



TEEING OFF FOR UNIQUE OPPORTUNITIES

ANNUAL
REPORT
2016

VISION

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

MISSION

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

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CORPORATE PROFILE



Mishima Country Club, Other Region

Accordia Golf Trust ("AGT") is the first business trust comprising investments in golf course assets in Japan listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). AGT's principal investment strategy is to invest, 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) 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 150.98 billion⁽¹⁾ as at 31 December 2015.

AGT's objective is to generate and distribute long-term, stable cash flow to investors through investing in golf courses, driving ranges and golf course related assets for investors' long-term benefit.



Aoshima Golf Club, Other Region



Chiba Sakuranosato Golf Club, Tokyo Region

Note

(1) Based on real estate appraisals as at 31 December 2015 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 delighted to present our Annual Report for the financial year ended 31 March 2016.

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

FINANCIAL RESULTS AND DISTRIBUTION

The full year distribution per unit ("DPU") for year ended 31 March 2016 ("FY15/16") was Singapore dollars ("SGD") 6.63 cents. This included the DPU of SGD 2.32 cents for the first half of FY15/16 and the DPU of SGD 4.31 cents for the second half of FY15/16. This translated to an annual distribution yield of 11.1% based on AGT's closing price of SGD 0.60 per unit on 31 March 2016.

For FY15/16, our annual operating income was Japanese yen ("JPY") 53,175 million, contributed mainly by the sound demand for golf and favorable weather conditions, especially in the second half of the year in Japan. During the year, the total number of visitors to AGT's golf courses was 5.81 million, which is 2.1% higher than the same period a year ago. Full year operating profit was JPY 8,828 million, with an operating profit margin of 16.6%.

JPY appreciated against the SGD, from the highest of 92.44 JPY/SGD in June 2015 to 83.37 JPY/SGD as at 31 March 2016, which was almost at the same level as at the initial public offering in August 2014 ("IPO"). This appreciation of JPY against the SGD has increased the DPU in SGD terms.

OPERATING MARKET CONDITIONS OF JAPAN'S GOLF COURSE BUSINESS

With the recovery of the Japanese economy, we have seen an overall sound demand for golf especially in the urban areas. In most months during the year, AGT's golf courses had higher number of reservations in the beginning of the months compared to the corresponding months in the previous year.

We are seeing strong demand from senior players, with the baby boomers in Japan who are now well into their 60s and retiring or have retired, having more time for leisure. The healthy life expectancy, as well as the life expectancy in Japan is also getting higher and this trend should lead to more plays by seniors. Increasing population in urban areas also underpinned the demand for golf, while the overall Japan golf market is becoming more of a two-tier market, where there is a stronger demand in the urban areas and weaker demand in the rural areas. 70% of AGT's golf courses are strategically located in the three largest metropolitan areas.

MARKETING ACTIVITIES AND ASSETS ENHANCEMENTS

Notwithstanding the market conditions, marketing efforts were put in place to enhance the profitability of the assets. The "Stamp Rally Program", or weekday play promotion, was implemented to increase the utilisation rate of weekday plays. AGT's average utilisation rate is about 78%, which is much higher than the national average. While the weekend utilisation rate is more than 90%, weekday utilisation rate is approximately 70%.

Revenue management includes striking a good balance between utilisation rate and play fees in order to maximise revenue and/or profit.

It is important to retain our frequent players including members of each golf course. As majority of our players are non-members, we leverage on Accordia's Loyalty Point Card Program as a tool to attract non-members. Accordia has 4.14 million loyalty card holders which represent 57.5% of Japan's total golf players.

Asset enhancements were implemented in some of our assets and these include golf cart path reconditioning, new construction of the ladies' tee and improvements for golf carts to drive onto the fairways. Flexible job rotation schemes also helped to manage labour expense. In addition, LED lightings were installed in two of our golf courses to reduce energy usage. Such enhancement works provide a more comfortable and conducive play environment for the players. While it is



essential to be cost conscious, we believe there is also a need to strike a good balance to build a sustainable business environment.

UNIT PRICE PERFORMANCE

While the Unit price of AGT recovered after the favourable third quarter FY15/16 results, it had been significantly influenced by the depreciation of the JPY in the first half of FY15/16, the global uncertainty in the stock market, and the unfavourable operating performance in the second quarter due to historically unusual weather condition in Japan during the period.

During the first half of FY15/16, Unit price went to a level that we believed was under its deserving value. Feedbacks from investors also indicated that they believed the Unit price was undervalued. We retained 10% of the distributable income in the first half of FY15/16, in consideration of a proposed Unit buy-back. This amount was subsequently distributed back to Unitholders in the second half of FY15/16 as we have yet to obtain a Unit buy-back mandate from Unitholders. We believe that a Unit buy-back mandate will provide the Management with the flexibility to perform a Unit buy-back at the opportune time should the situation permit and require us to do so.

As AGT's assets and the golf course models are unique, we need to continue to put in additional efforts to familiarise investors with our business model and strategy. We conducted intensive investor dialogues through active participation in conferences and roadshows held in the US, Europe, Japan, Hong Kong and Taiwan.

MARKET OUTLOOK

In the fourth quarter of FY15/16, Japan's gross domestic product contracted at an annualised rate of 1.4% and the world's two largest economies, the United States and China, slowed down as well. In February 2016, the Organisation for Economic Cooperation and Development downgraded its forecast for global

growth to the lowest level. The global headwinds is expected to present a challenge for AGT in the following year.

Notwithstanding these global headwinds, we continue to see Japanese baby boomers who are now in their sixties and retired, have more time to play golf. The growing tourist arrivals to Japan may also boost the demand for golf in the mid-to-long term.

With the upcoming 2016 and 2020 Olympics, golf which is now included in the Olympic games, may see a rise in the popularity of golf as a trendy sport.

STRATEGIC REVIEW AND OPERATIONS

We strive to maximise long-term returns to Unitholders and to increase Unitholders' value. We have put in place stringent internal controls and regularly monitor the performance of the Initial Portfolio which is vital to achieve AGT's vision and mission.

We believe that the Sponsor's long-term commitment will enhance AGT's growth through their efficient operation of the golf courses and strong pipeline from Sponsor.

In addition, the Remuneration Committee was set up this year to ensure that the level and structure of executive and independent directors' remuneration are aligned with the long-term interest and risk policies of the AGT and the Trustee-Manager, and also to ensure that the remuneration policies are appropriate to attract, retain and motivate the executives and directors of the Trustee-Manager.

ACKNOWLEDGEMENT

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

HIGHLIGHTS

JPY 6,041
million

INCOME AVAILABLE
FOR DISTRIBUTION

SGD 6.63cents
(JPY 5.50)

DISTRIBUTION
PER UNIT
("DPU")

SGD 89cents
(JPY 74.53)

NET ASSET VALUE
PER UNIT
("NAV")

28.8%

LOAN-TO-VALUE
("LTV")⁽¹⁾

JPY 150.98
billion

APPRAISAL VALUE⁽²⁾

89

NO. OF
GOLF COURSES

Note:

(1) Loan-to-Value Ratio = Total loans and borrowings/total appraisal value of the Initial Portfolio as at 31 December 2015.

(2) Based on the latest appraisal of the Initial Portfolio as at 31 December 2015.

FINANCIAL AND OPERATIONS REVIEW

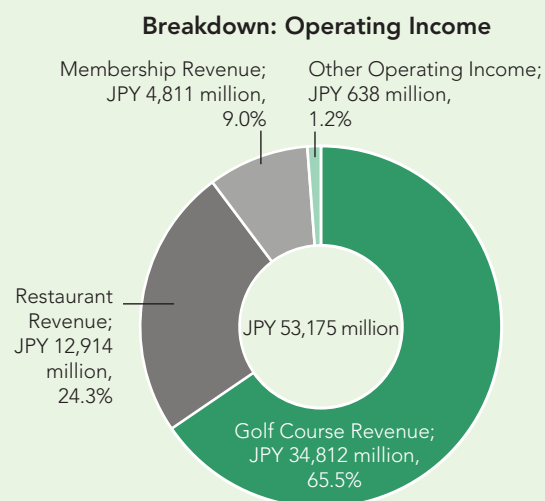
	Full Year (JPY million)	
	FY15/16 (1 April 2015 to 31 March 2016)	FY14/15 (from 1 Aug 2014 to 31 March 2015, 8 months) ⁽¹⁾
Operating Income	53,175	33,425
Operating Profit/(Loss)	8,828	4,063
Profit/(Loss) after income tax	6,662	2,648
Total Distributable Income Available	6,041	5,673
DPU (SGD cents)	6.63	5.71

(1) Comparative consolidated statement of profit or loss and other comprehensive income has been presented for the period from 1 August 2014 to 31 March 2015 as AGT was constituted on 16 June 2014 and AGT was listed on SGX-ST on 1 August 2014.

FY15/16 marks AGT's first full year results (1 April 2015 to 31 March 2016) since its listing on 1 August in 2014.

OPERATING INCOME

AGT's operating income during the period comprised golf course revenue of JPY 34,812 million, restaurant revenue of JPY 12,914 million, membership revenue of JPY 4,811 million and other operating income of JPY 638 million. These represent 65.5%, 24.3%, 9.0% and 1.2% of the total operating income respectively. Golf course revenue and restaurant revenue are supported by a stable customer base. Golf course revenue consists of playing fees (green fees and cart fees), caddie fees, accommodation fees, driving range fees and golf equipment rental fees. Restaurant revenue consists of sales at golf course restaurants, hotel sales of food and drink, revenue from the catering party 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.

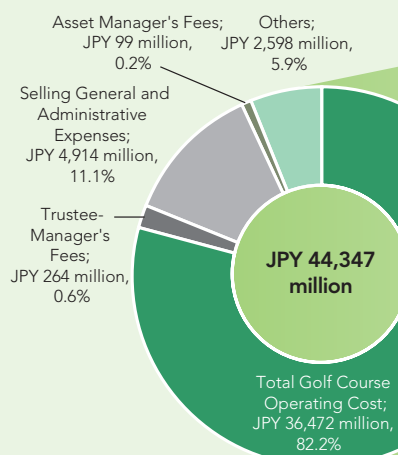


OPERATING EXPENSES

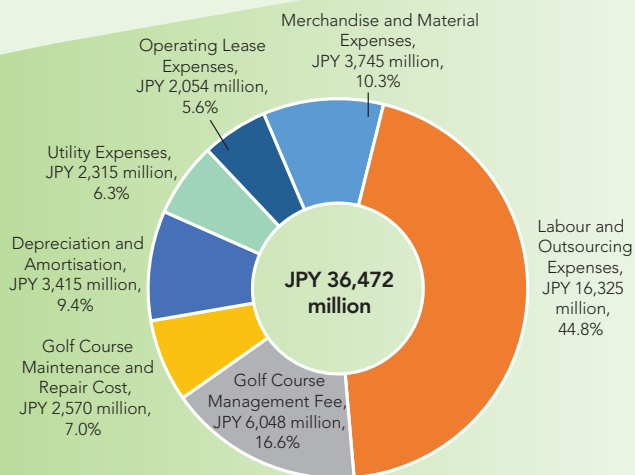
Operating expenses comprises labour and outsourcing expenses of JPY 16,325 million, merchandise and material expenses of JPY 3,745 million and golf course management fee to be paid to Sponsor of JPY 6,048 million. These expenses represent 36.8%, 8.4% and 13.6% of the total operating expenses. Total operating expenses for FY15/16 amounted to JPY 44,347 million while the operating profit was JPY 8,828 million. EBITDA was JPY 12,427 million and EBITDA margin was 23.4%.

