ACCORDIA GOLF
TRUST

ANNUAL REPORT 2017


Tarumae Country Club, Other Region

TEEING UP FOR A NEW GAME

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

CONTENTS

Myogi Country Club, Tokyo Region

CORPORATE PROFILE

Mishima Country Club, Other Region

Accordia Golf Trust ("AGT") is the first business trust comprising investments in golf course assets in Japan, and is 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 in Japan.

AGT made its' debut on the Main Board of the SGX-ST on 1 August 2014 and its initial portfolio comprises 89 golf courses (including golf course related assets relating to such golf course) located across Japan ("Initial Portfolio"). Approximately 70% 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 stood at JPY 150.89[1] billion as at 31 December 2016.

AGT's objective is to generate long-term, stable cash flow through investing in the following key areas:

1) Golf courses;
2) Driving ranges;
3) Golf course related assets

while continuing to pay distributions to unitholders of AGT ("Unitholders") and maximising long-term investment returns of Unitholders by generating long-term capital value growth.

Shirasagi Golf Course, Osaka Region

Shinyo Country Club, Nagoya Region

(1) Based on real estate appraisals by CBRE K.K. and Tanizawa Sogo Appraisal Co., Ltd. (collectively, the "Independent Real Estate Appraisers")

LETTER TO UNITHOLDERS

DEAR UNITHOLDERS

On behalf of the Board of Directors and the management of the Trustee-Manager ("Management"), we are pleased to present Accordia Golf Trust ("AGT") Annual Report for the financial year ended 31 March 2017 (FY16/17).

In FY16/17, the Board welcomes Mr Toshikatsu Makishima as Executive Director and the Chief Operating Officer ("COO"). Mr Makishima, who has close to 30 years of fiscal, operations and strategic leadership experience in Daiwa Securities Group, will assist the Chief Executive Officer ("CEO") in the day-to-day operations. Mr Makishima replaced Mr Takuya Nagano who resigned as Executive Director and Head of Investor Relations, as part of job reassignment by the nominating shareholder of the Trustee-Manager. The Board would also like to express its appreciation to Mr Takuya Nagano for his invaluable contribution to the Board.

The sponsor of the Trust, Accordia Golf Co., Ltd. (the "Sponsor") became a wholly owned subsidiary of K.K. MBKP Resort ("MBKP Resort") which is a special purpose company ("SPC") owned by a leading North Asia private equity firm, MBK Partners Group, and was delisted from the Tokyo Stock Exchanges (the "Transaction") in FY16/17. The Sponsor had, with effect from 1 July 2017, merged with its sole shareholder, MBKP Resort, in an absorption-type merger under the Companies Act of Japan (the "Merger"). As a result of the Merger, MBKP Resort is the surviving legal entity (the "New Sponsor") and assumes all the assets, liabilities, rights and obligations of the Sponsor. The New Sponsor has also, upon completion of the Merger, assumed the corporate name, address and articles of incorporation of the Sponsor and is known as "Accordia Golf Co., Ltd.".

As above, the New Sponsor exists as successor of the Sponsor without any substantial changes, and the relationship between AGT and the Sponsor remains unchanged between AGT and the New Sponsor throughout the Transaction and the Merger. AGT's management policy also remains unchanged. The Trustee-Manager does not expect material adverse change to the business and operations of AGT arising from the Transaction and the Merger.

FINANCIAL PERFORMANCE AND CAPITAL MANAGEMENT

AGT continues to deliver stable full year distribution per unit ("DPU") for its second full year since its listing on 1 August 2014. FY16/17 full year DPU stood at Singapore dollars ("SGD") 6.04 cents which translates to a distribution yield of 8.2%, based on AGT's unit closing price of S$0.735 as at 31 March 2017.

In FY16/17, Japan experienced unfavourable weather conditions such as torrential rain falls caused by typhoons in August and September 2016 as well as heavy snowfalls in February 2017. The Kyushu

LETTER TO UNITHOLDERS

earthquake in April 2016 saw one of the golf courses in the Kumamoto area ceased operations for a week. These unfavourable weather conditions coupled with the operation disruption from the earthquake resulted in lesser operating days. On the back of lesser operating days, FY16/17 operating income was Japanese Yen ("JPY") 51,919 million and total distributable income available for distribution was JPY 5,178 million, down year-on-year ("YoY") by 2.4% and 14.3% respectively despite the overall steady golf demand.

For the financial year under review, AGT recognised an impairment loss of JPY 1,499 million. Despite the non-cash impairment loss, AGT's total distributable income was not affected as our distributions are made out of cash flow. In addition, the JPY's exchange rate against SGD as at the end of March 2017 was at 79.97, compared to 83.37 as at the end of March 2016. The appreciation of JPY against the SGD has increased the DPU in SGD terms.

On the capital management front, AGT's loan-to-value ("LTV") remained at a low level at 28.9%. Our comfortable gearing is between 40% to 45% and this provides opportunities for future growth through new acquisition of golf courses. As for existing loans, we continue to place emphasis on our financial discipline to complete the refinancing with our current lenders.

OPERATING MARKET CONDITIONS OF THE JAPAN'S GOLF BUSINESS

Japan's economy remained flat since the beginning of 2016 and only picked up in the last quarter of the fiscal year. But it is expected to recover gradually in the coming years.

Japan remains as the top three golf market in the world and has the highest number of golf players per golf course as compared to other countries. The Japanese golf market continues to be supported by the weekday play demand from the affluent retired senior players who have more time to play golf. Golf remains a popular leisure activity for seniors in Japan given their higher healthy life expectancy.

On the other hand, younger players are not increasing in proportion to older players due to Japan's aging population. Such a situation is widely recognised in the golf industry. AGT's sponsor recognised this trend years ago and has focused on building the assets portfolio of golf courses located in key metropolitan areas. Such golf courses can generate steadier cash flow. As at 31 March 2017, approximately 70% of AGT's 89 courses are located in the three largest metropolitan areas. AGT adopts profit maximisation strategy and promotes larger private group competition to achieve more stable revenue. AGT has been making efforts to expand to a more varied player base to generate stable cash flow and distribution.

With golf being included in the 2020 Olympics games, AGT also envisages that the popularity of golf as a trendy sport may rise.

MARKETING ACTIVITIES AND ENGAGING INVESTORS

Being the world's only business trust with golf course assets, we continue to believe that it is important to engage our investors proactively given the uniqueness of AGT's business. During the fiscal year under review, we continue with our investor relations strategy by conducting intensive dialogues through participation in Non-Deal Roadshows held in U.S.A., Europe, Japan, Hong Kong as well as Taiwan. We also see opportunities to engage in new markets such as Malaysia and Thailand. We organise regular analysts' site visits to our golf courses in Japan for the analysts to have a better in-depth understanding of the golf business.

LOOKING AHEAD

In June 2017, the Organisation for Economic Co-operation and Development ("OECD") Economic Report projected the Japan's GDP growth in 2017 to reach 1.4% before slowing down to 1.0% in 2018. The OECD expects global growth to pick up modestly but remains slow, with world's GDP growth in 2017 to be 3.5% and 2018 to be 3.6%.

We remain focused in ensuring the stability of our golf business. In turn, this will translate into steady and sustainable cash flow in the mid to long term. This enables us to deliver our payout of regular distributions to Unitholders.

ACKNOWLEDGEMENT

On behalf of the Board, we would like to thank our stakeholders, Unitholders, employees as well as partners for their continued support. We will continue to strive towards enhancing our portfolio with cost efficiency to increase value for our Unitholders.

KEY HIGHLIGHTS

INCOME AVAILABLE FOR DISTRIBUTION

FY15/16 JPY **6,041** MILLION

FY16/17 JPY **5,178** MILLION

DISTRIBUTION PER UNIT ("DPU")

FY15/16 SGD **6.63** CENTS (JPY 5.50)

FY16/17 SGD **6.04** CENTS (JPY 4.71)

NET ASSET VALUE ("NAV") PER UNIT

As at 31 March 2016

SGD **89** CENTS (JPY 74.53)

As at 31 March 2017

SGD **91** CENTS (JPY 73.04)

APPRAISAL VALUE

As at 31 December 2016

JPY **150.98** BILLION

As at 31 December 2017

JPY **150.89** BILLION

LOAN-TO-VALUE ("LTV")[1]

28.90%

NO. OF GOLF COURSES

89

(1) Loan-to-Value Ratio = Total loans and borrowings/Total appraisal value of the initial Portfolio as at 31 December 2016

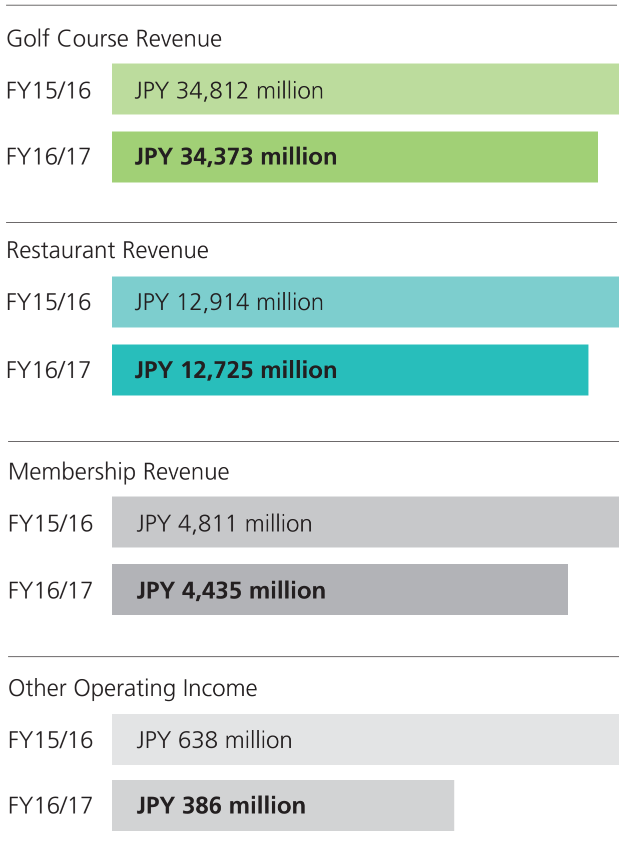
FINANCIAL AND OPERATIONS REVIEW

	Full Year (JPY million)	
	FY15/16	FY16/17
Operating Income	53,175	51,919
Operating Profit	8,828	6,572
Profit after income tax	6,662	4,113
Total Distributable Income Available	6,041	5,178
DPU (SGD cents)	6.63	6.04

OPERATING INCOME

AGT's FY16/17 operating income during this fiscal year comprised golf course revenue of JPY 34,373 million, restaurant revenue of JPY 12,725 million, membership revenue of JPY 4,435 million and other operating revenue of JPY 386 million. This represents 66.2%, 24.5%, 8.6% and 0.7% of the total operating income respectively. In FY16/17, the Kyushu earthquake in April 2016, heavy rains in August and September 2016 as well as heavy snowfalls in February 2017 resulted in lesser operating days as compared to FY15/16.

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 events at the hotels and sales of food and drink at the course shops. Membership revenue comprises annual membership fees, membership enrollment fees and membership transfer fees.



OPERATING EXPENSES

Operating expenses comprise mainly the golf course related cost as well as selling, general and administrative ("SG&A") expenses and other expenses. In FY16/17, the total operating expenses were JPY 45,347 million, a YoY increase of 2.3% (FY15/16: JPY 44,347 million).

FY16/17 golf course related cost was JPY 35,888 million (FY15/16: JPY 36,472 million), a YoY decrease of 1.6%.

SG&A expenses and other expenses for FY16/17 was JPY 9,459 million (FY15/16: JPY 7,875 million), a YoY increase of 20.1%. This increase was partially due to more commission paid to 3rd party web provider for bookings of golf play. In addition, there was an impairment loss of JPY 1,499 million without cash payment as AGT conservatively estimated and identified indications of impairment for golf course assets. Such impairment loss which unaccompanied cash payment has no impact on the distributable amount as AGT's distributable income is calculated based on actual cash flow.

Breakdown: Operating Expenses

	FY15/16	**FY16/17**
Total Golf Course Operating Cost	JPY 36,472 million	**JPY 35,888 million**
Trustee-Manager's Fees	JPY 264 million	**JPY 253 million**
Selling General and Administrative Expenses	JPY 4,914 million	**JPY 5,219 million**
Others	JPY 2,598 million	**JPY 3,887 million**

Breakdown: Operating Expenses

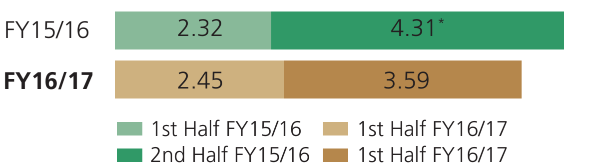
	FY15/16	**FY16/17**
Merchandise and Material Expenses	JPY 3,745 million	**JPY 3,704 million**
Labour and Outsourcing Expenses	JPY 16,325 million	**JPY 16,373 million**
Golf Course Management Fee	JPY 6,048 million	**JPY 5,915 million**
Golf Course Maintenance and Repair Cost	JPY 2,570 million	**JPY 2,497 million**
Depreciation and Amortisation	JPY 3,415 million	**JPY 3,259 million**
Utility Expenses	JPY 2,315 million	**JPY 2,118 million**
Operating Lease Expenses	JPY 2,054 million	**JPY 2,022 million**

DISTRIBUTION

Total distributable income available for FY16/17 was JPY 5,178 million (FY15/16: JPY 6,041 million). The DPU for FY16/17 was SGD 6.04 cents (FY15/16: SGD 6.63 cents) which consists of SGD 2.45 cents for 1st half year and SGD 3.59 cents for the 2nd half year. For the full year ended 31 March 2017, AGT paid 100.0% of AGT's distributable income to Unitholders.

Actual Distribution Per Unit

Singapore cents



* Includes a 10% reserved amount that was retained in 1H FY15/16 and was paid out in 2H FY15/16

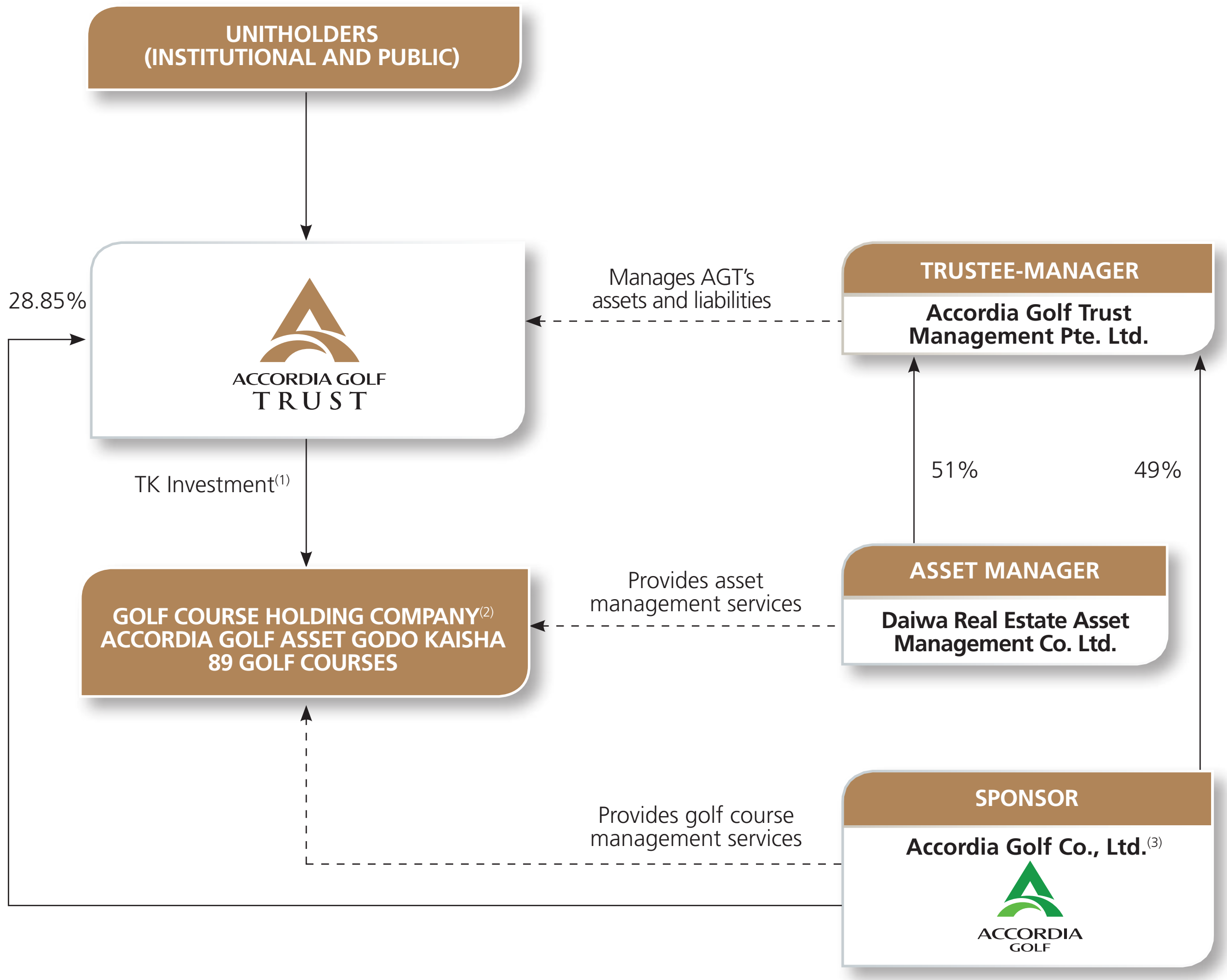
TOTAL ASSETS & NET ASSET VALUE

Total assets and net assets amounted to JPY 178,372 million and JPY 80,596 million respectively as at 31 March 2017. The net asset value attributable to Unitholders stood at JPY 80,280 million and the net asset value attributable to Unitholders per unit was SGD 0.91 as at 31 March 2017.

BORROWINGS

As at 31 March 2017, AGT's principal amount of borrowings amounted to JPY 43.629 billion. The LTV ratio stood at 28.9% which is a healthy gearing level since listed in August 2014. In January 2015, AGT obtained a "BBB+" credit rating on the JPY denominated syndicated loan of the Golf Course Holding Company from the Japan Credit Rating Agency.

TRUST STRUCTURE



Notes:

(1) *The relationship between the golf course holding company ("Golf Course Holding Company or SPC") and AGT is governed by a tokumei kumiai ("TK") agreement, being a silent partnership agreement. TK is a contractual relationship between an investor and a business operator, whereby the investor makes certain business contributions to the business operator (whether in the form of cash, shares or other things of value) in return for the right to receive distributions of profits generated from the business managed by the operator. The assets contributed by the investor to the business operator shall be legally owned by the business operator ("TK Investment"). For further information on TK structure, please see the prospectus of AGT dated 21 July 2014.*

(2) *AGT invests in the Initial Portfolio via the Golf Course Holding Company established to hold the Initial Portfolio under a TK investment structure.*

(3) *The sponsor of the Trust, Accordia Golf Co., Ltd. (the "Sponsor") became a wholly owned subsidiary of K.K. MBKP Resort ("MBKP Resort") which is a special purpose company ("SPC") owned by a leading North Asia Private Equity firm, MBK Partners Group, and was delisted from the Tokyo Stock Exchanges (the "Transaction") in FY16/17. The Sponsor had, with effect from 1 July 2017, merged with its sole shareholder, MBKP Resort, in an absorption-type merger under the Companies Act of Japan (the "Merger"). As a result of the Merger, MBKP Resort is the surviving legal entity (the "New Sponsor") and assumes all the assets, liabilities, rights and obligations of the Sponsor. The New Sponsor has also, upon completion of the Merger, assumed the corporate name, address and articles of incorporation of the Sponsor and is known as "Accordia Golf Co., Ltd.".*

As above, the New Sponsor exists as successor of the Sponsor without any substantial changes, and the relationship between AGT and the Sponsor remains unchanged between AGT and the New Sponsor throughout the Transaction and the Merger. AGT's management policy also remains unchanged. The Trustee-Manager does not expect material adverse change to the business and operations of AGT arising from the Transaction and the Merger.

