



Annual General Meeting

14 September 2020



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Full year FY19/20 Financial Performance



Full-year FY19/20 highlights

Number of Players
5.92 million

- Full year FY19/20: +3.6% YoY
- Number of players increase by 3.6% from last year, marking the highest number of visitors in a year since listing

Operating Income
JPY 51,667 million

- Number of players increased to 5.92 million (+3.6% YOY)
- Revenue per player decreased to JPY 8,177 (- 2.1% YoY)
- Discounted sales were offered for less popular timeslots to boost utilisation rate at the golf courses, leading to an overall increase in operating income by 1.0%

Operating Expenses
JPY 47,256 million

- Operating expense before impairment remains relatively unchanged at JPY 44,615 million (+0.5% YOY) contributed the increase in number of players
- Lower impairment loss of JPY 2,641 million on plant, property and equipment and no impairment of goodwill at the end of FY19/20 (more details in the next section)

Distribution Per Unit
SGD5.42 cents

- First half distribution of SGD 2.61 cents (FY18/19: 1.64 cents)
- Second half distribution of SGD 1.69 cents (FY18/19: 2.13 cents)
- Supplementary second half distribution of SGD 1.12 cents (FY18/19: Nil)
- Overall increase in distribution to SGD 1.65 cents (+43.8%) from better performance

- Stronger operating income in FY19/20 due to management's effort to improve utilisation rate at the golf courses by offering discounts for off-peak plays, offset by closures from Typhoon Hagibis in October 2019 and a slight decline in visitor numbers in March 2020 due to the Covid-19 situation in Japan affecting golf operations.
- Operating loss has improved from the prior year due to an absence of impairment loss on goodwill (FY18/19: JPY 13,144 million) and lower impairment loss on plant, property and equipment of JPY 2,641 million (FY18/19: JPY4,818 million).

JPY million

	Full year FY19/20	Full year FY18/19	YoY chge (%)
Operating income	51,667	51,159	1.0
Operating profit/(loss)	4,411	(11,218)	(139.3)
Profit/(Loss) after tax	1,587	(12,493)	(112.7)
Total distributable income*	4,658	3,331	39.8
Distribution per unit (SGD cents)	5.42	3.77	43.8

* Distributions to unitholders is made on a semi-annual basis for the period ending 31 March and 30 September of each year and includes supplementary distribution made in September 2020.

Breakdown on Operating Expenses

JPY million

	Full-year FY19/20	Full-year FY18/19
Operating income (A)	51,667	51,159
Golf course-related costs <i>(Note 1)</i>	(35,615)	(35,776)
Selling, general & administrative and other expenses <i>(Note 1)</i>	(9,000)	(8,639)
<i>Operating expenses before impairment losses (Note 2)</i>	<i>(44,615)</i>	<i>(44,415)</i>
Impairment losses	(2,641)	(17,962)
- <i>Plant, property and equipment (PP&E) (Note 3)</i>	(2,641)	(4,818)
- <i>Goodwill (Note 4)</i>	-	(13,144)
Operating expenses including impairment losses (B)	(47,256)	(62,377)
Operating profit/(loss) (A – B)	4,411	(11,218)

Note 1

Operating cost has increased slightly with the increase number of visitors during the year

Note 2

The Group registered healthier profit on the back of management effort to improve utilisation rates at the golf courses.

Note 3

PP&E impairment is tested annually. Impairment loss of JPY 2,641 million was primarily due to deterioration in performance of 19 golf courses.

