

ACCORDIA GOLF  
TRUST

ANNUAL  
REPORT  
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## ASSET PORTFOLIO

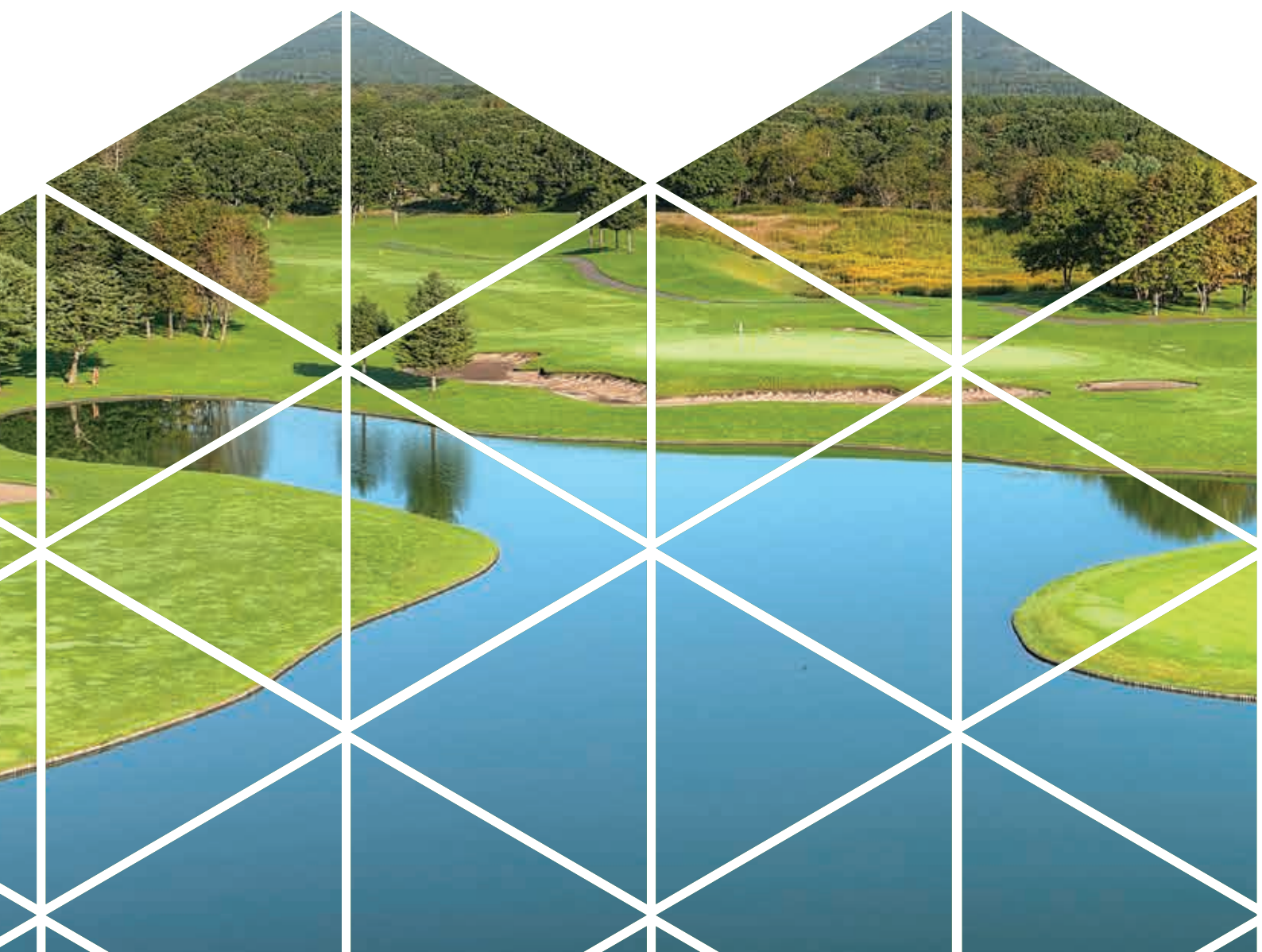
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## CORPORATE PROFILE

### VISION

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

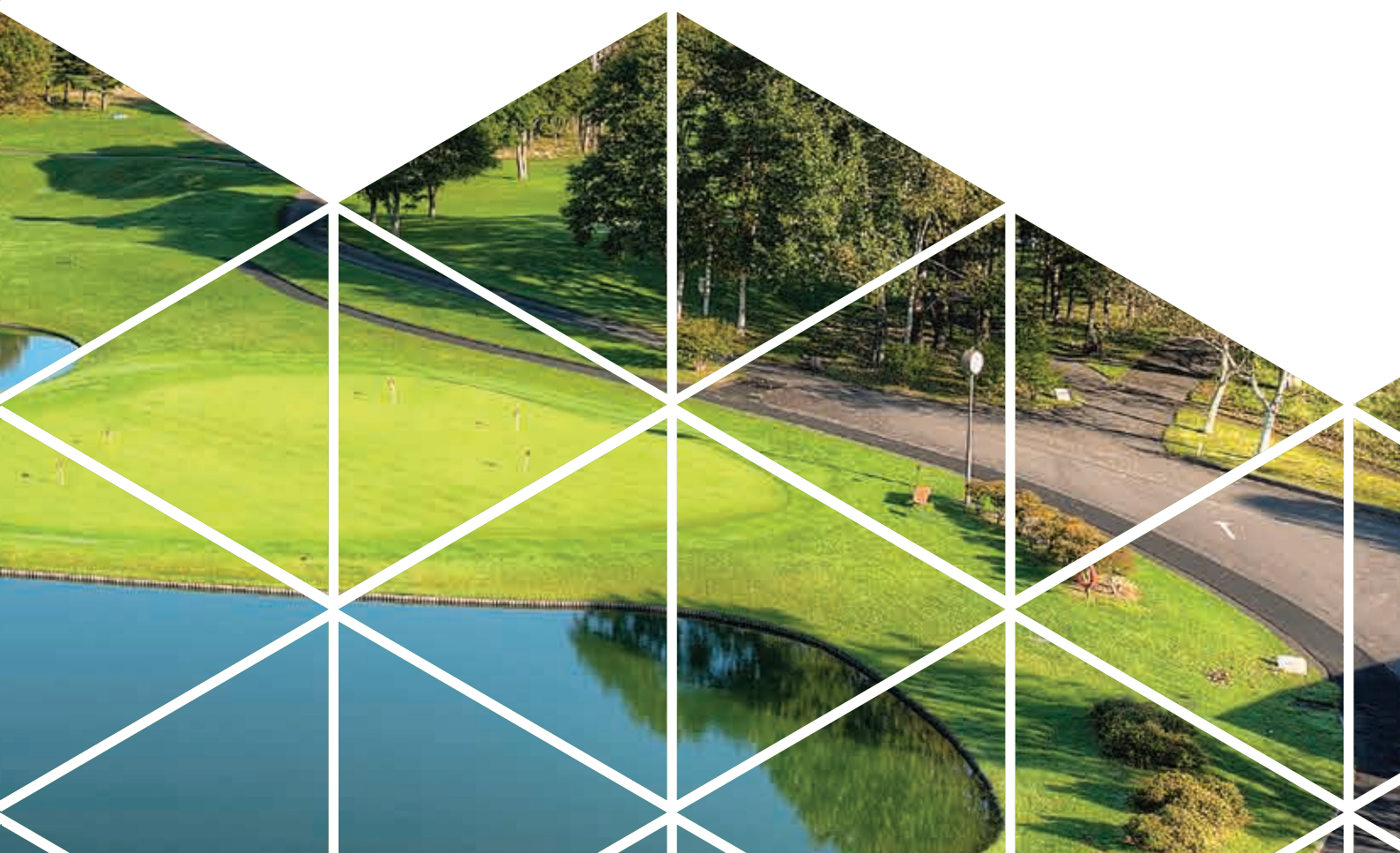
Accordia Golf Trust (“AGT”) is the first business trust listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) comprising golf course assets in Japan. It is primarily involved in the principal investing strategy, directly or indirectly, of owning a portfolio of stabilised, income-generating golf courses, driving ranges and golf course related assets worldwide.

### MISSION

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

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 88 golf courses (excluding 1 golf course sold in 2019) was JPY141.8 billion as at 31 December 2019.

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



## LETTER TO UNITHOLDERS



### DEAR UNITHOLDERS,

On behalf of the Board of Directors of Accordia Golf Trust Management Pte Ltd, as Trustee Manager of Accordia Golf Trust (“AGT” or the “Trust”), we are pleased to present to you the annual report of Accordia Golf Trust financial year ended 31 March 2020 (“FY2019/20”).

In FY2019/20, we continued to make good progress on a few fronts, successfully divesting Village Higashi Karuizawa Golf Course at the start of the year at a gain of more than four times its appraised value as at 31 December 2018, and receiving a non-binding proposal for the divestment of AGT’s interest in all of its golf courses in late November 2019.

At the same time, we were struck hard by Typhoon Hagibis in early October 2019, which was among the strongest and costliest typhoon to hit Japan in recent decades. Although there was no significant damage or loss of lives at our golf course, we were not spared the brunt of typhoon. Three of our golf courses were closed for between 20-25 days affecting the number of visitations.

Nevertheless, the Group remained resilient, achieving JPY 51,667 million in sales, on the back of higher utilisation of our golf courses at 76.9%, and our highest number of visitors at our golf course since our IPO of 5.92 million visitors. This represented a 3.6% increase in number of visitors from the prior year and resulted in a total annual distribution of SGD 4.30 cents per unit (FY18/19: SGD 3.77 cents per

unit), a 14.1% increase in distribution per unit, and a testament of the results from the good business performance achieved during the year.

### FINANCIAL PERFORMANCE, CAPITAL MANAGEMENT AND PORTFOLIO

As at the end of FY19/20, AGT recorded distributable income of JPY 3,703 million and distribution per unit of SGD 4.30 cents. This translates to a yield of 7.2% against AGT’s unit closing price of SGD 59.5 cents as at 31 March 2020.

In the months leading to the financial year-end, in view of uncertainty arising from the Covid-19 outbreak, we have shored up our cash balances, to allow us to better weather the uncertainty from the Covid-19 outbreak and to continue meeting the financial covenants as set out in the debt facility with our 2 main lenders, Aozora Bank and Orix Corporation, Japan. Subsequently in July 2020, with a better clarity on the business performance, the reserve previously set aside was released and a supplemental distribution of an additional JPY 955 million, or SGD 1.12 cents per unit, was declared, bringing the total distribution to SGD 5.42 cents per unit.

This year, our portfolio registered a JPY 2.8 billion decline, in appraisal value, an approximate year-on-year decline of 2.0%. At Northern Country Club Nishikigahara golf course, valuation dropped from JPY 973 million to JPY 525 million during the year, as the current 43 holes golf course operation is expected to be reduced significantly as part of the golf course

## LETTER TO UNITHOLDERS



land will be utilised for the construction of a water basin project to mitigate flood risk in the region. The valuer has forecasted for the project to commence on 1 April 2021, while we continue to remain hopeful that the project might be further delayed with the unfolding of the current Covid-19 outbreak.

With the decline in the appraised value of our portfolio and expected decline in the coming year's operating performance due to lower visitor numbers and lower play fee from the Covid-19 outbreak, we recognised an impairment loss of JPY 2,641 million for the financial year ended 31 March 2020.

### THE GAME OF GOLF

In late October 2019, we witnessed many of the world's top golf players for the first time in Japanese golf history in the Japan's inaugural PGA Tour tournament, the Zozo Championship played at Accordia Golf Narashino Country Club in Chiba. The sponsor, Zozo has an agreement in place for the PGA Tour to last until 2025 at the minimum. Golf is also expected to be included in the upcoming Summer Olympics, which have been postponed to the following year in the face of the growing threat of the Covid-19 outbreak. These events may spur renewed interest in golf amongst existing players and have attracted new golfers into the fold. This is likely to bring about a positive long-term impact to the golf industry in Japan.

At Accordia, we continue to play our part in rejuvenating the sport and retain existing golf members while drawing in a new generation of golfers. We

continue in our initiatives to introduce the game of golf to young children such as through volunteer coaching at The First Tee, a youth development organization, and implementing proactive strategies to attract women golfers to the game.

Whilst we are not able to provide guidance on uncontrollable factors such as weather or the number of daylight hours, with the help of technology we are in a position to focus on controllable factors like the length of a round of golf, maintenance, customer satisfaction, controlling of the tee time interval and golf fees for peak and non-peak timings. All of which, we continue to fine tune as we strive for higher utilisation and visitor numbers at our golf courses.

We remain steadfast in retaining golfers on our golf courses in Japan and leveraging on our strength as we strive to achieve steady returns for our Unitholders.

### A SUSTAINABLE GOLF MODEL

Accordia Golf Trust (AGT) is committed to managing our business and golf courses efficiently and we pursue sustainability in a way that delivers long-term value to our stakeholders.

In the months since our financial year end, the Covid-19 outbreak has resulted in certain prefectures in Japan undergoing a state of emergency and we continue to fine tune our operations to ensure player and employee safety in line with recommendations by the Japan Golf Course Management Association.

## LETTER TO UNITHOLDERS

During the state of emergency declared in Japan, we took active steps to close certain facilities such as restaurants, bath facilities and bus operations, while at the same time, increased the frequency of sanitisation at our golf courses and reconfigured the arrangement of our spaces where best possible so that social distancing could be maintained. Technology use is further adopted to allow employees to work from home, while headcounts at our golf courses are reduced to contain the potential spread of the virus. Employees are encouraged to go on their annual leave during this period, observe safe distancing measures, put on masks when interacting with customers and adopt good hygiene practices. Although the outbreak has impacted our bottom line in the short term, we believe that the measures undertaken by our business to protect our customers and employees would allow us to be better position ourselves as we arise from this crisis. In the period after the state of emergency have been lifted, we have started to see encouraging signs in the number of players back at the golf courses.

At the same time, in our continuous efforts to support a stronger community and aid victims from the impact of Typhoon Hagibis which have triggered landslides and flash floods resulting in evacuation orders to many affected families, the Accordia Group has

made a donation of JPY2 million in February 2020. We would like to record our thanks and appreciation to employees, golf members and visitors for their collective donation of JPY574,828, bringing our total donations to JPY2,574,828.

We look forward to sharing more details on our sustainability efforts and performance during the year in our third sustainability report.

### ACKNOWLEDGEMENT

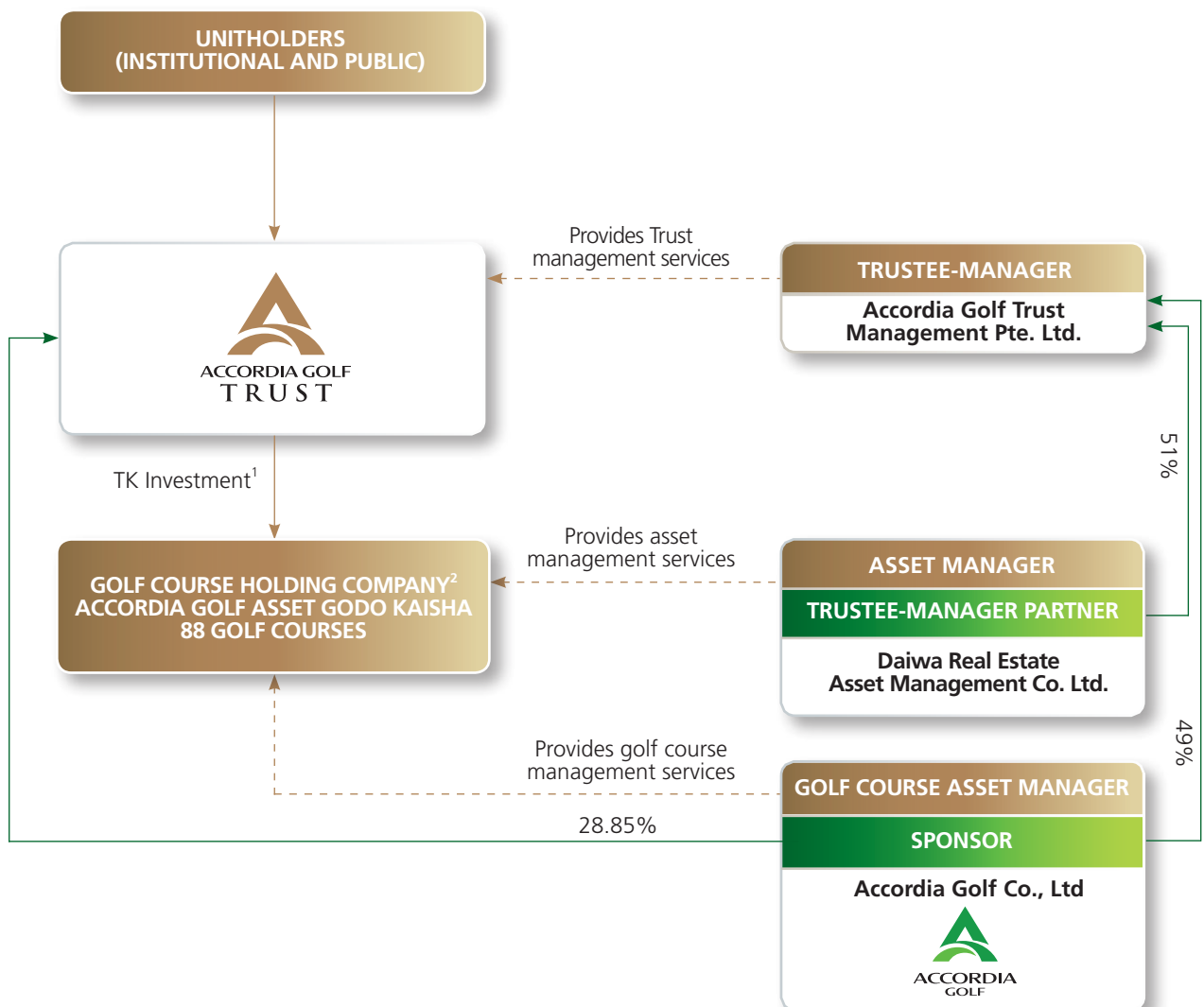
The Board of Directors would like to express our sincere appreciation to all unitholders, valued golfers for actively supporting our golf courses, business partners, as well as our management and staff for their dedication and commitment. We will continue to put in place steps to ensure the safety for our customers and employees during this period, and we look forward to continue delivering sustainable long-term yield for our unitholders.

**MR KHOO KEE CHEOK**  
Chairman

**MR YOSHIHIKO MACHIDA**  
Chief Executive Officer



# TRUST STRUCTURE



<sup>1</sup> 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.

<sup>2</sup> AGT invests in the Portfolio via the Golf Course Holding Company established to hold the Portfolio under a TK investment structure.



