

**ACCORDIA GOLF TRUST Announcement of Results
for the 2nd quarter and half year ended 30 September 2018**



(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 16 June 2014)

Accordia Golf Trust

Accordia Golf Trust (“**AGT**”) is the first business trust comprising investments in golf course assets in Japan, listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 1 August 2014 (the “**Listing Date**”). The financial year end of AGT is 31 March.

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, a wholly-owned subsidiary of Daiwa Securities Group Inc.

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

The Trustee-Manager’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 (the “**Unitholders**”) and maximising long-term investment returns of Unitholders by generating long-term capital value growth through future acquisitions.

AGT’s initial portfolio (the “**Initial Portfolio**”) comprises 89 golf courses located across Japan (the “**Initial Portfolio Golf Courses**”) with 85.7% of the Initial Portfolio Golf Courses (based on their appraised values as at 31 December 2017) located in the three largest metropolitan areas in Japan.

The Initial Portfolio is valued at approximately Japanese Yen (“**JPY**”) 149,237 million (based on their appraised values as at 31 December 2017) with a majority of the Initial Portfolio Golf Courses situated in major cities that are accessible via Japan’s major modes of transportation and expressways.

AGT’s investment in the Initial Portfolio Golf Courses held by Accordia Golf Asset Godo Kaisha (“**SPC**”) is made through an investment structure known as a Tokumei Kumiai (“**TK**”) Structure. The relationship between SPC and AGT is governed under a TK agreement (the “**TK Agreement**”), being a silent partnership agreement. The TK is a contractual relationship between an investor and a business operator, whereby the investor makes certain contributions to the business operator in return for the right to receive distributions of profits generated from the business managed by the operator.

Under the TK Agreement, AGT as the TK investor (the “**TK Investor**”) has veto rights in respect of certain key operational matters including any amendment to the articles of incorporation, cessation or change of principal business, entry into interested person transactions and preparing or amending the annual business plan.

SPC, as the TK operator, is a Godo Kaisha which is a Japanese limited liability company under the Companies Act of Japan. SPC is responsible for holding the Initial Portfolio Golf Courses and managing their day to day operation, subject to the veto rights of the Trustee-Manager. Under the TK Structure, as SPC is the legal owner in respect of the Initial Portfolio, generally, only SPC has rights against and obligations to third parties. Therefore, third parties have no recourse against AGT as the TK Investor and the liability of AGT is limited to the amount of its TK contribution to SPC.

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Distribution Policy

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.

AGT will make distributions to Unitholders on a semi-annual basis, with the amount calculated as at 31 March and 30 September each year for the six-month period ending on each of the said dates.

AGT and SPC (hereinafter referred to as the "**AGT Group**") are presenting their financial results for the 2nd quarter and half year ended 30 September 2018.

The consolidated financial statements of AGT Group include the Statements of Financial Position of AGT Group and AGT as at 30 September 2018, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Distribution Statement, Consolidated Statement of Cash Flows of the AGT Group and the Statements of Changes in Equity of the AGT Group and AGT for the 2nd quarter and half year ended 30 September 2018.

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FINANCIAL REVIEW OF AGT FOR 2nd QUARTER FY18/19

1(a)(i) Consolidated statement of profit or loss and other comprehensive income for 2nd quarter FY18/19

