ACCORDIA GOLF TRUST

Annual General Meeting

29 July 2019



Naritahigashi Country Club, Tokyo Region

Important Notice

This presentation is intended solely for your information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units ("**Units**") in Accordia Golf Trust ("**AGT**" or the "**Trust**"). The information and opinions in this presentation are subject to change without notice, its accuracy is not guaranteed, and it may not contain all material information concerning AGT.

No representation or warranty, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of, the information or opinions contained herein. None of the Trust, Accordia Golf Trust Management Pte. Ltd. (the "**Trustee-Manager")**, Accordia Golf Co., Ltd. (the "**Sponsor**"), and Daiwa Real Estate Asset Management Co. Ltd., or any of their respective affiliates, directors, officers, employees, agents, advisers or representatives shall have assume any responsibility or any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation. Nothing contained herein is, or shall be relied upon as, a promise or representation, whether as to the past or the future and no reliance, in whole or in part, should be placed on the fairness, accuracy, completeness or correctness of the information contained herein. Further, nothing in this document should be construed as constituting legal, business, tax or financial advice.

The information in this presentation may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this information in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the United States Securities Act of 1933, as amended or the applicable laws of other jurisdictions.

This presentation contains forward-looking statements that may be identified by their use of words like "**plans**," "**expects**," "**will**," "**anticipates**," "**believes**," "**intends**," "**depends**," "**projects**," "**estimates**" or other words of similar meaning and that involve assumptions, risks and uncertainties. All statements that address expectations or projections about the future and all statements other than statements of historical facts included in this presentation, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Such forward-looking statements are based on certain assumptions and expectations of future events regarding the Trust's present and future business strategies and the environment in which the Trust and the Trustee-Manager will operate, and must be read together with those assumptions. The Trustee-Manager does not guarantee that these assumptions and expectations are accurate or will be realised. 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. There can be no assurance that such expectations will be met. Representative examples of these risks, uncertainties and assumptions include (without limitation) general global, regional and local economic conditions, regulatory developments and changes in the golf course industry, implementation of new changes in government regulations, man-made or natural disasters that affect the business or assets of AGT, and general global, regional and local political and social conditions and the implementation of or changes to existing government policies in the jurisdictions where AGT operates. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of the Trust. Past performance is not necessarily indicative of future performance. The forecast financial performance of the Trust is not guaranteed. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view of future events. The Trustee-Manager does not assume any responsibility to amend, modify, revise or update any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise. While the Trustee-Manager has taken care to ensure that information is extracted accurately and in its proper context, the Trustee-Manager has not independently verified any of the data from third party sources.

The value of the Units and the income derived from them may fall or rise. The Units are not obligations, or deposits in, or guaranteed by the Trustee-Manager. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The holders of the Units (the "**Unitholders**") have no right to request that the Trustee-Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Outline

01 Key Highlights

02 Financial Performance

03 Portfolio Performance

04 Outlook on Japanese Economy

01

Key Highlights



Daiatsugi Country Club Hon Course, Tokyo Region

Full-year FY18/19

Number of Players **5.72 million**	• Full year FY18/19: +0.5% YoY • Number of players rebounded by 8.7% YoY in 2H FY18/19 despite a decrease of 6.0% YoY in 1H FY18/19
Revenue Per Player **JPY8,350** (All day)	• Revenue per player had increased gradually, especially for weekend (+1.0% YoY) • Pushed more marketing efforts to improve revenue for weekday
Impairment Loss **JPY17.96 billion**	• Increased significantly due to the recognition of impairment loss on plant, property and equipment as well as goodwill at the end of FY18/19 (more details in the next section)
Distribution Per Unit **SGD3.77 cents**	• Declined slightly compared with SGD3.85 cents in FY17/18

03

Financial Performance



Mishima Country Club, Other Region

Summary

- While operating income in the first half of FY18/19 was affected by several natural disasters, it recovered partially in the second half of the year amid good weather conditions.
- Operating loss increased significantly for the full year mainly due to the non-cash impairment loss on plant, property and equipment of JPY4,818 million, and goodwill of JPY13,144 million (more details on pages 8 to 12).

