	60,296
13	Aoshima Golf Club	750	Miyazaki-Shi, Miyazaki	18	1991	458	71.5	51,880
14	Takehara Country Club	526	Takehara-Shi, Hiroshima	18	1994	305	57.7	38,792
15	Izu Kokusai Country Club	521	Izu-Shi, Shizuoka	18	1961	303	65.5	47,261
16	Rainbow Sports Land Golf Club	512	Miyakonojo-Shi, Miyazaki	18	1992	251	65.7	47,538
17	Nagasaki Park Country Club	476	Saikai-Shi, Nagasaki	18	1994	360	64.8	47,035
18	Fukuoka Pheasant Country Club	465	Tagawa-Gun, Fukuoka	18	1976	324	72.2	48,834
19	Dainiigata Country Club Sanjo Course	451	Sanjo-Shi, Niigata	18	1976	253	58.5	32,499
20	Kikuchi Country Club	442	Kikuchi-Shi, Kumamoto	18	1979	320	65.0	46,386
21	Onuma Lake Golf Club	381	Kayabe-Gun, Hokkaido	27	1975	255	49.6	34,968
22	Hananomori Golf Club	337	Kurokawa-Gun, Miyagi	18	1992	417	70.0	40,477
23	Amagaseonsen Country Club	332	Hita-Shi, Oita	18	1967	275	57.4	40,971
24	Tarumae Country Club	327	Tomakomai-Shi, Hokkaido	27	1963	336	50.2	37,772
25	Yamagataminami Country Club	277	Higashiokitama-Gun, Yamagata	18	1985	219	61.5	29,150
26	Huis Ten Bosch Country Club	107	Saikai-Shi, Nagasaki	18	1991	304	59.0	42,866
27	Kanazawa Central Country Club	64	Kanazawa-Shi, Ishikawa	18	1993	319	64.3	40,524
	TOTAL	**21,921**				**10,546**	**67.6**	**1,331,667**

JAPAN'S GOLF INDUSTRY

THE ECONOMY

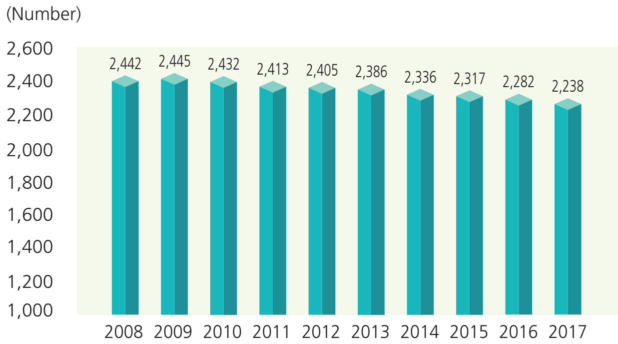
Based on the latest forecast from International Monetary Fund, Japanese economy is expected to grow 1.1% for the fiscal year 2019 (FY19/20) due to the additional fiscal support from its government, including measures to mitigate the effects of the planned consumption tax rate increase in October. Economists foresee capital expenditure and exports to weaken in the first half of FY19/20 amid a slowdown in global trade. In the second half of the year, the government will raise consumption tax to 10% (from 8%) to mainly support the nation's social security expenses. To ease the impact of the tax hike, a tax reform package worth JPY2 trillion will be laid out to provide transitional support for households and corporates.

We remain mindful that Japan may face very slow growth in FY19/20, reflecting some of the headwinds above. Given the planned consumption tax hike later in the year, household spending could surge in anticipation of the increase and likely followed by a decline in spending in the subsequent quarters. While this could dampen consumer sentiment, we have observed that the number of golfers at our golf courses was not significantly impacted. Revenue per player, since late-2017, has increased gradually. Subject to favourable weather conditions, we do not foresee the tax hike to have significant impact to our revenue.

CONSOLIDATING, AN OPPORTUNITY

We continue to see consolidation trend in the industry. As at the end of fiscal year 2017, the number of golf courses was 2,238, down 44 compared with the prior year. The trend is deemed beneficial as the industry is increasingly home to more reputable golf course operators with stronger balance sheets to face future headwinds. We view this as an opportunity for Accordia Group, one of the top golf course operators in Japan.

NUMBER OF GOLF COURSES IN JAPAN

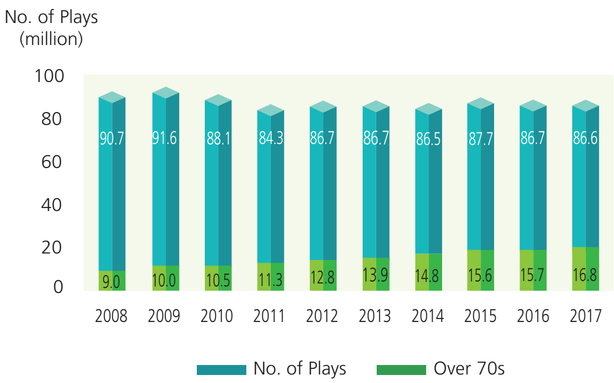


Source: Nihon Golf-jo Keieisha Kyokai/Golf Market Activitiy Committee

JAPAN'S GOLF INDUSTRY

While we focus on attracting the next generation, Japanese golf industry is very much dominated by senior golfers aged above 50 years old. Latest statistics from Nihon Golf-jo Keieisha Kyokai, a golf course management association, indicated that the number of plays by senior golfers increased 7% year-on-year to 16.8 million in the fiscal year 2017. In the short to medium term, we believe that the demand for golf will continue to be supported by the senior golfers.

NUMBER OF PLAYS AND NUMBER OF PLAYS PER PLAYER



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

RISING UNCERTAINTIES

On the back of rising macroeconomics uncertainties, we will adopt a cautious stance and exercise prudence in managing our operating costs. To rejuvenate the golf industry, the management will continue its efforts to engage more ladies and junior players. Various campaigns and programmes will be planned to encourage new entrants and retain existing members.

Due to climate change, Japan could face more extreme weather conditions including rising temperatures and more intense rainfall. These could influence utilisation rate at the golf courses.

INVESTOR RELATIONS

We continue to believe that openness and transparency are essential in maintaining positive relations with stakeholders. The management is committed to fair, timely, regular and consistent disclosures to all Unitholders and investors.

The Investor Relations (IR) personnel supports the management in facilitating communications with existing and potential institutional and retail investors, financial analysts as well as other stakeholders. Guided by a defined set of principles and practices set out in its IR Policy, the management engages in proactive communication with the investment community. Unitholders are encouraged to subscribe to the email alert to receive updates on AGT's business operations.

AGT publishes its financial results on a quarterly basis. Post-results briefing to analysts and fund managers are organised for the CEO to present AGT's financial performance for that period as well as to share the latest golf industry developments. Periodic presentations to various brokerage houses will also be conducted. These sessions provide a platform for the management to understand and address issues that concern the stakeholders.

CONTINUING THE TWO-WAY COMMUNICATION

During the fiscal year, the management continued to maintain two-way communication with local and investors worldwide through post-results meetings, conference calls and luncheons. Corporate presentation was conducted to four brokerage houses to keep trading representatives abreast of AGT's latest financial performance.

We continue to work closely with the Singapore Exchange Limited and took part in conferences jointly held between the exchange and various financial institutions. At these events, the management presented AGT's business operations and outlook. To ensure that analysts have a full spectrum of the golf business, annual site visit will be arranged for them to visit AGT's golf courses.

AGT's fourth annual general meeting took place in July 2018 and was attended by more than 100 unitholders and unitholder proxies. At the meeting, the Board of Directors engaged with the Unitholders to update them on AGT's strategy and latest corporate developments.

Through these various available platforms, the management will continue to share and promote the business of AGT.

Annual general meeting in July 2018

Corporate presentation to CGS – CIMB in January 2019

INVESTOR RELATIONS

INVESTOR RELATIONS AND FINANCIAL CALENDAR

Q1 FY18/19
(April to June 2018)

- Announced full-year FY17/18 results
- Held post-results briefing to analysts and fund managers
- Conducted one-on-one investor meetings and conference calls
- Hosted analysts to annual site visit in Nagoya, Japan
- Non-deal roadshow in New York, Europe, Tokyo, Hong Kong and Taipei
- 2H FY17/18 distribution payout to unitholders

Q2 FY18/19
(July to September 2018)

- Announced 1Q FY18/19 results
- Held post-results briefing to analysts
- Convened AGM on 26 July 2018

Q3 FY18/19
(October to December 2018)

- Announced 2Q FY18/19 results
- Held post-results briefing to analysts and fund managers
- Conducted one-on-one investor meetings and conference calls
- Participated in Mid-Small Cap Forum in Singapore organised by Lond Capital
- Participated in Daiwa Investment Conference in Hong Kong
- Non-deal roadshow in Tokyo, Hong Kong, Taipei, Bangkok and Kuala Lumpur
- 1H FY18/19 distribution payout to unitholders
- Included in the FTSE ST Singapore Shariah Index

Q4 FY18/19
(January to March 2019)

- Announced 3Q FY18/19 results
- Held post-results briefing to analysts
- Corporate presentation to CGS-CIMB Securities, Maybank Kim Eng Securities, KGI Securities and Phillip Securities
- Participated in SGX-SAC Small/Mid Cap Corporate Access Seminar
- Participated in Daiwa Investment Conference in Tokyo, Japan
- Listed as one of Singapore's Fastest Growing Companies 2019

INVESTOR RELATIONS CONTACT

For more information on AGT, please contact:

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Email: beelin@agtrust.com.sg

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman and Independent Director
Mr Khoo Kee Cheok

Executive Director and Chief Executive Officer
Mr Yoshihiko Machida

Executive Director
Mr Toyo Nakanishi

Independent Director
Mr Chong Teck Sin

Independent Director
Mr Hitoshi Kumagai

AUDIT AND RISK COMMITTEE

Mr Chong Teck Sin (Chairman)

Mr Khoo Kee Cheok

Mr Hitoshi Kumagai

REMUNERATION COMMITTEE

Mr Hitoshi Kumagai (Chairman)

Mr Khoo Kee Cheok

Mr Chong Teck Sin

REGISTERED OFFICE OF AGT AND TRUSTEE-MANAGER

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Fax: +65 6236 3300

Partner-in-Charge: Mr Yeow Chee Keong
Date of appointment: 26 July 2017

COMPANY SECRETARY

Mr Lai Kuan Loong, Victor

CORPORATE GOVERNANCE

ABOUT AGT AND TRUSTEE-MANAGER

Accordia Golf Trust ("**AGT**") is a business trust constituted in Singapore by a trust deed dated 16 June 2014 as amended by the first amending and restating deed dated 21 July 2014 (the "**Trust Deed**"), made by Accordia Golf Trust Management Pte. Ltd., as trustee-manager of AGT (the "**Trustee-Manager**").

AGT is registered as a business trust under the Business Trusts Act, Chapter 31A of Singapore (the "**BTA**") and was listed on the Main Board of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 1 August 2014 ("**Listing Date**"). Accordia Golf Co., Ltd. is the sponsor of AGT (the "**Sponsor**").

The Trustee-Manager is committed to high standards of corporate governance, business integrity and professionalism in all its activities and has adopted corporate governance practices which are in line with the Singapore Code of Corporate Governance 2012 (the "**2012 CG Code**") issued by the Monetary Authority of Singapore ("**MAS**") throughout the financial year ended 31 March 2019. Where there are deviations from the 2012 CG Code, appropriate explanations have been provided. The Trustee-Manager also ensures that all applicable laws, rules and regulations including the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), the listing manual of the SGX-ST (the "**Listing Manual**") and the BTA including the relevant regulations thereunder, are duly complied with.

On 6 August 2018, the MAS issued a revised Code of Corporate Governance (the "**2018 CG Code**"), and accompanying Practice Guidance. The 2018 CG Code supersedes and replaces the 2012 CG Code that was issued in May 2012. The 2012 CG Code will apply for annual reports covering financial year commencing from 1 January 2019. The Board will work towards the implementation of the 2018 CG Code, where appropriate, in the next annual report.

THE BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board is responsible for the overall corporate governance of the Trustee-Manager. The Board oversees the Trustee-Manager's affairs and is accountable to Unitholders for the management of the Trustee-Manager, including establishing goals for the Management, monitoring the performance of the Trustee-Manager and overseeing the Management in order to monitor the achievement of these goals.

The Board meets regularly to review AGT's business activities and strategies and to provide entrepreneurial guidance and strategic business direction. Such regular reviews are also aimed at ensuring adherence to the Trust Deed and compliance with any applicable laws, rules, regulations, guidelines and policies.

The Board is also responsible for the risk management of AGT. All Board members participate in matters relating to corporate governance, business operations and risks, financial performance, and the nomination and review of directors of the Trustee-Manager ("**Directors**").

The Board has established a framework for the management of the Trustee-Manager and AGT, including a system of internal controls and a business risk management process, which enables risks to be assessed and managed.

CORPORATE GOVERNANCE

The key roles of the Board are to:

- guide the corporate strategy and directions of the Trustee-Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise; and
- oversee the proper conduct of the Trustee-Manager.

The Board is supported by two committees namely (1) Audit and Risk Committee and (2) Remuneration Committee. These committees function within clearly defined terms of reference.

The Trustee-Manager has adopted a framework of delegated authorisations that has been approved by the Board. The framework sets out the level of authorisation and their respective approval limits for business activities, including but not limited to, investments and divestments, capital expenditures and bank borrowings as well as arrangements in relation to cheque signatories. In addition, sub-limits are also delegated to various management levels to facilitate operational efficiency. Activities and matters which are specifically reserved for the Board's approval, such as acquisition and disposal of assets, financial statements, annual budget, investment proposals and funding, opening and closing of bank accounts, are also clearly set out in the framework.

Each Director acts honestly, with due care and diligence, and in the best interests of AGT. The Board meets regularly, at least once every quarter, to review the business performance and outlook of AGT, as well as to deliberate on business strategy, including any significant acquisitions, disposals, fund raising and development projects of AGT. All Board and Board Committee meetings as well as Annual General Meeting are scheduled in advance and ad-hoc meetings are convened as and when warranted, when particular circumstances come to the Board's attention. Board meetings are also supplemented by resolutions circulated to Directors for decisions as and when necessary.

The number of meetings of the Board and the Board Committees during the financial year ended 31 March 2019 as well as the attendance of the Directors, are as follows:

Name of Directors	Board Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings	
	Number of meetings	Attendance	Number of meetings	Attendance	Number of meetings	Attendance
Khoo Kee Cheok	6	6	4	4	1	1
Chong Teck Sin	6	6	4	4	1	1
Hitoshi Kumagai	6	6	4	4	1	1
Yoshihiko Machida	6	6	4*	4*	1*	1*
Toshikatsu Makishima#	6	1	4*	1*	1*	1*
Toyo Nakanishi##	6	5	4*	3*	–	–

* By Invitation
\# Resigned as a Non-Executive Director on 1 August 2018
\## Appointed as an Executive Director on 1 August 2018

CORPORATE GOVERNANCE

The Trustee-Manager's Constitution permits Board meetings to be held by way of telephone or videoconference or other methods of simultaneous communication by electronic or telegraphic means.

First-time Directors who do not have prior experience as a director of a Singapore listed company are also provided with a comprehensive briefing on the roles, duties and obligations of directors. Mr Toyo Nakanishi who was appointed on 1 August 2018 had no prior experience as a director of a listed company. Accordingly, Mr Nakanishi has undergone and attended the following trainings and courses conducted by the Singapore Institute of Directors:

- Board and Director Fundamentals
- Listed Entity Director Essentials
- Board Risk Committee Essentials
- The Role of a Board in a Crisis

As part of continuous training, Directors will, from time to time, receive updates and briefing from professional advisors, auditors and Management on relevant practices, new rules and regulations, corporate governance, changes in accounting standards and risk management issues applicable or relevant to the performance of their duties and responsibilities as Directors. The Directors are encouraged to attend training courses from the Singapore Institute of Directors and any other relevant training programmes, so as to keep up-to-date with changes to financial, legal and regulatory requirements and the business environment. The Directors have attended the following courses during the financial year ended 31 March 2019:

- Singapore Governance and Transparency Index
- Changes to the Code of Corporate Governance and SGX Listing Rules
- Building Trust Through Reporting
- Director Financial Reporting Fundamentals

The cost of arranging and funding of the training of the Directors are borne by the Trustee-Manager. In an effort to familiarise the Directors with the business and operations of AGT Group, visits to several of the Initial Portfolio golf courses were also arranged during the financial year under review. Meetings between the management of the golf courses and the Directors were also arranged so that the Directors can better understand the issues faced by the ground team.

BOARD COMPOSITION AND GUIDANCE

Principle 2

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small groups of individuals should be allowed to dominate the Board's decision making.

As at 31 March 2019, the Board comprised five Directors, of whom three were independent and non-executive.

CORPORATE GOVERNANCE

Section 14(2) of the BTA (read with Regulation 12 of the Business Trusts Regulations 2005 ("**BTR**")) states that the board of a trustee-manager should consist of:

- at least a majority of directors who are independent from management and business relationships with the trustee-manager;
- at least one-third of directors who are independent from management and business relationships with the trustee-manager and from every substantial shareholder of the trustee-manager; and
- at least a majority of directors who are independent from any single substantial shareholder of the trustee-manager.

In addition to compliance with the BTA and BTR requirements, Board composition has been, and will continue to be, based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account the following principles:

- the Chairman of the Board should be a non-executive Director; and
- the Board should comprise Directors with a broad range of commercial and management experience, including expertise in the golf course industry.

The composition of the Board and Board Committees is set out below:

Name	Board	Audit and Risk Committee	Remuneration Committee
Khoo Kee Cheok	Chairman and Independent Director	Member	Member
Chong Teck Sin	Independent Director	Chairman	Member
Hitoshi Kumagai	Independent Director	Member	Chairman
Yoshihiko Machida	Executive Director	–	–
Toyo Nakanishi#	Executive Director	–	–

Appointed as an Executive Director on 1 August 2018

Throughout the financial year, the composition of the Board also complied with the BTR and also satisfied the 2012 CG Code's guidelines that there should be a strong and independent element on the Board, with at least one-third of the Board comprising Independent Directors. This enables Management to benefit from the external, diverse and objective perspectives of the Independent Directors when deliberating on issues that are brought before the Board. It also enables the Board to interact and work with Management through a robust exchange of ideas and views to help shape the strategic process.

The Board has conducted an annual review of the independence of the Independent Directors and has deemed them to be independent having regard to the independence criteria as set out in the Listing Manual and the BTR. Each of Messrs Khoo Kee Cheok, Chong Teck Sin and Hitoshi Kumagai is independent from Management and business relationships with the Trustee-Manager, and independent from every substantial shareholder of the Trustee-Manager. All the Independent Directors are able to exercise independent judgement on the business activities of AGT. None of the Independent Directors have served beyond nine years.

