



ACCORDIA GOLF
TRUST

Financial Results for 1Q FY18/19

(1 April 2018 to 30 June 2018)

13 August 2018

Stock code: ADQU

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1. Financial highlights and capital management
2. Portfolio updates
3. Outlook
4. Appendices

Financial highlights and capital management



Huis Ten Bosh GC Nagasaki (Other Region)

Financial highlights

- Operating income dipped 1.1% YoY attributed to bad weather in May (rainy season) and June (Osaka earthquake).
- Operating profit dropped 3.6% YoY weighed down by the decline in the number of players resulting from the bad weather and additional disbursements related to disaster loss.
- Distributable income decreased 7.2% YoY mainly due to a provision of upfront fee for the new loan facility.

JPY million

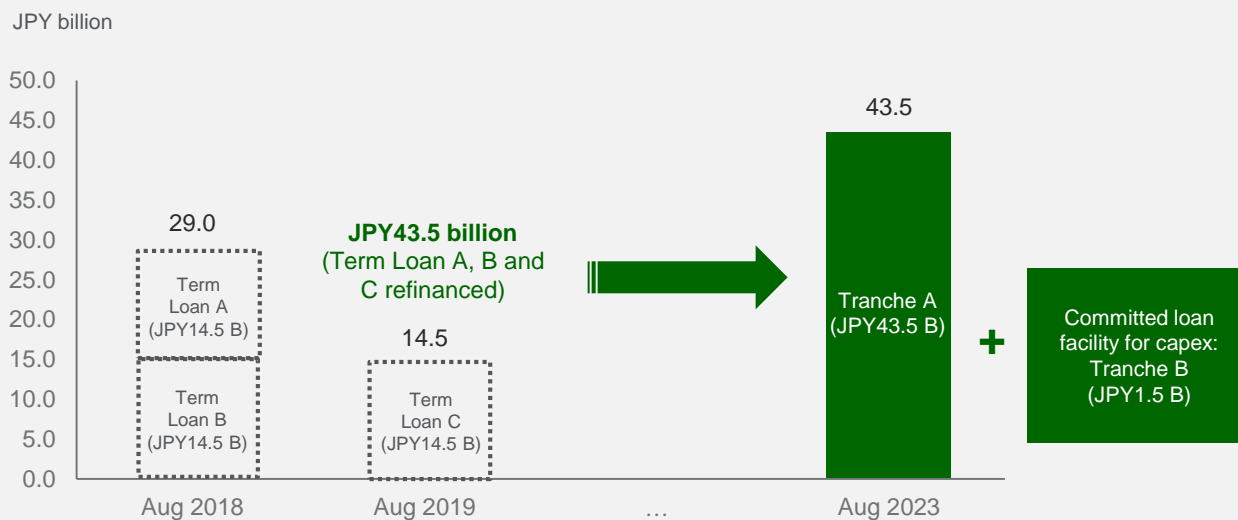
	1Q FY18/19	1Q FY17/18	YoY change (%)
Operating income	14,413	14,574	-1.1
Operating profit	3,086	3,202	-3.6
Profit (after tax)	2,420	2,499	-3.2
Total distributable income (100% basis)	1,665	1,794	-7.2

Balance sheet summary

	As at 30 Jun 2018	As at 31 Mar 2018
Cash (JPY million)	8,297	8,145
Total assets (JPY million)	175,970	175,952
Total liabilities (JPY million)	95,391	95,797
Total borrowings (JPY million)	43,625	43,455
NAV per unit (SGD)	0.90	0.90

New loan facility

- The new loan facility is more suitable for AGT's business, compared to the refinancing proposal from the existing lenders.



	New loan terms	Previous loan terms
Loan term	Aug 2023	Term Loan A: Extended one year to mature in Aug 2018 Term Loan B: Mature in Aug 2018 Term Loan C: Mature in Aug 2019
Interest rate	T+1.95%	T+2% including swap rate
Upfront fee	2% (for 5 years)	2.8% (one-year extension for Term Loan A)
Annual amortisation	No	1%

Note: Aozora bank offered additional committed loan facility of JPY1.5 billion for capex.

Debt profile as at 1 August 2018

	Loan amount	Interest rate	Maturity period	Lender
Tranche A	JPY43.425 bil	T+1.95% (T: 6-month Yen TIBOR)	5-year (mature in Aug 2023)	Aozora Bank + ORIX Co.Ltd
Tranche B	JPY1.5 bil	T+1.50%	3-to 5-year committed loan facility for capex (mature in Aug 2023)	Aozora Bank
Subordinated Loan ¹	JPY0.5 bil	3.0%	Not applicable	Accordia Golf Co.,Ltd
Total borrowings: JPY45.425 bil				
Loan-to-value ratio: 30.4%²				

¹ A subordinated loan has been extended from the Sponsor to the SPC and opened solely to deposit and manage the SPC's own funds in connection with the TK business.