Hanao Country Club, Tokyo Region

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)
- Remuneration Committee (as Member)

Other Listed Company Directorships: Nil

Past Listed Company Directorships over the preceding three years: Nil

Principal Commitments: Nil

Academic & Professional Qualifications:

- Degree in Bachelor of Science (with Honours) from the University of Singapore
- Diploma in Education from the University of Singapore

Experience:
Mr Khoo began his banking career in DBS in 1980, where he worked for 16 years and served in various management positions across several branches of the bank. He has extensive experience in directorship and management roles, having had 28 years of experience in the banking industry. He is currently a business consultant to various SMEs in Singapore.

Previous Roles:
General Manager of The Bank of East Asia Limited, Singapore Branch, Council Member representing the Bank for the Association of Banks in Singapore, Director of Summit Securities Pte Ltd, Vice President in DBS International Department and various other senior roles at DBS Bank Ltd.

MR YOSHIHIKO MACHIDA

Chief Executive Officer and Executive Director

Date of Appointment: 16 June 2014

Date of last Re-appointment:
17 September 2015

Board Committee served on: Nil

Other Listed Company Directorships: Nil

Past Listed Company Directorships over the preceding three years: Nil

Principal Commitments: 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 TOSHIKATSU MAKISHIMA

Executive Director and Chief Operating Officer

Date of Appointment:
27 September 2016 (as Executive Director)
11 November 2016 (as Chief Operating Officer)

Board Committee served on: Nil

Other Listed Company Directorships: Nil

Past Listed Company Directorships over the preceding three years: Nil

Principal Commitments: Nil

Academic & Professional Qualifications:

- Bachelor of Economics from the University of Tokyo

Experience:
Mr Makishima has close to 30 years of fiscal, operational and strategic leadership experience in Daiwa, where he served in various management positions across the accounting and finance departments. Mr Makishima has in-depth knowledge of the management of Real Estate Investment Trust ("REITS"), having overseen 3 REITS, of which 2 are listed on the Tokyo Stock Exchange during his 5 years of service with Daiwa Real Estate Asset Management Co. Ltd.

Previous Roles:
General Manager in Corporate Planning Department and before that, as Head of Finance Department for Daiwa Real Estate Asset Management Co. Ltd., Head of IFRS Department and Head of Accounting Department for Daiwa Securities Group Inc. (listed on Tokyo Stock Exchange), Head of Accounting Department for Daiwa Securities SMBC Co. Ltd. (Joint venture between Daiwa Securities Group Inc. and SMBC), Head of Finance Department for Daiwa Securities SMBC Europe Limited formerly known as Daiwa Europe Ltd. (Joint venture between Daiwa Group and SMBC) located in the UK.

BOARD OF DIRECTORS OF THE TRUSTEE-MANAGER

MR CHONG TECK SIN
Independent Director

Date of Appointment: 16 June 2014

Date of last Re-appointment: 17 September 2015

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

Other Listed Company Directorships:
- AVIC International Maritime Holdings Limited (SGX-ST listed)
- Civmec Limited (SGX-ST listed)
- Changan Minsheng APLL Logistics Co., Limited (HKEX listed)
- InnoTek Limited (SGX-ST listed)

Past Listed Company Directorships over the preceding three years: Nil

Principal Commitments: Nil

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, in technology, finance and banking sectors, having held several senior appointments in public and private organisations, and financial institutions.

Previous Roles:
Board member of the National Kidney Foundation from 2008-2010; Strategic Development Director for China of Glaxo Wellcome Asia Pacific from 1997-1999; Board member of the Accounting and Corporate Regulatory Authority ("ACRA"), from 2004-2010 and Executive Director and Group Managing Director (Commercial) of SGX-listed Seksun Corporation Limited from 1999-2004.

MR HITOSHI KUMAGAI
Independent Director

Date of Appointment: 16 June 2014

Date of last Re-appointment: 17 September 2015

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

Other Listed Company Directorships: Nil

Past Listed Company Directorships over the preceding three years: Nil

Principal Commitments:
- Trustees FAS Co., Ltd.

Academic & Professional Qualifications:
- Bachelor of Commerce from Waseda University, Tokyo
- Certified Public Accountant in Japan

Experience:
Mr Kumagai has extensive experience in providing financial statement audit and deal advisory services to client companies at KPMG and other accounting firms. He has been a representative partner of Trustees FAS Co., Ltd in Japan since 2006 and has been providing financial advisory services such as financial due diligence, valuation and deal management in corporate finance service. He is currently an audit & supervisory board member for Japan Automobile Recycling Promotion Center in Japan. He is an expert member of Japan Association of Corporate Directors.

Previous Roles:
Manager of transaction services at KPMG FAS Co., Ltd in Tokyo; Audit supervising senior accountant at KPMG LLP in New York.

EXECUTIVE OFFICERS OF THE TRUSTEE-MANAGER

MR YOSHIHIKO MACHIDA
Chief Executive Officer and Executive Director

Please refer to page 9 in the Board of Directors of the Trustee-Manager section of this Annual Report for more information.

MR TOSHIKATSU MAKISHIMA
Executive Director and Chief Operating Officer

Please refer to page 9 in the Board of Directors of the Trustee-Manager section of this Annual Report for more information.

MR SHUNICHI NEMOTO
Chief Financial Officer

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.

MR TAKAHIRO KUROSAWA
Chief Investment and Asset Management Officer

Academic & Professional Qualifications:
Degree in Law from Kokugakuin University

Experience:
Mr Kurosawa has extensive experience in finance, investment and asset management. He has been with the Sponsor since 2011 and was appointed Executive Senior Manager of Corporate Strategy, Management Planning Division of the Sponsor in April 2013. He is responsible for the buying and selling of golf courses on behalf of the Sponsor in relation to portfolio replacement.

Previous Roles:
Prior to joining the Sponsor, he was formerly employed with Goldman Sachs Realty Japan Ltd. ("GSRJL") since April 2000, where he was in charge of the management and collection of purchase loans in the Loan Asset Management Department and was also promoted to the position of Asset Manager. Mr Kurosawa played a key role in leading the acquisition by the Goldman Sachs group of the golf courses and was consequently promoted to Senior Asset Manager of GSRJL. He also worked with Nippon Mortgage Co., Ltd. where he was engaged in property finance work for over 13 years.

ASSET PORTFOLIO OVERVIEW

TOP 10 GOLF COURSES

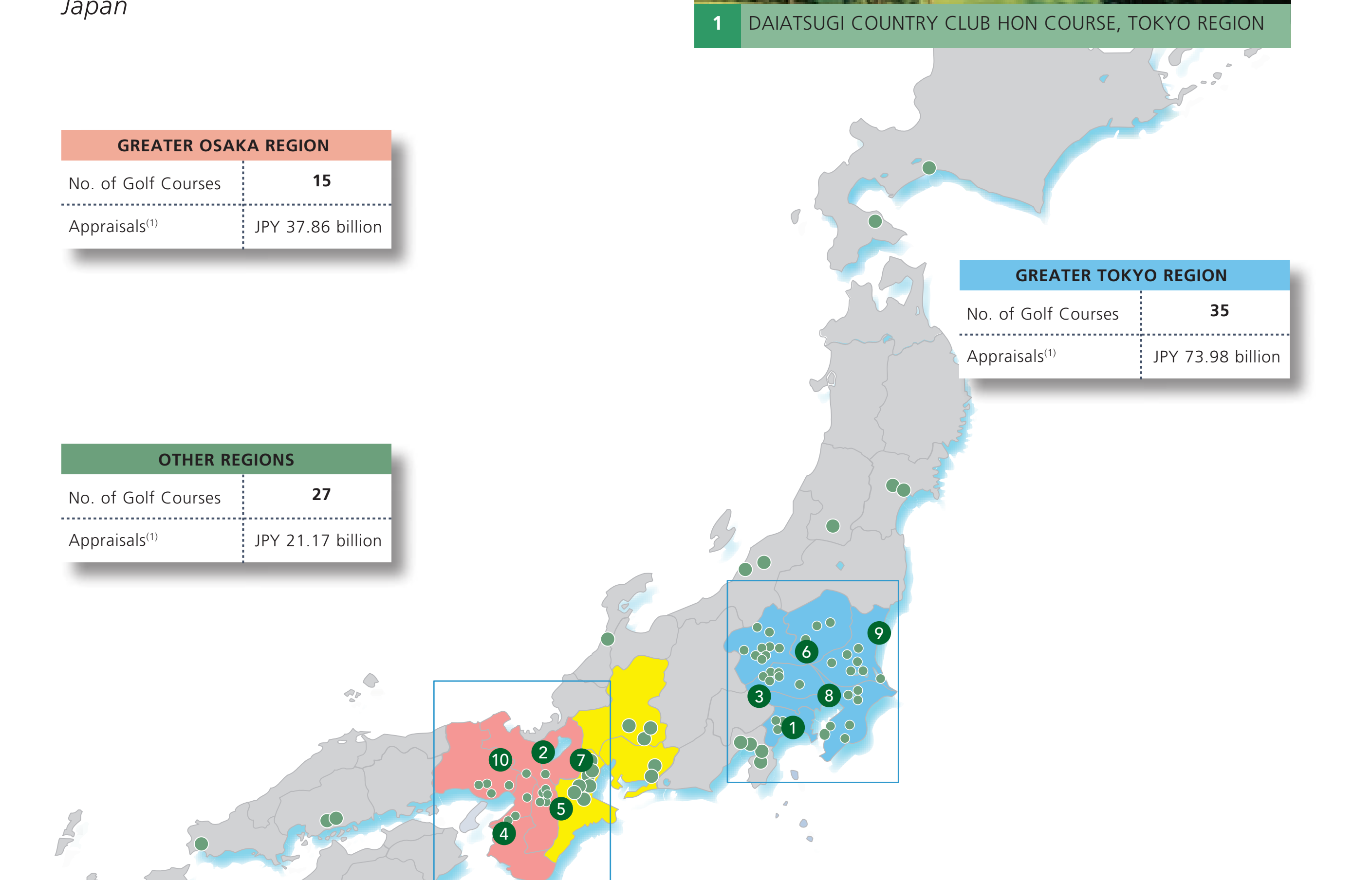
UNIQUE JAPANESE ASSETS

No. of Golf Courses: 89

Appraisal Value: JPY 150.89 million[1]

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

1 DAIATSUGI COUNTRY CLUB HON COURSE, TOKYO REGION



GREATER OSAKA REGION	
No. of Golf Courses	15
Appraisals[1]	JPY 37.86 billion

GREATER TOKYO REGION	
No. of Golf Courses	35
Appraisals[1]	JPY 73.98 billion

OTHER REGIONS	
No. of Golf Courses	27
Appraisals[1]	JPY 21.17 billion

GREATER NAGOYA REGION	
No. of Golf Courses	12
Appraisals[1]	JPY 17.88 billion

2 OTSU COUNTRY CLUB, OSAKA REGION

Note:

(1) *Based on the real estate appraisals by the Independent Real Estate Appraisers as at 31 December 2016*

TOP 10 GOLF COURSES


3 DAIATSUGI COUNTRY CLUB SAKURA COURSE, TOKYO REGION


4 IZUMISANO COUNTRY CLUB, OSAKA REGION


5 KISAICHI COUNTRY CLUB, OSAKA REGION


6 NORTHERN COUNTRY CLUB NISHIKIGAHARA, TOKYO REGION


7 KAMO COUNTRY CLUB, OSAKA REGION


8 TOKYOWAN COUNTRY CLUB, TOKYO REGION


9 TSUCHIURA COUNTRY CLUB, TOKYO REGION

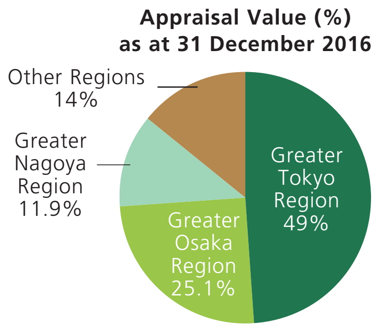

10 ATAGOHARA GOLF CLUB, OSAKA REGION

ASSET PORTFOLIO OVERVIEW

As at 31 March 2017, AGT has 89 golf courses, with an appraisal value totally JPY 150.89 billion. The majority, approximately 70%, of AGT's golf courses are located across the three largest metropolitan in Japan.

TABLE 1: NUMBER OF GOLF COURSES AND APPRAISAL VALUE BY REGION FOR FY2017

REGIONS	Number of Courses	%	Appraisal Value (JPY Billion)(1)	%
Greater Tokyo	35	39.3	73.98	49.0
Greater Osaka	15	16.9	37.86	25.1
Greater Nagoya	12	13.5	17.88	11.9
3 Largest Metropolitan Areas	**62**	**69.7**	**129.72**	**86.0**
Other Regions	27	30.3	21.17	14.0
TOTAL	**89**	**100**	**150.89**	**100**



REGIONS	Revenue(2) for FY16/17 (JPY billion)	Utilisation Rates(3) FY16/17 (%)	NOI(4) FY16/17 (JPY BILLION)	NOI Margin(5) FY16/17 (%)	NOI Yield(6) FY16/17 (%)
Greater Tokyo	22.98	78.9	5.74	25.0	7.8
Greater Osaka	12.08	87.2	3.01	24.9	8.0
Greater Nagoya	6.80	80.9	1.40	20.5	7.8
3 Largest Metropolitan Areas	**41.86**	**81.4**	**10.15**	**24.2**	**7.8**
Others	10.55	67.0	1.76	16.7	8.4
TOTAL	**52.41**	**77.6**	**11.91**	**22.7**	**7.9**

Notes:

(1) *Based on the real estate appraisals as at 31 December 2016 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 and on a J-GAAP basis*

(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*

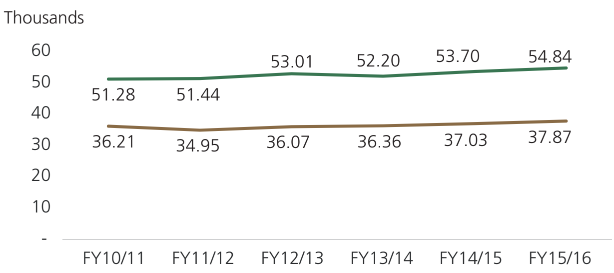
(5) *NOI Margin = NOI/Revenue*

(6) *NOI Yield = NOI/Appraisal Value*

STEADY POOL OF VISITORS

AGT's golf courses are suitable for a wide variety of players. AGT is mainly targeting at the middle class. During the fiscal year, the number of visitors grew steadily and remained 40% to 50% higher than the national average.

Number of Visitors per Golf Course per year (Golf Course operated by Sponsor[(1)])

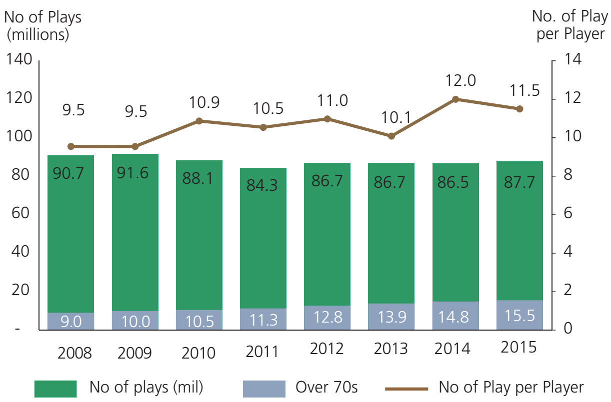


(1) Average number of players is calculated by dividing total number of players by 18 holes converted number of golf courses.

Source: Nihon Golf-jo Keieisha Kyokai

The number of plays in Japan remains stable, with the proportion of senior plays increase gradually. The number of play per player is approximately 11.5 times in 2015, as compared with 9.5 times in 2008.

Number of Play and Number of Plays Per Golfer[(2)]



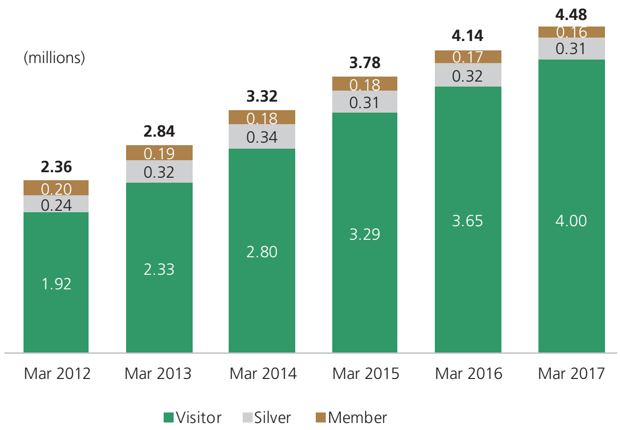
(2) Nihon Golf-jo Keieisha Kyokai (NGK) and Japan Productivity Centre

POINT CARD PROGRAM

The loyalty program card offers and encourages visitors to the golf courses to clock in points for each play. With the accumulated points, visitors can use points for discounts in places such as pro-shops within each golf course. As at 31 March 2017, AGT had 4.48 million loyalty program card holders. This is approximately 62.0% of the total number of golf players in Japan (7.2 million[(3)]).

(3) Source: Leisure White Paper 2015 published by the Japanese Productivity Council

LOYALTY CARD HOLDERS OF ACCORDIA GOLF



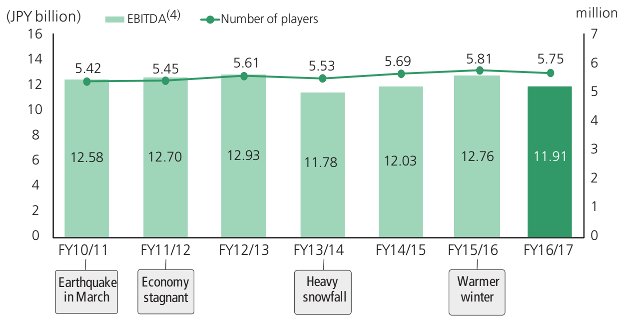
Status	Member*		Non-Member		
	Diamond	Black	Gold	Silver	White
Annual Visit	>24 times	<23 times	24 times	6 times	–

* *Member of each golf course*

Source: Sponsor/Golf Course Manager

STABLE HISTORICAL PERFORMANCE (EBITDA)

AGT continues to deliver relatively steady EBITDA regardless of unfavourable events, such as earthquakes, economy stagnant, heavy snowfalls, and etc.



(4) Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA"): These figures are on J-GAAP basis and for illustration purposes and have not been audited or verified by third parties.

