



ANNUAL
REPORT
2015

TEEING OFF FOR UNIQUE OPPORTUNITIES



The background of the entire page is a photograph of several golf clubs, including drivers and irons, standing upright on a lush green golf course. The scene is captured during the 'golden hour' of sunset, with the sun low on the horizon, creating a warm, golden glow and long, soft shadows. The sun's reflection is visible on a body of water in the mid-ground. The sky is a mix of soft orange and pale blue.

Vision

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

Mission

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

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CORPORATE PROFILE

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

AGT's initial portfolio comprises 89 golf courses (including golf course related assets relating to such golf courses) located across Japan ("Initial Portfolio"). Approximately 86%^{(1),(2)} of the Initial Portfolio are located in the three largest metropolitan areas in Japan, namely, the Greater Tokyo Region, the Greater Nagoya Region and the Greater Osaka Region. The total appraisal value of AGT's golf courses was recorded as JPY 150.3 billion⁽²⁾.

AGT made its debut on the Main Board of the SGX-ST on 1 August 2014.

AGT's key objectives are to invest in golf courses, driving ranges and golf course related assets that are able to generate long-term, stable cash flows, while paying continuous distributions to unitholders of AGT ("Unitholders") and maximising long-term investment returns of Unitholders by generating long-term capital value growth through future acquisitions.



Notes:

- (1) Based on real estate appraisals as at 31 December 2014 by CBRE K.K. and Tanizawa Sogo Appraisal Co., Ltd. (collectively, the "Independent Real Estate Appraisers")
- (2) This percentage is calculated by dividing (i) the aggregated appraised values of the Initial Portfolio in the three largest metropolitan areas by (ii) the aggregated appraised values of all the Initial Portfolio



THE SPONSOR

About Accordia Golf Co., Ltd. (the "Sponsor")

The Sponsor is the leading golf course operator in Japan, operating 137 golf courses and 26 driving ranges as at 31 March 2015. The Sponsor was incorporated in Japan in 1981 and is listed on the Tokyo Stock Exchange in 2006. The Sponsor is in the business of providing integrated golf course services and owning and operating golf courses, mainly in large metropolitan areas and major regional urban centres in Japan. The Sponsor has an established track record of acquiring and turning around non-profitable golf courses with its expertise in golf course management and operational know-how.

The Sponsor runs its business by adopting a number of measures centred on the "Four Principles of Service" – course qualities, diversification of playing styles, enhanced specialty shops (pro shops) and reasonably-priced restaurants. This is part of its key strategy to meet the demand for "private golf" played by families and friends and to promote an environment where everyone can casually enjoy playing golf under the concept of "It's a New Game".

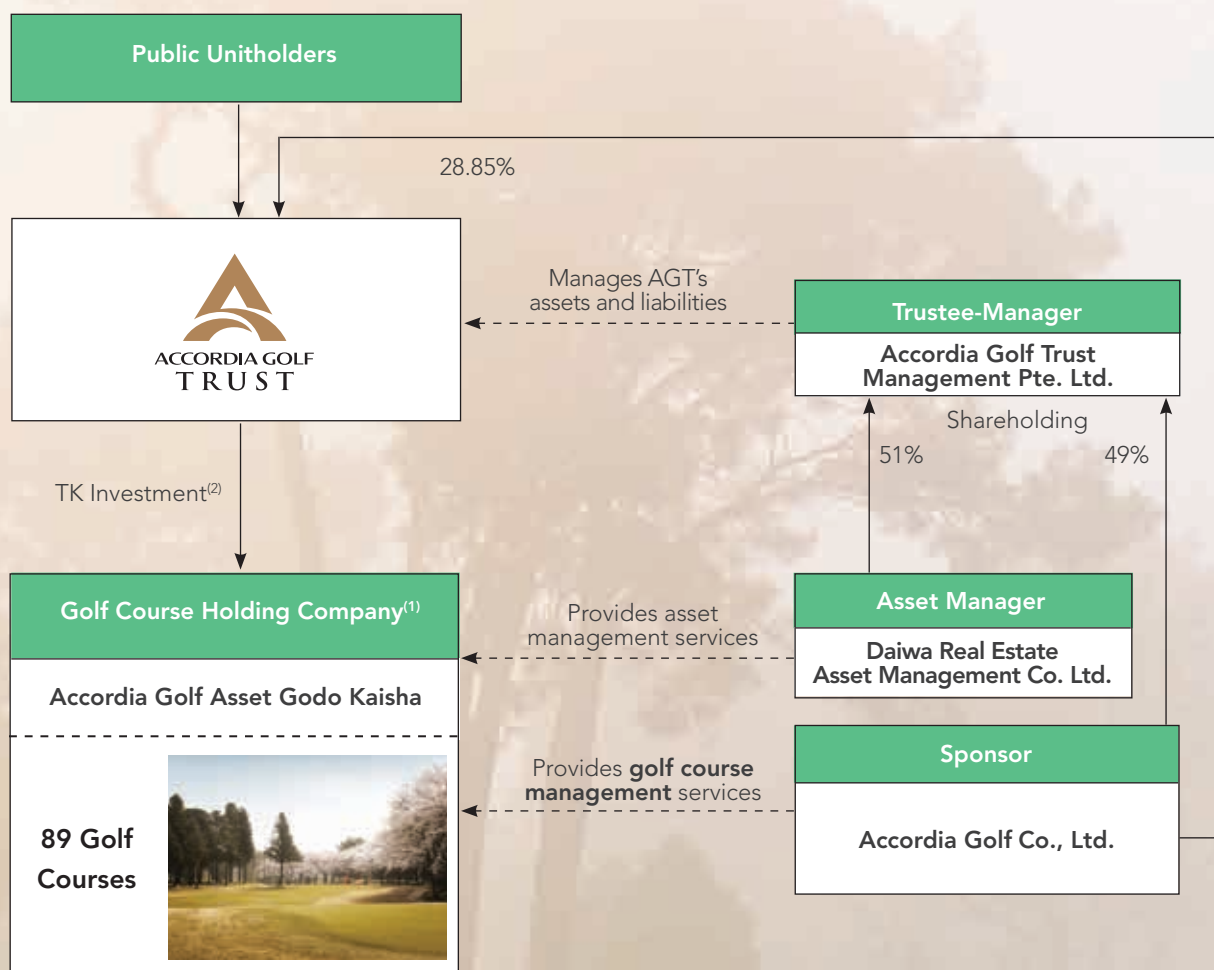
The operating revenue of the Sponsor consists of revenues from the golf course operating business, golf-course/driving-range restaurant business and golf equipment sales business.

Asset-light Strategy of The Sponsor

The Sponsor has adopted an asset-light strategy to enhance operational efficiency. This involves reducing the number of assets (such as golf courses) owned by the Sponsor within its group. The Sponsor then focuses on golf course operations. Through the implementation of the asset-light strategy, the ownership of assets and operation of golf courses are separated, enabling the Sponsor to pursue high growth and profitability by focusing on operating golf courses as well as new investments. These efforts are expected to contribute positively to the growth of AGT.



TRUST STRUCTURE



Notes:

- (1) AGT invests in the Initial Portfolio via the golf course holding company established to hold the Initial Portfolio ("Golf Course Holding Company or SPC") using a *tokumei kumiai* ("TK") investment structure
- (2) The relationship between the Golf Course Holding Company and AGT is governed by a 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 ("Prospectus")

CORPORATE INFORMATION

Board of Directors

Chairman and Independent Director

Mr Khoo Kee Cheok

Executive Director and Chief Executive Officer

Mr Yoshihiko Machida

Executive Director and Head of Investor Relations

Mr Takuya Nagano

Independent Directors

Mr Chong Teck Sin

Mr Hitoshi Kumagai

Audit and Risk Committee

Chairman

Mr Chong Teck Sin

Members

Mr Khoo Kee Cheok

Mr Hitoshi Kumagai

Registered Office of AGT and Trustee-Manager

Accordia Golf Trust Management Pte. Ltd.

6 Shenton Way

#25-09 OUE Downtown 2

Singapore 068809

Tel: +65 6592 1050

Fax: +65 6220 2824

Website: <http://agtrust.com.sg>

Email: 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

Independent Auditor

Deloitte & Touche LLP

6 Shenton Way

#33-00 OUE Downtown 2

Singapore 068809

Tel: +65 6224 8288

Fax: +65 6538 6166

Partner-in-Charge: Ms Tay Hwee Ling

Date of appointment: 15 July 2014

(for the period ended 31 March 2015)

Company Secretary

Ms Lynn Wan Tiew Leng

Daiwa Capital Markets Singapore Limited and Citigroup Global Markets Singapore Pte. Ltd. are the joint global coordinators, bookrunners, issue managers and underwriters for the initial public offering of the Units (the "Issue Managers"). The Issue Managers assume no responsibility for the contents of this annual report.



LETTER TO UNITHOLDERS

Dear Unitholders,

On behalf of the Board of Directors of the Trustee-Manager and the management team of the Trustee-Manager (the "Management"), we are honoured to present our maiden annual report for the financial period from 1 August 2014 to 31 March 2015 ("FY14/15"). AGT was officially listed on the SGX-ST on 1 August 2014 ("Listing Date").

As the world's only listed business trust with golf course assets, we believe we are well-positioned to provide investors with a unique opportunity to invest in the golf course business.

Our Inaugural Financial Period Results & Maiden Distribution

AGT's operating income for FY14/15 was recorded at JPY 33,425 million, which was 2.2% lower than the Forecast⁽¹⁾, largely due to unfavourable weather conditions such as early snow in December and rainfalls in January across broad areas of Japan. Operating expenses were slightly higher, an increase of 0.8% compared to the Forecast due to the minor increase of various accounting items.

Subsequently, the operating profit was 19.2% lower than the Forecast. Despite the lower operating profit, the distributable amount in Japanese yen for the period was JPY 5,673 million, which was 3.4% higher than the Forecast, due to the higher non-recurring cash flows. The distribution per unit ("DPU") in Singapore dollar, however, was 5.71 Singapore cents, which was 7.2% lower than the Forecast, as a result of the depreciation of the Japanese yen against the Singapore dollar.

Operating Market Conditions of Japan's Golf Course Business

With the recovery of the Japanese economy, we are experiencing an overall stronger demand for golf especially in the urban areas. On the other hand, due to the time lapse in the economic spill over from urban to rural areas, the demand for golf in rural areas will take time to step up. Performance of golf courses in remote places is not as strong as those in metropolitan regions. The golf industry in Japan has become increasingly a two-tier market between the urban and rural areas.

Approximately 70% of the total number of AGT's golf courses are located in the three metropolitan areas, and the average overall utilisation rates for AGT's golf courses are over 90% on weekends and nearly 70% on weekdays, which are much higher than Japan's national average.

The Sponsor maintains high market penetration rate with approximately 3.8 million loyalty card holders, which represents more than 40%⁽²⁾ of the golf players in Japan. In view of the operating dynamics of this sector, we shall capitalise on the strong branding of the Sponsor and enhance our competitive edge in Japan's golf market.



LETTER TO UNITHOLDERS

Recent Corporate Developments & Marketing Initiatives

We understand that in order to boost Unit price performance, we will have to put in extra effort to familiarise the market on golf course assets, our business strategy and the Sponsor's strength and business model.

We conducted intensive investor dialogues globally after the initial public offering ("IPO") in August 2014 to help investors to better understand the business model of AGT.

We also endeavoured to increase the public's awareness of AGT by arranging mainstream and local business media such as Channel NewsAsia and The Edge to visit its golf course assets in Japan. AGT was featured on Channel NewsAsia's Money Mind programme on 31 January 2015.

We also enhanced our investor relations efforts through active participation in conferences and roadshows held in the US, UK, Japan and Hong Kong.

Last year, AGT was added to the MSCI Singapore Small Cap Index.

On 6 January 2015, AGT announced that its Golf Course Holding Company obtained a 'BBB+' rating from Japan Credit Rating Agency on a total loan of JPY 45 billion. We believe this rating will equip AGT with better support to fuel its acquisition-driven growth.

Currency Risk

Regarding the weakening Japanese yen, no mid and long term foreign exchange hedging has been engaged for AGT's assets at the moment. We understand that there are increasing concerns from investors on the currency risk and shall continue to explore the option of hedging.

Strong and Visible Acquisition Pipeline to Support Our DPU Growth

As at 31 March 2015, AGT's loan-to-value ("LTV") ratio stands at approximately 30%. There should be adequate headroom for acquisition via debt financing and we hope to achieve an LTV ratio within 40% to 50%.

In line with our Sponsor's asset-light strategy, we have a strong and visible pipeline of quality golf course assets in Japan. AGT has a right of first refusal over the Sponsor's 44 golf courses and 26 driving ranges⁽³⁾.

We are striving to acquire golf course related assets valued at JPY 50 billion by end of March 2017 by investing in golf courses worldwide, with an initial focus in Japan. In the interests of Unitholders, we intend to acquire quality golf courses that will boost AGT's DPU growth. Negotiations of the potential acquisitions have taken longer than expected as we carefully consider the price, quality, profitability and financial conditions, among other factors, before making an acquisition.

Notes:

- (1) Forecast based on Prospectus for the period from Listing Date to 31 March 2015, taking into account the monthly budget used for management purpose and pro-rated to eight months for FY14/15
- (2) Based on the total number of golf players of 8.6 million in 2013 (Leisure White Paper 2014 published by the Japanese Productivity Council)
- (3) One of the driving ranges, which the Sponsor operates, is partially owned by them



LETTER TO UNITHOLDERS

Market Outlook

The Japanese golf market has historically been positively correlated with its economy. With Japan's expected economic improvement, we are optimistic on benefiting from the trend and hope to capture the higher demand for golf.

Japanese baby boomers are now in their sixties and have more time in retirement to play golf.

Additionally, growing tourist arrivals to Japan will boost demand for golf in the mid-to-long term. We believe that AGT's well-managed golf courses will continue to remain popular with the locals and tourists.

Furthermore, the addition of golf as an event in the 2016 and 2020 Olympics may raise the popularity of golf as a trendy sport. In view of the favourable market outlook, we believe AGT's portfolio value will be enhanced and will contribute to increasing value for Unitholders.

Strategic Review and Operations

We are committed to enhancing long-term returns to Unitholders. We have put in place stringent internal controls and monitor the performance of the portfolio which are vital to achieving the visions and missions of AGT.

We believe that the Sponsor's long-term commitment will enhance AGT's growth through the Sponsor's strength.

Acknowledgement and Appreciation

We would like to thank AGT's stakeholders for their commitment and contributions to the development of AGT. We shall continue to strive to deliver stable and long-term returns to Unitholders and seek your continued support in teeing off for unique opportunities.

Mr Khoo Kee Cheok

Chairman and Independent Director

Mr Yoshihiko Machida

*Chief Executive Officer and
Executive Director*



KEY FINANCIAL HIGHLIGHTS

Summary of Results

1 Aug 2014 to 31 Mar 2015	Actual	Forecast	Variance (%)
Operating Income (JPY 'million)	33,425	34,160 ⁽²⁾	-2.2
Operating Profit (JPY 'million)	4,063	5,028 ⁽²⁾	-19.2
Distributable Income (JPY 'million)	5,673	5,487 ⁽¹⁾	+3.4
Distribution Per Unit (JPY)	5.16	4.99 ⁽¹⁾	+3.4
Distribution Per Unit (Singapore cents)	5.71	6.15 ⁽¹⁾	-7.2

Notes:

(1) Forecast based on Prospectus

(2) Forecast based on Prospectus for the period from Listing Date to 31 March 2015, taking into account the monthly budget used for management purpose and pro-rated to eight months for FY14/15

Balance Sheet

	As at 31 Mar 2015
Total Assets (JPY 'million)	184,254
Total Liabilities (JPY 'million)	100,803
Net Assets (JPY 'million)	83,451
Net Assets Value Attributable to Unitholders (JPY 'million)	83,393
Number of Units Issued and to be issued	1,099,122,000
Net Asset Value Attributable to Unitholders per Unit (SGD)	0.87 ⁽¹⁾
Market Capitalisation (SGD 'million) ⁽²⁾	829.8

Notes:

(1) Based on an exchange rate of JPY87.04 as at 31 March 2015

(2) Based on closed price of S\$0.755 as at 31 March 2015

FINANCIAL AND OPERATIONS REVIEW

FINANCIAL & OPERATIONS REVIEW

The acquisition of the Initial Portfolio was only completed on the Listing date. It is relevant for Unitholders to analyse the performance from Listing Date to 31 March 2015 because this is the period in which earnings are attributed to Unitholders. The forecast referred to in the following table is extracted from the Prospectus for the period from 1 April 2014 to 31 March 2015, subject to the bases and assumptions as stated therein, while the forecast referred to in the following paragraphs is extracted from the Prospectus for the period from 1 August 2014 to 31 March 2015, taking into account the monthly budget used for management purpose and pro-rated to 8 months for FY14/15 ("Forecast").

(JPY 'million)	FY14/15 Actual 1/8/2014 – 31/3/2015 (8 months)	FY14/15 Forecast 1/4/2014 – 31/3/2015 (12 months)
Operating Income	33,425	53,497
Golf course Revenue	21,786	35,444
Restaurant Revenue	8,032	12,639
Membership Revenue	3,345	5,288
Other Operating Income	262	126
Operating Expenses	(29,362)	(44,264)
Merchandise and Material Expenses	(2,302)	(3,750)
Labour Cost	(8,760)	(13,569)
Golf Course Management Fee	(3,905)	(5,826)
Golf Course Maintenance Cost	(641)	(1,253) ⁽²⁾
Asset Manager's Fee	(66)	(100)
Trustee-Manager's Fees	(174)	(250)
Depreciation and Amortisation Expense	(2,485)	(3,640)
Other Operating Expenses ⁽¹⁾	(11,029)	(15,876)
Operating Profit	4,063	9,233
Interests and Other Finance Costs	(1,298)	(1,668)
Profit Before Tax	2,765	7,565
Income Tax	(117)	(1,645)
Profit for the period	2,648	5,920

Notes:

- (1) Other expenses include utilities expenses, outsourcing expenses, operating lease expenses, advertising expenses, taxes and dues and bank charges
- (2) Golf course maintenance cost was included in the other operating expenses in the Prospectus

Operating performance

Backed by the recovery of the Japanese economy, stronger demand for golf was seen for most of the months based on the booking conditions at AGT's courses. The number of visitors to AGT's courses was 3.61 million during the period, or 0.6% higher than the Forecast, mainly due to the increase of the total number of operating days in "low season" (January to March) as a result of better weather condition, especially for the golf courses in the rural areas. Unfavourable weather conditions such as typhoons and early snow affected operating performance in the relatively "high season" (October and December). Consequently, the overall utilisation rate⁽¹⁾ stood at 74.7%, or 0.3 percentage points lower than the Forecast for FY14/15.

Operating Income

AGT's operating income during the period comprises golf course revenue of JPY 21,786 million, restaurant revenue of JPY 8,032 million, membership revenue of JPY 3,345 million and other operating revenue of JPY 262 million. These revenue segments comprise 65.2%, 24.0%, 10.0% and 0.8% of the total operating income respectively. Golf course revenue was impacted by the unfavourable weather conditions and discounts given during the winter season to attract more visitors. Membership revenue was lower than the Forecast mainly due to lower number of members. The Total Operating income was JPY 33,425 million, which was 2.2% lower than the Forecast.