JPY million

	Full year FY18/19	Full year FY17/18	YoY chge (%)
Operating income	**51,159**	51,450	(0.6)
Operating (loss)/profit	**(11,218)**	6,071	(284.8)
(Loss)/profit after tax	**(12,493)**	4,132	(402.3)
Total distributable income* (100% basis)	**3,388**	3,436	(1.4)
Distribution per unit (SGD cents)	**3.77**	3.85	(2.1)

* Distributions to unitholders will be made on a semi-annual basis for the period ending 31 March and 30 September of each year.

Breakdown on Operating Expenses

JPY million

	Full-year FY18/19	Full-year FY17/18
Operating income *(A)*	**51,159**	**51,450**
Golf course-related costs	(35,776)	(35,653)
Selling, general & administrative and other expenses *(Note 1)*	(8,293)	(7,653)
Trustee Manager and Asset Manager fees	(346)	(353)
Operating expenses before impairment losses (B)	*(44,415)*	*(43,659)*
Operating profit before impairment losses (A – B) (Note 2)	*6,744*	*7,791*
Impairment losses	(17,962)	(1,720)
- *Plant, property and equipment (PP&E) (Note 3)*	*(4,818)*	*(1,720)*
- *Goodwill (Note 4)*	*(13,144)*	-
Operating expenses including impairment losses *(C)*	**(62,377)**	**(45,379)**
Operating (loss)/profit *(A – C)*	**(11,218)**	**6,071**

Note 1

Increased due to higher disaster recovery expenses.

Note 2

Decreased because of lower membership revenue, other operating income and higher operating expenses on disaster recovery.

Note 3

PP&E impairment is tested annually. The increase was primarily due to JPY3 billion impairment loss on Nishikigahara golf course, where its valuation declined amid a potential infrastructure project (further details on pages 9 and 10).