ASSET PORTFOLIO OVERVIEW

KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES

REGIONS	NUMBER OF COURSES	%	APPRAISAL VALUE (JPY BILLION) as at 31 Dec 2016	%	REVENUE FOR FY16/17 (JPY BILLION)(1)	UTILISATION RATES FY16/17 (%)(2)	NOI FY16/17 (JPY BILLION)(3)	NO MARGIN FY16/17 (%)(4)	NOI YIELD FY16/17 (%)(5)
Greater Tokyo	35	39.3%	73.98	49.0%	22.98	78.9	5.74	25.0	7.8
Greater Osaka	15	16.9%	37.86	25.1%	12.08	87.2	3.01	24.9	8.0
Greater Nagoya	12	13.5%	17.88	11.9%	6.80	80.9	1.40	20.5	7.8
3 Largest Metropolitan Areas	62	69.7%	129.73	86.0%	41.86	81.4	10.15	24.2	7.8
Other Regions	27	30.3%	21.17	14.0%	10.55	67.0	1.76	16.7	8.4
TOTAL	89	100.0%	150.89	100.0%	52.40	77.6	11.91	22.7	7.9

GREATER TOKYO REGION

No.	Golf course	Appraisal Value (JPY million) – as at 31 December 2016	Location	Area (m^2)	Number of Holes	Inaugural by the year	Year of Acquisition by the Sponsor	Revenue For FY16/17 (JPY BILLION)(1)	Utilisation Rates FY16/17 (%)(2)	No of Visitors FY16/17
1	Daiatsugi Country Club Hon Course	8,390	Atsugi-Shi, Kanagawa	1,258,046	27	1970	2005	1,342	87.3	95,371
2	Daiatsugi Country Club Sakura Course	6,900	Atsugi-Shi, Kanagawa	813,283	18	1981	2005	1,111	110.1	80,140
3	Northern Country Club Nishikigahara Golf Course	4,430	Saitama-Shi, Saitama	1,328,762	43	1963	2005	1,208	84.6	145,580
4	Tokyowan Country Club	3,880	Sodegaura-Shi, Chiba	856,861	27	1979	2005	1,020	81.9	89,734
5	Tsuchiura Country Club	3,760	Inashiki-Shi, Ibaraki	814,039	27	1962	2005	915	84.7	92,231
6	Odawara Golf Club Matsuda Course	2,930	Ashigarakami-Gun, Kanagawa	609,524	18	1973	2007	673	89.6	64,861
7	Central Golf Club	2,850	Namegata-Shi, Ibaraki	1,908,836	36	1974	2005	1,005	76.7	111,740
8	Fujioka Golf Club	2,760	Fujioka-Shi, Gunma	1,216,014	36	1968	2008	734	71.4	103,455
9	Yorii Country Club	2,690	Osato-Gun, Saitama	781,816	18	1978	2006	673	81.5	59,004
10	Aqualine Golf Club	2,650	Kisarazu-Shi, Chiba	812,297	18	1997	2006	643	78.4	56,587
11	Mito Golf Club	2,460	Mito-Shi, Ibaraki	1,453,942	36	1966	2005	856	69.7	100,932
12	Naritahigashi Country Club	2,440	Katori-Shi, Chiba	772,311	18	1982	2005	600	81.5	59,474
13	Chiba Sakuranosato Golf Club	2,130	Katori-Shi, Chiba	948,171	18	1984	2005	562	82.8	60,289
14	Sawara Country Club	2,090	Katori-Shi, Chiba	759,508	18	1990	2005	652	83.1	60,525
15	Kanetsu Highland Golf Club	2,050	Takasaki-Shi, Gunma	1,047,405	27	1972	2008	620	80.6	87,740
16	Minagawajo Country Club	2,040	Tochigi-Shi, Tochigi	569,047	18	1973	2005	615	77.9	56,520

KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES (CONT'D)

GREATER TOKYO REGION (cont'd)

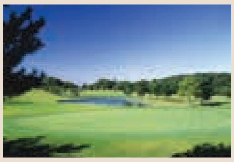
No.	Golf course	Appraisal Value (JPY million) – as at 31 December 2016	Location	Area (m^2)	Number of Holes	Inaugural by the year	Year of Acquisition by the Sponsor	Revenue For FY16/17 (JPY BILLION)[1]	Utilisation Rates FY16/17 (%)[2]	No of Visitors FY16/17
17	Ohiradai Country Club	1,850	Tochigi-Shi, Tochigi	797,090	27	1974	2005	623	75.1	81,831
18	Tamagawa Country Club	1,580	Hiki-Gun, Saitama	1,054,979	18	1994	2005	555	80.2	58,221
19	Kanra Country Club	1,480	Kanra-Gun, Gunma	1,156,822	18	1975	2007	488	81.5	59,029
20	Sainomori Country Club*	1,460	Chichibu-Shi, Saitama	1,243,143	18	1989	2005	625	80	57,108
21	Wildduck Country Club	1,410	Kamisu-Shi, Ibaraki	836,671	18	1991	2008	476	76.7	55,858
22	Central Golf Club New Course*	1,400	Namegata-Shi, Ibaraki	1,030,232	18	1979	2005	484	79.7	58,023
23	Kodamakamikawa Country Club	1,380	Kodama-Gun, Saitama	1,088,693	18	1988	2005	530	84.8	60,536
24	Myogi Country Club*	1,300	Tomioka-Shi, Gunma	803,549	18	1986	2005	989	75	53,370
25	Koryo Country Club	1,100	Kanuma-Shi, Tochigi	984,175	27	1975	2007	509	65.6	71,394
26	Ishioka Golf Club West Course	1,090	Kasama-Shi, Ibaraki	1,262,015	18	1990	2005	551	84.9	61,293
27	Midono Country Club	1,070	Fujioka-Shi, Gunma	1,668,200	18	1990	2005	518	85.9	62,212
28	Hanao Country Club	1,070	Isumi-Gun, Chiba	1,242,026	18	1992	2005	509	83.9	60,609
29	Twin Lakes Country Club	935	Fujioka-Shi, Gunma	1,280,567	18	1988	2005	553	84.4	60,944
30	Kamogawa Country Club*	699	Kamogawa-Shi, Chiba	889,599	18	1970	2005	599	81.9	59,649
31	Chichibu Kokusai Country Club	641	Chichibu-Gun, Saitama	784,338	18	1975	2006	336	71.2	49,015
32	Northern Country Club Akagi Golf Course*	437	Shibukawa-Shi, Gunma	1,516,533	27	1976	2005	376	62.7	51,767
33	Kitsuregawa Country Club*	355	Sakura-Shi, Tochigi	1,084,069	27	1987	2008	518	64.4	69,365
34	Northern Country Club Jomo Golf Course	192	Agatsuma-Gun, Gunma	908,267	18	1978	2005	225	70.7	38,015
35	Village Higashi Karuizawa Golf Club*	85	Annaka-Shi, Gunma	748,362	18	1978	2008	282	65.3	45,984
	TOTAL	**73,984**						**22,975**		

ASSET PORTFOLIO OVERVIEW

KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES (CONT'D)

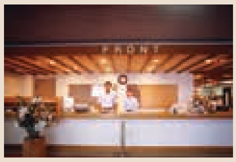
GREATER TOKYO REGION

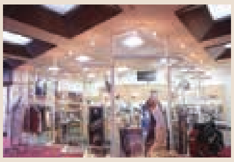

Aquline GC

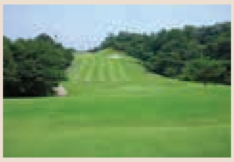

Central GC


Chiba Sakuranosato GC


Chichibu Kokusai CC


Daiatsugi CC, Sakura Course

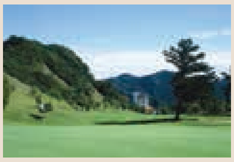

Daiatsugi CC, Hon Course

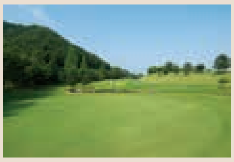

Fujioka GC

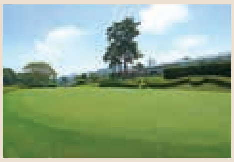

Central GC, New Course

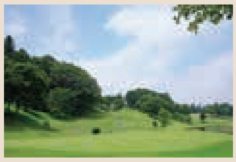

Hanao CC


Ishioka GC, West


Kamogawa CC


Kanetsu HIghland GC


Kanra CC


Kitsuregawa CC


Kodamakamikawa CC


Koryo CC


Midono CC


Minagawa Jo CC

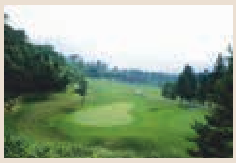

Mito GC

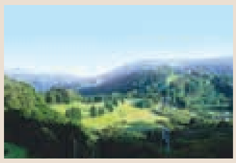

Myogi CC

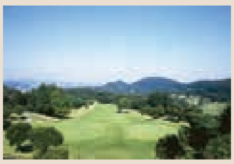

Naritahigashi CC

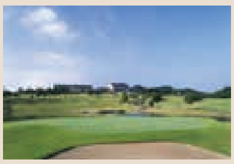

Northern CC,
Nishikigahara Golf Course

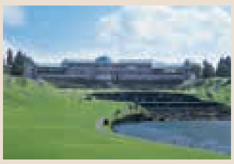

Northern CC, Akagi GC

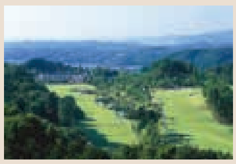

Northern CC, Jomo GC


Odawara GC,
Matsuda Course


Ohiradai CC

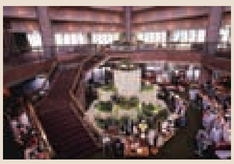

Sainomori CC

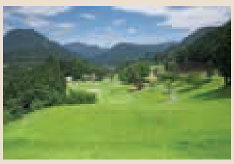

Sawara CC


Tamagawa CC


Tokyowan CC


Tsuchiura CC


Twin Lakes CC


Village Higashikaruizawa GC

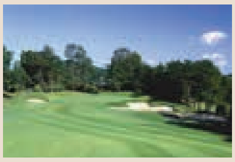

Wildduck CC

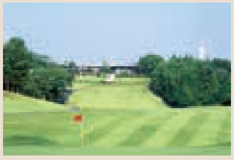

Yorri CC

KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES (CONT'D)

GREATER OSAKA REGION

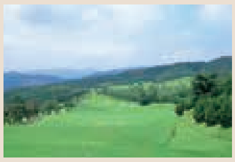
No.	Golf course	Appraisal Value (JPY million) – as at 31 December 2016	Location	Area (m^2)	Number of Holes	Inaugural by the year	Year of Acquisition by the Sponsor	Revenue For FY16/17 (JPY BILLION)[1]	Utilisation Rates FY16/17 (%)[2]	No of Visitors FY16/17
1	Otsu Country Club**	7,330	Otsu-Shi, Shiga	2,051,043	45	1969	2009	1,624	86.9	156,576
2	Izumisano Country Club	4,940	Izumisano-Shi, Osaka	1,343,189	27	1972	2005	1,045	93.5	102,416
3	Kisaichi Country Club	4,550	Katano-Shi, Osaka	575,504	27	1968	2005	1,033	94.9	102,753
4	Kamo Country Club	4,300	Kizugawa-Shi, Kyoto	1,206,331	36	1974	2005	1,130	91.9	132,281
5	Atagohara Golf Club	3,150	Takarazuka-Shi, Hyogo	615,164	27	1960	2005	843	77.6	84,313
6	Naranomori Golf Club	2,100	Nara-Shi, Nara	1,326,963	18	1988	2005	704	92.1	65,213
7	Harima Country Club	1,950	Ono-Shi, Hyogo	743,267	18	1965	2005	553	85.4	62,180
8	Lake Forest Resort*	1,910	Soraku-Gun, Kyoto	1,031,318	45	1993	2005	1,630	85.6	153,625
9	Kameoka Golf Club	1,890	Kameoka-Shi, Kyoto	694,053	18	1998	2005	539	86.5	58,967
10	Sorei Golf Club Tsuchiyama Course	1,410	Kouka-Shi, Shiga	746,061	18	1996	2005	460	83.9	55,709
11	Kyowa Golf Club	1,270	Soraku-Gun, Kyoto	1,145,952	18	1974	2005	501	85.8	60,046
12	Misaki Country Club	1,230	Sennan-Gun, Osaka	206,026	18	1970	2005	577	90.8	65,939
13	Yamato Kougen Country Club	777	Nara-Shi, Nara	1,486,731	18	2001	2007	541	89.0	63,355
14	Kasai Country Club	576	Kasai-Shi, Hyogo	1,169,572	18	1987	2005	424	79.0	56,897
15	Shirasagi Golf Club	477	Himeji-Shi, Hyogo	1,024,084	18	1996	2005	475	80.8	58,185
	TOTAL	**37,860**						**12,079**		


Atagohara GC

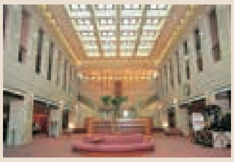

Harima CC

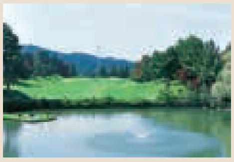

Izumisano CC

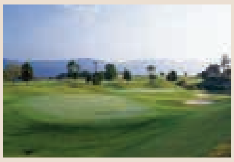

Kameoka GC


Kamo CC


Kasai CC


Kisaichi CC

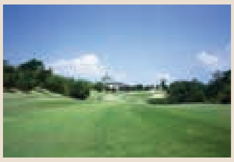

Kyowa GC


Lake Forest Resort

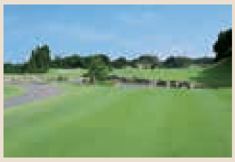

Misaki CC


Naranomori GC


Otsu CC


Shirasagi GC


Sorei GC Tsuchiyama Course


Yamato Kougen CC

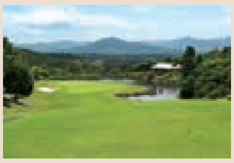
ASSET PORTFOLIO OVERVIEW

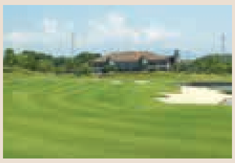
KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES (CONT'D)

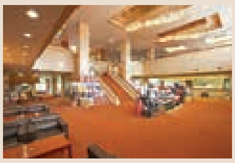
GREATER NAGOYA REGION

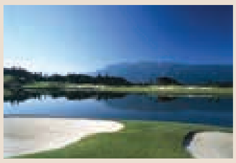
No.	Golf course	Appraisal Value (JPY million) – as at 31 December 2016	Location	Area (m^2)	Number of Holes	Inaugural by the year	Year of Acquisition by the Sponsor	Revenue For FY16/17 (JPY BILLION)[1]	Utilisation Rates FY16/17 (%)[2]	No of Visitors FY16/17
1	Yokkaichinosato Golf Club	2,540	Yokkaichi-Shi, Mie	661,573	18	1988	2009	727	84.1	59,742
2	Shinyo Country Club	2,100	Toki-Shi, Gifu	1,495,987	18	1990	2005	693	88.0	62,806
3	Fujiwara Golf Club	1,970	Inabe-Shi, Mie	1,278,719	27	1993	2005	755	75.8	78,033
4	Castlehill Country Club	1,970	Toyokawa-Shi, Aichi	1,635,889	18	1993	2009	667	82.0	59,543
5	Kasumi Golf Club	1,400	Tsu-Shi, Mie	869,786	18	1992	2009	513	80.8	57,862
6	Forest Mizunami Country Club*	1,370	Mizunami-Shi, Gifu	1,079,483	18	1987	2008	549	87.6	63,240
7	Forest Geino Golf Club	1,310	Tsu-Shi, Mie	592,471	18	1991	2009	480	74.5	53,376
8	Tsukude Golf Club	1,290	Shinshiro-Shi, Aichi	435,805	18	1994	2009	573	80.8	55,929
9	Sorei Golf Club Seki Course	1,260	Kameyama-Shi, Mie	704,063	18	1996	2005	403	74.9	51,410
10	Sun Classic Golf Club	1,040	Kani-Gun, Gifu	1,058,367	18	1992	2008	553	93.9	67,636
11	Route 25 Golf Club	929	Iga-Shi, Mie	961,379	18	1995	2007	488	78.8	53,933
12	Meisho Golf Club	705	Tsu-Shi, Mie	1,345,960	18	1984	2005	402	71.7	52,082
	TOTAL	**17,884**						**6,803**		

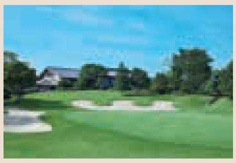
**1 "Inaugural year" means the year in which the golf course first commenced operations after the completion of its development and construction.*


Castle Hill CC

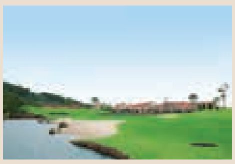

Forest Geino GC


Forest Mizunami CC


Fujiwara GC

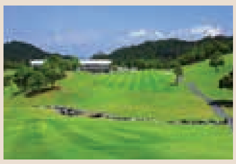

Kasumi GC

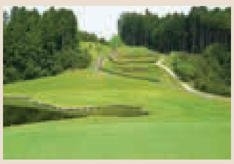

Meisho GC

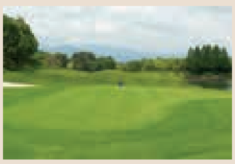

Route 25 GC


Shinyo CC


Sorei GC Seki Course


SunClassic GC


Tsukude GC


Yokkaichinosato GC

KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES (CONT'D)

OTHER REGION

No.	Golf course	Appraisal Value (JPY million) – as at 31 December 2016	Location	Area (m^2)	Number of Holes	Inaugural by the year	Year of Acquisition by the Sponsor	Revenue For FY16/17 (JPY BILLION)(1)	Utilisation Rates FY16/17 (%)(2)	No of Visitors FY16/17
1	Mishima Country Club	3,040	Mishima-Shi, Shizuoka	1,069,886	18	1988	2005	710	87.1	63,409
2	Ashitaka Six Hundred Club*	2,110	Numazu-Shi, Shizuoka	873,030	18	1969	2005	635	84.4	61,417
3	Jurigi Country Club	1,760	Fuji-Shi, Shizuoka	722,429	18	1973	2008	487	68.9	47,555
4	Nijo Country Club	1,520	Itoshima-Shi, Fukuoka	952,335	18	1974	2007	504	81.2	59,091
5	Sanyo Kokusai Golf Club	1,130	Sanyoonoda-Shi, Yamaguchi	1,863,554	36	1980	2005	635	59.4	86,205
6	Hongo Country Club	1,010	Mihara-Shi, Hiroshima	1,168,476	18	1977	2008	382	57.3	41,451
7	Yunoura Country Club	982	Hioki-Shi, Kagoshima	1,454,590	18	1989	2005	431	76.7	55,082
8	Dainiigata Country Club Izumosaki Course	881	Santo-Gun, Niigata	489,212	18	1974	2005	331	66.3	43,095
9	Sasebo Kokusai Country Club	846	Sasebo-Shi, Nagasaki	363,153	18	1976	2007	377	68.3	49,414
10	Beppu No Mori Golf Club	817	Beppu-Shi, Oita	1,292,070	27	1974	2005	482	65.5	70,930
11	Central Fukuoka Golf Club	774	Chikushino-Shi, Fukuoka	661,225	18	1975	2007	475	81.5	57,676
12	Osato Golf Club	687	Kurokawa-Gun, Miyagi	1,377,510	18	1998	2006	319	79.8	55,256
13	Takehara Country Club	631	Takehara-Shi, Hiroshima	1,116,606	18	1994	2005	361	58.4	42,183
14	Izukokusai Country Club	541	Izu-Shi, Shizuoka	596,199	18	1961	2005	309	66.9	48,410
15	Nagasaki Park Country Club	502	Saikai-Shi, Nagasaki	1,016,537	18	1994	2005	370	65.7	46,911
16	Aoshima Golf Club	474	Miyazaki-Shi, Miyazaki	816,506	18	1991	2005	439	71.9	52,182
17	Dainiigata Country Club Sanjo Course	449	Sanjo-Shi, Niigata	675,500	18	1976	2005	249	58.8	31,734
18	Fukuoka Pheasant Country Club	444	Tagawa-Gun, Fukuoka	1,072,749	18	1976	2005	315	64.7	45,945
19	Onuma Lake Golf Club	421	Kayabe-Gun, Hokkaido	1,236,330	27	1975	2005	304	54.9	38,530
20	Kikuchi Country Club	411	Kikuchi-Shi, Kumamoto	1,573,608	18	1979	2005	293	64.9	44,522
21	Amagaseonsen Country Club	342	Hita-Shi, Oita	677,450	18	1967	2005	278	58.3	41,486
22	Tarumae Country Club	338	Tomakomai-Shi, Hokkaido	2,131,128	27	1963	2008	371	52.9	39,833
23	Rainbow Sports Land Golf Club	322	Miyakonojo-Shi, Miyazaki	682,127	18	1992	2007	234	64.9	46,339
24	Hananomori Golf Club	304	Kurokawa-Gun, Miyagi	1,211,083	18	1992	2005	402	66.5	38,708
25	Yamagataminami Country Club	264	Higashiokitama-Gun, Yamagata	885,800	18	1985	2005	218	63.2	30,312
26	Huis Ten Bosch Country Club	114	Saikai-Shi, Nagasaki	994,455	18	1991	2007	321	58.4	42,418
27	Kanazawa Central Country Club	52	Kanazawa-Shi, Ishikawa	1,311,095	18	1993	2007	315	66.8	39,818
	TOTAL	**21,166**						**10,547**		

* *These 10 golf courses have hotel facilities at the golf courses.*

** *This golf course consists of the Higashi Golf Course (27 holes) and the Nishi Course (18 holes) and they are treated by the sponsor as two separate golf courses.*

(1) *Revenue includes play fees (green fees and cart fees), caddy fees, restaurant charges, membership fees and other revenus from the golf courses and on a J-GAAP basis.*