FINANCIAL AND OPERATIONS REVIEW

Golf course revenue consists of playing fees (green fees and cart fees), caddie fees, accommodation fees, driving range fees and golf equipment rental fees. Restaurant revenue consists of sales at golf course restaurants, hotel sales of food and drink, revenue from the party events at the hotels and sales of food and drink at the course shops. Membership revenue comprises annual membership fees, membership enrolment fees and membership transfer fees.



Operating Expenses

The major operating expenses comprise labour cost of JPY 8,760 million, merchandise and material expenses of JPY 2,302 million and golf course management fee to be paid to Sponsor of JPY 3,905 million. These expenses comprise 29.8%, 7.8% and 13.3% of the total operating expenses. These operating expenses were in line with the Forecast. Total operating expenses amounted to JPY 29,362 million, which was 0.8% higher than the Forecast due to the minor increases of various items, such as impairment loss on annual membership, depreciation and amortisation, among other factors.

Consequently, operating profit was JPY 4,063 million, or 19.2% lower than the Forecast.

Distribution

Distributable income in Japanese Yen was JPY 5,673 million, which was 3.4% higher than the Forecast despite the lower operating profit. This is due to the cash flow-based distribution (most of the annual membership fees were collected in 4Q of FY14/15) and the increased "non-recurring" cash flows.

Non-recurring cash inflows include savings from withholding tax expenses arising from the tax credit granted on the restructuring exercise expenses at the Golf Course Holding Company, and cash flows arising from payable of various expenses in the Golf Course Holding Company and AGT.

Recurring cash out-flows include repayment of borrowings, repayment of membership deposit and repayment of lease payment in addition to the finance expenses and the income tax expenses. Repayment of membership deposit was higher than the Forecast while income tax expenses was lower than the Forecast.

The DPU in Singapore dollar was 5.71 cents, which was 7.2% lower than the Forecast due to the weakening of Japanese Yen against the Singapore dollar.

Total Assets & Net Asset Value

Total assets and net assets amounted to JPY 184,254 million and JPY 83,451 million respectively as at 31 March 2015. The net asset value attributable to Unitholders stood at JPY 83,393 million as at 31 March 2015. The net asset value attributable to Unitholders per unit was SGD 0.87 as at 31 March 2015.

Borrowings

As at 31 March 2015, AGT's principal amount of borrowings amounted to JPY 45.3 billion. The LTV ratio stood at 30.1% (Total Loans/ Total Appraisal Value = JPY 45.3 billion/ JPY 150.3 billion).

In January 2015, "BBB+" credit rating was obtained on the JPY 45 billion loan of the Golf Course Holding Company from the Japan Credit Rating Agency.

Note:

(1) Utilisation Rate = Total Number of Visitors Per 18 Holes/ (Total Operating Days x 50 (flights) x 4 (persons))





Teeing Off For Unique Opportunities

AGT capitalises on its quality golf course related asset portfolio to provide Unitholders a unique opportunity to invest in the golf sector. The majority of AGT's golf courses are located across the three largest metropolitan areas in Japan, making them highly accessible for golf players and visitors.

ASSET PORTFOLIO OVERVIEW

UNIQUE JAPANESE ASSETS

No. of Golf Courses: 89

Appraisal Value: JPY 150.3 billion⁽¹⁾

70% of the Initial Portfolio (62 golf courses out of 89) are in the 3 Largest Metropolitan Areas in Japan

Greater Osaka Region	
No. of Golf Courses	15
Appraisal Value ⁽¹⁾	JPY 37.9 billion

Other Regions	
No. of Golf Courses	27
Appraisal Value ⁽¹⁾	JPY 20.9 billion

Greater Tokyo Region	
No. of Golf Courses	35
Appraisal Value ⁽¹⁾	JPY 73.4 billion

Greater Nagoya Region	
No. of Golf Courses	12
Appraisal Value ⁽¹⁾	JPY 18.2 billion

Note:

(1) Based on real estate appraisals by the Independent Real Estate Appraisers as at 31 December 2014

ASSET PORTFOLIO OVERVIEW



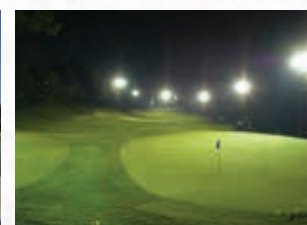
DAIATSUGI COUNTRY CLUB SAKURA COURSE



The Daiatsugi Country Club Sakura Course consists of 18 holes with its main attraction being its nature features and sakura bloom. In particular, about 5,000 sakura (cherry) trees are planted on the course premises and are in full bloom during spring.

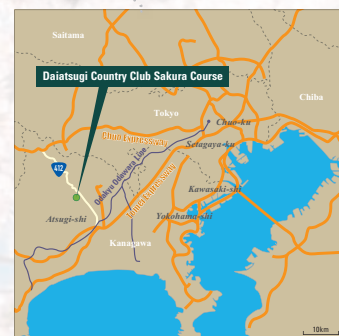
The Sakura course ranks 3rd in appraisal value out of AGT's 89 golf courses and has the highest revenue per 18-hole golf courses. Located near the residential area in Kanagawa-prefecture, alongside AGT's other popular golf course, the Daiatsugi CC Hon Course, this course attracts many players from the city of Yokohama as well as the centre of Tokyo. The course is equipped with a lighting system and opens at night in summer, which allows the course to generate extra customer flow. With about 8,000 club members (common members of both Hon Course and Sakura Course), the customer base has been stable, with a steady number of visitors.

The relatively flat course layout and the newly renovated facilities are well-liked by visitors especially female and elderly golfers. Female members accounted for approximately 14% of the total visitors of the course.



Location

Atsugi-shi, Kanagawa Prefecture



Region	Greater Tokyo
Inaugural Year	1981
Year of Acquisition by Sponsor	2005
Number of Holes	18
Total Area	813,283 m ²
Appraised Value	JPY6,630 million (as at 31 December 2014)
Number of Visitors	FY14/15: 81,081
Revenue	FY14/15: JPY1,148 million
Utilisation Rate	FY14/15: 111.4%

Note: FY14/15 in the above table refers to the period from 1 April 2014 to 31 March 2015. Revenue is based on J-GAAP figures.

ASSET PORTFOLIO OVERVIEW



IZUMISANO COUNTRY CLUB



The Izumisano Country Club ranks 4th in appraisal value out of AGT's 89 golf courses and is located in Osaka, one of the three metropolitan areas in Japan. The course is close to Kansai International Airport as well as Kinki Expressway and Hanshin Expressway, making it easily accessible from within Osaka prefecture.

This club has three 9-hole courses. Overall, the courses are large with wide flat fairways. One of the courses is long and relatively difficult and another course is short with many ups and downs, attracting not only advanced golfers but also novice and female golfers. Its biggest strengths are its length and its large size, making it popular among the younger generation of golfers. This course is open all year long and maintains a stable number of visitors due to the warm climate.



Location

Izumisano-shi, Osaka Prefecture



Region	Greater Osaka
Inaugural Year	1972
Year of Acquisition by Sponsor	2005
Number of Holes	27
Total Area	1,343,189 m ²
Appraised Value	JPY4,860 million (as at 31 December 2014)
Number of Visitors	FY14/15: 100,352
Revenue	FY14/15: JPY1,041 million
Utilisation Rate	FY14/15: 91.5%

Note: FY14/15 in the above table refers to the period from 1 April 2014 to 31 March 2015. Revenue is based on J-GAAP figures.

ASSET PORTFOLIO OVERVIEW



MISHIMA COUNTRY CLUB



The Mishima Country Club ranks 10th in appraisal value out of AGT's 89 golf courses. This course is located in Shizuoka Prefecture and boasts breath-taking views of Mount Fuji. A natural hot spring outdoor bath can be found in the clubhouse, and views of Mount Fuji can also be viewed from the bath.

The course has a total of 18 holes and is modelled with a flat layout, making it easy to play for females, seniors and beginner golfers. The course has an impressive over-the-lake hole and over-the-valley island green hole. Located in the hills near Suruga Bay, the area boasts an oceanic climate that keeps it cool in the summer and warm in the winter, which facilitates play at any time of the year.

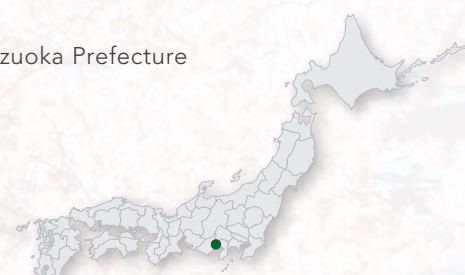
In addition to visitors from Shizuoka Prefecture, its accessibility from Tomei Expressway makes the



course a popular destination for visitors from Tokyo and Kanagawa Prefecture. Its diversified visitor base contributes to this course's stable number of visitors.

Location

Mishima-shi, Shizuoka Prefecture



Region	Other
Inaugural Year	1988
Year of Acquisition by Sponsor	2005
Number of Holes	18
Total Area	1,069,886 m ²
Appraised Value	JPY3,040 million (as at 31 December 2014)
Number of Visitors	FY14/15: 62,649
Revenue	FY14/15: JPY695 million
Utilisation Rate	FY14/15: 86.3%

Note: FY14/15 in the above table refers to the period from 1 April 2014 to 31 March 2015. Revenue is based on J-GAAP figures.

ASSET PORTFOLIO OVERVIEW



AOSHIMA GOLF CLUB



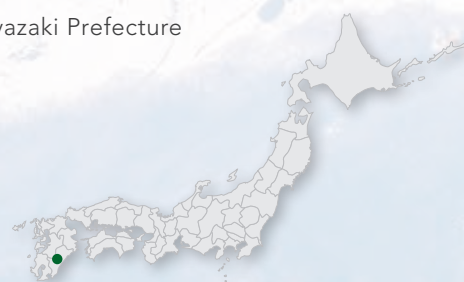
The Aoshima Golf Club is located in Kyushu, Miyazaki Prefecture, at the southern part of Japan. The location of this course attracts inbound demand from foreign visitors from surrounding countries such as Korea, China and Taiwan. Approximately 9% of the total number of visitors comprises foreign visitors. The club is a 15-minute drive from Miyazaki Airport, 5-minute from central Miyazaki and 30-minute drive from Seagaia Resort.

Overlooking the Hyuga-nada Sea, this club is an open sea-side country course laid on gentle hills. It is a beautiful and serene course with undulated fairways and greens. Although it is a resort style course amidst tropical atmosphere, it also serves as a strategic and challenging course. The Aoshima Golf Club has hosted many professional tournaments.



Location

Miyazaki-shi, Miyazaki Prefecture



Region	Other
Inaugural Year	1991
Year of Acquisition by Sponsor	2005
Number of Holes	18
Total Area	816,506 m ²
Appraised Value	JPY450 million (as at 31 December 2014)
Number of Visitors	FY14/15: 53,535
Revenue	FY14/15: JPY441 million
Utilisation Rate	FY14/15: 74.6%

Note: FY14/15 in the above table refers to the period from 1 April 2014 to 31 March 2015. Revenue is based on J-GAAP figures.

ASSET PORTFOLIO OVERVIEW

KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES

Regions	Number of Courses	%	Appraisal Value ⁽¹⁾ (JPY billion)	%	Revenue for FY14/15 ⁽²⁾ (JPY billion)	Utilisation Rates FY14/15 ⁽³⁾ (%)	NOI FY14/15 ⁽⁴⁾ (JPY billion)	NOI Margin FY14/15 ⁽⁵⁾ (%)	NOI Yield FY14/15 ⁽⁶⁾ (%)
Greater Tokyo	35	39.3	73.4	48.8	23.2	77.7	8.2	35.1	11.1
Greater Osaka	15	16.9	37.9	25.2	12.3	83.6	4.3	35.0	11.4
Greater Nagoya	12	13.5	18.2	12.1	7.0	79.6	2.2	31.8	12.2
3 Largest Metropolitan Areas	62	69.7	129.4	86.1	42.5	80.3	14.7	34.0	11.6
Other Regions	27	30.3	20.9	13.9	10.7	69.4	3.1	28.8	14.7
Total	89	100.0	150.3	100.0	53.2	77.6	17.8	32.7	12.4

Notes:

(1) Based on the real estate appraisals as at 31 December 2014 conducted by the Independent Real Estate Appraisers

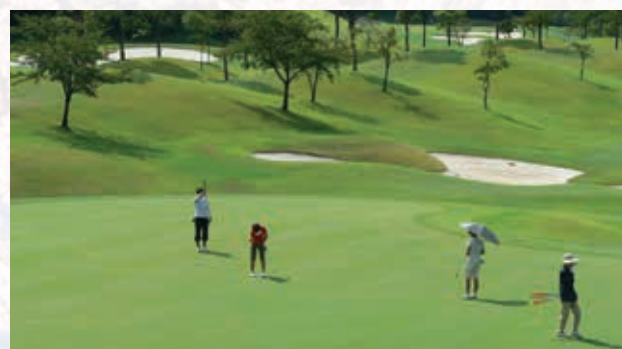
(2) Revenue includes play fees (green fees and cart fees), caddy fees, restaurant charges, membership fees and other revenues from the golf course

(3) Utilisation rate = Total no. of visitors per 18 holes / (Total operating days x 200 persons)

(4) Net Operating Income ("NOI") = Revenue – Merchandise and Material Expense – Labour Cost – Other Operating Expenses. NOI as indicated above has not deducted certain items such as depreciation and amortisation and the golf course management fee to be paid to the Sponsor under the golf course management agreement

(5) NOI Margin = NOI/Revenue

(6) NOI Yield = NOI/Appraisal Value



Note: FY14/15 in the above table refers to the period from 1 April 2014 to 31 March 2015. Revenue and NOI are based on J-GAAP figures.

ASSET PORTFOLIO OVERVIEW

INITIAL PORTFOLIO OF 89 GOLF COURSES

Greater Tokyo Region

No.	Golf Course	Appraisal Value ⁽¹⁾ (JPY 'million)	Location	Area (m ²)	Number of Holes	Inaugural Year	Year of Acquisition By Sponsor	Revenue FY14/15 ⁽²⁾ (JPY 'million)	Utilisation Rates FY14/15 (%)	No. of Visitors FY14/15
1	Daiatsugi Country Club Hon Course	8,360	Atsugi-Shi, Kanagawa	1,258,046	27	1970	2005	1,390	87.7	95,722
2	Daiatsugi Country Club Sakura Course	6,630	Atsugi-Shi, Kanagawa	813,283	18	1981	2005	1,148	111.4	81,081
3	Northern Country Club Nishikigahara Golf Course	4,180	Saitama-Shi, Saitama	1,328,762	43	1963	2005	1,237	88.2	151,667
4	Tokyowan Country Club	3,850	Sodegaura-Shi, Chiba	856,861	27	1979	2005	1,098	85.1	93,398
5	Tsuchiura Country Club	3,710	Inashiki-Shi, Ibaraki	814,039	27	1962	2005	926	84.2	91,725
6	Odawara Golf Club Matsuda Course	2,920	Ashigarakami-Gun, Kanagawa	609,524	18	1973	2007	702	88.2	64,030
7	Fujioka Golf Club	2,850	Fujioka-Shi, Gunma	1,216,014	36	1968	2008	724	68.5	99,544
8	Central Golf Club	2,790	Namegata-Shi, Ibaraki	1,908,836	36	1974	2005	1,019	74.7	109,063
9	Aqualine Golf Club	2,790	Kisarazu-Shi, Chiba	812,297	18	1997	2006	654	75.0	54,318
10	Yorii Country Club	2,450	Osato-Gun, Saitama	781,816	18	1978	2006	656	75.6	54,716
11	Naritahigashi Country Club	2,400	Katori-Shi, Chiba	772,311	18	1982	2005	620	82.9	60,375
12	Chiba Sakuranosato Golf Club	2,270	Katori-Shi, Chiba	948,171	18	1984	2005	574	83.9	61,098
13	Mito Golf Club	2,240	Mito-Shi, Ibaraki	1,453,942	36	1966	2005	853	67.1	97,488
14	Sawara Country Club	2,160	Katori-Shi, Chiba	759,508	18	1990	2005	669	83.1	60,461
15	Kanetsu Highland Golf Club	2,090	Takasaki-Shi, Gunma	1,047,405	27	1972	2008	624	76.7	83,263
16	Minagawajo Country Club	2,080	Tochigi-Shi, Tochigi	569,047	18	1973	2005	629	77.4	56,158
17	Ohiradai Country Club	1,880	Tochigi-Shi, Tochigi	797,090	27	1974	2005	608	71.4	77,721
18	Kanra Country Club	1,600	Kanra-Gun, Gunma	1,156,822	18	1975	2007	487	76.1	55,101
19	Myogi Country Club ⁽³⁾	1,490	Tomioka-Shi, Gunma	803,549	18	1986	2005	943	68.2	48,705
20	Tamagawa Country Club	1,450	Hiki-Gun, Saitama	1,054,979	18	1994	2005	554	79.9	57,664

Note: FY14/15 in the above table refers to the period from 1 April 2014 to 31 March 2015. Revenue is based on J-GAAP figures.

ASSET PORTFOLIO OVERVIEW

INITIAL PORTFOLIO OF 89 GOLF COURSES (cont'd)

Greater Tokyo Region (cont'd)

No.	Golf Course	Appraisal Value ⁽¹⁾ (JPY 'million)	Location	Area (m ²)	Number of Holes	Inaugural Year	Year of Acquisition By Sponsor	Revenue FY14/15 ⁽²⁾ (JPY 'million)	Utilisation Rates FY14/15 (%)	No. of Visitors FY14/15
21	Sainomori Country Club ⁽³⁾	1,410	Chichibu-Shi, Saitama	1,243,143	18	1989	2005	638	79.4	57,031
22	Central Golf Club New Course ⁽³⁾	1,370	Namegata-Shi, Ibaraki	1,030,232	18	1979	2005	500	81.8	59,552
23	Kodamakamikawa Country Club	1,280	Kodama-Gun, Saitama	1,088,693	18	1988	2005	524	79.5	57,105
24	Wildduck Country Club	1,240	Kamisu-Shi, Ibaraki	836,671	18	1991	2008	492	78.0	56,748
25	Koryo Country Club	1,120	Kanuma-Shi, Tochigi	984,175	27	1975	2007	522	67.2	72,972
26	Midono Country Club	1,110	Fujioka-Shi, Gunma	1,668,200	18	1990	2005	519	79.3	57,230
27	Twin Lakes Country Club	1,040	Fujioka-Shi, Gunma	1,280,567	18	1988	2005	548	79.3	57,577
28	Ishioka Golf Club West Course	1,040	Kasama-Shi, Ibaraki	1,262,015	18	1990	2005	534	82.7	60,223
29	Hanao Country Club	992	Isumi-Gun, Chiba	1,242,026	18	1992	2005	525	84.3	61,373
30	Kamogawa Country Club ⁽³⁾	695	Kamogawa-Shi, Chiba	889,599	18	1970	2005	609	81.4	59,418
31	Chichibu Kokusai Country Club	670	Chichibu-Gun, Saitama	784,338	18	1975	2006	325	65.5	45,621
32	Northern Country Club Akagi Golf Course ⁽³⁾	511	Shibukawa-Shi, Gunma	1,516,533	27	1976	2005	371	60.8	50,184
33	Kitsuregawa Country Club ⁽³⁾	354	Sakura-Shi, Tochigi	1,084,069	27	1987	2008	524	66.9	72,041
34	Northern Country Club Jomo Golf Course	232	Agatsuma-Gun, Gunma	908,267	18	1978	2005	221	67.5	36,858
35	Village Higashi Karuizawa Golf Club ⁽³⁾	142	Annaka-Shi, Gunma	748,362	18	1978	2008	275	60.5	42,839

Greater Osaka Region

No.	Golf Course	Appraisal Value ⁽¹⁾ (JPY 'million)	Location	Area (m ²)	Number of Holes	Inaugural Year	Year of Acquisition By Sponsor	Revenue FY14/15 ⁽²⁾ (JPY 'million)	Utilisation Rates FY14/15 (%)	No. of Visitors FY14/15
1	Otsu Country Club ⁽⁴⁾	7,160	Otsu-Shi, Shiga	2,051,043	45	1969	2009	1,601	83.6	148,860
2	Izumisano Country Club	4,860	Izumisano-Shi, Osaka	1,343,189	27	1972	2005	1,041	91.5	100,352

Note: FY14/15 in the above tables refer to the period from 1 April 2014 to 31 March 2015. Revenue is based on J-GAAP figures.