## BOARD OF DIRECTORS OF THE TRUSTEE-MANAGER



**MR KHOO  
KEE CHEOK**  
*Chairman and  
Independent  
Director*

**Date of Appointment:**

20 March 2014  
(as Independent Director)  
16 June 2014 (as Chairman)

**Date of last Re-appointment:**

29 July 2019

**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 five 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.



**MR YOSHIHIKO  
MACHIDA**  
*Chief Executive  
Officer and  
Executive Director*

**Date of Appointment:**

16 June 2014

**Date of last Re-appointment:**

29 July 2019

**Board Committee served on:**

Nil

**Other Listed Company Directorships:**

Nil

**Other Principal Commitments:**

N/A

**Past Listed Company Directorships over the preceding five 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.



**MR TOYO  
NAKANISHI**  
*Executive Director*

**Date of Appointment:**

1 August 2018

**Date of last Re-appointment:**

29 July 2019

**Board Committee served on:**

Nil

**Other Listed Company Directorships over the preceding five years:**

Nil

**Other Principal Commitments:**

N/A

**Past Listed Company Directorships:**

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



**MR CHONG  
TECK SIN**  
*Independent  
Director*

**Date of Appointment:**

16 June 2014

**Date of last Re-appointment:**

29 July 2019

**Board Committee served on:**

- Audit and Risk Committee (as Chairman)
- Remuneration Committee (as Member)

**Other Listed Company Directorships:**

- Cimvec Limited (SGX-ST listed and ASX listed)
- Changan Minsheng APLL Logistics Co., Ltd (HKEX listed)
- InnoTek Limited (SGX-ST listed)
- AIMS APAC REIT Management Limited (Manager of the SGX-ST listed AIMS APAC REIT)

**Other Principal Commitments:**

N/A

**Past Listed Company Directorships over the preceding five years:**

- AVIC International Maritime Holdings Limited (delisted from SGX-ST on 4 March 2020)

**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.



**MR HITOSHI  
KUMAGAI**  
*Independent  
Director*

**Date of Appointment:**

16 June 2014

**Date of last Re-appointment:**

29 July 2019

**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.

**Past Listed Company Directorships over the preceding five 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 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 Law from Kokugakuin University

### 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.

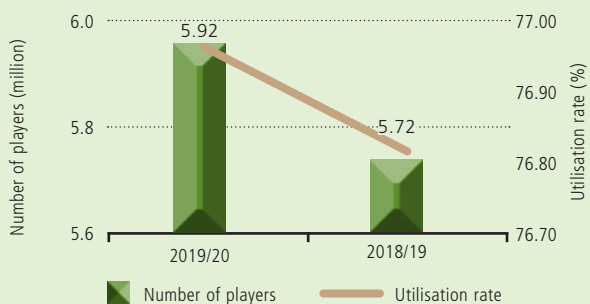


**MR TOYO NAKANISHI**  
Executive Director

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

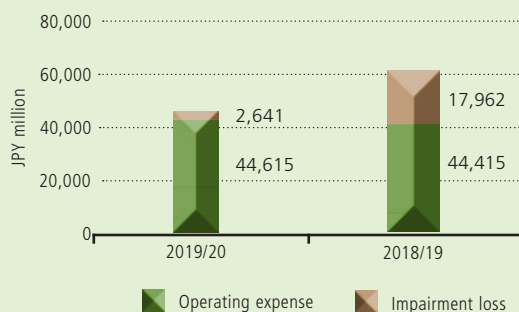
# KEY HIGHLIGHTS

## NUMBER OF PLAYERS VS UTILISATION RATE (%)



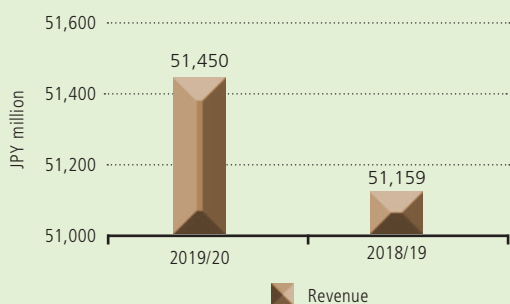
Utilisation rate: ↑ 0.1%  
Number of players: ↑ 3.6%

## OPERATING EXPENSE



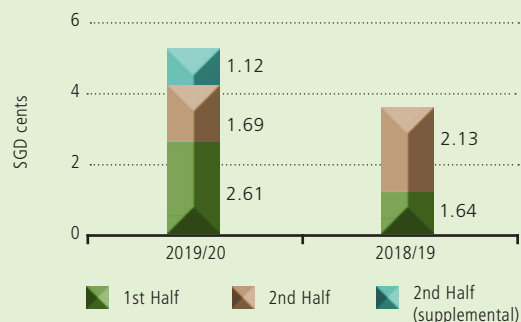
Operating expense: ↓ 24.2%  
(w/o impairment: ↓ 0.5%)

## REVENUE



Operating revenue: ↑ 0.1%

## DISTRIBUTION PER UNIT



Distribution per unit: ↑ 43.8%



## FINANCIAL AND OPERATIONS REVIEW

### OPERATING INCOME

Operating income for FY19/20 was JPY 51,667 million, representing a 1.0% year-on-year (YOY) increase on the back of higher visitor numbers during the year. A record number of 5.92 million players was recorded for the year, a 3.6% increase from prior year, on the back of management's effort to improve utilisation rates at the golf courses by focusing on discounts during off-peak periods. This was in spite of poor weather conditions in the 3rd quarter of the financial year, which saw multiple typhoons, particularly Typhoon Hagibis in October 2019, resulting in closures of certain golf courses and in the later part of March 2020, the Covid-19 outbreak, resulting in cancellations from golfers. Membership revenue continues to decline due to a shift toward non-member play.

### OPERATING EXPENSES

Operating expenses for FY19/20 was JPY 47,256 million, representing a 24.2% YOY decline with a lower impairment loss on property, plant and equipment of JPY 2,641 million (FY18/19: JPY 4,818 million) and an absence of impairment on goodwill (FY18/19: JPY 13,144 million).

The prior year's large impairment loss was largely due to impairment on the Northern Country Club Nishikigahara Golf Course arising from the infrastructure project announced by the Japanese Ministry of Land, Infrastructure, Transport and Tourism in the previous year. Having considered the lower utilisation rates and prices charged at the golf courses in view of the Covid-19 outbreak in the coming year, as well as the overall deterioration in performance in a total of 19 golf courses, an impairment loss of JPY 2,641 million was recognised for the financial year ended 31 March 2020.

### GOLF COURSE REVENUE<sup>1</sup>

FY19/20  
JPY34,908 million

FY18/19  
JPY34,251 million

YOY Change  
1.9%

### RESTAURANT REVENUE<sup>2</sup>

FY19/20  
JPY12,850 million

FY18/19  
JPY12,762 million

YOY Change  
0.7%

### MEMBERSHIP REVENUE<sup>(3)</sup>

FY19/20  
JPY3,448 million

FY18/19  
JPY3,721 million

YOY Change  
(7.3%)

### OTHER OPERATING INCOME

FY19/20  
JPY461 million

FY18/19  
JPY425 million

YOY Change  
8.5%

<sup>1</sup> Golf course revenue consists of playing fees (green fees and cart fees), caddie fees, accommodation fees, driving range fees and golf equipment rental fees.

<sup>2</sup> 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.

<sup>3</sup> Membership revenue comprises annual membership fees, membership enrollment fees and membership transfer fees.

## FINANCIAL AND OPERATIONS REVIEW

Excluding the impairment loss recognised in both years, operating expense has remained relatively stable at JPY 44,615 million (FY18/19: JPY 44,415 million). The slight increase was due to an increase in commission paid for customer bookings through third party website providers of approximately JPY 350 million. As a means to encourage golfers to book through the Accordia Golf’s website, management continues to enhance the online customer experience, making it more accessible for golfers to enjoy the various promotions and tee scheduling at our golf courses.

### TOTAL ASSETS AND NET ASSET VALUE

Total assets as at the end of the year was JPY 184,185 million (FY18/19: JPY 158,422 million), representing a 16.2% YOY increase. This was largely due to the adoption of newly effective International Financial Reporting Standards (IFRS) 16 *Leases*, where the distinction between operating and financing lease is removed, resulting in the recognition of both the right-of-use assets and lease liabilities of approximately JPY 29,439 million at the beginning of the year.

Net asset value attributable to unitholders as at the end of the financial year was JPY 61,708 (FY18/19: JPY 63,857 million), an overall decline of 3.4%. The decline was largely due to distributions made to unitholders during the year of JPY 4,149 million which was greater than the full year’s net profit of JPY 1,547 million. Overall, net asset value per unit was SGD 74<sup>4</sup> cents (FY18/19: SGD 71 cents) or JPY 56.1 (FY18/19: JPY 58.1) as at 31 March 2020.

Based on AGT’s share price of SGD 59.5 cents per unit as at 31 March 2020, this represents a Price-To-Book value of 0.80.

### BORROWINGS

Gross borrowings from Japanese lenders, stood at JPY 44,325 million as at 31 March 2020. During the financial year, SPC drew down JPY 400 million of JPY 1,500 million term loan facility for the reconstruction of a club house at Misaki Country Club. The full amount of the loan from financial institution is based on 6-month Tokyo Interbank Offered Rates (TIBOR) + 1.50% and is payable at maturity in August 2023. As at year-end, due to the decline in overall golf course portfolio valuation and the rise in gross borrowings, the loan-to-value ratio increased marginally by 0.9% to 31.3%<sup>5</sup> (FY18/19: 30.4%).

### DISTRIBUTION

Total distributable income declared for the year was JPY 3,703 million (FY18/19: JPY 3,331 million), amounting to a distribution per unit of SGD 4.30 cents (FY18/19: SGD 3.77 cents). The YOY increase in distributable income by 7.9% is attributable to higher cash flows generated from operations in the current year and is offset by a pre-tax reserve of JPY 1,200 million set aside based on the projected business impact of the Covid-19 outbreak in FY20/21, particularly for compliance with financial covenants, which mandates the maintenance of a minimum of JPY 3 billion in current deposits in SPC, by the financial institutions. The distribution per unit in SGD cents showed a greater increase of 14.1% YOY, due to the strengthening of the Japanese Yen against the Singapore Dollar during the year. Based on AGT’s share price of SGD 59.5 cents per unit as at 31 March 2020, the distribution represents a full year yield of 7.2%.

Subsequently in July 2020, with a better clarity on the business performance, the reserve previously set aside was released and a supplemental distribution of an additional JPY 955 million, or SGD 1.12 cents per unit, was declared, bringing the total distribution to SGD 5.42 cents per unit, representing a total full year yield of 9.1%.

	FY19/20 (JPY million)	FY18/19 (JPY million)	YOY Change (%)
Golf course-related expenses	35,615	35,776	(0.5)
Selling, General & Administrative expenses	9,000	8,639	4.2
Impairment losses	2,641	17,962	(85.3)

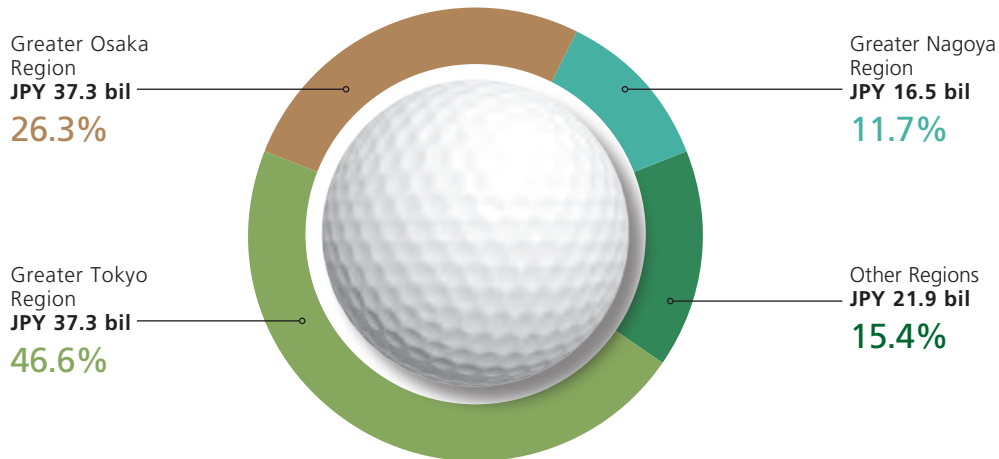
<sup>4</sup> Based on SGD/JPY exchange rate as at 31 March 2020: 75.91 (31 March 2019: 81.78)

<sup>5</sup> Based on the latest external appraisal value of the portfolio of JPY 141.8 billion as at 31 December 2019.

## ASSET PORTFOLIO OVERVIEW

Accordia Golf Trust's (AGT) 88 Golf Course (GCs) in Japan are managed by Accordia Golf Co., Ltd., one of the consistently top-ranking golf course operators in Japan. AGT's golf courses are well diversified across the main island of Japan, with a focus on the 3 largest metropolitan regions of Greater Tokyo, Greater Osaka and Greater Nagoya areas, which constitute 85% of the portfolio total valuation.

### APPRAISAL VALUE AS 31 DECEMBER 2019



### KEY STATISTICS OF PORTFOLIO GOLF COURSE BY REGION

	GREATER TOKYO	GREATER OSAKA	GREATER NAGOYA	OTHER REGIONS	TOTAL
# of Golf Courses	34	15	12	27	88
Appraisal value <sup>1</sup> as at end of Dec 2019 (JPY mil)	66,094	37,309	16,545	21,858	141,806
Revenue <sup>2</sup> (JPY mil)	22,297	12,030	6,619	11,075	52,020
Utilisation rates <sup>3</sup>	81.6%	87.9%	80.1%	70.2%	76.9%
NOI <sup>4</sup> (JPY mil)	5,177	3,122	1,252	2,036	11,588
NOI <sup>5</sup> margin	23.2%	26.0%	18.9%	18.4%	22.3%
NOI <sup>6</sup> yield	7.8%	8.4%	7.6%	9.3%	8.2%

<sup>1</sup> Appraisals are conducted by independent real estate appraisers.

<sup>2</sup> Gross revenue is based on Japanese Generally Accepted Accounting Principles (J-GAAP) and includes play fees (which comprise of green fees and cart fees), caddy fees, restaurant revenue, membership fees and other revenues from the golf courses.

<sup>3</sup> Utilisation rate = Total no. of players per 18 holes/Total operating days x 200 people

<sup>4</sup> NOI is derived by deducting merchandise and material expense, labour cost, other operating expenses from revenue and golf course management agreement (GCMA) fees.

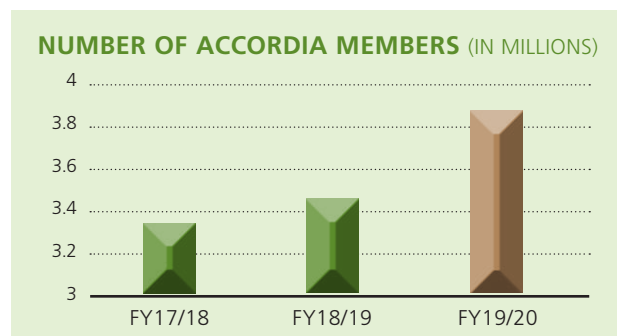
<sup>5</sup> NOI margin = NOI/Revenue

<sup>6</sup> NOI yield = NOI/Appraisal value

## ASSET PORTFOLIO OVERVIEW

### MEMBERS

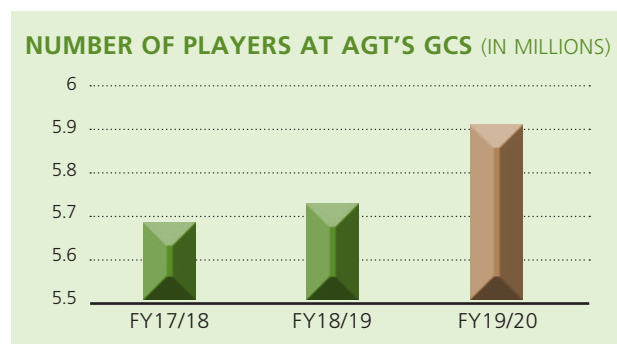
The Accordia brand name has a large following among golfers in Japan. As at 31 March 2020, there were 3.84 million loyalty programme cardholders, accounting for 57.3% of the 6.7 million golf players<sup>1</sup> in Japan. The Accordia brand has put AGT in good stead to compete with other golf courses.



### PLAYERS

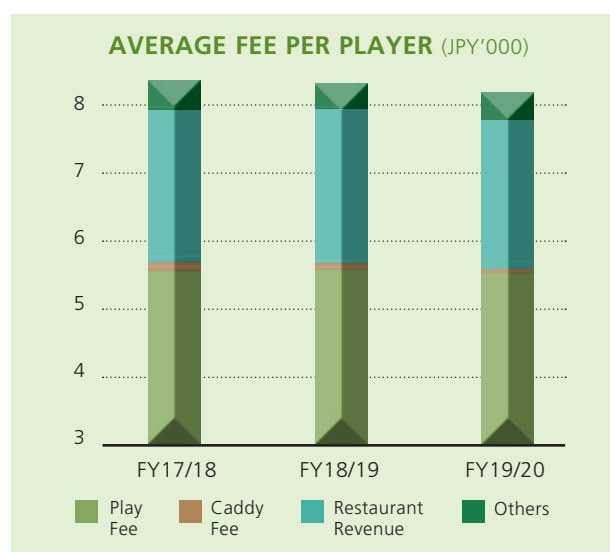
AGT's golf courses are open to both members and the public. Due to a combination of positive factors in FY19/20, including management's effort to continuously improve sales of off-peak tee times to increase utilisation, the better weather conditions and more golfing events taking place in Japan, AGT attracted a record number of players of 5.92 million players. This marks a 3.6% increase in players from the prior year and compares favourably against the national decline of 0.8%<sup>2</sup> in players during the year.

As at the end of FY19/20, the number of players per 18-hole golf course per year for AGT was approximately 56,400, approximately 49.2% higher than the national average of 37,800.



### REVENUE PER PLAYER

Despite the record number of players, revenue per players have been on a decline. In a bid to fully utilise off-peak timeslots, management offered marketing campaigns and discounted rates for these slots. As a result of attracting players for such timeslots, this has resulted in an overall decline in the revenue per player. The revenue per player declined by 2.1%, contributed by a fall in play fee of 1.6% and restaurant revenue of 3.0% from the prior year.



### VALUATION

AGT's total portfolio was valued at JPY 141.8 billion as at 31 December 2019, which represent a drop of 2.0% from prior year's valuation of JPY144.7 billion. The decline in the overall portfolio valuation is attributable mainly to the golf courses in the Greater Tokyo Region and Greater Nagoya Region which registered a decline in appraised value of JPY 2 billion (2.9%) and JPY 0.9 billion (5.3%) respectively.

The decline was due to expected future decline in performance in the portfolio of golf courses as the golfing landscape in Tokyo and Nagoya is expected to become more competitive in the coming years.

<sup>1</sup> Based on Leisure White Paper 2019 released by the Japan Productivity Centre

<sup>2</sup> Based on statistics released by Nihon Golf-jo Keieisha Kyokai as at 31 March 2019.

### APPRAISAL BY REGION (JPY MILLION)

	AS AT DECEMBER 2019	AS AT DECEMBER 2018	CHANGE
TOKYO	66,094	68,090	(1,996)
NAGOYA	16,545	17,471	(926)
OSAKA	37,309	37,204	105
OTHER	21,858	21,921	(63)
<b>TOTAL</b>	<b>141,806</b>	<b>144,686</b>	<b>(2,880)</b>

# ASSET PORTFOLIO OVERVIEW



## TOP 10 GOLF COURSES (BY APPRAISAL VALUE)



DAIATSUGI CC – HON



DAIATSUGI CC – SAKURA

### GREATER TOKYO REGION

Comprise 5 of the top 10 GCs

- Daiatsugi Country Club Hon Course
- Daiatsugi Country Club Sakura Course
- Tokyowan Country Club
- Tsuchiura Country Club
- Central Golf Club

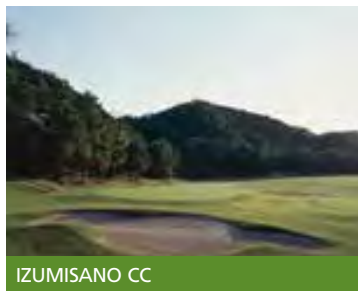
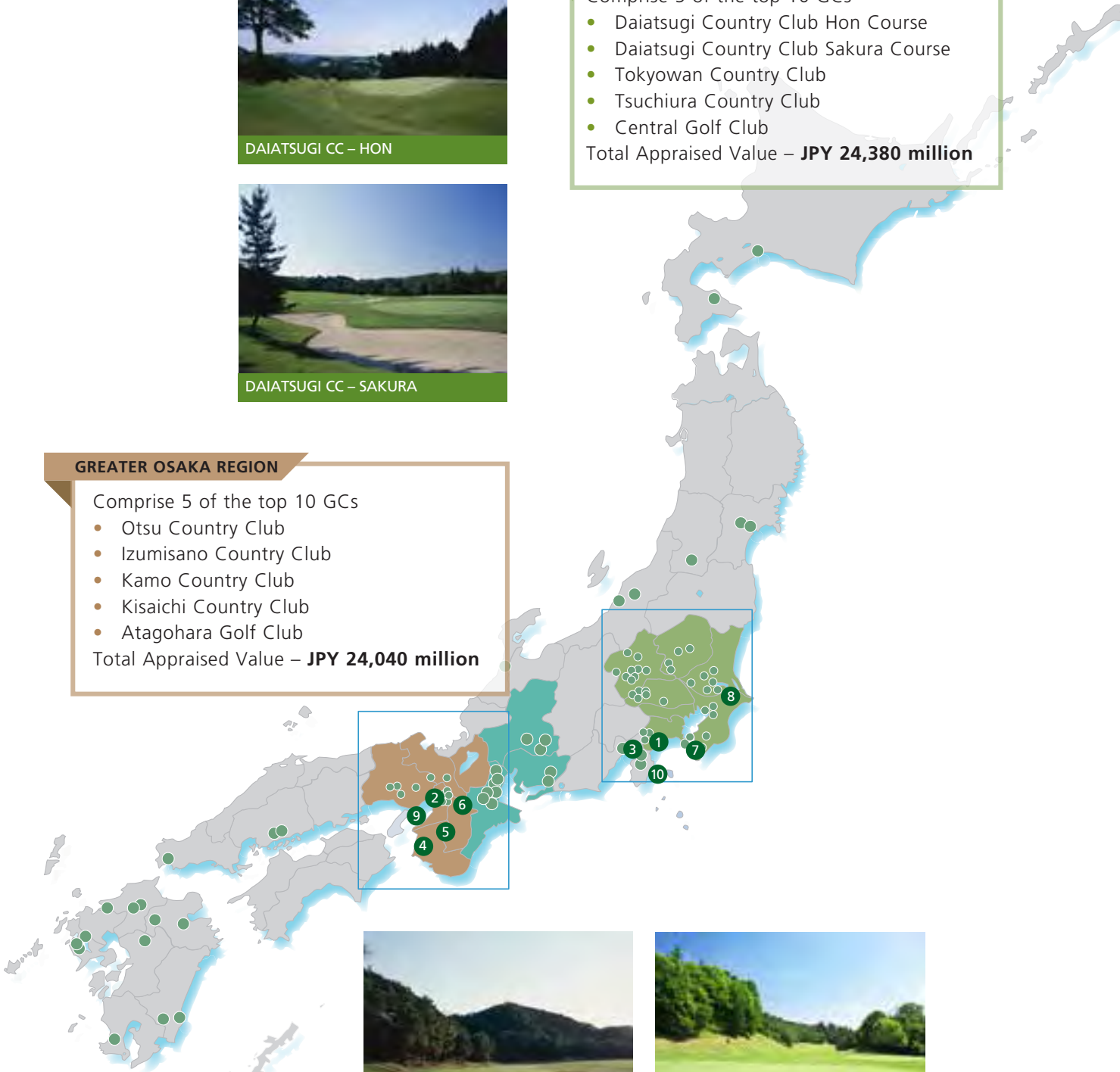
Total Appraised Value – **JPY 24,380 million**