CORPORATE GOVERNANCE

Mr Toyo Nakanishi was appointed Executive Director in place of Mr Toshikatsu Makishima on 1 August 2018, by the seconding company, being a shareholder of the Trustee-Manager (the "**Seconding Shareholder**").

As at the date of this report, the Directors were as follows:

Independent Directors
Mr Khoo Kee Cheok (Chairman)
Mr Chong Teck Sin
Mr Hitoshi Kumagai

Executive Directors
Mr Yoshihiko Machida (Chief Executive Officer)
Mr Toyo Nakanishi

Further information on the Directors is provided in the Board of Directors of the Trustee-Manager section on pages 6 and 7 of this Annual Report.

The Board is of the view that the present Board size of five members is appropriate to provide for effective decision-making, taking into account the nature and scope of AGT's operations. Given the diverse qualifications, background, experience and profile of the Directors, the Board collectively possesses core competencies in areas such as accounting and finance, regulatory matters, risk management, business and management experience and also industry specific knowledge. As such, the Board is of the opinion that the current Board appropriately balances and retains a diversity of the relevant skills, experience and expertise for effective management of the Trustee-Manager and AGT.

There were no alternate Directors appointed during the year.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

To maintain an appropriate balance of authority, increased accountability and to ensure efficient decision-making, the roles and responsibilities of the Chairman and Chief Executive Officer ("**CEO**") are held by separate individuals. The Board Chairman is Mr Khoo Kee Cheok, an Independent Non-Executive Director. The CEO is Mr Yoshihiko Machida, who is an Executive Director. The Chairman and the CEO are not immediate family members.

There is a clear division of responsibilities between the Chairman and the CEO. As the Chairman, Mr Khoo Kee Cheok is responsible for leading and overseeing the Board to ensure that it acts in the best interests of AGT and that the Board meetings are planned and conducted effectively. The Chairman is responsible for setting the agenda for each Board meeting in consultation with the CEO, taking into account where appropriate, matters proposed by the Directors, and ensuring that the Directors receive complete, adequate and timely information. The Chairman is also responsible for encouraging constructive debate between the Board and Management on strategy, business operations and other plans, as well as ensuring that they work together with integrity and competency. The Board, under the leadership of the Chairman, also ensures effective communication with Unitholders and promotes a high standard of corporate governance. The Chairman also ensures that Board meetings are held regularly and on an ad-hoc basis where required.

CORPORATE GOVERNANCE

The CEO, Mr Yoshihiko Machida, is an Executive Director with full executive responsibilities over the business directions and operational decisions of AGT. As CEO, he leads the other members of Management in meeting the stated strategic and operational objectives of AGT and is responsible for planning the future strategic development and day-to-day operations of the Trustee-Manager and AGT, as well as analysing the performance of the golf courses held by AGT and developing the internal and external growth strategies. He also ensures the quality and timeliness of the flow of information between Management and the Board.

Given that the roles of the Chairman and CEO are separate and the Chairman is independent, no lead Independent Director is required to be appointed.

BOARD MEMBERSHIP

Principle 4

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Due to the nature and scale of its existing operations, the Trustee-Manager does not consider it necessary for the Board to establish a separate nominating committee. The Trustee-Manager, and not AGT, appoints all the Directors.

The Board performs the functions that a nominating committee would otherwise have performed. It administers nomination to the Board, reviews the structure, size, competence, experience and composition of the Board. In addition, the Board reviews the independence of the Directors. The Board also retains responsibility for identifying, reviewing and appointing suitable new candidates to join the Board as Directors. Although the Board does not have a written policy with regards to diversity in identifying director nominees, it will take into consideration the current Board mix and size, the suitability of the proposed candidate based on key attributes such as commitment, competency and integrity as well as the candidate’s ability to carry out his/her duties as a Director. The search for candidates to be appointed as new Board members will be conducted through a broad network of recommendations and contacts.

All candidates will be carefully evaluated by the Board to ensure that recommendations are well supported and objective.

The Board also identifies candidates to fill vacancies on the Board as and when the need arises. Renewals or replacement of Board members do not necessarily reflect their contributions to date, but may be driven by the need to re-position and align the Board with the needs of the Trustee-Manager, AGT and its business.

A formal letter of appointment explaining their duties and obligations as Director is provided to every new Director upon appointment. The formal letter of appointment sets out the time commitment required of the Director and the Director’s roles and responsibilities, including disclosure requirements and best practices relating to dealings in securities under applicable laws and regulations.

All the Directors are up for re-nomination and re-election at every annual general meeting of the Trustee-Manager.

CORPORATE GOVERNANCE

BOARD PERFORMANCE

Principle 5

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The Board had put in place a formal process to annually assess the performance and effectiveness of the Board as a whole and its Board Committees. The Board members are provided with a set of questions, setting out the salient recommendations from the 2012 CG Code, which is designed to seek their views or feedback on the various aspects of the Board as well as the Board Committees. The Company Secretary compiles Directors' responses to the questionnaires into a consolidated report. The Board members will then gather to discuss their views on the various aspects of the Board and improvements made to areas where the Board views to be necessary to enhance the overall effectiveness of the Board and/or Board Committees. The performance criteria for the evaluation covers amongst other criteria, the Board's composition and size, Board processes, the Board's access to information, corporate strategy, internal controls, risk management and standard of conduct and performance of the Board's principal functions and fiduciary duties, guidance to and communication with Management. The evaluation for the financial year ended 31 March 2019 confirmed that the Board and its Board Committees were generally functioning effectively during the year and had met its performance objectives.

While the 2012 CG Code recommends that the Directors be assessed individually, the Board felt that it is more appropriate and effective to assess the Board as a whole, bearing in mind that each Board member contributes in different ways to the success of the Trustee-Manager.

In determining whether each Director is able to devote sufficient time to discharge his or her duties, the Board will take cognizance of the requirements under the 2012 CG Code, but its assessment will not be restricted only to the number of board representations of each Director and their respective principal commitments per se. The contributions by each Director to and during Board and Board Committee meetings, as well as their attendance at such meetings, are also taken into account. Although some of the Directors have other principal commitments, the Board is satisfied that the individual Directors have devoted sufficient time and attention towards the discharge of their responsibilities as Directors and towards the affair of AGT and Trustee-Manager for the financial year ended 31 March 2019. The Board will continue to review from time to time the board representations and other principal commitments of each Director to ensure that the Directors continue to meet the demands of the Trustee-Manager and AGT, and are able to discharge their duties and responsibilities adequately.

Details of such directorships and chairmanship both present and those held over the preceding three years in other listed companies, and other principal commitments are set out on pages 6 and 7 of this Annual Report.

ACCESS TO INFORMATION

Principle 6

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Management endeavours to provide the Board with complete, adequate and timely information prior to Board meetings as and when the need arises, in order to allow the Board to make informed decisions to discharge its duties and responsibilities.

CORPORATE GOVERNANCE

Board meetings for each quarter are scheduled in advance to facilitate Directors' individual administrative arrangements in respect of ongoing commitments. Whenever warranted, ad-hoc Board meetings are held. As a general rule, agenda for the meetings are circulated seven days in advance of each meeting. As a best practice, Management also tries to circulate other Board papers prior to the meeting, including background or explanatory information regarding the agenda items, so as to enable the Directors to make informed decisions. Such information includes minutes of the previous meetings as well as financial and operational matters requiring the Board's attention or approval.

Management provides complete, adequate and timely information to the Board on the affairs and issues of AGT that require the Board's decision as well as ongoing reports relating to the financial and operational performance of AGT.

Timely communication with Board members is effected through electronic means which include electronic mail, teleconferencing and video conferencing. Informal meetings are also held for Management to brief Directors on developments and policy changes or adoption in the early stages before formal Board approval is sought.

Management keeps Board members abreast of key developments affecting AGT as well as material transactions so that the Board is kept fully aware of the affairs of AGT.

All Directors have separate and independent access to Management, the Company Secretary, as well as the internal and external auditors at all times. The Company Secretary (and/or his authorised designates) attends Board meetings and ensures that established procedures and all relevant statutes and regulations that are applicable to the Trustee-Manager and AGT are complied with. The appointment and removal of the Company Secretary is subject to the Board's approval.

The Trustee-Manager has in place procedures to enable Directors, whether as a group or individually, to obtain independent professional advice, as and when necessary, in furtherance of their duties. The appointment of such independent professional advisers is subject to approval by the Board. Any expenses and costs associated thereto will be borne by the Trustee-Manager.

The Audit and Risk Committee also meets the internal and external auditors separately at least once a year without the presence of Management.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

LEVEL AND MIX OF REMUNERATION

Principle 8

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

CORPORATE GOVERNANCE

DISCLOSURE ON REMUNERATION

Principle 9

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Remuneration Committee ("**RC**") ensures that the remuneration policy for the key management personnel of the Trustee-Manager is competitive and attractive enough to attract, motivate and retain good quality employees. The RC assists the Board in the discussion and recommendation for matters relating to executive remuneration and similar issues.

The RC comprises the three Independent Directors as members with Mr Hitoshi Kumagai as Chairman of the Committee. The members of the RC are Messrs Khoo Kee Cheok and Chong Teck Sin. The RC met subsequent to the financial year-end.

The RC is guided by a set of written rules known as the RC terms of reference that has been approved by the Board. The RC will review and make recommendations on the remuneration packages of the Executive Directors and key management personnel of the Trustee-Manager.

All Directors' fees and remuneration of the employees, including the executive officers of the Trustee- Manager ("**Executive Officers**") are paid by the Trustee-Manager out of the management fees paid by AGT to the Trustee-Manager.

Independent Directors receive fixed Directors' fees payable quarterly in arrears for their Board and Board Committee membership. The Directors' fees are appropriate to their level of contribution, taking into account their responsibilities and time spent such that the independence of the Independent Directors is not compromised by their compensation. The Directors' fees are subject to approval by the shareholders of the Trustee-Manager.

The remuneration policy adopted by the Trustee-Manager has regard to the objective of attracting, rewarding and retaining performing staff. Staff remuneration comprises a fixed component in the form of basic salary and a variable component in the form of bonuses. Variable bonus is pegged to the performance of the individual and the performance of AGT. This clearly aligns staff remuneration with the long-term interests of the Unitholders. There are no contractual provisions within the remuneration policy which allow the reclaim of incentive components of remuneration from Executive Directors and key management personnel as such provisions may have a negative impact on attracting and retaining talent in the Group.

There are currently no option schemes or other long-term incentive schemes in place in relation to AGT and there are also no existing or proposed service agreements entered into by the Directors or Executive Officers with the Trustee-Manager that provide for benefits upon termination or retirement, or post-employment. No compensation is payable to any Director or Executive Officer in the form of option in units or pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement under the service contracts. In addition, the RC was satisfied that the service contracts with the Executive Directors and key management personnel do not contain termination clauses that are overly generous.

CORPORATE GOVERNANCE

The fees and remuneration paid to the Directors and key management personnel of the Trustee-Manager for the financial year ended 31 March 2019 are set out below:

Directors	Directors' Fees	Executive Remuneration
Khoo Kee Cheok	A(1)	N.A.
Chong Teck Sin	A(1)	N.A.
Hitoshi Kumagai	A(1)	N.A.
Yoshihiko Machida	N.A.(3)	B(2)
Toyo Nakanishi(4)	N.A.(3)	A(1)
Toshikatsu Makishima(4)	A(1)	A(1)
Key Management Personnel		
Fumihiko Niwa(5)	Nil	A(1)
Takahiro Kurosawa	Nil	B(2)
Shunichi Nemoto(6)	Nil	A(1)

Notes:

(1) "A" refers to remuneration below the equivalent of S$250,000.

(2) "B" refers to remuneration between the equivalent of S$250,001 and S$500,000.

(3) Messrs Yoshihiko Machida and Toyo Nakanishi are Executive Officers of the Trustee-Manager. As such, they were remunerated by the Trustee-Manager for their contributions as Executive Officers and no Directors' fees were paid to them in FY18/19.

(4) Mr Toyo Nakanishi was appointed on 1 August 2019 and therefore his executive remuneration was pro-rated from his date of appointment. Mr Toshikatsu Makishima was an Executive Officer of the Trustee-Manager until 30 June 2018. He was subsequently re-designated to Non-Executive Director until 1 August 2018. As such, he was remunerated by the Trustee-Manager for his contribution as an Executive Officer and pro-rated Director's fee was paid to him during his tenure as Non-Executive Director in FY18/19.

(5) Mr Fumihiko Niwa was appointed Chief Financial Officer of the Trustee-Manager on 27 July 2018.

(6) Mr Shunichi Nemoto was the Chief Financial Officer of the Trustee-Manager until 27 July 2018.

The Trustee-Manager believes that it may not be in the interest of the Company to disclose the remuneration of the Directors and Key Management personnel as recommended by the 2012 CG Code for the following reasons:

1. The remuneration of the Executive Directors (including the CEO) and Key Management personnel are not paid out of the Trust but instead remunerated directly by the Trustee-Manager;

2. Remuneration matters of the Executive Directors (including the CEO) and Key Management personnel are confidential and sensitive matters;

3. The negative impact which such disclosure may have on the Trustee-Manager in retaining talent on a long-term basis taking into consideration the confidential nature of remuneration matters and the importance of ensuring the stability and continuity of the business operations with an experienced management team in place.

The total remuneration paid to the Key Management personnel (who are not Directors or the CEO) for the financial year ended 31 March 2019 was approximately S$570,000.

There are no employees of the Trustee-Manager, AGT and its subsidiary who are immediate family members of the Directors or the CEO during the financial year ended 31 March 2019.

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT ACCOUNTABILITY

Principle 10

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Trustee-Manager provides Unitholders with quarterly and annual financial statements within the timeframe set out in the Listing Manual. In doing so, the Board also aims to provide Unitholders with a balanced, clear and understandable assessment of AGT's performance, position and prospects. In order to achieve this, Management provides the Board with management accounts on a quarterly basis and such explanation and information as any Director may require, to enable the Directors to keep abreast, and make a balanced and informed assessment of AGT's performance, position and prospects.

Price-sensitive information and reports are further disseminated to Unitholders through announcements via SGXNET and press releases. This Annual Report to Unitholders is sent to all Unitholders and made available on SGXNET and AGT's corporate website.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard Unitholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board has overall responsibility for the governance of risk and exercises oversight of the risk management strategy and framework. The Audit and Risk Committee ("**ARC**") provides guidance and advice on the financial reporting risk and the adequacy and effectiveness of the Trustee-Manager's internal controls.

The Trustee-Manager adopts a set of Risk Management Rules which sets out the basic rules and guidelines for managing risks in an integrated, systematic and consistent manner so as to achieve the business objectives of AGT as part of its risk management strategy and framework.

As part of its overall risk management, Management, amongst other things, undertakes and performs risk and control assessment using a risk control matrix which also serves as a risk register which identifies the material risks it faces and the corresponding internal controls in place to manage or mitigate those risks. For the financial year ended 31 March 2019, the Trustee-Manager has reviewed AGT's financial, operational, compliance and information technology risks. These risks are prioritised based on their relative importance or implications for AGT should such risks materialise. The material risks are analysed and discussed by the ARC and reported to the Board whereas other risks are managed at the Management level and reported to the Board only on an exceptional basis. The risk assessment is conducted quarterly. The risk register is presented to the ARC quarterly for review.

Internal auditors conduct audits that involve testing the effectiveness of the material internal control systems by the Trustee-Manager and AGT and addressing financial, operational, compliance and information technology risks, including testing, where practical, material internal controls in areas managed by external service providers.

CORPORATE GOVERNANCE

Any material non-compliance or lapses in internal controls together with corrective measures recommended by internal auditors are reported to and reviewed by the ARC. The adequacy and effectiveness of the measures taken by the Trustee-Manager in response to the recommendations made by the internal and external auditors are also monitored and reviewed by the ARC.

The Trustee-Manager has also instituted/established the following:

- procedures to deal with conflicts of interest;
- internal control systems to ensure that all future interested person transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of AGT and its Unitholders;
- investment guidelines to govern the investment and divestment decisions of AGT; and
- in relation to the use of derivatives to hedge interest rates risk, foreign exchange risks and other types of risks, a system of pre-approvals from the ARC prior to the entry into any such transactions.

Opinion of the Board on Risk Management and Internal Controls

The Board has received assurance from the CEO and Chief Financial Officer that (1) the Group's financial records have been properly maintained and the financial statements give a true and fair view of AGT's operations and finances and (2) the risk management and internal control systems in place within the Group are adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

The Board, with the concurrence of the ARC, is of the opinion that Trustee-Manager's existing internal controls are adequate and effective as at 31 March 2019 to address material financial, operational, compliance and information technology risks of AGT, based on the risk management and internal controls framework established and maintained by the Trustee-Manager, work performed by both internal and external auditors as well as reviews performed by Management and the ARC.

The Board believes that the existing risk management and internal controls framework provides reasonable, but not absolute, assurance that AGT and the Trustee-Manager will not be adversely affected by any event that could be reasonably foreseen as the Trustee-Manager works to achieve AGT's business objectives. All systems on risk management and internal controls contain inherent limitations and no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error losses, fraud or other irregularities. The Board notes that the objective of an internal control system is to manage rather than eliminate the risk of failure.

CORPORATE GOVERNANCE

AUDIT & RISK COMMITTEE

Principle 12

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The ARC comprises three members, all of whom are Independent Directors and appropriately qualified with the relevant business, accounting and financial management experience and skills to discharge their responsibilities. None of the ARC members were previous partners or directors of AGT's external auditors, PricewaterhouseCoopers LLP ("**PwC**"), within the last twelve months or hold any financial interest in the external auditors. As at 31 March 2019, the members of the ARC are:

Mr Chong Teck Sin (Chairman)
Mr Khoo Kee Cheok
Mr Hitoshi Kumagai

The ARC functions independently of the Executive Officers and the other Directors who are not members of the ARC. Management is required to provide their fullest co-operation in providing information and resources, and in implementing or carrying out all requests made by the ARC. The ARC has direct access to the internal and external auditors and full discretion to invite any Director or Executive Officer to attend its meetings. Similarly, both the internal and external auditors are given unrestricted access to the ARC.