ASSET PORTFOLIO OVERVIEW

INITIAL PORTFOLIO OF 89 GOLF COURSES (cont'd)

Greater Osaka Region (cont'd)

No.	Golf Course	Appraisal Value ⁽¹⁾ (JPY 'million)	Location	Area (m ²)	Number of Holes	Inaugural Year	Year of Acquisition By Sponsor	Revenue FY14/15 ⁽²⁾ (JPY 'million)	Utilisation Rates FY14/15 (%)	No. of Visitors FY14/15
3	Kisaichi Country Club	4,510	Katano-Shi, Osaka	575,504	27	1968	2005	1,029	92.2	100,459
4	Kamo Country Club	4,250	Kizugawa-Shi, Kyoto	1,206,331	36	1974	2005	1,113	81.9	118,578
5	Atagohara Golf Club	3,010	Takarazuka-Shi, Hyogo	615,164	27	1960	2005	881	77.5	84,622
6	Lake Forest Resort ⁽³⁾	2,280	Soraku-Gun, Kyoto	1,031,318	45	1993	2005	1,840	78.2	141,600
7	Harima Country Club	2,070	Ono-Shi, Hyogo	743,267	18	1965	2005	580	83.3	60,782
8	Naranomori Golf Club	2,020	Nara-Shi, Nara	1,326,963	18	1988	2005	707	87.9	63,431
9	Kameoka Golf Club	1,890	Kameoka-Shi, Kyoto	694,053	18	1998	2005	548	83.9	59,262
10	Sorei Golf Club Tsuchiyama Course	1,410	Kouka-Shi, Shiga	746,061	18	1996	2005	459	83.1	57,354
11	Kyowa Golf Club	1,400	Soraku-Gun, Kyoto	1,145,952	18	1974	2005	489	79.3	56,169
12	Misaki Country Club	1,060	Sennan-Gun, Osaka	206,026	18	1970	2005	587	89.4	65,071
13	Yamato Kougen Country Club	798	Nara-Shi, Nara	1,486,731	18	2001	2007	532	83.9	60,565
14	Kasai Country Club	626	Kasai-Shi, Hyogo	1,169,572	18	1987	2005	446	79.9	57,720
15	Shirasagi Golf Club	517	Himeji-Shi, Hyogo	1,024,084	18	1996	2005	481	78.7	56,970

Greater Nagoya Region

No.	Golf Course	Appraisal Value ⁽¹⁾ (JPY 'million)	Location	Area (m ²)	Number of Holes	Inaugural Year	Year of Acquisition By Sponsor	Revenue FY14/15 ⁽²⁾ (JPY 'million)	Utilisation Rates FY14/15 (%)	No. of Visitors FY14/15
1	Yokkaichinosato Golf Club	2,470	Yokkaichi-Shi, Mie	661,573	18	1988	2009	736	84.1	60,559
2	Shinyo Country Club	2,110	Toki-Shi, Gifu	1,495,987	18	1990	2005	681	83.1	59,159
3	Fujiwara Golf Club	2,090	Inabe-Shi, Mie	1,278,719	27	1993	2005	791	77.1	80,020
4	Castlehill Country Club	1,940	Toyokawa-Shi, Aichi	1,635,889	18	1993	2009	678	82.0	59,665
5	Kasumi Golf Club	1,460	Tsu-Shi, Mie	869,786	18	1992	2009	548	81.2	58,660
6	Forest Mizunami Country Club ⁽³⁾	1,400	Mizunami-Shi, Gifu	1,079,483	18	1987	2008	543	80.8	57,523

Note: FY14/15 in the above tables refer to the period from 1 April 2014 to 31 March 2015. Revenue is based on J-GAAP figures.

ASSET PORTFOLIO OVERVIEW

INITIAL PORTFOLIO OF 89 GOLF COURSES (cont'd)

Greater Nagoya Region (cont'd)

No.	Golf Course	Appraisal Value ⁽¹⁾ (JPY 'million)	Location	Area (m ²)	Number of Holes	Inaugural Year	Year of Acquisition By Sponsor	Revenue FY14/15 ⁽²⁾ (JPY 'million)	Utilisation Rates FY14/15 (%)	No. of Visitors FY14/15
7	Forest Geino Golf Club	1,380	Tsu-Shi, Mie	592,471	18	1991	2009	496	73.8	53,279
8	Tsukude Golf Club	1,330	Shinshiro-Shi, Aichi	435,805	18	1994	2009	604	77.5	53,806
9	Sorei Golf Club Seki Course	1,280	Kameyama-Shi, Mie	704,063	18	1996	2005	435	78.4	55,821
10	Sun Classic Golf Club	1,030	Kani-Gun, Gifu	1,058,367	18	1992	2008	560	90.0	64,060
11	Route 25 Golf Club	919	Iga-Shi, Mie	961,379	18	1995	2007	499	77.0	54,640
12	Meisho Golf Club	769	Tsu-Shi, Mie	1,345,960	18	1984	2005	400	70.7	50,905

Other Region

No.	Golf Course	Appraisal Value ⁽¹⁾ (JPY 'million)	Location	Area (m ²)	Number of Holes	Inaugural Year	Year of Acquisition By Sponsor	Revenue FY14/15 ⁽²⁾ (JPY 'million)	Utilisation Rates FY14/15 (%)	No. of Visitors FY14/15
1	Mishima Country Club	3,040	Mishima-Shi, Shizuoka	1,069,886	18	1988	2005	695	86.3	62,649
2	Ashitaka Six Hundred Club ⁽³⁾	2,080	Numazu-Shi, Shizuoka	873,030	18	1969	2005	627	79.3	57,719
3	Jurigi Country Club	1,720	Fuji-Shi, Shizuoka	722,429	18	1973	2008	498	71.8	48,949
4	Nijo Country Club	1,480	Itoshima-Shi, Fukuoka	952,335	18	1974	2007	524	88.2	64,240
5	Sanyo Kokusai Golf Club	1,230	Sanyoonoda-Shi, Yamaguchi	1,863,554	36	1980	2005	646	60.2	85,994
6	Hongo Country Club	1,020	Mihara-Shi, Hiroshima	1,168,476	18	1977	2008	410	59.2	42,731
7	Yunoura Country Club	969	Hioki-Shi, Kagoshima	1,454,590	18	1989	2005	442	79.3	57,079
8	Dainiigata Country Club Izumosaki Course	872	Santo-Gun, Niigata	489,212	18	1974	2005	326	67.4	42,057
9	Sasebo Kokusai Country Club	840	Sasebo-Shi, Nagasaki	363,153	18	1976	2007	383	69.0	50,076
10	Beppu No Mori Golf Club	804	Beppu-Shi, Oita	1,292,070	27	1974	2005	497	72.6	77,311
11	Central Fukuoka Golf Club	775	Chikushino-Shi, Fukuoka	661,225	18	1975	2007	485	91.6	65,067
12	Takehara Country Club	641	Takehara-Shi, Hiroshima	1,116,606	18	1994	2005	364	57.4	40,880

Note: FY14/15 in the above tables refer to the period from 1 April 2014 to 31 March 2015. Revenue is based on J-GAAP figures.

ASSET PORTFOLIO OVERVIEW

INITIAL PORTFOLIO OF 89 GOLF COURSES (cont'd)

Other Region (cont'd)

No.	Golf Course	Appraisal Value ⁽¹⁾ (JPY 'million)	Location	Area (m ²)	Number of Holes	Inaugural Year	Year of Acquisition By Sponsor	Revenue FY14/15 ⁽²⁾ (JPY 'million)	Utilisation Rates FY14/15 (%)	No. of Visitors FY14/15
13	Osato Golf Club	615	Kurokawa-Gun, Miyagi	1,377,510	18	1998	2006	300	78.3	52,466
14	Izukokusai Country Club	538	Izu-Shi, Shizuoka	596,199	18	1961	2005	301	63.6	45,775
15	Aoshima Golf Club	450	Miyazaki-Shi, Miyazaki	816,506	18	1991	2005	441	74.6	53,535
16	Dainiigata Country Club Sanjo Course	449	Sanjo-Shi, Niigata	675,500	18	1976	2005	249	66.3	32,226
17	Fukuoka Pheasant Country Club	437	Tagawa-Gun, Fukuoka	1,072,749	18	1976	2005	334	68.2	48,834
18	Nagasaki Park Country Club	428	Saikai-Shi, Nagasaki	1,016,537	18	1994	2005	375	66.5	48,245
19	Onuma Lake Golf Club	406	Kayabe-Gun, Hokkaido	1,236,330	27	1975	2005	312	56.5	39,657
20	Kikuchi Country Club	399	Kikuchi-Shi, Kumamoto	1,573,608	18	1979	2005	305	66.0	46,835
21	Amagaseonsen Country Club	343	Hita-Shi, Oita	677,450	18	1967	2005	293	63.6	45,134
22	Tarumae Country Club	330	Tomakomai-Shi, Hokkaido	2,131,128	27	1963	2008	384	54.0	40,468
23	Rainbow Sports Land Golf Club	307	Miyakonojo-Shi, Miyazaki	682,127	18	1992	2007	245	70.7	50,356
24	Hananomori Golf Club	280	Kurokawa-Gun, Miyagi	1,211,083	18	1992	2005	386	71.2	39,445
25	Yamagataminami Country Club	255	Higashiokitama- Gun, Yamagata	885,800	18	1985	2005	212	65.7	29,428
26	Huis Ten Bosch Country Club	115	Saikai-Shi, Nagasaki	994,455	18	1991	2007	332	58.4	42,162
27	Kanazawa Central Country Club	49	Kanazawa-Shi, Ishikawa	1,311,095	18	1993	2007	284	68.0	36,831

Notes:

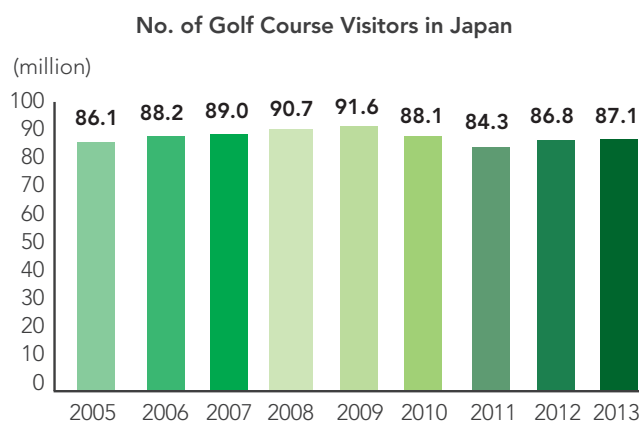
- (1) Based on the real estate appraisals as at 31 December 2014 conducted by the Independent Real Estate Appraisers
- (2) Revenue includes play fees (green fees and cart fees), caddy fees, restaurant charges, membership fees and other revenues from the golf course
- (3) These 10 golf courses have hotel facilities at the golf course
- (4) This golf course consists of the Higashi Course (27 holes) and the Nishi Course (18 holes) and they are treated by the Sponsor as two separate golf courses

Note: FY14/15 in the above table refers to the period from 1 April 2014 to 31 March 2015. Revenue is based on J-GAAP figures.

OVERVIEW OF JAPAN'S GOLF COURSE INDUSTRY

1. NUMBER OF GOLF COURSE VISITORS IN JAPAN

From 2005 to 2009, the number of golf course visitors in Japan increased to hit 91.6 million as the lower cost of play enticed golfers to increase the frequency of play while economic conditions improved. Presently, having moved on from the Lehman crisis and Tōhoku earthquake, the number of golf course visitors has increased from 86.8 million in 2012 to 87.1 million in 2013, along with the gradual recovery of the Japanese economy.



2. JAPAN'S ECONOMY

As a whole, the number of golf players in Japan has remained relatively steady in the decade. However, the Japanese economic condition influences the demand for golf in Japan.

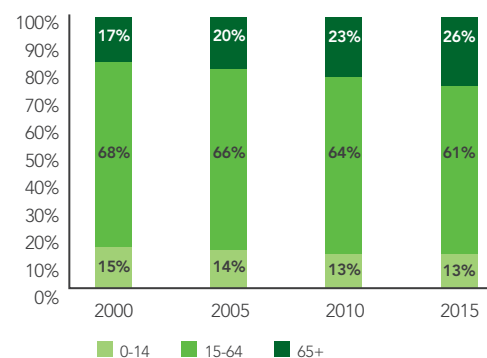
The general market outlook of Japan has been positive due to Abenomics. There have been signs of economic improvement such as higher prices for both residential and commercial assets and increase in stock prices. For the first time in 15 years, the Nikkei Stock Average closed above 20,000 on 22 April 2015. These encouraging market indicators, coupled with a richer middle class in Japan, have a positive impact on the Japanese economy and the golf demand in Japan.

With Prime Minister Shinzo Abe's efforts to raise pay, basic pay in Japan grew at its fastest pace for 15 years in January 2015. This serves as a positive boost from Abenomics in Japan's objective to raise consumption and drive a virtuous cycle of demand and inflation.

3. SENIOR GOLFERS

Senior golfers tend to play more rounds per year and tend to be less sensitive to economic conditions as compared to working golfers. It is expected that the average number of rounds played will continue to increase as seniors who have reached retirement age will start to have more idle time for leisure activities, including golf.

Japan Population Profile



Source: Statistics Bureau, Japan, 2015 Provisional Estimates as at 1 April 2015



4. FEMALE GOLFERS

The female golf market has been an important segment of the golf market in Japan and has been slowly on the rise. In 2006, only 1.7% of Japanese females participated in golf. By 2012, this figure almost doubled and approximately 1.56 million females now take part in the sport.

The emergence of young professional golfers such as Ryo Ishikawa, Momoko Ueda and Ai Miyazato has also rejuvenated the image of golf and motivated more young

OVERVIEW OF JAPAN'S GOLF COURSE INDUSTRY

females to take part in golf. Golf clubs are launching "Ladies Day" promotion and "Parent and Kids Play" programs. Clubhouses have become more family-friendly with more cafes, childcare facilities and family rooms rather than bars and restaurants. Looking forward, more female golf players may continue to enter the market and become a long-term source of demand for the golf market.

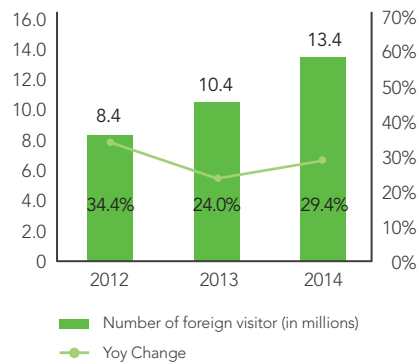


5. TOURISM BOOM IN JAPAN

Japan has seen a rebound in the number of tourists in recent years due to both the depreciation of the Japanese yen and a relaxation of tourist visa requirements. According to the Japan National Tourism Organisation ("JNTO"), the number of foreign visitors jumped 29.4% to an estimated 13.4 million in 2014, representing a record high for the second straight year. For the first quarter of this year, from January 2015 to March 2015, the number of foreign visitors surged 43.7% year-on-year to an estimated 4.1 million based on the statistics from JNTO. In view of the upcoming Olympics 2020 to be held in Japan, the Japanese government has set targets to attract 20 million visitors for 2020.

According to survey results detailed in the Foreign Visitor Spending Report published by the Japan Tourism Agency in 2013, about 1.3% of foreign visitors to Japan played golf during their visit. Furthermore, among the surveyed foreign visitors who played golf in Japan, 15.4% of them responded that they would like to play golf in Japan again in the future. Growing tourist arrivals to Japan is expected to boost demand for golf in the mid-to-long term.

Increasing Number of Foreign Visitors in Japan (2012 to 2015)



Source: Japan National Tourism Organisation

6. OLYMPICS 2016/2020

With the rising popularity of golf in many parts of the world, the International Olympic Committee decided to include golf as an Olympic event. Over 30 countries are expected to participate in the men's and women's 2016 Olympic golf competition in Rio de Janeiro. The inclusion of golf as an Olympic sport will not only improve the appeal of golf and increase its popularity but with the increased international coverage, sponsorship will increase, attracting more talents on a world-wide basis and increasing the excitement of the game.

After the 2016 Olympics in Rio de Janeiro, Tokyo will be the host city for the 2020 Olympics. As the Olympics has constantly been able to draw a large audience, Japan's sports industry, including golf, will be able to benefit directly from the increased sponsorship, increased promotion and enhanced image.



INVESTOR RELATIONS & MEDIA RELATIONS

PROACTIVE ENGAGEMENT OF OUR STAKEHOLDERS

AGT is fully committed to communicating with its key stakeholders, such as Unitholders, analysts, media and the investment community. Such communication is conducted proactively and in a timely and transparent manner in relation to AGT's business and performance.

AGT's objective is to strengthen its investor base and raise awareness of the uniqueness of AGT as the world's only listed business trust with golf course assets.

The Management regularly meets existing and potential investors, funds and analysts via one-on-one meetings, group meetings, quarterly results briefings, local and overseas roadshows and conferences. The Trustee-Manager also facilitates site visits for media and analysts to gain better insights on the quality of AGT's golf course assets and the service standards of its golf course operations.

On top of media interviews and analyst briefings, the Trustee-Manager also makes efforts to engage retail investors through company presentations at events held by the SGX-ST and/or the local brokerage firms.

In 2015, the Trustee-Manager joined the Investor Relations Professionals Association Singapore and the Securities Investors Association (Singapore) to reinforce AGT's channels of communication with Unitholders.