### GREATER OSAKA REGION

Comprise 5 of the top 10 GCs

- Otsu Country Club
- Izumisano Country Club
- Kamo Country Club
- Kisaichi Country Club
- Atagohara Golf Club

Total Appraised Value – **JPY 24,040 million**



IZUMISANO CC



OTSU CC



## ASSET PORTFOLIO OVERVIEW



### TOP 10 GOLF COURSES (BY APPRAISAL VALUE)

GOLF COURSE	REGION	31 December 2019 APPRAISAL VALUE (JPY MIL)	FY19/20 REVENUE (JPY MIL)	FY19/20 NUMBER OF VISITORS
1. Daiatsugi Country Club Hon Course	Greater Tokyo	7,610	1,342	97,868
2. Otsu Country Club	Greater Osaka	7,510	1,649	160,653
3. Daiatsugi Country Club Sakura Course	Greater Tokyo	6,570	1,131	82,859
4. Izumisano Country Club	Greater Osaka	4,640	1,048	103,921
5. Kamo Country Club	Greater Osaka	4,380	1,128	133,133
6. Kisaichi Country Club	Greater Osaka	4,320	1,045	103,458
7. Tokyowan Country Club	Greater Tokyo	3,760	1,060	99,921
8. Tsuchiura Country Club	Greater Tokyo	3,530	881	94,305
9. Atagohara Golf Club	Greater Osaka	3,190	827	91,566
10. Central Golf Club	Greater Tokyo	2,910	993	121,428
Subtotal of Top 10 Golf Courses		<b>48,420</b>	<b>11,104</b>	<b>1,089,112</b>

The top 10 golf courses for FY 19/20 constitute approximately 34.1% of the entire AGT's portfolio of golf courses, attracting 1,089,112 visitors and generating JPY 11,104 million revenue during the year.

These larger golf courses have shown higher resilience during the year with a more stable performance than the overall portfolio. The decline in valuation of the Top 10 golf courses at 0.8% is less than that of the combined portfolio of 2.0%.

### % CONTRIBUTION OF TOP 10 GCS TO TOTAL GC PORTFOLIO

	APPRAISAL VALUE	REVENUE	NUMBER OF VISITORS
FY19/20	34.1%	21.3%	18.4%
FY18/19	33.8%	20.6%	17.4%

## ASSET PORTFOLIO OVERVIEW

### KEY STATISTICS OF PORTFOLIO GOLF COURSES

#### GREATER TOKYO REGION

NO.	GOLF COURSE	APPRAISAL VALUE AS AT 31 DECEMBER 2019 (JPY MILLION)	LOCATION	NO. OF HOLES	INAUGURAL BY THE YEAR	REVENUE FY19/20 (JPY MILLION)	UTILISATION RATES FY19/20 (%)	NO. OF VISITORS FY19/20
1	Daiatsugi Country Club Hon Course	7,610	Atsugi-Shi, Kanagawa	27	1970	1,342	89.9	97,868
2	Daiatsugi Country Club Sakura Course	6,570	Atsugi-Shi, Kanagawa	18	1981	1,131	113.5	82,859
3	Tokyowan Country Club	3,760	Sodegaura-Shi, Chiba	27	1979	1,060	93.0	99,921
4	Tsuchiura Country Club	3,530	Inashiki-Shi, Ibaraki	27	1962	881	86.8	94,305
5	Central Golf Club	2,910	Namegata-Shi, Ibaraki	36	1974	993	83.6	121,428
6	Yorii Country Club	2,790	Osato-Gun, Saitama	18	1978	680	82.9	60,023
7	Odawara Golf Club Matsuda Course	2,740	Ashigarakami-Gun, Kanagawa	18	1973	591	83.9	60,047
8	Fujioka Golf Club	2,580	Fujioka-Shi, Gunma	36	1968	732	73.9	106,664
9	Aqualine Golf Club	2,540	Kisarazu-Shi, Chiba	18	1997	614	82.0	57,533
10	Mito Golf Club	2,370	Mito-Shi, Ibaraki	36	1966	838	72.0	104,790
11	Naritahigashi Country Club	2,360	Katori-Shi, Chiba	18	1982	566	86.2	61,890
12	Kanetsu Highland Golf Club	1,920	Takasaki-Shi, Gunma	27	1972	615	81.2	87,979
13	Chiba Sakuranosato Golf Club	1,900	Katori-Shi, Chiba	18	1984	536	84.6	60,742
14	Sawara Country Club	1,880	Katori-Shi, Chiba	18	1990	598	82.5	58,738
15	Minagawajo Country Club	1,870	Tochigi-Shi, Tochigi	18	1973	604	80.9	58,878
16	Ohiradai Country Club	1,740	Tochigi-Shi, Tochigi	27	1974	611	74.3	80,940
17	Tamagawa Country Club	1,540	Hiki-Gun, Saitama	18	1994	575	84.8	61,226
18	Sainomori Country Club	1,510	Chichibu-Shi, Saitama	18	1989	657	82.4	59,197

## ASSET PORTFOLIO OVERVIEW

### KEY STATISTICS OF PORTFOLIO GOLF COURSES

#### GREATER TOKYO REGION (cont'd)

NO.	GOLF COURSE	APPRAISAL VALUE AS AT 31 DECEMBER 2019 (JPY MILLION)	LOCATION	NO. OF HOLES	INAUGURAL BY THE YEAR	REVENUE FY19/20 (JPY MILLION)	UTILISATION RATES FY19/20 (%)	NO. OF VISITORS FY19/20
19	Kodamakamikawa Country Club	1,380	Kodama-Gun, Saitama	18	1988	528	87.1	62,165
20	Central Golf Club New Course	1,330	Namegata-Shi, Ibaraki	18	1979	464	81.1	58,700
21	Kanra Country Club	1,320	Kanra-Gun, Gunma	18	1975	489	81.8	59,077
22	Myogi Country Club	1,250	Tomioka-Shi, Gunma	18	1986	962	80.3	57,307
23	Wildduck Country Club	1,240	Kamisu-Shi, Ibaraki	18	1991	434	80.4	58,184
24	Ishioka Golf Club West Course	1,040	Kasama-Shi, Ibaraki	18	1990	539	85.8	62,261
25	Hanao Country Club	1,010	Isumi-Gun, Chiba	18	1992	473	86.8	61,643
26	Midono Country Club	991	Fujioka-Shi, Gunma	18	1990	520	86.9	62,886
27	Koryo Country Club	991	Kanuma-Shi, Tochigi	27	1975	514	71.2	77,539
28	Twin Lakes Country Club	923	Fujioka-Shi, Gunma	18	1988	553	87.4	63,455
29	Chichibu Kokusai Country Club	731	Chichibu-Gun, Saitama	18	1975	351	79.2	54,617
30	Kamogawa Country Club	548	Kamogawa-Shi, Chiba	18	1970	566	85.6	60,112
31	Northern Country Club Nishikigahara Golf Course	525	Saitama-Shi, Saitama	43	1963	1,102	80.4	134,076
32	Kitsuregawa Country Club	322	Sakura-Shi, Tochigi	27	1987	558	70.7	72,769
33	Northern Country Club Akagi Golf Course	270	Shibukawa-Shi, Gunma	27	1976	385	64.3	51,872
34	Northern Country Club Jomo Golf Course	103	Agatsuma-Gun, Gunma	18	1978	235	89.9	40,163
	<b>TOTAL</b>	<b>66,094</b>				<b>22,297</b>		<b>2,451,854</b>

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

# ASSET PORTFOLIO OVERVIEW

## KEY STATISTICS OF PORTFOLIO GOLF COURSES

### GREATER OSAKA REGION

NO.	GOLF COURSE	APPRAISAL VALUE AS AT 31 DECEMBER 2019 (JPY MILLION)	LOCATION	NO. OF HOLES	INAUGURAL BY THE YEAR	REVENUE FY19/20 (JPY MILLION)	UTILISATION RATES FY19/20 (%)	NO. OF VISITORS FY19/20
1	Otsu Country Club	7,510	Otsu-Shi, Shiga	45	1969	1,649	87.9	160,653
2	Izumisano Country Club	4,640	Izumisano-Shi, Osaka	27	1972	1,048	94.9	103,921
3	Kamo Country Club	4,380	Kizugawa-Shi, Kyoto	36	1974	1,128	90.9	133,133
4	Kisaichi Country Club	4,320	Katano-Shi, Osaka	27	1968	1,045	94.5	103,458
5	Atagohara Golf Club	3,190	Takarazuka-Shi, Hyogo	27	1960	827	83.4	91,566
6	Naranomori Golf Club	2,070	Nara-Shi, Nara	18	1988	704	90.2	65,814
7	Harima Country Club	2,010	Ono-Shi, Hyogo	18	1965	584	92.1	67,443
8	Kameoka Golf Club	1,790	Kameoka-Shi, Kyoto	18	1998	545	88.4	63,790
9	Lake Forest Resort	1,610	Soraku-Gun, Kyoto	45	1993	1,480	86.7	158,700
10	Sorei Golf Club Tsuchiyama Course	1,380	Kouka-Shi, Shiga	18	1996	451	77.2	55,152
11	Misaki Country Club	1,310	Sennan-Gun, Osaka	18	1970	538	83.8	60,003
12	Kyowa Golf Club	1,270	Soraku-Gun, Kyoto	18	1974	518	87.6	63,960
13	Yamato Kougen Country Club	754	Nara-Shi, Nara	18	2001	571	88.5	64,795
14	Kasai Country Club	580	Kasai-Shi, Hyogo	18	1987	446	82.0	60,035
15	Shirasagi Golf Club	495	Himeji-Shi, Hyogo	18	1996	497	84.2	61,619
<b>TOTAL</b>		<b>37,309</b>				<b>12,030</b>		<b>1,314,042</b>

### GREATER NAGOYA REGION

NO.	GOLF COURSE	APPRAISAL VALUE AS AT 31 DECEMBER 2019 (JPY MILLION)	LOCATION	NO. OF HOLES	INAUGURAL BY THE YEAR	REVENUE FY19/20 (JPY MILLION)	UTILISATION RATES FY19/20 (%)	NO. OF VISITORS FY19/20
1	Yokkaichinosato Golf Club	2,260	Yokkaichi-Shi, Mie	18	1988	677	81.0	59,126
2	Shinyo Country Club	2,080	Toki-Shi, Gifu	18	1990	641	85.1	61,919
3	Fujiwara Golf Club	1,980	Inabe-Shi, Mie	27	1993	744	73.7	80,431
4	Castlehill Country Club	1,880	Toyokawa-Shi, Aichi	18	1993	656	82.1	59,962
5	Forest Mizunami Country Club	1,280	Mizunami-Shi, Gifu	18	1987	504	86.8	63,397
6	Sorei Golf Club Seki Course	1,210	Kameyama-Shi, Mie	18	1996	421	76.0	55,028
7	Kasumi Golf Club	1,200	Tsu-Shi, Mie	18	1992	531	82.2	60,169
8	Tsukude Golf Club	1,150	Shinshiro-Shi, Aichi	18	1994	554	80.8	58,967
9	Forest Geino Golf Club	1,070	Tsu-Shi, Mie	18	1991	484	75.4	55,028
10	Sun Classic Golf Club	971	Kani-Gun, Gifu	18	1992	522	87.7	64,030
11	Route 25 Golf Club	807	Iga-Shi, Mie	18	1995	498	81.3	58,675
12	Meisho Golf Club	657	Tsu-Shi, Mie	18	1984	387	71.9	52,312
<b>TOTAL</b>		<b>16,545</b>				<b>6,619</b>		<b>729,044</b>

## ASSET PORTFOLIO OVERVIEW

### KEY STATISTICS OF PORTFOLIO GOLF COURSES

#### OTHER REGIONS

NO.	GOLF COURSE	APPRAISAL VALUE AS AT 31 DECEMBER 2019 (JPY MILLION)	LOCATION	NO. OF HOLES	INAUGURAL BY THE YEAR	REVENUE FY19/20 (JPY MILLION)	UTILISATION RATES FY19/20 (%)	NO. OF VISITORS FY19/20
1	Mishima Country Club	2,850	Mishima-Shi, Shizuoka	18	1988	657	85.4	62,160
2	Ashitaka Six Hundred Club	2,060	Numazu-Shi, Shizuoka	18	1969	629	86.1	62,501
3	Nijo Country Club	1,730	Itoshima-Shi, Fukuoka	18	1974	580	87.9	63,956
4	Jurigi Country Club	1,630	Fuji-Shi, Shizuoka	18	1973	491	74.4	51,817
5	Yunoura Country Club	1,230	Hioki-Shi, Kagoshima	18	1989	479	81.3	59,159
6	Sanyo Kokusai Golf Club	1,100	Sanyoonoda-Shi, Yamaguchi	36	1980	677	65.5	95,692
7	Hongo Country Club	1,070	Mihara-Shi, Hiroshima	18	1977	426	72.6	53,017
8	Sasebo Kokusai Country Club	873	Sasebo-Shi, Nagasaki	18	1976	389	72.5	52,643
9	Dainiigata Country Club Izumosaki Course	867	Santo-Gun, Niigata	18	1974	362	64.8	45,857
10	Beppu No Mori Golf Club	841	Beppu-Shi, Oita	27	1974	506	67.4	73,641
11	Central Fukuoka Golf Club	834	Chikushino-Shi, Fukuoka	18	1975	548	87.6	63,103
12	Osato Golf Club	808	Kurokawa-Gun, Miyagi	18	1998	348	86.3	61,441
13	Aoshima Golf Club	763	Miyazaki-Shi, Miyazaki	18	1991	460	73.3	53,051
14	Takehara Country Club	600	Takehara-Shi, Hiroshima	18	1994	404	71.3	52,079
15	Rainbow Sports Land Golf Club	511	Miyakonojo-Shi, Miyazaki	18	1992	263	65.6	47,648
16	Fukuoka Pheasant Country Club	484	Tagawa-Gun, Fukuoka	18	1976	368	75.0	54,291
17	Nagasaki Park Country Club	479	Saikai-Shi, Nagasaki	18	1994	363	66.6	48,583
18	Izu Kokusai Country Club	456	Izu-Shi, Shizuoka	18	1961	303	67.9	49,175
19	Kikuchi Country Club	453	Kikuchi-Shi, Kumamoto	18	1979	321	66.2	47,543
20	Dainiigata Country Club Sanjo Course	451	Sanjo-Shi, Niigata	18	1976	272	55.4	35,695
21	Onuma Lake Golf Club	353	Kayabe-Gun, Hokkaido	27	1975	270	54.9	40,653
22	Hananomori Golf Club	334	Kurokawa-Gun, Miyagi	18	1992	446	70.4	46,893
23	Amagaseonsen Country Club	329	Hita-Shi, Oita	18	1967	286	59.9	43,355
24	Tarumae Country Club	305	Tomakomai-Shi, Hokkaido	27	1963	358	55.2	42,216
25	Yamagataminami Country Club	277	Higashiokitama-Gun, Yamagata	18	1985	220	59.4	28,488
26	Huis Ten Bosch Country Club	103	Saikai-Shi, Nagasaki	18	1991	303	60.0	43,528
27	Kanazawa Central Country Club	67	Kanazawa-Shi, Ishikawa	18	1993	345	64.7	44,499
<b>TOTAL</b>		<b>21,858</b>				<b>11,075</b>		<b>1,422,684</b>

## JAPAN'S GOLF INDUSTRY



### JAPAN'S ECONOMY

In 2019, Japan registered a record high in the number of visitors of 31.8 million on the back of mega events including the Rugby World Cup, Formula One Japanese Grand Prix, and Mastercard Japan PGA Championship. With the Covid-19 outbreak, disrupting air traffic since the start of 2020, Japan's target of 40 million visitors by 2020 has since been dashed, and mega events, most significantly the Summer Olympics 2020 have also been postponed.

World economies have been rattled by the Covid-19 outbreak and Japan is no exception. Amidst a lockdown in Tokyo and six other prefectures, accounting for 44% of Japan's population, in the summer of April and May 2020, the government announced a record JPY 117.1 trillion economic stimulus package in April 2020 and again in May 2020, providing cash pay-outs to households and loans to small businesses hurt by the pandemic.

Even before the coronavirus outbreak, Japan's Gross Domestic Product (GDP) in the fourth quarter of 2019, fell at an annualised rate of 6.3% from the previous quarter, on the back of higher national consumption tax to 10% (from previous 8%). The International Monetary Fund (IMF) in June 2020 projected a contraction of growth by 5.8% for Japan in 2020 which is in contrast with earlier growth forecast of 0.7% in January 2020. The Covid-19 outbreak pushes worldwide economies into a recession and makes a tough recovery for the Japanese economy.

### JAPAN'S GOLF INDUSTRY

For the first time in Japanese golf history, the Japan's inaugural PGA Tour was held at Accordia Golf Narashino Country Club in October 2019. With Tiger Woods coming in top and Japan's very own Hideki Matsuyama taking the runner-up position, the Zozo championship is on track to last until at least 2025. Along with the summer Olympics, where golf will be on the schedule for the second time in more than a century, these events have reignited interest in golf in Japan and contributes positively to both the Accordia branding and to visitor numbers.

#### Golf Courses

There are 2,248 golf courses in Japan in 2019, and the pace of consolidation is expected to accelerate in the coming year. Smaller golf course operators with weak balance sheet and poor performance, exacerbated by

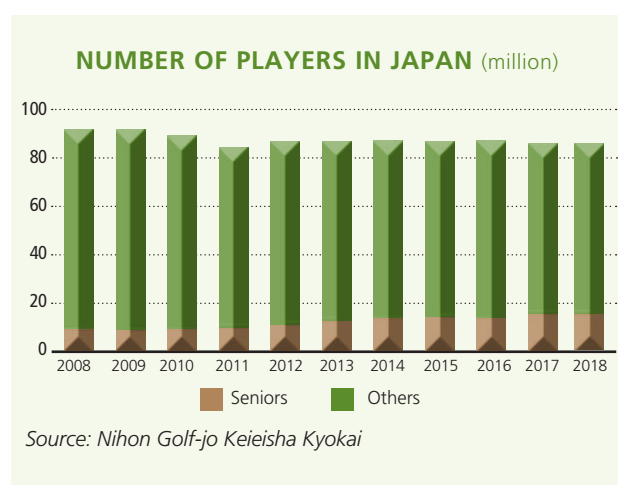


# JAPAN'S GOLF INDUSTRY

the impact of Covid-19 outbreak amidst falling golfing demand, are expected to shutter in 2020. This is expected to increase the overall market share for AGT in the longer term.