FINANCIAL AND OPERATIONS REVIEW

Breakdown: Operating Expenses



Breakdown: Golf Course Operating Cost



DISTRIBUTION

Distributable income for FY15/16 was JPY 6,041 million. During the year, the net cash flow from operating activities was JPY 10,336 million and net cash used in investing activities was JPY 1,567 million. The net cash flow used in financing activities excluding distributions to Unitholders of JPY 7,881 million was JPY 2,378 million. Excluding distributions to Unitholders, there is a net increase in cash and cash equivalents from golf course operation of JPY 6,391 million. The DPU for FY15/16 was SGD 6.63 cents which consists of SGD 2.32 cents for the first half of FY15/16 and SGD 4.31 cents for the second half of FY15/16. During the first half of FY15/16, AGT reserved 10% of the distributable income in consideration of a Unit buy-back exercise. This retained amount was subsequently redistributed to Unitholders in the second half of FY15/16 after considering Unitholders' interests. For the full year ended 31 March 2016, AGT paid 100% of AGT's distributable income to Unitholders.

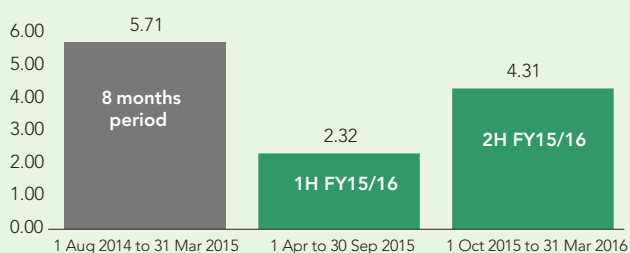
TOTAL ASSETS & NET ASSET VALUE

Total assets and net assets amounted to JPY 181,620 million and JPY 82,117 million respectively as at 31 March 2016. The net asset value attributable to Unitholders stood at JPY 81,914 million as at 31 March 2016. The net asset value attributable to Unitholders per Unit was SGD 0.89 as at 31 March 2016.

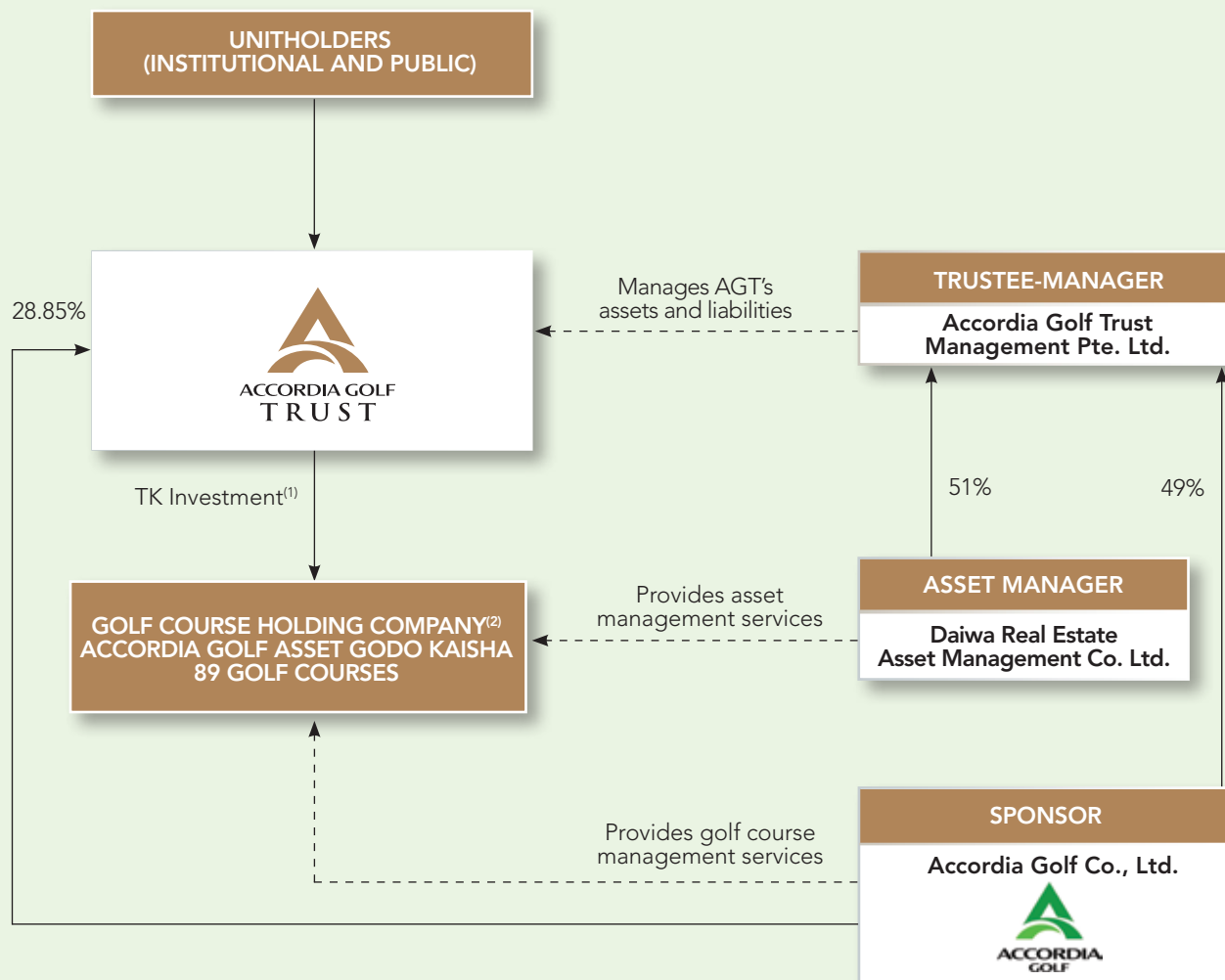
BORROWINGS

As at 31 March 2016, AGT's principal amount of borrowings amounted to JPY 44.3 billion. The LTV ratio stood at 28.8% which is at a healthy gearing level. 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.

Historical DPU



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 ("Prospectus").

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

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: 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: Nil

Academic & Professional Qualifications:

- Bachelor of Business Administration from Aoyama Gakuin University

Experience:

Mr Machida has extensive experience in general management and is very familiar with the golf course management business, having worked within the Accordia Group for nearly 10 years. He was the Corporate Executive Officer of the Sponsor and the Chief of the Department of General Affairs and Personnel Division from 2009, during which time he exercised an oversight and supervisory role over the general business of the Sponsor and also reported directly to the President of the Sponsor.

Previous Roles:

Mr Machida held positions in Nitto Kogyo Co., Ltd., the previous operator of the golf courses of the Sponsor, and Nitto America Co., Ltd., where he was largely responsible for overseeing the firm's golf course management activities and was also involved in the strategic planning of the firm's golf course business.



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

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: Nil

Academic & Professional Qualifications:

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

Experience:

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

Previous Roles:

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

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 Ltd (SGX-ST listed)
- Cimvec Ltd. (SGX-ST listed)
- Changan Minsheng APLL Logistics Co., Ltd (HKEX listed)
- Innotek Limited (SGX-ST listed)

Past Listed Company Directorships:

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

Academic & Professional Qualifications:

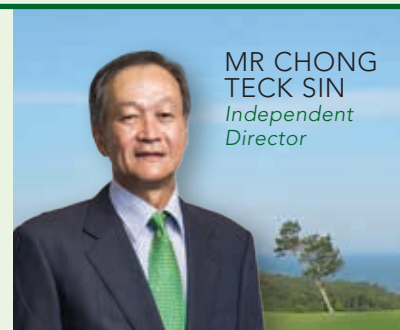
- Masters of Business Administration from the National University of Singapore
- Bachelor of Engineering from the University of Tokyo

Experience:

Mr Chong has extensive experience in listed companies, 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 Seksun Corporation Ltd from 1999-2004.



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 Member)
- Remuneration Committee (as Chairman)

Other Listed Company Directorships:

- Nippon Synthetic Chemical Industry Co., Ltd. (TSE listed)

Past Listed Company Directorships: Nil

Academic & Professional Qualifications:

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

Experience:

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

Previous Roles:

Manager of transaction services KPMG FAS Co., Ltd in Japan; Audit Supervising senior accountant at KPMG LLP in New York.



MR HITOSHI
KUMAGAI
*Independent
Director*

EXECUTIVE OFFICERS OF THE TRUSTEE-MANAGER

MR YOSHIHIKO MACHIDA

Executive Director and Chief Executive Officer

Please refer to page 8 in the Board of Directors of the Trustee-Manager section of this Annual Report for more information.

MR TAKUYA NAGANO

Executive Director and Head of Investor Relations

Please refer to page 8 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. since 2000, where he was in charge of the management and collection of purchase loans in the Loan Asset Management department and was also promoted to the position of Asset Manager. Mr Kurosawa played a key role in leading the acquisition by the Goldman Sachs group of the golf courses and was consequently promoted to Senior Asset Manager of Goldman Sachs Realty Japan Ltd. He also worked with Nippon Mortgage Co., Ltd. where he was engaged in property finance work for over 13 years.

THE SPONSOR



Kamogawa Country Club, Tokyo Region

ABOUT ACCORDIA GOLF CO., LTD. (THE "SPONSOR")

The Sponsor is the leading golf course operator in Japan, operating 136 golf courses and 26 driving ranges as at 31 March 2016. The Sponsor was incorporated in Japan in 1981 and was listed on the Tokyo Stock Exchange in 2006. The Sponsor engages mainly in the management and operation of golf courses and driving ranges, focusing mainly in the large metropolitan areas and major regional urban centres in Japan. The Sponsor has an established track record of acquiring and turning around non-profitable golf courses with its expertise in golf course management and operational know-how.

The Sponsor runs its business by adopting a number of measures centered on the "Four Principles of Services stated below.



This is part of the key strategy to meet the demand for "private golf" played by families and friends and to promote an environment where everyone can enjoy playing golf under the concept of "It's a New Game".

The operating revenue of the Sponsor consists of the revenues from the following:

- (1) golf courses operating business;
- (2) golf-course/driving-range, restaurant business; and
- (3) golf equipment sales business.