AGT's corporate webpage serves as a key platform for retail and institutional investors to view the latest corporate news and development of AGT. Members of the public may subscribe to an e-mail alert service at http://accordiagolftrust.listedcompany.com/email_alerts.html to receive regular updates on AGT's corporate information and announcements.



INVESTOR RELATIONS & MEDIA RELATIONS

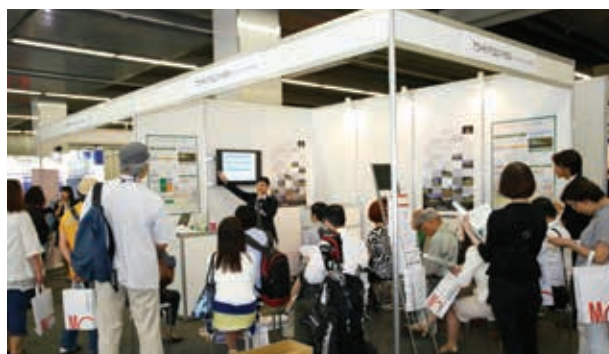
IR CALENDAR

2015

Date	Financial	IR & Media
August	1Q Financial Results	
27 July	Annual General Meeting	
16 June		Overseas Investor Meeting
15 June	Distribution Payment	
30 May		IR Conference in Japan
20 May		Results Briefing Meeting
19 May	Financial Results Announcement for FY2015	
2 March		Citi Global Property CEO Conference
12 February	Financial Results Announcement for the Period	Results Briefing Meeting
31 January		Channel NewsAsia Moneymind
27 January		SGX Brokerage Presentation (Phillip, CIMB)
6 January		Luncheon Presentation (Phillip, OCBC)

2014

Date	Financial	IR & Media
18 November		Daiwa Investment Conference Hong Kong
27 October		Overseas Investor Meeting
8 October		Luncheon Presentation (CIMB)
29 September		Overseas Investor Meeting
26 August		Asia Investor Meeting
1 August	Listed on the Main Board of the SGX-ST	



A man in a dark polo shirt and light-colored trousers is captured mid-swing on a golf course. He is standing in a sand trap, with sand kicked up around his feet. The background features a lush green golf course, a line of trees, and a cloudy sky. The overall tone is professional and dynamic.

Enhancing Operational Efficiency

We have put in place stringent internal controls and monitor the portfolio performance which are vital to achieving the visions and missions of AGT.

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)

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

Other Listed Company Directorships: Nil

Past Listed Company Directorships: 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

Board Committee served on: Nil

Other Listed Company Directorships: Nil

Past Listed Company Directorships: 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 TAKUYA
NAGANO
*Head of Investor
Relations and
Executive
Director*

Date of Appointment: 16 June 2014

Board Committee served on: Nil

Other Listed Company Directorships: Nil

Past Listed Company Directorships: Nil

Academic & Professional Qualifications:

- Master of Business Administration in Finance and Accounting from University of Rochester, New York
- Bachelor of Engineering in Tohoku University
- Chartered member of the Securities Analysts Association of Japan

Experience:

Mr Nagano has approximately 20 years of investment banking experience in Daiwa Securities Group where he was involved in initial public offerings, equity and debt capital market transactions and mergers and acquisitions, including advising Japanese companies in their listings on the SGX-ST.

Previous Roles:

Executive Director and the Head of Investment Banking, South East Asia, in Daiwa Capital Markets Singapore Limited; Director in the Financial Sponsor Department at Daiwa Securities Co. Ltd., Tokyo; Assistant Director in the Corporate Finance Department at Daiwa Securities Co. Ltd. Tokyo.

BOARD OF DIRECTORS OF THE TRUSTEE-MANAGER

Date of Appointment: 16 June 2014

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

Other Listed Company Directorships:

- AVIC International Maritime Holdings Ltd, Cvmec Ltd. and InnoTek Ltd (SGX-ST listed)
- Changan Minsheng APLL Logistics Co., Ltd (HKEX listed)

Past Listed Company Directorships:

Independent Director of several entities listed on the SGX-ST, including Beyonics Technology Limited, Wanxiang International Limited, Sihuan Pharmaceutical Holdings Group Ltd., JES International Holdings Limited and Midsouth Holdings Ltd., as well as Blackgold International Holdings Limited Chongqing-based coal mining firm listed on the Australian Securities Exchange.

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 Seksun Corporation Ltd from 1999-2004.



Date of Appointment: 16 June 2014

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

Other Listed Company Directorships: Nil

Past Listed Company Directorships: Nil

Academic & Professional Qualifications:

- Bachelor of Commerce from Waseda University, Tokyo
- Certified Public Accountant in Japan

Experience:

Mr Kumagai has extensive experience in providing audit and transaction 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 is currently an auditor for Japan Automobile Recycling Promotion Center and Akasaka Kakiyama Ltd. in Japan.

Previous Roles:

Manager at KPMG FAS Co., Ltd in Japan; Auditor at KPMG LLP in New York; Auditor at Kato Audit Corporation in Japan.



EXECUTIVE OFFICERS OF THE TRUSTEE-MANAGER



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

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 TAKUYA
NAGANO
*Executive
Director and
the Head
of Investor
Relations*

Academic & Professional Qualifications:

- Master of Business Administration in Finance and Accounting from University of Rochester, New York
- Bachelor of Engineering in Tohoku University
- Chartered member of the Securities Analysts Association of Japan

Experience:

Mr Nagano has approximately 20 years of investment banking experience in Daiwa Securities Group where he was involved in initial public offerings, equity and debt capital market transactions and mergers and acquisitions, including advising Japanese companies in their listings on the SGX-ST.

Previous Roles:

Executive Director and the Head of Investment Banking, South East Asia, in Daiwa Capital Markets Singapore Limited; Director in the Financial Sponsor Department at Daiwa Securities Co. Ltd., Tokyo; Assistant Director in the Corporate Finance Department at Daiwa Securities Co. Ltd. Tokyo.

EXECUTIVE OFFICERS OF THE TRUSTEE-MANAGER

Academic & Professional Qualifications:

- Bachelor of Engineering from University of Tokyo
- Certified Public Accountant in Japan
- Certified Tax Accountant in Japan

Experience:

Mr Nemoto has extensive finance and accounting experience and knowledge of J-GAAP and IFRS. He started his career in BDO and later worked in Deloitte Tokyo. During this period, he was involved in statutory audit, M&A consulting and the establishment of corporate internal control systems. Mr Nemoto established his own accounting firm in 2006. He has provided professional service in the field of tax accounting, consolidated accounting, J-SOX (internal control system) and IFRS accounting for various listed companies in Japan.

Previous Roles:

From 2000 to 2003, Mr Nemoto worked at BDO Sanyu & Co. where he was mainly involved in statutory audit for listed companies. From 2004 to 2007, he worked at Deloitte Touche Tohmatsu where as an audit manager he was responsible for statutory audits under the FIEA and the Companies Act of Japan. He also gained experience in financial consulting (due diligence, valuation) and IPO consulting. In 2006, Mr Nemoto established his own accounting firm, and also obtained certificate of tax accountant the following year. From 2006 to 2014, he has advised many companies on the preparation of consolidated financial statements, J-SOX compliance and internal audits. He has also provided consultation on IFRS accounting services.



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. since 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 Goldman Sachs Realty Japan Ltd. He also worked with Nippon Mortgage Co., Ltd. where he was engaged in property finance work for over 13 years.



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CORPORATE GOVERNANCE REPORT

About AGT and Trustee-Manager

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

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

The Trustee-Manager is committed to high standards of corporate governance, business integrity and professionalism in all its activities and has adopted corporate governance practices which are in line with the Singapore Code of Corporate Governance 2012 (the "**Code**") throughout the financial period ended 31 March 2015. Where there are deviations from the Code, appropriate explanations have been provided. The Trustee-Manager also ensures that all applicable laws, rules and regulations including the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), the listing manual of the SGX-ST (the "**Listing Manual**") and the BTA including the relevant regulations thereunder, are duly complied with.

The Board's Conduct of its Affairs

Principle 1

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

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

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

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

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

The key roles of the Board are to:

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

The Board has delegated specific areas of responsibilities to the Audit and Risk Committee to assist it in discharging its responsibilities. The Audit and Risk Committee is governed by a set of written rules, known as the Audit and Risk Committee Terms of Reference which have been approved by the Board.

CORPORATE GOVERNANCE REPORT

The Trustee-Manager has adopted a set of internal controls in relation to delegated authorisations that has been approved by the Board. The internal controls 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 require the Board's approval, such as financial statements, annual budget, investment proposals and funding, opening and closing of bank accounts, are also clearly set out in the set of internal controls.

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

The number of meetings of the Board and the Audit and Risk Committee held during the period from 16 June 2014, being its constitution date to 31 March 2015, as well as the attendance of the Directors, are as follows:

Name of Directors	Board Meetings		Audit and Risk Committee Meetings	
	Number of meetings	Attendance	Number of meetings	Attendance
Khoo Kee Cheok	1	1	3	3
Chong Teck Sin	1	1	3	3
Hitoshi Kumagai	1	1	3	3
Yoshihiko Machida	1	1	3*	3*
Takuya Nagano	1	1	3*	3*

* By invitation

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

As part of continuous training, Directors will receive updates and briefing from time to time and regular training, particularly on relevant new laws and regulations through presentations and workshops. The Directors are encouraged to attend training courses from the Singapore Institute of Directors and any other relevant training programmes, so as to keep up-to-date with changes to financial, legal and regulatory requirements and the business environment which are relevant to the performance of their duties and responsibilities as Directors. The cost of arranging and funding of the training of the Directors are borne by the Trustee-Manager.

Save as disclosed in this annual report, there was no new Director appointed in FY14/15. When a new Director is appointed, a formal letter of appointment setting out the Director's duties and responsibilities and the Audit and Risk Committee's Terms of Reference (if applicable) will be issued to the new Director.

Board Composition and Guidance

Principle 2

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

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

- at least a majority of directors who are independent from management and business relationships with the trustee-manager;

CORPORATE GOVERNANCE REPORT

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

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

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

The Board comprises five Directors, of whom three are independent and non-executive. The Chairman of the Board is Mr Khoo Kee Cheok.

The Board has reviewed the independence of the Independent Directors and has deemed them to be independent for the purposes of the BTA and Regulation 12 of the BTR. Each of Mr Khoo Kee Cheok, Mr Chong Teck Sin and Mr 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.

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

As at 31 March 2015, the Directors are:

Independent Directors

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

Executive Directors

Mr Yoshihiko Machida (Chief Executive Officer)
Mr Takuya Nagano

Further information on the Directors is provided in the Board of Directors of the Trustee-Manager section on pages 30 and 31 of this report.

The Board is of the view that the present Board size of five members is appropriate to provide for effective decision-making, taking into account the nature and scope of AGT's operations. Given the diverse qualifications, background, experience and profile of the Independent 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.

CORPORATE GOVERNANCE REPORT

Chairman and Chief Executive Officer

Principle 3

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

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

There is a clear division of responsibilities between the Chairman and the Chief Executive Officer. As the Independent Non-Executive Director and 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 Chief Executive Officer, 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 Chief Executive Officer, Mr Yoshihiko Machida, is an Executive Director with full executive responsibilities over the business directions and operational decisions of AGT. As Chief Executive Officer, 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.

Board Membership

Principle 4

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

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

The Board performs the functions that a nominating committee would otherwise have performed. It administers nomination to the Board, reviews the structure, size, competence, experience and composition of the Board. In addition, the Board reviews the independence of the Directors. The Board also retains responsibility for identifying, reviewing and appointing suitable new candidates to join the Board as Directors. In reviewing and recommending the appointment of new Directors, the Board takes into consideration the current Board mix and size, the suitability of the proposed candidate based on key attributes such as commitment, competency and integrity as well as the candidate's ability to carry out his/her duties as a Director. The search for candidates to be appointed as new Board members will be conducted through a broad network of recommendations and contacts.

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

CORPORATE GOVERNANCE REPORT

The appointment of the Directors will continue until such time as they resign, are required to vacate their office as Directors, or are removed by way of an ordinary resolution of the shareholders of the Trustee-Manager, in each case in accordance with the articles of association of the Trustee-Manager. While the articles of association of the Trustee-Manager indicated that Messrs Chong Teck Sin, Hitoshi Kumagai, Yoshihiko Machida and Takuya Nagano shall retire from office at the First Annual General Meeting of the Trustee-Manager, they have signified their consent to continue in office.

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

Board Performance

Principle 5

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

As AGT was only constituted on 16 June 2014, the Board has determined that it would be more meaningful for a formal board performance evaluation to be conducted at the end of the financial year ending 31 March 2016 after Board members have had a reasonably substantial period of time to work together.

Notwithstanding the foregoing, the Board is of the view that the individual Directors have devoted sufficient time and attention towards the discharge of their responsibilities as Directors and towards the affair of AGT for the period ended 31 March 2015. In determining whether each Director is able to devote sufficient time to discharge his or her duties, the Board will take cognizance of the requirements under the Code, but its assessment will not be restricted only to the number of board representations of each Director and their respective principal commitments per se. The contribution by each Director to and during Board and Board committee meetings, as well as their attendance at such meetings, are also taken into account. The Board will continue to review from time to time the board representations and other principal commitments of each Director to ensure that the Directors continue to meet the demands of the Trustee-Manager and AGT, and are able to discharge their duties and responsibilities adequately.

Details of such directorships and other principal commitments may be found on pages 30 and 31 of this report.

Access to Information

Principle 6

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

Management endeavours to provide the Board with complete, adequate and timely information prior to Board meetings and 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, the 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.

CORPORATE GOVERNANCE REPORT

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

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

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

All Directors have separate and independent access to Management, the Company Secretary, as well as the internal and external auditors at all times. The Company Secretary (and/or her authorised designates) attends all Board meetings and ensures that all Board procedures are followed. The Company Secretary also attends to corporate secretarial administration matters. The appointment and removal of the Company Secretary is a matter for the Board to decide as a whole.

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

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

Procedures for Developing Remuneration Policies

Principle 7

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

Level and Mix of Remuneration

Principle 8

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

Disclosure on Remuneration

Principle 9

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

Based on the current scale of operations of the Trustee-Manager, the Board is of the view that it is not necessary to establish a dedicated remuneration committee. The Trustee-Manager submits all material executive remuneration policy matters to the Board for review and determination. The Board may also from time to time appoint a sub-committee within the Trustee-Manager to assist the Board in the discussion and recommendation for matters relating to employee remuneration and similar issues. Such sub-committee may, as and when necessary, obtain independent professional advice in furtherance of their duties.

CORPORATE GOVERNANCE REPORT

As AGT is externally managed by the Trustee-Manager, all Directors' fees and remuneration of the employees, including the executive officers of the Trustee-Manager are paid by the Trustee-Manager and not by AGT.

Independent Directors receive a fixed annual fee payable quarterly for their Board and Board committee membership. It is considered that the remuneration of the Independent Directors is appropriate for their level of contribution, taking into account their responsibilities and time spent.

The remuneration policy adopted by the Trustee-Manager has regard to the objective of attracting, rewarding and retaining performing staff. Staff remuneration comprises a fixed component in the form of basic salary and a variable component in the form of bonuses. Variable bonus is pegged to the performance of the individual and the performance of AGT. This clearly aligns staff remuneration with the long term interests of the Unitholders. There are currently no option schemes or other long-term incentive schemes in place in relation to AGT and there are also no existing or proposed service agreements entered into by the Directors or Executive Officers with the Trustee-Manager that provide for benefits upon termination or retirement, or post-employment. No compensation is payable to any Director or Executive Officer in the form of option in units or pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement under the service contracts.

The fees and remuneration paid to the Directors of the Trustee-Manager are set out below:

Directors	Directors' fee	Executive Remuneration
Khoo Kee Cheok	A ⁽¹⁾	Nil
Chong Teck Sin	A ⁽¹⁾	Nil
Hitoshi Kumagai	A ⁽¹⁾	Nil
Yoshihiko Machida ⁽²⁾	Nil	B ⁽³⁾
Takuya Nagano ⁽²⁾	Nil	B ⁽³⁾

Notes:

- (1) "A" refers to remuneration below the equivalent of S\$250,000
- (2) Mr Yoshihiko Machida and Mr Takuya Nagano are Executive Officers of the Trustee-Manager. As such, they were paid remuneration by the Trustee-Manager for their contributions as Executive Officers and no directors' fees were paid to them in FY14/15
- (3) "B" refers to remuneration between the equivalent of S\$250,000 and S\$500,000

No employee of the Trustee-Manager was an immediate family member of a Director or the Chief Executive Officer and whose remuneration exceeded S\$50,000 during the period under review

Accountability and Audit Accountability

Principle 10

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

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

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

CORPORATE GOVERNANCE REPORT

Risk Management and Internal Controls

Principle 11

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

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

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

As part of its overall risk management, Management, amongst other things, undertakes and performs risk and control assessment using a risk control matrix which also serves as a risk register which identifies the material risks it faces and the corresponding internal controls in place to manage or mitigate those risks. For the financial period ended 31 March 2015, the Trustee-Manager has reviewed AGT's financial, operational, compliance and information technology risks. These risks are prioritised based on their relative importance or implications for AGT should such risks materialise. The material risks are analysed and discussed by the Audit and Risk Committee 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 reported to the Audit and Risk Committee quarterly for review.

The Chief Executive Officer and Chief Financial Officer have provided their assurance to the Board that to their knowledge and based on on-going reviews, the risk management strategy and framework is adequate, and financial records have been properly maintained and the financial statements give a true and fair view of AGT's operations and finances.

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

Any material non-compliance or lapses in internal controls together with corrective measures recommended by internal auditors are reported to and reviewed by the Audit and Risk Committee. 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 Audit and Risk Committee.

During the financial period ended 31 March 2015, the Trustee-Manager 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 Audit and Risk Committee prior to the entry into any such transactions.

CORPORATE GOVERNANCE REPORT

Opinion of the Board on Risk Management and Internal Controls

The Board and the Audit and Risk Committee have reviewed the adequacy of the Trustee-Manager's internal controls and risk management. Based on the work performed by the internal auditors, the statutory audit by the external auditors, and reviews performed by the Management for the period under review, the Board with the concurrence of the Audit and Risk Committee, is of the opinion that the Trustee-Manager's internal controls and risk management systems were adequate as at 31 March 2015 in the current business environment.

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 12

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

The Audit and Risk Committee 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. As at 31 March 2015, the members of the Audit and Risk Committee are:

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

The Audit and Risk Committee functions independently of the Executive Officers and the other Directors who are not members of the Audit and Risk Committee. 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 Audit and Risk Committee. The Audit and Risk Committee 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 Audit and Risk Committee.