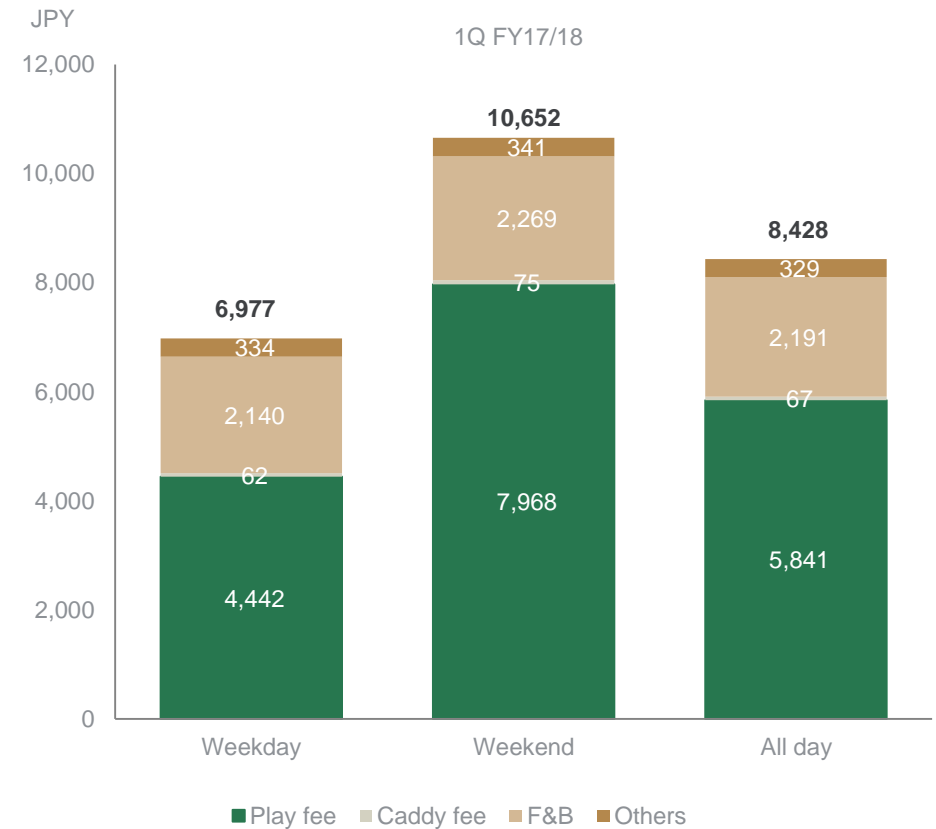
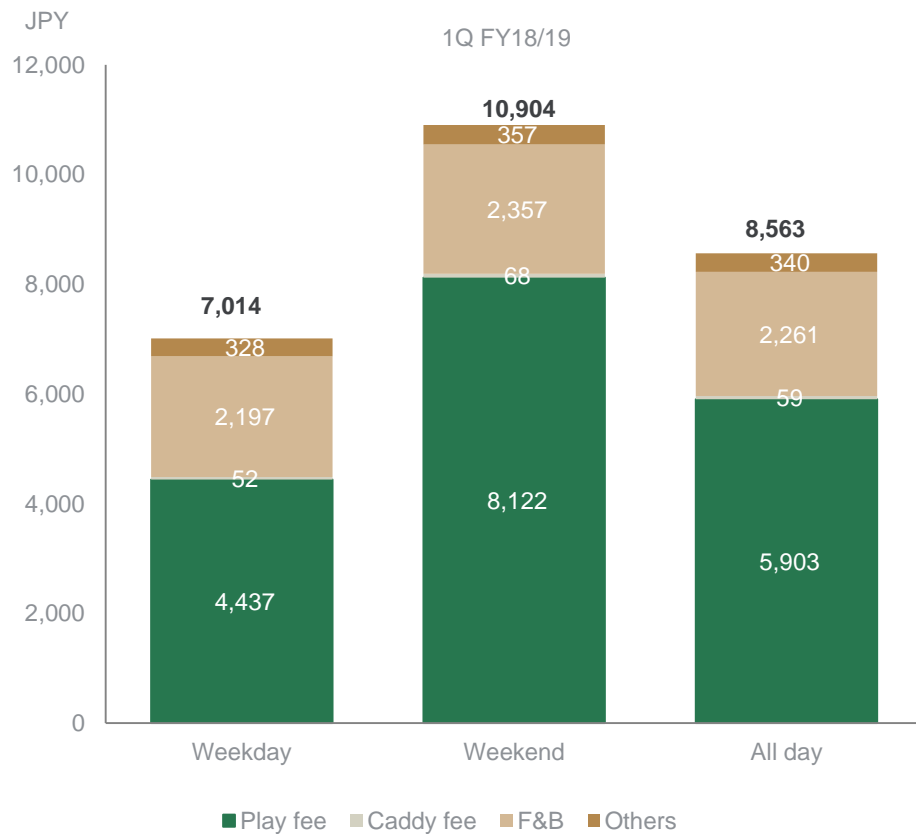
² Based on the latest appraisal value of the Initial Portfolio as at 31 December 2017, and calculation = Total loan (JPY45.425 billion) / Total appraisal value (JPY149.24 billion)

Portfolio updates



Increase in revenue per player

Revenue¹ per player (J-GAAP basis)