	Note	1 Jul 2018 to 30 Sep 2018 (JPY million)	1 Jul 2017 to 30 Sep 2017 (JPY million)	Change %	1 Apr 2018 to 30 Sep 2018 (JPY million)	1 Apr 2017 to 30 Sep 2017 (JPY million)	Change %
Operating income		12,039	13,378	(10.0)	26,452	27,952	(5.4)
Revenue		11,934	13,125	(9.1)	26,222	27,637	(5.1)
Golf course revenue		7,862	8,745	(10.1)	17,650	18,693	(5.6)
Restaurant revenue		3,100	3,324	(6.7)	6,594	6,792	(2.9)
Membership revenue		972	1,056	(8.0)	1,978	2,152	(8.1)
Other operating income	(a)	105	253	(58.5)	230	315	(27.0)
Operating expenses		(10,838)	(10,925)	(0.8)	(22,165)	(22,298)	(0.6)
Merchandise and material expenses		(851)	(947)	(10.1)	(1,819)	(1,943)	(6.4)
Labour and outsourcing expenses		(4,131)	(4,144)	(0.3)	(8,488)	(8,458)	0.4
Golf course management fee		(1,378)	(1,467)	(6.1)	(2,925)	(3,051)	(4.1)
Golf course maintenance and repair cost		(829)	(825)	0.5	(1,661)	(1,676)	(0.9)
Depreciation and amortisation expenses		(820)	(767)	6.9	(1,594)	(1,521)	4.8
Utility expenses		(595)	(588)	1.2	(1,088)	(1,124)	(3.2)
Operating lease expenses		(494)	(500)	(1.2)	(990)	(1,006)	(1.6)
Selling, general and administrative expenses		(980)	(1,038)	(5.6)	(1,989)	(2,088)	(4.7)
Trustee-Manager's fee		(63)	(65)	(3.1)	(127)	(130)	(2.3)
Asset Manager's fee		(25)	(25)	-	(49)	(50)	(2.0)
Other operating expenses	(b)	(672)	(559)	20.2	(1,435)	(1,251)	14.7
Operating profit		1,201	2,453	(51.0)	4,287	5,654	(24.2)
Interest and other finance costs	(c)	(559)	(404)	38.4	(956)	(808)	18.3
Profit before tax		642	2,049	(68.6)	3,331	4,846	(31.2)
Income tax expense	(d)	(308)	(119)	158.8	(577)	(418)	38.0
Profit for the period		334	1,930	(82.7)	2,754	4,428	(37.8)
Other comprehensive income, net of income tax							
Items that may be reclassified subsequently to profit or loss: Unrealised gain on fair value changes of cash flow hedging derivative instruments	(e)	54	66	(18.2)	53	65	(18.5)
Total comprehensive income for the period		388	1,996	(80.6)	2,807	4,493	(37.5)
Profit for the period attributable to							
Unitholders of AGT		347	1,947	(82.2)	2,738	4,397	(37.7)
Non-controlling interest		(13)	(17)	(23.5)	16	31	(48.4)
Profit for the period		334	1,930	(82.7)	2,754	4,428	(37.8)
Total comprehensive income attributable to							
Unitholders of AGT		401	2,013	(80.1)	2,791	4,462	(37.4)
Non-controlling interest		(13)	(17)	(23.5)	16	31	(48.4)
Total comprehensive income for the period		388	1,996	(80.6)	2,807	4,493	(37.5)

Notes:

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- (a) Decrease in other operating income is mainly due to receipt of compensation from sponsor in relation to disbursement for capital investment and other operating expenses in the previous year.
- (b) Increase in other operating expenses is due to larger infrastructure loss from typhoon as compared to the previous financial year.
- (c) Increase in interest and other finance cost incurred due to refinancing cost incurred on new loan undertaken (see section 1(b)(ii)).
- (d) Increase in income tax expense pertains to increase in deferred tax expense recognised on the amortisation of the refinancing costs on the debt facility recorded in the current year.
- (e) Net gain on fair value changes of derivative financial instruments arose from re-measurement of interest rate swaps entered into during the financial period to hedge interest rate risk on borrowings.

Consolidated distribution statement

	Note	1 Jul 2018 to 30 Sep 2018 (JPY million)	1 Jul 2017 to 30 Sep 2017 (JPY million)	1 Apr 2018 to 30 Sep 2018 (JPY million)	1 Apr 2017 to 30 Sep 2017 (JPY million)
<u>Reconciliation of profit for the period to income available for distribution</u>					
Profit for the period		334	1,930	2,754	4,428
Depreciation and amortisation expenses		820	767	1,594	1,521
Interest and other finance costs		559	404	956	808
Interest income		-	-	(1)	(1)
Income tax expense		308	119	577	418
EBITDA		2,021	3,220	5,880	7,174
<u>Adjustment for:</u>					
Changes in working capital		(1,357)	(1,380)	(1,648)	(1,809)
Interest and other finance costs paid		(470)	(393)	(493)	(421)
Income tax paid		-	-	(602)	(915)
Others		13	3	12	8
Net cash flows from operating activities		207	1,450	3,149	4,037
Net cash flows used in investing activities		(423)	(768)	(953)	(924)
Net cash flows used in financing activities excluding distributions		(1,436)	(1,890)	(1,701)	(2,249)
Net (decrease) / increase in cash and cash equivalents excluding distributions		(1,652)	(1,208)	495	864
Reserved items	(a)	1,461	885	979	607
Total loss / distributable income available for Unitholders	(b)	(191)	(323)	1,474	1,471