(2) *Utilisation rate = Total no. of visitors per 18 holes/(Total operating days x 200 person)*

(3) *Net Operating Income ("NOI") = Revenue – Merchandise and Material Expenses – Labour Cost – 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.*

(4) *NOI Margin = NOI/Revenue*

(5) *NOI Yield = NOI Margin/Appraisal Value*

ASSET PORTFOLIO OVERVIEW

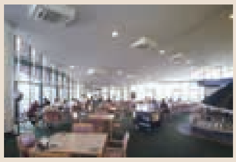
KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES (CONT'D)

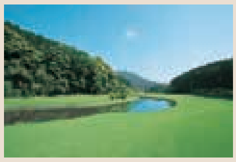
OTHER REGION

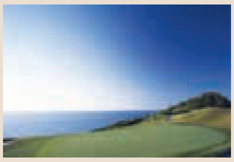

Amagaseonsen CC

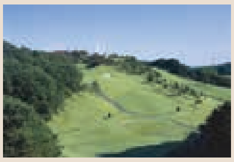

Aoshima GC


Ashitaka Six Hundred Club


Beppunomori GC

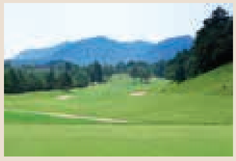

Central Fukuoka GC


Dainigata CC Izumosaki Course

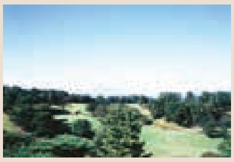

Dainiigata CC Sanjo Course

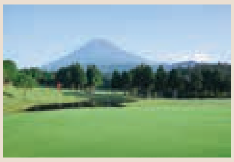

Fukuoka Pheasant CC


Hananomori GC

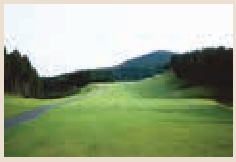

Hongo CC

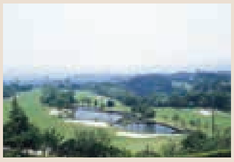

Huis Ten Bosche CC


Izukokusai CC

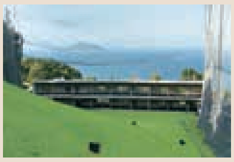

Jurigi CC

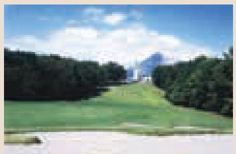

Kanazawa Central CC

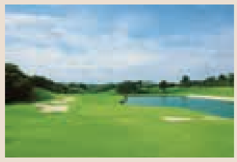

Kikuchi CC

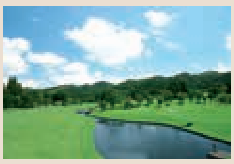

Mishima CC


Nagasaki Park CC

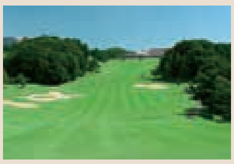

Nijo CC

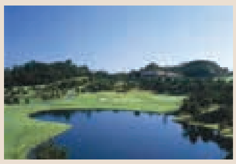

Onuma Lake GC


Osato GC

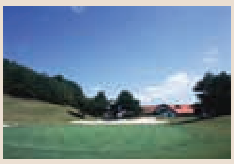

Rainbow Sport Land GC


Sanyo Kokusai GC


Sasebo Kokusai CC


Takehara CC


Tarumae CC

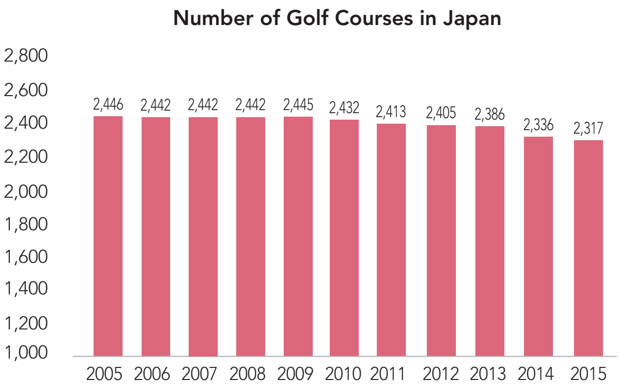

Yamagataminami CC


Yunoura CC

OVERVIEW OF JAPAN'S GOLF INDUSTRY

OVERVIEW OF JAPAN'S GOLF MARKET

As at the end of 2015, there were 2,317 golf courses in Japan, down from 2,446 golf course as at the end of 2005. Japan golf market is the top three golf market in the world, in terms of number of golf courses. Golf continues to remain a popular sport as it is one of the top 20 sports played in Japan.

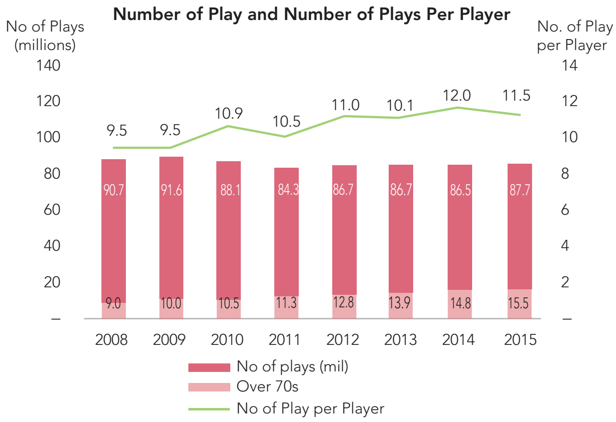


Source: Golf-jo Kigyo Group & Keiretsu 2016

The golf industry competition, where maintenance expertise and economies of scale are advantage, has also made it increasing hard to survive especially for potential new entrants to successfully enter the market. The golf industry has seen consolidation for over a decade and a number of inefficient golf courses have been closed or converted for alternative uses. The number of golf courses have decreased over the years and have become increasingly a two-tier market with experienced and specialised golf courses operators. Golf demand remains resilient as the golf industry continues to see more variety of players.

NUMBER OF GOLF PLAYERS IN JAPAN

According to report[1], in 2015, Japan has seen a slight increase in the number of golf players. The number of senior players have also grown slightly over the years with the recovery of Japan's economic situation.



(1) Japan Productivity Centre Nihon Golfing Keieisha Kyokai, Japan

JAPAN'S POPULATION

Japan's population has fallen by nearly one million according to new statistics[2], the first decline since official records began in the 1920s. Although Japan's overall population is in the trend of decreasing, there is also a shift in the demographics from the rural areas to the urban areas.

Despite of the decrease of Japan's population, 70% of AGT's golf courses are located in the three largest metropolitan areas where there is an increase in the urban areas.

OVERVIEW OF JAPAN'S GOLF INDUSTRY

SENIOR GOLFERS

According to the World Health Organization, the average life expectancy in Japan was 83.7 years in 2015 as compared to 79 years in 1990.

Gender/Year	1990	2015
Male	76	80.5
Female	82	86.8
Average	79	83.7

Source: World Health Organization: World Health Statistics 2013 and 2015

Golf remains a popular sport for the seniors. The "Healthy life expectancy" in Japan is getting higher and people can now play golf at a higher age.

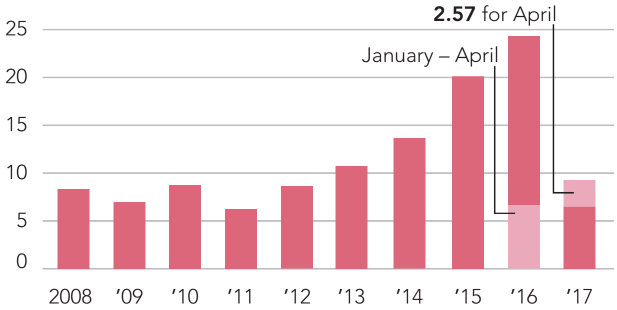
Baby boomers have been entering their retirement, as they have more time for leisure activities, including golf. This is expected to continue to be a driver in the golf industry. In addition to senior golfers, the golf industry in Japan is promoting to expand varieties of players and female golfers remain an important segment and is on the rise at a modest pace.

OLYMPICS 2016/2020

According to the "2017 White Paper" report on Tourism, the number of visitors to Japan grew about 21.8% to 24.0 million from the previous year. Japan is targeting 60 million visitors per year by 2030.

Number of foreign visitors to Japan

(in millions)



Source: Japan National Tourism Organization

With the rising popularity of golf in many parts of the world, the International Olympic Committee decided to include golf as an Olympic event. The inclusion of golf as an Olympic sport may not only improve the appeal of golf and increase its popularity, but also increase international coverage and sponsorship, thus attracting more talents on a world-wide basis and increase the excitement of the game.

After the 2016 Olympics in Rio de Janeiro, Brazil, Tokyo will be the host city for the 2020 Olympics. As the Olympics has constantly been able to draw a large audience, and golf being part of the Olympics may draw more interest and enhance the golf image.

INVESTOR RELATIONS

AGT is committed to build and maintain a transparent and responsive communication channel with its stakeholders such as investors and analysts through pro-active engagements.

The management believes that an effective two-way communication channel is necessary to articulate AGT's unique business. Such communication provides a good opportunity for the management, investors and analysts.

AGT announced its financial results quarterly and all materials are uploaded on SGXNET as well as on our website in English and Japanese.

After the quarterly results announcements, analysts' briefings, group and one-on-one investors meetings were held. In addition, the management gave updates to various brokers with the quarterly presentation.

Philips Asia Fund Space Event

Presentation to KGI Securities

In 2016, the management met with more than 200 investors during their participation in conferences and non-deal roadshows worldwide such as U.S.A., Europe, Hong Kong, and etc., including new markets like Thailand and Taiwan. Such activities were done through one-on-one meetings and group briefings.

SGX Maybank Corporate Day in Thailand

In September 2016, AGT conducted site visits for analysts to visit some of the golf courses in Osaka Area, which is one of the key metropolitan region in the portfolio.

Analyst visits in Japan

AGT's key developments and corporate news are updated in both English and Japanese languages regularly on AGT's newly revamped website. Members of the public may subscribe the e-mail service alert at http://accordiagolftrust.listedcompany.com/email_alerts.html.

INVESTOR RELATIONS

Key Indices that include AGT
FTSE SDT Consumer Goods & Services Liquid 20 Index
MSCI Singapore MI High Dividend Yield Index (USD)
MSCI Singapore Small Cap Index

Investor Relations Contact:
Brenda Ng, Senior Manager, Investor Relations
Email: Brenda@agtrust.com.sg
Tel: 65-6592-1059

Unitholder Depository
For unitholding account-related matters such as change of details and unitholding records histories, please contact:

The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138589
Tel: (65) 6535 7511
Email: cdp@sgx.com

IR CALENDAR

DATE	FINANCIALS AND CORPORATE EVENTS	INVESTOR RELATIONS
FINANCIAL YEAR 17/18		
2ND QUARTER		
Jul 26	3rd Annual General Meeting	
1ST QUARTER		
Jun 28-29		Non-Deal Roadshow in U.S.A
Jun 21	Distribution payment for 2H	
Jun 5 to 9		Non-Deal Roadshow in Hong Kong and Taipei
Jun 1-2		Non-Deal Roadshow in Tokyo
May 29		Luncheon Presentation to Maybank Kim Eng Securities
May 27		Corporate Presentation at KGI Investor Seminar
May 26		Post 4Q Results Analysts' Briefing
May 25	4Q Financial Results	
Apr 19		Corporate Presentation at the Launch of 'Top 25 Jewels' by RHB Securities
Apr 2 to Apr 4		Analysts Site Visits in Tokyo
FINANCIAL YEAR 16/17		
4TH QUARTER		
Mar 23		Daiwa Investment Conference Singapore
Mar 16 to Mar 17		Non-Deal Roadshow in Thailand, Bangkok
Mar 03		Daiwa Investment Conference Tokyo
Feb 22		Luncheon Presentation to CIMB Securities
Feb 17		Luncheon Presentation to Phillip Securities
Feb 14		Post 3Q Results Analysts' Briefing
Feb 13	3Q Financial Results	
3RD QUARTER		
Dec 15	Distribution Payment for 1H	
Nov 29		SGX-Haitong AFS Corporate Day in Hong Kong and Shenzhen
Nov 28		Non-Deal Roadshow in Hong Kong
Nov 24		Non-Deal Roadshow in Singapore
Nov 16		Non-Deal Roadshow in Kuala Lumpur, Malaysia
Nov 16		Luncheon Presentation to RHB Securities
Nov 15		Corporate Presention: Singapore Emerging Company Corporate Access Session
Nov 14		Post 2Q Results Analysts' Briefing
Nov 11	2Q Financial Results	

DATE	FINANCIALS AND CORPORATE EVENTS	INVESTOR RELATIONS
FINANCIAL YEAR 16/17		
2ND QUARTER		
Aug 31 to Sep 9		Non-Deal Roadshow in Hong Kong and Japan
Aug 30		SGX-Maybank Kim Eng Singapore Corporate Day in Thailand
Aug 17		Luncheon Presentation to KGI Securities
Aug 15		Post 1Q Results Analysts' Briefing
Aug 12	1Q Financial Results	
Jul 28	2nd Annual General Meeting & Extraordinary General Meeting	
1ST QUARTER		
Jun 21	Distribution Payment for 2H	
Jun 13 to 24		Non-Deal Roadshow in U.S.A, Europe and Hong Kong
Jun 6		Corporate Presentation: Singapore Capital Expo & Small Cap Showcase by SGX & Wholesale Investor
May 30		Luncheon Presentation to RHB Securities
May 27		Post 4Q and Full Year Analysts' Briefing
May 26	4Q and Full Year Financial Results	

UNIT PRICE PERFORMANCE	FY16/17
Highest Unit Price	S$0.760 cents
Lowest Unit Price	S$0.585 cents
Average Closing Unit Price	S$0.660 cents
Opening Unit Price on 1 April 2016	S$0.595 cents
Closing Unit Price on 31 March 2017	S$0.735 cents

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 Chief Operating Officer
Mr Toshikatsu Makishima

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

REMUNERATION COMMITTEE

Chairman
Mr Hitoshi Kumagai

Members
Mr Khoo Kee Cheok
Mr Chong Teck Sin

REGISTERED OFFICE OF AGT AND TRUSTEE-MANAGER

Accordia Golf Trust Management Pte. Ltd.
6 Shenton Way
#25-09 OUE Downtown 2
Singapore 068809
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Fax: +65 6220 2824
Website: http://agtrust.com.sg
Email: info@agtrust.com.sg

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50 Raffles Place
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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 year ended 31 March 2015)

COMPANY SECRETARY

Mr Lai Kuan Loong, Victor

CORPORATE GOVERNANCE

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(1) 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 year ended 31 March 2017. 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.

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(1) Please refer to Letter to Unitholders found on page 03 and the Trust Structure on page 08.

CORPORATE GOVERNANCE

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 is supported by two committees namely (1) Audit and Risk Committee and (2) Remuneration Committee. These committees function within clearly defined terms of reference.

The Trustee-Manager has adopted a framework of delegated authorisations that has been approved by the Board. The framework sets out the level of authorisation and their respective approval limits for business activities, including but not limited to, investments and divestments, capital expenditures and bank borrowings as well as arrangements in relation to cheque signatories. In addition, sub-limits are also delegated to various management levels to facilitate operational efficiency. Activities and matters which are specifically reserved for the Board's approval, such as acquisition and disposal of assets, financial statements, annual budget, investment proposals and funding, opening and closing of bank accounts, are also clearly set out in the framework.

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 Board Committees during the year ended 31 March 2017 as well as the attendance of the Directors, are as follows:

Name of Directors	Board Meetings		Audit and Risk Committee Meetings		Remuneration Committee	
	Number of meetings	Attendance	Number of meetings	Attendance	Number of meetings	Attendance
Khoo Kee Cheok	5	5	4	4	1	1
Chong Teck Sin	5	5	4	4	1	1
Hitoshi Kumagai	5	5	4	4	1	1
Yoshihiko Machida	5	5	4*	4*	1*	1*
Takuya Nagano#	2	2	2*	2*	1*	1*
Toshikatsu Makishima+	3	3	2*	2*	–	–

* By Invitation
# Resigned as Executive Director on 27 September 2016
+ Appointed as Executive Director on 27 September 2016

CORPORATE GOVERNANCE

The Trustee-Manager's Constitution permits 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, from time to time, receive updates and briefing from professional advisors, auditors and Management on relevant practices, new rules and regulations, corporate governance, changes in accounting standards and risk management issues applicable or relevant to the performance of their duties and responsibilities as Directors. The Directors are encouraged to attend training courses from 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. The Directors have attended courses on Boardroom Evaluation, Financial Reporting, Listed Company Directorship, Audit Committee, Risk Management, Investor and Media Relations. The cost of arranging and funding of the training of the Directors are borne by the Trustee-Manager. In an effort to familiarise the Directors with the business and operations of AGT Group, a visit to several of the Initial Portfolio golf courses was also conducted and they include Central Golf Club, Tsuchiura Country Club, Central Golf Club New Course, Koryo Country Club, Kitsuregawa Country Club, Minagawajo Country Club, Ohiradai Country Club, Hanao Country Club, Kamogawa Country Club, Aqualine Golf Club, Daiatsugi Country Club Hon Course, Daiatsugi Country Club Sakura Course, Northern Country Club Nishikigahara Golf Course, Tokyowan Country Club, Sainomori Country Club, Myogi Country Club, Midono Country Club, Twin Lakes Country Club, Village Higashi Karuizawa Golf Club, Mishima Country Club, Ashitaka Six Hundred Club, Onuma Lake Golf Club and Tarumae Country Club. Meetings between the management of the abovementioned golf courses and the Directors were also arranged so that the Directors can better understand the issues faced on the ground.

On 27 September 2016, Mr Toshikatsu Makishima was appointed to the Board to replace Mr Takuya Nagano who resigned as director due to a job reassignment by the nominating shareholder of the Trustee-Manager. The Trustee-Manager issues a formal letter of appointment setting out the Director's duties and responsibilities. Such letter has been issued to the newly appointed director, Mr Toshikatsu Makishima.

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 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.

CORPORATE GOVERNANCE

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. Accordingly, more than half of the Board is made up of Independent Directors. The Chairman of the Board is Mr Khoo Kee Cheok.

The Board has conducted an annual review of 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. None of the Independent Directors have served beyond nine years.

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 2017, the Directors were:

<u>Independent Directors</u>
Mr Khoo Kee Cheok (Chairman)
Mr Chong Teck Sin
Mr Hitoshi Kumagai

<u>Executive Directors</u>
Mr Yoshihiko Machida (Chief Executive Officer)
Mr Toshikatsu Makishima (Chief Operating Officer)

Further information on the Directors is provided in the Board of Directors of the Trustee-Manager section on pages 09 and 10 of this Annual 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.

There were no alternate Directors appointed during the year.

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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 Chairman and Chief Executive Officer are held by separate individuals. The Board Chairman is Mr Khoo Kee Cheok, an Independent Non-Executive Director. The Chief Executive Officer is Mr Yoshihiko Machida, who is an Executive Director. The Chairman and the Chief Executive Officer are not related to each other.

There is a clear division of responsibilities between the Chairman and the Chief Executive Officer. As the Chairman, Mr Khoo Kee Cheok is responsible for leading and overseeing the Board to ensure that it acts in the best interests of AGT and that the Board meetings are planned and conducted effectively. The Chairman is responsible for setting the agenda for each Board meeting in consultation with the 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

CORPORATE GOVERNANCE

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.

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 the Trustee-Manager, AGT and its business.

The Constitution of the Trustee-Manager was amended on 28 July 2016 so that, all the Directors shall be up for re-nomination and re-election at every annual general meeting of the Trustee-Manager.

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.

The Board had put in place a formal process to annually assess the performance and effectiveness of the Board as a whole. The Board members are provided with a set of questions, setting out the salient recommendations from the Code, which is designed to seek their views on the various aspects of the Board. The Board members will then gather to discuss their views on the various aspects of the Board and improvements made to areas where the Board views to be necessary to improve the overall effectiveness of the Board. The performance criteria for the evaluation covers amongst other criteria, the composition, structure, processes, access to information, corporate strategy, internal controls, risk management and standard of conduct of the Board. The evaluation for the financial year ended 31 March 2017 confirmed that the Board and its Board Committees were generally functioning effectively during the year.