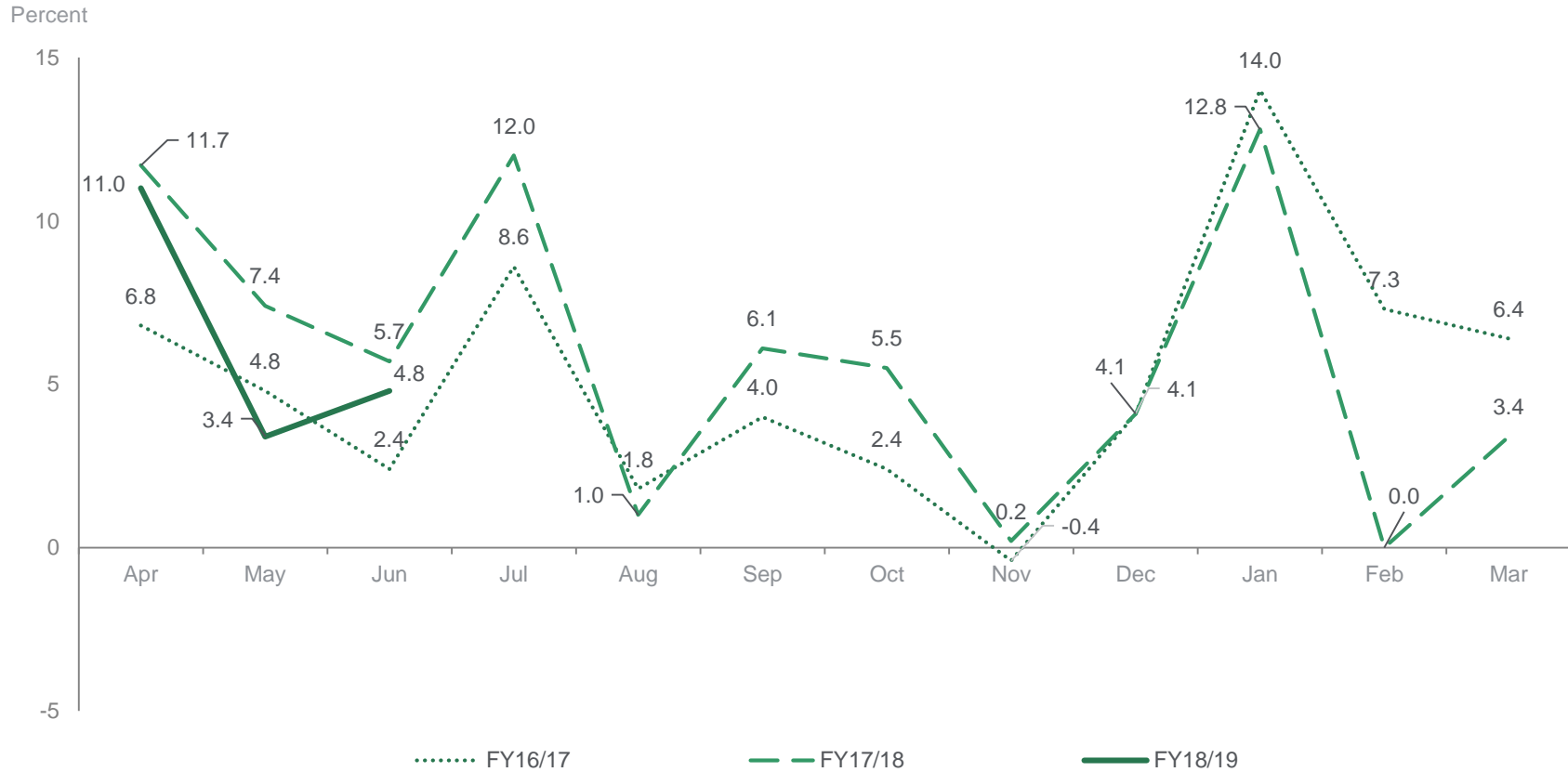


Note: Play fee includes green fee and cart fee

¹ Revenue excludes membership fees and pro-shop business.