Note 4

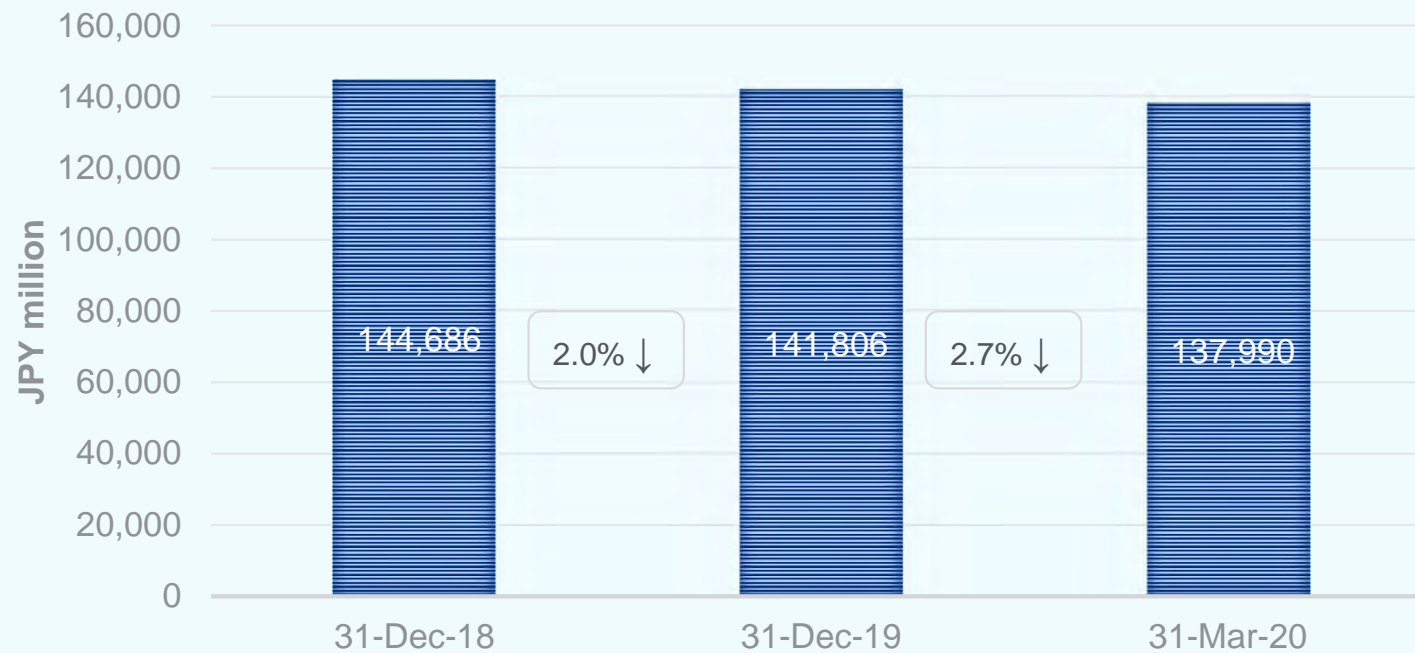
Goodwill impairment is tested annually based on recoverable amount of the golf course holding company (“SPC”) that AGT has invested. As at the end of FY19/20, no impairment of goodwill was determined.

Impairment Loss on Property, Plant & Equipment

Assessment of impairment loss on property, plant and equipment involve the consideration of future cashflow at the golf courses. With the Covid-19 outbreak started in March 2020, the cashflow from the external valuation reports as at 31 December 2019, have been further updated as at 31 March 2020.

Based on the assessment, management identified 19 golf course where carrying value is above recoverable value and recognised JPY 2,641 million in impairment loss.

VALUATION OF COMBINED PORTFOLIO



Nishikigahara Golf Course

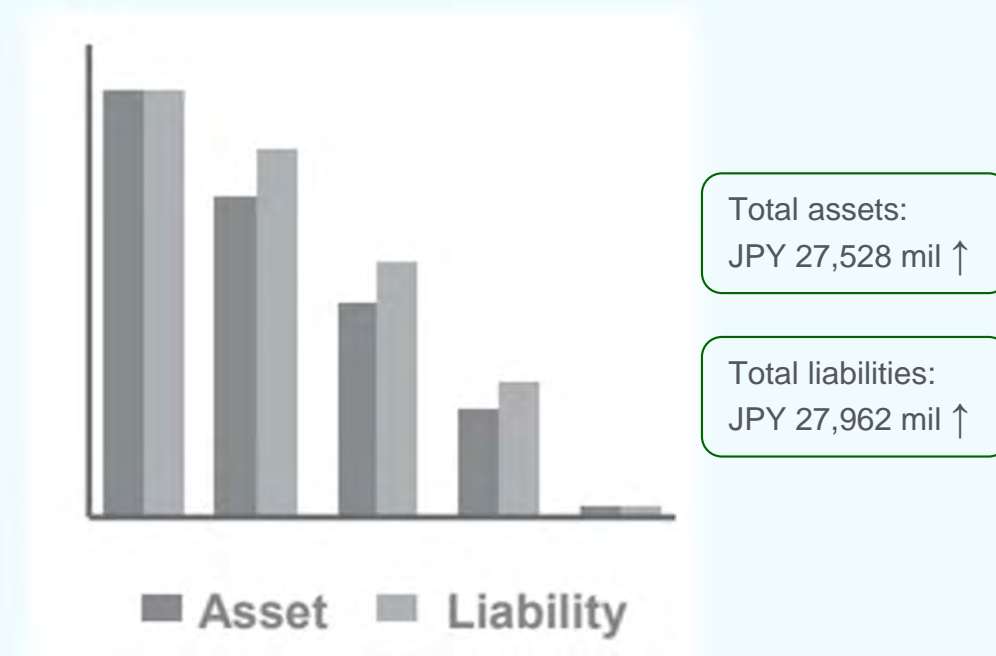
- Nishikigahara golf course is located along Arakawa River where the flood risks is high. Surveys have been undertaken by the government for the possibility of constructing a retention basin.
- Lease term of the golf course has expired on 31 March 2020, and is renewed on an annual basis until such time when the details of the project has been determined.
- In the event the construction of the infrastructure project commences at Nishikigahara golf course, the golf course may be reduced in size from existing 43 holes.
- Valuation report at December 2019 (JPY 525 mil) assumes the project will commence in April 2021 (Valuation report at December 2018: JPY 973 mil).