The ARC is regulated by a set of written rules known as the ARC Terms of Reference that has been endorsed by the Board. The principal responsibilities of the ARC include:

(a) to review with the internal and external auditors of AGT, the following:

- (i) the internal and external audit plans of AGT;
- (ii) the auditors' evaluation of the system of internal accounting controls of the Trustee-Manager;
- (iii) the respective auditors' audit reports for AGT;
- (iv) the auditors' management letter and management's response; and
- (v) ensure co-ordination where more than one audit firm is involved;

(b) to review:

- (i) the assistance given by the Management to the auditors of AGT;
- (ii) the scope and results of the internal audit procedures of the Trustee-Manager of AGT;
- (iii) the policies and practices put in place by the Trustee-Manager for AGT as a registered business trust to ensure compliance with the BTA and the Trust Deed;
- (iv) the procedures put in place by the Trustee-Manager for managing any conflict that may arise between the interests of the Unitholders and the interests of the Trustee-Manager, including Interested Person Transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of the Trust Property;

CORPORATE GOVERNANCE

(v) Interested Person Transactions for potential conflicts of interest; and

(vi) risk management policies and guidelines and monitor compliance therewith;

(c) to review the statement of financial position, statement of profit or loss and cash flow statement of AGT and the statement of financial position, statement of profit or loss and cash flow statement of the Trustee-Manager submitted to it by the Trustee-Manager, and thereafter to submit them to the Board;

(d) to review the allocation of profits and losses of the Tokumei Kumiai ("**TK**") business; namely, the management and operation of the golf course business, pursuant to the TK agreement governing the TK relationship between the investor and the business operator;

(e) to review significant reporting issues and judgements to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

(f) to discuss problems and concerns, if any, arising from the quarterly/interim and final audits, in consultation with the external auditors and the internal auditors where necessary;

(g) to report to the Board:

(i) any inadequacies, deficiencies or matters of concern of which the ARC becomes aware or that it suspects arising from its review of the items referred to in sub-paragraphs (a), (b) and (c) above; and

(ii) any breach of the BTA or any breach of the provisions of the Trust Deed, of which the ARC becomes aware or that it suspects;

(h) to report to the MAS if the ARC is of the view that the Board has not taken, or does not propose to take, appropriate action to deal with a matter reported under sub-paragraph (g) above;

(i) to nominate a person or persons as auditor of AGT, notwithstanding anything contained in the Trust Deed;

(j) to review and approve all hedging policies and instruments to be implemented by AGT and the Golf Course Holding Company, if any;

(k) to monitor the implementation of outstanding internal control recommendations highlighted by the auditors in the course of their audit of the financial statements of AGT, the Trustee-Manager and their respective subsidiaries (if any) taken as a whole;

(l) to meet with external and internal auditors, without the presence of the Executive Officers, at least once annually to discuss any problems and concerns they may have;

(m) to review the internal audit program and the adequacy and effectiveness of the Trustee-Manager's internal audit function at least once annually, as well as to ensure co-ordination between the external auditors and in-house or outsourced internal auditors and Management;

(n) to review and advise the Board in formulating its risk policies to effectively identify and manage AGT and the Trustee-Manager's current (and future) risks in the areas of financial, operational, compliance and information technology;

CORPORATE GOVERNANCE

(o) to review the design and implementation of the overall risk management systems and internal control systems (including financial, operational, compliance and information technology controls);

(p) to review the adequacy and effectiveness of AGT and the Trustee-Manager's risk management and internal control systems (including financial, operational, compliance and information technology controls) and to report to the Board annually;

(q) to review the scope and results of the internal audit procedures including the effectiveness of the internal audit function and ensure that the internal audit function is adequately resourced and has appropriate standing within the Trustee-Manager;

(r) to review and discuss with the external auditors, any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on AGT's operating results or financial position, and Management's response;

(s) to investigate any matter within its terms of reference, with full access to and co-operation by Management and full discretion to invite any Director or Executive Officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;

(t) to review arrangements by which staff of the Trustee-Manager and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow up actions to be taken;

(u) to report to the Board its findings from time to time on matters arising and requiring the attention of the ARC;

(v) to approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting firm/auditing firm or corporation to which the internal audit function is outsourced. To ensure that the internal audit function is staffed with persons with the relevant qualification and experience and that they carry out their functions according to the standards set by nationally or internationally recognised professional bodies, including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors;

(w) to review the scope and results of the external audit, and the independence and objectivity of the external auditors, and to recommend to the Board the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;

(x) to review the audit representation letters before consideration by the Board, giving particular consideration to matters that are related to non-standard issues;

(y) to undertake such other reviews and projects as may be requested by the Board; and

(z) to undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

CORPORATE GOVERNANCE

The ARC is briefed and updated by external auditors on relevant changes to accounting standards and issues that have direct impact on financial statements during each of the meetings. During the financial year under review, the ARC also met with the external and internal auditors without the presence of Management.

In performing its function for the financial year ended 31 March 2019, the ARC:

(a) held four meetings in the period under review;

(b) reviewed and recommended to the Board, the quarterly and full year financial announcement;

(c) reviewed the Enterprise Risk Assessment Report;

(d) met with the external and internal auditors without the presence of Management, to review any matters that might be raised privately;

(e) reviewed the audit plans of external and internal auditors of AGT and their reports arising from the respective audits;

(f) reviewed the Key Audit Matters highlighted by the external auditors;

(g) reviewed the volume and nature of non-audit services provided by the external auditors and received the requisite information from external auditors supporting the latter's independence. Based on the information, the ARC is satisfied that the nature and the extent of such services would not affect the independence and objectivity of the external auditors. The external auditors have also confirmed their independence in this respect;

(h) reviewed the nature of interested person transactions on a quarterly basis; and

(i) reviewed and pre-approved the derivatives transactions to ensure that the instruments, processes and practices are in accordance with the policy approved by the Board.

The total audit fees paid to the external auditors, PwC, are disclosed in the table below:

External Auditors Fees for FY18/19	**S$**	**% of total fees**
Total Audit Fees	480,000	83
Total Non-Audit Fees	98,000	17
Total Fees Paid	578,000	100

AGT has complied with the requirement of Rules 712 and 715 of the Listing Manual in relation to the appointment of its external auditors.

CORPORATE GOVERNANCE

FINANCIAL MATTERS

In its review of the financial statements of the Group and AGT for the financial year ended 31 March 2019, the ARC had discussed with the Trustee-Manager regarding the identification of matters that could significantly affect the integrity of the financial statements ("**significant financial reporting matters**"). The discussion included assessment of the accounting principles and critical judgements applied by the Trustee-Manager and the clarity of the relevant disclosures in the financial statements. The significant financial reporting matters identified, which are consistent with the key audit matters identified by the external auditors, and the ARC's commentaries are set out as follows:

Key audit matters	How these issues were addressed by the ARC
Impairment assessment of Property, Plant and Equipment	The ARC reviewed the outcomes of the plant, property and equipment impairment assessment process and discussed the details of the impairment assessment with the Trustee-Manager, focusing on the judgement involved in assessing the recoverable amount of the golf courses, including the future cash flows generated from the golf courses and discount rates applied in the discounted cash flow analysis. The ARC also considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation in determining the recoverable amounts of the golf courses. The ARC was satisfied with the valuation methodologies used, the appropriateness of judgement applied and the conclusion of the impairment assessment of property, plant and equipment. Refer to Notes to Financial Statements ("**Note**") 10 for details of the impairment assessment of property, plant and equipment.
Impairment assessment of goodwill	The ARC reviewed the outcomes of the annual goodwill impairment assessment process and discussed the details of the impairment assessment with the Trustee-Manager, focusing on the judgement involved in assessing the recoverable amount of the cash-generating unit ("**CGU**"), including profitability margins and costs to sell for the Group's portfolio of golf courses, discount rate and terminal growth rate applied in the discounted cash flow analysis. The AC also considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation in determining the recoverable amount of the CGU. The ARC was satisfied with the valuation methodologies used, the appropriateness of judgement applied and the conclusion of the impairment assessment of goodwill. Refer to Note 11 for details of the impairment assessment of goodwill.

CORPORATE GOVERNANCE

WHISTLE-BLOWING POLICY

The Trustee-Manager has put in place a whistle-blowing policy and has implemented relevant procedures, as approved by the ARC and adopted by the Board to provide an avenue through which employees and external parties alike may raise, in good faith and in confidence, any concerns about possible improprieties in matters of financial reporting or other matters to the ARC and that there will be independent investigation and appropriate follow-up actions taken.

Concerns about possible improprieties may be raised either in person or in writing by emailing their concerns to arc@agtrust.com.sg. Complaints may also be sent to the Trustee-Manager's registered address at 80 Robinson Road, #22-03A, Singapore 068898 and addressed to the Audit and Risk Committee c/o Accordia Golf Trust Management Pte. Ltd.

INTERNAL AUDIT

Principle 13

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The internal audit function is outsourced to BDO LLP. BDO LLP adopts the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The internal auditors report directly to the Chairman of the ARC and administratively to the CEO. The internal auditors plan the internal audit schedules in consultation with, but independent of the Management. The audit plan is submitted to the ARC for approval prior to the commencement of the internal audit work. The ARC reviews the internal audit report and monitors the implementation of the improvements required on internal control weaknesses identified.

The ARC is of the view that the internal audit function is effective, the internal auditors have adequate resources to perform their functions and have, to the best of their ability, maintained their independence from the activities that they audit. The ARC also reviews the results of internal audits and Management's actions in resolving any audit issues reported.

UNITHOLDER RIGHTS

Principle 14

Companies should treat all Unitholders fairly and equitably, and should recognise, protect and facilitate the exercise of Unitholders' rights, and continually review and update such governance arrangements.

COMMUNICATION WITH UNITHOLDERS

Principle 15

Companies should actively engage their Unitholders and put in place an investor relations policy to promote regular, effective and fair communication with Unitholders.

The Trustee-Manager is committed to treating all Unitholders fairly and equitably and keeping all Unitholders and other stakeholders and analysts informed of the performance and changes in AGT or its business which

CORPORATE GOVERNANCE

would be likely to materially affect the price or value of Units, on a timely and consistent basis, so as to assist Unitholders and investors in their investment decisions.

The Trustee-Manager provides accurate and timely disclosure of material information relating to AGT by way of public releases or announcements via SGXNET and subsequently on its corporate website www.agtrust.com.sg. The corporate website also includes contact details for investor enquiries and feedback. Enquiries and feedback are answered within three business days. Where immediate disclosure is not practicable, the relevant announcement is made as soon as possible to ensure that all stakeholders and the general public have equal access to the information.

All Unitholders are entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at general meetings. Unitholders are informed in advance of the meeting rules, voting procedures, matters requiring Unitholders' approval and other information necessary for Unitholders to exercise their rights to attend, speak and vote at general meetings.

The Trustee-Manager has a dedicated Investor Relations Manager to facilitate all communications.

Together with the Management, the Investor Relations Manager communicates with Unitholders, its stakeholders as well as analysts and brokers on a regular basis through investment conferences, non-deal roadshows, one-on-one meetings and group meetings to update AGT's strategy, performance and answer to any queries. In addition, yearly site visits are conducted for analysts to have a deeper understanding of its business.

More details on the investor relations activities can be found on pages 22 and 23 of this Annual Report.

CONDUCT OF UNITHOLDER MEETINGS

Principle 16

Companies should encourage greater Unitholder participation at general meetings of Unitholders, and allow Unitholders the opportunity to communicate their views on various matters affecting the company.

The Trustee-Manager supports the principle of encouraging Unitholders' participation and voting at general meetings. General meetings will be convened at least once a year in accordance with applicable laws and regulations and all Unitholders will receive a copy of AGT's annual report with the notice of the annual general meeting ("**AGM**") prior to the AGM in compliance with the requisite notice period. For an extraordinary general meeting ("**EGM**") to be held, Unitholders will receive a copy of a circular with the notice of EGM which contains details of the matters to be proposed for Unitholders' consideration and approval. Notices for the general meetings setting out all items of business to be transacted at the general meetings will also be issued via SGXNET and advertised in a major newspaper in Singapore.

At general meetings, Unitholders are encouraged to communicate their views on and discuss with the Board and the Trustee-Manager matters which they are concerned about regarding AGT. Representatives of the Trustee-Manager, Directors (including the Chairman of the Board and the chairman of the ARC), the Trustee-Manager's senior management and the external auditors of AGT, would usually be present at general meetings.

To safeguard Unitholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings. At the Unitholders' meeting, each resolution will be voted on by way of electronic poll voting for Unitholders/proxies present at the Unitholders' meeting. The detailed results showing the number of votes cast for and against each resolution and the respective percentages after each resolution has been put to vote are displayed real-time at the Unitholders' meeting. The outcome of each Unitholders' meeting will also be announced in a timely manner through SGXNET after the Unitholders' meeting.

CORPORATE GOVERNANCE

Minutes of general meetings are prepared and are available to Unitholders for their inspection upon request. Unitholders will also have the opportunity to communicate their views and discuss with the Board and Management on matters affecting AGT after the general meetings.

STATEMENT OF POLICIES AND PROCEDURES

The Trustee-Manager has the dual responsibility of safeguarding the interests of Unitholders and managing the business conducted by AGT. The Trustee-Manager has general powers of management over the business and assets of AGT and its main responsibility is to manage AGT's assets and liabilities for the benefit of the Unitholders as a whole. The Trustee-Manager is not involved in any other business other than managing AGT.

The Trustee-Manager will set the strategic direction of AGT and decide on the acquisition, divestment or enhancement of assets of AGT in accordance with its stated investment strategy. Additionally, the Trustee-Manager will undertake active management of AGT's assets (being the TK Interests) to enhance the performance of the portfolio. It will also undertake capital and risk management strategies in order to maintain a strong balance sheet for AGT.

The Trustee-Manager is also obliged to exercise the degree of care and diligence required of a trustee- manager of a registered business trust to comply with the applicable provisions of all relevant legislation, as well as the Listing Manual, and is responsible for ensuring compliance with the Trust Deed and all relevant contracts entered into by the Trustee-Manager on behalf of AGT.

Furthermore, the Trustee-Manager will prepare business plans on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentaries on key issues and any relevant assumptions. The purpose of these plans is to explain the performance of AGT's investments.

The Trustee-Manager, in exercising its powers and carrying out its duties as Trustee-Manager, is required to:

(a) treat Unitholders who hold Units in the same class fairly and equally;

(b) ensure that all payments out of the Trust Property are made in accordance with the BTA and the Trust Deed;

(c) report to the Authority any contravention of the BTA or the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 ("**SF BT Regulations**") by any other person that:

   (i) relates to AGT; and

   (ii) has had, has or is likely to have, a material adverse effect on the interests of all Unitholders, or any class of Unitholders, as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention;

(d) ensure that the Trust Property is properly accounted for; and

(e) ensure that the Trust Property is kept distinct from the property held in its own capacity.

The Board meets regularly to review AGT's business activities and strategies pursuant to its then prevailing investment mandate. Such regular review is aimed at ensuring adherence to the Trust Deed and compliance

CORPORATE GOVERNANCE

with any applicable legislation, regulations and guidelines such that all projects are within the permitted business scope under the Trust Deed. Prior to the conduct of any significant business transaction, the Board, the ARC and/or Management will have careful regard to the provisions of the Trust Deed and when in doubt, seek advice from professional advisers.

The Trustee-Manager also has the following statutory duties under the BTA:

(a) at all times act honestly and exercise reasonable diligence in the discharge of its duties as AGT's trustee-manager in accordance with the BTA and the Trust Deed;

(b) act in the best interests of all Unitholders as a whole and give priority to the interests of all Unitholders as a whole over its own interests in the event of a conflict between the interests of all the Unitholders as a whole and its own interests;

(c) not make improper use of any information acquired by virtue of its position as Trustee-Manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the Unitholders; and

(d) hold the Trust Property on trust for all Unitholders as a whole in accordance with the terms of the Trust Deed.

Dealing in Units

The Trustee-Manager has adopted an internal compliance code of conduct to provide guidance to all officers of the Trustee-Manager with regard to dealings in securities of AGT (the "**Code of Conduct**") in compliance with Rule 1207(19) of the Listing Manual.

In general, the Code of Conduct encourages Directors and employees of the Trustee-Manager to hold Units over the long term and not to deal in such Units on short term considerations. The Code of Conduct also prohibits the Trustee-Manager, its Directors and employees from dealing in such Units:

- during the period commencing (i) two weeks before the public announcement of AGT's quarterly results; (ii) one month before the public announcement of AGT's annual results and (where applicable) any property valuations, and ending on the date of the announcement of the relevant results or, as the case may be, property valuations; and

- at any time while in possession of price sensitive information.

The Directors and employees of the Trustee-Manager are expected to observe insider-trading laws at all times.

Each Director and the CEO are required to give notice in writing to the Trustee-Manager of, among others, particulars of his interest in Units or of changes in the number of Units which he has an interest, within two business days in Singapore after the date on which the Director or CEO became a director or CEO of the Trustee-Manager or the date on which he acquires an interest in the Units or he becomes aware of the occurrence of the event giving rise to changes in the number of Units which he has an interest.

The Trustee-Manager is required to announce to the SGX-ST the particulars of its holdings in the Units and any changes thereto as soon as practicable and in any case no later than the end of the business day following the day on which it acquires or, as the case may be, disposes of any Units.

CORPORATE GOVERNANCE

Material Contracts

There are no material contracts entered into by AGT or any of its subsidiary that involve the interests of the CEO, any Director, any controlling Unitholder or any controlling shareholder of the Trustee-Manager, either still subsisting or entered into during FY18/19, other than, where applicable:

(a) as disclosed on pages 332 to 353 of the Prospectus; and

(b) interested person transactions as listed in the Interested Person Transactions section of this Annual Report.

Conflicts of Interests

The Trustee-Manager has instituted the following procedures to deal with conflict of interest issues:

(a) All resolutions in writing of the Directors in relation to matters concerning AGT must be approved by a majority of the Directors, including at least one Independent Director.

(b) In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of the Sponsor and/or its subsidiaries.

(c) Where matters concerning AGT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of AGT with an interested person, the Board is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of AGT and its minority Unitholders, and in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or AGT, the Trustee-Manager (including the ARC) will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

(d) It should be noted that the Trustee-Manager is prohibited from carrying on any business other than the management and operation of AGT as its Trustee-Manager.

(e) In order to manage any potential competition and conflicts of interest that may arise between the Sponsor and the Trustee-Manager and/or the Golf Course Holding Company in relation to any assets that fall within the investment mandate of AGT or the holding of the Initial Portfolio golf courses for the purpose of managing and operating the golf course business (the "**TK Business**"), the Sponsor has granted (i) a right of first refusal to Golf Course Holding Company, (ii) a right of first refusal to the Trustee-Manager, and a call option to each of the Golf Course Holding Company and the Trustee-Manager, with effect from the Listing Date.