Golfers remained committed

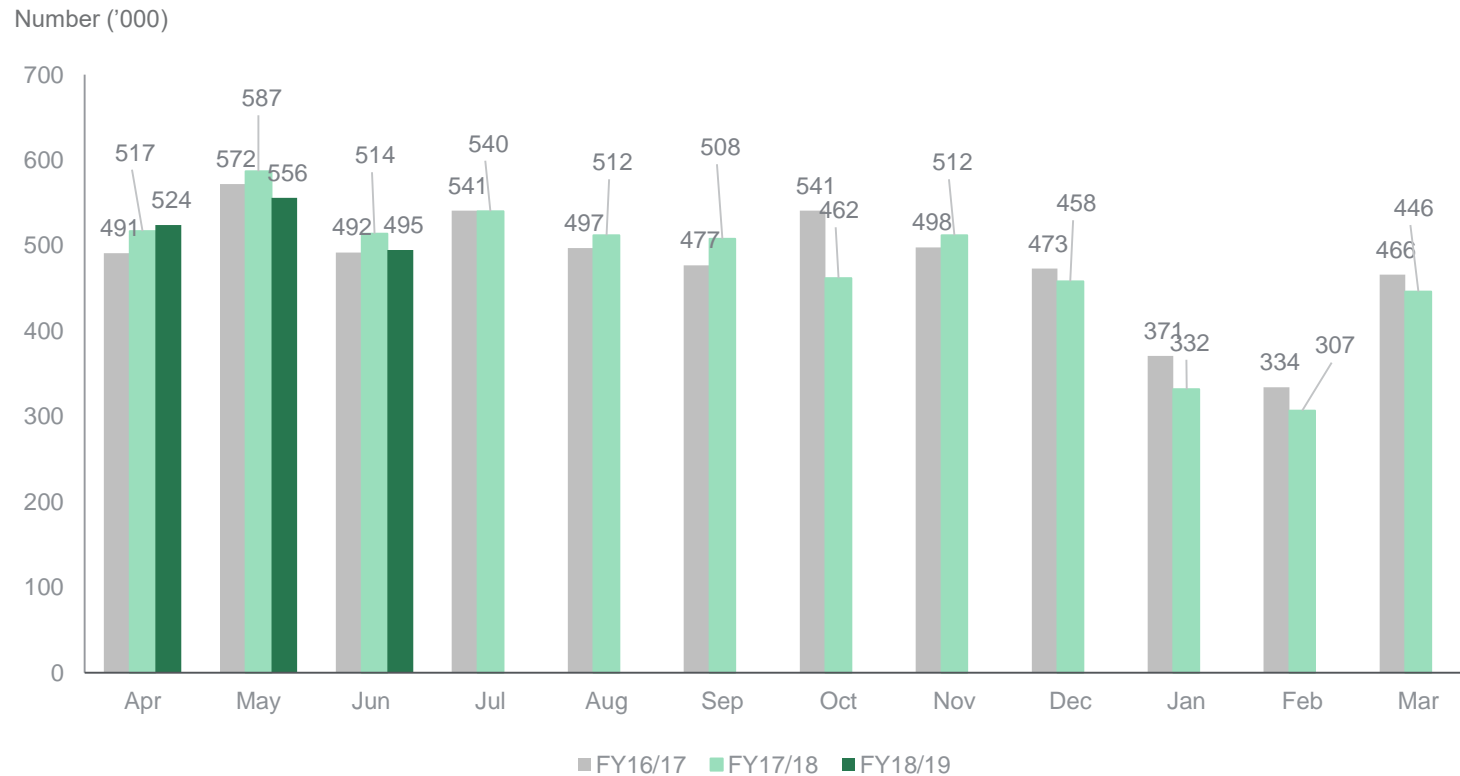
Number of players under reservation



Note: Figures are based on actual reservation for the 89 golf courses excluding cancellation, and are compared against FY14/15.

Number of players (monthly trend)

Number of players



Outlook



Economy expected to maintain steady growth

- Government's investment in infrastructure ahead of 2020 Summer Olympics
- Relaxation of immigration policy to ease labour shortages
- Rise in consumer spending

Risk factors

- Potential oil price hikes
- Rising labour costs
- Recession due to Federal Reserve interest rates increase

Golf industry

- Market size in the metropolitan areas continues to remain while that of rural areas is expected to shrink
- Demand continues to be supported by senior golfers

Appendices



Sorei GC Seki Course Mie (Nagoya Region)

Statement of comprehensive income

JPY million

	1Q FY18/19	1Q FY17/18	YoY change (%)
Operating income	14,413	14,574	(1.1)
Golf course revenue	9,788	9,948	(1.6)
Restaurant revenue	3,494	3,469	0.7
Membership revenue	1,006	1,095	(8.1)
Other operating income	125	62	101.6
Operating expenses	(11,327)	(11,372)	(0.4)
Golf course-related costs	(9,468)	(9,541)	(0.8)
SG&A and others	(1,859)	(1,831)	1.5
Operating profit	3,086	3,202	(3.6)
Profit after income tax	2,420	2,499	(3.2)

Decline due to a drop in the number of members.

Increase due to compensation received from damages caused by torrential rain.

Balance sheet

JPY million

	As at 30 Jun 2018	As at 31 Mar 2018
Cash & cash equivalents	8,297	8,145
Trade and other receivables	2,313	2,596
Inventory	330	281
Other current assets	1,033	1,207
Current assets	11,973	12,229
Property, plant and equipment	146,350	146,033
Intangible assets	17,237	17,245
Other non-current assets	410	445
Non-current assets	163,997	163,723
Total assets	175,970	175,952