ASSET-LIGHT STRATEGY OF THE SPONSOR

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

ASSET PORTFOLIO OVERVIEW

UNIQUE JAPANESE ASSETS

No. of Golf Courses: 89

Appraisal Value: JPY 150.98 billion⁽¹⁾

70% of the Initial Portfolio (62 golf courses out of 89) are in the 3 largest metropolitan areas in Japan

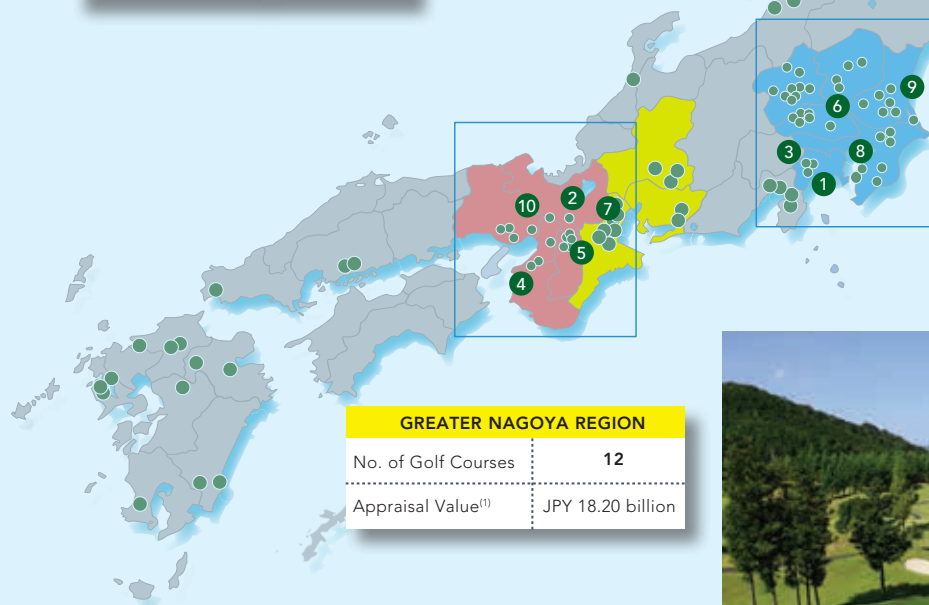


1 DAIATSUGI COUNTRY CLUB HON COURSE TOKYO
No. of holes: 27

GREATER OSAKA REGION	
No. of Golf Courses	15
Appraisal Value ⁽¹⁾	JPY 37.97 billion

OTHER REGIONS	
No. of Golf Courses	27
Appraisal Value ⁽¹⁾	JPY 21.16 billion

GREATER TOKYO REGION	
No. of Golf Courses	35
Appraisal Value ⁽¹⁾	JPY 73.66 billion



GREATER NAGOYA REGION	
No. of Golf Courses	12
Appraisal Value ⁽¹⁾	JPY 18.20 billion



2 OTSU COUNTRY CLUB, OSAKA
No. of holes: 45

Note:

(1) Based on real estate appraisals by the Independent Real Estate Appraisers as at 31 December 2015



3 DAIATSUGI COUNTRY CLUB SAKURA COURSE, TOKYO
No. of holes: 18



4 IZUMISANO COUNTRY CLUB, OSAKA
No. of holes: 27



5 KISAICHI COUNTRY CLUB, OSAKA
No. of holes: 27



6 NORTHERN COUNTRY CLUB NISHIKIGAHARA GC, TOKYO
No. of holes: 43



7 KAMO COUNTRY CLUB, OSAKA
No. of holes: 36



8 TOKYOWAN COUNTRY CLUB, TOKYO
No. of holes: 27



9 TSUCHIURA COUNTRY CLUB, TOKYO
No. of holes: 27



10 ATAGOHARA GOLF COURSE, OSAKA
No. of holes: 27

ASSET PORTFOLIO OVERVIEW

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

As at 31 March 2016, AGT has 89 golf courses, with a total appraisal value of JPY 150.98 billion⁽¹⁾. 70% of the portfolio are located in the three largest metropolitan areas in Japan (see table 1 below):

TABLE 1: NUMBER OF GOLF COURSES AND APPRAISAL VALUE BY REGION AS AT 31 DECEMBER 2015

REGIONS	Number of Courses	%	Appraisal Value (JPY Billion) ⁽¹⁾	%
Greater Tokyo	35	39.3	73.66	48.8
Greater Osaka	15	16.9	37.97	25.1
Greater Nagoya	12	13.5	18.20	12.1
3 Largest Metropolitan Areas	62	69.7	129.83	86.0
Other Regions	27	30.3	21.16	14.0
TOTAL	89	100	150.98	100

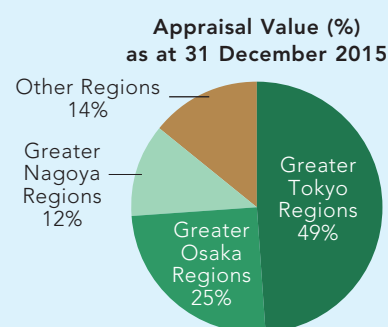


TABLE 2: REVENUE, UTILISATION RATE & NOI BY REGIONS

REGIONS	Revenue ⁽²⁾ for FY15/16 (JPY Billion)	Utilisation Rates ⁽³⁾ FY15/16 (%)	NOI FY15/16 ⁽⁴⁾ (JPY Billion)	NOI Margin ⁽⁵⁾ FY15/16 (%)	NOI Yield ⁽⁶⁾ FY15/16 (%)
Greater Tokyo	23.32	79.1	5.95	25.6	8.1
Greater Osaka	12.54	85.9	3.38	27.0	9.0
Greater Nagoya	7.03	80.4	1.55	22.1	8.5
3 Largest Metropolitan Areas	42.88	81.1	10.88	25.4	8.4
Others	10.86	69.0	1.94	17.9	9.2
TOTAL	53.75	77.9	12.82	23.9	8.5

Notes:

(1) Based on the real estate appraisals as at 31 December 2015 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 JGAAP 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 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 and on JGAAP basis

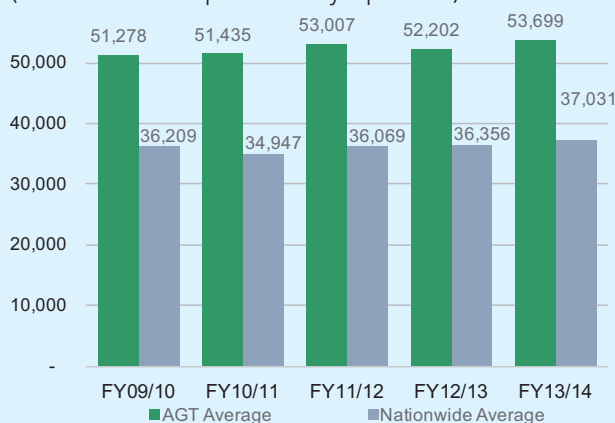
(5) NOI Margin = NOI/Revenue

(6) NOI Yield = NOI/Appraisal Value

Steady Pool of Visitors

AGT's golf courses are suitable for a wide variety of players and mainly targets the middle class. During the year, the number of visitors grew steadily and remained 40% to 50% higher than the national average as at end of March 2016.

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



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

Source: Nihon Golf-jo Keieisha Kyokai

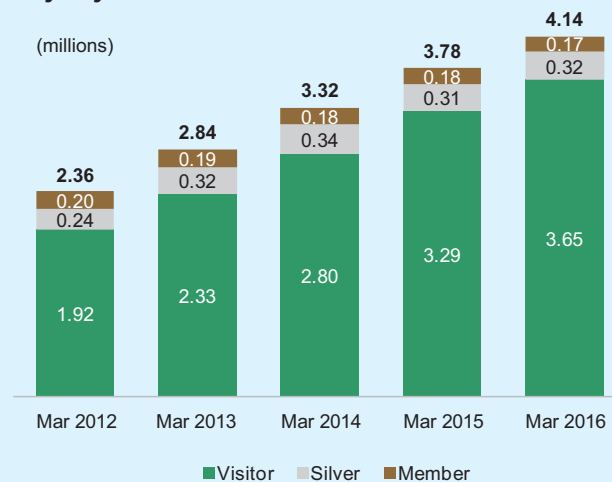
Point Card Program

Accordia Golf's Loyalty Card program offers visitors to the golf course to clock in points for each play. As at end March 2016, the total loyalty card holders was 4.14 million.

Point Card



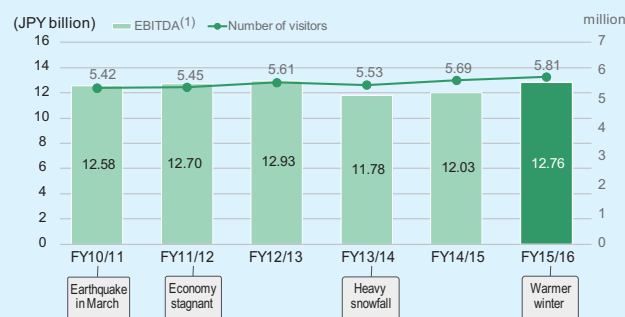
Loyalty Card Holders of Accordia Golf



"Visitor" : non-member "White" status loyalty card holders.
 "Member" : member loyalty card holders. (member of each golf course)
 "Silver" : non-member "Gold" and Silver" status loyalty card holders.
 Source: Sponsor

Stable historical performance

AGT's golf courses shows relatively stable EBITDA for the past several years.



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

ASSET PORTFOLIO OVERVIEW

INITIAL PORTFOLIO OF 89 GOLF COURSE

TOP 10 GOLF COURSES AS AT 31 DECEMBER 2015 (by appraisal value)

Golf course	Region	Appraisal Value (JPY million) ⁽¹⁾	Area (m ²)	Number of holes	Revenue FY15/16 (JPY million) ⁽²⁾	Utilisation Rates FY15/16 (%) ⁽³⁾	No of Visitors FY15/16
Daiatsugi Country Club Hon Course	Greater Tokyo	8,370	1,258,046	27	1,406	88.7	97,180
Otsu Country Club	Greater Osaka	7,330	2,051,043	45	1,643	85.9	155,343
Daiatsugi Country Club Sakura Course	Greater Tokyo	6,660	813,283	18	1,149	110.9	80,944
Izumisano Country Club	Greater Osaka	4,900	1,343,189	27	1,061	92.6	101,642
Kisaichi Country Club	Greater Osaka	4,520	575,504	27	1,051	94.0	103,172
Northern Country Club Nishikigahara GC	Greater Tokyo	4,330	1,328,762	43	1,229	88.6	149,785
Kamo Country Club	Greater Osaka	4,300	1,206,331	36	1,153	89.7	131,304
Tokyowan Country Club	Greater Tokyo	3,870	856,861	27	1,065	84.0	92,252
Tsuchiura Country Club	Greater Tokyo	3,790	814,039	27	948	87.5	96,033
Atagohara GC	Greater Osaka	3,060	615,164	27	901	80.7	81,135

GREATER TOKYO REGION

No.	Golf course	Appraisal Value (JPY million) ⁽¹⁾	Location	Area (m ²)	Number of Holes	Inaugural by the year	Revenue For FY15/16 (JPY million) ⁽²⁾	Utilisation Rates FY15/16 (%) ⁽³⁾	No of Visitors FY15/16
1	Daiatsugi Country Club Hon Course	8,370	Atsugi-Shi, Kanagawa	1,258,046	27	1970	1,406	88.7	97,180
2	Daiatsugi Country Club Sakura Course	6,660	Atsugi-Shi, Kanagawa	813,283	18	1981	1,149	110.9	80,944
3	Northern Country Club Nishikigahara Golf Course	4,330	Saitama-Shi, Saitama	1,328,762	43	1963	1,229	88.6	149,785
4	Tokyowan Country Club	3,870	Sodegaura-Shi, Chiba	856,861	27	1979	1,065	84.0	92,252
5	Tsuchiura Country Club	3,790	Inashiki-Shi, Ibaraki	814,039	27	1962	948	87.5	96,033
6	Odawara Golf Club Matsuda Course	2,960	Ashigarakami-Gun, Kanagawa	609,524	18	1973	697	90.5	66,228
7	Central Golf Club	2,800	Nomegata-Shi, Ibaraki	1,908,836	36	1974	995	75.4	110,431
8	Fujioka Golf Club	2,750	Fujioka-Shi, Gunma	1,216,014	36	1968	726	70.8	100,502
9	Yorii Country Club	2,690	Osato-Gun, Saitama	781,816	18	1978	671	79.6	56,040
10	Aqualine Golf Club	2,620	Kisarazu-Shi, Chiba	812,297	18	1997	656	77.5	56,448
11	Naritahigashi Country Club	2,440	Katori-Shi, Chiba	772,311	18	1982	622	84.0	61,341
12	Mito Golf Club	2,300	Mito-Shi, Ibaraki	1,453,942	36	1966	872	70.0	100,794
13	Chiba Sakuranosato Golf Club	2,270	Katori-Shi, Chiba	948,171	18	1984	578	83.7	61,304
14	Sawara Country Club	2,090	Katori-Shi, Chiba	759,508	18	1990	670	84.5	61,861

INITIAL PORTFOLIO OF 89 GOLF COURSE (cont'd)

GREATER TOKYO REGION (cont'd)