## Players

The Japanese golf industry remains dominated by senior golfers aged above 60 years old particularly for weekday plays. Latest statistics from Nihon Golf-jo Keieisha Kyokai, a golf course management association, indicated



that the number of plays by senior golfers, above 70 years old, increased 7% year-on-year to 18.0 million, while the total number of golfers declined by 0.8% to 84.9 million.

## RISING UNCERTAINTIES

In the coming year, visitor numbers will continue to face headwinds in the face of economic slowdown and traveling restrictions from the coronavirus pandemic. The Japan Golf Association (JGA), published a set of guidelines in relation to combating the spread of the Covid-19 outbreak at the golf courses. This includes adopting safe distancing measures, increasing sanitisation and reducing physical contact of commonly shared equipment on the greens and at the club house.

Accordia adheres closely to the guidelines issued by the JFA and the Japan authorities and continues to play its part to put customer and employee health as a top priority. With the environment expected to become more challenging in the coming year, management will adopt a cautious approach in managing our operating cost. We remain confident that as a sustainable golf company, Accordia remains well placed to emerge stronger from this crisis.



## INVESTOR RELATIONS

Accordia Golf Trust (AGT) is committed to engage our unitholders through regular effective and fair communications, in compliance with the listing rules of the Singapore Exchange Securities Trading Limited (SGX-ST), Singapore Code of Corporate governance and current best practices.

The Investor Relations (IR) activities and conduct is guided by our IR policies which outlines the principles and practices to provide all our existing unitholders, potential retail and institutional investors, financial analysts as well as other stakeholders with fair dissemination of information in a timely manner. AGT engages in proactive communication with the investing community, and unitholders are encouraged to subscribe to our e-mail alerts through our website. The investing public can access our presentation material, latest news release and updates through our website [www.agtrust.com.sg](http://www.agtrust.com.sg).

We believe in fostering and developing good relationship with our unitholders, both retail and institutional investors, the investing public at large and research analysts who have helped in communicating our quarterly results to the investing community and public.

AGT publishes its financial results on a quarterly basis and with the SGX-ST announcing that quarterly reporting will no longer be mandatory, we continuously strive to provide updates to unitholders on the performance of AGT's portfolio of golf courses. We organise post-results presentation briefing to analysts and fund managers. As part of our outreach efforts, we organise golf course visits to Japan and conduct presentations through brokerage houses to facilitate a better understanding of our business operations. We see this as one of the platforms to understand and address issues that concern our stakeholders.



Analysts and Fund Managers GC site visit – April 2019

### CONTINUE TO ENGAGE WITH THE INVESTMENT COMMUNITY

During the fiscal year, the management continue to engage with the investment community, local and foreign investors through post-results meetings, non-deal roadshows, conference calls and luncheons. Corporate presentation was conducted to four brokerage houses to keep trading representatives abreast of AGT's latest financial performance. As our assets are in Japan, AGT had arrange site visits to our golf courses for analyst at the start of the year, to help them better understand the golf industry in Japan, industry culture, and business operations.

We continue to work closely with the Singapore Exchange and participated in conferences jointly held between the exchange and various financial institutions. At these events, our management continues to share details on AGT's business performance, operations, and outlook, as well as to receive valuable feedback from investors.

AGT's fifth annual general meeting (AGM) took place in July 2019 and we welcomed more than 100 unitholders and unitholder proxies at the NTUC Centre. Our Board of Directors are thankful for the opportunity to engage with unitholders and present our business performance and latest corporate developments.

In the last quarter of the fiscal year, with the onset of the Covid-19 situation, we scaled back on physical meetings with our investment community, while ensuring that we make routine disclosures on our websites on material developments of our business. Recognising that the global pandemic is likely to continue into the near future, the management looks forward to adopting new channels to continue in their outreach to unitholders in a safe and responsible manner.



SGX Bull Charge Charity Golf – May 2019



# INVESTOR RELATIONS

## CALENDAR OF EVENTS

<p><b>2019/11/20</b> Non-Deal Roadshow in Tokyo</p>	<p><b>2019/11/15</b> Daiwa Investment Conference in Hong Kong</p>	<p><b>2019/11/14</b> Analysts' Briefing and Investor Meetings</p>	<p><b>2019/08/15</b> Analysts' Briefing for 1Q FY19/20 Financial Results</p>
<p><b>2019/07/29</b> Annual General Meeting 2019</p>	<p><b>2019/07/18</b> Non-Deal Roadshow in Kuala Lumpur</p>	<p><b>2019/07/01</b> 1/7 to 5/7: Non-Deal Roadshow in Taipei and Hong Kong</p>	<p><b>2019/06/04</b> 4/6 to 11/6: Non-Deal Roadshow in London, Zurich and New York</p>
<p><b>2019/05/29</b> Analysts' Briefing and Investor Meetings FY18/19 Financial Results</p>	<p><b>2019/04/01</b> 1/4 to 2/4: Analysts &amp; Fund Managers Golf Course Site Tour in Tokyo</p>		

### UNITHOLDER DEPOSITORY

For unitholding account related matter such as change of personal details, address, or signature of unit holder, please contact:-

### THE CENTRAL DEPOSITORY (PTE) LTD

9 Buona Vista Drive, #01-19/20 The Metropolis, Tel:(65) 6535 7511

### INVESTOR RELATIONS CONTACT

For more information on AGT, please contact us at Tel: (65) 6592 1050 • Email : [info@agtrust.com.sg](mailto:info@agtrust.com.sg)

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

MR KHOO KEE CHEOK  
Chairman and Independent Director

MR YOSHIHIKO MACHIDA  
Executive Director and Chief Executive Officer

MR TOYO NAKANISHI  
Executive Director

MR CHONG TECK SIN  
Independent Director

MR HITOSHI KUMAGAI  
Independent Director

### 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

**Accordia Golf Trust Management Pte. Ltd.**  
80 Robinson Road  
#22-03A  
Singapore 068898  
Tel: +65 6592 1050  
Fax: +65 6220 2824  
Website: [www.agtrust.com.sg](http://www.agtrust.com.sg)  
Email: [info@agtrust.com.sg](mailto:info@agtrust.com.sg)

### UNIT REGISTRAR AND UNIT TRANSFER OFFICE

#### Boardroom Corporate & Advisory Services Pte Ltd

50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623  
Tel: +65 6536 5355  
Fax: +65 6536 1360

For updates or change of mailing details, please contact:

#### The Central Depository (Pte) Limited

9 North Buona Vista Drive  
#01-19/20 The Metropolis  
Singapore 138589  
Tel: +65 6535 7511

### INDEPENDENT AUDITOR

#### PricewaterhouseCoopers LLP

7 Straits View  
#12-00 Marina One, East Tower  
Singapore 018936  
Tel: +65 6236 3388  
Fax: +65 6236 3300

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

### COMPANY SECRETARY

MS TAN LAY HONG

# CORPORATE GOVERNANCE

## ABOUT AGT AND TRUSTEE-MANAGER

Accordia Golf Trust (“**AGT**” or the “**Trust**”) 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 complied with the principles of the Code of Corporate Governance 2018 (the “**2018 CG Code**”) and largely complied with the provisions of the 2018 CG Code. Where there are deviations from the provisions of the 2018 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 “**SGX-ST Listing Manual**”) and the BTA including the relevant regulations thereunder, are duly complied with.

## BOARD MATTERS

### THE BOARD’S CONDUCT OF ITS AFFAIRS

#### Principle 1

*The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

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 is also responsible for the risk management of AGT.

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.

All Directors act honestly and exercise reasonable diligence in the discharge of the duties of his office and, in particular, will take all reasonable steps to ensure that the Trustee-Manager discharges its duties under the BTA, and gives priority to the interests of all Unitholders as a whole over the interests of the Trustee-Manager in the event of a conflict between the interests of all Unitholders as a whole and the interests of the Trustee-Manager.

All Directors are required to disclose their business interests and any potential or actual conflicts of interest that they are aware of, or as soon as such conflicts become apparent. In any situation that involves a conflict of interest with the Trust, Directors recuse themselves from participating in any discussion and decision on the matter.

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**”).

# CORPORATE GOVERNANCE

## Board's Approval

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.

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 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.

## Board and Board Committees

The Board is supported by two committees namely (1) Audit and Risk Committee ("**ARC**") and (2) Remuneration Committee ("**RC**"). The ARC and RC function within clearly defined terms of reference. The nomination committee function is undertaken by the Board. The Board Committees report their activities regularly to the Board. The effectiveness of each Board Committee is also constantly monitored to ensure their continued relevance. Further information on the roles and responsibilities of the ARC and RC are provided in this Corporate Governance Report.

As at the date of this report, 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	–	–

## Board Meetings

The Board conducts regular scheduled meetings on a quarterly basis 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. Such meetings are typically scheduled before the start of each year in consultation with the Directors. Ad-hoc meetings may also be convened as and when warranted by matters requiring the Board's attention. If necessary, Board meetings may be conducted by way of telephone or video conferencing as permitted under the Trustee-Manager's Constitution. Board meetings are also supplemented by resolutions circulated to Directors for decisions as and when necessary.

## CORPORATE GOVERNANCE

From time to time, the Trustee-Manager also organises site visits to certain golf courses in Japan for the Directors to better apprise them of the Trust's business. During the financial year, the Non-Executive Directors visited several Initial Portfolio golf courses. Such visits also provide the Non-Executive Directors with an opportunity to interact and engage with the key executives of the Trust Group and at the same time that the Non-Executive Directors can better understand the issues faced by the ground team.

The number of meetings of the Board, Board Committees and general meeting during the financial year ended 31 March 2020 as well as the attendance of the Directors, are as follows:

Name of Directors	Board Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings		Annual General Meeting	
	Number of meetings	Attendance	Number of meetings	Attendance	Number of meetings	Attendance	Number of meetings	Attendance
Khoo Kee Cheok	10	10	4	4	2	2	1	1
Chong Teck Sin	10	10	4	4	2	2	1	1
Hitoshi Kumagai	10	10	4	4	2	2	1	1
Yoshihiko Machida	10	10	4*	4*	2*	2*	1	1
Toyo Nakanishi	10	10	4*	4*	2*	2*	1	1

\* By Invitation

### Directors' Induction, Training and Development

A formal letter of appointment, which sets out the Director's duties and obligations, will be provided to each Director upon appointment. Orientation programmes such as briefings by the Trustee-Manager and site visits to golf courses will also be organised for newly appointed Directors. For newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore, they will also have to attend the mandatory training courses organised by the Singapore Institute of Directors ("SID").

As part of continuous training, Directors will, from time to time, receive updates and briefings 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 SID 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 2020:

- Cyber Security Threats and Data Breaches
- Stakeholder Engagement

During the financial year:

- The external auditors, PricewaterhouseCoopers LLP, regularly briefed the ARC members on changes in accounting standards that affect the Trust Group;
- The Chief Executive Officer regularly updated the Board on the business activities of the Trust Group during Board meetings. Such updates would also include any significant developments and matters relating to environmental, social or other sustainability issues and risks affecting the Trust Group; and
- The Board was updated on the revisions to the Code of Corporate Governance and the related changes to the SGX-ST Listing Rules as well as the changes to the Quarterly Reporting Framework and Enhancements to Continuous Disclosures introduced by SGX-ST.

The Directors may also attend other appropriate courses and seminars at the Trustee-Manager's expense.

# CORPORATE GOVERNANCE

## Access to Information

Management has an on-going obligation 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.

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. 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 her 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.

## **BOARD COMPOSITION AND GUIDANCE**

### **Principle 2**

***The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***

The Board consists of five Directors, of whom three are independent and non-executive.

The Directors are 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.

## CORPORATE GOVERNANCE

### Board Composition

The composition of the Board also complies with the BTA and the Business Trusts Regulations 2005 (“**BTR**”) and consists 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.

### Board Independence

The Board assessed the independence of each Board member on an annual basis and took into consideration the relevant provisions of the 2018 CG Code, BTR and the SGX-ST Listing Manual. 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 2018 CG Code, BTR and the SGX-ST Listing Manual. 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. They also enable the Board to interact and work with Management through a robust exchange of ideas and views to help shape the strategic process. None of the Independent Directors have served beyond nine years.

As Chief Executive Officer (“**CEO**”) of the Trustee-Manager, Mr Yoshihiko Machida is considered non-independent by virtue of his employment with the Trustee-Manager.

Mr Toyo Nakanishi, Executive Director of the Trustee-Manager, is nominated by a shareholder of the Trustee-Manager and is therefore considered non-independent.

Each member of the Board has recused himself from the Board’s deliberations respectively on his own independence.

### Board Diversity

The Board has adopted a Board Diversity Policy which recognizes the benefits of a Board that possesses a balance of skills set, experience, expertise and diversity of perspectives appropriate for the strategies of the Trust. The Trustee-Manager believes that board diversity enhances decision-making capability and thus the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value. All Board appointments are made based on merit, in the context of the skills, industry and business experience, culture, nationalities which the Board as a whole requires to be effective. The Board will continue to review its composition and size periodically, taking into account the need for progressive renewal of the Board and ensuring that objectives as set out in the Board Diversity Policy are met. A review of the size and composition of the Board (and Board Committees) was also undertaken by the Trustee-Manager at year end to ensure alignment with the needs of the Group and the objectives set out in the Board Diversity Policy.

## CORPORATE GOVERNANCE

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.

### Board Guidance

The Independent Directors contribute to the board process by monitoring and reviewing Management's performance. For the financial year under review, the Independent Directors have constructively challenged Management's proposals and decisions and reviewed Management's performance. They have unrestricted access to Management for any information that they may require to discharge their oversight function effectively. As Independent Directors constitute a majority of the Board, objectivity on such deliberations is assured.

### Meeting of Directors without Management

The Independent Directors would meet without the presence of Management or Executive Directors at least once a year or as and when warranted during the financial year. The Chairman of the Board, who is also an Independent Director, would provide feedback to the CEO on any concerns or feedback raised by the Independent Directors during such meetings.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

### Principle 3

***There should be a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.***

To maintain an appropriate balance of authority, increased accountability and to ensure efficient decision-making, the roles and responsibilities of the Chairman and 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.

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.



# CORPORATE GOVERNANCE

## BOARD MEMBERSHIP

### Principle 4

***There should be a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

Pursuant to paragraph 3.2 of Practice Note 4.2 of the SGX-ST Listing Manual, the corporate governance provision stipulated in Rule 210(5)(e) of the SGX-ST Listing Manual does not apply to the Trust.

No Nominating Committee has been established as the Trustee-Manager and not AGT appoints all the Directors. The Trustee-Manager has considered the merits of establishing a nomination committee but is of the view that it is in the best interests of the Trustee-Manager that the Board collectively reviews, determines and approves the structure, size, diversity profile and skill set of the Board as well as the appointment of any new Director, as and when appropriate. The Board administers nomination to the Board, reviews the structure, size, competence, experience and composition of the Board. The Board reviews the independence of the Directors annually. The Board also retains responsibility for identifying, reviewing and appointing suitable new candidates to join the Board as Directors. In addition, the Board as a whole is also responsible for reviewing the succession plan for Directors, including the Chairman of the Board and the CEO.

#### Nomination and Selection of Directors

From time to time, candidates may be identified to fill vacancies on the Board to complement and expand the skill set, experience and expertise of the Board taking into account the Board Diversity Policy and any other factors that the Board may consider relevant and applicable from time to time towards achieving a diverse Board. 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. 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.

#### Review of Directors' Independence

The Board conducts an annual review of each Director's independence and takes into consideration the independence criteria as set out in the 2018 CG Code, BTR and the SGX-ST Listing Manual. The Board has ascertained that, save for Mr Yoshihiko Machida and Mr Toyo Nakanishi, all Directors are considered independent according to these criteria. Directors must also immediately report any changes in their external appointments which may affect their independence.

#### Directors' Time Commitment

The Board has assessed that although some Directors have other board representations, they have devoted sufficient time and attention to their role as Directors and to the affairs of the Group. The Board believes that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors should be best assessed through qualitative factors such as their attendance and time commitment to the affairs of the Company. The Board would 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 Group and are able to discharge their duties adequately. The Board is satisfied that all Directors have discharged their duties adequately for the financial year ended 31 March 2020.

#### Key Information on Directors

Profiles and key information of individual Directors, including their directorships in other listed companies and principal commitments, both present and those held over the preceding five years, are disclosed under the "Board of Directors" section of this Annual Report.

# CORPORATE GOVERNANCE

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

No alternate director is appointed to the Board.

## BOARD PERFORMANCE

### Principle 5

***There should be a formal annual assessment of the effectiveness of the Board as a whole and that of each of its board committees and individual directors.***

#### Board Evaluation

Pursuant to paragraph 3.2 of Practice Note 4.2 of the SGX-ST Listing Manual, provision 5.1 of the 2018 CG Code does not apply to the Trust.

The Board undertakes a process to assess the effectiveness of the Board as a whole and its Board Committees (namely ARC and RC). The Board members are provided with a set of questions, setting out the salient recommendations from the 2018 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 will 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 evaluation for the financial year ended 31 March 2020 confirmed that the Board and its Board Committees were generally functioning effectively during the year.

#### Board Performance Criteria

The Board had extracted salient recommendations from the 2018 CG Code and incorporated these recommendations into the Board and Board Committee Evaluation Questionnaires. The performance of the Board was reviewed as a whole, focusing on factors such as board composition, board conduct of affairs, internal controls and risk management, board accountability, communication with top management and standards of conduct. The Board also considered whether the Directors have reasonable understanding of the Trust Group's business and the industry as well as the Directors' working relationship with the other members of the Board. These performance criteria shall not change from year to year, and where circumstances deem it necessary for any of the criteria to be changed, the Board shall justify its decision for the change.

#### Individual Director Evaluation

While the 2018 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.

## REMUNERATION MATTERS

### Principle 6

***The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

## CORPORATE GOVERNANCE

### Principle 7

***The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.***

### Principle 8

***The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

Pursuant to paragraph 3.2 of Practice Note 4.2 of the SGX-ST Listing Manual, provision 6.1 of the 2018 CG Code does not apply to the Trust. Nevertheless, the Trustee-Manager has established a Remuneration Committee (“RC”) to assist the Board with the remuneration matters of the Board and key management personnel.

The RC comprises Mr Hitoshi Kumagai as Chairman, Mr Khoo Kee Cheok and Mr Chong Teck Sin as members. All three members are Independent Directors.

The RC is guided by its terms of reference that has been approved by the Board.

The RC’s responsibilities include, but are not limited to, the following:

- (a) reviewing and recommending to the Board a general framework of remuneration for the Board and key management personnel, and specific remuneration packages for each Director and key management personnel, for endorsement by the Board;
- (b) reviewing the obligations of the Trust Group arising in the event of the termination of the service contracts of Executive Directors and key management personnel, to ensure that such service contracts contain fair and reasonable termination clauses which are not overly generous; and

The RC, when required, has access to expert advice both within and outside the Company, on remuneration of directors. No remuneration consultant was engaged in FY19/20.

#### Non-Executive Directors’ Remuneration

The Non-Executive Directors receive fixed Directors’ fees payable quarterly in arrears for their Board and Board Committee membership. In determining the quantum of Directors’ fees, factors such as their level of contribution, effort and time spent, responsibilities as Directors and the need to pay competitive fees to retain, attract and motivate the Directors, are taken into account. The Non-Executive Directors are not overcompensated to the extent that their independence is compromised. No Director is involved in deciding his own remuneration. The remuneration framework for the Non-Executive Directors remains unchanged from that of the previous financial year ended 31 March 2019. The Directors’ fees are paid wholly in cash and are paid by the Trustee-Manager out of the management fees paid by AGT to the Trustee-Manager. The Directors’ fees are subject to approval by the shareholders of the Trustee-Manager.

The following are the components of the fee structure for Non-Executive Directors:

- (1) base fee for membership of the Board;
- (2) fee for chairing the Board; and
- (3) fee for chairing the respective Board Committees.

## CORPORATE GOVERNANCE

The following table shows the Directors' fees paid in the year ended 31 March 2020:

Directors	Directors' Fees
Khoo Kee Cheok	S\$80,000
Chong Teck Sin	S\$80,000
Hitoshi Kumagai	S\$70,000
Total	S\$230,000

### Executive Directors' and Key Management Personnel ("KMP") Remuneration

Both Mr Yoshihiko Machida (also CEO) and Mr Toyo Nakanishi, being Executive Directors, do not receive Directors' fees.