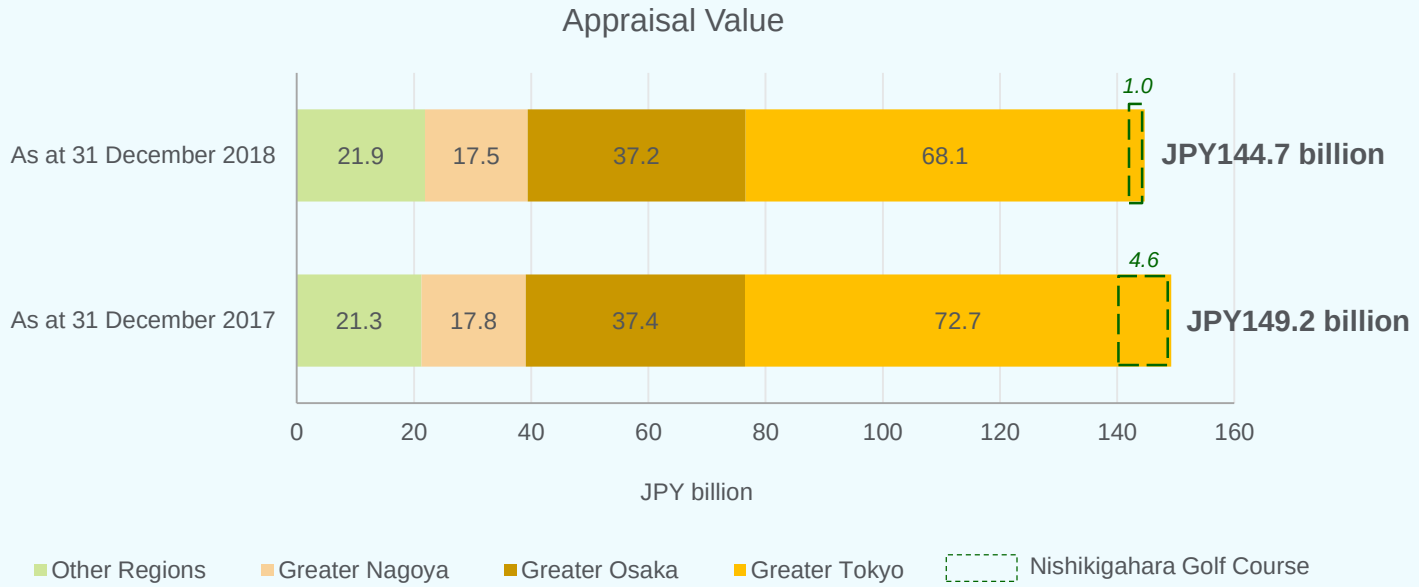
Note 4

Goodwill impairment is tested annually. As at the end of FY18/19, goodwill was determined to be impaired due to the decline in recoverable amount of the golf course holding company (“SPC”) that AGT has invested (further details on pages 11 and 12).

Impairment Loss – PP&E

Appraisal Value

- Appraisal value as at 31 December 2018 declined 3% YoY mainly due to the potential flood prevention project at Nishikigahara golf course (information of the project on page 10).
- Recoverable amount was estimated based on 3rd party appraisal reports as at 31 December 2018 and updated financial performance of the golf courses.



Impairment Loss

Total impairment loss in FY18/19 was JPY4.8 billion, JPY3 billion related to Nishikigahara golf course (JPY4 billion book value – JPY1 billion appraisal value).

About Nishikigahara Golf Course

- Nishikigahara golf course is located along Arakawa River where the flood risks is high.
- A notice was received from the government that surveys to construct an infrastructure project will commence in the fiscal year (FY18/19).
- Lease term will expire on 31 March 2020, and likely be renewed on an annual basis.
- As of today, details of the project and specific period have not been determined.
- The SPC has been informed by the relevant authority that the surveys will have no impact on the operations at the golf course.