Notes:

- (a) Reserved items mainly comprised cash reserve for trust operations of JPY 104 million, interest of JPY 204 million, upfront fee of JPY 452 million, CAPEX of JPY 251 million, staff expense of JPY 550 million, and partial deferral of upfront fee of JPY 449 million to 2nd half of the financial year. That was partially offset by increase in cash reserved for golf course operations of JPY 425 million and others of JPY 124 million.
- (b) Total loss is mainly due to payment of refinancing costs.

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1(b)(i) Statements of financial position

	Note	AGT Group 30 Sep 2018 (JPY million)	AGT Group 31 Mar 2018 (JPY million)	AGT 30 Sep 2018 (JPY million)	AGT 31 Mar 2018 (JPY million)
Assets					
Current assets					
Cash and bank balances		6,645	8,145	287	116
Trade and other receivables		2,262	2,596	1,852	2,946
Inventories		319	281	-	-
Other current assets		854	1,207	1	16
	(a)	10,080	12,229	2,140	3,078
Non-current assets					
Investment in subsidiary		-	-	75,447	75,447
Property, plant and equipment		146,333	146,033	-	-
Intangible assets		17,231	17,245	-	-
Other non-current assets		397	445	-	-
		163,961	163,723	75,447	75,447
Total assets		174,041	175,952	77,587	78,525
Liabilities					
Current liabilities					
Borrowings from financial institutions	(b)	-	28,847	-	-
Finance lease payables		1,000	983	-	-
Trade and other payables		4,519	5,441	104	148
Membership deposits		10,174	10,521	-	-
Income tax payable		378	602	378	602
Derivative financial instruments		25	18	-	-
Other current liabilities		2,537	4,135	-	-
	(a)	18,633	50,547	482	750
Non-current liabilities					
Borrowings from financial institutions	(b)	42,432	14,108	-	-
Financial lease payables		3,591	3,044	-	-
Borrowing from a related party		500	500	-	-
Membership deposits		28	31	-	-
Deferred tax liabilities		27,626	27,427	-	-
Derivative financial instruments		-	60	-	-
Other non-current liabilities		264	80	-	-
		74,441	45,250	-	-
Total liabilities		93,074	95,797	482	750
Net assets		80,967	80,155	77,105	77,775
Equity					
Unitholders' funds		81,086	81,086	81,486	81,486
Cash flow hedging reserve		(25)	(78)	-	-
Accumulated losses		(463)	(1,206)	(4,381)	(3,711)
Equity attributable to Unitholders		80,598	79,802	77,105	77,775
Non-controlling interest		369	353	-	-
Total equity		80,967	80,155	77,105	77,775

Notes:

- (a) As at 30 September 2018, AGT Group's current liabilities exceed current assets by JPY 8,553 million (31 March 2018: JPY 38,318 million). Liquidity risk is mitigated despite the net working capital deficiency position at the end of the reporting period as AGT Group's operating cash inflows are sufficient to meet its short-term liquidity demands from the perspective of Trustee-Manager.
- (b) On 24 July 2018, SPC entered into a new refinancing arrangement with 2 Japanese lenders and subsequently repaid in full all facilities in the previous financing arrangement on 1 August 2018.

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1 (b)(ii) Gross borrowings as at 30 September 2018

		AGT Group 30 Sep 2018 (JPY million)	AGT Group 31 Mar 2018 (JPY million)
Amount payable within one year			
Term/Syndicated loan	*1	-	29,100
Less: Upfront costs capitalised		-	(253)
		-	28,847
Amount payable after one year			
Term/Syndicated loan	*1	43,425	14,325
Less: Upfront costs capitalised		(993)	(217)
		42,432	14,108
Subordinated loan	*2	500	500
Less: Upfront costs capitalised		-	-
		500	500
		42,932	14,608
Total loans and borrowings		42,932	43,455

Details of borrowings and collaterals

SPC is the borrower of term/syndicated loan and subordinated loan, which are both denominated in JPY.