The remuneration policy adopted by the Trustee-Manager has regard to the objective of attracting, rewarding and retaining performing employees. The remuneration package for Executive Directors and KMP comprises a fixed component in the form of a 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 reclamation of incentive components of remuneration from Executive Directors and KMP 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 KMP with the Trustee-Manager that provide for benefits upon termination or retirement, or post-employment. No compensation is payable to any Director or KMP 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 KMP do not contain termination clauses that are overly generous.

The following table shows the remuneration of the Executive Directors and top two KMPs (who are not Directors or the CEO of the Company) paid in the year ended 31 March 2020:

Name	Basic Salary	Variable Bonus	Remuneration Band
<u>Executive Director</u>			
Yoshihiko Machida Chief Executive Officer	100%	Nil	S\$250,001 to S\$500,000
Toyo Nakanishi	100%	Nil	S\$250,001 to S\$500,000
<u>Key Management Personnel</u>			
Fumihiko Niwa Chief Financial Officer	100%	Nil	S\$250,001 to S\$500,000
Takahiro Kurosawa Chief Investment and Asset Management Officer	100%	Nil	S\$250,001 to S\$500,000

In relation to the remuneration of the Executive Directors and the top two KMP, the Board is of the view that the disclosure of the remuneration in exact quantum would not be in the interest of the Trustee-Manager and AGT. The Trustee-Manager would like to elaborate on the reasons as follows:

- (i) Due to the commercial sensitivity and confidential nature of staff remuneration matters, the Trustee-Manager is of the view that such disclosures could be prejudicial to the interests of unitholders of AGT;

## CORPORATE GOVERNANCE

- (ii) it is important for the Trustee-Manager to ensure stability and continuity of its business by retaining a competent and experienced management team and being able to attract talented staff and disclosure of the remuneration of the Executive Directors (including the CEO) and the KMP would make it difficult to retain and attract talented staff on a long term basis; and
- (iii) The remuneration of the Executive Directors (including the CEO) and KMP are not paid out of the Trust but instead remunerated directly by the Trustee-Manager.

The total remuneration paid to the KMP (who are not Directors or the CEO) for the financial year ended 31 March 2020 was approximately S\$560,000.

No Director or KMP is involved in the deliberation and decision in respect of his own individual fee/remuneration.

There were no employees of the Trustee-Manager and its subsidiaries who are immediate family members of a Director, the CEO or a substantial shareholder and whose remuneration exceeded S\$100,000 in FY19/20. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent.

### ACCOUNTABILITY AND AUDIT

#### RISK MANAGEMENT AND INTERNAL CONTROLS

##### Principle 9

***The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders***

##### Risk Management

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 framework 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.

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. These include financial, operational, compliance and information technology risks, as well as sustainability 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.

Apart from the risk management process, key business risks are thoroughly assessed by Management and each significant transaction is comprehensively analysed so that Management understands the risks involved before the transaction is embarked on. The Board, through the ARC, will continuously identify, review and monitor the key risks, control measures and management actions as part of the risk management process.

# CORPORATE GOVERNANCE

## Internal Controls

The Internal Auditors conduct audits that involve testing the effectiveness of the material internal control systems of 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.

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.

The Board has received assurances from (i) the CEO and Chief Financial Officer that 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 (ii) the CEO and other relevant key management personnel that the risk management systems and internal controls (including financial, operational, compliance and information technology controls) within the Group are adequate and effective in addressing the material risks in the Group in its current business environment for the financial year ended 31 March 2020.

Based on the internal controls established and maintained by the Trustee-Manager, work performed by the internal and external auditors and reviews performed by Management, as well as the assurances set out above, the Board, with the concurrence of the ARC, is of the view that the Group's system of risk management and internal controls (including financial, operational, compliance and information technology controls) were adequate and effective as at 31 March 2020 to address risks which the Company considers relevant and material to its operations.

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.

## **AUDIT & RISK COMMITTEE**

### **Principle 10**

#### ***The Board has an Audit Committee which discharges its duties objectively.***

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. No ARC member is a former partner or director of the Trust's existing auditing firm, PricewaterhouseCoopers LLP (a) within a period of two years commencing on the date of his ceasing to be a partner or director and in any case (b) for as long as he has any financial interest in the auditing firm.

## CORPORATE GOVERNANCE

As at 31 March 2020, 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;
  - (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;

## CORPORATE GOVERNANCE

- (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;
- (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;



## CORPORATE GOVERNANCE

- (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 SGX-ST Listing Manual, and by such amendments made thereto from time to time.

The ARC is briefed and updated by the 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 2020, 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;

## CORPORATE GOVERNANCE

- (h) reviewed the volume and 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 ARC has undertaken a review of the nature and extent of all non-audit services provided by the external auditors during the financial year and is satisfied that such services have not, in the ARC's opinion, compromised the independence of the external auditors. The external auditors have also affirmed their independence in their report to the ARC. Accordingly, the ARC has recommended the re-appointment of the external auditors of the Trust at the AGM of the Unitholders.

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

External Auditors Fees for FY19/20	S\$	% of total fees
Total Audit Fees	502,000	79
Total Non-Audit Fees	106,000	21
Total Fees Paid	608,000	100

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

### Financial matters

In its review of the financial statements of the Group and AGT for the financial year ended 31 March 2020, 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
<b>Impairment assessment of Property, Plant and Equipment</b>	<p>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.</p> <p>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.</p> <p>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.</p> <p>Refer to Notes to Financial Statements ("<b>Note</b>") 10 for details of the impairment assessment of property, plant and equipment.</p>

## CORPORATE GOVERNANCE

Key audit matters	How these issues were addressed by the ARC
<p><b>Impairment assessment of goodwill</b></p>	<p>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 projected revenues for the Group’s portfolio of golf courses, discount rate and terminal growth rate applied in the discounted cash flow analysis.</p> <p>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 amount of the CGU.</p> <p>The ARC was satisfied with the valuation methodologies used, the appropriateness of judgement applied and the conclusion of the impairment assessment of goodwill.</p> <p>Refer to Note 12 for details of the impairment assessment of goodwill.</p>

Following the review, the ARC recommended to the Board to approve the financial statements of the Group and AGT for the financial year ended 31 March 2020.

### 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](mailto: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

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

The IA reports directly to the Chairman of the ARC and administratively to the CEO. The IA plans the internal audit schedules in consultation with, but independent of the Management.

The IA adopts a risk-based approach in formulating the annual audit plan which aligns its activities to the key risks across the Group’s business. The reviews performed by the IA are aimed at assisting the Board in evaluating the adequacy and effectiveness of risk management, internal controls and governance processes.

During the year, the IA conducted its audit reviews based on the annual audit plan which was approved by the ARC. The annual audit plan also incorporates the audit of key risk areas identified under the Group Risk Management Framework. The IA would submit a report to the ARC on the key audit findings and actions to be taken by Management on such findings. Key findings are also highlighted at ARC meetings for discussion and follow-up actions. The ARC monitors the timely and proper implementation of the required corrective, preventive or improvement measures to be undertaken by Management.

The ARC is of the view that the internal audit function performed by the IA is effective and the IA have adequate resources to perform the functions and have, to the best of their ability, maintained their independence from the activities that they audit.

# CORPORATE GOVERNANCE

## UNITHOLDER RIGHTS AND ENGAGEMENT

### Principle 11

*The company treats all unitholders fairly and equitably in order to enable them to exercise unitholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives unitholders a balanced and understandable assessment of its performance, position and prospects.*

### Principle 12

*The company communicates regularly with its unitholders and facilitates the participation of unitholders during general meetings and other dialogues to allow unitholders to communicate their views on various matters affecting the company.*

### Principle 13

*The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

#### Disclosure of Information on a Timely Basis

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 would be likely to materially affect the price or value of its 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 and price sensitive information relating to AGT by way of public releases or announcements via SGXNET and subsequently on its corporate website [www.agtrust.com.sg](http://www.agtrust.com.sg). 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.

The Trustee-Manager provides Unitholders with quarterly and annual financial statements within the timeframe set out in the SGX-ST 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.

Having considered the amendments to Rule 705(2) of the SGX-ST Listing Manual which took effect from 7 February 2020, the Trustee-Manager has on 25 June 2020 announced that it would not continue with quarterly reporting of AGT's financial results and would instead announce financial statements on a half-yearly basis with effect from the financial year beginning 1 April 2020. Accordingly, the next half-yearly financial statement announcement will be for the period 1 April 2020 to 30 September 2020. The Trustee-Manager will continue to comply with its continuing disclosure obligations to keep Unitholders updated as and when appropriate, should there be any material developments (financial or otherwise) relating to AGT.

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

The Trustee-Manager has received signed undertakings from all its Directors and executive officers pursuant to Rule 720(1) of the SGX-ST Listing Manual.

## CORPORATE GOVERNANCE

### Conduct of General Meetings

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 accorded the opportunity to raise relevant questions on AGT's business activities, financial performance and other business related matters and 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. This allows all Unitholders present or represented at the meeting to vote on a one-Unit-one-vote basis. 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.

Unitholders are encouraged to participate in the question and answer sessions, whereby minutes of the proceedings, including any substantial queries raised by Unitholders in relation to the agenda and the accompanying responses from the Board and Management, are subsequently prepared. Provision 11.5 of the 2018 CG Code states that the company should publish minutes of general meetings on its corporate website as soon as practicable. The Trustee-Manager is of the opinion that since only Unitholders are entitled to attend and vote at the general meetings, therefore, the content of such meetings should only be made available to Unitholders upon request and not to the general public by publishing it on the Trust's corporate website. Nonetheless, this is consistent with Principle 11 of the 2018 CG Code which requires the Trust to, inter alia, treat all Unitholders fairly and equitably. The Trustee-Manager will make the minutes of general meetings available to any Unitholder(s) upon request, so that all Unitholders will stand on equal footing, thereby satisfying the requirement for Unitholders to be treated "**fairly and equitably**" under Principle 11 of the 2018 CG Code. The Trustee-Manager believes that the same outcome of transparency for the benefit of Unitholders is achieved so long as the AGM minutes is made readily available upon request, even if the AGM minutes are not published on the Trust's website.

The Trust Deed does not allow a Unitholder to vote in absentia at general meetings but allows any Unitholder to appoint proxies during his/her absence to attend and vote on his/her behalf at the general meetings. This is consistent with Principle 11 of the 2018 CG Code as Unitholders are still given the opportunity to exercise their rights to attend and vote at general meetings through their proxies.

### Stakeholders Engagement

The Trustee-Manager had a dedicated Investor Relations Manager (the "**IR**") to facilitate all communications. During the year, the CEO together with the IR engaged ten investors via conference calls and/or meetings in Singapore, Japan, Hong Kong and the United Kingdom.

In addition, the Trustee-Manager attends to queries or concerns from the investment community in a timely manner. Feedback and views received from them are also conveyed to Management by the IR. The corporate website also includes contact details for investor enquiries and feedback. Enquiries and feedback are attended to promptly.

# CORPORATE GOVERNANCE

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

Apart from the SGXNet, the investment community can also access announcements, quarterly results, annual reports, investor presentations, production updates and other corporate information on the dedicated Investor Relations section of AGT's corporate website [www.agtrust.com.sg](http://www.agtrust.com.sg).

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

## 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 SGX-ST 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.

## CORPORATE GOVERNANCE

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 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 SGX-ST Listing Manual.

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 "closed" window period as follows:

- 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.

For the financial year under review, the Trustee-Manager, its Directors and employees have complied with the closed window period.

With the cessation of the quarterly announcement of financial statements of AGT, the Trustee-Manager will be amending the "closed" window period to comply with Rule 1207 (19)(c) of the SGX-ST Listing Manual.

The Directors and employees of the Trustee-Manager are expected not to deal in the units of AGT on a short-term consideration and to observe insider-trading laws at all times even when dealing with units of AGT within the permitted trading period.

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 becomes 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.

## CORPORATE GOVERNANCE

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 Unit.

In response to specific enquiries made, all Directors and key officers have confirmed that they have complied with the relevant Code of Conduct in their securities transactions throughout the financial year.

### 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 FY19/20, other than, where applicable:

- (a) as disclosed on page 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 nominee 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 SGX-ST 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 SGX-ST 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 conflict of interest that may arise between the Sponsor and the Trustee-Manager and/or the Golf Course Holding Company in relation to any asset that falls 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 SGX-ST 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 quotation 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 SGX-ST 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 SGX-ST 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 2020 and pursuant to Rule 907 of the SGX-ST Listing Manual are as follows:

Name of interested person	Relationship with interested person	Transaction contents	Aggregate value of all interested person transactions 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 2019 to 31 March 2020 (JPY million)	1 April 2019 to 31 March 2020 (JPY million)
Accordia Golf Trust Management Pte. Ltd.	Trustee-Manager	– Trustee-Manager fee	268	NA
Accordia Golf Co., Ltd.	Controlling shareholder of AGT & controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> <li>– Golf course management fee</li> <li>– Payment of staff secondment fee</li> <li>– Equipment lease fee</li> <li>– Interest expense on subordinated loan</li> <li>– Sales commission received for new membership sign up</li> <li>– Customer loyalty point redeemed, net of awarded</li> <li>– Collection of annual membership fee on behalf of the Group</li> <li>– Web promotion expense</li> <li>– Sales for business use</li> <li>– Repayment of finance lease obligations</li> <li>– Interest expense on finance leases</li> </ul>	<ul style="list-style-type: none"> <li>5,762</li> <li>1,658</li> <li>28</li> <li>15</li> <li>5</li> <li>83</li> <li>56</li> <li>131</li> <li>22</li> <li>125</li> <li>8</li> </ul>	NA

## CORPORATE GOVERNANCE

Name of interested person	Relationship with interested person	Transaction contents	Aggregate value of all interested person transactions 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 2019 to 31 March 2020 (JPY million)	1 April 2019 to 31 March 2020 (JPY million)
		<ul style="list-style-type: none"> <li>– Purchases of food and supplies through centralized procurement system at no mark-up</li> <li>– Integrated procurement system usage fee</li> <li>– Commission fee income from Pro-Shop Business</li> <li>– Payment for use of Pro-Shop merchandise for recruitment and corporate activities</li> </ul>	<p>5,564</p> <p>16</p> <p>65</p> <p>137</p>	
Heartree Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	– Reimbursed expenses for operating activities	17	NA
Accordia Golf Garden Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	– Lesson revenue for providing golf lesson	18	NA
Daiwa Real Estate Asset Management Co. Ltd.	Controlling shareholder of the Trustee-Manager	– Asset management fee	95	NA
Daiwa Capital Markets Singapore Limited	Subsidiary of controlling shareholder of the Trustee-Manager	– Financial adviser fee	4	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 FY19/20 are disclosed in pages 48 and 94 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 FY20/21.

# TRUSTEE-MANAGER'S STATEMENT

For the financial year ended 31 March 2020

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 2020 and the statement of financial position of AGT as at 31 March 2020.

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 62 to 114 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 2020 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 2020 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

For the financial year ended 31 March 2020

## 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 2020 and 21 April 2020.

## 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

For the financial year ended 31 March 2020

## 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

For the financial year ended 31 March 2020

## 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

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**Yoshihiko Machida**

Chief Executive Officer and Executive Director

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**Khoo Kee Cheok**

Chairman and Independent Director

14 August 2020



# CHIEF EXECUTIVE OFFICER'S STATEMENT

For the financial year ended 31 March 2020

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.

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**Yoshihiko Machida**

Chief Executive Officer and Executive Director

14 August 2020

# 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 2020 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 2020;
- 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.

### 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 2020. 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.

# INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Impairment assessment of Property, Plant and Equipment (Note 10)</b></p> <p><i>Refer to Note 2(k), Note 3(b) and Note 10 to the financial statements</i></p> <p>As at 31 March 2020, the Group operates 88 golf courses in Japan classified as property, plant and equipment with a carrying value of JPY 138,567 million, representing 75% of total assets. For the financial year ended 31 March 2020, an impairment loss of JPY 2,641 million was recognised in the Statement of Profit and Loss And Other Comprehensive Income.</p> <p>The assessment of impairment of golf courses is significant to our audit due to:</p> <ul style="list-style-type: none"> <li>• The carrying amount of property, plant and equipment contributes significantly to the Group's total assets; and</li> <li>• 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.</li> </ul>	<p>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.</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• obtained an understanding of the Trustee-Manager's processes for impairment assessment;</li> <li>• 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;</li> <li>• tested the integrity of information, including financial information provided to the professional valuers;</li> <li>• reviewed the Trustee-Manager's sensitivity analysis on the inputs utilised as part of the impairment assessment; and</li> <li>• assessed the reasonableness of the Trustee-Manager's cash flows forecast by comparing them to strategic plans that were approved by senior management and historical performance of the individual golf courses, updated for the impact of COVID-19.</li> </ul> <p>Based on the procedures performed, we found the underlying inputs applied to be reasonable.</p> <p>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.</p>

# INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Impairment assessment of goodwill (Note 12)</b></p> <p><i>Refer to Note 2(i), Note 3(c) and Note 12 to the financial statements</i></p> <p>As at 1 April 2019, the Group had goodwill of JPY 3,935 million which is allocated to the Accordia Golf Asset Godo Kaisha ("SPC") cash-generating unit ("CGU") which is principally engaged in the golf courses business in Japan.</p> <p>In accordance with IAS 36 Impairment of Assets, goodwill acquired in a business combination should be tested for impairment annually.</p> <p>For the purpose of the annual impairment assessment of goodwill, the Trustee-Manager had engaged an external valuer to determine the recoverable amount of Accordia Golf Asset Godo Kaisha ("SPC") as at 31 March 2020.</p> <p>The impairment assessment performed by the Group did not result in an impairment of goodwill since the recoverable amount based on future cash flows exceeded the carrying amount of the SPC as at 31 March 2020.</p> <p>The assessment of impairment of goodwill is significant to our audit due to:</p> <ul style="list-style-type: none"> <li>• The carrying amount of goodwill contributes significantly to the Group's total assets; and</li> <li>• The amount of Trustee-Manager's judgement involved to determine the recoverable amount of the cash-generating unit ("CGU"). This includes judgement about projected revenues 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.</li> </ul>	<p>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.</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• obtained an understanding of the Trustee-Manager's process for impairment assessment;</li> <li>• 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, updated for the impact of COVID-19;</li> <li>• assessed the reasonableness of the terminal growth rate and discount rate applied using commonly accepted methodologies and benchmarks; and</li> <li>• reviewed the Trustee-Manager's sensitivity analysis on the inputs utilised as part of the impairment assessment.</li> </ul> <p>Based on the procedures performed, we found the underlying inputs applied to be reasonable.</p> <p>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.</p>

# 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.

# INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

## Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.
- 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.

# INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

## 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

14 August 2020

# STATEMENTS OF FINANCIAL POSITION – GROUP AND AGT

As at 31 March 2020

	Note	Group		AGT	
		2020 JPY million	2019 JPY million	2020 JPY million	2019 JPY million
<b>Current assets</b>					
Cash and bank balances	6	8,918	8,515	107	145
Trade and other receivables	7	2,282	2,687	2,574	2,804
Inventories		303	294	–	–
Other assets	8	281	1,120	1	39
		<b>11,784</b>	<b>12,616</b>	<b>2,682</b>	<b>2,988</b>
<b>Non-current assets</b>					
Investment in subsidiary	9	–	–	59,840	61,994
Property, plant and equipment	10	167,397	141,333	–	–
Intangible assets	12	4,046	4,078	–	–
Other assets	8	958	395	–	–
		<b>172,401</b>	<b>145,806</b>	<b>59,840</b>	<b>61,994</b>
<b>Total assets</b>		<b>184,185</b>	<b>158,422</b>	<b>62,522</b>	<b>64,982</b>
<b>Current liabilities</b>					
Borrowings and lease liabilities	13	1,969	1,103	–	–
Trade and other payables	15	5,083	5,396	171	148
Membership deposits	16	8,744	9,541	–	–
Current income tax liabilities		642	573	642	573
Derivative financial instruments	18	–	10	–	–
Other liabilities	17	4,660	4,233	–	–
		<b>21,098</b>	<b>20,856</b>	<b>813</b>	<b>721</b>
<b>Non-current liabilities</b>					
Borrowings and lease liabilities	13	74,742	46,161	–	–
Borrowings from a related party	5(ii)	500	500	–	–
Membership deposits	16	26	29	–	–
Deferred tax liabilities	24(c)	25,362	26,185	–	–
Other liabilities	17	749	421	–	–
		<b>101,379</b>	<b>73,296</b>	<b>–</b>	<b>–</b>
<b>Total liabilities</b>		<b>122,477</b>	<b>94,152</b>	<b>813</b>	<b>721</b>
<b>Net assets</b>		<b>61,708</b>	<b>64,270</b>	<b>61,709</b>	<b>64,261</b>
<b>Equity</b>					
Unitholders' funds	19	81,086	81,086	81,486	81,486
Accumulated losses		(19,831)	(17,229)	(19,777)	(17,225)
Equity attributable to Unitholders		61,255	63,857	61,709	64,261
Non-controlling interest		453	413	–	–
<b>Total equity</b>		<b>61,708</b>	<b>64,270</b>	<b>61,709</b>	<b>64,261</b>

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 2020

	Note	Group	
		2020 JPY million	2019 JPY million
<b>Revenue</b>	21	<b>51,206</b>	50,734
Other operating income		<b>461</b>	425
Operating income		<b>51,667</b>	51,159
Amortisation of intangible assets	25	<b>(33)</b>	(31)
Asset manager's fee		<b>(95)</b>	(96)
Depreciation of property, plant and equipment	25	<b>(4,992)</b>	(3,259)
Golf course maintenance and repair cost		<b>(2,591)</b>	(2,574)
Golf course management fee		<b>(5,766)</b>	(5,789)
Impairment loss on goodwill		-	(13,144)
Impairment loss on property, plant and equipment		<b>(2,641)</b>	(4,818)
Labour and outsourcing expense		<b>(16,651)</b>	(16,536)
Merchandise and material expense		<b>(3,415)</b>	(3,521)
Operating lease expense	28	<b>(192)</b>	(1,926)
Other operating expenses		<b>(3,063)</b>	(3,073)
Selling, general and administrative expense	22	<b>(5,574)</b>	(5,220)
Trustee-Manager's fee		<b>(268)</b>	(250)
Utility expense		<b>(1,975)</b>	(2,140)
Operating expense		<b>(47,256)</b>	(62,377)
Operating profit/(loss)		<b>4,411</b>	(11,218)
Interest expense and other finance costs	23	<b>(2,423)</b>	(1,566)
<b>Profit/(loss) before income tax</b>		<b>1,988</b>	(12,784)
Income tax (expense)/benefit	24(a)	<b>(401)</b>	291
<b>Profit/(loss) for the year</b>		<b>1,587</b>	(12,493)
<b>Other comprehensive income, net of income tax</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Unrealised gain on change in fair value of cash flow hedging financial instruments	18	-	78
Other comprehensive income for the year, net of tax		-	78
<b>Total comprehensive income/(loss) for the year</b>		<b>1,587</b>	(12,415)
<b>Profit/(loss) for the year attributable to</b>			
Unitholders		<b>1,547</b>	(12,553)
Non-controlling interest		<b>40</b>	60
		<b>1,587</b>	(12,493)
<b>Total comprehensive income/(loss) for the year attributable to</b>			
Unitholders		<b>1,547</b>	(12,475)
Non-controlling interest		<b>40</b>	60
		<b>1,587</b>	(12,415)
Earnings/(loss) per unit attributable to Unitholders (JPY)	26	<b>1.41</b>	(11.42)

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2020

	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
<b>Group</b>						
<b>Balance as at 1 April 2019</b>	81,086	–	(17,229)	63,857	413	64,270
Total comprehensive income for the year:						
Profit for the year	–	–	1,547	1,547	40	1,587
<b>Total</b>	–	–	1,547	1,547	40	1,587
Transaction with Unitholders, recognised directly in equity:						
Distribution paid (Note 29)	–	–	(4,149)	(4,149)	–	(4,149)
<b>Total</b>	–	–	(4,149)	(4,149)	–	(4,149)
<b>Balance as at 31 March 2020</b>	<b>81,086</b>	<b>–</b>	<b>(19,831)</b>	<b>61,255</b>	<b>453</b>	<b>61,708</b>
<b>Group</b>						
<b>Balance as at 1 April 2018</b>	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
<b>Total</b>	–	78	(12,553)	(12,475)	60	(12,415)
Transaction with Unitholders, recognised directly in equity:						
Distribution paid (Note 29)	–	–	(3,470)	(3,470)	–	(3,470)
<b>Total</b>	–	–	(3,470)	(3,470)	–	(3,470)
<b>Balance as at 31 March 2019</b>	81,086	–	(17,229)	63,857	413	64,270

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2020

	Group	
	2020 JPY million	2019 JPY million
<b>Cash flows from operating activities</b>		
Profit/(loss) for the year	1,587	(12,493)
Adjustments for:		
Allowance for doubtful trade receivables	(17)	(68)
Depreciation and amortisation expense	5,025	3,290
Gain on forfeiture of membership deposits	(4)	(15)
Impairment loss on goodwill	–	13,144
Impairment loss on property, plant and equipment	2,641	4,818
Income tax expense/(benefit)	401	(291)
Interest expense and other finance costs	2,423	1,566
Gain on divestment of golf course	(138)	–
(Gain)/loss on disposal of property, plant and equipment	(1)	19
Operating cash flow before change in working capital	11,917	9,970
Change in working capital:		
Trade and other receivables	381	(68)
Other assets	(737)	161
Inventories	(11)	(12)
Trade and other payables	(296)	(142)
Other liabilities	407	103
Cash generated from operations	11,661	10,012
Interest and other finance costs paid	(2,164)	(979)
Income tax paid	(1,156)	(980)
<b>Net cash provided by operating activities</b>	<b>8,341</b>	<b>8,053</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment (Note A)	(1,998)	(1,311)
Disposal of property, plant and equipment (Note B)	11	12
Proceeds from divestment of golf course	200	–
Additions to intangible assets	(10)	(18)
<b>Net cash used in investing activities</b>	<b>(1,797)</b>	<b>(1,317)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings from financial institutions	400	43,425
Repayment of borrowings from financial institutions	–	(43,425)
Borrowing transaction costs paid	(5)	(947)
Repayment of membership deposits	(592)	(1,034)
Repayment of lease liabilities	(1,789)	(925)
Decrease in bank deposit pledged	–	10
Distribution to unitholders	(4,150)	(3,470)
<b>Net cash used in financing activities</b>	<b>(6,136)</b>	<b>(6,366)</b>
<b>Net increase in cash and bank balances</b>	<b>408</b>	<b>370</b>
Cash and bank balances at the beginning of the financial year (Note 6)	8,466	8,096
Effects of exchange rate changes on the balance of cash held in foreign currencies	(5)	–
<b>Cash and bank balances at the end of the financial year (Note 6)</b>	<b>8,869</b>	<b>8,466</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2020

## Reconciliation of liabilities arising from financing activities

	1 April 2019 JPY million	Principal and interest payments JPY million	Proceeds from borrowings JPY million	Non-cash changes					31 March 2020 JPY million
				Adoption of IFRS 16 Leases JPY million	Transfer to other payables JPY million	Interest expense JPY million	Acquisition of plant, property and equipment JPY million	Amortisation of facility fee JPY million	
Borrowings from financial institutions	42,521	(911)	400	–	–	907	–	260	<b>43,177</b>
Lease liabilities	4,743	(3,013)	–	28,512	–	1,226	2,066	–	<b>33,534</b>
Membership deposits	9,570	(592)	–	–	(208)	–	–	–	<b>8,770</b>

	1 April 2018 JPY million	Principal and interest payments JPY million	Proceeds from borrowings JPY million	Non-cash changes				31 March 2019 JPY million
				Transfer to other payables JPY million	Interest expense JPY million	Acquisition of plant, property and equipment JPY million	Amortisation of facility fee JPY million	
Borrowings from financial institutions	42,955	(45,253)	43,425	–	881	–	513	42,521
Finance lease payables	4,027	(1,379)	–	–	86	2,009	–	4,743
Membership deposits	10,552	(1,034)	–	47	5	–	–	9,570

### Note A:

During the current financial year, the Group acquired property, plant and equipment with an aggregate cost of approximately JPY 4,541 million (2019: JPY 3,764 million), of which JPY 2,066 million (2019: JPY 2,009 million) was acquired under lease arrangements and JPY 477 million (2019: JPY 444 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 sale proceeds of JPY 152 million (2019: JPY 375 million). Of the sale proceeds of JPY 152 million from the Sponsor, JPY 141 million (2019: JPY 363 million) was offset against lease liability payable to the Sponsor.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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 20) 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").

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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 2020, the Group is in a net current liabilities position of JPY 9,314 million (2019: net current liabilities position of JPY 8,240 million), which is contributed mainly by current membership deposits liabilities of JPY 8,744 million (2019: JPY 9,541 million). 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.

The statement of financial position of AGT has been prepared on a going concern basis as the proposed divestment of its golf courses to the Sponsor is conditional upon, among others, approval from Unitholders. Please see Note 30 to the financial statements for further details.

#### ***Interpretations and amendments to published standards effective in 2020***

On 1 April 2019, 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:

#### **Adoption of IFRS 16 Leases**

##### *(i) When the Group is the lessee*

Prior to the adoption of IFRS 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Group’s accounting policy on leases after the adoption of SFRS(I) 16 is as disclosed in Note 2(f).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of preparation (continued)

#### Adoption of IFRS 16 Leases (continued)

(i) *When the Group is the lessee (continued)*

On initial application of IFRS 16, the Group has elected to apply the following practical expedients:

- (i) For all contracts entered into before 1 April 2019 and that were previously identified as leases under IAS 17 *Lease* and INT FRS 4 *Determining whether an Arrangement contains a Lease*, the Group has not reassessed if such contracts contain leases under IFRS 16; and
- (ii) On a lease-by-lease basis, the Group has:
  - (a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
  - (b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
  - (c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
  - (d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
  - (e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 April 2019.

For leases previously classified as operating leases on 1 April 2019, the Group has applied the following transition provisions:

- (i) On a lease-by-lease basis, the Group chose to measure its ROU assets at amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application (i.e. 1 April 2019).
- (ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 April 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.
- (iii) For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liability as at 1 April 2019 are determined as the carrying amount of the ROU assets and lease liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of preparation (continued)

#### Adoption of IFRS 16 Leases (continued)

(i) *When the Group is the lessee (continued)*

The effects of adoption of IFRS 16 on the Group's financial statements as at 1 April 2019 are as follows:

	Increase/ (decrease) JPY million
Right-of-use assets	29,439
Other assets	(927)
Lease liabilities – Current	1,653
Lease liabilities – Non-current	26,859

An explanation of the differences between the operating lease commitments previously disclosed in the Group's financial statements as at 31 March 2019 and the lease liabilities recognised in the balance sheet as at 1 April 2019 are as follows:

	JPY million
Operating lease commitment disclosed as at 31 March 2019	–
Add: Non-cancellable leases as at 1 April 2019 due to adoption of IFRS 16	17,658
Add: Extension options which are reasonably certain to be exercised	33,673
Less: Discounting effect using weighted average incremental borrowing rate of 3.85%	(21,892)
Less: Prepayment of lease liabilities	(927)
Add: Finance lease liabilities recognised as at 31 March 2019	4,743
Lease liabilities recognised as at 1 April 2019	<u>33,255</u>



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (b) Group accounting (continued)

#### Subsidiaries (continued)

#### (ii) Acquisitions (continued)

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.

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

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 THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Financial instruments recognition, measurement and derecognition (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 THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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 18 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 THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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 18 contains details of the fair values of the derivative instruments used for hedging purposes.

The hedges in-place as at 31 March 2019 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 THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (f) Leases

The accounting policy for leases before 1 January 2019 are as follows:

(i) *When the Group is the lessee:*

The Group leases land, motor vehicles and certain plant and equipment under finance leases and leases land, office space and retail stores under operating leases from non-related parties.

- *Lessee – Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

- *Lessee – Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

The accounting policy for leases from 1 January 2019 are as follows:

(i) *When the Group is the lessee:*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- *Right-of-use assets*

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (f) Leases (continued)

The accounting policy for leases from 1 January 2019 are as follows: (continued)

(i) *When the Group is the lessee: (continued)*

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (f) Leases (continued)

The accounting policy for leases from 1 January 2019 are as follows: (continued)

(i) *When the Group is the lessee: (continued)*

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

### (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.

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:

Right-of-use assets	–	1 to 40 years
Building and structures	–	1 to 56 years
Machinery, vehicles and fixtures	–	1 to 25 years



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) Property, plant and equipment (continued)

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.

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (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 THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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 THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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 THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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 revenue".

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 bank balances in the statement of cash flows

For the purpose of presentation in the consolidated statement of cash flows, cash and bank balances 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 bank balances.

### (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 THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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 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 2020, the carrying value of golf course land classified as property, plant and equipment is JPY 141,694 million (2019: JPY 115,537 million) of which JPY 28,418 million (2019: nil) pertains to ROU assets relating to golf course land classified as property plant and equipment, as disclosed in Note 10 and 11 to the financial statements. Golf course land is 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 portfolio of golf courses reside on approximately 76% freehold land and 24% leasehold land. The portfolio of golf courses, including freehold and leasehold land, is presented under property, plant and equipment in the Statement of Financial Position. 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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, including impact for the COVID-19 outbreak. 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 2,641 million (2019: JPY 4,818 million). Management is of the view the impairment loss recorded is reasonable and adequate.

### (c) Impairment assessment of goodwill

As at 1 April 2019, the Group had goodwill of JPY 3,935 million which is allocated to the Accordia Golf Asset Godo Kaisha ("SPC"), the cash-generating unit ("CGU"), which is principally engaged in the golf courses business in Japan.

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 CGU for the purpose of impairment testing. As the 88 golf courses benefit from the synergies, the Trustee-Manager cannot allocate the goodwill to each of the 88 golf courses. The combination of 88 CGUs represents the lowest level at which the Trustee-Manager captures information, for internal management reporting purposes, about the benefits of the goodwill.

The Trustee-Manager is of the view that the golf course operations will be impacted by the COVID-19 outbreak for the financial year ending 31 March 2021 and that operations will resume normalcy from 1 April 2021 onwards. Accordingly, the Trustee-Manager had updated the Group's business plan to take into consideration the impact of COVID-19 on market developments and current circumstances in Japan.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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 projected revenues, discount rate and terminal growth rate. These assumptions and judgement are disclosed in Note 12.

For the current financial year, the Group did not record any impairment loss on goodwill (2019: JPY 13,144 million) against the goodwill allocated to the SPC CGU. The Trustee-Manager is of the view that the basis 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.

### (e) Critical judgement over the lease terms

As at 1 April 2019, the Group's lease liabilities, which are measured with reference to an estimate of the lease term, amount to JPY 33,255 million, of which JPY 16,884 million (JPY 33,673 million of undiscounted lease payments) arose from extension options. Extension option is included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option.

For leases of plant, property and equipment, the following factors are considered to be most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Group typically includes the extension option in lease liabilities;
- If the golf course land are located in strategic locations that will contribute to the continued profitability of the business, the Group typically includes the extension option in lease liabilities;
- Otherwise, the Group considers other factors including its historical lease periods for similar assets, costs required to obtain replacement assets, and business disruptions.

The extension options for certain plant, property and equipment have not been included in lease liabilities because the Group could replace the assets without significant cost of business disruption.

The assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee. During the current financial year, there is no change to the current assessment.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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.

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

	Group	
	2020 JPY million	2019 JPY million
Financial assets at amortised cost	11,268	11,275
Financial liabilities at amortised cost	91,423	62,369

	AGT	
	2020 JPY million	2019 JPY million
Financial assets at amortised cost	2,681	2,949
Financial liabilities at amortised cost	171	148

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

#### (ii) Credit risk (continued)

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.

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 2020 are set out in the provision matrix as follows:

	Current JPY million	← Past due →				Total 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	
<b>Group</b>						
<b>2020</b>						
<b>Membership receivables</b>						
Expected loss rate	–	–	–	1.6%	46.0%	
Trade receivables	–	–	–	376	769	<b>1,145</b>
Loss allowance	–	–	–	(6)	(353)	<b>(359)</b>
<b>Golf course related and other receivables</b>						
Expected loss rate	–	5.5%	–	–	–	
Trade receivables	1,427	73	–	–	–	<b>1,500</b>
Loss allowance	–	(4)	–	–	–	<b>(4)</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

#### (ii) Credit risk (continued)

	Current JPY million	← Past due →				Total 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	
<b>Group</b>						
<b>2019</b>						
<b>Membership</b>						
<b>receivables</b>						
Expected loss rate	–	–	–	6.7%	43.2%	
Trade receivables	–	–	–	421	803	<b>1,224</b>
Loss allowance	–	–	–	(28)	(347)	<b>(375)</b>
<b>Golf course related and</b>						
<b>other receivables</b>						
Expected loss rate	–	3.8%	–	–	–	
Trade receivables	1,712	131	–	–	–	<b>1,843</b>
Loss allowance	–	(5)	–	–	–	<b>(5)</b>

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
<b>Group</b>	
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
Loss allowance recognised in profit or loss during the year on assets acquired	118
Amounts written off during the year	(135)
<b>Balance at 31 March 2020</b>	<b>363</b>

Cash and bank balances and other financial assets are subject to immaterial credit loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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

	<b>On demand or within 1 year JPY million</b>	<b>Within 2 to 5 years JPY million</b>	<b>After 5 years JPY million</b>
<b><u>Group</u></b>			
<b><u>2020</u></b>			
Floating rate – borrowings from financial institutions	189	44,284	–
Fixed rate – borrowing from a related party	15	60	500
Lease liabilities	2,171	10,634	42,385
Trade and other payables	3,893	–	–
Membership deposits	8,744	26	–
Other liabilities	863	680	5
<b>Total</b>	<b>15,875</b>	<b>55,684</b>	<b>42,890</b>
<b><u>Group</u></b>			
<b><u>2019</u></b>			
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
<b>Total</b>	<b>15,529</b>	<b>47,943</b>	<b>978</b>

All non-derivative financial liabilities of the Company as at 31 March 2020 and 2019 are on demand or due within one year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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.

	<u>On demand or within 1 year JPY million</u>	<u>Between 2 to 5 years JPY million</u>
<b>Group</b>		
<b>At 31 March 2020</b>		
Net settled: Interest rate swap	—	—
<u>Group</u>		
At 31 March 2019		
Net settled: Interest rate swap	10	—

As at 31 March 2020, the Group had negative working capital of JPY 9,314 million (2019: JPY 8,240 million). This includes:

- (i) JPY 2,234 million (2019: JPY 2,425 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 8,744 million (2019: JPY 9,541 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 bank balances 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 1,410 million to Unitholders paid out on 29 June 2020.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 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 financial year ended 31 March 2020, in relation to the financing arrangement (Note 13), no interest rate swaps 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 18.

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 bank balances, 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).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

#### (v) Fair value of financial assets and financial liabilities (continued)

Financial assets/liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s); and key input(s)	Significant unobservable input(s)
	31 March 2020 JPY million	31 March 2019 JPY million			
Interest rate swaps	–	Liabilities: Current – 10 (not 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.

#### (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 2019.

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 bank balances ("Net debt") divided by equity. Total debt comprises "Borrowings and lease liabilities", "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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

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

#### (vi) Capital risk (continued)

	Group	
	2020 JPY million	2019 JPY million
Total debt	85,981	57,334
Cash and bank balances	(8,918)	(8,515)
Net debt	77,063	48,819
Total equity	61,708	64,270
Debt-to-equity ratio	1.39	0.89
Net debt-to-equity ratio	1.25	0.76

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 2020 and 2019.

## 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.

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	
	2020 JPY million	2019 JPY million
Trustee-Manager fees	268	250
Expense reimbursement	6	11



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 5 RELATED PARTY TRANSACTIONS (CONTINUED)

### (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	
	2020 JPY million	2019 JPY million
<b>Accordia Golf Co. Ltd. (the "Sponsor")<sup>1</sup></b>		
Golf course management fees <sup>2</sup>	5,766	5,789
Staff secondment fees	1,658	1,683
Operating lease expenses (Note 28)	19	19
Payment on behalf of the Group:		
– Web sales commission (net of web points) <sup>3</sup>	–	1,240
– Headquarter expenses	739	772
Interest expense on subordinated loan <sup>2</sup> (Note 23)	15	15
Repayment of lease liabilities (inclusive of GST)	125	204
Interest expense on finance leases (Note 23)	8	14
Collection on behalf of the Group:		
– Annual membership fee	56	61
– Play fee	22	33
– Third party web points <sup>3</sup>	347	–
Customer loyalty points awarded, net of awarded <sup>4</sup>	83	24
Sales commission income for new membership sign up	5	4
Purchases of food and supply through centralised procurement system at no mark-up <sup>1</sup>	5,564	5,538
Integrated procurement system usage fee <sup>1</sup>	16	16
Collection of pro-shop business revenue on behalf by the Group <sup>1,5</sup>	2,181	2,237
Payment of using pro-shop merchandise for recruitment and corporate activities <sup>1</sup>	137	134
Commission fee income from Pro-Shop <sup>1</sup> Business <sup>5</sup>	65	66
Web promotion fee <sup>6</sup>	131	–
<b>Heartree Co. Ltd.</b>		
Discounts received for centralised purchases	–	15
Reimbursed expenses for operating activities	17	13
<b>Accordia Golf Garden Co. Ltd.</b>		
Recharge of golf lesson fees	18	19

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 5 RELATED PARTY TRANSACTIONS (CONTINUED)

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

- 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.
- 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.
- Starting from the financial year ended 31 March 2020, web sales commission are directly transacted by the SPC with third party web sales provider and no longer through the Sponsor. Payment by customers using third party web points continues to be collected on behalf by the Sponsor.
- 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.
- The golf-shop business (the "Pro-Shop Business") has not been transferred to SPC and continued to be owned and operated by the Sponsor. The Sponsor 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.
- Starting from the financial year ended 31 March 2020, the Sponsor commenced advertisement, through their website for SPC's golf courses. Fees are charged based on time cost spent on the creation of such promotions at no mark-up.