While the Code recommends that the Directors be assessed individually, the Board felt that it is more appropriate and effective to assess the Board as a whole, bearing in mind that each Board member contributes in different ways to the success of the Trustee-Manager.

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 contributions by each Director to and during Board and Board committee meetings, as well as their attendance at such meetings, are also taken into account. Although the Directors have other principal commitments, 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 and Trustee-Manager for the year ended 31 March 2017. 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. The Board is satisfied that all Directors have discharged their duties adequately for the financial year ended 31 March 2017.

Details of such directorships and other principal commitments may be found on pages 09 and 10 of this Annual Report.

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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, Management also tries to circulate other Board papers prior to the meeting, including background or explanatory information regarding the agenda items, so as to enable the Directors to make informed decisions. Such information includes minutes of the previous meetings as well as financial and operational matters requiring the Board's attention or approval.

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

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 Secretaries, as well as the internal and external auditors at all times. At least one Company Secretary (and/or his/her authorised designates) attends all Board meetings and ensures that all Board procedures are followed. The Company Secretaries also attend to corporate secretarial administration matters. The appointment and removal of the Company Secretaries 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.

CORPORATE GOVERNANCE

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.

After careful consideration and to ensure that the remuneration policy for the key management personnel of the Trustee-Manager is competitive and attractive enough to attract, motivate and retain good quality employees, the Board had on 10 May 2016 established a Remuneration Committee to assist the Board in the discussion and recommendation for matters relating to executive remuneration and similar issues.

The Remuneration Committee comprises the three independent directors as members with Mr Hitoshi Kumagai as Chairman of the Committee. The members of the Remuneration Committee are Mr Khoo Kee Cheok and Mr Chong Teck Sin. The Remuneration Committee held its first meeting on 26 May 2016.

The Remuneration Committee is guided by a set of written rules known as the Remuneration Committee terms of reference that has been approved by the Board. The Remuneration Committee will review and make recommendations on the remuneration packages of the Executive Directors and key management personnel of the Trustee-Manager.

All Directors' fees and remuneration of the employees, including the executive officers of the Trustee-Manager ("**Executive Officers**") are paid by the Trustee-Manager out of the management fees paid by AGT to the Trustee-Manager.

Independent Directors receive a fixed annual fee payable quarterly in arrears 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 Directors' fees are subject to approval by the shareholders of the Trustee-Manager.

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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 and key management personnel of the Trustee-Manager are set out below:

Directors	**Directors' Fees**	**Executive Remuneration**
Khoo Kee Cheok	A(1)	Nil
Chong Teck Sin	A(1)	Nil
Hitoshi Kumagai	A(1)	Nil
Yoshihiko Machida	Nil(2)	B(3)
Takuya Nagano#	Nil(2)	A(4)
Toshikatsu Makishima+	Nil(2)	A(4)
Key Management Personnel		
Shunichi Nemoto	Nil	B(3)
Takahiro Kurosawa	Nil	B(3)

Notes:
(1) "A" refers to remuneration below the equivalent of S$250,000
(2) Mr Yoshihiko Machida and Mr Toshikatsu Makishima are Executive Officers of the Trustee-Manager and Mr Takuya Nagano was Executive Officer of the Trustee-Manager until 27 September 2016. As such, they were remunerated by the Trustee-Manager for their contributions as Executive Officers and no directors' fees were paid to them in FY16/17
(3) "B" refers to remuneration between the equivalent of S$250,000 and S$500,000
(4) His remuneration was pro-rated according to his tenure as an Executive Director
Resigned as Executive Director on 27 September 2016
+ Appointed as Executive Director on 27 September 2016

The Trustee-Manager believes that it may not be in the interest of the Company to disclose the remuneration of the directors and key management personnel as recommended by the Code as such disclosure may affect its ability to retain talent.

The total remuneration paid to the key management personnel for the financial year ended 31 March 2017 was approximately S$1,300,000.

There are no employees of the Trustee-Manager, AGT and its subsidiary who are immediate family members of the Directors or the Chief Executive Officer and whose remuneration exceeds S$50,000 during the financial year ended 31 March 2017.

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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.

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 year ended 31 March 2017, 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.

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.

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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.

The Trustee-Manager has also instituted/established the following:

- procedures to deal with conflicts of interest;
- internal control systems to ensure that all future interested person transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of AGT and its Unitholders;
- investment guidelines to govern the investment and divestment decisions of AGT; and
- in relation to the use of derivatives to hedge interest rates risk, foreign exchange risks and other types of risks, a system of pre-approvals from the Audit and Risk Committee prior to the entry into any such transactions.

Opinion of the Board on Risk Management and Internal Controls

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that (1) the Group's financial records have been properly maintained and the financial statements give a true and fair view of AGT's operations and finance and (2) the risk management and internal control systems in place within the Group are adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

The Board, with the concurrence of the Audit and Risk Committee, is of the opinion that Trustee-Manager's existing internal controls are adequate and effective as at 31 March 2017 to address material financial, operational, compliance and information technology risks of AGT, based on the risk management and internal controls framework established and maintained by Trustee-Manager, work performed by both internal and external auditors as well as reviews performed by Management and the Audit and Risk Committee.

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.

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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. None of the Audit Committee members were previous partners or directors of AGT's external auditor, Deloitte & Touche LLP, within the last twelve months or hold any financial interest in the external auditor. As at 31 March 2017, 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;

(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

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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 statement of financial position, statement of profit or loss and cash flow statement of AGT and the statement of financial position, statement of profit or loss and cash flow statement of the Trustee-Manager submitted to it by the Trustee-Manager, and thereafter to submit them to the Board;

(d) to review the allocation of profits and losses of the tokumei kumiai ("**TK**") business; namely, the management and operation of the golf course business, pursuant to the TK agreement governing the TK relationship between the investor and the business operator;

(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.

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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 during each of the meetings. During the financial year under review, the Audit and Risk Committee also held meetings with the external auditors and internal auditors without the presence of Management.

In performing its function for the financial year ended 31 March 2017, the Audit and Risk Committee:

(a) held four meetings in the period under review;

(b) met with the external and internal auditors 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) reviewed the nature of interested person transactions; and

(f) 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 total fees paid to the external auditor, Deloitte & Touche LLP, are disclosed in the table below:

External Auditor Fees for FY2016/2017	S$	% of total fees
Total Audit Fees	655,000	99
Total Non-Audit Fees	6,500	1
Total Fees Paid	661,500	100

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

Deloitte & Touche LLP, the retiring external auditor, has served as external auditor of AGT since the constitution of AGT. The Board of Directors received a letter of nomination from the Sponsor nominating PricewaterhouseCoopers LLP ("**PwC**") as external auditors of AGT in place of the retiring external auditors at the forthcoming Annual General Meeting ("**Letter of Nomination**"). The Sponsor will not be reappointing the retiring external auditors, Deloitte & Touche LLP, as the Sponsor's external auditors and will instead be appointing PwC as the Sponsor's external auditors for the financial year ending 31 March 2018. In view of the Letter of Nomination, the Audit and Risk Committee considered the request and is of the view that a change in external auditors at this point would be timely. The Audit and Risk Committee is of the view that it would be prudent to remain aligned with the Sponsor by appointing PwC as the external auditors of AGT. The Audit and Risk Committee is also of the view that a change in external auditors would enable AGT to benefit from a fresh perspective and the views of another professional

CORPORATE GOVERNANCE

firm. The Audit and Risk Committee, accordingly, recommended to the Board the appointment of PwC, in place of Deloitte & Touche LLP. The Board has accepted the Audit and Risk Committee's recommendation subject to the approval of the Unitholders at the forthcoming Annual General Meeting.

The Board has taken into account the Audit and Risk Committee's recommendation, and has considered factors such as the adequacy of the resources and experience of PwC and the persons to be assigned to the audit, PwC's audit engagements, the size and complexity of PwC and its subsidiaries, and the number and experience of PwC's supervisory and professional staff to be assigned to the audit, and is satisfied that PwC will be able to meet the audit requirements of AGT. Accordingly, the Board recommends the appointment of PwC as the external auditor of AGT in place of the retiring auditor, Deloitte & Touche LLP. The resolution will be put forth for Unitholders' approval in the coming Annual General Meeting to be held on 26 July 2017.

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.

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 internal auditor plans the internal audit schedules in consultation with, but independent of the Management. The audit plan is submitted to the Audit and Risk Committee for approval prior to the commencement of the internal audit work. The Audit and Risk Committee reviews the internal audit report and monitors the implementation of the improvements required on internal control weaknesses identified.

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.

CORPORATE GOVERNANCE

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 and subsequently on its corporate website www.accordiagolftrust.com. The corporate website also includes contact details for investor enquiries and feedback. Enquiries and feedback are answered within three business days. 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.

The Trustee-Manager has a dedicated Investor Relations Manager to facilitate all communications. Together with the Management, the Investor Relations Manager communicates with Unitholders, its stakeholders as well as analysts and brokers on a regular basis through investment conferences, non-deal roadshows, one-on-one meetings and group meetings to update AGT's strategy, performance and answer to any queries. In addition, yearly site visits are conducted for analysts to have a deeper understanding of its business.

More details on the investor relations activities can be found on pages 25 to 27 of this Annual Report.

CORPORATE GOVERNANCE

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.

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.

CORPORATE GOVERNANCE

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;

(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.

CORPORATE GOVERNANCE

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 subsidiary 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 FY16/17, other than, where applicable:

(a) as disclosed on page 332 to 353 of the Prospectus; and

(b) interested person transactions as listed in the Interested Person Transactions section of this Annual Report.

Conflicts of Interests

The Trustee-Manager has instituted the following procedures to deal with conflict of interest issues:

(a) All resolutions in writing of the Directors in relation to matters concerning AGT must be approved by a majority of the Directors, including at least one Independent Director.

CORPORATE GOVERNANCE

(b) 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.

(c) Where matters concerning AGT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of AGT with an interested person, the Board is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of AGT and its minority Unitholders, and in accordance with all applicable requirements of the 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.

(d) It should be noted that the Trustee-Manager is prohibited from carrying on any business other than the management and operation of AGT as its trustee-manager.

(e) In order to manage any potential competition and 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.

(f) For as long as Daiwa Securities Group Inc. and/or its associates is a controlling shareholder of the Trustee-Manager and should Daiwa Securities Group Inc. and/or its associates hold in aggregate 15% or more of the total voting rights of the Sponsor, Daiwa Securities Group Inc. and/or its associates shall abstain from voting on their Units in relation to transactions entered into between AGT or its subsidiary and the Sponsor group in accordance with the Listing Manual.

Interested Person Transactions

The Trustee-Manager has established an internal controls system to ensure that all interested person transactions:

(a) will be undertaken on normal commercial terms; and

(b) will not be prejudicial to the interests of AGT and its minority Unitholders.

As a general rule, the Trustee-Manager must demonstrate to its 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 maintains 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.

CORPORATE GOVERNANCE

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.

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 year ended 31 March 2017 and pursuant to Rule 907 of the Listing Manual are as follows:

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)**	**Aggregate value of all IPT conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**
			1 April 2016 to 31 March 2017 (JPY million)	**1 April 2016 to 31 March 2017 (JPY million)**
Accordia Golf Trust Management Pte Ltd	Trustee-Manager	– Trustee-Manager fee	253	NA

CORPORATE GOVERNANCE

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)	Aggregate value of all IPT conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
			1 April 2016 to 31 March 2017 (JPY million)	1 April 2016 to 31 March 2017 (JPY million)
Accordia Golf Co., Ltd.	Controlling shareholder of AGT & controlling shareholder of the Trustee-Manager	– Golf course management fee	5,915	NA
		– Payment of staff secondment fee	1,712	
		– Equipment lease fee	78	
		– Subordinated loan interest expense	15	
		– Sales commission received for new membership sign up	11	
		– Customer loyalty point awarded, net of redeemed	38	
		– Shareholders' coupon	480	
		– Collection of annual membership on behalf	64	
		– Sales for business use	19	
		– Repayment of finance lease obligations	433	
		– Interest expense on finance lease	43	

CORPORATE GOVERNANCE

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)	Aggregate value of all IPT conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
			1 April 2016 to 31 March 2017 (JPY million)	1 April 2016 to 31 March 2017 (JPY million)
Accordia Retail Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	– Pro-shop revenue – Revenue from Pro-shop management – Collection of Pro-shop business revenue on behalf	73 140 2,384	NA
Heartree Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	– Incentive received for centralised purchases	39	NA
Golf Alliance Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	– Purchases of food and supplies through centralised procurement system – Integrated purchasing system usage fee paid	5,613 18	NA
Accordia Golf Garden Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	– Lesson revenue for providing golf lesson	23	NA
Daiwa Real Estate Asset Management Co. Ltd.	Controlling shareholder of the Trustee-Manager	– Asset management fee	100	NA

CORPORATE GOVERNANCE

FEES PAYABLE TO THE TRUSTEE-MANAGER

The fees payable to the Trustee-Manager in respect of its services to AGT are calculated based on the following:

Management fees

The Trustee-Manager is entitled under the Trust Deed to receive the Trustee-Manager's fee calculated in the formula below:

- a base fee being 0.11% per annum of the value of the total assets of AGT on a consolidated basis;
- a performance fee being 0.25% per annum of the Adjusted Net Operating Income of the investments of AGT;
- an acquisition fee being 0.6% of the appraised value of any investments acquired directly or indirectly (through a special purpose vehicle or otherwise) by AGT, as determined by an independent third party appraiser appointed by the Trustee-Manager or, where the acquisition is made by a special purpose vehicle, such special purpose vehicle; and
- a divestment fee being 0.15% of the last available appraised value obtained by the Trustee-Manager or the relevant special purpose vehicle of any investments sold or divested directly or indirectly (through a special purpose vehicle or otherwise) by AGT, as determined by such an appraiser appointed by the Trustee-Manager or, where the divestment is by a special purpose vehicle, such special purpose vehicle. The Trustee-Manager may, in accordance with the Trust Deed, direct that all or a portion of any fees payable to the Trustee-Manager be paid directly to any third parties.

Fees and expenses paid to the Trustee-Manager out of Trust Property for FY16/17 are disclosed in pages 101 to 102 of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

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

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 2017 and the SICC May Day Charity 2017.

CORPORATE GOVERNANCE

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.

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 of AGT ("Unitholders") together with the audited financial statements of AGT and its subsidiary (collectively the "Group") for the financial year ended 31 March 2017.

1 DIRECTORS

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

Mr Khoo Kee Cheok
Mr Yoshihiko Machida
Mr Chong Teck Sin
Mr Hitoshi Kumagai
Mr Toshikatsu Makishima (Appointed on 27 September 2016)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS

Neither at the end of, nor at any time during the financial year ended 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 of AGT ("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 year had interests in Units, or of related corporations, either at the beginning, or at the end of the financial year.

There were no changes in any of the above mentioned interests in AGT between the end of the financial year and 21 April 2017.

4 OPTIONS

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

5 AUDIT AND RISK COMMITTEE

The members of the audit and risk committee of the Trustee-Manager (the "Audit and Risk Committee") during the financial year, at the end of the financial year 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

5 AUDIT AND RISK COMMITTEE (CONTINUED)

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 judgements to ensure the integrity of the financial statements and any formal announcements relating to financial performance;

REPORT OF THE TRUSTEE-MANAGER

5 AUDIT AND RISK COMMITTEE (CONTINUED)

(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;

(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.

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

22 June 2017

Khoo Kee Cheok
Chairman and Independent Director

22 June 2017

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 66 to 120 are drawn up so as to give a true and fair view of the financial position of the Group and of AGT as at 31 March 2017, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of AGT for the financial year ended on that date 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 the Group'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 21 July 2014 constituting AGT;

(b) the interested person transactions entered into by the Group during the year ended 31 March 2017 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 year ended 31 March 2017 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

22 June 2017

Khoo Kee Cheok
Chairman and Independent Director

22 June 2017

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 and its subsidiary or on the interests of all the Unitholders as a whole.

Yoshihiko Machida
Chief Executive Officer and Executive Director

22 June 2017

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Accordia Golf Trust ("AGT or the Trust") and its subsidiary (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 March 2017, 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 the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 66 to 120.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Trust are properly drawn up in accordance with the provisions of the Singapore Business Trusts Act, Chapter 31A ("the Act"), and the International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the financial position of the Group and the Trust as at 31 March 2017, and of the consolidated financial performance, changes in equity and cash flows of the Group and the changes in equity of the Trust for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

<table>
<tr><th>Key Audit Matters</th><th>How the Scope of Our Audit Responded to the Key Audit Matters</th></tr>
<tr><td>
Revenue Recognition (Note 20)

The ISAs presume there is a risk of fraud in revenue recognition. The revenue recognition policy is set out in Note 2 (p) to the consolidated financial statements.

The Group's revenue consists primarily of golf course revenue and restaurant revenue.

Revenue recognition is a significant risk to our audit due to:

• The quantitative significance, where the total revenue earned during the financial year is material to the financial statements; and

• The larger number of golf course visitors (including members and non-members), each with different services, as well as the complexity of the operating and accounting systems and processes in place for collating visitors data, billing, cash/credit card collection and reconciliation.

Both of these increase the risk of material misstatement mainly in the areas of:

(i) Risk that revenues recorded did not occur; and

(ii) Risk that revenues have been recorded in the incorrect accounting period.
</td><td>
We evaluated management's revenue recognition policies against relevant accounting standards and guidance, and tested the implementation of the policy.

• We tested the design and implementation of key controls over the revenue recognition process (including cash management process), which relies heavily on the operating system used at each of the golf courses for visitors check-in, check-out, billing and operational data management, reconciliation as well as the interface between this operating system and the accounting system;

• We tested the general Information Technology ("IT") controls surrounding the Group's operating system, assisted by our IT specialists, including those over processing of financial information within the Group's computer environment;

• With the assistance by our IT specialists, we tested the operating effectiveness of controls over the automated process relating to golf course and restaurant revenue and also tested the completeness and accuracy of the number of visitors, which is information produced by the operating system;

• We performed substantive analytical procedures over golf course revenue and restaurant revenue streams by developing expectations of recorded revenue based on prior period sales per visitor and the number of visitors in the current year;

We have also assessed the adequacy and appropriateness of the disclosures made in the Group's consolidated financial statements.
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</table>

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

Key Audit Matters	How the Scope of Our Audit Responded to the Key Audit Matters
Impairment of Property, Plant and Equipment (Note 10) The accounting policy for impairment of property, plant and equipment is set out in Note 2 (n) to the consolidated financial statements. The Group's property, plant and equipment mainly comprise golf courses. Management assessed the current year financial performance of each golf course and also obtained valuation reports of 89 golf courses as at 31 December 2016 from independent valuers. The valuation method used by the independent valuers for the valuation of 89 golf courses is based on the Discounted Cash Flow Method ("DCF"), based on the present value of cash flows that the golf courses can be expected to generate in the future. The assessment of impairment of golf courses is significant to our audit due to: • The carrying amounts of property, plant and equipment that contribute significantly to the Group's total assets; and • The amount of judgement and estimates involved, where the DCF incorporates a number of significant assumptions, in particular, the future cash flows generated from the golf courses business, which is affected by the expected future market or economic conditions in Japan.	Our audit procedures, which included among others: • Testing the design and implementation of key controls surrounding the Group's impairment assessment process; • Assessing the independent valuer's competence and capabilities and read their terms of engagement with the Group, for indicators that may affect their independence and objectivity or imposed scope limitations upon them. • Discussing with the independent valuer to understand the assumptions and valuation techniques used in valuing the golf courses and the market evidence used by the valuer to support their assumptions. • Challenging the assumptions used in the DCF, evaluated recent performance and carried out a trend analysis; • We used our valuation specialists, who: (i) evaluated the methodology and key assumptions driving the analysis, in particular those relating to forecasted revenue growth, capital expenditure and EBITDA margin, comparing these against those achieved historically; (ii) independently developed expectations of key assumptions such as discount rate and terminal value, comparing the independent expectations to those used by the independent valuer; and (iii) performed the sensitivity analysis by applying a range of discount rates to obtain a range of recoverable amounts for the golf courses.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

Key Audit Matters	How the Scope of Our Audit Responded to the Key Audit Matters
	Based on our procedures, we noted that the key assumptions used in the DCF and the impairment allowance made as at year end were within a reasonable range of our expectations. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Accordia Golf Trust Management Pte. Ltd. (the "Trustee-Manager") is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee-Manager and Directors of the Trustee-Manager (the Directors) for the Financial Statements

The Trustee-Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, the Trustee-Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager.