***1) Term/Syndicated loan**

SPC borrowed funds from 9 major banks in Japan. The bank borrowings consist of debt facilities denominated in JPY of JPY 43,425 million (the "Old Facilities") as at 31 July 2018. On 1 August 2018, the Old Facilities were repaid in full.

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

On 1 August 2018, Tranche A Facility was drawn down in full and used to repay the Old Facilities.

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

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

For Tranche B Facility, interest is levied at a floating interest rate of six-month JPY TIBOR plus 150 basis points per annum. No amount has been drawn down as at 30 September 2018.

Note:

- (a) Pledged cash balances are not restricted for operational use and are classified as cash and bank balances within the statement of financial position. Based on the terms of the loan, a certain amount of cash is reserved for the AGT Group's operational use and restricted from being distributed as TK distribution.

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*2) Subordinated loan

SPC has a loan of JPY 500 million from the Sponsor. This subordinated loan is necessary for SPC to maintain its status as a TK Operator for tax reasons. The interest rate is fixed at 3.0% per annum and the due date of the loan is the day on which SPC's business is discontinued.

1 (c) Consolidated statement of cash flows

	Note	1 Jul 2018 to 30 Sep 2018 (JPY million)	1 Jul 2017 to 30 Sep 2017 (JPY million)	1 Apr 2018 to 30 Sep 2018 (JPY million)	1 Apr 2017 to 30 Sep 2017 (JPY million)
Operating activities					
Profit for the period		334	1,930	2,754	4,428
Adjustment for:					
Depreciation and amortisation expenses		820	767	1,594	1,521
Interest and other finance costs		559	404	956	808
Interest income		-	-	(1)	(1)
Income tax expense		308	119	577	418
Loss on disposal of property, plant and equipment		14	8	21	14
Gain on forfeiture of membership deposit		(1)	(5)	(9)	(6)
Operating cash flow before movements in working capital:		2,034	3,223	5,892	7,182
Changes in working capital					
Trade receivables and others		243	13	701	562
Trade payables and others		(1,611)	(1,385)	(2,311)	(2,330)
Inventory		11	(8)	(38)	(41)
Cash generated from operations		677	1,843	4,244	5,373
Interest and other finance costs paid		(470)	(393)	(493)	(421)
Income tax paid		-	-	(602)	(915)
Net cash flows from operating activities		207	1,450	3,149	4,037
Investing activities					
Acquisition of property, plant and equipment		(420)	(748)	(950)	(898)
Acquisition of intangible assets		(3)	(20)	(3)	(26)
Net cash flows used in investing activities		(423)	(768)	(953)	(924)
Financing activities					
Distribution to Unitholders		-	-	(1,995)	(3,184)
Repayment of borrowings	(a)	(43,425)	(225)	(43,425)	(225)
Proceeds from borrowings	(a)	43,425	-	43,425	-
Payment of refinancing costs	(a)	(947)	(383)	(947)	(383)
Repayment of membership deposits	(b)	(258)	(1,108)	(347)	(1,345)
Repayment of finance lease obligations		(231)	(174)	(407)	(296)
Net cash flow used in financing activities		(1,436)	(1,890)	(3,696)	(5,433)
Net decrease in cash and cash equivalent		(1,652)	(1,208)	(1,500)	(2,320)
Cash and cash equivalents at the beginning of financial period	(c)	8,248	9,091	8,096	10,203
Cash and cash equivalents at the end of the financial period	(c)	6,596	7,883	6,596	7,883

Notes:

- (a) Refinancing costs was incurred to execute the new financing arrangement.
- (b) Lower repayment of membership deposits is due to maturity of membership deposits in the previous year which members can call for repayment after a lock-up period of a certain number of years.
- (c) Cash and cash equivalents as at 30 September 2018 does not include the fixed deposit of JPY 49 million (30 September 2017: JPY 49 million) with maturity date of more than 3 months.