No.	Golf course	Appraisal Value (JPY million) ⁽¹⁾	Location	Area (m ²)	Number of Holes	Inaugural by the year	Revenue For FY15/16 (JPY million) ⁽²⁾	Utilisation Rates FY15/16 (%) ⁽³⁾	No of Visitors FY15/16
15	Kanetsu Highland Golf Club	2,050	Takasaki-Shi, Gunma	1,047,405	27	1972	622	80.1	86,080
16	Minagawajo Country Club	2,040	Tochigi-Shi, Tochigi	569,047	18	1973	600	74.2	53,285
17	Ohiradai Country Club	1,900	Tochigi-Shi, Tochigi	797,090	27	1974	621	75.5	81,077
18	Kanra Country Club	1,600	Kanra-Gun, Gunma	1,156,822	18	1975	496	79.2	56,707
19	Tamagawa Country Club	1,570	Hiki-Gun, Saitama	1,054,979	18	1994	558	80.5	57,478
20	Central Golf Club New Course ⁽⁴⁾	1,450	Namegata-Shi, Ibaraki	1,030,232	18	1979	493	80.3	58,812
21	Sainomori Country Club ⁽⁴⁾	1,430	Chichibu-Shi, Saitama	1,243,143	18	1989	615	78.3	54,217
22	Kodamakamikawa Country Club	1,380	Kodama-Gun, Saitama	1,088,693	18	1988	534	84.8	59,021
23	Wildduck Country Club	1,320	Kamisu-Shi, Ibaraki	836,671	18	1991	492	76.7	56,145
24	Myogi Country Club ⁽⁴⁾	1,300	Tomioka-Shi, Gunma	803,549	18	1986	970	72.5	50,873
25	Koryo Country Club	1,130	Kanuma-Shi, Tochigi	984,175	27	1975	518	68.4	72,876
26	Ishioka Golf Club West Course	1,090	Kasama-Shi, Ibaraki	1,262,015	18	1990	554	83.8	60,834
27	Midono Country Club	1,070	Fujioka-Shi, Gunma	1,668,200	18	1990	524	84.8	60,212
28	Hanao Country Club	1,010	Isumi-Gun, Chiba	1,242,026	18	1992	511	81.2	59,306
29	Twin Lakes Country Club	921	Fujioka-Shi, Gunma	1,280,567	18	1988	561	83.3	59,797
30	Kamogawa Country Club ⁽⁴⁾	696	Kamogawa-Shi, Chiba	889,599	18	1970	602	81.0	59,327
31	Chichibu Kokusai Country Club	626	Chichibu-Gun, Saitama	784,338	18	1975	332	70.4	47,761
32	Northern Country Club Akagi Golf Course ⁽⁴⁾	466	Shibukawa-Shi, Gunma	1,516,533	27	1976	396	61.5	57,206
33	Kitsuregawa Country Club ⁽⁴⁾	365	Sakura-Shi, Tochigi	1,084,069	27	1987	538	67.1	71,276
34	Northern Country Club Jomo Golf Course	202	Agatsuma-Gun, Gunma	908,267	18	1978	223	69.8	39,901
35	Village Higashi Karuizawa Golf Club ⁽⁴⁾	102	Annaka-Shi, Gunma	748,362	18	1978	278	66.5	45,484

ASSET PORTFOLIO OVERVIEW

INITIAL PORTFOLIO OF 89 GOLF COURSE (cont'd)

GREATER OSAKA REGION

No.	Golf course	Appraisal Value (JPY million) ⁽¹⁾	Location	Area (m ²)	Number of Holes	Inaugural by the year	Revenue For FY15/16 (JPY million) ⁽²⁾	Utilisation Rates FY15/16 (%) ⁽³⁾	No of Visitors FY15/16
1	Otsu Country Club ⁽⁵⁾	7,330	Otsu-Shi, Shiga	2,051,043	45	1969	1,643	85.9	155,343
2	Izumisano Country Club	4,900	Izumisano-Shi, Osaka	1,343,189	27	1972	1,061	92.6	101,642
3	Kisaichi Country Club	4,520	Katano-Shi, Osaka	575,504	27	1968	1,054	94.0	103,172
4	Kamo Country Club	4,300	Kizugawa-Shi, Kyoto	1,206,331	36	1974	1,153	89.7	131,304
5	Atagohara Golf Club	3,060	Takarazuka-Shi, Hyogo	615,164	27	1960	901	80.7	88,135
6	Lake Forest Resort ⁽⁴⁾	2,100	Soraku-Gun, Kyoto	1,031,318	45	1993	1,771	80.0	146,429
7	Naranomori Golf Club	2,090	Nara-Shi, Nara	1,326,963	18	1988	722	90.5	65,865
8	Harima Country Club	2,030	Ono-Shi, Hyogo	743,267	18	1965	557	80.9	59,073
9	Kameoka Golf Club	1,940	Kameoka-Shi, Kyoto	694,053	18	1998	604	94.8	68,231
10	Sorei Golf Club Tsuchiyama Course	1,410	Kouka-Shi, Shiga	746,061	18	1996	483	83.2	58,751
11	Kyowa Golf Club	1,270	Soraku-Gun, Kyoto	1,145,952	18	1974	512	83.6	60,173
12	Misaki Country Club	1,170	Sennan-Gun, Osaka	206,026	18	1970	594	91.0	66,464
13	Yamato Kougen Country Club	784	Nara-Shi, Nara	1,486,731	18	2001	553	85.6	62,165
14	Kasai Country Club	583	Kasai-Shi, Hyogo	1,169,572	18	1987	440	77.9	56,681
15	Shirasagi Golf Club	482	Himeji-Shi, Hyogo	1,024,084	18	1996	487	80.8	58,690

GREATER NAGOYA REGION

No.	Golf course	Appraisal Value (JPY million) ⁽¹⁾	Location	Area (m ²)	Number of Holes	Inaugural by the year	Revenue For FY15/16 (JPY million) ⁽²⁾	Utilisation Rates FY15/16 (%) ⁽³⁾	No of Visitors FY15/16
1	Yokkaichinosato Golf Club	2,470	Yokkaichi-Shi, Mie	661,573	18	1988	731	83.1	60,146
2	Shinyo Country Club	2,100	Toki-Shi, Gifu	1,495,987	18	1990	699	84.9	61,492
3	Fujiwara Golf Club	2,010	Inabe-Shi, Mie	1,278,719	27	1993	800	76.5	81,675
4	Castlehill Country Club	1,970	Toyokawa-Shi, Aichi	1,635,889	18	1993	674	81.3	59,370
5	Kasumi Golf Club	1,480	Tsu-Shi, Mie	869,786	18	1992	543	82.0	59,568
6	Forest Geino Golf Club	1,420	Tsu-Shi, Mie	592,471	18	1991	495	75.7	54,840
7	Forest Mizunami Country Club ⁽⁴⁾	1,400	Mizunami-Shi, Gifu	1,079,483	18	1987	541	81.3	58,706
8	Tsukude Golf Club	1,330	Shinshiro-Shi, Aichi	435,805	18	1994	614	80.1	57,031

INITIAL PORTFOLIO OF 89 GOLF COURSE (cont'd)

GREATER NAGOYA REGION (cont'd)

No.	Golf course	Appraisal Value (JPY million) ⁽¹⁾	Location	Area (m ²)	Number of Holes	Inaugural by the year	Revenue For FY15/16 (JPY million) ⁽²⁾	Utilisation Rates FY15/16 (%) ⁽³⁾	No of Visitors FY15/16
9	Sorei Golf Club Seki Course	1,260	Kameyama-Shi, Mie	704,063	18	1996	447	79.5	57,261
10	Sun Classic Golf Club	1,050	Kani-Gun, Gifu	1,058,367	18	1992	569	92.5	67,130
11	Route 25 Golf Club	938	Iga-Shi, Mie	961,379	18	1995	509	76.9	55,488
12	Meisho Golf Club	770	Tsu-Shi, Mie	1,345,960	18	1984	405	72.5	52,778

OTHER REGION

No.	Golf course	Appraisal Value (JPY million) ⁽¹⁾	Location	Area (m ²)	Number of Holes	Inaugural by the year	Revenue For FY15/16 (JPY million) ⁽²⁾	Utilisation Rates FY15/16 (%) ⁽³⁾	No of Visitors FY15/16
1	Mishima Country Club	3,040	Mishima-Shi, Shizuoka	1,069,886	18	1988	699	85.5	62,427
2	Ashitaka Six Hundred Club ⁽⁴⁾	2,100	Numazu-Shi, Shizuoka	873,030	18	1969	611	80.2	58,550
3	Jurigi Country Club	1,780	Fuji-Shi, Shizuoka	722,429	18	1973	489	72.4	48,773
4	Nijo Country Club	1,510	Itoshima-Shi, Fukuoka	952,335	18	1974	526	84.6	61,239
5	Sanyo Kokusai Golf Club	1,170	Sanyoonoda-Shi, Yamaguchi	1,863,554	36	1980	648	60.2	86,199
6	Hongo Country Club	1,030	Mihara-Shi, Hiroshima	1,168,476	18	1977	422	61.4	44,608
7	Yunoura Country Club	978	Hioki-Shi, Kagoshima	1,454,590	18	1989	447	78.2	56,620
8	Dainiigata Country Club Izumosaki Course	878	Santo-Gun, Niigata	489,212	18	1974	339	69.5	43,493
9	Sasebo Kokusai Country Club	851	Sasebo-Shi, Nagasaki	363,153	18	1976	392	69.4	50,130
10	Beppu No Mori Golf Club	834	Beppu-Shi, Oita	1,292,070	27	1974	515	70.3	76,140
11	Central Fukuoka Golf Club	760	Chikushino-Shi, Fukuoka	661,225	18	1975	478	84.8	59,676
12	Osato Golf Club	668	Kurokawa-Gun, Miyagi	1,377,510	18	1998	321	81.2	55,027
13	Takehara Country Club	625	Takehara-Shi, Hiroshima	1,116,606	18	1994	382	61.2	44,151
14	Izokokusai Country Club	533	Izu-Shi, Shizuoka	596,199	18	1961	305	63.6	46,307
15	Nagasaki Park Country Club	490	Saikai-Shi, Nagasaki	1,016,537	18	1994	393	69.4	49,843
16	Aoshima Golf Club	453	Miyazaki-Shi, Miyazaki	816,506	18	1991	449	72.2	52,835
17	Fukuoka Pheasant Country Club	451	Tagawa-Gun, Fukuoka	1,072,749	18	1976	338	69.1	49,223
18	Dainiigata Country Club Sanjo Course	445	Sanjo-Shi, Niigata	675,500	18	1976	256	61.2	33,021

ASSET PORTFOLIO OVERVIEW

INITIAL PORTFOLIO OF 89 GOLF COURSE (cont'd)

OTHER REGION (cont'd)

No.	Golf course	Appraisal Value (JPY million) ⁽¹⁾	Location	Area (m ²)	Number of Holes	Inaugural by the year	Revenue For FY15/16 (JPY million) ⁽²⁾	Utilisation Rates FY15/16 (%) ⁽³⁾	No of Visitors FY15/16
19	Onuma Lake Golf Club	419	Kayabe-Gun, Hokkaido	1,236,330	27	1975	320	56.9	41,648
20	Kikuchi Country Club	415	Kikuchi-Shi, Kumamoto	1,573,608	18	1979	307	65.6	46,576
21	Amagaseonsen Country Club	347	Hita-Shi, Oita	677,450	18	1967	299	66.3	46,913
22	Tarumae Country Club	346	Tomakomai-Shi, Hokkaido	2,131,128	27	1963	389	55.0	42,888
23	Rainbow Sports Land Golf Club	312	Miyakonojo-Shi, Miyazaki	682,127	18	1992	255	70.4	50,383
24	Hananomori Golf Club	294	Kurokawa-Gun, Miyagi	1,211,083	18	1992	415	69.1	40,779
25	Yamagataminami Country Club	264	Higashiokitama-Gun, Yamagata	885,800	18	1985	221	64.7	30,676
26	Huis Ten Bosch Country Club	115	Saikai-Shi, Nagasaki	994,455	18	1991	331	59.0	42,223
27	Kanazawa Central Country Club	51	Kanazawa-Shi, Ishikawa	1,311,095	18	1993	314	69.5	40,287

Notes:

(1) Based on real estate appraisals as at 31 December 2015 conducted by the Independent Real Estate Appraisers.