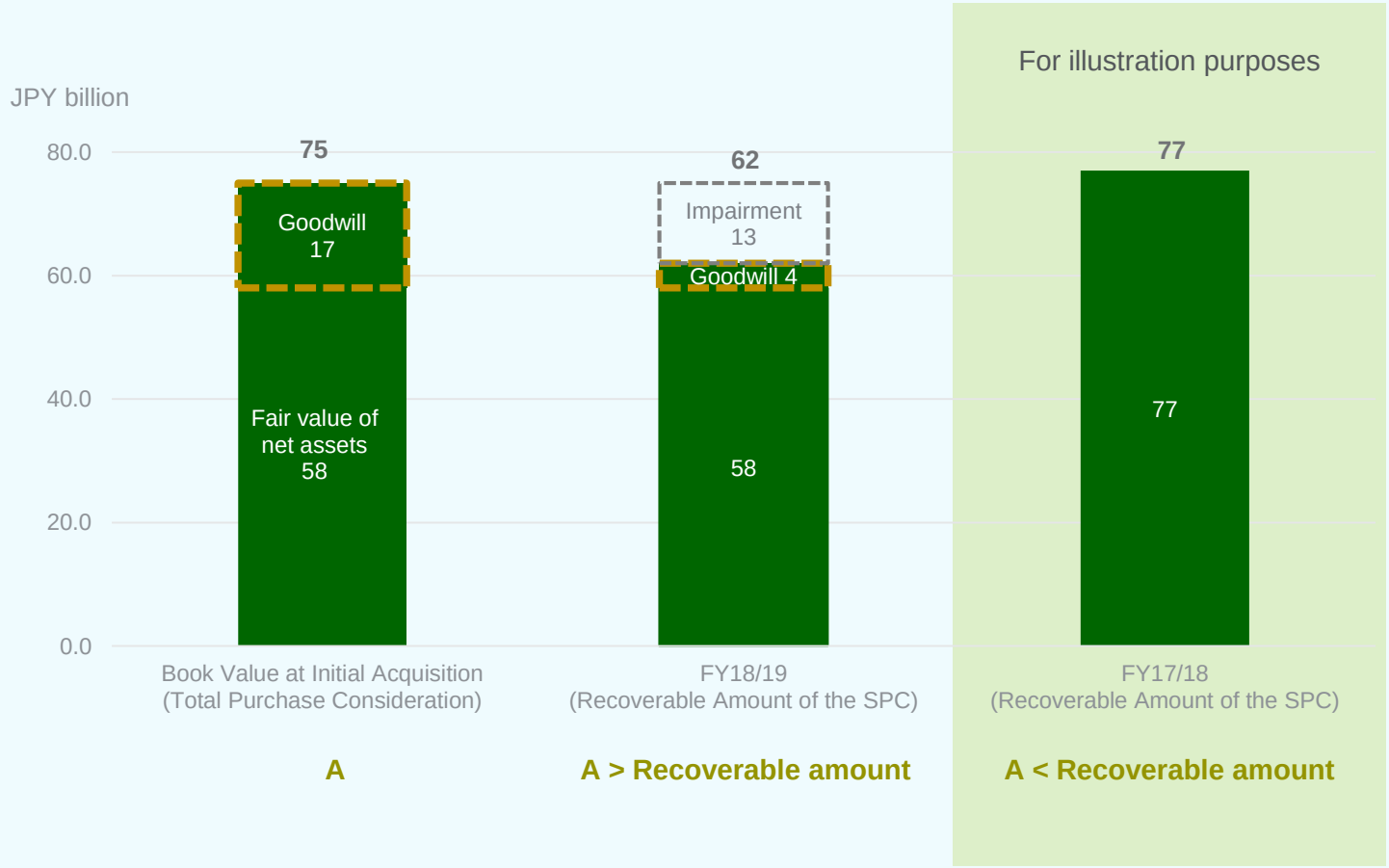


Nishikigahara Golf Course (Tokyo Region)



Impairment Loss – Goodwill

- Goodwill of JPY17 billion (difference between purchase consideration of JPY75 billion and fair value of net assets acquired of JPY58 billion) was recorded upon the initial acquisition of the SPC.
- Goodwill is attributed to synergies from centralised procurements, loyalty programmes, etc.
- As at FY18/19, recoverable amount of JPY62 billion was below the carrying value of JPY75 billion, resulting in goodwill write-off of JPY13 billion.



Assessment on Goodwill Impairment

- Business plan was updated to reflect market developments (assuming lower profitability margin by 10%-34% compared to prior year) and expected reduction in cash flows from Nishikigahara golf course. Discounted cashflow valuation based on latest business plan resulted in recoverable amount of JPY62 billion to fall below the carrying value of JPY75 billion.
- Decrease in recoverable amount of JPY15 billion YoY was mainly due to JPY17 billion lower net present value as a result of lower cashflow of approximately JPY350 million per annum and more conservative rate of 4.5% used to discount forecast cash flow in FY18/19.

JPY billion

	Full-year FY18/19	Full-year FY17/18	Change (JPY)
Net present value	117	134	(17)
Interest-bearing debts	(55)	(57)	2
Recoverable amount (RA)	**62**	**77**	**(15)**
Carrying value (CV)	75	75	0
Impairment loss	(13) RA < CV	No impairment RA > CV	(13)