- Conclude on the appropriateness of the Trustee-Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have bearing on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 the Trust, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Tay Hwee Ling.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

22 June 2017

STATEMENTS OF FINANCIAL POSITION

31 March 2017

		Group		AGT	
	Note	2017 JPY millions	2016 JPY millions	2017 JPY millions	2016 JPY millions
Current assets					
Cash and bank balances	6	**10,252**	11,238	**58**	574
Trade and other receivables	7	**2,407**	2,391	**4,482**	4,545
Inventories		**256**	245	**–**	–
Derivative financial instruments	17	**–**	16	**–**	16
Other assets	8	**1,206**	1,202	**1**	2
		14,121	15,092	**4,541**	5,137
Non-current assets					
Investment in subsidiary	9	**–**	–	**75,447**	76,200
Property, plant and equipment	10	**146,536**	148,670	**–**	–
Intangible assets	11	**17,131**	17,136	**–**	–
Other assets	8	**584**	722	**–**	–
		164,251	166,528	**75,447**	76,200
Total assets		**178,372**	181,620	**79,988**	81,337
Current liabilities					
Borrowings from financial institutions	12	**14,830**	443	**–**	–
Finance lease payables	13	**659**	592	**–**	–
Trade and other payables	14	**5,621**	5,099	**166**	167
Membership deposits	15	**11,215**	10,142	**–**	–
Income taxes payable		**915**	928	**915**	928
Derivative financial instruments	17	**12**	–	**–**	–
Other liabilities	16	**4,350**	4,630	**–**	–
		37,602	21,834	**1,081**	1,095
Non-current liabilities					
Borrowings from financial institutions	12	**28,299**	42,500	**–**	–
Finance lease payables	13	**2,219**	1,946	**–**	–
Borrowing from a related party	5(ii)	**500**	500	**–**	–
Membership deposits	15	**821**	3,570	**–**	–
Deferred tax liabilities	23(c)	**28,068**	28,711	**–**	–
Derivative financial instruments	17	**189**	398	**–**	–
Other liabilities	16	**78**	44	**–**	–
		60,174	77,669	**–**	–
Total liabilities		**97,776**	99,503	**1,081**	1,095
Net assets		**80,596**	82,117	**78,907**	80,242
Equity					
Unitholders' funds	18	**81,086**	81,086	**81,486**	81,486
Cash flow hedging reserve		**(201)**	(398)	**–**	–
Accumulated (losses) profits		**(605)**	1,226	**(2,579)**	(1,244)
Equity attributable to Unitholders		**80,280**	81,914	**78,907**	80,242
Non-controlling interest	19	**316**	203	**–**	–
Total equity		**80,596**	82,117	**78,907**	80,242

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial year ended 31 March 2017

		Group	
	Note	2017 JPY millions	2016 JPY millions
Revenue	20	**51,533**	52,537
Other operating income		**386**	638
Operating income		**51,919**	53,175
Labour and outsourcing expense		**(16,373)**	(16,325)
Merchandise and material expense		**(3,704)**	(3,745)
Golf course management fee		**(5,915)**	(6,048)
Golf course maintenance and repair cost		**(2,497)**	(2,570)
Asset manager's fee		**(100)**	(99)
Trustee-Manager's fee		**(253)**	(264)
Depreciation and amortisation expense		**(3,259)**	(3,415)
Operating lease expense	28	**(2,022)**	(2,054)
Utility expense		**(2,118)**	(2,315)
Selling, general and administrative expense	21	**(5,219)**	(4,914)
Other operating expenses		**(3,887)**	(2,598)
Operating expense		**(45,347)**	(44,347)
Operating profit		**6,572**	8,828
Interest expense and other finance costs	22	**(1,658)**	(1,687)
Profit before income tax		**4,914**	7,141
Income tax expense	23(a)(b)	**(801)**	(479)
Profit for the year	24	**4,113**	6,662
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Unrealised gain/(loss) on change in fair value of cash flow hedging financial instruments	17	**197**	(115)
Other comprehensive income for the year, net of tax		**197**	(115)
Total comprehensive income for the year		**4,310**	6,547
Profit for the year attributable to			
Unitholders		**4,000**	6,517
Non-controlling interest		**113**	145
		4,113	6,662
Total comprehensive income for the year attributable to			
Unitholders		**4,197**	6,402
Non-controlling interest		**113**	145
		4,310	6,547
Earnings per unit attributable to Unitholders (JPY)	25	**3.64**	5.93

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended 31 March 2017

	Unitholders' funds JPY millions	Cash flow hedging reserve JPY millions	Accumulated profits (losses) JPY millions	Attributable to Unitholders JPY millions	Non-controlling interest JPY millions	Total equity JPY millions
Group						
Balance as at 1 April 2016	81,086	(398)	1,226	81,914	203	82,117
Total comprehensive income for the year:	–	–	4,000	4,000	113	4,113
Profit for the year						
Other comprehensive income for the year (Note 17)	–	197	–	197	–	197
Total	–	197	4,000	4,197	113	4,310
Transaction with Unitholders, recognised directly in equity:						
Distribution paid (Note 29)	–	–	(5,831)	(5,831)	–	(5,831)
Total	–	–	(5,831)	(5,831)	–	(5,831)
Balance as at 31 March 2017	**81,086**	**(201)**	**(605)**	**80,280**	**316**	**80,596**
Balance as at 1 April 2015	81,086	(283)	2,590	83,393	58	83,451
Total comprehensive income for the year:						
Profit for the year	–	–	6,517	6,517	145	6,662
Other comprehensive income for the year (Note 17)	–	(115)	–	(115)	–	(115)
Total	–	(115)	6,517	6,402	145	6,547
Transaction with Unitholders, recognised directly in equity:						
Distribution paid (Note 29)	–	–	(7,881)	(7,881)	–	(7,881)
Total	–	–	(7,881)	(7,881)	–	(7,881)
Balance as at 31 March 2016	81,086	(398)	1,226	81,914	203	82,117

STATEMENTS OF CHANGES IN EQUITY

Financial year ended 31 March 2017

	Unitholders' funds JPY millions	Accumulated losses JPY millions	Total equity JPY millions
AGT			
Balance as at 1 April 2016	81,486	(1,244)	80,242
Total comprehensive income for the year:			
Profit after income tax	–	4,496	4,496
Total	–	4,496	4,496
Transaction with Unitholders, recognised directly in equity:			
Distribution paid (Note 29)	–	(5,831)	(5,831)
Total	–	(5,831)	(5,831)
Balance as at 31 March 2017	**81,486**	**(2,579)**	**78,907**
Balance as at 1 April 2015	81,486	668	82,154
Total comprehensive income for the year:			
Profit after income tax	–	5,969	5,969
Total	–	5,969	5,969
Transaction with Unitholders, recognised directly in equity:			
Distribution paid (Note 29)	–	(7,881)	(7,881)
Total	–	(7,881)	(7,881)
Balance as at 31 March 2016	81,486	(1,244)	80,242

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended 31 March 2017

	Group	
	2017 **JPY millions**	**2016** **JPY millions**
Operating activities		
Profit for the year	**4,113**	6,662
Adjustments for:		
Depreciation and amortisation expense	**3,259**	3,415
Impairment loss	**1,499**	184
Interest expense and other finance costs	**1,658**	1,687
Interest income	**(2)**	–
Income tax expense	**801**	479
Loss on disposal of property, plant and equipment	**15**	4
Allowance for doubtful trade receivables	**141**	62
Gain on forfeiture of membership deposits	**(23)**	(29)
Operating cash flow before movements in working capital	**11,461**	12,464
Changes in working capital:		
Trade receivables and others	**(163)**	179
Inventories	**(11)**	2
Trade payables and others	**(289)**	(79)
Cash generated from operations	**10,998**	12,566
Interest received	**2**	–
Interest and other finance costs paid	**(953)**	(989)
Income tax paid	**(1,457)**	(1,241)
Net cash flows from operating activities	**8,590**	10,336

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended 31 March 2017

	Group	
	2017 JPY millions	**2016 JPY millions**
Investing activities		
Acquisition of property, plant and equipment (Note A)	**(1,660)**	(1,546)
Proceeds from disposal of property, plant and equipment (Note B)	**2**	4
Acquisition of intangible assets	**(1)**	(25)
Net cash flows used in investing activities	**(1,659)**	(1,567)
Financing activities		
Repayment of borrowings from financial institutions	**(450)**	(450)
Repayment of membership deposits (Note C)	**(1,003)**	(932)
Repayment of finance lease obligation	**(632)**	(558)
Decrease (Increase) in pledged deposit	**438**	(438)
Distribution to unitholders	**(5,831)**	(7,881)
Net cash flows used in financing activities	**(7,478)**	(10,259)
Net decrease in cash and cash equivalents	**(547)**	(1,490)
Balance of cash and cash equivalents at the beginning of the financial year	**10,751**	12,268
Effect of exchange rate changes on the balance of cash held in foreign currency	**(1)**	(27)
Balance of cash and cash equivalents at the end of the financial year (Note 6)	**10,203**	10,751

Note A:

During the current financial year, the Group acquired property, plant and equipment with an aggregate cost of approximately JPY2,638 million (2016: JPY2,474 million), of which JPY982 million (2016: JPY862 million) was acquired under finance lease arrangement and JPY209 million (2016: JPY213 million) remains unpaid as at year end. The outstanding amount as at 31 March 2016 of JPY213 million (2015: JPY147 million) has been paid during the current financial year.

Note B:

During the current financial year, the Group disposed property, plant and equipment to a related party with sales proceeds of JPY12 million (2016: JPY38 million), of which JPY10 million (2016: JPY34 million) was offset against finance lease obligation to a related party.

Note C:

During the current financial year, recorded in the movement of working capital comprise of an increase in members with outstanding annual membership dues, recorded in trade receivables and others, of JPY154 million (2016: JPY212 million) and a decrease in members whose membership term have ended, recorded in trade payables and others, of JPY558 million (2016: increase of JPY26 million).

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

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 19) 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 year ended 31 March 2017 were authorised for issue by the Board of Directors of the Trustee-Manager (the "Board") on 22 June 2017.

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 March 2017

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.

The Group is in a net current liability position of JPY 23,481 million as at 31 March 2017, as further explained in Note 4(b)(iii), and has JPY 14,625 million of borrowings from financial institutions maturing on 1 August 2017. Notwithstanding this, the accompanying financial statements for the year ended 31 March 2017 have been prepared using the going concern assumption as financial institutions have shown intention to refinance the upcoming borrowings. The Trustee-Manager is confident that the Group will be able to refinance the borrowings when due. Accordingly, the appropriateness of the use of the going concern assumption is dependent on the continued support from financial institutions and the Sponsor in relation to the credit facilities made available to the Group.

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 which 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*.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

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.

(c) Adoption of new and revised standards

On 1 April 2016, the Group has adopted all the new and revised IFRSs that are effective from that date and are relevant to its operations. The adoption of these new/revised IFRSs does not result in changes to the Group's and AGT's accounting policies and has no material effect on the amounts reported for the current or prior periods.

At the date of authorisation of these financial statements, the following standards and interpretations that are relevant to the Group and AGT were issued but not yet effective:

IFRS 9	Financial Instruments[2]
IFRS 15	Revenue from Contracts with Customers[2]
IFRS 16	Leases[3]
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts with Customers[2]
Amendments to IAS 7	Disclosure Initiative[1]
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]

1 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

3 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted for entities that have also adopted IFRS 15 Revenue from contracts with customers.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Adoption of new and revised standards (continued)

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 9 *Financial Instruments*

IFRS 9 was issued in July 2014 to replace IAS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IFRS 9 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt instruments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, IFRS 9 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Adoption of new and revised standards (continued)

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Management anticipates that the initial application of the new IFRS 9 may result in material changes to the accounting policies relating to financial instruments. Additional disclosures may be made with respect of trade and other receivables and derivative financial instruments, including any significant judgement and estimation made. Management has commenced an assessment of the possible impact of implementing IFRS 9. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new IFRS 9.

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. Further amendments to IFRS 15 were also issued in April 2016.

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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Adoption of new and revised standards (continued)

Management anticipates that the initial application of the new IFRS 15 will not result in material changes to the accounting policies relating to revenue recognition. However, additional disclosures may be made with respect of revenue and deferred revenue, including information about contracts with customers, contract balances and performance obligation. Management has commenced an assessment of the possible impact of implementing IFRS 15. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. The management does not plan to early adopt the new IFRS 15.

IFRS 16 *Leases*

IFRS 16 was issued in January 2016 and it will supersede IAS 17 Leases and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor IAS 17.

Management anticipates that the initial application of the new IFRS 16 may result in changes to the Group's lessee accounting policies. A lease asset will be recognised on the statement of financial position, representing the Group's right to use the leased asset over the lease term and recognising corresponding liability to make lease payments. Additional disclosures may be made with respect of operating leases. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as management has yet to complete its detailed assessment. Management does not plan to early adopt the new IFRS 16.

(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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Basis of consolidation (continued)

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 the consolidated statement of profit or loss and other 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 the subsidiary to bring their accounting policies in line 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 FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Basis of consolidation (continued)

<u>Changes in the Group's ownership interests in existing subsidiary</u>

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 the aggregate 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.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the IFRS are recognised at their fair value at the acquisition date, 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 transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in IFRS 2 Share-based Payment at the acquisition date; and

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Business combinations (continued)

- 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.

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.

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Business combinations (continued)

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.

(f) Financial instruments recognition, measurement and derecognition

Financial assets and financial liabilities are recognised on the statement of financial position when the Group 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.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

<u>Loans and receivables</u>

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method less impairment. Interest income is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments recognition, measurement and derecognition (continued)

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.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition assessed for impairment on a collective basis. 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 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 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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments recognition, measurement and derecognition (continued)

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.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including finance lease payables, trade and other payables and membership deposits) are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including interest rate swaps. Further details of derivative financial instruments are disclosed in Note 17 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(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 that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 17 contains 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. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other gains and losses.

Amounts recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the statement of profit or loss and other comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Hedge accounting (continued)

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and when the forecast transaction is ultimately recognised in profit or loss, such gains and losses are recognised in profit or loss, or transferred from equity and included in the initial measurement of the cost of the asset or liability as described above. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was accumulated in equity is recognised immediately in profit or loss.

(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 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 charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to 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.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease, unless 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.

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 are stated at the lower of cost and net realisable value. Cost comprises restaurant supplies. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 charged 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, on the following bases:

–	Building and structures	1 to 56 years
–	Machinery, vehicles and fixtures	1 to 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 estimated useful lives, residual values and depreciation method are reviewed at each financial year-end, with the effect of any changes in estimated accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(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.

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Impairment of tangible and intangible assets other than goodwill (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(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 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 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 fees. Annual membership fees are 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.

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 charged as an expense when employees have rendered the services entitling them to the contributions.

(s) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

(t) Taxation

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

<u>Current tax</u>

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

<u>Deferred tax</u>

Deferred tax is recognised on the 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on 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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Taxation (continued)

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 is calculated 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

(u) Foreign currency transactions and translation

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment that the entity operates in (its 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 entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on 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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Foreign currency transactions and translation (continued)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

(v) 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.

(w) 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.

(x) 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.

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

AGT's distribution policy is to distribute at least 90.0% of AGT's distributable income, with the actual level of distribution to be determined at the Trustee-Manager Board's discretion, having regard to funding requirements, other capital management considerations and ensuring the overall stability of distributions.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's policies, 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.

Critical judgements in applying the Group's accounting policies

The following are the critical judgments and key sources of estimation uncertainty that the Trustee-Manager has made in the process of applying the Group accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Depreciation and impairment of property, plant and equipment (Note 10)

As at 31 March 2017, the carrying value of property, plant and equipment are JPY146,536 million (2016: JPY148,670 million), as disclosed in Note 10 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 28, 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.

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.

For the current year, the Group recorded an impairment loss of property, plant and equipment amounting to JPY1,499 million (2016: JPY184 million) for those loss-making golf courses. Management is of the view the impairment loss made is reasonable and adequate.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(b) Impairment of goodwill (Note 11)

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 value 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. Accordingly, the Trustee-Manager is of the view that there is no impairment of goodwill as at year end.

(c) Income tax (Note 23)

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 recognises 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 2017 is adequate.

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 March 2017

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		AGT	
	2017 JPY millions	**2016 JPY millions**	**2017 JPY millions**	**2016 JPY millions**
Financial assets				
Loans and receivables:				
Cash and bank balances	**10,252**	11,238	**58**	574
Trade and other receivables	**2,407**	2,391	**4,482**	4,545
Other financial assets	**71**	69	**–**	–
Total non-derivative financial assets	**12,730**	13,698	**4,540**	5,119
Derivative financial instruments not designated in hedge accounting relationships	**–**	16	**–**	16
	12,730	13,714	**4,540**	5,135
Financial liabilities				
Amortised cost:				
Borrowings from financial institutions	**43,129**	42,943	**–**	–
Membership deposits	**12,036**	13,712	**–**	–
Trade and other payables	**4,294**	3,758	**166**	167
Finance lease payables	**2,878**	2,538	**–**	–
Borrowings from a related party	**500**	500	**–**	–
Other financial liabilities	**521**	536	**–**	–
Total non-derivative financial liabilities	**63,358**	63,987	**166**	167
Derivative financial instruments in designated hedge accounting relationships	**201**	398	**–**	–
	63,559	64,385	**166**	167

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

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

(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.

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 (SGD). This exposes AGT to foreign currency risk. Where appropriate, based on the prevailing market conditions, the Group enters short term foreign exchange forward contracts to minimise any foreign exchange risk during the current financial year.

Further details of the foreign exchange forward contracts are found in Note 17 to the financial statements.

(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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

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

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

(ii) Credit risk (continued)

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 2017 is JPY480 million (2016: JPY502 million).

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

	Group	
	2017 **JPY millions**	**2016** **JPY millions**
Trade receivables past due not impaired		
Less than 3 months	**1,422**	1,446
Between 3 to 6 months	**985**	945
	2,407	2,391

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.

(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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

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

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

(iii) Liquidity risk (continued)

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						
2017						
Floating rate – borrowings from financial institutions	**3.08%**	**15,516**	**29,398**	**–**	**(1,785)**	**43,129**
Fixed rate – borrowing from a related party	**3.00%**	**15**	**60**	**719**	**(294)**	**500**
Finance lease payables	**3.13%**	**724**	**1,895**	**441**	**(182)**	**2,878**
Trade and other payables	**–**	**4,294**	**–**	**–**	**–**	**4,294**
Membership deposits	**0.48%**	**11,238**	**823**	**–**	**(25)**	**12,036**
Other liabilities	**–**	**516**	**–**	**5**	**–**	**521**
Total		**32,303**	**32,176**	**1,165**	**(2,286)**	**63,358**
Group						
2016						
Floating rate – borrowings from financial institutions	3.17%	1,185	44,916	–	(3,158)	42,943
Fixed rate – borrowing from a related party	3.00%	15	60	719	(294)	500
Finance lease payables	3.22%	655	1,665	382	(164)	2,538
Trade and other payables	–	3,758	–	–	–	3,758
Membership deposits	0.56%	10,275	3,613	–	(176)	13,712
Other liabilities	–	531	–	5	–	536
Total		16,419	50,254	1,106	(3,792)	63,987

All financial liabilities of AGT as at 31 March 2017 and 2016 are on demand or due within one year.

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 March 2017

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

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

(iii) Liquidity risk (continued)

Non-derivative financial assets

Substantially all non-derivative financial assets of the Group and of AGT as at 31 March 2017 and 2016 are on demand or due within one year.