CORPORATE GOVERNANCE

(f) For as long as Daiwa Securities Group Inc. and/or its associates is a controlling shareholder of the Trustee-Manager and should Daiwa Securities Group Inc. and/or its associates hold in aggregate 15% or more of the total voting rights of the Sponsor, Daiwa Securities Group Inc. and/or its associates shall abstain from voting on their Units in relation to transactions entered into between AGT or its subsidiary and the Sponsor group in accordance with the Listing Manual.

Interested Person Transactions

The Trustee-Manager has established an internal controls system to ensure that all interested person transactions:

(a) will be undertaken on normal commercial terms; and

(b) will not be prejudicial to the interests of AGT and its minority Unitholders.

As a general rule, the Trustee-Manager must demonstrate to its ARC that such transactions satisfy the foregoing criteria. This may entail obtaining (where practicable) a quotation from a party unrelated to the Trustee-Manager.

The Trustee-Manager maintains a register to record all interested person transactions which are entered into by AGT and the bases, including any quotations from unrelated parties obtained to support such bases, on which they are entered into.

The Trustee-Manager has also incorporated into its internal audit plan, a periodic review of all interested person transactions entered into by AGT during the period under review. Furthermore, the ARC will review at least quarterly in each financial year the interested person transactions entered into during such quarterly period to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with.

Where matters concerning AGT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of AGT with a related party of the Trustee-Manager (which would include relevant associates thereof) or AGT, the Trustee-Manager is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:

(a) on normal commercial terms;

(b) are not prejudicial to the interests of AGT and its minority Unitholders; and

(c) in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question.

If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or AGT, the Trustee-Manager (including the ARC) will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

CORPORATE GOVERNANCE

The aggregate of transactions entered into with interested persons/parties during the financial year ended 31 March 2019 and pursuant to Rule 907 of the Listing Manual are as follows:

Name of interested person	Relationship with interested person	Transaction contents	Aggregate value of all IPT during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
			1 April 2018 to 31 March 2019 (JPY million)	1 April 2018 to 31 March 2019 (JPY million)
Accordia Golf Trust Management Pte. Ltd.	Trustee-Manager	– Trustee-Manager fee	250	NA
Accordia Golf Co., Ltd.	Controlling shareholder of AGT & controlling shareholder of the Trustee-Manager	– Golf course management fee – Payment of staff secondment fee – Operating lease fee – Interest expense on subordinated loan – Sales commission income for new membership sign up – Customer loyalty point awarded (redeemed), net of redeemed (awarded) – Collection of annual membership fee on behalf of the Group – Sales for business use – Repayment of finance lease obligations – Interest expense on finance leases – Purchases of food and supplies through centralized procurement system at no mark-up	5,788 1,683 19 15 4 24 61 33 204 14 5,538	NA

CORPORATE GOVERNANCE

Name of interested person	Relationship with interested person	Transaction contents	Aggregate value of all IPT during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
			1 April 2018 to 31 March 2019 (JPY million)	1 April 2018 to 31 March 2019 (JPY million)
		– Integrated procurement system usage fee – Commission fee income from Pro-Shop Business – Payment for use of Pro-Shop merchandise for recruitment and corporate activities	16 66 134	
Heartree Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	– Incentive received for centralised purchases – Reimbursed expenses for operating activities	15 13	NA
Accordia Golf Garden Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	– Recharge of golf lesson fees	19	NA
Daiwa Real Estate Asset Management Co. Ltd.	Controlling shareholder of the Trustee-Manager	– Asset management fee	96	NA

CORPORATE GOVERNANCE

FEES PAYABLE TO THE TRUSTEE-MANAGER

The fees payable to the Trustee-Manager in respect of its services to AGT are calculated based on the following:

Management fees

The Trustee-Manager is entitled under the Trust Deed to receive the Trustee-Manager's fee calculated in the formula below:

- a base fee being 0.11% per annum of the value of the total assets of AGT on a consolidated basis;
- a performance fee being 0.25% per annum of the Adjusted Net Operating Income of the investments of AGT;
- an acquisition fee being 0.6% of the appraised value of any investments acquired directly or indirectly (through a special purpose vehicle or otherwise) by AGT, as determined by an independent third party appraiser appointed by the Trustee-Manager or, where the acquisition is made by a special purpose vehicle, such special purpose vehicle; and
- a divestment fee being 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 an appraiser appointed by the Trustee-Manager or, where the divestment is by a special purpose vehicle, such special purpose vehicle. The Trustee-Manager may, in accordance with the Trust Deed, direct that all or a portion of any fees payable to the Trustee-Manager be paid directly to any third parties.

Fees and expenses paid to the Trustee-Manager out of the Trust Property for FY18/19 are disclosed in pages 48 and 92 of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The Trustee-Manager is committed to ensuring that its commercial activities are conducted in a manner that best serves the stakeholders' interests. The activities are conducted within the framework of applicable professional standards, laws and regulations.

Steps have been taken to integrate and manage the issues of sustainability and social responsibility within the operations of the Trustee-Manager in order to minimise the impact on the environment and to ensure that there are high standards in place to safeguard the safety and welfare of all employees. Open communication between employees and Management is encouraged to foster collaboration and teamwork.

The Group focuses on the long-term sustainability of the golf business and is aware of environmental issues which the industry is constantly facing. As such, it has adopted a proactive approach towards its environmental, social and governance responsibility and has introduced initiatives that benefit its stakeholders, employees and local community. Details of the Group's initiatives will be disclosed in its Sustainability Report to be published online during FY19/20.

TRUSTEE-MANAGER'S STATEMENT

The directors of Accordia Golf Trust Management Pte. Ltd. (the "**Trustee-Manager**"), as the Trustee-Manager of Accordia Golf Trust ("**AGT**"), present their statement to the unitholders of AGT ("**Unitholders**") together with the audited financial statements of AGT and its subsidiary (the "**Group**") for the financial year ended 31 March 2019 and the statement of financial position of AGT as at 31 March 2019.

In the opinion of the directors of the Trustee-Manager,

(a) the statement of financial position of AGT and the consolidated financial statements of the Group as set out on pages 61 to 110 are drawn up so as to give a true and fair view of the financial position of AGT and of the Group as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore and International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that AGT will be able to pay its debts as and when they fall due.

In accordance with Section 86(2) of the Business Trusts Act, Chapter 31A of Singapore, the directors of the Trustee-Manager certify that:

(a) fees or charges paid or payable out of AGT Property to the Trustee-Manager are in accordance with the trust deed of AGT;

(b) interested person transactions entered into by the Group during the year ended 31 March 2019 are not detrimental to the interests of all the Unitholders as a whole based on the circumstances at the time of the transaction; and

(c) the Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of AGT or on the interests of all the Unitholders as a whole.

DIRECTORS

The directors of the Trustee-Manager in office at the date of this statement are as follows:

Mr Khoo Kee Cheok
Mr Yoshihiko Machida
Mr Chong Teck Sin
Mr Hitoshi Kumagai
Mr Toyo Nakanishi

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS AND DEBENTURES

Neither at the end of nor at any time during the financial year was AGT a party to any arrangement whose object was to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in, or debentures of, AGT or any other body corporate.

TRUSTEE-MANAGER'S STATEMENT

DIRECTORS' INTERESTS IN UNITS OR DEBENTURES

According to the register kept by the Trustee-Manager for the purposes of Sections 13 and 76 of the Business Trusts Act, Chapter 31A of Singapore, none of the directors of the Trustee-Manager holding office at the end of the financial year had any interests in the units or debentures of AGT or any related corporations.

There were no changes in any of the above mentioned interests in AGT between 31 March 2019 and 21 April 2019.

UNIT OPTIONS

No options were granted during the financial year to subscribe for unissued units of AGT.

No units were issued during the financial year by virtue of the exercise of options to take up unissued units of AGT.

There were no unissued units of AGT under option at the end of the financial year.

AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee of the Trustee-Manager (the "**Audit and Risk Committee**") at the end of the financial year were as follows:

Mr Chong Teck Sin (Chairman)
Mr Khoo Kee Cheok
Mr Hitoshi Kumagai

All members of the Audit and Risk Committee were independent and non-executive directors with relevant business and financial management experience and skills to understand financial statements and contribute to the financial governance, internal controls and risk management of the Group.

The role of the Audit and Risk Committee is to develop, maintain and monitor an effective system of internal controls. The Audit and Risk Committee also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of an external auditor and reviewing the adequacy of external audits in respect of cost, scope and performance. The Audit and Risk Committee's responsibilities also include, but are not limited to, the following:

(i) to review with the internal and external auditors of AGT:

- the audit plan of AGT;
- the internal auditor's evaluation of the system of internal accounting controls of the Trustee-Manager;
- the respective auditor's audit report for AGT; and
- the auditor's management letter and management's response.

TRUSTEE-MANAGER'S STATEMENT

AUDIT AND RISK COMMITTEE (CONTINUED)

(ii) to review:

- the assistance given by the Trustee-Manager to the auditors of AGT;
- the scope and results of the internal audit procedures of the Trustee-Manager;
- the policies and practices put in place by the Trustee-Manager to ensure compliance with the Business Trusts Act ("**BTA**") and the Trust Deed;
- the procedures put in place by the Trustee-Manager for managing any conflict that may arise between the interests of the Unitholders and the interests of the Trustee-Manager, including interested person transactions, the indemnification of expenses or liabilities incurred by the Trustee-Manager and the setting of fees or charges payable out of AGT Property;
- interested person transactions for potential conflicts of interest;
- risk management policies and guidelines and monitor compliance therewith; and
- the statement of financial position of AGT and the consolidated financial statements of the Group and the statement of financial position, statement of profit or loss and statement of cash flows of the Trustee-Manager submitted to the Audit and Risk Committee by the Trustee-Manager, and thereafter to submit them to the Board of Directors of the Trustee-Manager (the "**Board**");

(iii) to review significant reporting issues and judgements to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

(iv) to discuss problems and concerns, if any, arising from the final audits, in consultation with the external and internal auditors where necessary;

(v) to report to the Board:

- any inadequacies, deficiencies or matters of concern of which the Audit and Risk Committee becomes aware or that it suspects arising from its review of the items referred to in sub-paragraphs (i), (ii) and (iii); and;
- any breach of the BTA or any breach of the provisions of the Trust Deed, of which the Audit and Risk Committee becomes aware or that it suspects;

(vi) to report to the Monetary Authority of Singapore ("**MAS**") if the Audit and Risk Committee is of the view that the Board has not taken, or does not propose to take, appropriate action to deal with a matter reported under sub-paragraph (v);

TRUSTEE-MANAGER'S STATEMENT

AUDIT AND RISK COMMITTEE (CONTINUED)

(vii) to nominate a person or persons as auditor of AGT, notwithstanding anything contained in the Trust Deed;

(viii) to approve and review all hedging policies and instruments to be implemented by AGT, if any;

(ix) to monitor the implementation of outstanding internal control recommendations highlighted by the external and internal auditors in the course of their audit of AGT and its subsidiary taken as a whole;

(x) to meet with external and internal auditors, without the presence of the Chief Executive Officer and the Chief Financial Officer, at least on an annual basis; and

(xi) undertaking such other functions as may be agreed to by the Audit and Risk Committee and the Board.

The Audit and Risk Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for reappointment at the forthcoming Annual General Meeting of AGT.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the directors

Yoshihiko Machida
Chief Executive Officer and Executive Director

Khoo Kee Cheok
Chairman and Independent Director

26 June 2019

CHIEF EXECUTIVE OFFICER'S STATEMENT

In accordance with Section 86(3) of the Business Trusts Act, Chapter 31A of Singapore, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of Accordia Golf Trust and its subsidiary or on the interests of all the Unitholders as a whole.

Yoshihiko Machida
Chief Executive Officer and Executive Director

26 June 2019

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Accordia Golf Trust ("**AGT**") and its subsidiary ("the **Group**") and the statement of financial position of AGT are properly drawn up in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore (the "**Act**") and International Financial Reporting Standards ("**IFRSs**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of AGT as at 31 March 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of AGT and the Group comprise:

- the statements of financial position of the Group and AGT as at 31 March 2019;
- the consolidated statement of profit or loss and other comprehensive income of the Group for the financial year then ended;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where the Trustee-Manager made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of Property, Plant and Equipment (Note 10) ***Refer to Note 2(k), Note 3(b) and Note 10 to the financial statements***	
As at 31 March 2019, the Group operates 89 golf courses in Japan classified as property, plant and equipment with a carrying value of JPY 141,333 million, representing 89% of total assets. For the financial year ended 31 March 2019, an impairment loss of JPY 4,818 million was recognised in the Statement of Profit and Loss And Other Comprehensive Income. The assessment of impairment of golf courses is significant to our audit due to: • The carrying amount of property, plant and equipment that contributes significantly to the Group's total assets; and • The amount of Trustee-Manager's judgement involved in assessing the recoverable amounts of the golf courses. This includes judgement about the future cash flows generated from the golf courses, as well as judgements about discount rates applied in the discounted cash flow analysis.	Our audit procedures focused on the reasonableness of the inputs applied in determining the recoverable amounts of the golf courses. The audit procedures were performed with the support from our valuation specialists. Our audit procedures included the following: • obtained an understanding of the Trustee-Manager's processes for impairment assessment; • involved our valuation specialists to assess the appropriateness of the valuation techniques and the reasonableness of the inputs such as discount rates used by the external valuers in determining the recoverable amounts of the golf courses; • tested the integrity of information, including financial information provided to the professional valuers; • reviewed the Trustee-Manager's sensitivity analysis on the inputs utilised as part of the impairment assessment; and • assessed the Trustee-Manager's main future cash flow inputs and corroborated them by comparing them to internal forecasts and strategic plans that were approved by senior management, and compared these inputs against historical data. Based on the procedures performed, we found the underlying inputs applied to be reasonable. We have also assessed the adequacy of the disclosures relating to the judgements made and found the disclosures in the financial statements to be appropriate.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill (Note 11) ***Refer to Note 2(i), Note 3(c) and Note 11 to the financial statements***	
As at 1 April 2018, the Group had goodwill of JPY 17,079 million, which was accounted for as the difference between the purchase consideration of JPY 75,225 million and the fair value of net assets acquired of JPY 58,146 million, relating to the acquisition of Tokumei Kumiai ("**TK**") Interest by AGT as at 1 August 2014. In accordance with IAS 36 Impairment of Assets, goodwill acquired in a business combination should be tested for impairment annually. For the financial year ended 31 March 2019, an impairment loss of JPY 13,144 million was recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The assessment of impairment of goodwill is significant to our audit due to: • The carrying amount of goodwill that contributes significantly to the Group's total assets; and • The amount of Trustee-Manager's judgement involved to determine the recoverable amount of the cash-generating unit ("**CGU**"). This includes judgement about profitability margins and costs to sell for the Group's portfolio of golf courses, as well as judgement about discount rate and terminal growth rate applied in the discounted cash flow analysis.	Our audit procedures focused on the reasonableness of the inputs applied in determining the recoverable amount of the CGU. The audit procedures were performed with the support from our valuation specialists. Our audit procedures included the following: • obtained an understanding of the Trustee-Manager's process for impairment assessment; • assessed the reasonableness of the estimated cash flows by taking into account the CGU's expected future operating performance (including revenue growth rates and net profit margins), as well as historical actual performance and accuracy of the Trustee-Manager's forecast in prior years; • assessed the reasonableness of the terminal growth rate and discount rate applied using commonly accepted methodologies and benchmarks; and • reviewed the Trustee-Manager's sensitivity analysis on the inputs utilised as part of the impairment assessment. Based on the procedures performed, we found the underlying inputs applied to be reasonable. We have also assessed the adequacy of the disclosures relating to the judgements made and found the disclosures in the financial statements to be appropriate.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

Other Information

The Trustee-Manager is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee-Manager and Directors for the Financial Statements

The Trustee-Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager.

- Conclude on the appropriateness of the Trustee-Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of AGT have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yeow Chee Keong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore

26 June 2019

STATEMENTS OF FINANCIAL POSITION – GROUP AND AGT

As at 31 March 2019

	Note	Group 2019 JPY million	Group 2018 JPY million	AGT 2019 JPY million	AGT 2018 JPY million
Current assets					
Cash and cash equivalents	6	**8,515**	8,145	**145**	116
Trade and other receivables	7	**2,687**	2,596	**2,804**	2,946
Inventories		**294**	281	**–**	–
Other assets	8	**1,120**	1,207	**39**	16
		12,616	12,229	**2,988**	3,078
Non-current assets					
Investment in subsidiary	9	**–**	–	**61,994**	75,447
Property, plant and equipment	10	**141,333**	146,033	**–**	–
Intangible assets	11	**4,078**	17,245	**–**	–
Other assets	8	**395**	445	**–**	–
		145,806	163,723	**61,994**	75,447
Total assets		**158,422**	175,952	**64,982**	78,525
Current liabilities					
Borrowings from financial institutions	12	**–**	28,847	**–**	–
Finance lease payables	13	**1,103**	983	**–**	–
Trade and other payables	14	**5,396**	5,441	**148**	148
Membership deposits	15	**9,541**	10,521	**–**	–
Current income tax liabilities		**573**	602	**573**	602
Derivative financial instruments	17	**10**	18	**–**	–
Other liabilities	16	**4,233**	4,135	**–**	–
		20,856	50,547	**721**	750
Non-current liabilities					
Borrowings from financial institutions	12	**42,521**	14,108	**–**	–
Finance lease payables	13	**3,640**	3,044	**–**	–
Borrowings from a related party	5(ii)	**500**	500	**–**	–
Membership deposits	15	**29**	31	**–**	–
Deferred tax liabilities	23(c)	**26,185**	27,427	**–**	–
Derivative financial instruments	17	**–**	60	**–**	–
Other liabilities	16	**421**	80	**–**	–
		73,296	45,250	**–**	–
Total liabilities		**94,152**	95,797	**721**	750
Net assets		**64,270**	80,155	**64,261**	77,775
Equity					
Unitholders' funds	18	**81,086**	81,086	**81,486**	81,486
Cash flow hedging reserve		**–**	(78)	**–**	–
Accumulated losses		**(17,229)**	(1,206)	**(17,225)**	(3,711)
Equity attributable to Unitholders		**63,857**	79,802	**64,261**	77,775
Non-controlling interest		**413**	353	**–**	–
Total equity		**64,270**	80,155	**64,261**	77,775