The Audit and Risk Committee is regulated by a set of written rules known as the Audit and Risk Committee Terms of Reference that has been endorsed by the Board. The principal responsibilities of the Audit and Risk Committee 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 auditor's 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;

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- (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 accounts of the property of AGT ("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 balance sheet, profit and loss account and cash flow statement of AGT and the balance sheet, profit and loss account and cash flow statement of the Trustee-Manager submitted to it by the Trustee-Manager, and thereafter to submit them to the Board;
- (d) to review the allocation of profits and losses of the tokumei kumiai ("TK") business; namely, the management and operation of the golf course business, pursuant to the TK agreement governing the TK relationship between the investor and the business operator;
- (e) to review significant reporting issues and judgements to ensure the integrity of the financial statements and any formal announcements relating to financial performance;
- (f) to discuss problems and concerns, if any, arising from the quarterly/interim and final audits, in consultation with the external auditors and the internal auditors where necessary;
- (g) to report to the Board:
 - (i) any inadequacies, deficiencies or matters of concern of which the Audit and Risk Committee 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 Audit and Risk Committee becomes aware or that it suspects;
- (h) 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 (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 oversee the announcements made by the Trustee-Manager on a quarterly basis in relation to updates to the land and building issues in relation to the assets of AGT;
- (l) 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;
- (m) 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;

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- (n) to review and advise the Board in formulating its risks 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 AGT;
- (r) to review and discuss with the external auditors, any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on AGT's operating results or financial position, and Management's response;
- (s) to investigate any matter within its terms of reference, with full access to and co-operation by Management and full discretion to invite any Director or Executive Officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- (t) to review arrangements by which staff of the Trustee-Manager and AGT 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 Audit and Risk Committee;
- (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 annually the scope and results of the external audit, and the independence and objectivity of the external auditors, and to recommend to the Board the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;
- (x) to review the audit representation letters before consideration by the Board, giving particular consideration to matters that are related to non-standard issues;
- (y) to undertake such other reviews and projects as may be requested by the Board; and
- (z) to undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

The Audit and Risk Committee is briefed and updated by external auditors on relevant changes to accounting standards and issues that have direct impact on financial statements. The Audit and Risk Committee meets with the external auditors at least once a year to consider the results of the external auditor's independent review, without the presence of the Management.

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In performing its function for the financial period ended 31 March 2015, the Audit and Risk Committee:

- (a) held three meetings in the period under review;
- (b) met with the external and internal auditors in February 2015 and May 2015, without the presence of Management, to review any matters that might be raised privately;
- (c) reviewed the audit plans of external and internal auditors of AGT and their reports arising from the respective audits;
- (d) 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 Audit and Risk Committee 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;
- (e) recommended the re-appointment of Deloitte & Touche LLP as external auditors at the first Annual General Meeting of Unitholders;
- (f) reviewed the nature of interested person transactions; and
- (g) 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 aggregate amount of audit fees paid and payable to the external auditors for the financial period ended 31 March 2015 was S\$926,000, of which audit fees amounted to S\$780,000 and non-audit fees amounted to S\$146,000.

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

WHISTLE-BLOWING POLICY

The Trustee-Manager has put in place a whistle-blowing policy and has implemented relevant procedures, as approved by the Audit and Risk Committee 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 Audit and Risk Committee and that there will be independent investigation and appropriate follow-up actions taken.

Concerns about possible improprieties may be raised either in person or in writing by emailing their concerns to arc@agtrust.com.sg. Complaints may also be sent to the Trustee-Manager's registered address at 6 Shenton Way, OUE Downtown 2 #25-09, Singapore 068809 and addressed to the Audit and Risk Committee c/o Accordia Golf Trust Management Pte. Ltd.

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Internal Audit

Principle 13

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

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

The internal auditors report directly to the chairman of the Audit and Risk Committee and administratively to the Chief Executive Officer. The Audit and Risk Committee reviews and approves the annual internal audit plan and reviews the internal audit reports and activities on an on-going basis.

The Audit and Risk Committee is of the view that the internal auditors have adequate resources to perform its functions and have, to the best of its ability, maintained its independence from the activities that it audits. The Audit and Risk Committee also reviews the results of internal audits and Management's actions in resolving any audit issues reported.

Unitholder Rights

Principle 14

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

Communication with Unitholders

Principle 15

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

The Trustee-Manager is committed to treating all Unitholders fairly and equitably and keeping all Unitholders and other stakeholders and analysts informed of the performance and changes in AGT or its business which would be likely to materially affect the price or value of Units, on a timely and consistent basis, so as to assist Unitholders and investors in their investment decisions.

The Trustee-Manager provides accurate and timely disclosure of material information relating to AGT by way of public releases or announcements via SGXNET. Where immediate disclosure is not practicable, the relevant announcement is made as soon as possible to ensure that all stakeholders and the general public have equal access to the information.

All Unitholders are entitled to attend general meetings with the required notice given to them and they are accorded the opportunity to participate effectively and vote at general meetings. All Unitholders are also informed of the rules, including voting procedures, governing such meetings.

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The Trustee-Manager also communicates with Unitholders and other stakeholders and analysts on a regular basis and attends to their queries. The Trustee-Manager will hold sessions with analysts as appropriate to explain AGT's strategy, performance and developments to understand the views of the various stakeholders. The senior management of the Trustee-Manager are present at such communication sessions to answer questions.

Conduct of Unitholder Meetings

Principle 16

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

The Trustee-Manager supports the principle of encouraging Unitholders' participation and voting at general meetings. General meetings will be convened at least once a year in accordance with applicable laws and regulations and all Unitholders will receive an annual report and notice of the annual general meeting prior to the annual general meeting. As and when an extraordinary general meeting is to be held, Unitholders will receive a copy of circular which contains details of the matters to be proposed for Unitholders' consideration and approval.

Notices of the general meetings are also issued via SGXNET and advertised in a major newspaper in Singapore.

At general meetings, Unitholders are encouraged to communicate their views on and discuss with the Board and the Trustee-Manager matters which they are concerned about regarding AGT. Representatives of the Trustee-Manager, Directors (including the Chairman of the Board and the chairman of the Audit and Risk Committee), 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. To ensure transparency in the voting process and better reflect Unitholders' interests, voting at all general meetings are conducted by way of poll. Detailed results of the outcome are announced after the meeting via SGXNET.

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

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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 businesses other than managing AGT.

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

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

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

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

- (a) treat Unitholders who hold Units in the same class fairly and equally;
- (b) ensure that all payments out of the Trust Property are made in accordance with the BTA and the Trust Deed;
- (c) report to the Authority any contravention of the BTA or the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 ("**SF BT Regulations**") by any other person that:
 - (i) relates to AGT; and
 - (ii) has had, has or is likely to have, a material adverse effect on the interests of all Unitholders, or any class of Unitholders, as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention;
- (d) ensure that the Trust Property is properly accounted for; and
- (e) ensure that the Trust Property is kept distinct from the property held in its own capacity.

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

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- (c) not make improper use of any information acquired by virtue of its position as Trustee-Manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the Unitholders; and
- (d) hold the Trust Property on trust for all Unitholders as a whole in accordance with the terms of the Trust Deed.

Dealing in Units

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

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

- during the period commencing (i) two weeks before the public announcement of AGT’s quarterly results; (ii) one month before the public announcement of AGT’s annual results and (where applicable) any property valuations, and ending on the date of the announcement of the relevant results or, as the case may be, property valuations; and
- at any time while in possession of price sensitive information.

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

Each Director and the Chief Executive Officer is 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 Chief Executive Officer became a director or chief executive officer of the Trustee-Manager or the date on which he acquires an interest in the Units or he becomes aware of the occurrence of the event giving rise to changes in the number of Units which he has an interest.

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

Material Contracts

There are no material contracts entered into by AGT or any of its subsidiaries that involve the interests of the Chief Executive Officer, any Director, any controlling Unitholder or any controlling shareholder of the Trustee-Manager, either still subsisting or entered into during FY14/15, 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

- (a) The Trustee-Manager has instituted the following procedures to deal with conflict of interest issues:
 - (i) 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.
 - (ii) In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of the Sponsor and/or its subsidiaries.

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- (iii) Where matters concerning AGT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of AGT with an interested person, the Board is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of AGT and its minority Unitholders, and in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or AGT, the Trustee-Manager (including the Audit and Risk Committee) will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.
- (iv) 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.
- (v) In order to manage any potential competition and conflicts of interest that may arise between the Sponsor and the Trustee-Manager and/or the Golf Course Holding Company in relation to any assets that fall within the investment mandate of AGT or the holding of the Initial Portfolio golf courses for the purpose of managing and operating the golf course business (the "TK Business"), the Sponsor has granted (i) a right of first refusal to Golf Course Holding Company, (ii) a right of first refusal to the Trustee-Manager, and a call option to each of the Golf Course Holding Company and the Trustee-Manager, with effect from the Listing Date.
- (vi) 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 subsidiaries and the Sponsor group in accordance with the Listing Manual.

Interested Person Transactions

The Trustee-Manager has established an internal controls system to ensure that all future 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 Audit and Risk Committee 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 will maintain a register to record all interested person transactions which are entered into by AGT and the bases, including any quotations from unrelated parties obtained to support such bases, on which they are entered into.

The Trustee-Manager has also incorporated into its internal audit plan, a periodic review of all interested person transactions entered into by AGT during the period under review. Further, the Audit and Risk Committee 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.

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

- (a) on normal commercial terms;
- (b) are not prejudicial to the interests of AGT and its minority Unitholders; and
- (c) in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question.

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

The aggregate of transactions entered into with interested persons/parties during the financial period under review and falling under the 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 period 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 Aug 2014 to 31 Mar 2015 (JPY million)	1 Aug 2014 to 31 Mar 2015 (JPY million)
Accordia Golf Trust Management Pte. Ltd.	Trustee-Manager	<ul style="list-style-type: none"> – Initial setup fees – Trustee-Manager fees – Expenses reimbursement 	432 174 12	NA
Accordia Golf Co., Ltd.	Controlling shareholder of AGT & controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> – Golf course management fees – Payment of staff secondment fees – Equipment lease fees – Subordinated loan interest expense – Sales commission received for new membership sign up – Customer loyalty point awarded, net of redeemed – Shareholders' coupon – Sales for business use – Collection of annual membership on behalf 	3,905 1,184 687 10 10 183 267 4 1,108	NA

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Name of interested person	Relationship with interested person	Transaction contents	Aggregate value of all interested person transactions during the financial period 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 Aug 2014 to 31 Mar 2015 (JPY million)	1 Aug 2014 to 31 Mar 2015 (JPY million)
Accordia Golf Retail Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> Pro-shop revenue Revenue from management of Pro-shop 	<p>45</p> <p>81</p>	NA
Heartree Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> Discounts received for centralised purchases Recharge of restaurant employee's bonus 	<p>47</p> <p>71</p>	NA
Golf Alliance Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> Purchases of food and supplies through centralised procurement system Integrated procurement system usage fee paid Payment for preparing membership booklet 	<p>3,026</p> <p>11</p> <p>50</p>	NA
Accordia Golf Garden Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> Recharge of golf lesson fees 	17	NA
Daiwa Real Estate Asset Management Co. Ltd.	Controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> Initial setup fees Asset management fees 	<p>400</p> <p>66</p>	NA
Daiwa Securities Co. Ltd.	Holding company of controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> Commission fee 	10	NA
Daiwa Capital Markets Singapore Limited	Subsidiary of holding company of controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> Underwriting fee 	3,100	NA

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Use of IPO Proceeds

The use of IPO proceeds raised from the IPO of AGT on the Listing Date is as follows:

	Intended use as disclosed in Prospectus	Utilised as at 31 March 2015	Balance
	S\$'000	S\$'000	S\$'000
Public offering	758,564	758,564	–
Consideration units ⁽¹⁾	307,584	307,584	–
Less:			
Funding of the consideration for the acquisition of the TK interests on the Listing Date	913,135	912,479	656 ⁽³⁾
Working Capital purposes	4,514	1,505	3,009 ⁽⁴⁾
Equity Issue Expenses	76,710	77,375	(665) ⁽⁵⁾
Further investment in TK Business by way of additional TK contributions to the TK Business	71,789	71,789	–
Cash Balance	–	3,000 ⁽²⁾	–
Total	–	–	3,000

Notes:

- (1) Issue of 317,096,999 units to the Sponsor, for S\$307,584,000 as part settlement of the consideration for the acquisition of the Initial Portfolio through the acquisition of the TK interests
- (2) Cash balance as of 31 March 2015. Cash balance is fully disbursed for the payment of the outstanding equity issue expenses and recurring expenses
- (3) This amount relates to the difference between the intended investment and actual investment, and does not mean outstanding balance for TK investment
- (4) This amount relates to outstanding balance for the respective uses and it is calculated by deducting actual payment from the intended amount. However, actual payment may be different from the intended amount
- (5) Equity issue expenses were higher than intended as disclosed in the Prospectus due to the payment to legal firms which were not initially planned

The use of proceeds is in accordance with the intended use as set out in the Prospectus. The Trustee-Manager will provide updates on the use of the balance of the IPO proceeds as applicable.

Corporate Social Responsibility

The Trustee-Manager is committed to ensuring that its commercial activities are conducted in a manner that best serves our stakeholders' interests.

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 the employees.

Regular communication sessions are organised between Management and employees so that employees may provide feedback to Management and to encourage "open and timely" communication among the employees of the Trustee-Manager.

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As part of the Trustee-Manager's efforts to give back to the community, the Trustee-Manager has taken part in several charity golf events like the SGX Bull Charge Charity Golf 2015 and the SICC May Day Charity 2015.

AGT is also committed to promoting green initiatives and eco-friendly programmes in the business environments and our golf courses. Some of the initiatives are:

- replacing traditional fluorescent lightings with LED lightings in some of the golf courses;
- exploring the usage of electricity instead of gas to power the club-houses;
- studying the feasibility of converting leaves and grass collected during golf course ground maintenance into compost for use as fertiliser; and
- minimising unnecessary printing.

FEES PAYABLE TO THE TRUSTEE-MANAGER

The fees payable to the Trustee-Manager in respect of its services to AGT are set out below.

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.

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 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.

Fees and expenses paid to the Trustee-Manager out of Trust Property for FY14/15 are disclosed in page 92 of this annual report.

REPORT OF THE TRUSTEE-MANAGER

The Directors of Accordia Golf Trust Management Pte. Ltd. (the "Trustee-Manager"), as the Trustee-Manager of Accordia Golf Trust ("AGT"), present their report to the Unitholders ("Unitholders") together with the audited accounts of AGT and its subsidiary (collectively the "Group") for the financial period from 16 June 2014 ("Constitution Date") to 31 March 2015. Although AGT was constituted on 16 June 2014, the acquisition of the assets and business undertakings of its initial portfolio was only completed on 1 August 2014 ("Listing Date"). Consequently, the actual income derived from the initial portfolio for the current financial period was from Listing Date to 31 March 2015.

1 DIRECTORS

The Directors of the Trustee-Manager in office at the date of this report are as follows:

Mr Khoo Kee Cheok	(Appointed on 20 March 2014)
Mr Yoshihiko Machida	(Appointed on 16 June 2014)
Mr Takuya Nagano	(Appointed on 16 June 2014)
Mr Chong Teck Sin	(Appointed on 16 June 2014)
Mr Hitoshi Kumagai	(Appointed on 16 June 2014)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS

Neither at the end of, nor at any time during the financial period was the Trustee-Manager a party to any arrangement whose object was to enable the Directors of the Trustee-Manager to acquire benefits by means of acquisition of Units ("Units").

3 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, no director who held office at the end of the financial period had interests in Units, or of related corporations, either at the beginning, or at the date of appointment, or at the end of the financial period.

There were no changes in any of the above mentioned interests in AGT between the end of the financial period and 21 April 2015.

4 OPTIONS

There were no options granted during the financial period by the Trustee-Manager to any person to take up unissued Units. No units have been issued during the period by virtue of the exercise of options to take up unissued Units. There were no unissued Units under option at the end of the period.

5 DIRECTORS' CONTRACTUAL BENEFITS

No Director of the Trustee-Manager has received or become entitled to receive a benefit by reason of any material contract made by AGT or its subsidiary with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

6 AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee of the Trustee-Manager (the "Audit and Risk Committee") during the financial period, at the end of the financial period and as at the date of this report were as follows:

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

REPORT OF THE TRUSTEE-MANAGER

The members of the Audit and Risk Committee are 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 AGT.

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.
- (ii) to review:
 - the assistance given by the Management 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 the Trust Property;
 - interested person transactions for potential conflicts of interest;
 - risk management policies and guidelines and monitor compliance therewith; and
 - the statement of financial position, statement of profit or loss and statement of cash flows of AGT and the statement of financial position, statement of profit or loss and statement of cash flows of the Trustee-Manager submitted to it 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 judgment 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 auditors and the internal auditors where necessary;

REPORT OF THE TRUSTEE-MANAGER

- (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);
- (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 their 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, Deloitte & Touche LLP, be nominated for re-appointment as the external auditor of AGT at the forthcoming Annual General Meeting of the Unitholders.

7 INDEPENDENT AUDITOR

The independent auditor, Deloitte & Touche LLP, has expressed its willingness to accept re-appointment.

ON BEHALF OF THE BOARD OF DIRECTORS
ACCORDIA GOLF TRUST MANAGEMENT PTE. LTD.
AS TRUSTEE-MANAGER OF ACCORDIA GOLF TRUST

Yoshihiko Machida
Chief Executive Officer and Executive Director

23 June 2015

Khoo Kee Cheok
Chairman and Independent Director

23 June 2015

STATEMENT BY THE TRUSTEE-MANAGER

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

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of AGT as set out on pages 62 to 107 are drawn up so as to give a true and fair view of the state of affairs of the Group and of AGT as at 31 March 2015, and of the results, changes in equity and cash flows of the Group and changes in equity of AGT for the financial period from 16 June 2014 ("Constitution Date") to 31 March 2015 in accordance with the provisions of the Singapore Business Trusts Act, Chapter 31A and International Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Trustee-Manager will be able to pay AGT's debts when they fall due.

In accordance with Section 86(2) of the Business Trusts Act, Chapter 31A of Singapore, we further certify:

- (a) the fees or charges paid or payable out of the Trust Property to the Trustee-Manager are in accordance with the Trust Deed dated 16 June 2014 constituting AGT;
- (b) the interested person transactions entered into by the Group during the financial period from Constitution Date to 31 March 2015 are not detrimental to the interests of all the Unitholders as a whole, based on the circumstances at the time of the relevant transactions; and
- (c) the Board 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.

The Board has, on the date of this statement, authorised the above statements and the accounts of the Group as at and for the financial period from Constitution Date to 31 March 2015 for issue.

ON BEHALF OF THE BOARD OF DIRECTORS
ACCORDIA GOLF TRUST MANAGEMENT PTE. LTD.
AS TRUSTEE-MANAGER OF ACCORDIA GOLF TRUST

Yoshihiko Machida
Chief Executive Officer and Executive Director

23 June 2015

Khoo Kee Cheok
Chairman and Independent Director

23 June 2015

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

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 or on the interests of all the Unitholders as a whole.

Yoshihiko Machida

Chief Executive Officer and Executive Director

23 June 2015

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

Report on the Financial Statements

We have audited the accompanying financial statements of Accordia Golf Trust ("AGT") and its subsidiary (the "Group"), which comprise the statements of financial position of the Group and AGT as at 31 March 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of AGT for the financial period from 16 June 2014 ("Constitution Date") to 31 March 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages 62 to 107.