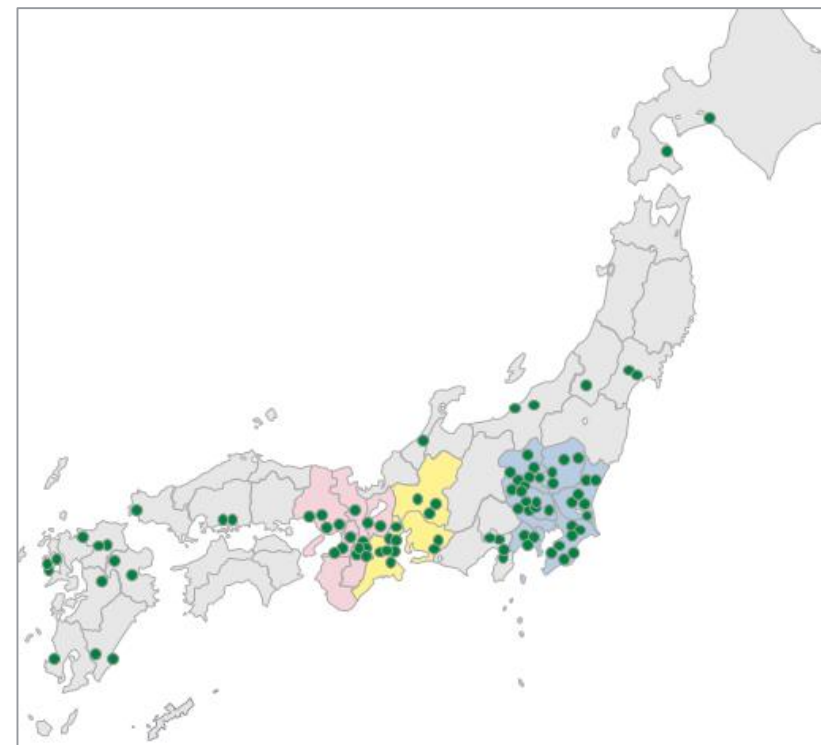
JPY million

	As at 30 Jun 2018	As at 31 Mar 2018
Borrowings from financial institutions	28,977	28,847
Finance lease payables	994	983
Trade & other payables	4,852	5,441
Membership deposits	10,366	10,521
Income tax payables	319	602
Other current liabilities	4,040	4,153
Current liabilities	49,548	50,547
Borrowings from financial institutions and related party	14,648	14,608
Finance lease payables	3,628	3,044
Membership deposits	31	31
Deferred tax liabilities	27,377	27,427
Other non-current liabilities	159	140
Non-current liabilities	45,843	45,250
Total liabilities	95,391	95,797
Net assets	80,579	80,155

Operating performance

1Q FY18/19 revenue¹

Region	No. of golf course	1Q revenue (JPY million)		YoY change (%)
		FY18/19	FY17/18	
Greater Tokyo	35	5,805	5,853	-0.8
Greater Osaka	15	3,091	3,145	-1.7
Greater Nagoya	12	1,784	1,805	-1.2
Other regions	27	2,814	2,836	-0.8
Total	89	13,494	13,639	-1.1



¹ Revenue is based on J-GAAP figures and includes play fees (green fees and cart fees), caddy fees, restaurant revenue and other revenue from the golf course. It does not include membership fees and Pro-shop business.

Historical performance



Note: EBITDA is calculated based on J-GAAP revenue and for illustration purpose only. The figures are unaudited.

Key statistics

Region	No. of golf course	%	Appraisal value as at 31/12/2017 ¹ (JPY billion)	%	Revenue FY17/18 ² (JPY billion)	Utilisation rates FY17/18 ³ (%)	NOI FY17/18 ⁴ (JPY billion)	NOI margin FY17/18 ⁵ (%)	NOI yield FY17/18 ⁶ (%)
Greater Tokyo	35	39.3	72.70	48.7	22.63	78.6	5.38	23.8	7.4
Greater Osaka	15	16.9	37.40	25.1	11.96	86.0	3.00	25.2	8.0
Greater Nagoya	12	13.5	17.80	11.9	6.60	78.2	1.29	19.5	7.2
Sub-total	62	69.7	127.89	85.7	41.19	80.6	9.67	23.5	7.6
Other regions	27	30.3	21.34	14.3	10.53	68.8	1.67	15.9	7.8
Total	89	100.0	149.24	100.0	51.72	77.5	11.35	21.9	7.6

Note:

- Calculation is based on J-GAAP revenue.
- NOI = Net operating income

¹ Appraisals are conducted by independent real estate appraisers.

² Gross revenue includes play fees (which comprise of green fees and cart fees), caddy fees, restaurant revenue, membership fees and other revenues from the golf courses.