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	Group 2019 JPY million	Group 2018 JPY million
Revenue	20	**50,734**	50,860
Other operating income		**425**	590
Operating income		**51,159**	51,450
Amortisation of intangible assets	24	**(31)**	(15)
Asset manager's fee		**(96)**	(99)
Depreciation of property, plant and equipment	24	**(3,259)**	(3,153)
Golf course maintenance and repair cost		**(2,574)**	(2,558)
Golf course management fee		**(5,789)**	(5,823)
Impairment loss on goodwill		**(13,144)**	–
Impairment loss on property, plant and equipment		**(4,818)**	(1,720)
Labour and outsourcing expense		**(16,536)**	(16,367)
Merchandise and material expense		**(3,521)**	(3,560)
Operating lease expense	27	**(1,926)**	(1,995)
Other operating expenses		**(3,073)**	(2,411)
Selling, general and administrative expense	21	**(5,220)**	(5,242)
Trustee-Manager's fee		**(250)**	(254)
Utility expense		**(2,140)**	(2,182)
Operating expense		**(62,377)**	(45,379)
Operating profit		**(11,218)**	6,071
Interest expense and other finance costs	22	**(1,566)**	(1,603)
(Loss)/profit before income tax		**(12,784)**	4,468
Income tax benefit/(expense)	23(a)	**291**	(336)
(Loss)/profit for the year		**(12,493)**	4,132
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Unrealised gain on change in fair value of cash flow hedging financial instruments	17	**78**	123
Other comprehensive income for the year, net of tax		**78**	123
Total comprehensive (loss)/income for the year		**(12,415)**	4,255
(Loss)/profit for the year attributable to			
Unitholders		**(12,553)**	4,095
Non-controlling interest		**60**	37
		(12,493)	4,132
Total comprehensive (loss)/income for the year attributable to			
Unitholders		**(12,475)**	4,218
Non-controlling interest		**60**	37
		(12,415)	4,255
(Loss)/earnings per unit attributable to Unitholders (JPY)	25	**(11.42)**	3.73

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

	Unitholders' funds JPY million	Cash flow hedging reserve JPY million	Accumulated losses JPY million	Equity attributable to unitholders JPY million	Non-controlling interest JPY million	Total equity JPY million
Group						
Balance as at 1 April 2018	81,086	(78)	(1,206)	79,802	353	80,155
Total comprehensive (loss)/income for the year:						
(Loss)/profit for the year	–	–	(12,553)	(12,553)	60	(12,493)
Other comprehensive income for the year	–	78	–	78	–	78
Total	–	78	(12,553)	(12,475)	60	(12,415)
Transaction with Unitholders, recognised directly in equity:						
Distribution paid (Note 28)	–	–	(3,470)	(3,470)	–	(3,470)
Total	–	–	(3,470)	(3,470)	–	(3,470)
Balance as at 31 March 2019	**81,086**	**–**	**(17,229)**	**63,857**	**413**	**64,270**
Balance as at 1 April 2017	81,086	(201)	(605)	80,280	316	80,596
Total comprehensive income for the year:						
Profit for the year	–	–	4,095	4,095	37	4,132
Other comprehensive income for the year	–	123	–	123	–	123
Total	–	123	4,095	4,218	37	4,255
Transaction with Unitholders, recognised directly in equity:						
Distribution paid (Note 28)	–	–	(4,696)	(4,696)	–	(4,696)
Total	–	–	(4,696)	(4,696)	–	(4,696)
Balance as at 31 March 2018	81,086	(78)	(1,206)	79,802	353	80,155

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

	Group	
	2019	2018
	JPY million	JPY million
Cash flows from operating activities		
(Loss)/profit for the year	**(12,493)**	4,132
Adjustments for:		
Allowance for doubtful trade receivables	**(67)**	104
Depreciation and amortisation expense	**3,290**	3,168
Gain on forfeiture of membership deposits	**(15)**	(26)
Impairment loss on goodwill	**13,144**	–
Impairment loss on property, plant and equipment	**4,818**	1,720
Income tax (benefit)/expense	**(291)**	336
Interest expense and other finance costs	**1,566**	1,603
Interest income	**–**	(1)
Loss on disposal of property, plant and equipment	**19**	25
Operating cash flow before change in working capital	**9,971**	11,061
Change in working capital:		
Trade and other receivables	**(68)**	52
Other assets	**161**	163
Inventories	**(12)**	(25)
Trade and other payables	**(142)**	(233)
Other liabilities	**102**	(449)
Cash generated from operations	**10,012**	10,569
Interest and other finance costs paid	**(979)**	(915)
Income tax paid	**(980)**	(1,290)
Net cash provided by operating activities	**8,053**	8,364
Cash flows from investing activities		
Additions to property, plant and equipment (Note A)	**(1,311)**	(2,230)
Disposal of property, plant and equipment (Note B)	**12**	4
Additions to intangible assets	**(18)**	(114)
Net cash used in investing activities	**(1,317)**	(2,340)
Cash flows from financing activities		
Proceeds from borrowings from financial institutions	**43,425**	–
Repayment of borrowings from financial institutions	**(43,425)**	(450)
Borrowing transaction costs paid	**(947)**	(384)
Repayment of membership deposits	**(1,034)**	(1,937)
Repayment of finance lease payables	**(925)**	(664)
Decrease in bank deposit pledged	**10**	–
Distribution to unitholders	**(3,470)**	(4,696)
Net cash used in financing activities	**(6,366)**	(8,131)
Net increase/(decrease) in cash and cash equivalents	**370**	(2,107)
Cash and cash equivalents at the beginning of the financial year (Note 6)	**8,096**	10,203
Cash and cash equivalents at the end of the financial year (Note 6)	**8,466**	8,096

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

Reconciliation of liabilities arising from financing activities

	1 April 2018 JPY million	Principal and interest payments JPY million	Proceeds from borrowings	Non-cash changes			31 March 2019 JPY million
				Transfer to other payables JPY million	Interest expense JPY million	Amortisation of facility fee JPY million	
Borrowings from financial institutions	42,955	(44,372)	43,425	–	–	513	**42,521**
Finance lease payables	4,027	630	–	–	86	–	**4,743**
Membership deposits	10,552	(1,034)	–	47	5	–	**9,570**

	1 April 2017 JPY million	Principal and interest payments JPY million	Proceeds from borrowings	Non-cash changes			31 March 2018 JPY million
				Transfer to other payables JPY million	Interest expense JPY million	Amortisation of facility fee JPY million	
Borrowings from financial institutions	43,129	(1,152)	–	–	318	660	42,955
Finance lease payables	2,878	1,063	–	–	86	–	4,027
Membership deposits	12,036	(1,937)	–	435	18	–	10,552

Note A:
During the current financial year, the Group acquired property, plant and equipment with an aggregate cost of approximately JPY 3,764 million (2018: JPY 4,424 million), of which JPY 2,009 million (2018: JPY 1,841 million) was acquired under finance lease arrangements and JPY 444 million (2018: JPY 410 million) remains unpaid as at year end.

Note B:
During the current financial year, the Group disposed property, plant and equipment to Accordia Golf Co., Ltd (the "**Sponsor**"), with sales proceeds of JPY 375 million (2018: JPY 36 million), of which JPY 363 million (2018: JPY 32 million) was offset against finance lease obligation to the Sponsor.

The accompanying notes form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL INFORMATION

AGT is a business trust constituted on 16 June 2014 under the laws of the Republic of Singapore, registered under Chapter 31A of the BTA. The address of its principal place of business and registered office is 80 Robinson Road #22-03A, Singapore 068898. The financial statements are expressed in Japanese Yen ("**JPY**"), the functional currency of AGT, and rounded to the nearest million.

AGT is managed by the Trustee-Manager, which is 49% held by Accordia Golf Co., Ltd. (the "**Sponsor**") and 51% held by Daiwa Real Estate Asset Management Co. Ltd. (the "**TM Partner**"), a wholly-owned subsidiary of Daiwa Securities Group Inc. The TM Partner is also the asset manager of the initial portfolio, comprising golf courses and golf course related assets.

AGT was admitted to the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and was listed on the SGX-ST on 1 August 2014 ("**Listing Date**").

AGT is established with the principal investment strategy of investing, directly or indirectly, in the business of owning a portfolio of stabilised, income-generating golf courses, driving ranges, and golf course related assets worldwide with an initial focus on Japan.

The Trustee-Manager has acquired the golf courses and golf course related assets which are owned by a special purpose vehicle (the "**Initial Portfolio**") through the acquisition of Tokumei Kumiai interest (the "**TK Interest**") from the Sponsor on the Listing Date. The special purpose vehicle is established in the form of a Japanese limited liability company known as Godo Kaisha (the "**SPC**", "**GK**", or "**TK Operator**"). All of its membership interests (i.e. voting rights, namely "**GK Interest**") in the SPC are held by a general incorporated association known as an Ippan Shadan Hojin ("**ISH**"), a type of special purpose vehicle under Japanese law. The voting rights of the ISH are held by certified public accountants who are members of the Tokyo Kyodo Accounting Office. The certified public accountants are independent and not subject to the instruction of any party. The role of the certified public accountants is to carry out limited corporate administrative work to maintain such function of the ISH.

The relationship between AGT and the TK Operator is governed by the Tokumei Kumiai Agreement ("**TK Agreement**"). AGT, as the investor, will provide funds to the TK Operator in return for the right to receive distribution of profit generated from the operation of the GK. Under the TK Agreement, the net income of the TK business, comprising principally the income generated from the golf course business, will be passed up to AGT. AGT is entitled to 98.99% of the profits and losses of such business, while the shareholder of the TK Operator and QII (as disclosed in Note 19) are entitled to 1% and 0.01% of the allocated profits and losses respectively. AGT is, therefore, entitled to receive substantially all of the economic interest from the TK Operator.

The Trustee-Manager has assessed the economic reality of AGT and its investment activities through the TK Operator and concluded that AGT has the ability to use its power to affect its returns from the TK Operator pursuant to the TK Agreement. Accordingly, the TK Operator is considered as a subsidiary. The consolidated financial statements of AGT and its subsidiary are presented by consolidating AGT and the TK Operator (together referred to as the "**Group**").

The consolidated financial statements of the Group and the statement of financial position of AGT for the financial year ended 31 March 2019 were authorised for issue by the Board of Directors of the Trustee-Manager on 26 June 2019.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the Trustee-Manager to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Going concern

As at 31 March 2019, the Group is in a net current liabilities position of JPY 8,240 million (2018: net current liabilities position of JPY 38,318 million), which is contributed mainly by current membership deposits liabilities of JPY 9,541 million (2018: contributed mainly by bank borrowings of JPY 28,847 million that are repayable in August 2018). The financial statements have been prepared on a going concern basis as the directors of the Trustee-Manager expect that the Group will be able to meet its liabilities as and when they fall due. Based on the Group's forecasted cash flows, the directors of the Trustee-Manager are of the opinion that the Group has adequate cash inflows from its operations to settle its expected operating cash outflows and interest expenses in the next twelve months.

Interpretations and amendments to published standards effective in 2019

On 1 April 2018, the Group adopted the new or amended IFRS and Interpretations of IFRS ("**INT IFRS**") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with relevant transitional provisions in the respective IFRS and INT IFRS.

The adoption of these new or amended IFRS and INT IFRS did not result in substantial changes to the accounting policies of the Group and AGT and had no material effect on the amounts reported for the current or prior financial years except for the following:

(a) Adoption of IFRS 15 Revenue from Contracts with Customers

The Company has adopted the new standard using the modified retrospective approach with the cumulative impact of the adoption recognised in the opening retained earnings at 31 March 2018. Comparative information for 2017 are not restated.

The accounting policies for revenue from contracts with customers under IFRS 15 are disclosed in Note 2(m).

The effects on adoption of IFRS 15 are as follows:

(i) Accounting for contract liabilities

Annual membership fees billed in advance of the rendering of services are recognised as contract liabilities. Prior to the adoption of IFRS 15, these were presented in the statement of financial position as unearned membership revenue in other liabilities.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2019 (continued)

(b) Adoption of IFRS 9 Financial Instruments

The Company has adopted the new standard retrospectively from 1 April 2018, in line with the transition provision permitted under the standards. Comparatives for financial year ended 2018 are not restated and the Company has recognised any difference between the carrying amounts at 31 March 2018 and 1 April 2018 in the opening retained earnings.

The accounting policies for financial instruments under IFRS 9 are disclosed in Note 2(c).

(b) Group accounting

Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Group accounting (continued)

Subsidiaries (continued)

(ii) Acquisitions (continued)

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to Note 2(i) for the subsequent accounting policy on goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments recognition, measurement and derecognition

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

The accounting for financial instruments before 1 April 2018 are as follows:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments recognition, measurement and derecognition (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For all financial assets, objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or

– breach of contract, such as a default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments recognition, measurement and derecognition (continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including finance lease payables, trade and other payables and membership deposits) are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

The accounting for financial instruments from 1 April 2018 are as follows:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments recognition, measurement and derecognition (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Amortised cost

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as carried at amortised cost. These financial assets (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 4(b(ii)) details how the Group determines whether there has been a significant increase in credit risk.

For trade and other receivables, the Group applies the simplified approach permitted by the IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments recognition, measurement and derecognition (continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including finance lease payables, trade and other payables and membership deposits) are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

(d) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including interest rate swaps. Further details of derivative financial instruments are disclosed in Note 17 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Hedge accounting

The activities of the Group expose it primarily to the financial risks of changes in interest rates. The Group uses interest rate swap agreements to hedge the exposure. Those contracts that can also be settled in cash are treated as financial instruments. The Group does not use derivative financial instruments for speculative purposes. The use of leveraged instruments is not permitted.

At the inception of the hedge relationship the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 17 contains details of the fair values of the derivative instruments used for hedging purposes.

The hedges in-placed as at 31 March 2018 qualified respectively as cash flow hedge under IFRS 9. The Group's management strategies and hedge documentation are aligned with the requirements of IFRS 9 and are thus treated as continuing hedges.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other gains and losses.

Amounts recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the statement of profit or loss and other comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and when the forecast transaction is ultimately recognised in profit or loss, such gains and losses are recognised in profit or loss, or transferred from equity and included in the initial measurement of the cost of the asset or liability as described above. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was accumulated in equity is recognised immediately in profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note (n) below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises restaurant supplies. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(h) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Except for golf course land and construction in progress, they are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced, the Group recognises such parts as individual assets with specific useful lives if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Golf course land comprise of freehold land plus any other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment (continued)

Golf course land and construction in progress are not depreciated and are initially recorded at cost, and subsequently measured at cost less any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets (other than freehold land and construction in progress) less their residual values over their useful lives, using the straight-line method, on the following bases:

Building and structures	–	1 to 56 years
Machinery, vehicles and fixtures	–	1 to 25 years

Depreciation on assets under construction in progress commences when the assets are ready for their intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end, with the effect of any changes in estimated accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(i) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to the Group’s cash-generating units that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(k) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue recognition

Revenue comprises golf course revenue, restaurant revenue and membership revenue. Revenue is measured at the fair value of consideration received or receivable.

Golf course revenue

The Group operates a portfolio of golf courses. Revenue from golf course fees is recognised at a point in time when the golf course is made available for play for the customer.

Payment of the transaction price is due immediately when the customer confirms the golf play slot.

Restaurant revenue

Revenue from restaurant revenue is recognised at a point in time when the services are rendered.

Payment of the transaction price is due immediately when the services are rendered.

Membership revenue

Membership revenue consists of annual membership fees and membership enrolment and transfer fees.

Revenue from annual membership fees are recognised over time on a straight-line basis over the period in which the membership fees are paid.

Annual membership fees billed in advance would result in a contract liability. A contract liability is recognised until the end of the annual membership period paid for.

Revenue from membership enrolment and membership transfer fees are recognised at a point in time when new members are admitted or transferred.

(n) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) Retirement benefit cost

Payments to defined contributions retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions.

(p) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Taxation

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

(r) Foreign currency transactions and translation

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The financial statements are presented in Japanese Yen ("**JPY**"), which is the functional currency of AGT.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Foreign currency transactions and translation (continued)

Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(s) Levies

Property tax is imposed on the registered owner of the property as at 1 January each year, and the liability regarding property tax is recognised in full on the levied date as the obligating event that gives rise to the liability is the activity that triggers the payment of levy as identified by legislation. Accordingly, the total amount of property tax is recognised in full in profit or loss during the period when the property tax is levied.

(t) Cash and cash equivalents in the statement of cash flows

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and demand deposits, which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

(u) Distribution policy

The distribution of AGT is based on the cash flow it receives from the TK Operator pursuant to its TK Interest under the TK Agreement entered into with the TK Operator. Due to the difference between cash flow and accounting profits of the TK Operator, the cash flow received by AGT may comprise profits from the TK Operator's operations and return of capital from the TK Interest.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Distribution policy (continued)

Under the TK Agreement, AGT will be entitled to 98.99% of the profits of the TK business and such profits are subject to a withholding tax at a rate of 20.42% when distributed to AGT. Return of capital from the TK Interest is generally not taxable as long as the accumulated return of capital is lower than the original cost of investment by AGT. After deducting expenses at the AGT level, such as the Trustee-Manager's fee and other trust expenses, the residual cash flow is available for distribution to Unitholders as distributable income.

AGT's distribution policy is to distribute 100.0% of AGT's distributable income for the period from 1 August 2014 to 31 March 2015. Thereafter, the Trustee-Manager will distribute at least 90.0% 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.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Non-depreciation of property, plant and equipment – Golf course land

As at 31 March 2019, the carrying value of property, plant and equipment are JPY 141,333 million (2018: JPY 146,033 million), as disclosed in Note 10 to the financial statements. All items of property, plant and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment, adjusted for residual value, over their estimated useful lives, using the straight-line method. The Trustee-Manager exercise their judgement in estimating the useful lives and residual values of the depreciable assets. The estimated useful lives reflect the Trustee-Manager's estimate of the period that the Group intends to derive future economic benefits from the use of the depreciable assets.

The Group's golf courses reside on a mixture of freehold land of approximately 76% (2018: 76%) and leasehold land of approximately 24% (2018: 24%). The lease periods of the leasehold land are for an initial term of 20 years. The leases have been subsequently renewed based on the same conditions of the original lease agreements. There are no terms or conditions in the lease agreements in relation to the termination of the lease agreements during the lease term and there have been no prior cases of termination during the lease term. The Trustee-Manager is of the view that it is reasonably certain that the Group will be able to renew the leases in order to derive future economic benefits from the use of the golf courses. Accordingly, golf course land is accounted for as a non-depreciable asset.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(b) Impairment assessment of property, plant and equipment

The Trustee-Manager reviews the carrying values of property, plant and equipment for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

In assessing the recoverable amount of the assets, significant judgements are used to estimate the future cash flows generated from the golf courses and the discount rates applied in the discounted cash flow analysis. In making these judgements, the Trustee-Manager has relied on the past performances of the golf courses and its expectations of market development. Specific estimates are disclosed in Note 10.

For the current financial year, the Group recorded an impairment loss on property, plant and equipment amounting to JPY 4,818 million (2018: JPY 1,720 million). Management is of the view the impairment loss recorded is reasonable and adequate.