Trustee-Manager's Responsibility for the Financial Statements

Accordia Golf Trust Management Pte. Ltd. (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 Singapore Business Trusts Act, Chapter 31(A), (the "Act") and International Financial Reporting Standards ("IFRS"), 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 accounts and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee-Manager, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of AGT are properly drawn up in accordance with the Act and IFRS so as to give a true and fair view of the state of affairs of the Group and of AGT as at 31 March 2015, and of the results, changes in equity and cash flows of the Group and changes in equity of AGT for the financial period from the Constitution Date to 31 March 2015.

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.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

23 June 2015

STATEMENTS OF FINANCIAL POSITION

31 March 2015

	Note	Group 31 March 2015 JPY millions	AGT 31 March 2015 JPY millions
Current assets			
Cash and bank balances	7	12,317	261
Trade and other receivables	8	2,315	6,662
Inventories		247	–
Other assets	9	1,559	2
		<u>16,438</u>	<u>6,925</u>
Non-current assets			
Investment in subsidiary	10	–	76,200
Property, plant and equipment	11	149,826	–
Intangible assets	12	17,115	–
Other assets	9	875	–
		<u>167,816</u>	<u>76,200</u>
Total assets		<u>184,254</u>	<u>83,125</u>
Current liabilities			
Borrowings from financial institutions	13	437	–
Finance lease payables	14	545	–
Trade and other payables	15	5,104	158
Membership deposits	16	9,778	–
Income taxes payable		813	813
Other liabilities	17	4,641	–
		<u>21,318</u>	<u>971</u>
Non-current liabilities			
Borrowings from financial institutions	13	42,329	–
Finance lease payables	14	1,723	–
Borrowing from a related party	6(ii)	500	–
Membership deposits	16	5,028	–
Deferred tax liabilities	24(c)	29,588	–
Derivative financial instruments	18	283	–
Other liabilities	17	34	–
		<u>79,485</u>	<u>–</u>
Total liabilities		<u>100,803</u>	<u>971</u>
Net assets		<u>83,451</u>	<u>82,154</u>
Equity			
Unitholders' funds	19	81,086	81,486
Cash flow hedging reserve		(283)	–
Accumulated profit		2,590	668
Equity attributable to Unitholders		<u>83,393</u>	<u>82,154</u>
Non-controlling interest	20	58	–
Total equity		<u>83,451</u>	<u>82,154</u>

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial period from 16 June 2014 (date of constitution of AGT) to 31 March 2015

	Note	Group 1 August 2014 to 31 March 2015 ^(a) JPY millions
Revenue	21	33,163
Other operating income		262
Operating income		33,425
Merchandise and material expense		(2,302)
Labour cost		(8,760)
Golf course management fee		(3,905)
Golf course maintenance cost		(641)
Asset manager's fee		(66)
Trustee-Manager's fee		(174)
Depreciation and amortisation expense		(2,485)
Other operating expenses	22	(11,029)
Operating expense		(29,362)
Operating profit		4,063
Interest expense and other finance costs	23	(1,298)
Profit before income tax		2,765
Income tax expense	24(a)(b)	(117)
Profit for the period	25	2,648
Other comprehensive income, net of income tax		
Items that may be reclassified subsequently to profit or loss:		
Unrealised loss on change in fair value of cash flow hedging financial instruments		(283)
Other comprehensive income for the period, net of tax		(283)
Total comprehensive income for the period		2,365
Profit for the period attributable to		
Unitholders		2,590
Non-controlling interest		58
		2,648
Total comprehensive income for the period attributable to		
Unitholders		2,307
Non-controlling interest		58
		2,365
Earnings per unit attributable to Unitholders (JPY)	26	2.36

(a) AGT was a dormant private trust during the period from 16 June 2014, being the date of its constitution, to 31 July 2014. The acquisition of the initial portfolio was only completed on the listing date, 1 August 2014. Consequently, the actual income derived from the initial portfolio for the current financial period was from the 1 August 2014 to 31 March 2015.

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial period from 16 June 2014 (date of constitution of AGT) to 31 March 2015

	Unitholders' funds JPY millions	Cash flow hedging reserve JPY millions	Accumulated profit JPY millions	Attributable to Unitholders JPY millions	Non-controlling interest JPY millions	Total equity ^(a) JPY millions
Group						
Balance as at 1 August 2014	–	–	–	–	–	–
Total comprehensive income for the period:						
Profit for the period	–	–	2,590	2,590	58	2,648
Other comprehensive income for the period	–	(283)	–	(283)	–	(283)
Total	–	(283)	2,590	2,307	58	2,365
Transaction with Unitholders, recognised directly in equity:						
Issuance of units	87,881	–	–	87,881	–	87,881
Equity issue expenses	(6,795)	–	–	(6,795)	–	(6,795)
Total	81,086	–	–	81,086	–	81,086
Balance as at 31 March 2015	81,086	(283)	2,590	83,393	58	83,451

	Unitholders' funds JPY millions	Accumulated profit JPY millions	Total equity ^(a) JPY millions
AGT			
Balance as at 1 August 2014	–	–	–
Total comprehensive income for the period:			
Profit after income tax	–	–	–
Other comprehensive income	–	668	668
Total	–	668	668
Transaction with Unitholders, recognised directly in equity:			
Issuance of units	87,881	–	87,881
Equity issue expenses	(6,395)	–	(6,395)
Total	81,486	–	81,486
Balance as at 31 March 2015	81,486	668	82,154

(a) AGT was a dormant private trust during the period from 16 June 2014, being the date of its constitution, to 31 July 2014. The acquisition of the initial portfolio was only completed on the listing date, 1 August 2014. Consequently, the actual income derived from the initial portfolio for the current financial period was from the 1 August 2014 to 31 March 2015.

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial period from 16 June 2014 (date of constitution of AGT) to 31 March 2015

	Group 1 August 2014 to 31 March 2015 ^(a) JPY millions
Operating activities	
Profit for the period	2,648
Adjustments for:	
Depreciation and amortisation expense	2,485
Interest expense and other finance costs	1,298
Income tax expense	117
Loss on disposal of property, plant and equipment	7
Allowance for doubtful debt	283
Gain on forfeiture of membership deposit	(32)
Operating cash flow before movements in working capital	6,806
Changes in working capital:	
Trade receivables and others	(518)
Inventories	59
Trade payables and others	2,857
Cash generated from operations	9,204
Interest and other finance costs paid	(647)
Income tax paid	(4,383)
Net cash flows from operating activities	4,174
Investing activities	
Payment for acquisition of golf business (Note A)	(49,956)
Acquisition of property, plant and equipment (Note B)	(1,293)
Proceeds from disposal of property, plant and equipment (Note C)	1
Acquisition of intangible assets	(3)
Net cash flows used in investing activities	(51,251)
Financing activities	
Proceeds from issuance of units	62,523
Payment of equity issuance expenses	(6,795)
Proceeds from borrowings from a related party	500
Proceeds from borrowings from financial institutions	45,000
Payment of transaction costs related to borrowings (Note D)	(1,875)
Repayment of borrowings from financial institutions	(225)
Repayment of borrowings from a related party	(38,336)
Repayment of membership deposits	(998)
Repayment of finance lease obligation	(462)
Net cash flows generated from financing activities	59,332
Net increase in cash and cash equivalents	12,255
Balance of cash and cash equivalents at the beginning of the financial period	—
Effect of exchange rate changes on the balance of cash held in foreign currency	13
Balance of cash and cash equivalents at the end of the financial period (Note 7)	12,268

(a) AGT was a dormant private trust during period from 16 June 2014, being the date of its constitution, to 31 July 2014. The acquisition of the initial portfolio was only completed on the listing date, 1 August 2014. Consequently, the actual income derived from the initial portfolio for the current financial period was from the 1 August 2014 to 31 March 2015.

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial period from 16 June 2014 (date of constitution of AGT) to 31 March 2015

Note A:

Payment for acquisition of the golf business amounting to JPY 49,956 million represents the sum of the net cash consideration paid to acquire the initial portfolio of JPY 49,563 million (Note 5 (d)) and the registration tax paid upon transfer of the title of properties of JPY 393 million.

Note B:

During the current financial period, the Group acquired property, plant and equipment with an aggregate cost of approximately JPY 1,256 million, of which JPY 88 million was acquired under finance lease arrangement and JPY 147 million remains unpaid as at year end.

In addition, the property, plant and equipment with an aggregate cost of approximately JPY 285 million was acquired and remained unpaid as at acquisition date. This amount has been paid during the current financial period.

Note C:

During the current financial period, the Group disposed property, plant and equipment to a related party with sales proceeds of JPY 12 million, of which JPY 11 million was offset against payable to a related party.

Note D:

The transaction cost related to borrowings from financial institutions amounts to JPY 2,433 million, of which JPY 618 million has been prepaid before the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

1 GENERAL

Accordia Golf Trust ("AGT") is a business trust constituted on 16 June 2014 under the laws of the Republic of Singapore, registered under Chapter 31A of the Business Trusts Act ("BTA"). The address of its principal place of business and registered office is 6 Shenton Way, #25-09, OUE Downtown 2, Singapore 068809. The financial statements are expressed in Japanese Yen ("JPY"), the functional currency of AGT, and rounded to the nearest million.

AGT is managed by Accordia Golf Trust Management Pte. Ltd. (the "Trustee-Manager"). The Trustee-Manager 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.

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 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 17) are entitled to 1% and 0.01% of the allocated profits and losses respectively. AGT is, therefore, entitled to receive substantially all of the economic interest from the TK Operator.

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

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of AGT for the financial period from 16 June 2014 ("Constitution Date") to 31 March 2015 were authorised for issue by the Board of Directors of the Trustee-Manager (the "Board") on 23 June 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires the Trustee-Manager to exercise judgement in the process of applying the Group's accounting policies. Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. 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.

(b) Basis of preparation

Consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are stated at fair value at the end of reporting period, as explained in the significant accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of International Accounting Standard ("IAS") 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Adoption of new and revised standards

In the current financial period, the Group has adopted all the new and revised IFRSs that are relevant to its operations and effective for annual periods beginning on or after 16 June 2014 (date of constitution of AGT).

At the date of authorisation of this financial information, the Group has not applied the following new and revised IFRS that have been issued but are not yet effective:

IFRS 9	Financial Instruments ⁴
IFRS 15	Revenue from Contracts with Customers ³
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle ²
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle ¹

Notes:

- 1 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
- 2 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Early application is permitted.
- 3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
- 4 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

The Trustee-Manager anticipates that the adoption of the above new or revised standards and amendments to IFRS in future periods will not have a material impact on the financial statements of the Group and of AGT in the period of their initial adoption except for the following:

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 15 will take effect from financial years beginning on or after 1 January 2017. The Group is currently evaluating the impact of the changes in the period of initial adoption.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Basis of consolidation

The consolidated financial statements incorporates the financial information of AGT and entity (including structured entity) controlled by AGT and its subsidiary.

Control is achieved when AGT:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

AGT reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When AGT has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. AGT considers all relevant facts and circumstances in assessing whether or not AGT's voting rights in an investee are sufficient to give it power, including:

- the size of AGT's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by AGT, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that AGT has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The TK Operators are principally engaged in the investment holding of TK business. Under the TK Agreements, AGT primarily has power over the TK Operator, has rights to variable return in the TK business and has ability to use its power to affect its return in the TK business and, accordingly, consolidates their financial information for reporting purposes.

Consolidation of a subsidiary begins when AGT obtains control over the subsidiary and ceases when AGT loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in profit or loss of the consolidated statement of comprehensive income from the date AGT gains control until the date when AGT ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the Unitholders and to the non-controlling interest. Total comprehensive income of subsidiary is attributed to the Unitholders and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustments are made to the financial information of subsidiary to align their accounting policies with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Basis of consolidation (cont'd)

Changes in the Group's ownership interests in existing subsidiary

Changes in the Group's ownership interests in subsidiary that do not result in the Group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Unitholders.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 and, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In AGT's financial statements, investment in subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

(e) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Business combinations (cont'd)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interest that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interest are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Financial instruments recognition, measurement and derecognition

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

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.

Financial assets

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and 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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

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

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Financial instruments recognition, measurement and derecognition (cont'd)

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

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

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

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

Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Financial instruments recognition, measurement and derecognition (cont'd)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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 a group entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including borrowings, finance lease payables, trade and other payables and membership deposits) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and 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 liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(g) Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate risk including interest rate swaps. Details of derivative financial instruments are disclosed in Note 18.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) 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 is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 18 sets out details of the fair values of the derivative instruments used for hedging purposes.

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 and accumulated under the heading of cash flow hedging reserves. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or it no longer qualifies for hedge accounting.

(i) Leasing

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

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note (q) below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Leasing (cont'd)

The Group as lessee (cont'd)

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

(j) Inventories

Inventories comprise restaurant supplies and are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(k) Property, plant and equipment

All items of property, plant and equipment, except for freehold land and golf courses, are initially recorded at cost, and 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.

Freehold land and golf courses are not depreciated and are initially recorded at cost, and subsequently measured at cost less any accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land, golf courses and construction in progress) less their residual values over their useful lives, using the straight-line method over the estimated useful lives of the assets as follows:

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

Depreciation on assets under construction 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 residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Goodwill

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

For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating unit that is 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.

(m) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each 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.

(n) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Impairment of tangible and intangible assets other than goodwill (cont'd)

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.

(o) 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 the effect of the time value of money is material).

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.

(p) Revenue recognition

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

Revenue is recognised in profit or loss in the statement of profit or loss and other comprehensive income as follows:

- Golf course revenue and restaurant revenue are recognised upon the delivery and completion of the services, which normally coincides with the acceptance by customers.
- Membership revenue consists of annual membership fees and membership enrolment and transfer fee. Annual membership fee is recognised on a straight line basis over the period in which the membership fees are paid. Annual membership fees billed in advance of the rendering of services are deferred and presented in the statement of financial position as unearned revenue. Membership enrolment and membership transfer fees are recognised in full in the financial year when new members are admitted or transferred.

(q) Borrowing costs

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

(r) Retirement benefit cost

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Taxation (cont'd)

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(t) Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment that the entity operates in (referred to as the "functional currency"). The accompanying financial statements are prepared and presented in JPY, the functional currency of AGT, for financial reporting purposes.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(u) 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.

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

Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

(w) 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 period ended 31 March 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Distribution policy (cont'd)

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

AGT's distribution policy is to distribute 100.0% of AGT's distributable income for the period from 1 August 2014 to 31 March 2015. Thereafter, the Trustee-Manager will distribute at least 90.0% of AGT's distributable income, with the actual level of distribution to be determined at the Trustee-Manager board's discretion, having regard to funding requirements, other capital management considerations and ensuring the overall stability of distributions.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies adopted by the Group, which are described in Note 2, the Trustee-Manager is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (see below), that the Trustee-Manager have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Depreciation and impairment of property, plant and equipment (Note 11)

As at 31 March 2015, the carrying value of property, plant and equipment are JPY 149,826 million, as disclosed in Note 11 to the financial statements. All items of property, plant and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses.

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

As disclosed in Note 29, the Group leased land under operating lease agreements for an initial term of 20 years. Subsequently, leases are renewed automatically either every year or every 20 years at no additional cost as stated in the lease agreements. The Trustee-Manager has assessed and is of the view that it is reasonably certain that the Group will exercise the renewal option at the inception of the lease in order to derive future economic benefits from the use of the golf courses. Accordingly, the golf courses developed on the leasehold land are accounted for as non-depreciable assets.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(a) Depreciation and impairment of property, plant and equipment (Note 11) (cont'd)

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.

(b) Impairment of goodwill (Note 12)

Goodwill is not subject to amortisation and is tested annually for impairment. Determining whether goodwill is impaired requires an estimation of their recoverable amounts (as an impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount).

The recoverable amount is the higher of (i) an asset's fair value less costs-to-sell or (ii) the value-in-use of the cash-generating units to which goodwill has been allocated. The fair values less costs-to-sell require the Trustee-Manager to estimate, based on the best information available, the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date after deducting the costs of disposal.

Where there are no active markets, the Trustee-Manager has to exercise judgement in estimating the fair values of goodwill, which is calculated based on the discounted cash flow model using the forecast cash flows generated and an appropriate discount rate.

For the purpose of year end impairment assessment of goodwill, the Trustee-Manager has reviewed the events and circumstances that occurred and changed since the most recent recoverable amount calculation, which is the discounted cash flow valuation ("DCF Valuation") performed by the independent valuers as at 31 December 2014.

Based on management's assessment, there is no significant deterioration in the underlying key assumptions used in the DCF Valuation as at 31 March 2015 as compared to those key assumptions used in DCF Valuation as at 31 December 2014. Accordingly, the Trustee-Manager is of the view that there is no impairment of goodwill as at year end.

(c) Income tax (Note 24)

The income and gains derived by the SPC and/or AGT are subject to various types of taxes in Japan and Singapore. Corporate income taxes imposed by the tax authorities of each country are determined based on the tax laws, related regulations and treaty, and interpretation thereof. In particular, the provisions in the laws and regulations relating to the TK Agreement, which play a vital role under the structure of the SPC and AGT, are not overly exhaustive and therefore, interpretations of such laws and regulations become more important in practice.

Significant judgement is required in determining the taxability of certain income and deductibility of certain expenses based on the interpretations of such laws and regulations. The Group recognise tax liabilities based on management's best estimates of the most likely outcome of the tax liability. Where an interpretation made by the management with regard to the treatment of the TK Agreement as well as the corporate income taxes imposed on the SPC and/or AGT significantly differs from the one made by the tax authorities, such differences will impact the current and deferred income tax and the relevant tax provisions in the period in which such determination is made.

The Trustee-Manager believes that it has a reasonable basis for the assumed tax positions for AGT and SPC. Accordingly, the relevant tax provision recorded by the Group as at 31 March 2015 is adequate.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group 31 March 2015 JPY millions	AGT 31 March 2015 JPY millions
Financial assets		
Loans and receivables:		
Cash and bank balances	12,317	261
Trade and other receivables	2,315	6,662
Other financial assets	103	–
	<u>14,735</u>	<u>6,923</u>
Financial liabilities		
Amortised cost:		
Borrowings from financial institutions	42,766	–
Membership deposits	14,806	–
Trade and other payables	3,765	158
Finance lease payables	2,268	–
Borrowings from a related party	500	–
Other financial liabilities	510	–
Derivative financial instruments:		
in designated hedge accounting relationships	283	–
	<u>64,898</u>	<u>158</u>

(b) Financial risk management policies and objectives

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management program 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

Foreign currency risk arising from changes in foreign currency exchange rates has a financial effect on the Group and AGT in the current reporting period and in future years.

The Group is not exposed to significant 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.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(i) Foreign currency risk (cont'd)

However, AGT will receive distributions from the TK Operator where operational cash flows are denominated in JPY, while AGT's distributions to Unitholders are denominated in Singapore dollars. This exposes AGT to foreign currency risk. Where appropriate, based on the prevailing market conditions, the Group may adopt suitable hedging strategies to minimise any foreign exchange risk.

(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.