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

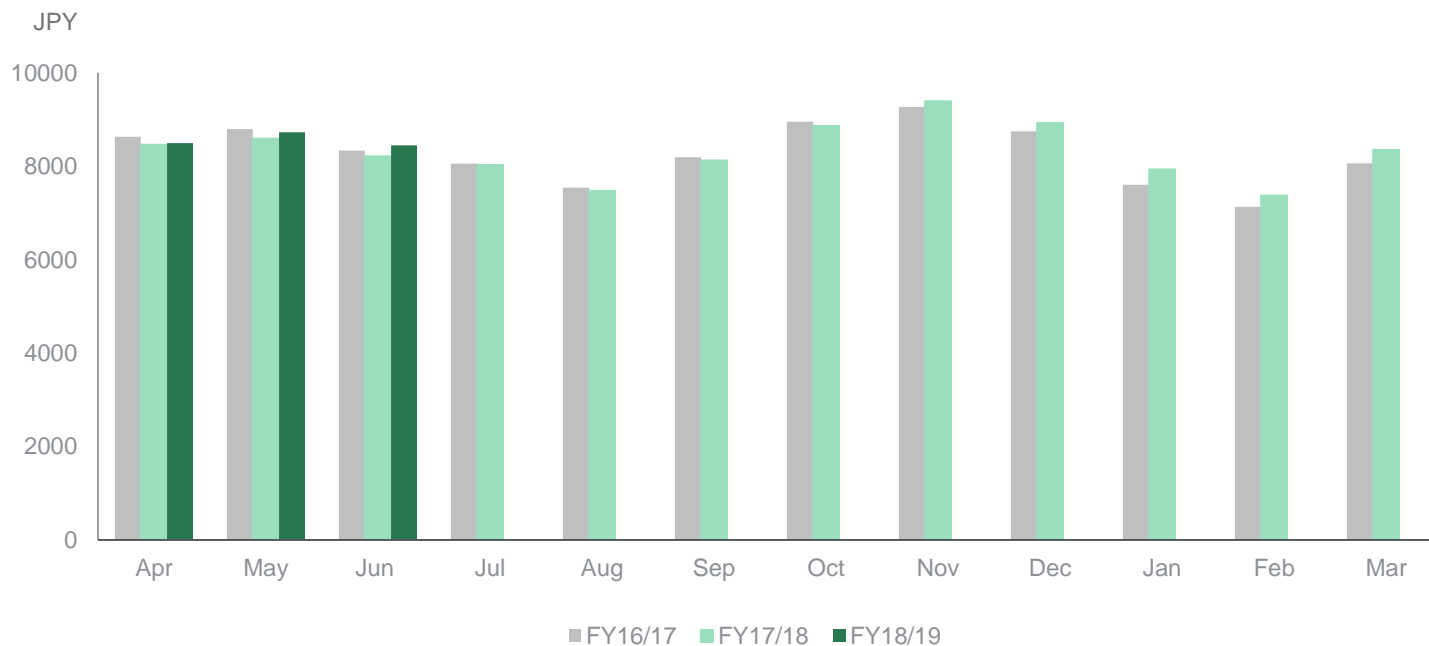
⁴ NOI is derived by deducting merchandise and material expense, labour cost, other operating expenses from revenue and golf course management agreement (GCMA) fees.

⁵ NOI margin = NOI/Revenue

⁶ NOI yield = NOI/Appraisal value

A seasonal base operation

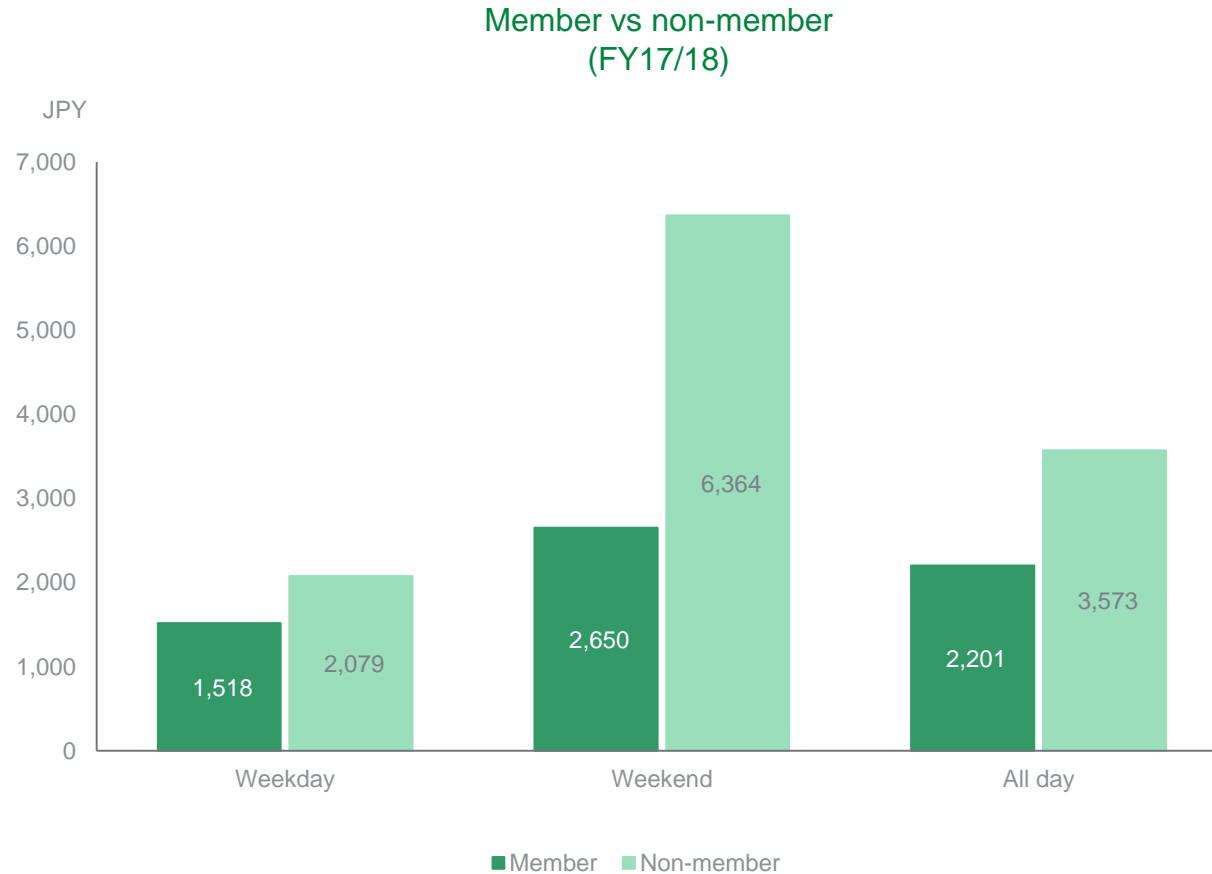
Revenue¹ per player for the 89 golf courses