03

Portfolio Performance

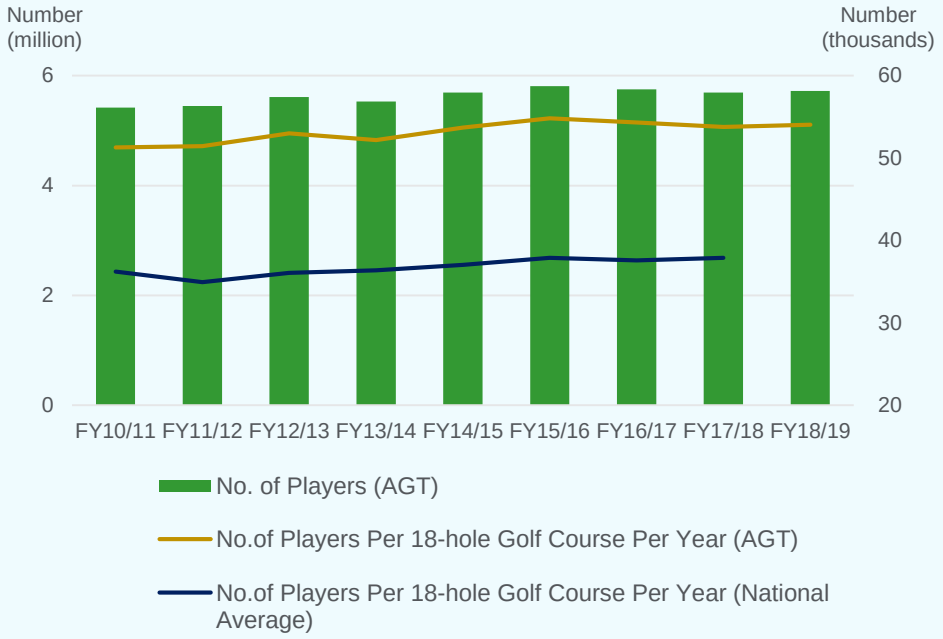


Otsu Country Club, Osaka Region

Steady Demand

- Number for golfers remains stable for AGT (Chart 1)
- Approximately 60% of our loyalty cardholders are between 30 and 50 years old (Chart 2)

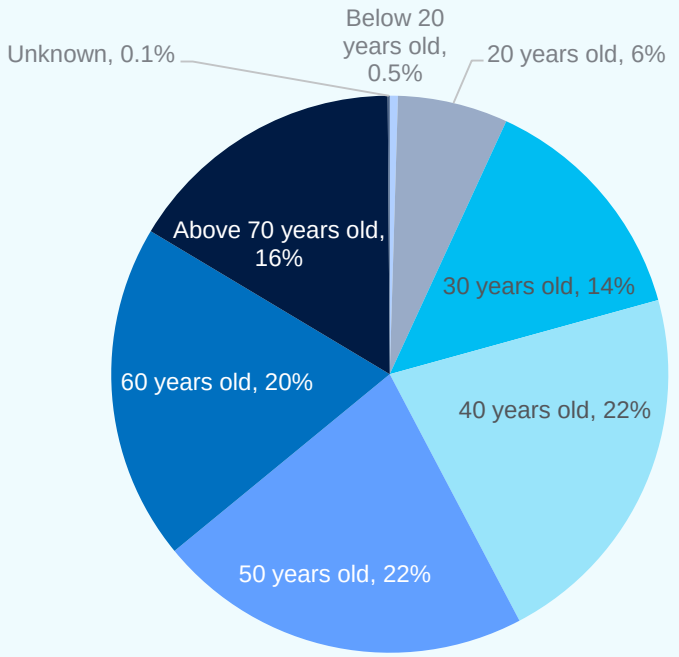
Chart 1: Number of Players



Note: FY18/19 figure for no. of players per 18-hole golf course per year (national average) is not available.