### (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	
	2020 JPY million	2019 JPY million
<b>Daiwa Real Estate Asset Management Co. Ltd. (the "TM Partner")</b>		
Asset management fees <sup>7</sup>	95	96
<b>Daiwa Capital Markets Singapore Limited</b>		
Financial adviser fee <sup>8</sup>	4	–

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.

8 Pursuant to the non-binding offer received from Accordia Golf Co., Ltd for the potential divestment of AGT's interests in all of its golf courses received by the Trustee-Manager, Trustee-Manager has appointed Daiwa Capital Markets Singapore Limited as a joint financial adviser to evaluate the offer. The financial adviser fee represents an estimate of the amount of work performed as at the financial year-end.

## 6 CASH AND BANK BALANCES

	Group		AGT	
	2020 JPY million	2019 JPY million	2020 JPY million	2019 JPY million
Cash on hand	367	1,080	–	–
Cash at bank	8,502	7,386	107	145
<b>Cash and bank balances</b>	<b>8,869</b>	<b>8,466</b>	<b>107</b>	<b>145</b>
Fixed deposits	49	49	–	–
<b>Total</b>	<b>8,918</b>	<b>8,515</b>	<b>107</b>	<b>145</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 6 CASH AND BANK BALANCES (CONTINUED)

As at 31 March 2020, fixed deposits of JPY 49 million (2019: JPY 49 million) have not been classified as “cash and bank balances” 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 13). 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 bank balances within the statements of financial position and the cash flow statement.

## 7 TRADE AND OTHER RECEIVABLES

	Group		AGT	
	2020 JPY million	2019 JPY million	2020 JPY million	2019 JPY million
Trade receivables – non-related parties	2,645	3,067	–	–
Less: Allowance for doubtful debts [Note 4(b)(ii)(a)]	(363)	(380)	–	–
<b>Trade receivables – net</b>	<b>2,282</b>	<b>2,687</b>	<b>–</b>	<b>–</b>
Distribution receivable from subsidiary	–	–	2,574	2,804
	<b>2,282</b>	<b>2,687</b>	<b>2,574</b>	<b>2,804</b>

## 8 OTHER ASSETS

	Group		AGT	
	2020 JPY million	2019 JPY million	2020 JPY million	2019 JPY million
<b>Other current assets</b>				
Prepaid expenses	277	1,079	1	1
Other current assets	4	41	–	38
	<b>281</b>	<b>1,120</b>	<b>1</b>	<b>39</b>

	Group		AGT	
	2020 JPY million	2019 JPY million	2020 JPY million	2019 JPY million
<b>Other non-current assets</b>				
Deposits paid to landlord	311	308	–	–
Long-term prepaid expenses	577	17	–	–
Deposits for golf memberships	68	68	–	–
Other non-current assets	2	2	–	–
	<b>958</b>	<b>395</b>	<b>–</b>	<b>–</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 9 INVESTMENT IN SUBSIDIARY

	AGT	
	2020 JPY million	2019 JPY million
Balance at the beginning of the financial year	61,994	75,447
Return on investment	(2,154)	(4,338)
Impairment loss	–	(9,115)
Balance at the end of the financial year	<u>59,840</u>	<u>61,994</u>

For the financial year ended 31 March 2019, the Company has provided for impairment loss on its subsidiary amounting to JPY 9,115 million 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 projected revenues 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. Projected revenues 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 (2019: 4 years) and the terminal value was derived assuming no long term growth (2019: no long term growth). The post-tax rate used to discount the forecasted cash flows from the SPC was 4.4% (2019: 4.5%) per annum.

Details of the subsidiary of the Group as at 31 March 2020 are as follows:

Name of subsidiary	Principal activities	Country of incorporation and operation	Proportion of TK Interest	
			2020 %	2019 %
Accordia Golf Asset Godo Kaisha (SPC) <sup>1,2</sup>	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 THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 10 PROPERTY, PLANT AND EQUIPMENT

	<b>Golf course land</b>	<b>Buildings and structures</b>	<b>Machinery, vehicles and fixtures</b>	<b>Construction in progress</b>	<b>Total</b>
	<b>JPY million</b>	<b>JPY million</b>	<b>JPY million</b>	<b>JPY million</b>	<b>JPY million</b>
<b>Group</b>					
<b>Cost</b>					
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
Adoption of IFRS 16 on 1 April 2019	29,439	–	–	–	29,439
Additions	40	1,827	2,670	4	4,541
Transfers	–	223	–	(223)	–
Disposals	(67)	(216)	(800)	–	(1,083)
At 31 March 2020	151,663	32,536	12,534	4	196,737
<b>Accumulated depreciation</b>					
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
Depreciation during the year	1,299	2,050	1,639	–	4,988
Disposals	–	(180)	(616)	–	(796)
At 31 March 2020	1,299	11,782	5,397	–	18,478
<b>Accumulated impairment</b>					
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
Impairment loss recognised in the year	1,956	532	153	–	2,641
At 31 March 2020	8,670	1,674	518	–	10,862
<b>Net book value</b>					
<b>At 31 March 2020</b>	<b>141,694</b>	<b>19,080</b>	<b>6,619</b>	<b>4</b>	<b>167,397</b>
At 31 March 2019	115,537	19,648	5,925	223	141,333

On 3 June 2019, the Group entered into and completed the sale and purchase agreement with a third party for the divestment of Village Higashi Karuizawa Golf Club. As a result of the divestment, property, plant and equipment of total carrying amounts of approximately JPY 135 million was disposed.

During the financial 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 2,641 million (2019: JPY 4,818 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. The pre-tax discount rate used in measuring value in use was between 7.0% to 11.8% (2019: 7.0% to 11.8%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 March 2020, the Group has pledged certain freehold land, golf courses and buildings with total carrying amounts of approximately JPY 152,550 million (2019: JPY 119,450 million), to secure the borrowings granted to the Group (Note 13).

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

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 11.

## 11 LEASES – THE GROUP AS A LESSEE

### Nature of the Group's leasing activities

#### Golf course land, machinery, vehicles and fixtures

The Group makes annual lease payments for golf course land and lease payments for certain machinery, vehicles and fixtures. The right-of-use of the land and leased machinery, vehicles and fixtures are classified within property, plant and equipment (Note 10).

There are no externally imposed covenants on these lease arrangements.

#### (a) Carrying amounts

ROU assets classified within Property, plant and equipment

	<b>Group 2020 JPY million</b>
Golf course land	<b>28,418</b>
Machinery, vehicles and fixtures	<b>4,923</b>
Total	<b>33,341</b>

#### (b) Depreciation charge during the year

	<b>2020 JPY million</b>
Golf course land	<b>1,021</b>
Machinery, vehicles and fixtures	<b>720</b>
Total	<b>1,741</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 11 LEASES – THE GROUP AS A LESSEE (CONTINUED)

(c) *Accumulated depreciation*

	<b>2020</b>
	<b>JPY million</b>
Golf course land	1,021
Machinery, vehicles and fixtures	3,011
Total	<u>4,032</u>

(d) *Interest expense*

	<b>2020</b>
	<b>JPY million</b>
Golf course land	1,131
Machinery, vehicles and fixtures	95
Total	<u>1,226</u>

(e) *Lease expense not capitalised in lease liabilities*

	<b>Group</b>
	<b>2020</b>
	<b>JPY million</b>
Lease expense – short-term leases	<u>192</u>

(f) Total cash outflow for all the leases in 2020 was JPY 3,205 million.

(g) Addition of ROU assets during the financial year 2020 was JPY 1,453 million.

(h) *Extension options*

The lease for golf course land contains extension period of 20 years, for which the related lease payments of JPY 33,673 million had been included in lease liabilities as the Group is reasonably certain to exercise this extension option. The extension option is exercisable by the Group and not by the lessor.

In determining whether to utilise the extension options and the duration of the extension period, the Group considers and seek to optimize operational flexibility in terms of managing the asset used in the Group's golf course operations.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 12 INTANGIBLE ASSETS

	<u>Goodwill</u> JPY million	<u>Software</u> JPY million	<u>Others</u> JPY million	<u>Total</u> JPY million
<b>Group</b>				
<b><u>Cost</u></b>				
At 31 March 2018	17,079	162	32	17,273
Additions	–	8	–	8
At 31 March 2019	17,079	170	32	17,281
Additions	–	3	–	3
Disposals	–	(9)	–	(9)
At 31 March 2020	17,079	164	32	17,275
<b><u>Accumulated amortisation</u></b>				
At 31 March 2018	–	28	–	28
Amortisation during the year	–	31	–	31
At 31 March 2019	–	59	–	59
Amortisation during the year	–	33	–	33
Disposals	–	(7)	–	(7)
At 31 March 2020	–	85	–	85
<b><u>Accumulated impairment</u></b>				
At 31 March 2018	–	–	–	–
Impairment during the year	13,144	–	–	13,144
At 31 March 2019	13,144	–	–	13,144
Impairment during the year	–	–	–	–
At 31 March 2020	13,144	–	–	13,144
<b><u>Carrying amount</u></b>				
<b>At 31 March 2020</b>	<b>3,935</b>	<b>79</b>	<b>32</b>	<b>4,046</b>
At 31 March 2019	3,935	111	32	4,078

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

### 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 projected revenues 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. Projected revenues are based on past practices and expectations of future changes in the market, including the impact of COVID-19.

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 (2019: 4 years) and the terminal value was derived assuming no long-term growth (2019: no long term growth). The post-tax rate used to discount the forecasted cash flows from the SPC was 4.4% (2019: 4.5%) per annum.

The Trustee-Manager is of the view that the golf course operations will be impacted by the COVID-19 outbreak for the financial year ending 31 March 2021 and that operations will resume normalcy from 1 April 2021 onwards. Accordingly, the Trustee-Manager had updated the Group's business plan to take into consideration the impact of COVID-19 on market developments and current circumstances in Japan.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 12 INTANGIBLE ASSETS (CONTINUED)

### Impairment test for goodwill (continued)

As at 31 March 2020, recoverable amount of the SPC exceeds the carrying value. No impairment loss on goodwill was recorded for the financial year ended 31 March 2020.

For illustrative purposes, a 0.2% increase in post-tax discount rate and a 2.0% decrease in projected revenues in the fair value less costs to sell calculations, with all other variables and assumptions held constant, would result in an impairment loss on goodwill of JPY 2,981 million and JPY 179 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.

## 13 BORROWINGS AND LEASE LIABILITIES

	Group	
	2020 JPY million	2019 JPY million
<i>Current</i>		
Finance lease payables (Note 14)	–	1,103
Lease liabilities	<b>1,969</b>	–
	<b>1,969</b>	1,103
<i>Non-current</i>		
Bank borrowings	<b>43,825</b>	43,425
Less: Unamortised loan facility fee	<b>(648)</b>	(904)
	<b>43,177</b>	42,521
Lease liabilities	<b>31,565</b>	–
Finance lease payables (Note 14)	–	3,640
	<b>74,742</b>	46,161
Total	<b>76,711</b>	47,264

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

	Group	
	2020 JPY million	2019 JPY million
Outstanding principal amount:		
Tranche A	<b>43,425</b>	43,425
Tranche B	<b>400</b>	–
	<b>43,825</b>	43,425

On 24 July 2018, SPC entered into a 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 13 BORROWINGS AND LEASE LIABILITIES (CONTINUED)

On 1 August 2019, 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.

On 30 August 2019 and 29 November 2019, JPY 280 million and JPY 120 million of Tranche B Facility was drawn down respectively for the reconstruction of a club house at one of the golf courses.

For Tranche B Facility, interest is levied at a floating interest rate of six-month JPY TIBOR plus 150 basis points per annum. The full amount of principal is payable at maturity in August 2023.

The Group's average effective interest rate is 2.68% (2019: 3.10%) 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 bank balances, land, golf courses, buildings and structures held by the Group).

## 14 FINANCE LEASE PAYABLES

	Minimum lease payments 31 March 2019 JPY million	Present value of minimum lease payments 31 March 2019 JPY million
<b>Group</b>		
<u>Amounts payable under finance leases:</u>		
Not later than one year	1,112	1,103
Between one and five years	3,367	3,236
Later than five years	473	404
	<u>4,952</u>	<u>4,743</u>
Less: Future finance charges	(209)	–
Present value of finance lease liabilities	<u>4,743</u>	<u>4,743</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)		<u>(1,103)</u>
Amount due for settlement after 12 months		<u><u>3,640</u></u>

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 and JPY 4,253 million respectively.

For the year ended 31 March 2019, the average lease term is 6.9 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% per annum for the year ended 31 March 2019.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 15 TRADE AND OTHER PAYABLES

	Group		AGT	
	2020 JPY million	2019 JPY million	2020 JPY million	2019 JPY million
Trade payables	1,087	1,196	–	–
Trade payable to subsidiary	–	–	32	32
Property and other tax payables	1,190	1,237	–	–
Other payables to the Sponsor group	939	1,071	–	–
Accrued expenses	79	80	20	20
Management fee payable to the Trustee-Manager	113	96	113	96
Other payables	1,675	1,716	6	–
Total trade and other payables	<u>5,083</u>	<u>5,396</u>	<u>171</u>	<u>148</u>

## 16 MEMBERSHIP DEPOSITS

	Group	
	2020 JPY million	2019 JPY million
Total membership deposits	8,770	9,570
Less: Current portion	<u>(8,744)</u>	<u>(9,541)</u>
Non-current portion	<u>26</u>	<u>29</u>

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 17 OTHER LIABILITIES

	Group	
	2020 JPY million	2019 JPY million
<b>Other current liabilities</b>		
Unearned membership revenue (Note 21)	2,234	2,425
Provision for unutilised employee leave	683	622
Provision for repair damages	350	–
Payable to the Sponsor group	144	164
Provision for bonus	324	323
Deposits	46	37
Other tax payables	324	231
Net Goods and Services Tax (GST) payable	494	186
Other current liabilities	61	245
	<u>4,660</u>	<u>4,233</u>
<b>Other non-current liabilities</b>		
Payable to Qualified Institutional Investor <sup>1</sup>	5	5
Instalment payment for capital expenditure	680	337
Other non-current liabilities	64	79
	<u>749</u>	<u>421</u>

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.

## 18 DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2020 JPY million	2019 JPY million
Interest rate swap designated and effective as hedging instruments carried at fair value	–	10
Analysed as:		
Current liabilities	–	10
Non-current liabilities	–	–
	<u>–</u>	<u>10</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 18 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

### Interest rate swaps

For the financial year ended 31 March 2020, in relation to the financing arrangement (Note 13), no interest rate swaps have been entered into.

For the financial year ended 31 March 2019, 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.

For the financial year ended 31 March 2019, the interest rate swaps have a notional value of JPY 6,475 million and fair value estimated at JPY 10 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, the interest rate swaps no longer qualify for hedge accounting and the unrealised gain on change in fair value of cash flow hedging financial instruments amounting to JPY 78 million has been recognised directly in other comprehensive income.

## 19 UNITHOLDERS' FUNDS

	Group and AGT		Group		AGT	
	2020	2019	2020	2019	2020	2019
	Number	Number	JPY million	JPY million	JPY million	JPY million
	of units	of units				
Balance at the beginning and end of the year	<u>1,099,122,000</u>	<u>1,099,122,000</u>	<u>81,086</u>	<u>81,086</u>	<u>81,486</u>	<u>81,486</u>

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 19 UNITHOLDERS' FUNDS (CONTINUED)

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.

## 20 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.

## 21 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
<b>2020</b>			
Golf course revenue	34,908	–	34,908
Restaurant revenue	12,850	–	12,850
Membership revenue	407	3,041	3,448
Total	<u>48,165</u>	<u>3,041</u>	<u>51,206</u>
<b>2019</b>			
Golf course revenue	34,251	–	34,251
Restaurant revenue	12,762	–	12,762
Membership revenue	479	3,242	3,721
Total	<u>47,492</u>	<u>3,242</u>	<u>50,734</u>

### Contract liabilities

	31 March 2020 JPY million	2019 JPY million	1 April 2018 JPY million
<i>Contract liabilities</i>			
– Unearned membership revenue (Note 17)	<u>2,234</u>	<u>2,425</u>	<u>2,584</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 21 REVENUE (CONTINUED)

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*

	2020 JPY million	2019 JPY million
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period	<u>2,425</u>	<u>2,584</u>

*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.

## 22 SELLING, GENERAL AND ADMINISTRATIVE EXPENSE

	Group	
	2020 JPY million	2019 JPY million
Tax and levies <sup>1</sup>	1,352	1,357
Commission fees	2,545	2,358
Advertising expense	980	804
Others	697	701
	<u>5,574</u>	<u>5,220</u>

<sup>1</sup> Tax and levies of JPY 1,352 million (2019: JPY 1,357 million) includes property tax of JPY 1,209 million (2019: JPY 1,260 million).

## 23 INTEREST EXPENSE AND OTHER FINANCE COSTS

	Group	
	2020 JPY million	2019 JPY million
Interest expense – financial institutions	907	881
Interest expense – related party (Note 5(ii))	15	15
Interest expense – finance lease payable/lease liabilities		
– Related party (Note 5(ii))	8	14
– Third parties	1,218	72
Amortisation of capitalised loan facility fee	260	513
Amortisation of membership deposits	–	5
Other finance costs	15	66
	<u>2,423</u>	<u>1,566</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 24 INCOME TAX (EXPENSE)/BENEFIT

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% (2019: 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 2020 is 34.60% (2019: 34.60%).

### (a) Income tax (expense)/benefit

	Group	
	2020	2019
	<u>JPY million</u>	<u>JPY million</u>
Foreign withholding tax	<b>(1,108)</b>	(951)
Deferred tax (Note 24(c))	<b>823</b>	1,242
Under-provision of tax in prior years	<b>(116)</b>	–
Total income tax (expense)/income	<b>(401)</b>	291

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

	Group	
	2020	2019
	<u>JPY million</u>	<u>JPY million</u>
Profit/(loss) before income tax	<b>1,988</b>	(12,784)
Tax calculated at Singapore tax rate of 17% (2019: 17%)	<b>(338)</b>	2,173
Foreign tax credit claimed	<b>447</b>	466
Effect of non-taxable income/(non-deductible expense) in determining taxable profit	<b>444</b>	(1,245)
Effect of different tax rate of subsidiary operating in other jurisdiction	<b>270</b>	(152)
Foreign withholding tax	<b>(1,108)</b>	(951)
Under-provision of tax in prior years	<b>(116)</b>	–
Total income tax (expense)/benefit	<b>(401)</b>	291



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 24 INCOME TAX (EXPENSE)/BENEFIT (CONTINUED)

### (c) Deferred tax

The tax effects of temporary differences that give rise to deferred tax liabilities as at 31 March 2020 are as follows:

	Group		
	Golf course assets JPY million	Others JPY million	Total JPY million
<b>Deferred tax assets</b>			
As at 31 March 2018	59	–	59
Recognised in profit or loss (Note 24(a))	(59)	–	(59)
As at 31 March 2019	–	–	–
Recognised in profit or loss (Note 24(a))	–	–	–
<b>As at 31 March 2020</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Deferred tax liabilities</b>			
As at 31 March 2018	(27,292)	(194)	(27,486)
Recognised in profit or loss (Note 24(a))	1,301	–	1,301
As at 31 March 2019	(25,991)	(194)	(26,185)
Recognised in profit or loss (Note 24(a))	823	–	823
<b>As at 31 March 2020</b>	<b>(25,168)</b>	<b>(194)</b>	<b>(25,362)</b>

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.