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1(d)(i) Statements of changes in equity

	AGT Group 1 Jul 2018 to 30 Sep 2018 (JPY million)	AGT Group 1 Jul 2017 to 30 Sep 2017 (JPY million)	AGT Group 1 Apr 2018 to 30 Sep 2018 (JPY million)	AGT Group 1 Apr 2017 to 30 Sep 2017 (JPY million)
Unitholders' funds -net of issue costs				
Balance at the beginning and end of the period	81,086	81,086	81,086	81,086
Accumulated (losses) profits				
Balance at the beginning of the period	(810)	(1,339)	(1,206)	(605)
Profit for the period	347	1,947	2,738	4,397
Distribution to Unitholders	-	-	(1,995)	(3,184)
Balance at the end of the period	(463)	608	(463)	608
Cash flow hedging reserve				
Balance at the beginning of the period	(79)	(202)	(78)	(201)
Movement during the period	54	66	53	65
Balance at the end of the period	(25)	(136)	(25)	(136)
Net assets attributable to Unitholders of AGT	80,598	81,558	80,598	81,558
Non-controlling interest				
Balance at the beginning of the period	382	364	353	316
(Loss) / profit for the period	(13)	(17)	16	31
Balance at the end of the period	369	347	369	347
Total equity	80,967	81,905	80,967	81,905

	AGT 1 Jul 2018 to 30 Sep 2018 (JPY million)	AGT 1 Jul 2017 to 30 Sep 2017 (JPY million)	AGT 1 Apr 2018 to 30 Sep 2018 (JPY million)	AGT 1 Apr 2017 to 30 Sep 2017 (JPY million)
Unitholders' funds - net of issue costs				
Balance at the beginning and end of the period	81,486	81,486	81,486	81,486
Retained earnings				
Balance at the beginning of the period	(5,782)	(5,812)	(3,711)	(2,578)
Profit for the period	1,401	1,402	1,325	1,352
Distribution to Unitholders	-	-	(1,995)	(3,184)
Balance at the end of the period	(4,381)	(4,410)	(4,381)	(4,410)
Net assets attributable to Unitholders of AGT	77,105	77,076	77,105	77,076
Total equity	77,105	77,076	77,105	77,076

1(d)(ii) Details of any changes in the units

	AGT 1 Apr 2018 to 30 Sep 2018	AGT 1 Apr 2017 to 31 Sep 2017
Balance at the beginning and end of the period	1,099,122,000	1,099,122,000

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- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied.**

The accounting policies and methods of computation have been consistently applied during the current reporting period except that in the current financial year, the Group has adopted new and revised standards that are effective for annual period beginning on 1 January 2018.

- 5 If there are any changes in the accounting policies and methods of computation, what has changed, as well as the reasons for, and effect of the change.**

There is no change in the accounting policies and methods of computation.

- 6 Group earnings per unit ("EPU") and income available for distribution per unit ("DPU") for 2nd quarter and half year ended 30 September 2018.**

Group earnings per unit

	Note	1 Jul 2018 to 30 Sep 2018	1 Jul 2017 to 30 Sep 2017	Note	1 Apr 2018 to 30 Sep 2018	1 Apr 2017 to 30 Sep 2017
Weighted average number of unit		1,099,122,000	1,099,122,000		1,099,122,000	1,099,122,000
Earnings for the period attributable to Unitholders of AGT (JPY million)		347	1,947		2,738	4,397
EPU for the period based on the weighted average number of unit in issue (JPY)		0.32	1.77		2.49	4.00
EPU for the period based on the weighted average number of unit in issue (Singapore Cents)	(a)	0.39	2.17	(b)	3.05	4.96

Notes:

- (a) AGT had computed EPU using a JPY/SGD average exchange rate from 1 July 2018 to 30 September 2018: 81.51 (1 July 2017 to 30 September 2017: 81.53)
- (b) AGT had computed EPU using a JPY/SGD average exchange rate from 1 April 2018 to 30 September 2018: 81.64 (1 April 2017 to 30 September 2017: 80.66)

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Group distribution per unit

	Note	1 Apr 2018 to 30 Sep 2018	1 Apr 2017 to 30 Sep 2017
Number of unit issued and to be issued at the end of period entitled to distribution		1,099,122,000	1,099,122,000
Distribution to Unitholders for the period (JPY million)		1,474	1,471
DPU for the period based on the number of units entitled to distribution (JPY)		1.34	1.34
DPU for the period based on the number of units entitled to distribution (Singapore Cents)	(a)	1.64	1.65

Notes:

- (a) The computation of SGD denominated DPU from 1 April 2018 to 30 September 2018 is for illustrative purpose only. AGT had entered into forward currency contracts for distributions to Unitholders. The exchange rate takes into consideration the average forward currency contracts rate.