Trade receivables primarily comprise of receivables due from credit card companies, and receivables due from members for their annual membership fee.

The collection from credit card companies is once every two weeks, and the amounts are considered recoverable.

For receivables due from members for their annual membership fee, the allowances for doubtful receivables are made based on the Group's collections experience. The past due amount is not impaired as the Trustee-Manager believes that there has not been a significant change in credit quality and the amounts are considered recoverable. Accordingly, the allowance for doubtful debts recorded by the Trustee-Manager as at 31 March 2015 is JPY 598 million.

The analysis of trade debtors that are past due but not impaired at the end of the reporting period is provided in the table below:

	Group 31 March 2015 JPY millions
Trade receivables past due not impaired	
Less than 3 months	1,345
Between 3 to 6 months	970
	<u>2,315</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(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. The adjustment column represents the possible cash flows attributable to the instruments included in the maturity analysis which is not included in the carrying amount of the financial liability on the statements of financial position.

Non-derivative financial liabilities

	Weighted average interest rate per annum	On demand or within 1 year JPY millions	Within 2 to 5 years JPY millions	After 5 years JPY millions	Adjustment JPY millions	Total JPY millions
Group						
31 March 2015						
Floating rate – borrowings from financial institutions	3.40%	1,237	46,198	–	(4,669)	42,766
Fixed rate – borrowing from a related party	3.00%	13	68	719	(300)	500
Finance lease payables	3.13%	608	1,460	366	(166)	2,268
Trade and other payables	–	3,765	–	–	–	3,765
Membership deposits	0.65%	9,898	5,109	–	(201)	14,806
Other liabilities	–	505	–	5	–	510
Total		16,026	52,835	1,090	(5,336)	64,615

All financial liabilities of AGT as at 31 March 2015 are on demand or due within one year.

Non-derivative financial assets

Substantially all financial assets of the Group and of AGT as at 31 March 2015, amounting to JPY 14,735 million and JPY 6,923 million respectively, are on demand or due within one year.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iii) Liquidity risk (cont'd)

Derivative financial liabilities

	On demand or within 1 year JPY millions	Within 2 to 5 years JPY millions	After 5 years JPY millions	Adjustment JPY millions	Total JPY millions
Group					
31 March 2015					
Net settled:					
Interest Rate Swap	—	283	—	—	283

As at 31 March 2015, the Group had negative working capital of JPY 4,880 million. However, this included:

- (i) JPY 3,223 million of unearned membership revenue, which represents collections received from customers and do not require any future cash outflow from the Group; and
- (ii) a current portion of membership deposits of JPY 9,778 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.

After considering the above factors, the Group would be in a positive working capital position. The Group believes that it has adequate working capital for its present requirements and that its existing loan facilities, together with cash and cash equivalents, will provide sufficient funds to satisfy its working capital requirements and anticipated capital expenditures and other payment obligations for the next 12 months, after taking into consideration the following factors:

- (i) The Group operates 89 golf courses in Japan that served over 3.6 million golf course visitors for the period from 1 August 2014 to 31 March 2015. Hence, it is expected that the Group's core business, i.e. golf courses business, will continue generating sufficient and stable cash inflows. This is consistent with the positive operating cash flow generated by the Group of JPY 4,174 million for the financial period ended 31 March 2015.
- (ii) The Group has bank borrowings to fund capital expenditure and working capital requirements. Also, in view of the constant operating cash flow generated and full compliance with the requirements as stipulated in the loan facility agreement, the Trustee-Manager is confident it can refinance such bank borrowing when required.
- (iii) The Trustee-Manager has carefully monitored and managed its cash flow. Management and operation reports are prepared and reviewed on a monthly basis and cash flow forecasts are prepared on a monthly basis to project cash flow requirements of the Group using the various general and operational assumptions.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Interest rate risk

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

No sensitivity analysis is prepared as 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 principal amount of the Group's floating rate borrowings are hedged using interest rate swaps at the end of the reporting period.

(v) Fair value of financial assets and financial liabilities

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

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).

Financial assets/ liabilities	Fair value as at 31 March 2015 JPY million	Fair value hierarchy	Valuation technique(s); and key input(s)	Significant unobservable input(s)
Interest Rate Swaps	Liabilities: Non-current – 283 (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 significant transfers between Level 1 and Level 2 of the fair value hierarchy in the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (cont'd)

(c) Capital risk management policies and objectives

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. To achieve its capital risk management objectives, the Group may adjust the amount of dividend payment, return capital to Unitholders, issue new units and obtain new borrowings.

The Group monitors capital via 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 from financial institutions", "Finance lease payables", "Borrowing from a related party" and "Membership deposits" as shown in the consolidated statement of financial position. Equity is the total equity as shown in the consolidated statement of financial position.

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 is in compliance with externally imposed capital requirements for the financial period ended 31 March 2015.

The debt-to-equity ratio as at 31 March 2015 is as follows:

	Group 31 March 2015 JPY millions
Total debt	60,340
Cash and bank balances	(12,317)
Net debt	48,023
Total equity	83,451
Debt-to-equity ratio	0.72
Net debt-to-equity ratio	0.58

5 ACQUISITION OF SUBSIDIARY

As disclosed in Note 1, on 1 August 2014, AGT acquired the Initial Portfolio through the acquisition of TK Interest from the Sponsor. This transaction has been accounted for by the acquisition method of accounting.

(a) Consideration transferred

	Group As at 1 August 2014 JPY millions
Settlement of purchase consideration:	
Cash paid	49,867
Issue of AGT units (Note 19)	25,358
Total	75,225

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

5 ACQUISITION OF SUBSIDIARY (cont'd)

(b) Fair value of assets acquired and liabilities assumed on the date of acquisition

	Group As at 1 August 2014 JPY millions
Current assets	
Cash and cash equivalents	304
Fixed deposits	49
Receivables from a related party	52,844
Trade and other receivables from third parties	2,423
Inventories	306
Other assets	2,518
Non-current assets	
Property, plant and equipment	151,061
Intangible assets (excluding goodwill on acquisition of subsidiary)	36
Other assets	456
Current liabilities	
Borrowings from a related party	(53,315)
Payables to a related party	(620)
Current portion of finance lease payables to a related party	(711)
Trade and other payables	(3,390)
Membership deposits	(9,151)
Income tax payable	(4,427)
Other liabilities	(3,916)
Non-current liabilities	
Borrowings from a related party	(37,245)
Finance lease payables to a related party	(1,931)
Membership deposits	(6,834)
Deferred tax liabilities	(30,284)
Other liabilities	(27)
Net assets	<u>58,146</u>

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

5 ACQUISITION OF SUBSIDIARY (cont'd)

(c) Goodwill arising on acquisition

	Group As at 1 August 2014 JPY millions
Consideration transferred	75,225
Less: Fair value of identifiable net assets acquired	(58,146)
Goodwill arising on acquisition	17,079

The above goodwill balance results from the requirement on the acquisition to recognise a deferred tax liability, calculated as the difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases.

None of the goodwill arising on the acquisition is expected to be deducted for tax purposes.

(d) Net cash outflow on acquisition

	Group As at 1 August 2014 JPY millions
Consideration transferred in cash (Note 5 (a))	49,867
Less: Cash and cash equivalent balances acquired (Note 5 (b))	(304)
Net cash outflow on acquisition	49,563

(e) Impact of acquisition on the results of the Group

Included in the revenue and profit for the financial period ended 31 March 2015 are JPY 33,163 million and JPY 3,610 million respectively, attributable to SPC acquired by AGT.

Had the acquisition of the Initial Portfolio been effected at 1 April 2014, the revenue of the Group from continuing operations for the financial year ended 31 March 2015 would have been JPY 53,824 million, and the profit for the financial year from continuing operations would have been 5,218 million. The Trustee-Manager considers these pro-forma numbers to represent an approximate measure of the performance of the Group and to provide a reference point for comparison in future periods.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

6 RELATED PARTY TRANSACTIONS

(i) The Trustee-Manager

The Trustee-Manager, Accordia Golf Trust Management Pte. Ltd., 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 financial period ended 31 March 2015.

	Group 1 August 2014 to 31 March 2015 JPY millions
Initial set up fees	432
Trustee-Manager fees	174
Expense reimbursement	12

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

6 RELATED PARTY TRANSACTIONS (cont'd)

(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 financial period ended 31 March 2015.

	Group 1 August 2014 to 31 March 2015 JPY millions
Accordia Golf Co. Ltd. (the "Sponsor")	
Golf course management fees ¹	3,905
Staff secondment fees	1,184
Operating lease expenses (Note 29)	180
Payment on behalf of the Group:	
– Listing expenses	2,256
– Web sales commission	764
– Publication fees	61
Subordinated loan ²	500
Interest expense on subordinated loan ² (Note 23)	10
Repayment of finance lease obligations (inclusive of GST)	472
Interest expense on finance leases (Note 23)	48
Collection on behalf of the Group:	
– Annual membership fee	(1,108)
– Play fee	(4)
Reimbursement of shareholders' coupon consumed ³	(267)
Customer loyalty points redeemed, net of awarded ⁴	(183)
Sales commission income for new membership sign up	(10)
Accordia Golf Retail Co. Ltd.	
Collection of pro-shop business revenue on behalf by the Group	1,601
Payment of using pro-shop merchandise for recruitment and corporate activities	81
Commission fee income from Pro-Shop Business ⁵	(45)
Golf Alliance Co. Ltd.	
Purchases of food and supply through centralised procurement system at no mark-up ⁶	3,026
Payment for preparing membership booklet	50
Integrated procurement system usage fee ⁶	11
Heartree Co. Ltd.	
Recharge of restaurant employees' bonus	(71)
Discounts received for centralised purchases	(47)
Accordia Golf Garden Co. Ltd.	
Recharge of golf lesson fees	(17)

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

6 RELATED PARTY TRANSACTIONS (cont'd)

(ii) Accordia Golf Co. Ltd. and its subsidiaries (the "Sponsor group") (cont'd)

- 1 During the period, 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.
- 2 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.
- 3 The Sponsor issued vouchers to its shareholders which entitle them to play at SPC's golf courses at a discounted rate. The value of the discount given to the shareholders for coupons consumed is reimbursed by the Sponsor to the Group and recorded as part of the Group's revenue.
- 4 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 period, there is a net receipt from the Sponsor due to more customer loyalty points redeemed than awarded.
- 5 The golf-shop business (the "Pro-Shop Business") has not been transferred to SPC and continued to be owned and operated by the Sponsor's subsidiary, Accordia Golf Retail Co. Ltd.
Accordia Golf Retail Co. Ltd. outsourced some of the operations of Pro-Shop Business, including goods and inventory management, selling activities and revenue cash management to SPC and SPC earned commission income fee from managing the Pro-Shop Business.
- 6 Under the Golf Course Management Agreement, the purchasing function of SPC is outsourced to the Sponsor. The purchasing function of the Sponsor is centrally managed by Golf Alliance Co. Ltd., a subsidiary of the Sponsor, through the use of an integrated purchasing system.

(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 financial period ended 31 March 2015.

	Group 1 August 2014 to 31 March 2015 JPY millions
Daiwa Real Estate Asset Management Co. Ltd. (the "TM Partner")	
Initial set up fees	400
Asset management fees ¹	66
Daiwa Capital Markets Singapore Limited (related company of the TM Partner)	
Underwriting fee	3,100
Daiwa Securities Co. Ltd. (holding company of the TM Partner)	
Commission fee	10

- 1 Pursuant to the Asset Management Agreement, the asset manager is entitled to a base fee and the fee is paid in cash by SPC.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

7 CASH AND BANK BALANCES

	Group 31 March 2015 JPY millions	AGT 31 March 2015 JPY millions
Cash on hand	387	–
Cash at bank	11,881	261
Cash and cash equivalents	12,268	261
Fixed deposits	49	–
Total	12,317	261

Fixed deposits of JPY 49 million are not classified as “cash and cash equivalents” as the maturity date of the 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 TK distribution. Accordingly, management has classified such pledged cash balances as cash and cash equivalents within the statements of financial position and the cash flow statement.

8 TRADE AND OTHER RECEIVABLES

	Group 31 March 2015 JPY millions	AGT 31 March 2015 JPY millions
Trade Receivables		
Trade receivables	2,913	–
Less: Allowance for doubtful debts	(598)	–
	2,315	–
Other receivable		
Distribution receivable from subsidiary	–	6,662
Total trade and other receivables	2,315	6,662

Movement in the allowance for doubtful debts

	Group 31 March 2015 JPY millions	AGT 31 March 2015 JPY millions
On acquisition as at 1 August 2014	502	–
Increase in allowance recognised in profit or loss	283	–
Amounts written off during the period	(187)	–
Balance at the end of the period	598	–

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

9 OTHER ASSETS

	Group 31 March 2015 JPY millions	AGT 31 March 2015 JPY millions
Other current assets		
Prepaid expenses	1,190	2
Net GST receivable	331	–
Other current assets	38	–
	<u>1,559</u>	<u>2</u>
Other non-current assets		
Deposits paid to landlord	308	–
Long-term prepaid expenses	500	–
Deposits for golf memberships	65	–
Other non-current assets	2	–
	<u>875</u>	<u>–</u>

10 INVESTMENT IN SUBSIDIARY

	AGT 31 March 2015 JPY millions
Investment as at 1 August 2014 (Note 5 (a))	75,225
Additional investment in TK Operator	5,918
Return on investment in TK Operator	(4,943)
Balance as at the end of the period	<u>76,200</u>

Details of the subsidiary of the Group as at 31 March 2015 are as follows:

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

1 Although AGT held 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, and AGT receives substantially all of the SPC's economic interest. Accordingly, the Group regards the SPC as a subsidiary.

2 Audited by a member firm of Deloitte & Touche Tohmatsu Limited for consolidation purposes only.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

11 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land JPY millions	Golf courses JPY millions	Buildings and structures JPY millions	Machinery, vehicles and fixtures JPY millions	Construction in progress JPY millions	Total JPY millions
Cost						
On acquisition as at 1 August 2014 (Note 5(b))	19,681	102,433	24,580	4,335	32	151,061
Additions	–	26	829	377	24	1,256
Transfers	–	–	32	–	(32)	–
Disposals	–	(7)	(18)	(60)	–	(85)
At 31 March 2015	19,681	102,452	25,423	4,652	24	152,232
Accumulated depreciation						
Depreciation during the period	–	–	1,670	802	–	2,472
Disposals	–	–	(16)	(50)	–	(66)
At 31 March 2015	–	–	1,654	752	–	2,406
Carrying value						
At 31 March 2015	19,681	102,452	23,769	3,900	24	149,826

As at 31 March 2015, the Group has pledged certain freehold land, golf courses, buildings and structures with total carrying amounts of approximately JPY 145,902 million, to secure the borrowings granted to the Group (Note 13).

The carrying amounts of property, plant and equipment held by the Group under finance lease arrangements (Note 14) are JPY 2,143 million as at 31 March 2015.

12 INTANGIBLE ASSETS

Group	Goodwill JPY millions	Software JPY millions	Others JPY millions	Total JPY millions
Cost				
On acquisition as at 1 August 2014	17,079	4	32	17,115
Additions	–	3	–	3
At 31 March 2015	17,079	7	32	17,118
Accumulated amortisation				
Amortisation during the period and at 31 March 2015	–	3	–	3
Carrying amount				
At 31 March 2015	17,079	4	32	17,115

The value of the goodwill is allocated to the Group's cash generating unit ("CGU") which is principally engaged in the golf courses business in Japan.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

12 INTANGIBLE ASSETS (cont'd)

Impairment test for goodwill

The above goodwill balance results from the requirement on the acquisition to recognise a deferred tax liability, calculated as the difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases. For the purpose of testing this goodwill for impairment, the related deferred tax liabilities recognised on acquisition that remain as at the end of the reporting period are treated as part of the CGU.

As disclosed in Note 3 (b), the most recent DCF valuation is performed as at 31 December 2014. The key assumptions for the DCF calculation are those regarding the discount rates, growth rates and expected changes to selling price and direct costs during the period. The Trustee-Manager estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares the DCF valuation based on management's latest business plan for forecast horizon of 3 years and derives the terminal value assuming no long term growth. The rate used to discount the forecast cash flows from the CGU was 5.6%.

As at 31 March 2015, any reasonably possible change to the key assumptions applied were not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

13 BORROWINGS FROM FINANCIAL INSTITUTIONS

	Group 31 March 2015 JPY millions
Current portion	450
Less: Unamortised loan facility fee	(13)
	<u>437</u>
Non-current portion	44,325
Less: Unamortised loan facility fee	(1,996)
	<u>42,329</u>
Total	<u><u>42,766</u></u>

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

	Outstanding principal amount as at 31 March 2015 JPY millions
Term Loan A	14,925
Term Loan B	14,925
Term Loan C	14,925
	<u><u>44,775</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

13 BORROWINGS FROM FINANCIAL INSTITUTIONS (cont'd)

For Term Loan A, interest is levied at a floating interest rate of 6-month JPY TIBOR plus 125 basis points per annum. The 3-year term loan is repayable by semi-annually instalments of JPY 75 million and by a balloon repayment at maturity in August 2017.

For Term Loan B, interest is levied at a floating interest rate of 6-month JPY TIBOR plus 150 basis points per annum. The 4-year term loan is repayable by semi-annually instalments of JPY 75 million and by a balloon repayment at maturity in August 2018.

For Term Loan C, interest is levied at a floating interest rate of 6-month JPY TIBOR plus 175 basis points per annum. The 5-year term loan is repayable by semi-annually instalments of JPY 75 million and by a balloon repayment at maturity in August 2019.

As disclosed in Note 18, the Group uses interest rate swaps to swap a portion of its borrowings from floating rates to fixed rates. As at 31 March 2015, the notional amount swapped was JPY 34,825 million. The Group's average effective interest rate is 3.40% per annum.

The borrowings are secured by certain cash and cash equivalents, land, golf courses, buildings and structures held by the Group (Note 7 and Note 11).

14 FINANCE LEASE PAYABLES

The Group leased certain of its property, plant and equipment (Note 11) under finance leases from the Sponsor and other third parties. As at 31 March 2015, the finance lease payables to the Sponsor and to the third parties are JPY 2,181 million and JPY 87 million respectively.

For the financial period ended 31 March 2015, the average lease term is 6.5 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 11).

Interest rates underlying all obligations under finance leases are fixed at respective contract dates at an average of 3.13% for the financial period ended 31 March 2015.

	Group	
	Minimum lease payments 31 March 2015 JPY millions	Present value of minimum lease payments 31 March 2015 JPY millions
Amounts payable under finance leases:		
Within one year	608	545
In the second to fifth years inclusive	1,460	1,363
After five years	366	360
	<u>2,434</u>	<u>2,268</u>
Less: Future finance charges	(166)	—
Present value of lease obligations	<u>2,268</u>	<u>2,268</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)		(545)
Amount due for settlement after 12 months		<u>1,723</u>

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

15 TRADE AND OTHER PAYABLES

	Group 31 March 2015 JPY millions	AGT 31 March 2015 JPY millions
Trade payables	818	32
Property and other tax payables	1,339	–
Other payables to the Sponsor group (Note 6 (ii))	980	–
Accrued expenses	102	44
Management fee payable to the Trustee-Manager (Note 6 (i))	82	82
Other payables	1,783	–
Total trade and other payables	5,104	158

16 MEMBERSHIP DEPOSITS

	Group 31 March 2015 JPY millions
Total membership deposits	14,806
Less: current portion	(9,778)
Non-current portion	5,028

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".