Figures in JPY

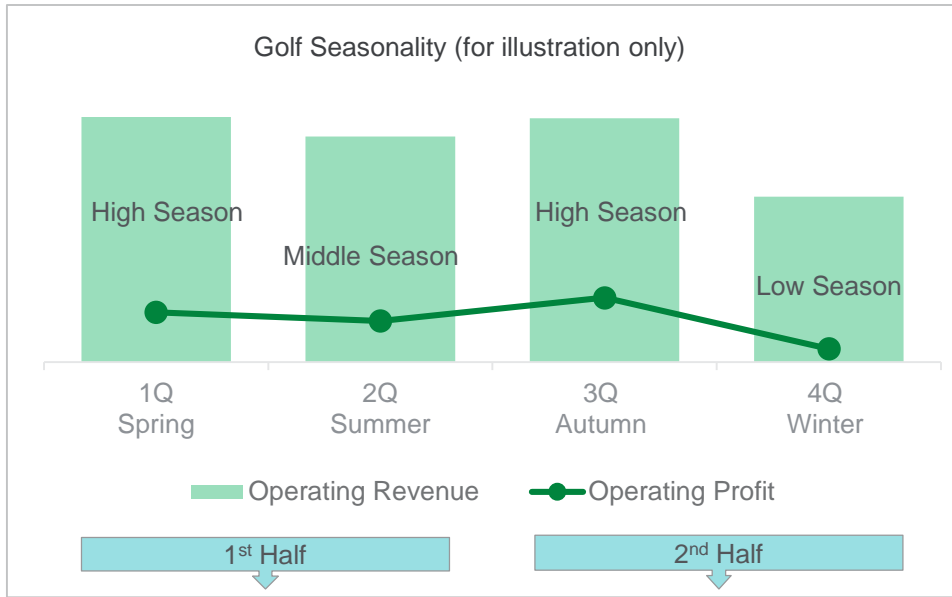
Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY16/17	8,633	8,797	8,338	8,058	7,540	8,191	8,955	9,267	8,745	7,605	7,133	8,066
FY17/18	8,460	8,590	8,210	8,029	7,476	8,127	8,862	9,390	8,928	7,936	7,371	8,347
FY18/19	8,494	8,730	8,448									

¹ Based on J-GAAP revenue and includes play fees (which comprise of green fees and cart fees), caddy fees, restaurant revenue and other revenues from the golf courses. The figure excludes membership fees and pro-shop business.



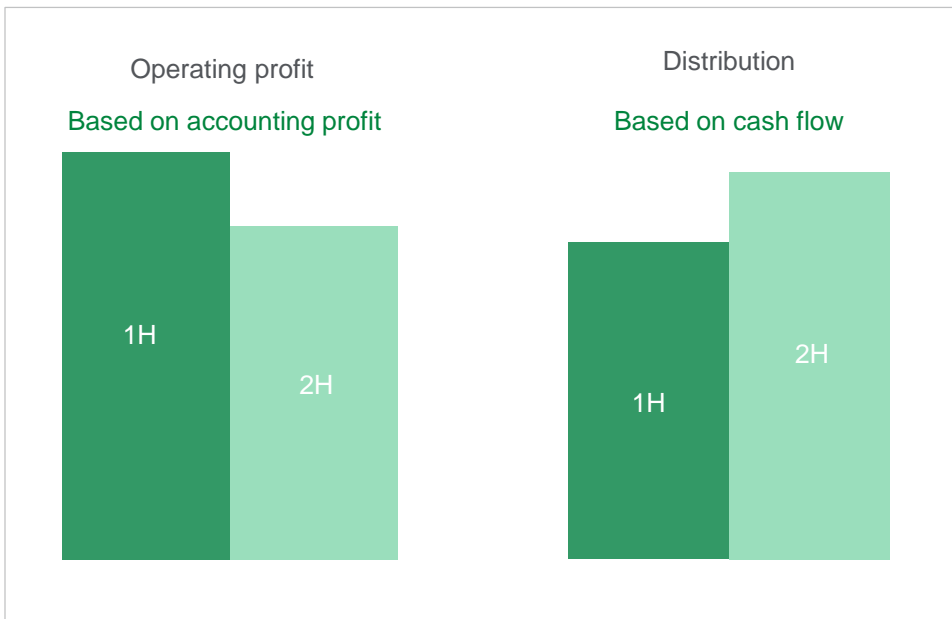
Note: Fees exclude cart fees, caddy fees, F&B and others. The figure is based on the average of 89 golf courses and J-GAAP revenues.