(c) Impairment assessment of goodwill

On 1 August 2014, AGT acquired Accordia Golf Asset Godo Kaisha ("**SPC**") which owns a portfolio of 89 golf courses across Japan. As a result of the acquisition, the Group recorded goodwill of JPY 17,079 million, which is the difference between purchase consideration of JPY 75,225 million and fair value of net assets acquired of JPY 58,146 million.

Goodwill has been attributed to synergies arising from:

- centralised utilisation of golf course maintenance equipment among golf courses within the same region;
- centralisation of all major pricing, purchasing, marketing, advertising and human resource decisions, except for hiring of operational staff;
- centralised procurement system whereby majority of the food and supplies across the all golf courses are purchased;
- centralised membership loyalty points system across all golf courses.

The Trustee-Manager has identified each golf course as a separate cash-generating unit ("**CGU**") for the purpose of impairment testing. As the 89 golf courses benefit from the synergies, the Trustee-Manager cannot allocate the goodwill to each of the 89 golf courses, except on an arbitrary basis. The combination of 89 CGUs represents the lowest level at which the Trustee-Manager captures information, for internal management reporting purposes, about the benefits of the goodwill.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(c) Impairment assessment of goodwill (continued)

The assumptions and judgement involved in estimating the recoverable amount of SPC include discount rate, revenue growth rate and terminal growth rate. These assumptions and judgement are disclosed in Note 11.

For the current financial year, the Group recorded an impairment loss on goodwill amounting to JPY 13,144 million (2018: JPY Nil) against the goodwill allocated to the SPC CGU. The Trustee-Manager is of the view the impairment loss recorded is reasonable and adequate.

(d) Uncertain tax positions

The Group is subject to income taxes in Japan and Singapore. In determining the income tax liabilities, the Trustee-Manager has estimated the amount of capital allowances and the deductibility of certain expenses ("**uncertain tax positions**") at each tax jurisdiction.

As the Trustee-Manager believes that the tax positions are sustainable, the Group has not recognised any additional tax liability on these uncertain tax positions.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

(a) Financial instruments by category

The carrying amounts of financial assets measured at fair value are disclosed on the face of the balance sheet and in Note 17 to the financial statements.

The aggregate carrying amount of loans and receivables, financial assets and liabilities at amortised cost are as follows:

	Group	
	2019	2018
	JPY million	JPY million
Loans and receivables	**–**	10,812
Financial assets at amortised cost	**11,275**	–
Financial liabilities at amortised cost	**62,369**	62,803

	AGT	
	2019	2018
	JPY million	JPY million
Loans and receivables	**–**	3,062
Financial assets at amortised cost	**2,949**	–
Financial liabilities at amortised cost	**148**	148

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives

The Group's activities expose it to market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects of changes in the financial markets on the financial performance of the Group. Risk management is carried out by the responsible entity of the Group under internal management policies.

The Trustee-Manager identifies, evaluates and manages financial risks and provides guidelines for overall risk management, covering specific areas, such as mitigating interest rate and credit risks, as well as the investing excess liquidity.

Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign currency risk

The Group's business operations are not exposed to significant foreign currency risk as its portfolio of golf courses held by the TK Operator is located in Japan and the cash flows from the operations of the golf courses are denominated in JPY, the functional currency of the entities.

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Golf fees and restaurant revenue are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk. Trade receivables primarily comprise of receivables due from credit card companies and receivables due from members for their annual membership fee.

The collection from credit card companies is once every two weeks, and the Group has assessed that the credit card companies have strong financial capacity to meet the contractual cash flow obligations and hence does not expect significant credit loss.

For receivables due from members for their annual membership fee, the membership department will perform credit reviews on new members before acceptance and an annual review for existing customers. Credit reviews take into account member's refundable deposit, past experiences with the customers, default rate at the respective golf courses and other relevant factors.

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables at the respective golf course level. In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) and the unemployment rate of the countries in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (continued)

(ii) Credit risk (continued)

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers membership receivables and golf course related and other receivables as in default if the counterparty fails to make contractual payments within 30 days when they fall due respectively, and writes off the receivables when a debtor fails to make contractual payments greater than 3 years past due. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables under IFRS 9 as at 31 March 2019 are set out in the provision matrix as follows:

		Past due				
	Current JPY million	Within 30 days JPY million	30 to 60 days JPY million	60 to 90 days JPY million	More than 90 days JPY million	Total JPY million
Group						
2019						
Membership receivables						
Expected loss rate	–	–	–	6.7%	43.2%	
Trade receivables	–	–	–	421	803	**1,224**
Loss allowance	–	–	–	(28)	(347)	**(375)**
Golf course related and other receivables						
Expected loss rate	–	3.8%	–	–	–	
Trade receivables	1,712	131	–	–	–	**1,843**
Loss allowance	–	(5)	–	–	–	**(5)**

The Company's trade receivables are subject to immaterial credit loss.

(a) Trade receivables

The movement in credit loss allowance are as follows:

	Total JPY million
Group	
Balance at 1 April 2018	448
Loss allowance recognised in profit or loss during the year on assets acquired	67
Amounts written off during the year	(135)
Balance at 31 March 2019	**380**

Cash and cash equivalents and other financial assets are subject to immaterial credit loss.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (continued)

(ii) Credit risk (continued)

Previous accounting policy for impairment of trade receivables

In 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Group considered that there was evidence if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments (more than 90 days overdue).

The Group's credit risk exposure in relation to trade receivables under IAS 39 as at 31 March 2018 are set out in the provision matrix as follows:

Age analysis of trade receivables past due but not impaired

	Group 2018 JPY million
Trade receivables past due not impaired	
Less than 3 months	1,154
Between 1 to 3 months	210
Greater than 3 months	1,232
	2,596

The carrying amounts of financial assets as shown in the statements of financial position represent the maximum amount of credit risk that the Group and AGT is exposed to at the date of the financial statements.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (continued)

(iii) Liquidity risk

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Non-derivative financial liabilities

	On demand or within 1 year JPY million	Within 2 to 5 years JPY million	After 5 years JPY million
Group			
2019			
Floating rate – borrowings from financial institutions	178	44,150	–
Fixed rate – borrowing from a related party	15	60	500
Finance lease payables	1,112	3,367	473
Trade and other payables	4,159	–	–
Membership deposits	9,541	29	–
Other liabilities	524	337	5
Total	**15,529**	**47,943**	**978**
Group			
2018			
Floating rate – borrowings from financial institutions	29,513	14,414	–
Fixed rate – borrowing from a related party	15	60	500
Finance lease payables	1,051	2,693	482
Trade and other payables	4,164	–	–
Membership deposits	10,539	31	–
Other liabilities	522	–	5
Total	45,804	17,198	987

All non-derivative financial liabilities of AGT as at 31 March 2019 and 2018 are on demand or due within one year.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (continued)

(iii) Liquidity risk (continued)

Derivative financial liabilities

The table below analyses the derivative financial instruments of the Group for which contractual maturities are essential for an understanding of the timing of cash flows into relevant maturity groupings based on the remaining period from the date of statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand or within 1 year JPY million	Between 2 to 5 years JPY million
Group		
At 31 March 2019		
Net settled: Interest rate swap	10	–
Group		
At 31 March 2018		
Net settled: Interest rate swap	18	60

As at 31 March 2019, the Group had negative working capital of JPY 8,240 million (2018: JPY 38,318 million). This includes:

(i) JPY 2,425 million (2018: JPY 2,584 million) of unearned membership revenue, which represents collections received from customers and do not require any future cash outflow from the Group;

(ii) a current portion of membership deposits of JPY 9,541 million (2018: JPY 10,521 million). Based on the historical trend, the redemption amount by members is significantly lower than the current portion of membership deposits recorded by the Group.

The Trustee-Manager has carefully monitored and managed its cash flow. Management and operation reports are prepared and reviewed on a monthly basis. Cash flow forecasts are prepared on a monthly basis to project cash flow requirements of the Group using various general and operational assumptions which takes into account reasonably possible changes in business performance.

The directors believes that the Group has adequate working capital for its present requirements and that its existing loan facilities, together with cash and cash equivalents will provide sufficient funds to satisfy its working capital requirements and anticipated capital expenditures and other payment obligations for the next twelve months, including its distribution of JPY 1,854 million paid out to Unitholders on 21 June 2019.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (continued)

(iv) Interest rate risk

The Group's interest rate risk arises from borrowings from financial institutions. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

For the new financing arrangement in the current financial year (Note 12), no interest rate swap have been entered into.

For the previous term loans, the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (mainly six-monthly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Further details of the interest rate swap contracts are found in Note 17.

The Group does not expect any material effect on the Group's profit or loss and equity arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments as the majority of the interest rate of the Group's floating rate borrowings are based on the TIBOR rate, which have remained fairly stable based on historical trend.

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and payables, short-term borrowings from financial institutions and short-term membership deposits approximate their respective fair values due to the relatively short-term maturity of these financial instruments. For the other class of financial assets and liabilities, Trustee-Manager considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial information approximate their fair values.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of derivative financial instruments are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at				
Financial assets/ liabilities	**31 March 2019 JPY million**	**31 March 2018 JPY million**	**Fair value hierarchy**	**Valuation technique(s); and key input(s)**	**Significant unobservable input(s)**
Interest rate swaps	**Liabilities:** Current – 10 **(not designated for hedging)**	**Liabilities:** Current – 18 Non-current – 60 **(designated for hedging)**	Level 2	Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.	N/A

There were no transfers between levels of the fair value hierarchy in the current reporting period.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (continued)

(vi) Capital risk

The Group's capital risk management objectives are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to achieve its capital risk management objectives, the Group may adjust the amount of dividend payment, return capital to Unitholders, issue new units or obtain new borrowings. The Group's overall strategy remains unchanged from 2018.

The Trustee-Manager monitors capital based on the debt-to-equity ratio and the net debt-to-equity ratio, which are calculated as total debt divided by equity and total debt net of cash and cash equivalents ("**Net debt**") divided by equity. Total debt comprises "Borrowings from financial institutions", "Finance lease payables", "Borrowing from a related party" and "Membership deposits" as shown in the consolidated statement of financial position. Equity is the total equity as shown in the consolidated statement of financial position.

	Group	
	2019	2018
	JPY million	JPY million
Total debt	**57,334**	58,034
Cash and cash equivalents	**(8,515)**	(8,145)
Net debt	**48,819**	49,889
Total equity	**64,270**	80,155
Debt-to-equity ratio	**0.89**	0.72
Net debt-to-equity ratio	**0.76**	0.62

In addition, the Group also specifically monitors the financial ratios of its debt covenants stated in the agreements with the financial institutions providing the loan facilities to the Group. The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2019 and 2018.

5 RELATED PARTY TRANSACTIONS

(i) The Trustee-Manager

The Trustee-Manager was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore, on 20 March 2014.

The Trustee-Manager is 49.0% held by the Sponsor and 51.0% held by the TM Partner, a wholly-owned subsidiary of Daiwa Securities Group.

The Trustee-Manager has the dual responsibility of safeguarding the interests of Unitholders and managing the business conducted by AGT. The Trustee-Manager has powers of management over the business and assets of AGT and its main responsibility is to manage AGT's assets and liabilities for the benefit of the Unitholders as a whole.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

5 RELATED PARTY TRANSACTIONS (CONTINUED)

(i) The Trustee-Manager (continued)

The Trustee-Manager is entitled to a base fee and a performance fee as specified under the Trust Deed. The base fee and performance fee are payable to the Trustee-Manager in the form of cash and/or units (as the Trustee-Manager may elect).

The following significant transactions occurred between AGT and the Trustee-Manager, which includes the cost of key management personnel, during the reporting period:

	Group	
	2019	2018
	JPY million	JPY million
Trustee-Manager fees	**250**	254
Expense reimbursement	**11**	–

(ii) Accordia Golf Co., Ltd. and its subsidiaries (the "Sponsor group")

The following significant transactions occurred between the Group and the Sponsor group during the reporting period:

	Group	
	2019	2018
	JPY million	JPY million
Accordia Golf Co., Ltd. (the "Sponsor")[1]		
Golf course management fees[2]	**5,788**	5,823
Staff secondment fees	**1,683**	1,715
Operating lease expenses (Note 27)	**19**	38
Payment on behalf of the Group:		
– Web sales commission	**1,240**	1,259
– Publication fees	**–**	65
– Headquarter expenses	**772**	465
Interest expense on subordinated loan[3] (Note 22)	**15**	15
Repayment of finance lease obligations (inclusive of GST)	**204**	338
Interest expense on finance leases (Note 22)	**14**	26
Collection on behalf of the Group:		
– Annual membership fee	**61**	57
– Play fee	**33**	14
Reimbursement of shareholders' coupon consumed[4]	**–**	399
Customer loyalty points awarded, net of awarded[5]	**24**	26
Sales commission income for new membership sign up	**4**	6
Purchases of food and supply through centralised procurement system at no mark-up	**5,538**	5,558
Integrated procurement system usage fee	**16**	16
Collection of pro-shop business revenue on behalf by the Group[1]	**2,237**	485
Payment of using pro-shop merchandise for recruitment and corporate activities[1]	**134**	23
Commission fee income from Pro-Shop Business[1,6]	**66**	17
Compensation for golf course damage	**–**	145
Golf course operation consulting fee	**–**	78

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

5 RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Accordia Golf Co., Ltd. and its subsidiaries (the "Sponsor group") (continued)

	Group	
	2019	2018
	JPY million	JPY million
Accordia Retail Co. Ltd[1]		
Collection of pro-shop business revenue on behalf by the Group	**–**	1,932
Payment of using pro-shop merchandise for recruitment and corporate activities	**–**	102
Commission fee income from Pro-Shop Business[6]	**–**	57
Heartree Co. Ltd.		
Discounts received for centralised purchases	**15**	62
Reimbused expenses for operating activities	**13**	–
Accordia Golf Garden Co. Ltd.		
Recharge of golf lesson fees	**19**	22

1 Accordia Retail Co., Ltd. was amalgamated into Accordia Golf Co., Ltd. and ceased to exist as at 1 January 2018. The figures presented were for 9 months from 1 April 2017 to 31 December 2017 and transactions after amalgamation were included in Accordia Golf Co., Ltd.

2 The Group entered into the Golf Course Management Agreement with the Sponsor, pursuant to which the Sponsor will provide, inter alia, golf course management services in respect of the Initial Portfolio. Pursuant to the Golf Course Management Agreement, the Sponsor is entitled to golf course operating and management fees comprising a base fee, an incentive fee, a membership revenue incentive fee and an integrated purchasing system usage fee. Golf course management fees are paid in cash by SPC.

3 The Sponsor has provided a subordinated loan to SPC of JPY 500 million at a fixed interest rate of 3.0% per annum and payable semi-annually for the entire loan term. The loan is repayable upon discontinuation of the TK business. SPC injected its own cash, funded using this subordinated loan, into the TK business.

4 The Sponsor issued vouchers to its shareholders which entitle them to play at SPC's golf courses at a discounted rate. The value of the discount given to the shareholders for coupons consumed is reimbursed by the Sponsor to the Group and recorded as part of the Group's revenue.

5 Members who play golf in SPC's golf course will be awarded customer loyalty points equivalent to 1% to 2% of sales amount. The Group pays the Sponsor the amount equivalent to points awarded. Upon members' redemption, the Sponsor pays the Group the amount equivalent to points redeemed. The payment to the Sponsor for points awarded and the receipt from the Sponsor for points redeemed are settled on a net basis. During the current financial year, there is a net receipt to the Sponsor due to more customers loyalty points awarded than redeemed.

6 The golf-shop business (the "**Pro-Shop Business**") has not been transferred to SPC and continued to be owned and operated by the Sponsor's subsidiary, Accordia Retail Co. Ltd..

Accordia Retail Co. Ltd. outsourced some of the operations of Pro-Shop Business, including goods and inventory management, selling activities and revenue cash management to SPC and SPC earned commission income fee from managing the Pro-Shop Business.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

5 RELATED PARTY TRANSACTIONS (CONTINUED)

(iii) Daiwa Real Estate Asset Management Co. Ltd. and its related companies (the "TM Partner group")

The following significant transactions occurred between the Group and the TM Partner group during the reporting period:

	Group	
	2019	2018
	JPY million	JPY million
Daiwa Real Estate Asset Management Co. Ltd. (the "TM Partner")		
Asset management fees[7]	**96**	100

7 Pursuant to the Asset Management Agreement, the asset manager is entitled to a base fee and the fee is paid in cash by the Sponsor on behalf of SPC.

6 CASH AND CASH EQUIVALENTS

	Group		AGT	
	2019	2018	**2019**	2018
	JPY million	JPY million	**JPY million**	JPY million
Cash on hand	**1,080**	858	**–**	–
Cash at bank	**7,386**	7,238	**145**	116
Cash and cash equivalents	**8,466**	8,096	**145**	116
Fixed deposits	**49**	49	**–**	–
Total	**8,515**	8,145	**145**	116

As at 31 March 2019, fixed deposits of JPY 49 million (2018: JPY 49 million) have not been classified as "cash and cash equivalents" as the maturity date of these fixed deposits is more than three months.

The Group has pledged all cash balances held as bank deposits by the SPC to secure borrowings from financial institutions (Note 12). Based on the terms of the borrowings, a certain amount of cash is reserved for the Group's operational use and restricted from being distributed as to Unitholders. Accordingly, the Trustee-Manager has classified such pledged cash balances as cash and cash equivalents within the statements of financial position and the cash flow statement.

7 TRADE AND OTHER RECEIVABLES

	Group		AGT	
	2019	2018	**2019**	2018
	JPY million	JPY million	**JPY million**	JPY million
Trade receivables – non-related parties	**3,067**	3,044	**–**	–
Less: Allowance for doubtful debts [Note 4(b)(ii)(a)]	**(380)**	(448)	**–**	–
Trade receivables – net	**2,687**	2,596	**–**	–
Distribution receivable from subsidiary	**–**	–	**2,804**	2,946
	2,687	2,596	**2,804**	2,946

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

8 OTHER ASSETS

	Group		AGT	
	2019	2018	**2019**	2018
	JPY million	JPY million	**JPY million**	JPY million
Other current assets				
Prepaid expenses	**1,079**	1,190	**1**	1
Other current assets	**41**	17	**38**	15
	1,120	1,207	**39**	16
Other non-current assets				
Deposits paid to landlord	**308**	309	**–**	–
Long-term prepaid expenses	**17**	67	**–**	–
Deposits for golf memberships	**68**	65	**–**	–
Other non-current assets	**2**	4	**–**	–
	395	445	**–**	–

9 INVESTMENT IN SUBSIDIARY

	AGT	
	2019	2018
	JPY million	JPY million
Balance at the beginning of the financial year	**75,447**	75,447
Return on investment	**(4,338)**	–
Impairment loss	**(9,115)**	–
Balance at the end of the financial year	**61,994**	75,447

During the financial year, the Company has provided for impairment loss on its subsidiary amounting to JPY 9,115 million (2018: Nil) as the carrying amount of the subsidiary exceeded its recoverable amount.