For non-current membership deposits, Trustee-Manager has discounted the future cash outflow using the Group's borrowing rate, calculated as TIBOR + spread. The difference between membership deposits received and discounted cash flow is considered as "deferred membership revenue". The deferred membership revenue is amortised over the lock-up period using the straight-line method. The fair value of the membership deposits received is amortised using the effective interest rate method over the lock-up period.

17 OTHER LIABILITIES

	Group 31 March 2015 JPY millions
Other current liabilities	
Unearned membership revenue	3,223
Provision for unutilised employee leave	558
Advanced receipt of insurance compensation	68
Payable to the Sponsor group (Note 6 (ii))	188
Provision for bonus	293
Other tax payables	287
Other current liabilities	24
	4,641
Other non-current liabilities	
Payable to Qualified Institutional Investor ¹	5
Other non-current liabilities	29
	34

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

18 DERIVATIVE FINANCIAL INSTRUMENTS

	Group 31 March 2015 JPY millions
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Derivatives designated and effective as hedging instruments carried at fair value:

Non-current liability (283)

Interest rate swaps

The Group uses interest rate swaps to manage its exposure to interest rate movements on its borrowings from financial institutions by swapping a proportion of those borrowings from floating rates to fixed rates. All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount deferred in equity is recognised in profit or loss over the period that the floating rate interest payments on debt impact profit or loss.

The fair value of interest rate swaps with nominal value of JPY 34,825 million as at 31 March 2015 is estimated at JPY 283 million, which resulted in derivative financial instrument liability of the Group. These amounts are based on using valuation techniques at the balance sheet date. The aforementioned interest rate swaps qualify for hedge accounting.

Therefore, the changes in the fair value of hedging interest rate derivative, totalling loss of JPY 283 million for the financial period ended 31 March 2015 have been recognised directly in other comprehensive income.

19 UNITHOLDERS' FUNDS

	Group and AGT 31 March 2015 Number of units	Group 31 March 2015 JPY millions	AGT 31 March 2015 JPY millions
Units issued at registration	1	*	*
Units issued under the public offering	782,025,000	62,523	62,523
Units issued as consideration units (Note 5 (a))	317,096,999	25,358	25,358
	<u>1,099,122,000</u>	<u>87,881</u>	<u>87,881</u>
Less: Equity issue expenses ^{1,2}		(6,795)	(6,395)
Unitholders' funds		<u>81,086</u>	<u>81,486</u>

Notes:

* Less than JPY 1 million

- Equity issue expenses include professional and other fees, underwriting, selling and management commission, and miscellaneous offering expenses. Included in equity issue expenses are JPY 477 million of non-audit fees paid to the auditors.
- An amount of equity issue expenses of JPY 400 million is incurred and expensed off by SPC, but is capitalised against Unitholders' funds at the Group level.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

19 UNITHOLDERS' FUNDS (cont'd)

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

- (i) Receive income and other distributions attributable to the units held;
- (ii) Participate in the termination of AGT by receiving a share of all net cash proceeds derived from the realisation of the assets of AGT less any liabilities, in accordance with their proportionate interests in AGT. However, a Unitholder does not have the right to require any assets (or part thereof) of AGT be returned to him;
- (iii) Attend all Unitholders' meeting. The Trustee-Manager may at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed;
- (iv) Vote at Unitholders' meetings. Every Unitholder has one vote for each unit of which he is the Unitholder.

The restrictions of a Unitholder include the following:

- (i) A Unitholder's right is limited to the right to require due administration of AGT in accordance with the provisions of the Trust Deed; and
- (ii) A Unitholder has no right to request to redeem his units while his units are listed on SGX-ST.

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

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

	Group 1 August 2014 to 31 March 2015 JPY millions
Golf course revenue	21,786
Restaurant revenue	8,032
Membership revenue	3,345
	<u>33,163</u>

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

22 OTHER OPERATING EXPENSES

	Group 1 August 2014 to 31 March 2015 JPY millions
Utility expense	1,766
Outsourcing expense	1,749
Tax and levies ¹	1,429
Operating lease expense (Note 29)	1,392
Commission fees	1,282
Supply expenses	554
Advertising expense	475
Others	2,382
	<u>11,029</u>

1 Tax and levies of JPY 1,429 million includes property tax of JPY 1,327 million.

23 INTEREST EXPENSE AND OTHER FINANCE COSTS

	Group 1 August 2014 to 31 March 2015 JPY millions
Interest expense – financial institutions	594
Interest expense – related party (Note 6 (ii))	10
Interest expense – finance lease	
– Related party (Note 6 (ii))	48
– Third parties	3
Amortisation of capitalised loan facility fee	424
Amortisation of membership deposits	67
Foreign exchange loss regarding financial activities	92
Other finance costs	60
	<u>1,298</u>

24 INCOME TAX EXPENSE

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

Income from the TK Business will be subject to withholding tax in Japan which is levied on the amount of TK distribution paid from the SPC to AGT. The applicable withholding tax rate is 20.42%. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

24 INCOME TAX EXPENSE (cont'd)

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 has been changed from 37.11% to 35.36% with effect from 31 March 2015.

(a) Income tax expense

	Group 1 August 2014 to 31 March 2015 JPY millions
Foreign withholding tax	813
Deferred tax	(696)
Total income tax expense	117

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

	Group 1 August 2014 to 31 March 2015 JPY millions
Profit before income tax	2,765
Tax calculated at Singapore tax rate of 17%	470
Effect of expenses not deductible in determining taxable profit	144
Effect of different tax rate of subsidiary operating in other jurisdiction	163
Effect on deferred tax balances due to the changes in tax rate	(1,473)
Foreign withholding tax	813
Total income tax expense	117

(c) Deferred tax

The tax effects of temporary differences that give rise to deferred tax liabilities as at 31 March 2015 are as follows:

	Group as at 1 August 2014 JPY millions	Recognised in profit or loss JPY millions	Group as at 31 March 2015 JPY millions
Deferred tax liabilities			
Golf course assets	30,092	(1,426)	28,666
Others	192	730	922
Total net deferred tax liabilities	30,284	(696)	29,588

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

24 INCOME TAX EXPENSE (cont'd)

(c) Deferred tax (cont'd)

As at acquisition date, the Group recognised a deferred tax liability of JPY 30,284 million in relation to the taxable temporary difference of JPY 81,606 million, 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 37.11% 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 FOR THE PERIOD

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

	Group 1 August 2014 to 31 March 2015 JPY millions
Depreciation and amortisation expense	
Depreciation of property, plant and equipment	2,472
Amortisation of intangible assets	3
Amortisation of deferred expense	10
Total depreciation and amortisation expense	2,485
Audit fees	
Paid and payable to auditors of AGT	22
Paid and payable to other auditors	47
Total audit fees	69
Non-audit fees	
Paid and payable to auditors of AGT	1
Paid and payable to other auditors	12
Total non-audit fees	13
Allowance for doubtful trade receivables	283
Gain on forfeiture of membership deposits	(32)
Loss on sale of property, plant and equipment (net)	7

26 EARNINGS PER UNIT

The calculation of earnings per unit is based on profit attributable to Unitholders of JPY 2,590 million for the financial period ended 31 March 2015 and 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 customers contributed 10% or more to the Group's revenue for the financial period ended 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

28 COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Group's commitment under operating leases is disclosed in Note 29. There is no other commitment as at 31 March 2015 both at Group and at AGT level.

(b) Contingencies

There are no contingent liabilities or contingent assets as at 31 March 2015 both at Group and at AGT level.

29 OPERATING LEASE ARRANGEMENTS

The Group as lessee

Minimum lease payments under operating leases (net of rebates) recognised as an expense in the financial period ended 31 March 2015 were as follows:

Payment recognised as an expense

	Group 1 August 2014 to 31 March 2015 JPY millions
Minimum lease payments to:	
– Sponsor (Note 6 (ii))	180
– Third parties	1,212
	<u>1,392</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 automatically renewed either every year or every 20 years as stated in the lease agreements. 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 penalty. 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. The rental has been prepaid in full for the lease term with no operating lease commitment outstanding as at 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2015

30 DISTRIBUTIONS

In respect of the current financial period from 1 August 2014 ended 31 March 2015, a distribution of 5.71 Singapore cents per unit (total distribution of SGD 63 million) was paid to Unitholders on 15 June 2015.

These financial statements do not reflect the distribution for the financial period from 1 August 2014 to 31 March 2015, which will be accounted for in total equity as an appropriation of retained earnings in the year ending 31 March 2016.

31 COMPARATIVE FIGURES

The financial year covers the financial period since constitution of AGT on 16 June 2014 to 31 March 2015. This being the first set of financial statements, there are no comparative figures.

UNITHOLDERS STATISTICS

As at 12 June 2015

Issued Units

There were 1,099,122,000 Units (voting rights: one vote per Unit) issued in AGT as at 12 June 2015. There is only one class of Units. There were no treasury units held.

1. Unit Price Performance

IPO Offer Price (\$\$)	0.97
Highest Closing Price (\$\$)	0.92
Lowest Closing Price (\$\$)	0.74
Average Closing Price (\$\$)	0.80
Unit Closing Price on 31 March 2015 (\$\$)	0.755
Average Daily Trading Volume (Units)	3,980,354

2. Distribution of Unitholdings

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	0	0.00	0	0.00
100 – 1,000	167	6.82	161,460	0.01
1,001 – 10,000	1,074	43.387	7,448,496	0.68
10,001 – 1,000,000	1,191	48.65	66,586,086	6.06
1,000,001 and Above	16	0.66	1,024,925,958	93.25
Total	2,448	100.00	1,099,122,000	100.00

3. Twenty Largest Unitholders

No.	Name	No. of Units	%
1	DBS NOMINEES (PRIVATE) LIMITED	404,578,037	36.81
2	DAIWA CAPITAL MARKETS SINGAPORE LIMITED	321,763,000	29.27
3	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	104,586,091	9.52
4	RAFFLES NOMINEES (PTE) LIMITED	75,838,798	6.90
5	CITIBANK NOMINEES SINGAPORE PTE LTD	57,334,332	5.22
6	DBSN SERVICES PTE. LTD.	21,390,884	1.95
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	9,635,800	0.88
8	HSBC (SINGAPORE) NOMINEES PTE LTD	7,880,816	0.72
9	SOCIETE GENERALE, SINGAPORE BRANCH	5,171,400	0.47
10	PHILLIP SECURITIES PTE LTD	4,135,800	0.38
11	UOB KAY HIAN PRIVATE LIMITED	3,371,600	0.31
12	BANK OF SINGAPORE NOMINEES PTE. LTD.	3,169,400	0.29
13	OCBC SECURITIES PRIVATE LIMITED	2,053,200	0.19
14	DB NOMINEES (SINGAPORE) PTE LTD	1,863,800	0.17
15	CHAN TUCK SING	1,103,000	0.10
16	LEE FUI JOON @ LEE PUI JOON	1,050,000	0.10
17	MAYBANK KIM ENG SECURITIES PTE. LTD.	840,559	0.08
18	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	679,200	0.06
19	ANG TENG HUAT	675,000	0.06
20	KOH SOO KEONG	664,000	0.06
	Total	1,027,784,717	93.54

UNITHOLDERS STATISTICS

As at 12 June 2015

4. Substantial Unitholders

(As recorded in the Register of Substantial Unitholders)

	Direct Interest	%	Deemed Interest	%
Accordia Golf Co., Ltd ("AGCL")	–	–	317,097,000 ⁽¹⁾	28.85
Daiwa PI Partners Co. Ltd. ("DPPCL")	58,858,000	5.36	–	–
Daiwa Investment Management Inc ("DIMI")	–	–	58,858,000 ⁽²⁾	5.36
Daiwa Securities Group Inc. ("DSGI")	–	–	78,645,000 ⁽³⁾	7.16
Global Long Short Master Ireland Limited ("GLSM Ireland")	–	–	88,044,100 ⁽⁴⁾	8.01
The Goldman Sachs Group, Inc ("GSG")	–	–	132,984,368 ⁽⁵⁾	12.10
Morgan Stanley & Co. LLC	–	–	59,767,624 ⁽⁶⁾	5.44
Morgan Stanley Domestic Holdings, Inc.	–	–	59,767,624 ⁽⁶⁾	5.44
Morgan Stanley Capital Management, LLC	–	–	59,767,624 ⁽⁶⁾	5.44
Morgan Stanley	–	–	71,178,615 ⁽⁶⁾	6.48
Mitsubishi UFJ Financial Group Inc ("Mitsubishi UFJ")	–	–	71,178,615 ⁽⁷⁾	6.48

Notes:

- (1) AGCL holds the Units through a nominee account maintained with Daiwa Capital Markets Singapore Limited.
- (2) DIMI is the holding company of DPPCL and is deemed to be interested in Units held by DPPCL.
- (3) DSGI is the ultimate holding company of DPPCL and Daiwa Securities Co Ltd and is therefore deemed to be interested in the Units held by both DPPCL and Daiwa Securities Co. Ltd.
- (4) GLSM Ireland is a subsidiary of GSG.
- (5) GSG is deemed to have an interest in the Units held through its subsidiaries Global Long Short Master Ireland Limited, Goldman Sachs Credit Partners (Japan), Ltd, Goldman, Sachs & Co and Goldman Sachs International.
- (6) Morgan Stanley is deemed to have an interest in the Units held through its subsidiaries Morgan Stanley Capital Management, LLC, Morgan Stanley Domestic Holdings, Inc., Morgan Stanley & Co. LLC.
- (7) Mitsubishi UFJ holds more than 20% interest in shares of Morgan Stanley and is therefore deemed to be interested in Units held by Morgan Stanley.

UNITHOLDERS STATISTICS

As at 12 June 2015

5. Trustee-Manager's Directors' Unitholdings

As recorded in the Register of Directors' Unitholdings as at 21 April 2015.

No.	Directors	Direct Interest		Deemed Interest		Total	
		No. of Units	%	No. of Units	%	No. of Units	%
1	Mr Khoo Kee Cheok	–	–	–	–	–	–
2	Mr Chong Teck Sin	–	–	–	–	–	–
3	Mr Hitoshi Kumagai	–	–	–	–	–	–
4	Mr Yoshihiko Machida	–	–	–	–	–	–
5	Mr Takuya Nagano	–	–	–	–	–	–

6. Percentage of Unitholdings in Public Hands

As at 12 June 2015, approximately 45.9% of the Units were held by the public. Accordingly, AGT is in compliance with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

ACCORDIA GOLF TRUST

(A business trust constituted on 16 June 2014 under the laws of
the Republic of Singapore and managed by Accordia Golf Trust Management Pte. Ltd.)
(Registration No. 2014002)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Unitholders of Accordia Golf Trust ("**AGT**") will be held at Connection 1 & 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on Monday, 27 July 2015 at 2.00 p.m. for the following purposes:

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 period ended 31 March 2015 together with the Independent Auditor's Report thereon.

(Resolution 1)

2. To re-appoint Deloitte & Touche LLP as 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)

SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

3. General mandate to issue Units ("**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 the Singapore (the "**BTA**"), and Rule 806 of the Listing Manual of the 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, 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, 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, if any) shall be based on the total number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:
 - (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST), the Trust Deed and the BTA for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore); and
- (4) unless revoked or varied by the Unitholders 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)

Lynn Wan
Company Secretary
Singapore, 9 July 2015

Explanatory Notes:

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 on 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, if any) in AGT of which up to 20% of the total number of issued Units (excluding treasury Units, 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, if any) will be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time Resolution 3 in item 3 above is passed after adjusting for (a) any new Units arising from the conversion or exercise of any Instruments are outstanding or subsisting at the time when this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of Units.

Notes

1. A Unitholder entitled to attend and vote at the Annual General Meeting of Unitholders is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.
2. Where a Unitholder appoints two proxies, he/she must specify the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy. Where a Unitholder appoints two proxies and does not specify the proportion of his/her unitholding to be represented by each proxy, then the Units held by the Unitholder are deemed to be equally divided between the proxies.
3. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Accordia Golf Trust Management Pte. Ltd., the Trustee-Manager of AGT at 6 Shenton Way, #25-09 OUE Downtown 2, Singapore 068809 not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by AGT (or its agents) for the purpose of the processing and administration by the Trustee-Manager (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Trustee-Manager (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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)

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____ (Name)

holder of NRIC/Passport Number or Company Registration Number or UEN Number _____

Of _____ (Address)

being a Unitholder/Unitholders of Accordia Golf Trust ("AGT"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

or failing *him/her/them, the Chairman of the Annual General Meeting of AGT ("Meeting") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Meeting to be held at Connection 1 & 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on Monday, 27 July 2015 at 2.00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

* Please delete accordingly

No.	Resolutions relating to:	No. of Votes For**	No. of Votes Against**
1	To receive and adopt the Report of the Trustee-Manager, Statement by the Trustee-Manager and the Audited Financial Statement of AGT for the period ended 31 March 2015 together with the Independent Auditor's Report thereon		
2	To re-appoint Deloitte & Touche LLP as Auditors of AGT and to authorise the Trustee-Manager to fix its remuneration		
3	To authorise the Trustee-Manager to issue new Units		

** If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2015

Total number of Units in:	No. of Units
(a) CDP Register	
(b) Register of Unitholders	

Signature of Unitholder(s) or,
Common Seal of Corporate Unitholder



Notes:

1. Please insert the total number of Units ("Units") held by you. If you have Units entered against your name in the Depository Register maintained by the Central Depository (Pte) Limited (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Units. If you have Units registered in your name in the Register of Members of AGT, you should insert that number of Units. If you have Units entered against your name in the Depository Register and Units registered in your name in the Register of Members, you should insert the aggregate number of Units entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Units held by you.
2. A Unitholder of AGT entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder of the Company.
3. Where a Unitholder appoints two proxies, he/she must specify the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy. Where a Unitholder appoints two proxies and does not specify the proportion of his/her unitholding to be represented by each proxy, then the Units held by the Unitholder are deemed to be equally divided between the proxies.
4. Completion and return of this instrument appointing a proxy shall not preclude a Unitholder from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the Annual General Meeting in person, and in such event, Accordia Golf Trust Management Pte. Ltd., the Trustee-Manager of AGT ("Trustee-Manager") reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Trustee-Manager at 6 Shenton Way, #25-09 OUE Downtown 2, Singapore 068809 not less than 48 hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
7. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. All Unitholders will be bound by the outcome of the Annual General Meeting regardless of whether they have attended or voted at the Annual General Meeting.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 July 2015.

General:

The Trustee-Manager shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject any instrument appointing a proxy or proxies lodged if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Trustee-Manager.



ACCORDIA GOLF TRUST

6 Shenton Way
#25-09 OUE Downtown 2
Singapore 068809