	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
Derivative financial liabilities					
Group					
2017					
Net settled:					
Interest Rate Swap	**12**	**189**	**–**	**–**	**201**
Group					
2016					
Net settled:					
Interest Rate Swap	–	398	–	–	398
Derivative financial assets					
Group and AGT					
2016					
Gross settled:					
Foreign exchange currency contract					
Gross inflow	999	–	–	–	999
Gross outflow	(983)	–	–	–	(983)
	16	–	–	–	16

As at 31 March 2017, the Group had negative working capital of JPY23,481 million (2016: JPY6,742 million). This included:

(i) JPY2,769 million (2016: JPY2,992 million) of unearned membership revenue, which represents collections received from customers and do not require any future cash outflow from the Group;

(ii) a current portion of membership deposits of JPY11,215 million (2016: JPY10,142 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; and

(iii) a current portion of borrowings from financial institutions of JPY14,830 million (2016: JPY443 million) is due on August 2017.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

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

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

(iii) Liquidity risk (continued)

The Trustee-Manager has carefully monitored and managed its cash flow. Management and operation reports are prepared and reviewed on a monthly basis. Cash flow forecasts are prepared on a monthly basis to project cash flow requirements of the Group using the various general and operational assumptions which takes into account, (i) reasonably possible changes in business performance, and (ii) the on-going discussion held between management and financial institutions on the refinancing arrangement. The available refinancing plan from the financial institutions do not represent a firm or committed offer. However, the financial institutions have shown intention to refinance upcoming borrowing. The Group has a proven track record to generate positive operating cash flows, comply with the requirements and covenants as stipulated in the loan facility agreement and its golf courses are available to be pledged as security for new financing, as such, the Trustee Manager is confident it can refinance the borrowings when due.

After considering the above factors and the upcoming refinancing of current bank borrowings, the Group will 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, including its proposed upcoming distribution of JPY3,155 million to unitholders.

(iv) Interest rate risk

The Group's interest rate risk arises from borrowings from financial institutions. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. 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 17.

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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

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

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

(v) Fair value of financial assets and financial liabilities

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 values.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of derivative financial instruments are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at				
Financial assets/ liabilities	**2017 JPY million**	**2016 JPY million**	**Fair value hierarchy**	**Valuation technique(s); and key input(s)**	**Significant unobservable input(s)**
Foreign exchange forward currency contracts	–	**Assets:** Current – 16 **(not designated in hedge accounting relationships)**	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A
Interest Rate Swaps	**Liabilities:** Current – 12 Non-current – 189 **(designated for hedging)**	**Liabilities:** Non-current – 398 **(designated for hedging)**	Level 2	Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.	N/A

There were no transfers between levels of the fair value hierarchy in the current reporting period.

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's overall strategy remains unchanged from 2016.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

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

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

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

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 year ended 31 March 2017 and 2016.

The debt-to-equity ratio is as follows:

	Group	
	2017 JPY millions	**2016 JPY millions**
Total debt	**58,543**	59,693
Cash and bank balances	**(10,252)**	(11,238)
Net debt	**48,291**	48,455
Total equity	**80,596**	82,117
Debt-to-equity ratio	**0.73**	0.73
Net debt-to-equity ratio	**0.60**	0.59

5 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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

5 RELATED PARTY TRANSACTIONS (CONTINUED)

(i) The Trustee-Manager (continued)

The Trustee-Manager is entitled to a base fee and a performance fee as specified under the Trust Deed. The base fee and performance fee are payable to the Trustee-Manager in the form of cash and/or units (as the Trustee-Manager may elect).

The following significant transactions occurred between AGT and the Trustee-Manager, which includes the cost of key management personnel, during the reporting period:

	Group	
	2017 JPY millions	**2016 JPY millions**
Trustee-Manager fees	**253**	264
Expense reimbursement	**8**	8

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

The following significant transactions occurred between the Group and the Sponsor group during the reporting period:

	Group	
	2017 JPY millions	**2016 JPY millions**
Accordia Golf Co. Ltd. (the "Sponsor")		
Golf course management fees[1]	**5,915**	6,048
Staff secondment fees	**1,712**	1,603
Operating lease expenses (Note 28)	**78**	98
Payment on behalf of the Group:		
– Web sales commission	**1,210**	1,122
– Publication fees	**70**	87
– Headquarter expenses	**315**	224
Interest expense on subordinated loan[2] (Note 22)	**15**	15
Repayment of finance lease obligations (inclusive of GST)	**433**	497
Interest expense on finance leases (Note 22)	**43**	62
Collection on behalf of the Group:		
– Annual membership fee	**(64)**	(200)
– Play fee	**(19)**	(20)
Reimbursement of shareholders' coupon consumed[3]	**(480)**	(440)
Customer loyalty points (redeemed) awarded, net of (awarded) redeemed[4]	**(38)**	199
Sales commission income for new membership sign up	**(11)**	(17)

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

5 RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Group	
	2017 JPY millions	**2016 JPY millions**
Accordia Retail Co. Ltd.		
Collection of pro-shop business revenue on behalf by the Group	**2,384**	2,489
Payment of using pro-shop merchandise for recruitment and corporate activities	**140**	138
Commission fee income from Pro-Shop Business[5]	**(73)**	(74)
Golf Alliance Co. Ltd.		
Purchases of food and supply through centralised procurement system at no mark-up[6]	**5,613**	5,713
Payment for operating expenses [7]	**148**	52
Integrated procurement system usage fee[6]	**18**	18
Heartree Co. Ltd.		
Purchase of restaurant kitchen equipment	**(7)**	–
Discounts received for centralised purchases	**(39)**	(68)
Accordia Golf Garden Co. Ltd.		
Recharge of golf lesson fees	**(23)**	(22)

1 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 JPY500 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 year, there is a net receipt from (2016: net payment to) the Sponsor due to lesser (2016: more) customers loyalty points awarded than redeemed.

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 Retail Co. Ltd.
Accordia 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.

7 Golf Alliance Co. Ltd made payment on behalf for expenses such as uniform renewal cost, membership booklet and other miscellaneous costs.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

5 RELATED PARTY TRANSACTIONS (CONTINUED)

(iii) Daiwa Real Estate Asset Management Co. Ltd. And its related companies (the "TM Partner group")

The following significant transactions occurred between the Group and the TM Partner group during the reporting period:

	Group	
	2017 JPY millions	**2016 JPY millions**
Daiwa Real Estate Asset Management Co. Ltd. (the "TM Partner")		
Asset management fees[8]	**100**	99

8 Pursuant to the Asset Management Agreement, the asset manager is entitled to a base fee and the fee is paid in cash by the Sponsor on behalf of SPC.

6 CASH AND BANK BALANCES

	Group		AGT	
	2017 JPY millions	**2016 JPY millions**	**2017 JPY millions**	**2016 JPY millions**
Cash on hand	**514**	543	**–**	–
Cash at bank	**9,689**	10,208	**58**	136
Cash and cash equivalents	**10,203**	10,751	**58**	136
Fixed deposits	**49**	487	**–**	438
Total	**10,252**	11,238	**58**	574

As at 31 March 2017, fixed deposits of JPY49 million (2016: JPY487 million) includes (i) fixed deposit of JPY49 million (2016: JPY49 million), which is not classified as "cash and cash equivalents" as the maturity date of the fixed deposits is more than three months, and (ii) fixed deposit of JPY Nil (2016: JPY438 million), which is pledged with a financial institution for foreign exchange forward contract entered by AGT (Note 17).

The Group has pledged all cash balances held as bank deposits by the SPC to secure borrowings from financial institutions (Note 12). 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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

7 TRADE AND OTHER RECEIVABLES

	Group		AGT	
	2017 JPY millions	**2016 JPY millions**	**2017 JPY millions**	**2016 JPY millions**
Trade receivables				
Trade receivables	**2,887**	2,893	**–**	–
Less: Allowance for doubtful debts	**(480)**	(502)	**–**	–
	2,407	2,391	**–**	–
Other receivable				
Distribution receivable from subsidiary	**–**	–	**4,482**	4,545
Total trade and other Receivables	**2,407**	2,391	**4,482**	4,545

Movement in the allowance for doubtful debts

	Group	
	2017 JPY millions	**2016 JPY millions**
Balance at the beginning of the year	**502**	598
Increase in allowance recognised in profit or loss	**141**	62
Amounts written off during the year	**(163)**	(158)
Balance at the end of the year	**480**	502

8 OTHER ASSETS

	Group		AGT	
	2017 JPY millions	**2016 JPY millions**	**2017 JPY millions**	**2016 JPY millions**
Other current assets				
Prepaid expenses	**1,204**	1,200	**1**	2
Other current assets	**2**	2	**–**	–
	1,206	1,202	**1**	2
Other non-current assets				
Deposits paid to landlord	**308**	308	**–**	–
Long-term prepaid expenses	**207**	347	**–**	–
Deposits for golf memberships	**65**	65	**–**	–
Other non-current assets	**4**	2	**–**	–
	584	722	**–**	–

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

9 INVESTMENT IN SUBSIDIARY

	AGT	
	2017	**2016**
	JPY millions	**JPY millions**
Balance as at the beginning of the year	**76,200**	76,200
Return on investment	**(753)**	–
Balance as at the end of the year	**75,447**	76,200

Details of the subsidiary of the Group as at 31 March 2017 are as follows:

Name of subsidiary	Principal activities	Country of incorporation and operation	Proportion of TK Interest	
			2017	**2016**
			%	**%**
Accordia Golf Asset Godo Kaisha (SPC)[1,2]	Special purpose entity – Investment in golf course assets	Japan	98.99	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 Deloitte & Touche Tohmatsu LLC for consolidated purposes only.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

10 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						
At 1 April 2015	19,681	102,452	25,423	4,652	24	152,232
Additions	12	34	900	1,270	258	2,474
Transfers	–	–	128	–	(128)	–
Disposals	–	(6)	(3)	(182)	–	(191)
At 31 March 2016	19,693	102,480	26,448	5,740	154	154,515
Additions	–	78	945	1,339	276	2,638
Transfers	–	–	397	–	(397)	–
Disposals	–	(17)	(31)	(169)	–	(217)
At 31 March 2017	**19,693**	**102,541**	**27,759**	**6,910**	**33**	**156,936**
Accumulated depreciation						
At 1 April 2015	–	–	1,654	752	–	2,406
Depreciation during the year	–	–	2,335	1,069	–	3,404
Disposals	–	–	–	(149)	–	(149)
At 31 March 2016	–	–	3,989	1,672	–	5,661
Depreciation during the year	–	–	2,134	1,112	–	3,246
Disposals	–	–	(31)	(159)	–	(190)
At 31 March 2017	**–**	**–**	**6,092**	**2,625**	**–**	**8,717**
Accumulated impairment						
Impairment loss recognised in the year and as at 31 March 2016	7	136	30	11	–	184
Impairment loss recognised in the year	73	983	364	79	–	1,499
As at 31 March 2017	**80**	**1,119**	**394**	**90**	**–**	**1,683**
Carrying value						
At 31 March 2017	**19,613**	**101,422**	**21,273**	**4,195**	**33**	**146,536**
At 31 March 2016	19,686	102,344	22,429	4,057	154	148,670

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the year, the Group carried out a review of the recoverable amount of property, plant and equipment, having considered the financial performance of the golf courses. The review led to the recognition of an impairment loss of JPY1,499 million (2016: JPY184 million), which has been included in other operating expenses. The recoverable amount of property, plant and equipment has been estimated on the basis of their value in use (2016: value in use). The discount rate used in measuring value in use was between 7.0 to 11.8% (2016: 7.0 to 11.8%).

As at 31 March 2017, the Group has pledged certain freehold land, golf courses and buildings with total carrying amounts of approximately JPY132,630 million (2016: JPY134,169 million), to secure the borrowings granted to the Group (Note 12).

The carrying amounts of property, plant and equipment held by the Group under finance lease arrangements (Note 13) are JPY2,662 million (2016: JPY2,364 million) as at 31 March 2017.

11 INTANGIBLE ASSETS

Group	Goodwill JPY millions	Software JPY millions	Others JPY millions	Total JPY millions
Cost				
At 1 April 2015	17,079	7	32	17,118
Additions	–	25	–	25
At 31 March 2016	17,079	32	32	17,143
Additions	–	1	–	1
At 31 March 2017	**17,079**	**33**	**32**	**17,144**
Accumulated amortisation				
At 1 April 2015	–	3	–	3
Amortisation during the year	–	4	–	4
At 31 March 2016	–	7	–	7
Amortisation during the year	–	6	–	6
At 31 March 2017	**–**	**13**	**–**	**13**
Carrying amount				
At 31 March 2017	**17,079**	**20**	**32**	**17,131**
At 31 March 2016	17,079	25	32	17,136

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 FINANCIAL STATEMENTS

For the year ended 31 March 2017

11 INTANGIBLE ASSETS (CONTINUED)

Impairment test for goodwill

The above goodwill balance resulted 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.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGU are determined from value in use calculations. The key assumptions for the value in use 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 (2016: 3 years) and derives the terminal value assuming no long term growth (2016: no long term growth). The rate used to discount the forecast cash flows from the CGU was 4.4% (2016: 5.6%).

As at 31 March 2017, any reasonably possible change to the key assumptions applied are not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

12 BORROWINGS FROM FINANCIAL INSTITUTIONS

	Group	
	2017 JPY millions	**2016 JPY millions**
Current portion	**14,925**	450
Less: Unamortised loan facility fee	**(95)**	(7)
	14,830	443
Non-current portion	**28,950**	43,875
Less: Unamortised loan facility fee	**(651)**	(1,375)
	28,299	42,500
Total	**43,129**	42,943

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

12 BORROWINGS FROM FINANCIAL INSTITUTIONS (CONTINUED)

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

	Group	
	2017 **JPY millions**	**2016** **JPY millions**
Outstanding principal amount:		
Term Loan A	**14,625**	14,775
Term Loan B	**14,625**	14,775
Term Loan C	**14,625**	14,775
	43,875	44,325

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 JPY75 million and by a balloon repayment of JPY14,625 million 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 JPY75 million and by a balloon repayment of JPY14,475 million 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 JPY75 million and by a balloon repayment of JPY14,325 million at maturity in August 2019.

As disclosed in Note 17, the Group uses interest rate swaps to swap a portion of its borrowings from floating rates to fixed rates. As at 31 March 2017, the notional amount swapped was JPY34,125 million (2016: JPY34,475 million). The Group's average effective interest rate is 3.08% (2016: 3.17%) per annum.

The borrowings are secured by certain cash and cash equivalents, certain freehold land, golf courses and buildings held by the Group (Notes 6 and 10).

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

13 FINANCE LEASE PAYABLES

The Group leased certain of its property, plant and equipment (Note 10) under finance leases from the Sponsor and other third parties. As at 31 March 2017, the finance lease payables to the Sponsor and to the third parties are JPY1,206 million (2016: JPY1,650 million) and JPY1,672 million (2016: JPY888 million) respectively.

For the year ended 31 March 2017, the average lease term is 7.0 years (2016: 6.7 years). The Group has options to purchase the leased assets at a value stipulated under the agreement upon expiry of the lease terms. The Group's obligations under finance leases are secured by the lessors' title to the leased assets (Note 10).

Interest rates underlying all obligations under finance leases are fixed at respective contract dates at an average of 3.13% (2016: 3.22%) for the year ended 31 March 2017.

Group	**Minimum lease payments 31 March 2017 JPY millions**	**Minimum lease payments 31 March 2016 JPY millions**	**Present value of minimum lease payments 31 March 2017 JPY millions**	**Present value of minimum lease payments 31 March 2016 JPY millions**
Amounts payable under finance leases:				
Within one year	**724**	655	**659**	592
In the second to fifth years inclusive	**1,895**	1,664	**1,786**	1,569
After five years	**441**	383	**433**	377
	3,060	2,702	**2,878**	2,538
Less: Future finance charges	**(182)**	(164)	**–**	–
Present value of lease obligations	**2,878**	2,538	**2,878**	2,538
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(659)**	(592)
Amount due for settlement after 12 months			**2,219**	1,946

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

14 TRADE AND OTHER PAYABLES

	Group		AGT	
	2017 JPY millions	**2016 JPY millions**	**2017 JPY millions**	**2016 JPY millions**
Trade payables	**779**	760	**11**	8
Trade payable to subsidiary	**–**	–	**31**	31
Property and other tax payables	**1,327**	1,341	**–**	–
Other payables to the Sponsor group (Note 5 (ii))	**1,155**	1,159	**–**	–
Accrued expenses	**79**	78	**25**	26
Management fee payable to the Trustee-Manager (Note 5 (i))	**99**	102	**99**	102
Other payables	**2,182**	1,659	**–**	–
Total trade and other payables	**5,621**	5,099	**166**	167

The average credit period on purchases of goods is 1 month (2016: 1 month). No interest is charged on overdue trade payables. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe. Trade payables and accrued expenses principally comprise amounts outstanding for trade purchases and ongoing costs.

15 MEMBERSHIP DEPOSITS

	Group	
	2017 JPY millions	**2016 JPY millions**
Total membership deposits	**12,036**	13,712
Less: Current portion	**(11,215)**	(10,142)
Non-current portion	**821**	3,570

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 3-month TIBOR + 863 basis points. 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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

16 OTHER LIABILITIES

	Group	
	2017 JPY millions	2016 JPY millions
Other current liabilities		
Unearned membership revenue	**2,769**	2,992
Provision for unutilised employee leave	**614**	608
Advanced receipt of insurance compensation	**28**	45
Payable to the Sponsor group (Note 5 (ii))	**169**	195
Provision for bonus	**318**	306
Other tax payables	**337**	284
Net Goods and Services Tax (GST) payable	**86**	170
Other current liabilities	**29**	30
	4,350	4,630
Other non-current liabilities		
Payable to Qualified Institutional Investor[1]	**5**	5
Other non-current liabilities	**73**	39
	78	44

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.

17 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		AGT	
	2017 JPY millions	2016 JPY millions	2017 JPY millions	2016 JPY millions
Foreign exchange forward contracts not designated in hedge accounting relationships carried at fair value	**–**	16	**–**	16
Interest rate swap designated and effective as hedging instruments carried at fair value	**(201)**	(398)	**–**	–
	(201)	(382)	**–**	16
Analysed as:				
Current assets	**–**	16	**–**	16
Current liabilities	**(12)**	–	**–**	–
Non-current liabilities	**(189)**	(398)	**–**	–
	(201)	(382)	**–**	16

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 March 2017

17 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Foreign exchange forward contracts

The Group utilises currency derivatives to hedge significant future transactions and cash flows. The Group is party to a variety of foreign exchange forward contracts in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets. These arrangements are designed to address significant exchange exposures on the SGD denominated distribution to unitholders.

In 2016, the fair value of foreign exchange forward contract with nominal value JPY1,000 million was estimated JPY16 million, which resulted in derivative financial asset of the Group. These amounts were based on valuation techniques as at year end. The changes in the fair value of non-hedging currency derivative, totalling gain of JPY16 million, had been included in other operating income. There are no outstanding foreign exchange forward contract as at 31 March 2017.

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 JPY34,125 million (2016: JPY34,475 million) as at 31 March 2017 is estimated at JPY201 million (2016: JPY398 million), which resulted in derivative financial instrument liability of the Group. These amounts are based on using valuation techniques as at year end. The aforementioned interest rate swaps qualify for hedge accounting.

Therefore, the changes in the fair value of hedging interest rate derivative, totalling gain of JPY197 million (2016: loss of JPY115 million) for the year ended 31 March 2017 have been recognised directly in other comprehensive income.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

18 UNITHOLDERS' FUNDS

	Group and AGT		Group		AGT	
	2017 Number of units	2016 Number of units	2017 JPY millions	2016 JPY millions	2017 JPY millions	2016 JPY millions
Balance at the beginning and end of the year	**1,099,122,000**	**1,099,122,000**	**81,086**	**81,086**	**81,486**	**81,486**

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

(i) Receive income and other distributions attributable to the units held;

(ii) Participate in the termination of AGT by receiving a share of all net cash proceeds derived from the realisation of the assets of AGT less any liabilities, in accordance with their proportionate interests in AGT. However, a Unitholder does not have the right to require any assets (or part thereof) of AGT be returned to him;

(iii) Attend all Unitholders' meeting. The Trustee-Manager may at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed;

(iv) Vote at Unitholders' meetings. Every Unitholder has one vote for each unit of which he is the Unitholder.

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.