Adoption of IFRS 16 Leases

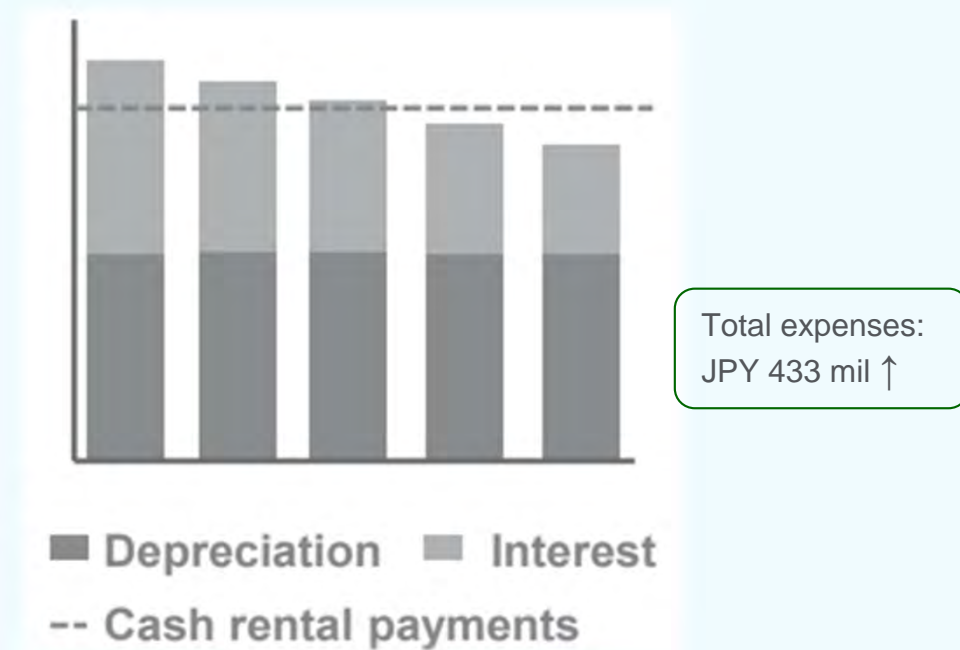
- Prior to 1 April 2019, the Group recognised its the lease of land at its golf courses under operating lease. Land lease are typically negotiated for a period of twenty years.
- Under newly effective IFRS 16 Leases, the Group now recognises these leases as right-of-use assets and the corresponding lease liabilities on its statement of financial position. Right-of-use assets are depreciated over its useful life and interest expense is recognised on the lease liabilities.

Impact on statement of financial position



Group appears to be more asset-rich and heavily indebted

Impact on profit and loss



Total lease expense will be front-loaded even when cash rentals are constant

First Quarter FY20/21 Financial Performance



Key Highlights in 1Q FY20/21

The performance of the portfolio golf courses has shown a significant decline in the first quarter of FY20/21 due to the state of emergency declared in Japan. Many golfers stayed home during this period, resulting in high number of cancellations, and are spending less money at the golf courses. Golf course revenue decline was contributed by 12.3% fall in the number of golfers and 12.4% fall in unit price per play fee.

Accordia has in recent months rolled out discounts and outreach programs to attract golfers from the local community and although the number of golfers have now gradually recovered to pre-Covid 19 level, however, play fee is expected to remain lower than last year.

Profit & Loss	1Q FY20/21 (JPY mil)	1Q FY19/20 (JPY mil)	YoY chge (%)
Operating income	10,654	14,615	(27.1)
Operating expenses	(9,544)	(11,154)	(14.4)
Operating profit	1,110	3,461	(67.9)
Profit attributable to Unitholders	570	2,315	(75.4)
Earnings per unit (SGD cents)^	0.68	2.61	(73.9)

Financial Position	As at 30 Jun 2020 (JPY mil)	As at 31 Mar 2020 (JPY mil)
Attributable to unitholders:		
Net assets	60,391	61,255
NAV (SGD cents) per unit^	71.1	73.4

Cashflows	1Q FY20/21 (JPY mil)	1Q FY19/20 (JPY mil)	YoY change (%)
Cash flows from operating activities	1,995	3,121	(36.1)
Cash flows used in investing activities	(302)	(354)	(14.7)
Cash flows used in financing activities	(1,968)	(2,538)	(22.5)
Net (decrease)/increase in cash	(275)	229	●
Cash at the end of the financial period	8,643	8,700	

Cash balance at 30 Jun 2020 only decreased by JPY275M despite JPY1,434M distribution paid as a result of deferment of tax payments totaling JPY850M and deferment of capital expenditure.

^ Exchange rate of SGD/JPY as at 30 June 20: 77.27 (31 March 20: 75.91) and average quarterly rate of 76.17 (1QFY19/20: 80.64)

THANK YOU

For more information, please visit www.agtrust.com.sg

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