Golf industry is dependent on seasonality and weather conditions



Typical climate in Japan:

- Monsoon season (June and July): low demand & high cancellation
- Typhoon (September and October): high cancellation
- Snowfall (January to March) : low demand

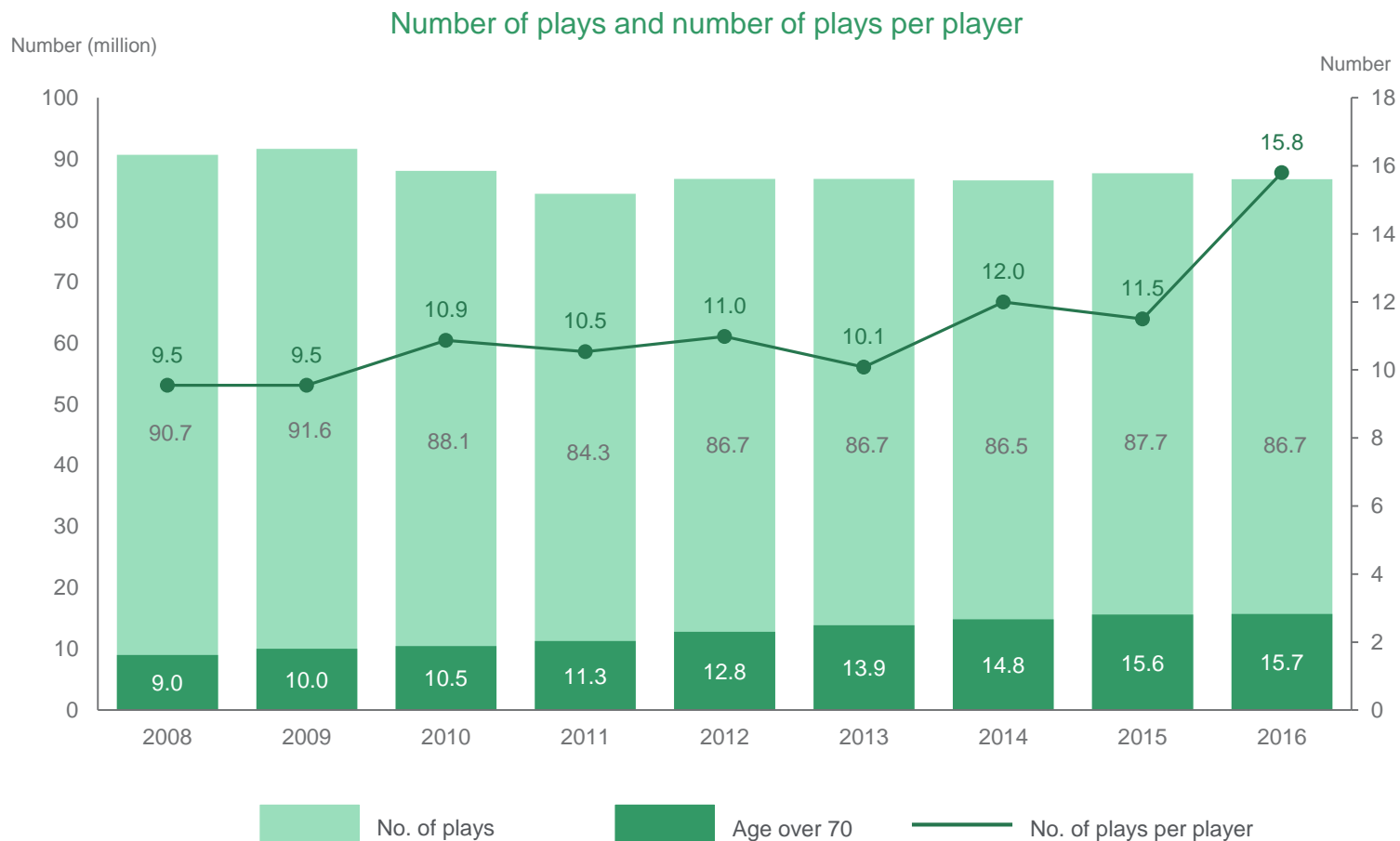


Distribution

- Cash available for distribution could differ from operating profit as the distributable amount is calculated based on cash flow.
- The primary reason for the difference between first-half and second-half of the distribution is due to membership fees. The fees are recorded monthly but received only in the fourth quarter.

Number of plays remains stable in Japan

The number of plays per player has increased despite a slight decline in the total number of plays.



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

Top 15 golf operators in Japan

No.	Company Name	No. of Golf Courses	Market Share ¹ (%)
1	PGM Group	137	6.00
2	Accordia Group²	133	5.83
3	Orix Group	39	1.71
4	Seibu Group	29	1.27
5	Ichikawa Golf Kogyo Group	28	1.23
6	Tokyu Group	26	1.10
7	Cherry Golf Group	20	0.88
8	Unimat Group	18	0.79
9	Taiheiyo Club	17	0.74
10	Chateraise	16	0.70
11	GCE Group	14	0.61
12	RESOL Group	13	0.57
13	Resort Trust	13	0.57
14	Tokyo Tatemono (J Golf)	12	0.53
15	JGM Group	11	0.48
		526	23.0

Source: Golf Management July 2018

¹ According to Nihhon Golf-jo Keieisha Kyokai, there were 2,282 golf courses in Japan in 2016.

² Accordia Golf and AGT combined.



Thank You

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