7 Group net asset value (“NAV”) per unit based on existing units in issue as at 30 September 2018

	Note	As at 30 Sep 2018	As at 31 Mar 2018
Number of unit issued and to be issued at end of period entitled to distribution		1,099,122,000	1,099,122,000
Net asset value attributable to Unitholders of AGT (JPY million)		80,598	79,802
Net asset value attributable to Unitholders per unit (JPY)		73.33	72.61
Net asset value attributable to Unitholders per unit (SGD)	(a)	0.88	0.90

Notes:

- (a) AGT had computed the NAV using a JPY/SGD exchange rate of 83.14 as at 30 September 2018 (31 March 2018: 81.39).

8 Review of performance for the 2nd quarter and half year ended 30 September 2018

	1 Jul 2018 to 30 Sep 2018 (JPY million)	1 Jul 2017 to 30 Sep 2017 (JPY million)	Change %	1 Apr 2018 to 30 Sep 2018 (JPY million)	1 Apr 2017 to 30 Sep 2017 (JPY million)	Change %
Operating income	12,039	13,378	(10.0)	26,452	27,952	(5.4)
Operating expenses	(10,838)	(10,925)	(0.8)	(22,165)	(22,298)	(0.6)
Operating profit	1,201	2,453	(51.0)	4,287	5,654	(24.2)
Profit attributable to Unitholders of AGT	347	1,947	(82.2)	2,738	4,397	(37.7)
Total (loss) / distributable income available	(191)	(323)	(40.9)	1,474	1,471	0.2

2Q FY18/19 vs 2Q FY17/18

Operating income for 2Q FY18/19 was JPY 12,039 million. The performance of the golf course was affected by poor weather conditions in the current quarter, including heavy rain in the western region in July, heat waves in July and August, and multiple typhoons in the current quarter which have resulted in lower utilisation rates.

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Operating expenses for 2Q FY18/19 was JPY 10,838 million. The decrease was mainly due to lower utilisation of golf course materials due to poor weather conditions.

Operating profit for 2Q FY18/19 was JPY 1,201 million, which was lower than 2Q FY17/18. This was due primarily to lower revenue as a result of poor weather conditions in the current quarter. Profit attributable to Unitholders was JPY 347 million.

Total loss for the quarter was JPY 191 million, which was an improvement from the previous year due to greater movement of reserved items for the current quarter.

1H FY18/19 vs 1H FY17/18

Operating income for 1H FY18/19 was JPY 26,452 million. The performance of the golf course was poorer than 1H FY17/18 mainly due to the poorer weather conditions in the current year affecting utilisation rates at the golf courses.

Operating expenses for 1H FY18/19 was JPY 22,165 million. The decrease was due to lower utilisation of golf course materials due to poor weather conditions offset by a slight increase in selling, general and administrative expenses for third party booking site.

Operating profit for 1H FY18/19 was JPY 4,287 million, which was lower than 1H FY17/18. Profit attributable to Unitholders was JPY2,738 million.

Total distributable income available during 1H FY18/19 was JPY 1,474 million, which remained consistent from 1H FY17/18. This is mainly due to higher payment of refinancing costs on debt facility and lower returns from golf course operations, offset by lower withdrawal of membership deposits as compared to 1H FY17/18.

9 Variance between the forecast and actual results

No forecast has been disclosed.

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

During the 1st half of FY18/19, the Japanese economy showed a steady improvement in corporate performance and employment environment, and corporate production and consumer spending continued to recover moderately. Despite the rise in prices of natural resources and labour costs which affects corporate profits, the economy is expected to continue to recover, backed by infrastructure investments ahead of 2020 Summer Olympics and redevelopments in the metropolitan areas in the near future.