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

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

(4) These 10 golf courses have hotel facilities at the golf course.

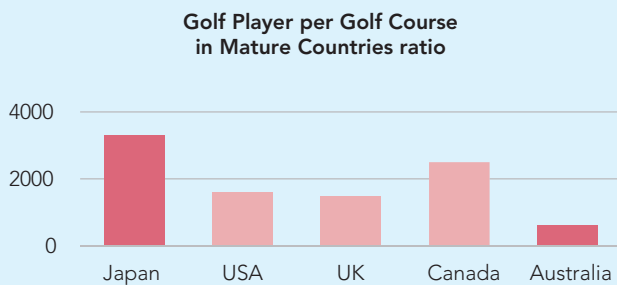
(5) This golf course consists of the Higashi Course (27 holes) and the Nishi Course (18 holes) and they are treated by the Sponsor as two separate golf courses.

OVERVIEW OF JAPAN'S GOLF COURSE INDUSTRY

OVERVIEW JAPANESE GOLF COURSE MARKET

The Japanese golf course market has 2,336 golf courses in 2014⁽¹⁾ and is the third largest golf market in the world, in terms of number of courses, after the United States and United Kingdom⁽²⁾.

GOLF PLAYER PER GOLF COURSE RATIO IN MATURE COUNTRIES⁽²⁾



The golf market in Japan has undergone substantial change since its peak in the early 1990s. Industry consolidation has been occurring for over a decade and a number of inefficient golf courses have closed or have been converted to alternative uses. The industry has become increasingly a two-tier market with experienced golf courses operators driving efficiency and synergising. Well managed golf courses within proximity to large urban areas have proven relatively resilient to market downturns and remain popular with locals. On the other hand, smaller operators that are resistant to change and golf courses in remote locations have continued to struggle.

Source:

(1) Nihon Golf-jo Keieisha Kyokai (NGK) and Japan Productivity Center.

(2) CBRE report in Prospectus.

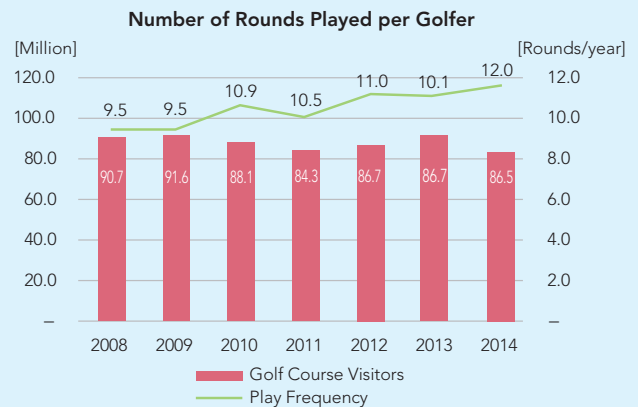
NUMBER OF GOLF COURSE VISITORS IN JAPAN

From 2011 to 2015, the number of visitor of golf course in Japan saw a slight increase, supported by increasing senior plays and recovering economic situation.

While the number of golf players is said to be decreasing, the number of plays per golfer has increased. The lowering cost of play is likely to entice golfers to increase their frequency.

Presently, having moved on from the Lehman crisis and Tohoku earthquake, the number of golf course visitors has increased from 84.3 million in 2011 to 86.5 million in 2014, along with the gradual recovery of the Japanese economy.

NUMBER OF ROUNDS PLAYED PER GOLFER⁽¹⁾

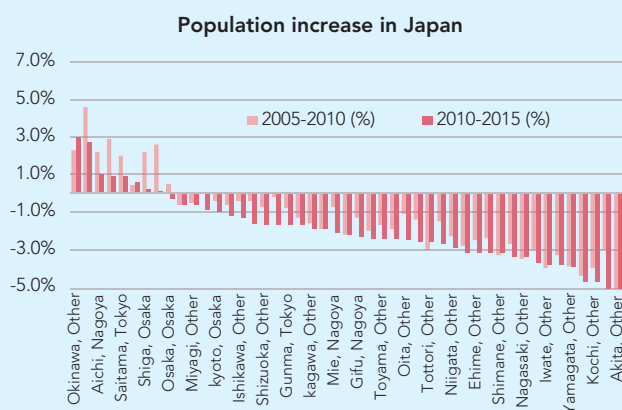


JAPANESE POPULATION

Although Japan's overall population is showing a decreasing trend, there is also a shift in the demographics which sees an increase in the population in the urban areas as compared to the rural areas.

OVERVIEW OF JAPAN'S GOLF COURSE INDUSTRY

DEMOGRAPHICS SHIFT IN JAPAN



Source: National Institute of Population and Social Security Research, Japan Region classification is based on AGT's area classification

Greater Tokyo, continues to attract more residents, which also attributes to the two tier markets.

SENIOR GOLFERS

Golf remains a popular leisure for the seniors and reports show that there is a growing trend of senior golfers.

The increasing trend is mainly due to the growth in "Healthy life expectancy", in Japan which can be attributed to improving health condition of seniors. Thus the seniors can play golf at an older age.

Baby boomers entering their retirement have also contributed to the increase in senior players. They will have more time for leisure activities, including golf, and is expected to continue to be a driver in the golf industry.

JAPAN'S ECONOMY

Golf demand is reflected by the economic condition. The Abenomics reforms has been put in place since 2012 but there is still a level of uncertainty in the Japan economy. Nevertheless, the demand for golf remains resilient to economic downturn.

TOURISM IN JAPAN

According to survey results detailed in the Foreign Visitor Spending Report published by the Japan Tourism Agency, there are approximately 19 million people visitors to Japan in 2015. Growing tourist arrivals to Japan is expected to have positive impact on demand for golf in the mid-to-long term.

OLYMPICS 2016/2020

With the rising popularity of golf in many parts of the world, the International Olympic Committee decided to include golf as an Olympic game. The inclusion of golf as an Olympic game may improve the image of golf and increase its popularity. As the Olympics has constantly been able to draw a large audience, Japan's sports industry, including golf, may see some benefits.

INVESTOR RELATIONS

AGT is committed to building and maintaining a transparent and responsive communication channel with investors, analysts and fund managers through pro-active engagements. A two-way communication channel allows the management to articulate AGT's unique business as being the world's only listed business trust with golf course assets, and to promote a good opportunity for the Trustee-Manager to address any concerns.

Investor Relations Contact:

Takuya Nagano, Head of Investor Relations

Email: info@agtrust.com.sg

Tel: +65 6592 1050

Brenda Ng, Senior Manager, Investor Relations

Email: Brenda@agtrust.com.sg

Tel: +65 6592 1059

IR CALENDAR

DATE	FINANCIALS & CORPORATE EVENTS	INVESTOR RELATIONS
FINANCIAL YEAR 16/17		
2nd Quarter		
Jul 28	Annual General Meeting for FY15/16 & Extraordinary General Meeting	
1st Quarter		
Jun 21	Distribution Payment for 2H	
Jun 13 to 24		Investors' Meetings in Tokyo, U.S.A and Europe
Jun 6		Singapore Capital Expo & Small Cap Showcase by SGX & Wholesale Investor
May 27		Post 4Q and Full Year Results Briefing
May 26	4Q and Full Year Financial Results	
FINANCIAL YEAR 15/16		
4th Quarter		
Feb 23 to Mar 3		Investors' Meetings in Tokyo, Hong Kong and Taiwan
Feb 12		Post 3Q Results Briefing
Feb 10	3Q Financial Results	
Jan 25		Investors' Meetings in U.S.A.
3rd Quarter		
Dec 15	Distribution Payment for 1H	
Nov 16		Post 2Q Results Briefing
Nov 12	2Q Financial Results	
Sep 5 to 8		Analysts' site visits in Japan
2nd Quarter		
Aug 17		Post 1Q Results Briefing
Aug 13	1Q Financial Results	
Jul 27	Annual General Meeting	
1st Quarter		
Jun 16		Investors' Meetings in U.S.A and Europe
Jun 15	Distribution Payment	
May 19	4Q and Full Year Financial Results (1 Aug 2014 to 31 Mar 2015)	Post 4Q and Full Year Results Briefing
Apr 3 to 6		Analysts' site visits in Tokyo

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman and Independent Director

Mr Khoo Kee Cheok

Chief Executive Officer & Executive Director

Mr Yoshihiko Machida

Executive Director and Head of Investor Relations

Mr Takuya Nagano

Independent Directors

Mr Chong Teck Sin

Mr Hitoshi Kumagai

AUDIT AND RISK COMMITTEE

Chairman

Mr Chong Teck Sin

Members

Mr Khoo Kee Cheok

Mr Hitoshi Kumagai

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

Tel: +65 6592 1050

Fax: +65 6220 2824

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

Email: info@agtrust.com.sg

UNIT REGISTRAR AND UNIT TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte Ltd

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

Tel: +65 6536 5355

Fax: +65 6536 1360

INDEPENDENT AUDITOR

Deloitte & Touche LLP

6 Shenton Way

#33-00 OUE Downtown 2

Singapore 068809

Tel: +65 6224 8288

Fax: +65 6538 6166

Partner-in-Charge: Ms Tay Hwee Ling

Date of appointment: 15 July 2014

COMPANY SECRETARIES

Ms Lynn Wan Tiew Leng

Mr Lai Kuan Loong Victor

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

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 of AGT (the "**Sponsor**").

The Trustee-Manager is committed to high standards of corporate governance, business integrity and professionalism in all its activities and has adopted corporate governance practices which are in line with the Singapore Code of Corporate Governance 2012 (the "**Code**") throughout the financial period ended 31 March 2016. Where there are deviations from the Code, appropriate explanations have been provided. The Trustee-Manager also ensures that all applicable laws, rules and regulations including the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), the listing manual of the SGX-ST (the "**Listing Manual**") and the BTA including the relevant regulations thereunder, are duly complied with.

THE BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1

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

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

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

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

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

The key roles of the Board are to:

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

CORPORATE GOVERNANCE

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

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. For the year ended 31 March 2016, the Board held one ad-hoc meeting in addition to the scheduled quarterly meetings.

The number of meetings of the Board and the Audit and Risk Committee held for the year ended 31 March 2016 as well as the attendance of the Directors, are as follows:

Name of Directors	Board Meetings		Audit and Risk Committee Meetings	
	Number of meetings	Attendance	Number of meetings	Attendance
Khoo Kee Cheok	5	5	6	6
Chong Teck Sin	5	5	6	6
Hitoshi Kumagai	5	5	6	6
Yoshihiko Machida	5	5	6*	6*
Takuya Nagano	5	5	6*	6*

* By Invitation

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

As part of continuous training, Directors will, 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 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. Meetings between the management of some of the golf courses and the Directors were also arranged so that the Directors can better understand the issues faced on the ground.

There was no new Director appointed in FY15/16. When a new Director is appointed, a formal letter of appointment setting out the Director's duties and responsibilities and the Audit and Risk Committee's Terms of Reference (if applicable) will be issued to the new Director.

BOARD COMPOSITION AND GUIDANCE

Principle 2

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

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

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

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

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

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

The Board has 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.

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.