19 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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

20 REVENUE

	Group	
	2017 JPY millions	**2016 JPY millions**
Golf course revenue	**34,373**	34,812
Restaurant revenue	**12,725**	12,914
Membership revenue	**4,435**	4,811
	51,533	52,537

21 SELLING, GENERAL AND ADMINISTRATIVE EXPENSE

	Group	
	2017 JPY millions	**2016 JPY millions**
Tax and levies[1]	**1,432**	1,427
Commission fees	**2,136**	1,961
Advertising expense	**784**	732
Others	**867**	794
	5,219	4,914

1 Tax and levies of JPY1,432 million (2016: JPY1,427 million) includes property tax of JPY1,293 million (2016: JPY1,279 million).

22 INTEREST EXPENSE AND OTHER FINANCE COSTS

	Group	
	2017 JPY millions	**2016 JPY millions**
Interest expense – financial institutions	**853**	876
Interest expense – related party (Note 5 (ii))	**15**	15
Interest expense – finance lease		
– Related party (Note 5 (ii))	**43**	62
– Third parties	**42**	21
Amortisation of capitalised loan facility fee	**636**	627
Amortisation of membership deposits	**62**	79
Other finance costs	**7**	7
	1,658	1,687

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 March 2017

23 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% (2016: 20.42%). Such withholding tax is assumed to constitute a foreign tax credit of AGT in Singapore, resulting in no income tax expense at AGT since the income tax rate to be applied to AGT in Singapore is lower than the withholding tax rate in Japan.

The amount of TK distribution is assumed to be deductible from the taxable income of the SPC. Therefore, only the residual taxable income of the SPC is subject to income tax in Japan. The corporate income tax rate for the financial year ended 31 March 2017 is 34.60% (2016: 34.81%).

(a) Income tax expense

	Group	
	2017 JPY millions	**2016 JPY millions**
Foreign withholding tax	**1,444**	1,356
Deferred tax (Note 23 (c))	**(643)**	(877)
Total income tax expense	**801**	479

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

	Group	
	2017 JPY millions	**2016 JPY millions**
Profit before income tax	**4,914**	7,141
Tax calculated at Singapore tax rate of 17%	**835**	1,214
Income not subject to tax	**(597)**	(731)
Foreign tax credit claimed	**(414)**	(470)
Effect of (non-taxable income) non-deductible expense in determining taxable profit	**(284)**	(224)
Effect of different tax rate of subsidiary operating in other jurisdiction	**(183)**	(35)
Effect on deferred tax balances due to the changes in tax rate	**–**	(631)
Foreign withholding tax	**1,444**	1,356
Total income tax expense	**801**	479

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 March 2017

23 INCOME TAX EXPENSE (CONTINUED)

(c) Deferred tax

The tax effects of temporary differences that give rise to deferred tax liabilities as at 31 March 2017 are as follows:

	Group		
	Golf course assets JPY millions	Others JPY millions	Total JPY millions
Deferred tax liabilities			
As at 31 March 2015	28,666	922	29,588
Recognised in profit or loss (Note 23(a))	(620)	(257)	(877)
As at 31 March 2016	28,046	665	28,711
Recognised in profit or loss (Note 23(a))	(426)	(217)	(643)
As at 31 March 2017	**27,620**	**448**	**28,068**

As at acquisition date, the Group recognised a deferred tax liability in relation to the taxable temporary difference, between the carrying amount and the tax basis of golf course assets arising from the acquisition of TK Interest. Such deferred tax liability is measured based on an undiscounted basis at the enacted tax rate of 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.

24 PROFIT FOR THE YEAR

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

	Group	
	2017 JPY millions	2016 JPY millions
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	**3,246**	3,404
Amortisation of intangible assets	**6**	4
Amortisation of deferred expense	**7**	7
Total depreciation and amortisation expense	**3,259**	3,415
Audit fees	**52**	54
Non audit fees	**7**	7
Interest income	**(2)**	–
Allowance for doubtful trade receivables	**141**	62
Gain on forfeiture of membership deposits	**(23)**	(29)
Impairment of property, plant and equipment	**1,499**	184
Loss on sale of property, plant and equipment	**15**	4

NOTES TO FINANCIAL STATEMENTS
For the year ended 31 March 2017

25 EARNINGS PER UNIT

The calculation of earnings per unit is based on profit attributable to Unitholders of JPY4,000 million (2016: JPY6,517 million) for the year and 1,099,122,000 units (2016: 1,099,122,000 units) in issue.

26 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 year ended 31 March 2017 and 2016.

27 COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Group's commitment under operating leases is disclosed in Note 28. There is no other commitment as at 31 March 2017 and 2016 both at Group and at AGT level.

(b) Contingencies

There are no contingent liabilities or contingent assets as at 31 March 2017 and 2016 both at Group and at AGT level.

28 OPERATING LEASE ARRANGEMENTS

The Group as lessee

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

Payment recognised as an expense

	Group	
	2017 JPY millions	**2016 JPY millions**
Minimum lease payments to:		
– Sponsor (Note 5 (ii))	**78**	98
– Third parties	**1,944**	1,956
	2,022	2,054

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2017

28 OPERATING LEASE ARRANGEMENTS (CONTINUED)

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 and renewed on an annual basis. The rental has been prepaid in full for the lease term with no operating lease commitment outstanding as at 31 March 2017 and 2016.

29 DISTRIBUTIONS

	Group and AGT	
	2017 JPY millions	**2016 JPY millions**
Distribution of 4.31 Singapore cents per unit (2016: 5.71 cent) for the period from 1 October 2015 to 31 March 2016 (2016: 1 August 2014 to 31 March 2015)	**3,798**	5,673
Distribution of 2.45 Singapore cents per unit (2016: 2.32 cent) for the period from 1 April 2016 to 30 September 2016 (2016: 1 April 2015 to 30 September 2015)	**2,033**	2,208
Distribution paid	**5,831**	7,881

In respect of the current period from 1 October 2016 to 31 March 2017, a distribution of 3.59 Singapore cents per unit or SGD 39.5 million (equivalent to JPY3,155 million) was paid out to unitholders 21 June 2017.

These financial statements do not reflect the distribution for the half year period from 1 October 2016 to 31 March 2017, which will be accounted for in total equity as an appropriation of retained earnings in the year ending 31 March 2018.

STATISTICS OF UNITHOLDINGS

As at 14 June 2017

Class of Units	No of Units	Voting Rights
Common Units	1,099,122,000	One vote for each unit

The Trust does not hold any treasury units and there is no subsidiary holdings.

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	1	0.03	1	0.00
100 – 1,000	206	6.00	185,817	0.02
1,001 – 10,000	1,443	42.04	9,706,496	0.88
10,001 – 1,000,000	1,756	51.17	92,714,141	8.44
1,000,001 AND ABOVE	26	0.76	996,515,545	90.66
TOTAL	**3,432**	**100.00**	**1,099,122,000**	**100.00**

SUBSTANTIAL UNITHOLDERS

(As recorded in the Register of Substantial Unitholders)

	Direct Interest	%	Deemed Interest	%
Accordia Golf Co., Ltd ("**AGCL**")	317,097,000	28.85	–	–
K.K. MBKP Resort	–	–	317,097,000(1)	28.85
Accordia Finance Company DAC	–	–	317,097,000(1)	28.85
Green Leisure Lux Sarl	–	–	317,097,000(1)	28.85
Green Leisure Ltd	–	–	317,097,000(1)	28.85
MBK Partners JC, L.P.	–	–	317,097,000(2)	28.85
MBK Partners Fund III, L.P.	–	–	317,097,000(3)	28.85
MBK Partners GP III, L.P.	–	–	317,097,000(3)	28.85
MBK GP III, Inc	–	–	317,097,000(3)	28.85
Michael ByungJu Kim	–	–	317,097,000(3)	28.85
MBK Partners JC, GP L.P.	–	–	317,097,000(4)	28.85
MBK Partners JC GP, Inc.	–	–	317,097,000(4)	28.85
Teck Chien Kong	–	–	317,097,000(4)	28.85
CPP Investment Board Private Holdings(3) Inc	–	–	317,097,000(5)	28.85
Canada Pension Plan Investment Board	–	–	317,156,000(5)	28.86
Daiwa PI Partners Co. Ltd. ("**DPPCL**")	58,858,000	5.36	–	–
Daiwa Investment Management Inc ("**DIMI**")	–	–	58,858,000(6)	5.36
Daiwa Securities Group Inc. ("**DSGI**")	–	–	65,922,900(7)	6.00
Global Long Short Master Ireland Limited ("**GLSM Ireland**")	120,923,600(8)	11.00	–	–
The Goldman Sachs Group, Inc ("**GSG**")	–	–	164,140,968(9)	14.93
Morgan Stanley & Co. LLC	–	–	80,529,931(10)	7.33
Morgan Stanley Domestic Holdings, Inc.	–	–	80,529,931(10)	7.33
Morgan Stanley Capital Management, LLC	–	–	80,529,931(10)	7.33
Morgan Stanley	–	–	100,425,054(10)	9.14
Mitsubishi UFJ Financial Group Inc ("**Mitsubishi UFJ**")	–	–	100,425,054(11)	9.14

STATISTICS OF UNITHOLDINGS

As at 14 June 2017

Notes:

(1) Green Leisure Ltd is the sole shareholder of Green Leisure Lux Sarl. Green Leisure Lux Sarl is the sole shareholder of Accordia Finance Company DAC, which in turn is the sole shareholder of K.K. MBKP Resort. K.K. MBKP Resort holds 89.18% of the voting rights in AGCL.
Green Leisure Ltd, Green Leisure Lux Sarl, Accordia Finance Company DAC and K. K. MBKP Resort are therefore each deemed to be interested in Units held by AGCL.

(2) MBK Partners JC, L.P. is a controlling shareholder of Green Leisure Ltd.

(3) Michael ByungJu Kim is a controlling shareholder of MBK GP III, Inc. MBK GP III, Inc. is the sole general partner of MBK Partners GP III, L.P. MBK Partners GP III, L.P. is in turn the sole general partner of MBK Partners Fund III, L.P. MBK Partners Fund III, L.P. holds all the voting rights of MBK Partners JC, L.P. Michael ByungJu Kim, MBK GP III, Inc., MBK Partners GP III, L.P., and MBK Partners Fund III, L.P. are therefore each deemed to be interested in Units held by MBK Partners JC, L.P.

(4) Teck Chien Kong is a controlling shareholder of MBK Partners JC GP, Inc. MBK Partners JC GP, Inc. is the sole general partner of MBK Partners JC, GP L.P. MBK Partners JC, GP L.P. is in turn the sole general partner of MBK Partners JC, L.P. Teck Chien Kong, MBK Partners JC GP, Inc. and MBK Partners JC, GP L.P. are therefore each deemed to be interested in Units held by MBK Partners JC, L.P.

(5) Canada Pension Plan Investment Board is the sole shareholder of CPP Investment Board Private Holdings (3) Inc. CPP Investment Board Private Holdings (3) Inc. holds more than 20% of the voting shares of Green Leisure Ltd. Canada Pension Plan Investment Board and CPP Investment Board Private Holdings (3) Inc. are therefore each deemed to be interested in Units held by Green Leisure Ltd. Additionally, Canada Pension Plan Investment Board has a deemed interest in 59,000 Units held through an omnibus account maintained with its sub-custodian nominee bank.

(6) DIMI is the intermediate holding company of DPPCL and is deemed to be interested in Units held by DPPCL.

(7) DSGI is the ultimate holding company of DPPCL and Daiwa Securities Co. Ltd. and is therefore deemed to be interested in Units held by both DPPCL and Daiwa Securities Co. Ltd.

(8) GLSM Ireland is a subsidiary of GSG.

(9) GSG is deemed to have an interest in Units held through its subsidiaries Global Long Short Master Ireland Limited, Goldman Sachs Credit Partners (Japan), Ltd, Goldman, Sachs & Co and Goldman Sachs International.

(10) Morgan Stanley is deemed to have an interest in Units held through its subsidiaries Morgan Stanley & Co. LLC, Morgan Stanley Domestic Holdings, Inc., and Morgan Stanley Capital Management, LLC.

(11) 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.

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	ACCORDIA GOLF CO LTD	317,097,000	28.85
2	DBS NOMINEES (PRIVATE) LIMITED	236,835,800	21.55
3	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	150,056,978	13.65
4	CITIBANK NOMINEES SINGAPORE PTE LTD	90,854,507	8.27
5	RAFFLES NOMINEES (PTE) LIMITED	83,672,208	7.61
6	DBSN SERVICES PTE. LTD.	23,793,280	2.16
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	22,054,500	2.01
8	HSBC (SINGAPORE) NOMINEES PTE LTD	17,239,316	1.57
9	ABN AMRO CLEARING BANK N.V.	13,974,200	1.27
10	PHILLIP SECURITIES PTE LTD	6,408,700	0.58
11	UOB KAY HIAN PRIVATE LIMITED	6,067,500	0.55
12	DAIWA CAPITAL MARKETS SINGAPORE LIMITED	4,790,000	0.44
13	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	3,536,800	0.32
14	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,776,774	0.25
15	OON KOON CHENG	2,000,000	0.18
16	DB NOMINEES (SINGAPORE) PTE LTD	1,961,441	0.18
17	KIEW POW LOOK @ HEW POW LOOK	1,620,000	0.15
18	OCBC SECURITIES PRIVATE LIMITED	1,572,900	0.14
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,517,500	0.14
20	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	1,516,500	0.14
	TOTAL	**989,345,904**	**90.01**

PERCENTAGE OF UNITHOLDING IN PUBLIC’S HANDS

As at 14 June 2017, approximately 41.08% of the Trust’s units are held in the hands of public. Accordingly, the Trust has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

ACCORDIA GOLF TRUST

(Business Trust Registration No. 2014002)
(Constituted under the laws of the Republic of Singapore and
managed by Accordia Golf Trust Management Pte. Ltd.)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Unitholders of Accordia Golf Trust (“**AGT**”) will be held at 1 Marina Boulevard, Level 8, Room 801, NTUC Centre, Singapore 018989 on Wednesday, 26 July 2017 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of the Trustee-Manager issued by Accordia Golf Trust Management Pte. Ltd. (the “**Trustee-Manager**”), Statement by the Trustee-Manager and the Audited Financial Statements of AGT for the year ended 31 March 2017 together with the Independent Auditor’s Report thereon. **(Resolution 1)**

2. To appoint Messrs PricewaterhouseCoopers LLP (“**PwC**”) as the external Auditors of AGT for the financial year ending 31 March 2018 in place of the retiring external Auditors, Messrs Deloitte & Touche LLP (“**Deloitte**”), 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.

   [See Explanatory Note 1] **(Resolution 2)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

3. General mandate to issue units in AGT (“**Units**”)

   That pursuant to Clause 6.1.1 of the deed of trust constituting AGT (as amended) (the “**Trust Deed**”), Section 36 of the Business Trusts Act, Chapter 31A of Singapore (the “**BTA**”), and Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Trustee-Manager, on behalf of AGT, be authorised and empowered to:

   (a) (i) issue Units, whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued) issue Units in pursuance of any Instruments made or granted by the Trustee-Manager while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per centum (50%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders shall not exceed twenty per centum (20%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:

(a) any new Units arising from the conversion or exercise of any 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 of AGT in a general meeting, such authority shall continue in force until (i) the conclusion of the next Annual General Meeting of the Unitholders or the date by which the next Annual General Meeting of the Unitholders is required by law to be held, whichever is earlier; or (ii) in the case of Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments.

[See Explanatory Note 2] **(Resolution 3)**

4. The Proposed Renewal of the Unit Buy-Back

*All capitalised terms in the Resolution 4 below and defined in the Letter to Unitholders of AGT dated 7 July 2017 (the "**Letter**") shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Letter.*

That:

(a) the exercise by the Trustee-Manager of all the powers of AGT to purchase or otherwise acquire units of AGT ("**Units**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Trustee-Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchases ("**Market Purchases**"), transacted on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

NOTICE OF ANNUAL GENERAL MEETING

(ii) off-market purchases ("**Off-Market Purchases**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) (as defined in the Trust Deed) as may be determined or formulated by the Trustee-Manager as it may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Trust Deed and the SGX-ST Listing Manual,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");

(b) unless varied or revoked by Unitholders in a general meeting, the authority conferred on the Trustee-Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Trustee-Manager at any time and from time to time during the period commencing from the passing of this Resolution and the expiring on the earliest of:

(i) the date on which the next annual general meeting of Unitholders is held;

(ii) the date by which the next annual general meeting is required by law or the provisions of the Trust Deed to be held;

(iii) the date on which the purchases of Units by the Trustee-Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated; or

(iv) the date on which the authority conferred by the Unit Buy-Back Mandate is revoked or varied by Unitholders in a general meeting.

(c) in this Ordinary Resolution:

"**Prescribed Limit**" means the number of Units representing not more than 10% of the total number of issued Units of AGT as at the date of the passing of this Resolution;

"**Maximum Price**" in relation to a Unit to be purchased, means an amount (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase, 115% of the Average Closing Price;

where:

"**Average Closing Price**" means the average of the closing market prices of a Unit over the last five (5) Market Days, on which transactions in the Units were recorded, immediately preceding the date of making the Market Purchase or the date of the making of an offer pursuant to the Off-Market Purchase, as the case may be, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period;

NOTICE OF ANNUAL GENERAL MEETING

"**day of the making of the offer**" means the day on which the Trustee-Manager announces its intention to make an offer for the purchase of Units from Unitholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

(d) the Trustee-Manager and any director of the Trustee-Manager be and are hereby severally authorised to do all acts and things (including, without limitation, executing all such documents as may be required) as they or each of them deem desirable, necessary, expedient to give effect to the Unit Buy-Back Mandate as they or each of them may in their or each of their absolute discretion deem fit in the interests of AGT.

[See Explanatory Note 3] **(Resolution 4)**

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
Singapore, 7 July 2017

Explanatory Notes:

(1) Ordinary Resolution 2 in item 2 above, if passed, will allow for the appointment of PwC as external Auditors of AGT for the financial year ending 31 March 2018 in place of the retiring external Auditors, Deloitte (the "**Proposed Change of External Auditors**") and to authorise the Trustee-Manager to fix their remuneration. Information on PwC, the rationale of the Proposed Change of External Auditors, the confirmations pursuant to Rule 1203(5) of the Listing Manual, the Audit and Risk Committee's statement in support of the Proposed Change of External Auditors and the Directors' recommendation are set out in the Letter.

(2) Ordinary Resolution 3 in item 3 above, if passed, will empower the Trustee-Manger, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, or the date on which such authority is varied or revoked by AGT in a general meeting of Unitholders, whichever is the earliest, to issue Units, make or grant Instruments convertible into Units and to issue Units pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) of which up to 20% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) may be issued other than on a pro-rata basis to existing Unitholders.

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

(3) Ordinary Resolution 4 proposed in item 4 above, is to seek the shareholders' approval for the proposed renewal of the Unit Buy-Back Mandate. Detailed information on the proposed renewal of the Unit Buy-Back Mandate, including the rationale for the same, is set out in the Letter.

NOTICE OF ANNUAL GENERAL MEETING

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 Accordia Golf Trust Management Pte. Ltd, the Trustee-Manager of AGT at 6 Shenton Way, OUE Downtown 2 #25-09 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.

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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 the 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 Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Unitholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Unitholders of AGT (the "Meeting") to be held at 1 Marina Boulevard, Level 8, Room 801, NTUC Centre, Singapore 018989 on Wednesday, 26 July 2017 at 10.00 a.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.

No.	**Resolutions relating to:**	**No. of Votes For****	**No. of Votes Against****
1	Adoption of the Report of the Trustee-Manager, Statement by the Trustee-Manager and the Audited Financial Statements of AGT for the year ended 31 March 2017 together with the Independent Auditor's Report thereon		
2	Appointment of PricewaterhouseCoopers LLP as Auditors of AGT in place of Deloitte & Touche LLP		
3	Authority to issue new units in AGT		
4	Renewal of Unit buy-back		

** *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 ______________ 2017

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 in AGT ("Units") held by you. If you have Units entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Units. If you have Units registered in your name in the Register of Members, 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 a meeting of AGT is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder of AGT.

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 meeting in person, and in such event, Accordia Golf Trust Management Pte. Ltd., the Trustee-Manager of AG Trust ("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, OUE Downtown 2 #25-09, Singapore 068809 not less than 48 hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be 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.

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 7 July 2017.

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 member, 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.

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