The recoverable amount of the subsidiary is determined based on fair value less costs to sell calculation. The key assumptions for the fair value less costs to sell calculation are those regarding the discount rates, growth rates and profitability margins and costs to sell during the period. The Trustee-Manager estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the SPC. The growth rates are based on industry growth forecasts. Profitability margins and costs to sell are based on past practices and expectations of future changes in the market.

The Group determined the fair value 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 rate used to discount the forecasted cash flows from the SPC was 4.5% (2018: 4.8%) per annum.

Details of the subsidiary of the Group as at 31 March 2019 are as follows:

Name of subsidiary	Principal activities	Country of incorporation and operation	Proportion of TK Interest	
			2019	2018
			%	%
Accordia Golf Asset Godo Kaisha (SPC)[1,2]	Special purpose entity – Investment in golf course assets	Japan	**98.99**	98.99

1 Although AGT holds no voting rights in the SPC, it has the ability to use its power to affect its returns from the SPC pursuant to the TK Agreement (see Note 1), and AGT receives substantially all of the SPC's economic interest. Accordingly, the Group regards the SPC as a subsidiary.

2 Audited by PricewaterhouseCoopers Aarata LLC for consolidation purposes only.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

10 PROPERTY, PLANT AND EQUIPMENT

	Golf course land JPY million	Buildings and structures JPY million	Machinery, vehicles and fixtures JPY million	Construction in progress JPY million	Total JPY million
Group					
Cost					
At 1 April 2017	122,234	27,759	6,910	33	156,936
Additions	10	1,852	2,557	5	4,424
Transfers	–	19	10	(29)	–
Disposals	–	(28)	(302)	(4)	(334)
At 31 March 2018	122,244	29,602	9,175	5	161,026
Additions	7	1,126	2,366	265	3,764
Transfers	–	–	47	(47)	–
Disposals	–	(26)	(924)	–	(950)
At 31 March 2019	122,251	30,702	10,664	223	163,840
Accumulated depreciation					
At 1 April 2017	–	6,092	2,625	–	8,717
Depreciation during the year	–	1,971	1,175	–	3,146
Disposals	–	–	(273)	–	(273)
At 31 March 2018	–	8,063	3,527	–	11,590
Depreciation during the year	–	1,849	1,403	–	3,252
Disposals	–	–	(556)	–	(556)
At 31 March 2019	–	9,912	4,374	–	14,286
Accumulated impairment					
At 1 April 2017	1,199	394	90	–	1,683
Impairment loss recognised in the year	1,363	289	68	–	1,720
At 31 March 2018	2,562	683	158	–	3,403
Impairment loss recognised in the year	4,152	459	207	–	4,818
At 31 March 2019	6,714	1,142	365	–	8,221
Net book value					
At 31 March 2019	**115,537**	**19,648**	**5,925**	**223**	**141,333**
At 31 March 2018	119,682	20,856	5,490	5	146,033

During the year, the Group carried out a review of the recoverable amount of property, plant and equipment, having considered the financial performance of the golf courses. The review led to the recognition of an impairment loss of JPY 4,818 million (2018: JPY 1,720 million), which has been included in other operating expenses. The recoverable amount of property, plant and equipment has been estimated on the basis of their value in use (2018: value in use). The pre-tax discount rate used in measuring value in use was between 7.0 to 11.8% (2018: 7.0 to 11.8%) per annum.

If the pre-tax discount rate used to estimate recoverable amount has increased/decreased by 5% (2018: 5%), the impairment loss recognised for the current financial year will have been JPY 1,684 million higher/JPY 1,822 million lower (2018: JPY 2,109 million higher/JPY 1,815 million lower).

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 March 2019, the Group has pledged certain freehold land, golf courses and buildings with total carrying amounts of approximately JPY 119,450 million (2018: JPY 132,630 million), to secure the borrowings granted to the Group (Note 12).

The carrying amounts of property, plant and equipment held by the Group under finance lease arrangements (Note 13) are JPY 4,190 million (2018: JPY 3,712 million) as at 31 March 2019.

11 INTANGIBLE ASSETS

	Goodwill JPY million	Software JPY million	Others JPY million	Total JPY million
Group				
Cost				
At 1 April 2017	17,079	33	32	17,144
Additions	–	129	–	129
At 31 March 2018	17,079	162	32	17,273
Additions	–	8	–	8
At 31 March 2019	17,079	170	32	17,281
Accumulated amortisation				
At 1 April 2017	–	13	–	13
Amortisation during the year	–	15	–	15
At 31 March 2018	–	28	–	28
Amortisation during the year	–	31	–	31
At 31 March 2019	–	59	–	59
Accumulated impairment				
At 1 April 2017	–	–	–	–
Impairment during the year	–	–	–	–
At 31 March 2018	–	–	–	–
Impairment during the year	13,144	–	–	13,144
At 31 March 2019	13,144	–	–	13,144
Carrying amount				
At 31 March 2019	**3,935**	**111**	**32**	**4,078**
At 31 March 2018	17,079	134	32	17,245

The value of the goodwill is allocated to the SPC which is principally engaged in the golf courses business in Japan (Note 3(c)).

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

11 INTANGIBLE ASSETS (CONTINUED)

Impairment test for goodwill

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the SPC is determined based on fair value less costs to sell calculation. The key assumptions for the fair value less costs to sell calculation are those regarding the discount rates, growth rates and profitability margins and costs to sell during the period. The Trustee-Manager estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the SPC. The growth rates are based on industry growth forecasts. Profitability margins and costs to sell are based on past practices and expectations of future changes in the market.

The Group determined the fair value 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 SPC was 4.5% (2018: 4.8%) per annum.

For the financial year ended 31 March 2019, the Trustee-Manager updated the Group's business plan to take into consideration market developments in Japan and the reduction in expected operating cash flows from Northern Country Club Nishikigahara Golf Course following the Japanese government's infrastructure project to be undertaken at Northern Country Club Nishikigahara Golf Course and its surroundings. As a result, the assumption regarding profitability margins and costs to sell have been reduced by 10 – 34%, as compared to prior year. Based on the assessment, a non-cash goodwill impairment loss of JPY 13,144 million was recognised against the goodwill allocated to the SPC which is principally engaged in the golf courses business in Japan.

For illustrative purposes, a 0.1% decrease in post-tax discount rate and a 0.5% decrease in profitability margins less cost to sell in the fair value less costs to sell calculations, with all other variables and assumptions held constant, would decrease the recoverable amount of the SPC CGU, by JPY 2,584 million and JPY 586 million respectively. Actual results in the future may differ materially from the sensitivity analysis due to developments in the Japanese market and changes in economic conditions which may cause fluctuation in growth and market interest rates to vary and therefore it is important to note that the amounts so generated do not represent a projection of likely future events and profits or losses.

12 BORROWINGS FROM FINANCIAL INSTITUTIONS

	Group	
	2019	2018
	JPY million	JPY million
Current portion	**–**	29,100
Less: Unamortised loan facility fee	**–**	(253)
	–	28,847
Non-current portion	**43,425**	14,325
Less: Unamortised loan facility fee	**(904)**	(217)
	42,521	14,108
Total	**42,521**	42,955

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

12 BORROWINGS FROM FINANCIAL INSTITUTIONS (CONTINUED)

The bank borrowings are denominated in JPY and are summarised as follows:

	Group	
	2019	2018
	JPY million	JPY million
Outstanding principal amount:		
Term Loan A	**–**	14,475
Term Loan B	**–**	14,475
Term Loan C	**–**	14,475
Tranche A	**43,425**	–
	43,425	43,425

For Term Loan A, interest was levied at a floating interest rate of 6-month JPY TIBOR plus 125 basis points per annum. For Term Loan B, interest was levied at a floating interest rate of 6-month JPY TIBOR plus 150 basis points per annum. For Term Loan C, interest was levied at a floating interest rate of 6-month JPY TIBOR plus 175 basis points per annum. On 1 August 2018, the 3 term loans were repaid in full.

On 24 July 2018, SPC entered into a new financing arrangement with 2 Japanese lenders for secured debt facilities denominated in JPY of up to JPY 44,925 million. The new financing arrangement comprise of (a) a five-year tranche of up to JPY 43,425 million as a term facility loan (the "**Tranche A Facility**"); and (b) a five-year tranche of up to JPY 1,500 million as a term loan commitment (the "**Tranche B Facility**") which can be drawn down for general investment purposes only.

On 1 August 2018, Tranche A Facility was drawn down in full and used to repay the 3 term loans above.

For Tranche A Facility, interest is levied at a floating interest rate of six-month JPY Tokyo Interbank Offered Rate ("**TIBOR**") plus 195 basis points per annum. The full amount of principal is payable at maturity in August 2023.

For Tranche B Facility, interest is levied at a floating interest rate of six-month JPY TIBOR plus 150 basis points per annum. No amount has been drawn down as at 31 March 2019.

The Group's average effective interest rate is 3.10% (2018: 3.12%) per annum.

The obligations of SPC for the new financing arrangement are secured by various security interests (including a pledge over the TK Interests, cash and cash equivalents, land, golf courses, buildings and structures held by the Group).

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

13 FINANCE LEASE PAYABLES

	Minimum lease payments 31 March 2019 JPY million	Minimum lease payments 31 March 2018 JPY million	**Present value of minimum lease payments 31 March 2019 JPY million**	Present value of minimum lease payments 31 March 2018 JPY million
Group				
Amounts payable under finance leases:				
Not later than one year	**1,112**	1,051	**1,103**	983
Between one and five years	**3,367**	2,693	**3,236**	2,572
Later than five years	**473**	481	**404**	472
	4,952	4,225	**4,743**	4,027
Less: Future finance charges	**(209)**	(198)	**–**	–
Present value of finance lease liabilities	**4,743**	4,027	**4,743**	4,027
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(1,103)**	(983)
Amount due for settlement after 12 months			**3,640**	3,044

The Group leases certain of its property, plant and equipment (Note 10) under finance leases from the Sponsor and other third parties. As at 31 March 2019, the finance lease payables to the Sponsor and to the third parties are JPY 490 million (2018: JPY 847 million) and JPY 4,253 million (2018: JPY 3,180 million) respectively.

For the year ended 31 March 2019, the average lease term is 6.9 years (2018: 7.0 years). The Group has options to purchase the leased assets at a value stipulated under the agreement upon expiry of the lease terms. The Group's obligations under finance leases are secured by the lessors' title to the leased assets (Note 10).

Interest rates underlying all obligations under finance leases are fixed at respective contract dates at an average of 1.96% (2018: 2.49%) per annum for the year ended 31 March 2019.

14 TRADE AND OTHER PAYABLES

	Group		**AGT**	
	2019 JPY million	2018 JPY million	**2019 JPY million**	2018 JPY million
Trade payables	**1,196**	1,117	**–**	–
Trade payable to subsidiary	**–**	–	**32**	31
Property and other tax payables	**1,237**	1,277	**–**	–
Other payables to the Sponsor group (Note 5 (ii))	**1,071**	1,201	**–**	–
Accrued expenses	**80**	76	**20**	21
Management fee payable to the Trustee-Manager (Note 5 (i))	**96**	96	**96**	96
Other payables	**1,716**	1,674	**–**	–
Total trade and other payables	**5,396**	5,441	**148**	148

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

15 MEMBERSHIP DEPOSITS

	Group	
	2019	2018
	JPY million	JPY million
Total membership deposits	**9,570**	10,552
Less: Current portion	**(9,541)**	(10,521)
Non-current portion	**29**	31

Membership deposits pertain to deposits received from members, which are refundable after the lock-up period upon members' resignation and redemption of their memberships. The average lock-up period is 10 to 15 years. Upon the expiry of the lock-up period, such membership deposits have been re-classified from "non-current liabilities" to "current liabilities".

The fair value of the membership deposits received is amortised using the effective interest rate method over the lock-up period.

16 OTHER LIABILITIES

	Group	
	2019	2018
	JPY million	JPY million
Other current liabilities		
Unearned membership revenue (Note 20)	**2,425**	2,584
Provision for unutilised employee leave	**622**	629
Advanced receipt of insurance compensation	**–**	1
Payable to the Sponsor group (Note 5 (ii))	**164**	164
Provision for bonus	**323**	319
Other tax payables	**231**	326
Net Goods and Services Tax (GST) payable	**186**	63
Other current liabilities	**282**	49
	4,233	4,135
Other non-current liabilities		
Payable to Qualified Institutional Investor[1]	**5**	5
Other non-current liabilities	**416**	75
	421	80

1 Mizuho Securities Co., Ltd., a Qualified Institutional Investor (the "**QII**") under the Financial Instruments and Exchange Act (the "**FIEA**"), made a contribution to the TK business in order to satisfy certain regulatory requirements under the FIEA. This contribution is interest-free and is repayable upon discontinuation of the TK business.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

17 DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2019	2018
	JPY million	JPY million
Interest rate swap designated and effective as hedging instruments carried at fair value	**10**	78
Analysed as:		
Current liabilities	**10**	18
Non-current liabilities	**–**	60
	10	78

Interest rate swaps

For the new financing arrangement (Note 12), no interest rate swaps have been entered into.

For the previous terms loans, the Group uses interest rate swaps to manage its exposure to interest rate movements on its borrowings from financial institutions by swapping a proportion of those borrowings from floating rates to fixed rates. All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings.

The interest rate swaps and the interest payments on the loan occur simultaneously and the amount deferred in equity is recognised in profit or loss over the period that the floating rate interest payments on debt impact profit or loss.

The fair value of interest rate swaps with notional value of JPY 6,475 million (2018: JPY 24,125 million) as at 31 March 2019 is estimated at JPY 10 million (2018: JPY 78 million), which resulted in a derivative financial instrument liability being recognised for the Group. These amounts are based on using valuation techniques as at year end. With the repayment of the previous term loans (Note 12), the aforementioned interest rate swaps no longer qualify for hedge accounting.

Therefore, the unrealised gain on change in fair value of cash flow hedging financial instruments amounting to JPY 78 million for the year ended 31 March 2019 has been recognised directly in other comprehensive income.

18 UNITHOLDERS' FUNDS

	Group and AGT		Group		AGT	
	2019	2018	**2019**	2018	**2019**	2018
	Number of units	Number of units	**JPY million**	JPY million	**JPY million**	JPY million
Balance at the beginning and end of the year	**1,099,122,000**	1,099,122,000	**81,086**	81,086	**81,486**	81,486

18 UNITHOLDERS' FUNDS (CONTINUED)

As at 31 March 2015, an amount of equity issue expenses of JPY 400 million was incurred and expensed off by SPC, but was debited against Unitholders' funds at the Group level.

Each Unit in AGT represents an undivided interest in AGT. The rights and interests of Unitholders are contained in the Trust Deed and relevant laws, and include the rights to:

(i) Receive income and other distributions attributable to the units held;

(ii) Participate in the termination of AGT by receiving a share of all net cash proceeds derived from the realisation of the assets of AGT less any liabilities, in accordance with their proportionate interests in AGT. However, a Unitholder does not have the right to require any assets (or part thereof) of AGT be returned to him;

(iii) Attend all Unitholders' meeting. The Trustee-Manager may at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed;

(iv) Vote at Unitholders' meetings. Every Unitholder has one vote for each unit of which he is the Unitholder.

The restrictions of a Unitholder include the following:

(i) A Unitholder's right is limited to the right to require due administration of AGT in accordance with the provisions of the Trust Deed; and

(ii) A Unitholder has no right to request to redeem his units while his units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any unit in AGT. The provisions for the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee-Manager or any creditor of AGT in the event that the liabilities of AGT exceed its assets.

19 NON-CONTROLLING INTEREST

Non-controlling interest represents the interests in the operating results and net assets of the SPC attributable to the shareholders of the TK Operator, in accordance with the TK Agreement.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

20 REVENUE

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major categories.

	At a point in time JPY million	Over time JPY million	Total JPY million
2019			
Golf course revenue	**34,251**	**–**	**34,251**
Restaurant revenue	**12,762**	**–**	**12,762**
Membership revenue	**479**	**3,242**	**3,721**
Total	**47,492**	**3,242**	**50,734**
2018			
Golf course revenue	34,234	–	34,234
Restaurant revenue	12,499	–	12,499
Membership revenue	525	3,602	4,127
Total	47,258	3,602	50,860

Contract liabilities

	2019 JPY million	2018 JPY million
Contract liabilities		
– Unearned membership revenue (Note 16)	**2,425**	2,584

Annual membership fees billed in advance of the rendering of services would result in a contract liability. A contract liability is recognised until the end of the annual membership period paid for.

Revenue recognised in relation to contract liabilities

	2019 JPY million	2018 JPY million
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period	**2,584**	2,769

Unsatisfied performance obligations

As permitted under the transitional provisions in IFRS 15, the transaction price allocated to partially or fully unsatisfied performance obligations as of 31 March 2018 and 1 April 2018 is not disclosed.

As permitted under IFRS 15, the aggregated transaction price allocated to unsatisfied contracts of period one year or less, or are billed based on time incurred, is not disclosed.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

21 SELLING, GENERAL AND ADMINISTRATIVE EXPENSE

	Group	
	2019	2018
	JPY million	JPY million
Tax and levies[1]	**1,357**	1,380
Commission fees	**2,358**	2,321
Advertising expense	**804**	775
Others	**701**	766
	5,220	5,242

1 Tax and levies of JPY 1,357 million (2018: JPY 1,380 million) includes property tax of JPY 1,216 million (2018: JPY 1,260 million).

22 INTEREST EXPENSE AND OTHER FINANCE COSTS

	Group	
	2019	2018
	JPY million	JPY million
Interest expense – financial institutions	**881**	817
Interest expense – related party (Note 5 (ii))	**15**	15
Interest expense – finance lease		
– Related party (Note 5 (ii))	**14**	26
– Third parties	**72**	60
Amortisation of capitalised loan facility fee	**513**	660
Amortisation of membership deposits	**5**	18
Other finance costs	**66**	7
	1,566	1,603

23 INCOME TAX (BENEFIT)/EXPENSE

The Group's operating subsidiary operates in Japan and is subject to income tax in Japan.

Income from the TK Business will be subject to withholding tax in Japan which is levied on the amount of TK distribution paid from the SPC to AGT. The applicable withholding tax rate is 20.42% (2018: 20.42%). Such withholding tax is assumed to constitute a foreign tax credit of AGT in Singapore, resulting in no income tax expense at AGT since the income tax rate to be applied to AGT in Singapore is lower than the withholding tax rate in Japan.