CORPORATE GOVERNANCE

As at 31 March 2016, the Directors were:

Independent Directors

Mr Khoo Kee Cheok (Chairman)

Mr Chong Teck Sin

Mr Hitoshi Kumagai

Executive Directors

Mr Yoshihiko Machida (Chief Executive Officer)

Mr Takuya Nagano

Further information on the Directors is provided in the Board of Directors of the Trustee-Manager section on pages 8 and 9 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.

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 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.

Whilst the current constitution of the Trustee-Manager does not subject the Directors to periodic retirement by rotation, the constitution of the Trustee-Manager will be amended so that, all the Directors shall be up for re-nomination and re-election at every annual general meeting of the Trustee-Manager.

CORPORATE GOVERNANCE

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 in FY15/16 put in place a formal process to annually assess the performance and effectiveness of the Board and contributions of the individual Directors. The Board members are provided with a set of questions 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 will be 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.

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, evaluation of individual Directors by other members of the Board, 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 2016. The Board will continue to review from time to time the board representations and other principal commitments of each Director to ensure that the Directors continue to meet the demands of the Trustee-Manager and AGT, and are able to discharge their duties and responsibilities adequately.

Details of such directorships and other principal commitments may be found on pages 8 and 9 of this Annual Report.

ACCESS TO INFORMATION

Principle 6

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

Management endeavours to provide the Board with complete, adequate and timely information prior to Board meetings and as and when the need arises, in order to allow the Board to make informed decisions to discharge its duties and responsibilities.

Board meetings for each quarter are scheduled in advance to facilitate Directors' individual administrative arrangements in respect of ongoing commitments. Whenever warranted, ad-hoc Board meetings are held. As a general rule, agenda for the meetings are circulated seven days in advance of each meeting. As a best practice, 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, as well as the internal and external auditors at all times. At least one Company Secretary (and/or his/her authorised designates) attend 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.

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.

CORPORATE GOVERNANCE

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 Remuneration Committee. Subsequent to year-end, the Remuneration Committee held its first meeting.

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 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.

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' fee	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⁾	B ⁽³⁾
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 Takuya Nagano are Executive Officers of the Trustee-Manager. As such, they were remunerated by the Trustee-Manager for their roles as Executive Officers and no directors' fees were paid to them in FY15/16
- (3) "B" refers to remuneration between the equivalent of S\$250,000 and S\$500,000

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 2012 CG 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 2016 is S\$1,200,000.

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 \$50,000 during the financial year ended 31 March 2016.

ACCOUNTABILITY AND AUDIT ACCOUNTABILITY

Principle 10

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

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

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

CORPORATE GOVERNANCE

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 2016, 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 presented 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.

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 the Group's existing internal controls and risk management system are adequate and effective as at 31 March 2016 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.

AUDIT & RISK COMMITTEE

Principle 12

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

The Audit and Risk Committee comprises three members, all of whom are Independent Directors and appropriately qualified with the relevant business, accounting and financial management experience and skills to discharge their responsibilities. As at 31 March 2016, 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.

CORPORATE GOVERNANCE

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 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;
- (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;

CORPORATE GOVERNANCE

- (v) to approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting firm/auditing firm or corporation to which the internal audit function is outsourced. To ensure that the internal audit function is staffed with persons with the relevant qualification and experience and that they carry out their functions according to the standards set by nationally or internationally recognised professional bodies, including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors;
- (w) to review annually the scope and results of the external audit, and the independence and objectivity of the external auditors, and to recommend to the Board the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;
- (x) to review the audit representation letters before consideration by the Board, giving particular consideration to matters that are related to non-standard issues;
- (y) to undertake such other reviews and projects as may be requested by the Board; and
- (z) to undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

The Audit and Risk Committee is briefed and updated by external auditors on relevant changes to accounting standards and issues that have direct impact on financial statements. 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 2016, the Audit and Risk Committee:

- (a) held six 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) recommended the re-appointment of Deloitte & Touche LLP as external auditors at the Annual General Meeting of Unitholders;
- (f) reviewed the volume and nature of interested person transactions; and
- (g) reviewed and pre-approved the derivatives transactions to ensure that the instruments, processes and practices are in accordance with the policy approved by the Board.

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

External Auditor Fees for FY2015/2016	S\$	% of total fees
Total Audit Fees	615,000	99
Total Non-Audit Fees	6,500	1
Total Fees Paid	621,500	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.

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

CONDUCT OF UNITHOLDER MEETINGS

Principle 16

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

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

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

At general meetings, Unitholders are encouraged to communicate their views on and discuss with the Board and the Trustee-Manager matters which they are concerned about regarding AGT. Representatives of the Trustee-Manager, Directors (including the Chairman of the Board and the chairman of the Audit and Risk Committee), the Trustee-Manager's senior management and the external auditors of AGT, would usually be present at general meetings.

To safeguard Unitholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings. To ensure transparency in the voting process and better reflect Unitholders' interests, voting at all general meetings are conducted by way of poll. Detailed results of the outcome are announced after the meeting via SGXNET.

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

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 financial position for AGT.

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

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

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

- (a) treat Unitholders who hold Units in the same class fairly and equally;
- (b) ensure that all payments out of the Trust Property are made in accordance with the BTA and the Trust Deed;

CORPORATE GOVERNANCE

- (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.

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 FY15/16, other than, where applicable:

- (a) as disclosed on pages 332 to 353 of the Prospectus; and
- (b) interested person transactions as listed in the Interested Person Transactions section of this Annual Report.

Conflicts of Interests

- (a) The Trustee-Manager has instituted the following procedures to deal with conflict of interest issues:
 - (i) All resolutions in writing of the Directors in relation to matters concerning AGT must be approved by a majority of the Directors, including at least one Independent Director.
 - (ii) In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of the Sponsor and/or its subsidiaries.
 - (iii) Where matters concerning AGT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of AGT with an interested person, the Board is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of AGT and its minority Unitholders, and in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or AGT, the Trustee-Manager (including the Audit and Risk Committee) will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

CORPORATE GOVERNANCE

- (iv) It should be noted that the Trustee-Manager is prohibited from carrying on any business other than the management and operation of AGT as its trustee-manager.
- (v) In order to manage any potential competition and conflicts of interest that may arise between the Sponsor and the Trustee-Manager and/or the Golf Course Holding Company in relation to any assets that fall within the investment mandate of AGT or the holding of the Initial Portfolio golf courses for the purpose of managing and operating the golf course business (the "TK Business"), the Sponsor has granted (i) a right of first refusal to Golf Course Holding Company, (ii) a right of first refusal to the Trustee-Manager, and a call option to each of the Golf Course Holding Company and the Trustee-Manager, with effect from the Listing Date.
- (vi) For as long as Daiwa Securities Group Inc. and/or its associates is a controlling shareholder of the Trustee- Manager and should Daiwa Securities Group Inc. and/or its associates hold in aggregate 15% or more of the total voting rights of the Sponsor, Daiwa Securities Group Inc. and/or its associates shall abstain from voting on their Units in relation to transactions entered into between AGT or its 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 future interested person transactions:

- (a) will be undertaken on normal commercial terms; and
- (b) will not be prejudicial to the interests of AGT and its minority Unitholders.

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

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 during the financial year ended 31 March 2016 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 interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
			1 April 2015 to 31 March 2016 (JPY million)	1 April 2015 to 31 March 2016 (JPY million)
Accordia Golf Trust Management Pte Ltd	Trustee-Manager	<ul style="list-style-type: none"> – Trustee-Manager fee – Reimbursement expenses 	<p>264</p> <p>8</p>	NA
Accordia Golf Co., Ltd.	Controlling shareholder of AGT & controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> – Golf course management fee – Payment of staff secondment fee – Equipment lease fee – Subordinated loan interest expense – Sales commission received for new membership sign up – Customer loyalty point awarded, net of redeemed – Shareholders' coupon – Collection of annual membership on behalf – Sales for business use – Repayment of finance lease obligations – Interest expense on finance lease 	<p>6,048</p> <p>1,603</p> <p>98</p> <p>15</p> <p>17</p> <p>199</p> <p>440</p> <p>200</p> <p>20</p> <p>497</p> <p>62</p>	NA

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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 interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
			1 April 2015 to 31 March 2016 (JPY million)	1 April 2015 to 31 March 2016 (JPY million)
Accordia Retail Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> Pro-shop revenue Revenue from Proshop management Collection of Pro-shop business revenue on behalf 	74 138 2,489	NA
Heartree Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> Incentive received for centralised purchases 	68	NA
Golf Alliance Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> Purchases of food and supplies through centralised procurement system Integrated purchasing system usage fee paid Cash payment of operating expenses and purchase through centralised procurement system 	5,713 18 5,773	NA
Accordia Golf Garden Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> Lesson revenue for providing golf lesson 	22	NA
Daiwa Real Estate Asset Management Co. Ltd.	Controlling shareholder of the Trustee-Manager	<ul style="list-style-type: none"> Asset management fee 	99	NA

Use of IPO Proceeds

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

	Intended use as disclosed in Prospectus	Utilised as at 31 March 2016	Balance
	S\$'000	S\$'000	S\$'000
Public offering	758,564	758,564	–
Consideration units ⁽¹⁾	307,584	307,584	–
Less:			
Funding of the consideration for the acquisition of the TK interests on the Listing Date	913,135	912,479	656 ⁽²⁾
Working Capital purposes	4,514	4,505	9 ⁽³⁾
Equity Issue Expenses	76,710	77,375	(665) ⁽⁴⁾
Further investment in TK Business by way of additional TK contributions to the TK Business	71,789	71,789	–
Total	–	–	–

Notes:

- (1) Issue of 317,096,999 units to the Sponsor, Accordia Golf Co Ltd, for S\$307,584,000 as part settlement of the consideration for the acquisition of the Initial Portfolio through the acquisition of the TK interest.
- (2) This amount relates to the difference between the intended investment and actual investment. This is not an outstanding balance for TK investment.
- (3) The proceeds for working capital were applied towards payment of the Trustee-Manager's fees and general trust expenses (which include administrative expenses and professional fees) which amounted to S\$3.282 million and S\$1.223 million, respectively.
- (4) Equity issue expenses were higher than intended as disclosed in the Prospectus due to the payment to legal firms which were not initially planned.

The use of IPO proceeds is in accordance with the intended use as set out in the Prospectus.

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 0.25% per annum of the Adjusted Net Operating Income of the investments of AGT;

CORPORATE GOVERNANCE

- 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 FY15/16 are disclosed in page 96 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 2016 and the SICC May Day Charity 2016.

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 (the "Unitholders") together with the audited financial statements of AGT and its subsidiary (collectively the "Group") for the financial year ended 31 March 2016.

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 Takuya Nagano
Mr Chong Teck Sin
Mr Hitoshi Kumagai

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 2016.

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;

5 AUDIT AND RISK COMMITTEE (CONTINUED)

- 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;
- (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.

The Audit and Risk Committee has recommended to the Board that the independent auditor, Deloitte & Touche LLP, be nominated for re-appointment as the external auditor of AGT at the forthcoming Annual General Meeting of the Unitholders.

REPORT OF THE TRUSTEE-MANAGER

6 INDEPENDENT AUDITOR

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

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

Yoshihiko Machida

Chief Executive Officer and Executive Director

23 June 2016

Khoo Kee Cheok

Chairman and Independent Director

23 June 2016

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 57 to 117 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 2016, 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 AGT's debts when they fall due.

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

- (a) the fees or charges paid or payable out of the Trust Property to the Trustee-Manager are in accordance with the Trust Deed dated 16 June 2014 constituting AGT;
- (b) the interested person transactions entered into by the Group during the year ended 31 March 2016 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 2016 for issue.

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

Yoshihiko Machida
Chief Executive Officer and Executive Director

23 June 2016

Khoo Kee Cheok
Chairman and Independent Director

23 June 2016

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

In accordance with Section 86(3) of the Business Trusts Act, Chapter 31A of Singapore, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of Accordia Golf Trust or on the interests of all the Unitholders as a whole.