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

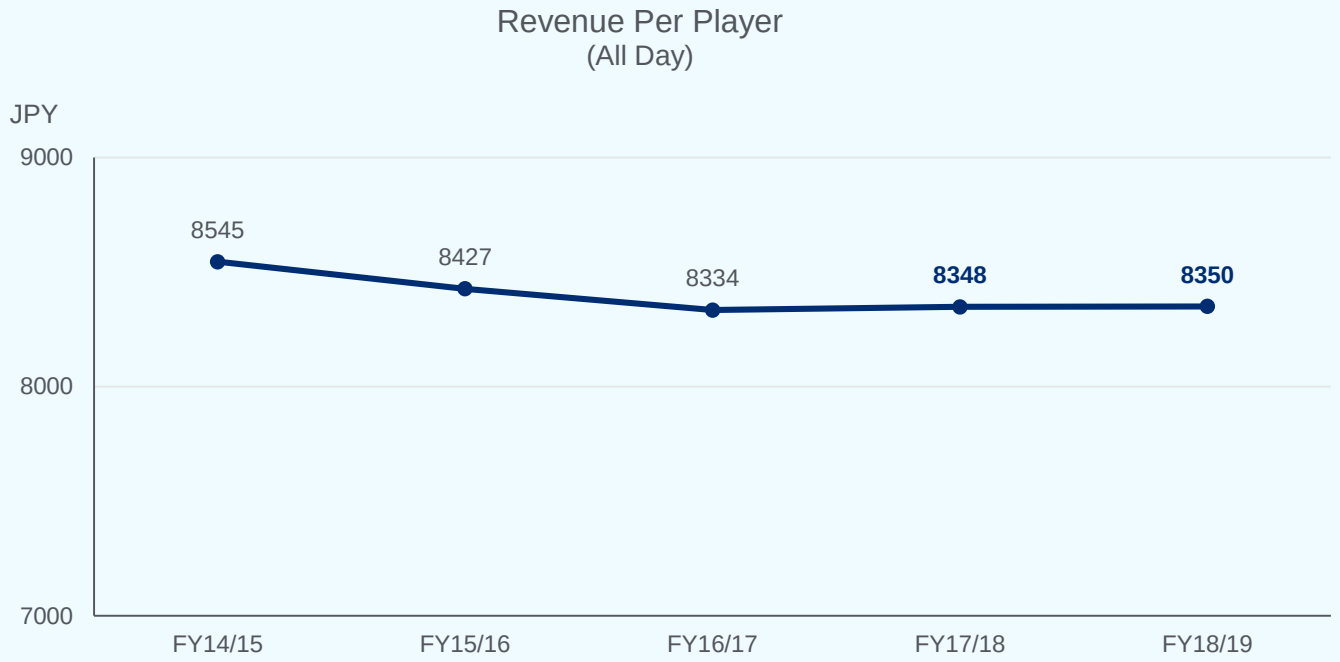
Chart 2: Loyalty Cardholders Age Profile



Note: Accordia Group had 3.48 million loyalty cardholders as at 31 March 2019.

Revenue Per Player Trending Up

- Gradual increase in revenue per player since late FY17/18 on the back of high utilisation rate on weekend (approximately 93%).
- More promotional campaigns will be introduced to improve utilisation rate on weekday currently stood at approximately 69%.



Key Highlights in 1Q FY19/20

Divestment of Village Higashi Karuizawa Golf Club

JPY200 million

- Sale price was 7 times above its valuation of JPY27.5 million
- Divestment was completed on 3 June 2019

Number of players

1.6 million

- Highest first quarter since listing
- Mainly due to good weather conditions and marketing efforts to attract golfers



Full carpark at Kamo Country Club (Osaka region) during weekday



Golfers playing at Kamo Country Club

04

Outlook on Japanese Economy



Daiatsugi Country Club Sakura Course, Tokyo Region

Japanese Economy

Gross domestic product

- Japanese economy is forecast to grow 0.9% in the fiscal year 2019 (source: International Monetary Fund).
  - Approximately 70% of our golf courses are well located in the 3 key areas in Japan and we expect the number of players to remain healthy.

Consumption tax hike

- Consumption tax will be raised from 8% to 10% in October 2019.
  - With the additional fiscal support from the government for households and corporations, we do not foresee the hike to have significant impact on our revenues.

Trade negotiations

- Trade conflicts between United States and China could potentially slowdown Japan's import/export.
  - While the trade tension does not have direct impact on golf industry, it could potentially weaken economic growth and affect the number of players at our golf courses.

Thank You