The amount of TK distribution is assumed to be deductible from the taxable income of the SPC. Therefore, only the residual taxable income of the SPC is subject to income tax in Japan. The corporate income tax rate for the financial year ended 31 March 2019 is 34.60% (2018: 34.60%).

(a) Income tax (benefit)/expense

	Group	
	2019	2018
	JPY million	JPY million
Foreign withholding tax	**951**	977
Deferred tax (Note 23 (c))	**(1,242)**	(641)
Total income tax (benefit)/expense	**(291)**	336

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

23 INCOME TAX (BENEFIT)/EXPENSE (CONTINUED)

(b) Reconciliation of income tax provision and the income tax computed at the tax rate prevailing

	Group	
	2019	2018
	JPY million	JPY million
(Loss)/profit before income tax	**(12,784)**	4,468
Tax calculated at Singapore tax rate of 17% (2018: 17%)	**(2,173)**	760
Foreign tax credit claimed	**(466)**	(1,005)
Effect of (non-taxable income) non-deductible expense in determining taxable profit	**1,245**	(291)
Effect of different tax rate of subsidiary operating in other jurisdiction	**152**	(105)
Foreign withholding tax	**951**	977
Total income tax (benefit)/expense	**(291)**	336

(c) Deferred tax

The tax effects of temporary differences that give rise to deferred tax liabilities as at 31 March 2019 are as follows:

	Group		
	Golf course assets JPY million	**Others JPY million**	**Total JPY million**
Deferred tax assets			
As at 31 March 2017	–	–	–
Recognised in profit or loss (Note 23(a))	59	–	59
As at 31 March 2018	59	–	59
Recognised in profit or loss (Note 23(a))	(59)	–	(59)
As at 31 March 2019	**–**	**–**	**–**
Deferred tax liabilities			
As at 31 March 2017	27,620	448	28,068
Recognised in profit or loss (Note 23(a))	(328)	(254)	(582)
As at 31 March 2018	27,292	194	27,486
Recognised in profit or loss (Note 23(a))	(1,301)	–	(1,301)
As at 31 March 2019	**25,991**	**194**	**26,185**

As at acquisition date, the Group recognised a deferred tax liability in relation to the taxable temporary difference, between the carrying amount and the tax basis of golf course assets arising from the acquisition of TK Interest. Such deferred tax liability is measured based on an undiscounted basis at the enacted tax rate of 34.60% applicable to the SPC. SPC will be subject to additional income tax in Japan in the event that SPC retains future income to fund future tax payment.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

24 (LOSS)/PROFIT FOR THE YEAR

(Loss)/profit for the year has been arrived at after charging/(crediting):

	Group	
	2019	2018
	JPY million	JPY million
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	**3,252**	3,146
Amortisation of intangible assets	**31**	15
Amortisation of other finance costs	**7**	7
Total depreciation and amortisation expense	**3,290**	3,168
Audit fees	**40**	42
Non audit fees	**14**	14
Interest income	**–**	(1)
Allowance for doubtful trade receivables	**67**	104
Gain on forfeiture of membership deposits	**(15)**	(26)
Impairment of goodwill	**13,144**	–
Impairment of property, plant and equipment	**4,818**	1,720
Loss on disposal of property, plant and equipment	**19**	25

25 (LOSS)/EARNINGS PER UNIT

The calculation of loss/earnings per unit is based on loss attributable to Unitholders of JPY 12,553 million (2018: profit attributable to Unitholders of JPY 4,095 million) for the year and 1,099,122,000 units (2018: 1,099,122,000 units) in issue.

26 SEGMENT INFORMATION

The Group is principally engaged in the business of owning, operating and maintaining golf courses and golf course related assets in Japan and therefore Trustee-Manager considers that the Group operates as one single business and geographical segment. No single customers contributed 10% or more to the Group's revenue for the year ended 31 March 2019 and 2018.

27 OPERATING LEASE EXPENSE

The Group as lessee

Minimum lease payments under operating leases recognised as an expense were as follows:

Payment recognised as an expense

	Group	
	2019	2018
	JPY million	JPY million
Minimum lease payments to:		
– Sponsor (Note 5 (ii))	**19**	38
– Third parties	**1,907**	1,957
	1,926	1,995

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

27 OPERATING LEASE EXPENSE (CONTINUED)

Non-cancellable operating lease commitments

Operating lease payments represent rentals payable by the Group for its land and certain equipment.

Leases for its land are initially negotiated for a term of 20 years and subsequently, the lease terms are renewed based on the same conditions of the original lease agreements as long as the Group continues to renew the leases. There are no terms or conditions in the lease agreements in relation to the termination of the lease agreements during the lease terms. The Trustee-Manager considers the land lease contracts to be cancellable as the Group as lessee has the option and the ability to terminate these contracts during the lease term with no notice period required and without significant compensation to be made to the lessors. Accordingly, the operating lease commitment relating to lease of land is not disclosed in the financial statements.

The lease for certain equipment is negotiated for one year and renewed on an annual basis. The rental has been prepaid in full for the lease term with no operating lease commitment outstanding as at 31 March 2019 and 2018.

28 DISTRIBUTIONS

	Group and AGT	
	2019	2018
	JPY million	JPY million
Distribution of 2.20 Singapore cents per unit (2018: 3.59 cents) for the period from 1 October 2017 to 31 March 2018 (2018: 1 October 2016 to 31 March 2017)	**1,995**	3,184
Distribution of 1.64 Singapore cents per unit (2018: 1.65 cents) for the period from 1 April 2018 to 30 September 2018 (2018: 1 April 2017 to 30 September 2017)	**1,475**	1,512
Distribution paid	**3,470**	4,696

In respect of the current period from 1 October 2018 to 31 March 2019, a distribution of 2.13 Singapore cents per unit or SGD 23.4 million (equivalent to JPY 1,854 million) was paid out to Unitholders on 21 June 2019.

These financial statements do not reflect the distribution for the half year period from 1 October 2018 to 31 March 2019, which will be accounted for in total equity as an appropriation of retained earnings in the year ending 31 March 2020.

29 EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 15 April 2019, the Group entered into a sale and purchase agreement with a third party (the "**Purchaser**"), for the divestment of Village Higashi Karuizawa Golf Club. The consideration of the divestment is JPY 200 million. The consideration was arrived after negotiation with the Purchaser on a willing-buyer and willing-seller basis.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

30 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2019 and which the Group has not early adopted:

(a) IFRS 16 Leases (effective for annual periods beginning on or after 1 April 2019)

IFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group will apply the standard from its mandatory adoption date of 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

As at 31 March 2019, the Group has operating lease commitments on property, plant and equipment.

The Group expects the standard to have a significant impact on the financial statements and is currently assessing the extent to which the commitments as at the reporting date will result in the recognition of an asset and a liability for future payments and the impact on the Group's profit and classification of cash flows.

The Group's activities as a lessor are not material and the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

(b) IFRIC 23 Uncertainty Over Income Tax Treatments (effective for annual periods beginning on or after 1 April 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

(i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

(ii) that the entity should assume a tax authority will examine, the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

(iii) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

30 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

(b) IFRIC 23 Uncertainty Over Income Tax Treatments (effective for annual periods beginning on or after 1 April 2019) (continued)

(iv) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

(v) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group does not expect additional tax liability to be recognised arising from the uncertain tax positions on the adoption of the interpretation on 1 April 2019.

31 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Trustee-Manager of Accordia Golf Trust on 26 June 2019.

STATISTICS OF UNITHOLDINGS

As at 17 June 2019

Class of Units	No of Units	Voting Rights
Common Units	1,099,122,000	One vote for each unit

The Trust does not hold any treasury units and there are no subsidiary holdings.

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	Number of Unitholders	%	Number of Units	%
1 – 99	3	0.09	14	0.00
100 – 1,000	214	6.10	184,417	0.02
1,001 – 10,000	1,409	40.20	9,510,396	0.87
10,001 – 1,000,000	1,853	52.87	101,484,387	9.23
1,000,001 and above	26	0.74	987,942,786	89.88
TOTAL	**3,505**	**100.00**	**1,099,122,000**	**100.00**

SUBSTANTIAL UNITHOLDERS

(As recorded in the Register of Substantial Unitholders)

	Direct Interest	%	Deemed Interest	%
Accordia Golf Co., Ltd (“**AGCL**”)	317,097,000	28.85	–	–
Accordia Finance Company DAC	–	–	317,097,000(1)	28.85
Green Leisure Lux Sarl	–	–	317,097,000(1)	28.85
Green Leisure Ltd	–	–	317,097,000(1)	28.85
MBK Partners JC, L.P.	–	–	317,097,000(2)	28.85
MBK Partners Fund III, L.P.	–	–	317,097,000(3)	28.85
MBK Partners GP III, L.P.	–	–	317,097,000(3)	28.85
MBK GP III, Inc	–	–	317,097,000(3)	28.85
Michael ByungJu Kim	–	–	317,097,000(3)	28.85
MBK Partners JC, GP L.P.	–	–	317,097,000(4)	28.85
MBK Partners JC GP, Inc.	–	–	317,097,000(4)	28.85
Teck Chien Kong	–	–	317,097,000(4)	28.85
CPP Investment Board Private Holdings (3) Inc	–	–	317,097,000(5)	28.85
Canada Pension Plan Investment Board	–	–	317,156,000(5)	28.86
Daiwa PI Partners Co. Ltd. (“**DPPCL**”)	58,858,000	5.36	–	–
Daiwa Investment Management Inc (“**DIMI**”)	–	–	58,858,000(6)	5.36
Daiwa Securities Group Inc. (“**DSGI**”)	–	–	65,922,900(7)	6.00
Hibiki Path Advisors Pte. Ltd. (“**HPA**”)	–	–	68,163,701(8)	6.20

Notes:

(1) Green Leisure Ltd is the sole shareholder of Green Leisure Lux Sarl. Green Leisure Lux Sarl is the sole shareholder of Accordia Finance Company DAC, which in turn is the sole shareholder of AGCL.

Green Leisure Ltd, Green Leisure Lux Sarl and Accordia Finance Company DAC are therefore each deemed to be interested in Units held by AGCL.

(2) MBK Partners JC, L.P. is a controlling shareholder of Green Leisure Ltd.

(3) 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.

STATISTICS OF UNITHOLDINGS

As at 17 June 2019

(4) 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.

(5) 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 the voting shares of Green Leisure Ltd. Canada Pension Plan Investment Board and CPP Investment Board Private Holdings (3) Inc. are therefore each deemed to be interested in Units held by Green Leisure Ltd. 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.

(6) DIMI is the intermediate holding company of DPPCL and is deemed to be interested in Units held by DPPCL.

(7) DSGI is the ultimate holding company of DPPCL and Daiwa Securities Co. Ltd. and is therefore deemed to be interested in Units held by both DPPCL and Daiwa Securities Co. Ltd.

(8) HPA is a fund management firm and has discrete management over a few trading accounts.

TWENTY LARGEST UNITHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	ACCORDIA GOLF CO., LTD	317,097,000	28.85
2.	DBS NOMINEES (PRIVATE) LIMITED	250,117,813	22.76
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	175,808,018	16.00
4.	RAFFLES NOMINEES (PTE.) LIMITED	83,973,811	7.64
5.	HSBC (SINGAPORE) NOMINEES PTE LTD	59,851,301	5.45
6.	DBSN SERVICES PTE. LTD.	30,819,011	2.80
7.	ABN AMRO CLEARING BANK N.V.	12,225,500	1.11
8.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	7,546,529	0.69
9.	OCBC SECURITIES PRIVATE LIMITED	6,958,900	0.63
10.	MAYBANK KIM ENG SECURITIES PTE. LTD.	6,041,490	0.55
11.	UOB KAY HIAN PRIVATE LIMITED	5,080,400	0.46
12.	PHILLIP SECURITIES PTE LTD	4,846,600	0.44
13.	DAIWA CAPITAL MARKETS SINGAPORE LIMITED	4,790,000	0.44
14.	MERRILL LYNCH (SINGAPORE) PTE. LTD.	2,676,212	0.24
15.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	2,539,400	0.23
16.	DB NOMINEES (SINGAPORE) PTE LTD	2,524,200	0.23
17.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,120,901	0.19
18.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,888,600	0.17
19.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,761,500	0.16
20.	RHB SECURITIES SINGAPORE PTE. LTD.	1,704,000	0.16
	TOTAL	**980,371,186**	**89.20**

PERCENTAGE OF UNITHOLDING IN PUBLIC'S HANDS

As at 17 June 2019, approximately 58.95% of the Trust's units are held in the hands of public. Accordingly, the Trust has complied with Rule 723 of the Listing Manual of the SGX-ST.

UNIT PRICE PERFORMANCE

Highest Unit Price	S$0.645
Lowest Unit Price	S$0.480
Average Closing Unit Price	S$0.567
Opening Unit Price on 1 April 2018	S$0.635
Closing Unit Price on 31 March 2019	S$0.595

NOTICE OF ANNUAL GENERAL MEETING

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 IS HEREBY GIVEN that the Annual General Meeting of the Unitholders of Accordia Golf Trust ("**AGT**") will be held at NTUC Centre, No. 1 Marina Boulevard, Room 801, Level 8, Singapore 018989 on Monday, 29 July 2019 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of the Trustee-Manager issued by Accordia Golf Trust Management Pte. Ltd. (the "**Trustee-Manager**"), Statement by the Trustee-Manager and the Audited Financial Statements of AGT for the year ended 31 March 2019 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To re-appoint Messrs PricewaterhouseCoopers LLP as External Auditors of AGT to hold office until the conclusion of the next Annual General Meeting of AGT and to authorise the Directors of the Trustee-Manager to fix its remuneration. **(Resolution 2)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

3. General mandate to issue units in AGT ("**Units**")

   That pursuant to Clause 6.1.1 of the deed of trust constituting AGT (as amended) (the "**Trust Deed**"), Section 36 of the Business Trusts Act, Chapter 31A of Singapore (the "**BTA**"), and Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Trustee-Manager, on behalf of AGT, be authorised and empowered to:

   (a) (i) issue Units, whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued) issue Units in pursuance of any Instruments made or granted by the Trustee-Manager while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per centum (50%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders shall not exceed twenty per centum (20%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST), the Trust Deed and the BTA for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore); and

(4) unless revoked or varied by the Unitholders of AGT in a general meeting, such authority shall continue in force until (i) the conclusion of the next Annual General Meeting of the Unitholders or the date by which the next Annual General Meeting of the Unitholders is required by law to be held, whichever is earlier; or (ii) in the case of Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments.

[See Explanatory Note 1] **(Resolution 3)**

By Order of the Board of Accordia Golf Trust Management Pte. Ltd.
(as Trustee-Manager of Accordia Golf Trust)

Lai Kuan Loong, Victor
Company Secretary
Singapore, 10 July 2019

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(1) Ordinary Resolution 3 in item 3 above, if passed, will empower the Trustee-Manger, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, or the date on which such authority is varied or revoked by AGT in a general meeting of Unitholders, whichever is the earliest, to issue Units, make or grant Instruments convertible into Units and to issue Units pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) of which up to 20% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) may be issued other than on a pro-rata basis to existing Unitholders.

For determining the aggregate number of Units that may be issued, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) will be calculated based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time Resolution 3 in item 3 above is passed, after adjusting for (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time when this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of Units.

Notes:

1. A Unitholder entitled to attend and vote at the Annual General Meeting of Unitholders is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.

2. Where a Unitholder appoints two proxies, he/she must specify the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy. Where a Unitholder appoints two proxies and does not specify the proportion of his/her unitholding to be represented by each proxy, then the Units held by the Unitholder are deemed to be equally divided between the proxies.

3. The instrument appointing a proxy or proxies must be deposited at the Registered Office of Accordia Golf Trust Management Pte. Ltd, the Trustee-Manager of AGT at 80 Robinson Road, #22-03A, Singapore 068898 not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by AGT (or its agents) for the purpose of the processing and administration by the Trustee-Manager (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Trustee-Manager (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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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 Republic of Singapore)

IMPORTANT

1. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
2. SRS investors should contact their respective Agent Banks if they (i) intend to attend this Meeting; or (ii) have any queries regarding their appointment as proxies.
3. **PLEASE READ THE NOTES TO THE PROXY FORM.**

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ______________________________ (Name)

holder of NRIC/Passport Number or Company Registration Number or UEN Number ______________

of ______________________________ (Address)

being a unitholder/unitholders of Accordia Golf Trust ("AGT"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Unitholdings**	
		No. of Units	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Unitholdings**	
		No. of Units	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Unitholders of AGT (the "Meeting") to be held at NTUC Centre, No. 1 Marina Boulevard, Room 801, Level 8, Singapore 018989 on Monday, 29 July 2019 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	**Resolutions relating to:**	**No. of Votes For***	**No. of Votes Against***
1	Adoption of the Report of the Trustee-Manager, Statement by the Trustee-Manager and the Audited Financial Statements of AGT for the year ended 31 March 2019 together with the Independent Auditor's Report thereon		
2	Re-appointment of PricewaterhouseCoopers LLP as External Auditors of AGT		
3	Authority to issue new units in AGT		

* *If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this __________ day of ______________ 2019

Total number of Units in:	**No. of Units**
(a) CDP Register	
(b) Register of Unitholders	

____

Signature of Unitholder(s)
or, Common Seal of Corporate Unitholder

Notes:

1. Please insert the total number of units in AGT ("Units") held by you. If you have Units entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Units. If you have Units registered in your name in the Register of Members, you should insert that number of Units. If you have Units entered against your name in the Depository Register and Units registered in your name in the Register of Members, you should insert the aggregate number of Units entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Units held by you.

2. A Unitholder of AGT entitled to attend and vote at a meeting of AGT is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder of AGT.

3. Where a Unitholder appoints two proxies, he/she must specify the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy. Where a Unitholder appoints two proxies and does not specify the proportion of his/her unitholding to be represented by each proxy, then the Units held by the Unitholder are deemed to be equally divided between the proxies.

4. Completion and return of this instrument appointing a proxy shall not preclude a Unitholder from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the meeting in person, and in such event, Accordia Golf Trust Management Pte Ltd, the Trustee-Manager of AGT ("Trustee-Manager") reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Trustee-Manager at 80 Robinson Road, #22-03A, Singapore 068898 not less than 48 hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid. No instrument appointing a proxy or proxies shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

7. A corporation, being a Unitholder, may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual, in accordance with the Trust Deed.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 July 2019.

General:

The Trustee-Manager shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Trustee-Manager.

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ACCORDIA GOLF TRUST MANAGEMENT PTE.LTD.

80 Robinson Road • #22-03A • Singapore 068898