Yoshihiko Machida

Chief Executive Officer and Executive Director

23 June 2016

INDEPENDENT AUDITORS' REPORT

To the Unitholders of Accordia Golf Trust

Report on the Financial Statements

We have audited the accompanying financial statements of Accordia Golf Trust ("AGT") and its subsidiary (the "Group"), which comprise the consolidated statements of financial position of the Group and statement of financial position of AGT as at 31 March 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of AGT for the financial year ended on that date, and a summary of significant accounting policies and other explanatory information, as set out on pages 57 to 117.

Trustee-Manager's Responsibility for the Financial Statements

Accordia Golf Trust Management Pte. Ltd. (the "Trustee-Manager") is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Business Trusts Act, Chapter 31(A), (the "Act") and International Financial Reporting Standards ("IFRS"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee-Manager, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT

To the Unitholders of Accordia Golf Trust

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of AGT are properly drawn up in accordance with the Act and IFRS so as to give a true and fair view of the financial position of the Group and of AGT as at 31 March 2016, 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.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of AGT have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

23 June 2016

STATEMENTS OF FINANCIAL POSITION

31 March 2016

		Group		AGT	
	Note	2016 JPY millions	2015 JPY millions	2016 JPY millions	2015 JPY millions
Current assets					
Cash and bank balances	7	11,238	12,317	574	261
Trade and other receivables	8	2,391	2,315	4,545	6,662
Inventories		245	247	–	–
Derivative financial instruments	18	16	–	16	–
Other assets	9	1,202	1,559	2	2
		<u>15,092</u>	<u>16,438</u>	<u>5,137</u>	<u>6,925</u>
Non-current assets					
Investment in subsidiary	10	–	–	76,200	76,200
Property, plant and equipment	11	148,670	149,826	–	–
Intangible assets	12	17,136	17,115	–	–
Other assets	9	722	875	–	–
		<u>166,528</u>	<u>167,816</u>	<u>76,200</u>	<u>76,200</u>
Total assets		<u>181,620</u>	<u>184,254</u>	<u>81,337</u>	<u>83,125</u>
Current liabilities					
Borrowings from financial institutions	13	443	437	–	–
Finance lease payables	14	592	545	–	–
Trade and other payables	15	5,099	5,104	167	158
Membership deposits	16	10,142	9,778	–	–
Income taxes payable		928	813	928	813
Other liabilities	17	4,630	4,641	–	–
		<u>21,834</u>	<u>21,318</u>	<u>1,095</u>	<u>971</u>
Non-current liabilities					
Borrowings from financial institutions	13	42,500	42,329	–	–
Finance lease payables	14	1,946	1,723	–	–
Borrowing from a related party	6(ii)	500	500	–	–
Membership deposits	16	3,570	5,028	–	–
Deferred tax liabilities	24(c)	28,711	29,588	–	–
Derivative financial instruments	18	398	283	–	–
Other liabilities	17	44	34	–	–
		<u>77,669</u>	<u>79,485</u>	<u>–</u>	<u>–</u>
Total liabilities		<u>99,503</u>	<u>100,803</u>	<u>1,095</u>	<u>971</u>
Net assets		<u>82,117</u>	<u>83,451</u>	<u>80,242</u>	<u>82,154</u>
Equity					
Unitholders' funds	19	81,086	81,086	81,486	81,486
Cash flow hedging reserve		(398)	(283)	–	–
Accumulated profits (losses)		1,226	2,590	(1,244)	668
Equity attributable to Unitholders		<u>81,914</u>	<u>83,393</u>	<u>80,242</u>	<u>82,154</u>
Non-controlling interest	20	203	58	–	–
Total equity		<u>82,117</u>	<u>83,451</u>	<u>80,242</u>	<u>82,154</u>

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial year ended 31 March 2016

	Note	Group	
		Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 ^(a) JPY millions (Restated)
Revenue	21	52,537	33,163
Other operating income		638	262
Operating income		53,175	33,425
Labour and outsourcing expense		(16,325)	(10,509)
Merchandise and material expense		(3,745)	(2,302)
Golf course management fee		(6,048)	(3,905)
Golf course maintenance and repair cost		(2,570)	(1,440)
Asset manager's fee		(99)	(66)
Trustee-Manager's fee		(264)	(174)
Depreciation and amortisation expense		(3,415)	(2,485)
Operating lease expense	29	(2,054)	(1,392)
Utility expense		(2,315)	(1,766)
Selling, general and administrative expense	22	(4,914)	(3,888)
Other operating expenses		(2,598)	(1,435)
Operating expense		(44,347)	(29,362)
Operating profit		8,828	4,063
Interest expense and other finance costs	23	(1,687)	(1,298)
Profit before income tax		7,141	2,765
Income tax expense	24(a)(b)	(479)	(117)
Profit for the year/period	25	6,662	2,648
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Unrealised loss on change in fair value of cash flow hedging financial instruments	18	(115)	(283)
Other comprehensive income for the year/period, net of tax		(115)	(283)
Total comprehensive income for the year/period		6,547	2,365
Profit for the year/period attributable to			
Unitholders		6,517	2,590
Non-controlling interest		145	58
		6,662	2,648
Total comprehensive income for the year/period attributable to			
Unitholders		6,402	2,307
Non-controlling interest		145	58
		6,547	2,365
Earnings per unit attributable to Unitholders (JPY)	26	5.93	2.36

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

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended 31 March 2016

	Unitholders' funds JPY millions	Cash flow hedging reserve JPY millions	Accumulated profits JPY millions	Attributable to Unitholders JPY millions	Non-controlling interest JPY millions	Total equity ^(a) JPY millions
Group						
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 18)	–	(115)	–	(115)	–	(115)
Total	–	(115)	6,517	6,402	145	6,547
Transaction with Unitholders, recognised directly in equity:						
Distribution paid (Note 30)	–	–	(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
Balance as at 1 August 2014	–	–	–	–	–	–
Total comprehensive income for the period:						
Profit for the period	–	–	2,590	2,590	58	2,648
Other comprehensive income for the period (Note 18)	–	(283)	–	(283)	–	(283)
Total	–	(283)	2,590	2,307	58	2,365
Transaction with Unitholders, recognised directly in equity:						
Issuance of units	87,881	–	–	87,881	–	87,881
Equity issue expenses	(6,795)	–	–	(6,795)	–	(6,795)
Total	81,086	–	–	81,086	–	81,086
Balance as at 31 March 2015	81,086	(283)	2,590	83,393	58	83,451

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

STATEMENTS OF CHANGES IN EQUITY

Financial year ended 31 March 2016

	Unitholders' funds JPY millions	Accumulated profits (losses) JPY millions	Total equity ^(a) JPY millions
<u>AGT</u>			
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 30)	–	(7,881)	(7,881)
Total	–	(7,881)	(7,881)
Balance as at 31 March 2016	81,486	(1,244)	80,242
Balance as at 1 August 2014	–	–	–
Total comprehensive income for the period:			
Profit after income tax	–	668	668
Total	–	668	668
Transaction with Unitholders, recognised directly in equity:			
Issuance of units	87,881	–	87,881
Equity issue expenses	(6,395)	–	(6,395)
Total	81,486	–	81,486
Balance as at 31 March 2015	81,486	668	82,154

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

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended 31 March 2016

	Group	
	Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 ^(a) JPY millions
Operating activities		
Profit for the year/period	6,662	2,648
Adjustments for:		
Depreciation and amortisation expense	3,415	2,485
Impairment loss	184	—
Interest expense and other finance costs	1,687	1,298
Income tax expense	479	117
Loss on disposal of property, plant and equipment	4	7
Allowance for doubtful trade receivables	62	283
Gain on forfeiture of membership deposits	(29)	(32)
Operating cash flow before movements in working capital	12,464	6,806
Changes in working capital:		
Trade receivables and others	179	(518)
Inventories	2	59
Trade payables and others	(79)	2,857
Cash generated from operations	12,566	9,204
Interest and other finance costs paid	(989)	(647)
Income tax paid	(1,241)	(4,383)
Net cash flows from operating activities	10,336	4,174
Investing activities		
Payment for acquisition of golf business (Note A)	—	(49,956)
Acquisition of property, plant and equipment (Note B)	(1,546)	(1,293)
Proceeds from disposal of property, plant and equipment (Note C)	4	1
Acquisition of intangible assets	(25)	(3)
Net cash flows used in investing activities	(1,567)	(51,251)

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended 31 March 2016

	Group	
	Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 ^(a) JPY millions
Financing activities		
Proceeds from issuance of units	–	62,523
Payment of equity issuance expenses	–	(6,795)
Proceeds from borrowings from a related party	–	500
Proceeds from borrowings from financial institutions	–	45,000
Payment of transaction costs related to borrowings (Note D)	–	(1,875)
Repayment of borrowings from financial institutions	(450)	(225)
Repayment of borrowings from a related party	–	(38,336)
Repayment of membership deposits	(932)	(998)
Repayment of finance lease obligation	(558)	(462)
Increase in pledged deposit	(438)	–
Distribution to unitholders	(7,881)	–
Net cash flows (used in)/from financing activities	(10,259)	59,332
Net (decrease) increase in cash and cash equivalents	(1,490)	12,255
Balance of cash and cash equivalents at the beginning of the financial year/period	12,268	–
Effect of exchange rate changes on the balance of cash held in foreign currency	(27)	13
Balance of cash and cash equivalents at the end of the financial year/period (Note 7)	10,751	12,268

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

Note A:

Payment for acquisition of the golf business amounting to JPY49,956 million represented the sum of the net cash consideration paid to acquire the initial portfolio of JPY49,563 million (Note 5 (d)) and the registration tax paid upon transfer of the title of properties of JPY393 million.

Note B:

During the current financial year, the Group acquired property, plant and equipment with an aggregate cost of approximately JPY2,474 million (2015: JPY1,256 million), of which JPY862 million (2015: JPY88 million) was acquired under finance lease arrangement and JPY213 million (2015: JPY147 million) remains unpaid as at year end. The outstanding amount as at 31 March 2015 of JPY147 million, has been paid during the current financial year.

In prior period, the property, plant and equipment with an aggregate cost of approximately JPY285 million was acquired and remained unpaid as at acquisition date. This amount has been fully paid during the financial period from 1 August 2014 to 31 March 2015.

Note C:

During the current financial year, the Group disposed property, plant and equipment to a related party with sales proceeds of JPY38 million (2015: JPY12 million), of which JPY34 million (2015: JPY11 million) was offset against finance lease obligation to a related party.

Note D:

The transaction cost related to borrowings from financial institutions amounts to JPY2,433 million, of which JPY618 million has been prepaid before the acquisition date.

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

1 GENERAL

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

AGT is managed by Accordia Golf Trust Management Pte. Ltd. (the "Trustee-Manager"). The Trustee-Manager is 49% held by Accordia Golf Co., Ltd. (the "Sponsor") and 51% held by Daiwa Real Estate Asset Management Co. Ltd. (the "TM Partner"), a wholly-owned subsidiary of Daiwa Securities Group Inc. The TM Partner is also the asset manager of the initial portfolio.

AGT was admitted to the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and was listed on the SGX-ST on 1 August 2014 ("Listing Date").

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

The Trustee-Manager has acquired the golf courses and golf course related assets which are owned by a special purpose vehicle (the "Initial Portfolio") through the acquisition of Tokumei Kumiai interest (the "TK Interest") from the Sponsor on the Listing Date. The special purpose vehicle is established in the form of a Japanese limited liability company known as Godo Kaisha (the "SPC", "GK", or "TK Operator"). All of its membership interests (i.e. voting rights, namely "GK Interest") in the SPC are held by a general incorporated association known as an Ippan Shadan Hojin ("ISH"), a type of special purpose vehicle under Japanese law. The voting rights of the ISH are held by certified public accountants who are members of the Tokyo Kyodo Accounting Office. The certified public accountants are independent and not subject to the instruction of any party. The role of the certified public accountants is to carry out limited corporate administrative work to maintain such function of the ISH.