Notwithstanding the growth in the economy, the market size of Japan's golf industry declined from JPY 874 billion to JPY 870 billion year-on year in 2017⁽¹⁾. The number of golf players in Japan is likely to continue to decrease due to lower birth rate, aging population, and diverse lifestyles.

Accordia Golf group, as one of the leading golf business operators in Japan, displays strong presence in the shrinking market by leveraging on its economies of scale. We focus on generating stable profits from senior golfers over age 50 who represent the majority of golfers. This is done by promoting senior golfers' play on weekdays where utilisation rate is relatively lower, and through corporate golf events. Further, special programmes for lady golfers ("L-Style") and for juniors ("Accordia Kids") are offered to attract more plays by females and junior players and to revitalise the golf industry. We continue to improve on golfers' play experiences, through initiatives such as having golf buggies fitted with GPS navigation systems.

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Taking advantage of our economies of scale, we will continue to enjoy cost reduction from the use of centralised procurement system to purchase food and supply items for the golf courses and the sharing of expensive golf course maintenance equipment among multiple golf courses.

With these efforts, AGT strives to maintain its competitive advantage over its competitors and deliver stable returns.

⁽¹⁾ White paper on leisure 2018

11 Distributions

(a)	Current financial period Any distribution declared for the current financial period?	1.64 Singapore Cents for semi-annual period from 1 April 2018 to 30 September 2018.
(b)	Corresponding period of the immediately preceding year Any distributions declared for the corresponding period of the immediately preceding financial year?	1.65 Singapore Cents for semi-annual period from 1 April 2017 to 30 September 2017.
(c)	Date payable	14 December 2018
(d)	Book closure date	5 December 2018 5pm

12 If no distribution has been declared (recommended), a statement to that effect

Refer to paragraph 11 above.

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13 Interested person transactions (“IPT”)

Name of interested person	Relationship with interested person	Transaction contents	Aggregate value of all IPT during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920)
			1 April 2018 to 30 September 2018 (JPY million)
Accordia Golf Trust Management Pte Ltd	Trustee-Manager	- Trustee-Manager fee	127
Accordia Golf Co., Ltd.	Controlling shareholder of AGT & controlling shareholder of the Trustee-Manager	- Golf course management fee	2,925
		- Payment of staff secondment fee	866
		- Equipment lease fee	12
		- Subordinated loan interest expense	8
		- Sales commission received for new membership sign up	3
		- Customer loyalty point awarded, net of redeemed	16
		- Collection of annual membership on behalf	26
		- Sales for business use	18
		- Repayment of finance lease obligations	114
		- Interest expense on finance lease	8
		- Purchases of food and supplies through centralised procurement system	3,201
		- Integrated purchasing system usage fee paid	8
		- Pro-shop management revenue	34
		- Sales promotion fee	74
		- Collection of Pro-shop business revenue on behalf	1,160

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Heartree Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	- Incentive received for centralised purchases	16
Accordia Golf Garden Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	- Lesson revenue for providing golf lesson	9
Daiwa Real Estate Asset Management Co. Ltd.	Controlling shareholder of the Trustee-Manager	- Asset management fee	49

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- 14 If the Group has obtained a general mandate from unit holders for IPT, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

AGT has not obtained a general mandate from Unitholders for IPTs other than for the exempted agreements as disclosed in the Prospectus.

- 15 Negative confirmation pursuant to Rule 705(5)**

Pursuant to Listing Rule 705(5) of the Listing Manual of the SGX-ST, the Board of Directors of Accordia Golf Trust Management Pte. Ltd., being the Trustee-Manager of Accordia Golf Trust confirms that, to the best of their knowledge, nothing has come to their attention which may render these financial results for the 2nd quarter and half year ended 30 September 2018 to be false or misleading in any material aspect.

- 16 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

Accordia Golf Trust Management Pte. Ltd. (as Trustee-Manager of AGT) confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX-ST Listing Manual.

By Order of the Board of

Accordia Golf Trust Management Pte. Ltd.
As Trustee-Manager of
Accordia Golf Trust

Lai Kuan Loong, Victor
Company Secretary
13 November 2018

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

This release may include market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. While the Trustee-Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Trustee-Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.