## 25 PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived at after charging/(crediting):

	Group	
	2020 JPY million	2019 JPY million
<b>Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	4,988	3,252
Amortisation of intangible assets	33	31
Amortisation of other finance costs	4	7
Total depreciation and amortisation expense	5,025	3,290
Audit fees	44	40
Non audit fees	5	14
Allowance for doubtful trade receivables	118	67
Gain on forfeiture of membership deposits	(4)	(15)
Impairment of goodwill	–	13,144
Impairment of property, plant and equipment	2,641	4,818
Gain on divestment of golf course	(138)	–
(Gain)/loss on disposal of property, plant and equipment	(1)	19

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 25 PROFIT/(LOSS) FOR THE YEAR (CONTINUED)

During the financial year, the Group entered into and completed the sale and purchase agreement with a third party (the "Purchaser") for the divestment of Village Higashi Karuizawa Golf Club on 3 June 2019. 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. The divestment of Village Higashi Karuizawa Golf Club resulted in a gain on divestment of golf course of JPY 138 million.

## 26 EARNINGS/(LOSS) PER UNIT

The calculation of earnings/(loss) per unit is based on earnings attributable to Unitholders of JPY 1,547 million (2019: loss attributable to Unitholders of JPY 12,553 million) for the year and 1,099,122,000 units (2019: 1,099,122,000 units) in issue.

## 27 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 customer contributed 10% or more to the Group's revenue for the year ended 31 March 2020 and 2019.

## 28 OPERATING LEASE EXPENSE

The Group as lessee

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

### Payment recognised as an expense

	2019 JPY million
Minimum lease payments to:	
– Sponsor (Note 5(ii))	19
– Third parties	1,907
	<u>1,926</u>

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 29 DISTRIBUTIONS

	Group and AGT	
	2020	2019
	JPY million	JPY million
Distribution of 2.13 Singapore cents per unit (2019: 2.20 cents) for the period from 1 October 2018 to 31 March 2019 (2019: 1 October 2017 to 31 March 2018)	1,856	1,995
Distribution of 2.61 Singapore cents per unit (2019: 1.64 cents) for the period from 1 April 2019 to 30 September 2019 (2019: 1 April 2018 to 30 September 2018)	2,293	1,475
Distribution paid	4,149	3,470

In respect of the current period from 1 October 2019 to 31 March 2020, a distribution of 1.69 Singapore cents per unit or SGD 18.6 million (equivalent to JPY 1,410 million) was paid out to Unitholders on 29 June 2020.

Further, as announced by the Trustee-Manager on 23 June 2020, with the improvement of the Group's performance against the preliminary cashflow forecast due to the impact of the Covid-19 outbreak, an additional post-tax special distribution of JPY 955 million (equivalent to SGD 12.6 million) will be recommended.

These financial statements do not reflect the distribution for the half year period from 1 October 2019 to 31 March 2020, which will be accounted for in total equity as an appropriation of retained earnings in the year ending 31 March 2021.

## 30 EVENTS OCCURRING AFTER BALANCE SHEET DATE

The COVID-19 outbreak has brought about disruptions to the golf course operations of the Group which resulted in the significant decline in total revenues for the months of April 2020 to June 2020. On 7 April 2020, the Japanese government declared a state of emergency across different prefectures in Japan and the state of emergency was lifted on 25 May 2020.

Although the state of emergency in Japan was lifted on 25 May 2020, economic activity remained at a lower level than pre-Covid-19 and changes in the golf course industry is expected to continue with new measures in place to minimise the spread of Covid-19. As at the date these financial statements are authorised for issue, the Group expects the financial performance of the Group to be affected for the financial year ending 31 March 2021.

On 29 June 2020, the Trustee-Manager entered into a conditional agreement (the "TK Interest Transfer Agreement") with the Sponsor, pursuant to which the Trustee- Manager will divest AGT's interests in all of its 88 golf courses located in Japan through the assignment of all of the Trustee-Manager's rights and obligations under the existing Japanese tokumei kumiai agreement between the Trustee-Manager and the tokumei kumiai operator, Accordia Golf Asset Godo Kaisha dated 27 June 2014 (as amended from time to time) (the "TK Agreement") to the Sponsor for a fixed purchase consideration of JPY 61,800 million (the "Proposed Divestment").

On 7th August 2020, the Trustee-Manager announced that the Sponsor has agreed to an increase in the purchase consideration for the Proposed Divestment from a fixed amount of JPY 61,800 million to a fixed amount of JPY 65,200 million. Accordingly the Trustee-Manager has on 7 August 2020, entered into a supplemental deed to the TK Interest Transfer Agreement (the "Supplemental Deed") in relation thereto.

The Proposed Divestment is conditional upon, among others, approval from unitholders of AGT ("Unitholders") at an extraordinary general meeting of AGT to be convened by 14 September 2020 (or such other date as may be agreed between the Trustee-Manager and Accordia Golf) ("EGM") and is expected to be completed in the third quarter of 2020.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

## 30 EVENTS OCCURRING AFTER BALANCE SHEET DATE (CONTINUED)

Following completion of the Proposed Divestment, the Trustee-Manager is of the view that it will not be meaningful for AGT to maintain its existence and listing on the SGX-ST, and intends to undertake a voluntary winding up of AGT. The Trustee-Manager intends to distribute the net proceeds from the Proposed Divestment to the Unitholders as soon as practicable following the completion of the Proposed Divestment via special distributions, after setting aside the divestment fee payable to the Trustee-Manager, the costs and expenses arising from the Proposed Divestment and in connection with the voluntary winding up of AGT and any other fees, costs and expenses which may be payable prior to the voluntary winding up of AGT, which is expected to comprise up to 3% of the purchase consideration.

## 31 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Group's accounting periods beginning on or after 1 April 2020. However, management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the consolidated financial statements of the Group in the period of their initial adoption.

## 32 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 14 August 2020.

## STATISTICS OF UNITHOLDINGS

As at 14 August 2020

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		Number	
	of Unitholders	%	of Units	%
1 – 99	5	0.15	196	0.00
100 – 1,000	205	6.00	175,716	0.01
1,001 – 10,000	1,383	40.47	9,216,033	0.84
10,001 – 1,000,000	1,794	52.50	103,826,700	9.45
1,000,001 and above	30	0.88	985,903,355	89.70
<b>TOTAL</b>	<b>3,417</b>	<b>100.00</b>	<b>1,099,122,000</b>	<b>100.00</b>

### SUBSTANTIAL UNITHOLDERS AS AT 14 AUGUST 2020

(As recorded in the Register of Substantial Unitholders)

	Direct Interest	%	Deemed Interest	%
Accordia Golf Co., Ltd (“AGCL”)	317,097,000	28.85	–	–
Accordia Next Golf Co., Ltd. (“ANGCL”)	–	–	317,097,000 <sup>(1)</sup>	28.85
MBK Partners JC, L.P.	–	–	317,097,000 <sup>(2)</sup>	28.85
MBK Partners Fund III, L.P.	–	–	317,097,000 <sup>(3)</sup>	28.85
MBK Partners GP III, L.P.	–	–	317,097,000 <sup>(3)</sup>	28.85
MBK GP III, Inc	–	–	317,097,000 <sup>(3)</sup>	28.85
Michael ByungJu Kim	–	–	317,097,000 <sup>(3)</sup>	28.85
MBK Partners JC, GP L.P.	–	–	317,097,000 <sup>(4)</sup>	28.85
MBK Partners JC GP, Inc.	–	–	317,097,000 <sup>(4)</sup>	28.85
Teck Chien Kong	–	–	317,097,000 <sup>(4)</sup>	28.85
CPP Investment Board Private Holdings (3) Inc	–	–	317,097,000 <sup>(5)</sup>	28.85
Canada Pension Plan Investment Board	–	–	317,156,000 <sup>(5)</sup>	28.86
Daiwa PI Partners Co. Ltd. (“DPPCL”)	58,858,000	5.36*	–	–
Daiwa Investment Management Inc (“DIMI”)	–	–	58,858,000 <sup>(6)</sup>	5.36*
Daiwa Securities Group Inc. (“DSGI”)	–	–	58,858,800 <sup>(7)</sup>	5.36*
Hibiki Path Advisors Pte. Ltd. (“HPA”)	–	–	79,166,701 <sup>(8)</sup>	7.20

\*Rounded to 2 decimal places for consistency.

#### Notes:

- (1) ANGCL is the sole shareholder of AGCL. ANGCL is therefore deemed to be interested in the Units held by AGCL.
- (2) MBK Partners JC, L.P. is a controlling shareholder of ANGCL. ANGCL is in turn the sole shareholder of AGCL. MBK Partners JC, L.P. is therefore deemed to be interested in the Units held by ANGCL.
- (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.
- (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.

# STATISTICS OF UNITHOLDINGS

As at 14 August 2020

- (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 ANGCL, which in turn is the sole shareholder of AGCL.  
Canada Pension Plan Investment Board and CPP Investment Board Private Holdings (3) Inc. are therefore each deemed to be interested in Units held by ANGCL. 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 is therefore deemed to be interested in Units held by DPPCL.
- (8) HPA is a fund management firm and has discrete management over a few trading accounts.

## TWENTY LARGEST UNITHOLDERS

No.	Name of Unitholders	Number of Units	%
1.	ACCORDIA GOLF CO., LTD	317,097,000	28.85
2.	DBS NOMINEES (PRIVATE) LIMITED	222,654,960	20.26
3.	CITIBANK NOMINEES SINGAPORE PTE LTD	187,009,747	17.01
4.	RAFFLES NOMINEES (PTE.) LIMITED	95,283,951	8.67
5.	HSBC (SINGAPORE) NOMINEES PTE LTD	59,041,401	5.37
6.	OCBC SECURITIES PRIVATE LIMITED	19,479,000	1.77
7.	DBSN SERVICES PTE. LTD.	18,558,291	1.69
8.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	15,066,108	1.37
9.	PHILLIP SECURITIES PTE LTD	7,267,300	0.66
10.	MAYBANK KIM ENG SECURITIES PTE. LTD.	5,811,500	0.53
11.	DAIWA CAPITAL MARKETS SINGAPORE LIMITED	4,790,000	0.44
12.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,551,049	0.32
13.	UOB KAY HIAN PRIVATE LIMITED	3,345,700	0.30
14.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,552,534	0.23
15.	RHB SECURITIES SINGAPORE PTE. LTD.	2,293,600	0.21
16.	DB NOMINEES (SINGAPORE) PTE LTD	2,242,600	0.20
17.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,106,800	0.19
18.	KOH POH HUA	1,900,000	0.17
19.	WU TENG SIONG	1,650,000	0.15
20.	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	1,597,700	0.15
	<b>TOTAL</b>	<b>973,299,241</b>	<b>88.54</b>

## PERCENTAGE OF UNITHOLDING IN PUBLIC'S HANDS

As at 14 August 2020, approximately 58.59% 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\$0.760
Lowest Unit Price	S\$0.410
Average Closing Unit Price	S\$0.589
Opening Unit Price on 1 April 2019	S\$0.595
Closing Unit Price on 31 March 2020	S\$0.475

# 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 (“**AGM**”) of the Unitholders of Accordia Golf Trust (“**AGT**”) will be convened and held by electronic means on Monday, 14 September 2020 at 10.00 a.m. (Singapore time) 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 2020 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,

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);

## NOTICE OF ANNUAL GENERAL MEETING

- (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 convertible securities or Instruments which were issued and are outstanding or subsisting at the time this Resolution is passed; and
  - (b) any subsequent bonus issue, consolidation or subdivision of Units;

provided such adjustment in sub-paragraph (2)(a) is made only in respect of new Units arising from the exercise of Instruments or convertible securities which were issued and are outstanding or subsisting at the time of the passing of this Resolution;

- (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]

**(Resolution 3)**

By Order of the Board of Accordia Golf Trust Management Pte. Ltd.  
(as Trustee-Manager of Accordia Golf Trust)

Tan Lay Hong  
Company Secretary  
Singapore, 21 August 2020

### Explanatory Note:

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 is passed, after adjusting for (a) any new Units arising from the conversion or exercise of any convertible securities or Instruments which were issued and are outstanding or subsisting at the time this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of Units.

### Important Notice:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to Unitholders. Instead, this Notice will be sent to Unitholders by electronic means via publication on AGT's website at the URL <http://agtrust.com.sg/>. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.



## NOTICE OF ANNUAL GENERAL MEETING

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via “live” audio-visual webcast or “live” audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying announcement by AGT dated 21 August 2020. This announcement may be accessed at AGT’s website at the URL <http://www.agtrust.com.sg/> and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. Unitholders will be able to observe and/or listen to the AGM proceedings through a “live” audio-visual webcast or “live” audio-only stream via their mobile phones, tablets or computers. In order to do so, Unitholders must pre-register at AGT’s pre-registration website at the URL <https://globalmeeting.bigbangdesign.co/agtrust/> from 21 August 2020 to 12 September 2020, 10.30 a.m. (Singapore time) (“**Pre-Registration Deadline**”) to enable the Trustee-Manager to verify their status as Unitholders.

Following the verification, authenticated Unitholders will receive an email, which will contain user ID and password details as well as instructions on how to access the “live” audio-visual webcast and “live” audio-only stream of the AGM proceedings, by 10.00 a.m. on 13 September 2020. Unitholders who do not receive an email by 10.00 a.m. on 13 September 2020 but have registered by the Pre-Registration Deadline should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6230 9768 or [srs.teamd@boardroomlimited.com](mailto:srs.teamd@boardroomlimited.com).

4. A Unitholder who pre-registers by the Pre-Registration Deadline to watch the “live” audio-visual webcast or “live” audio-only stream may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by 10.00 a.m. on 11 September 2020:
  - (a) if submitted electronically, be submitted:
    - (i) via the AGT pre-registration website at the URL <https://globalmeeting.bigbangdesign.co/agtrust/>; or
    - (ii) via email to [agmegm@agtrust.com.sg](mailto:agmegm@agtrust.com.sg)
  - (b) if submitted by post, be deposited at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

Unitholders who submit questions via email or by post to the Unit Registrar must provide the following information:

- (1) the Unitholder’s full name;
  - (2) the Unitholder’s full NRIC/FIN/Passport Number;
  - (3) the Unitholder’s address; and
  - (4) the manner in which the Unitholder holds Units in AGT (e.g., via CDP, scrip or SRS).
5. **A Unitholder will not be able to attend the AGM in person. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM.** The accompanying proxy form (“**Proxy Form**”) for the AGM may be accessed at AGT’s website at the URL <http://www.agtrust.com.sg/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a Unitholder (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

Unitholders who hold their Units through a relevant intermediary (as defined below), other than SRS investors, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through “live” audio-visual webcast or “live” audio-only stream; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should approach their respective relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their SRS operator to submit their votes by 5.00 p.m. (Singapore time) on 2 September 2020, being 7 clear working days before the date of the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

“relevant intermediary” means:

- (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity; or
  - (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity.
6. The Chairman of the AGM, as proxy, need not be a Unitholder of the Trust.
7. The Proxy Form must be submitted in the following manner:
- (a) if submitted by post, be lodged at the Unit Registrar’s office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623; or
  - (b) if submitted electronically, via email to the Unit Registrar at [srs.teamd@boardroomlimited.com](mailto:srs.teamd@boardroomlimited.com),

in either case, not later than 10.00 a.m. (Singapore time) on 12 September 2020, being not less than 48 hours before the time fixed for holding the AGM.

A Unitholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current Covid-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult for Unitholders to submit completed proxy forms by post, Unitholders are strongly encouraged to submit completed proxy forms electronically via email.**

The Proxy Form must be executed under the hand (or if submitted electronically via email, alternatively by way of affixation of an electronic signature) of the appointor or of his or her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand (or if submitted electronically via email, alternatively by way of affixation of an electronic signature) of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Trustee-Manager), if the Proxy Form is submitted by post, must be lodged with the Proxy Form (or if submitted electronically via email, be emailed with the Proxy Form), failing which the Proxy Form may be treated as invalid.

The Trustee-Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form (including any related attachment). In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by CDP to the Trustee-Manager.

8. The Annual Report FY2020 together with the Financial Statements of the Trustee-Manager for the financial year ended 31 March 2020 have been uploaded on SGX website on 21 August 2020 at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at AGT’s website at the URL <http://www.agtrust.com.sg/>.

## PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder consents to the collection, use and disclosure of the Unitholder’s personal data by the Trustee-Manager (or its agents or service providers) for the purpose of the processing, administration and analysis by the Trustee-Manager (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Trustee-Manager (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

## PROXY FORM

### ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

### 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)

This proxy form has been made available on SGX website at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at AGT's website at the URL <http://agtrust.com.sg/>. A printed copy of this proxy form will NOT be despatched to unitholders of AGT ("Unitholders").

#### IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM will not be sent to unitholders of Accordia Golf Trust ("AGT") (the "Unitholders"). Instead, the Notice of AGM will be sent to Unitholders by electronic means via publication on AGT's website at the URL <http://agtrust.com.sg/>. The Notice of AGM will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying announcement by AGT dated 21 August 2020. This announcement may be accessed at AGT's website at the URL <http://agtrust.com.sg/> and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **Due to the current COVID-19 restriction orders in Singapore, a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM.**
4. This Proxy Form is not valid for use by SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their SRS operator to submit their votes by 5.00 p.m. (Singapore time) on 2 September 2020, being 7 clear working days before the date of the AGM.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 21 August 2020.
6. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the AGM as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

I/We, \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_

of \_\_\_\_\_  
(Address)

being a Unitholder/Unitholders of **Accordia Golf Trust**, hereby appoint the Chairman of the AGM as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM to be convened and held by way of electronic means on Monday, 14 September 2020 at 10.00 a.m. (Singapore time) and at any adjournment thereof.

I/We direct the Chairman of the AGM as my/our proxy to vote for, against or to abstain from voting on, the resolutions to be proposed at the EGM as indicated hereunder.

*(Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes "for" or "against" or "abstain" from voting on a resolution, please indicate with an "X" in the "For" or "Against" or "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of votes that the Chairman of the AGM as your proxy is directed to vote "For" or "Against" or to abstain from voting in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.**)*

No.	Resolutions	No. of votes For	No. of votes Against	No. of votes Abstain
<b>ORDINARY BUSINESS</b>				
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 2020 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			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2020

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



## IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

### Notes to the Proxy Form:

1. **Due to the current COVID-19 restriction orders in Singapore, a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM.** This proxy form may be accessed at AGT's website at the URL <http://agtrust.com.sg/> and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Where a Unitholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

Unitholders who hold their Units through a relevant intermediary (as defined in the Notice of AGM), other than SRS investors, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should approach their respective relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their SRS operator to submit their votes by 5.00 p.m. (Singapore time) on 2 September 2020, being 7 clear working days before the date of the AGM.

2. The instrument appointing the Chairman of the Meeting as proxy ("**Proxy Form**") must be submitted in the following manner:
  - (a) if submitted by post, be lodged at the Unit Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623; or
  - (b) if submitted electronically, via email to the Unit Registrar at [srs.teamd@boardroomlimited.com](mailto:srs.teamd@boardroomlimited.com),

in either case, not later than 10.00 a.m. (Singapore time) on 12 September 2020, being not less than 48 hours before the time fixed for holding the AGM.

A Unitholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current Covid-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult for Unitholders to submit completed proxy forms by post, Unitholders are strongly encouraged to submit completed proxy forms electronically via email.**

4. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against his or her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he or she should insert that number of Units. If the Unitholder has Units registered in his or her name in the Register of Unitholders, he or she should insert that number of Units. If the Unitholder has Units entered against his or her name in the said Depository Register and Units registered in his or her name in the Register of Unitholders, he or she should insert the aggregate number of Units entered against his or her name in the Depository Register and registered in his or her name in the Register of Unitholders. If no number is inserted, the Proxy Form will be deemed to relate to all the Units held by the Unitholder.
5. The Proxy Form must be executed under the hand (or if submitted electronically via email, alternatively by way of affixation of an electronic signature) of the appointor or of his or her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand (or if submitted electronically via email, alternatively by way of affixation of an electronic signature) of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Trustee-Manager), if the Proxy Form is submitted by post, must be lodged with the Proxy Form (or if submitted electronically via email, be emailed with the Proxy Form), failing which the Proxy Form may be treated as invalid.
6. The Trustee-Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form (including any related attachment). In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by CDP to the Trustee-Manager.





**ACCORDIA GOLF TRUST  
MANAGEMENT PTE. LTD.**

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