The relationship between AGT and the TK Operator is governed by the TK Agreement. AGT, as the investor, will provide funds to the TK Operator in return for the right to receive distribution of profit generated from the operation of the GK. Under the TK Agreement, the net income of the TK business, comprising principally the income generated from the golf course business, will be passed up to AGT. AGT is entitled to 98.99% of the profits and losses of such business, while the shareholder of the TK Operator and QII (as disclosed in Note 17) are entitled to 1% and 0.01% of the allocated profits and losses respectively. AGT is, therefore, entitled to receive substantially all of the economic interest from the TK Operator.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

1 GENERAL (CONTINUED)

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 2016 were authorised for issue by the Board of Directors of the Trustee-Manager (the "Board") on 23 June 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires the Trustee-Manager to exercise judgement in the process of applying the Group's accounting policies. Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(b) Basis of preparation

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

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

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

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.

The principal accounting policies are set out below.

(c) Adoption of new and revised standards

On 1 April 2015, 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 IAS 16, IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to IAS 1	Disclosure Initiative ¹
Amendments to IAS 7	Disclosure Initiative ⁴
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2016, 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.

⁴ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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 IAS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments 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 investments 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.

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 not result in any material changes to the accounting policies relating to financial instruments. Additional disclosures may be made with respect of trade and other receivables, 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.

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 THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Group 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 will be made with respect of revenue and deferred revenue, including information about contracts with customers, contract balances and performance obligation. The Group 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 Group does not plan to early adopt the new IFRS 15.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it supersedes 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.

The Group anticipates that the initial application of the new IFRS 16 may result in changes to the Group's lessee accounting policies. 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 Group has yet to complete its detailed assessment. The Group 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

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 profit or loss of the consolidated statement of comprehensive income from the date AGT gains control until the date when AGT ceases to control the subsidiary.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Basis of consolidation (continued)

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.

Changes in the Group's ownership interests in existing subsidiary

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

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

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

(e) Business combinations

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Business combinations (continued)

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Business combinations (continued)

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

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

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

(f) Financial instruments recognition, measurement and derecognition

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Financial assets

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Loans and receivables

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

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

Impairment of financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

Derecognition of financial assets

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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 foreign exchange forward contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in Note 18 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 method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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

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

Cash flow hedges

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leasing

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

The Group as lessee

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

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

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

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

(j) Inventories

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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

- | | |
|------------------------------------|---------------|
| – Building and structures | 1 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 residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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.

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

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

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(p) Revenue recognition

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

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

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

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 recognised as an expense when employees have rendered service entitling them to the contributions.

(s) **Taxation**

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

Current tax

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

Deferred tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Current and deferred tax for the year

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

(t) Foreign currencies

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Levies

Property tax is imposed on the registered owner of the property as at 1 January each year, and the liability regarding property tax is recognised in full on the levied date as the obligating event that gives rise to the liability is the activity that triggers the payment of levy as identified by legislation. Accordingly, the total amount of property tax is recognised in full in profit or loss during the period when the property tax is levied.

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

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

(w) Distribution policy

The distribution of AGT is based on the cash flow it receives from the TK Operator pursuant to its TK Interest under the TK Agreement entered into with the TK Operator. Due to the difference between cash flow and accounting profits of the TK Operator, the cash flow received by AGT may comprise profits from the TK Operator's operations and return of capital from the TK Interest.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

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

As at 31 March 2016, the carrying value of property, plant and equipment are JPY148,670 million (31 March 2015: JPY149,826 million), as disclosed in Note 11 to the financial statements. All items of property, plant and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses.

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

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

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 JPY184 million (2015: JPY Nil) for those loss-making golf courses. Management is of the view the impairment loss made is reasonable and adequate.

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

(b) Impairment of goodwill (Note 12)

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

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

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

For the purpose of year end impairment assessment of goodwill, the Trustee-Manager has reviewed the events and circumstances that occurred and changed since the most recent recoverable amount calculation, which is the discounted cash flow valuation ("DCF Valuation") performed by the independent valuers. Accordingly, the Trustee-Manager is of the view that there is no impairment of goodwill as at year end.

(c) Income tax (Note 24)

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

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

The Trustee-Manager believes that it has a reasonable basis for the assumed tax positions for AGT and SPC. Accordingly, the relevant tax provision recorded by the Group as at 31 March 2016 is adequate.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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	
	2016 JPY millions	2015 JPY millions	2016 JPY millions	2015 JPY millions
Financial assets				
Loans and receivables:				
Cash and bank balances	11,238	12,317	574	261
Trade and other receivables	2,391	2,315	4,545	6,662
Other financial assets	69	103	–	–
Total non-derivative financial assets	13,698	14,735	5,119	6,923
Derivative financial instruments not designated in hedge accounting relationships	16	–	16	–
	13,714	14,735	5,135	6,923
Financial liabilities				
Amortised cost:				
Borrowings from financial institutions	42,943	42,766	–	–
Membership deposits	13,712	14,806	–	–
Trade and other payables	3,758	3,765	167	158
Finance lease payables	2,538	2,268	–	–
Borrowings from a related party	500	500	–	–
Other financial liabilities	536	510	–	–
Total non-derivative financial liabilities	63,987	64,615	167	158
Derivative financial instruments in designated hedge accounting relationships	398	283	–	–
	64,385	64,898	167	158

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. 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 18 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 THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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 2016 is JPY502 million (2015: JPY598 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	
	2016 JPY millions	2015 JPY millions
Trade receivables past due not impaired		
Less than 3 months	1,446	1,345
Between 3 to 6 months	945	970
	<u>2,391</u>	<u>2,315</u>

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

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

(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.

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						
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	725	(300)	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		<u>16,419</u>	<u>50,254</u>	<u>1,112</u>	<u>(3,798)</u>	<u>63,987</u>
2015						
Floating rate – borrowings from financial institutions	3.40%	1,237	46,198	–	(4,669)	42,766
Fixed rate – borrowing from a related party	3.00%	13	68	719	(300)	500
Finance lease payables	3.13%	608	1,460	366	(166)	2,268
Trade and other payables	–	3,765	–	–	–	3,765
Membership deposits	0.65%	9,898	5,109	–	(201)	14,806
Other liabilities	–	505	–	5	–	510
Total		<u>16,026</u>	<u>52,835</u>	<u>1,090</u>	<u>(5,336)</u>	<u>64,615</u>

All financial liabilities of AGT as at 31 March 2016 and 31 March 2015 are on demand or due within one year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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 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 2016

Net settled:

Interest Rate Swap	–	398	–	–	398
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31 March 2015

Net settled:

Interest Rate Swap	–	283	–	–	283
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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 2016, the Group had negative working capital of JPY6,742 million (2015: JPY4,880 million). However, this included:

- (i) JPY2,992 million (2015: JPY3,223 million) of unearned membership revenue, which represents collections received from customers and do not require any future cash outflow from the Group; and
- (ii) a current portion of membership deposits of JPY10,142 million (2015: JPY9,778 million). Based on the historical trend, the redemption amount by members is significantly lower than the current portion of membership deposits recorded by the Group.

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

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

(iii) Liquidity risk (continued)

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

- (i) The Group operates 89 (2015: 89) golf courses in Japan that served over 5.8 million (2015: 3.6 million) golf course visitors for the year ended 31 March 2016 (2015: for the period from 1 August 2014 to 31 March 2015). Hence, it is expected that the Group's core business, i.e. golf courses business, will continue generating sufficient and stable cash inflows. This is consistent with the positive operating cash flow generated by the Group of JPY10,336 million (2015: JPY4,174 million) for the financial year ended 31 March 2016.
- (ii) The Group has bank borrowings to fund capital expenditure and working capital requirements. Also, in view of the constant operating cash flow generated and full compliance with the requirements as stipulated in the loan facility agreement, the Trustee-Manager is confident it can refinance such bank borrowing when required.
- (iii) The Trustee-Manager has carefully monitored and managed its cash flow. Management and operation reports are prepared and reviewed on a monthly basis and cash flow forecasts are prepared on a monthly basis to project cash flow requirements of the Group using the various general and operational assumptions.

(iv) Interest rate risk

The Group's interest rate risk arises from borrowings from financial institutions. Borrowing issued at variable rates expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (mainly six-monthly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Further details of the interest rate swap contracts are found in Note 18.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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

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

(iv) Interest rate risk (continued)

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss and equity arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments as the majority of the principal amount of the Group's floating rate borrowings are hedged using interest rate swaps at the end of the reporting period.

(v) Fair value of financial assets and financial liabilities

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

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

Financial assets/ liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s); and key input(s)	Significant unobservable input(s)
	2016 JPY million	2015 JPY million			
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: Non-current – 398 (designated for hedging)	Liabilities: Non-current – 283 (designated for hedging)	Level 2	Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.	N/A

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in the current reporting period.

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

(c) Capital risk management policies and objectives

The Group's capital risk management objectives are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. To achieve its capital risk management objectives, the Group may adjust the amount of dividend payment, return capital to Unitholders, issue new units and obtain new borrowings. The Group's overall strategy remains unchanged from 2015.

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 2016 and for the period ended 31 March 2015.

The debt-to-equity ratio is as follows:

	Group	
	2016 JPY millions	2015 JPY millions
Total debt	59,693	60,340
Cash and bank balances	(11,238)	(12,317)
Net debt	48,455	48,023
Total equity	82,117	83,451
Debt-to-equity ratio	0.73	0.72
Net debt-to-equity ratio	0.59	0.58

5 ACQUISITION OF SUBSIDIARY

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

(a) Consideration transferred

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

5 ACQUISITION OF SUBSIDIARY (CONTINUED)

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

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

5 ACQUISITION OF SUBSIDIARY (CONTINUED)

(c) Goodwill arising on acquisition

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

The above goodwill balance 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.

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

(d) Net cash outflow on acquisition

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

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

Included in the revenue and profit for the financial period ended 31 March 2015 were JPY33,163 million and JPY3,610 million respectively, attributable to SPC acquired by AGT.

Had the acquisition of the Initial Portfolio been effected at 1 April 2014, the revenue of the Group from continuing operations for the financial year ended 31 March 2015 would have been JPY53,824 million, and the profit for the financial year from continuing operations would have been 5,218 million. The Trustee-Manager considers these pro-forma numbers to represent an approximate measure of the performance of the Group and to provide a reference point for comparison in future periods.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

6 RELATED PARTY TRANSACTIONS

(i) The Trustee-Manager

The Trustee-Manager, Accordia Golf Trust Management Pte. Ltd, was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore, on 20 March 2014.

The Trustee-Manager is 49.0% held by the Sponsor and 51.0% held by the TM Partner, a wholly-owned subsidiary of Daiwa Securities Group.

The Trustee-Manager has the dual responsibility of safeguarding the interests of Unitholders and managing the business conducted by AGT. The Trustee-Manager has powers of management over the business and assets of AGT and its main responsibility is to manage AGT's assets and liabilities for the benefit of the Unitholders as a whole.

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

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

	Group	
	Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 JPY millions
Initial set up fees	–	432
Trustee-Manager fees	264	174
Expense reimbursement	8	12

6 RELATED PARTY TRANSACTIONS (CONTINUED)

(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	
	Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 JPY millions
Accordia Golf Co. Ltd. (the "Sponsor")		
Golf course management fees ¹	6,048	3,905
Staff secondment fees	1,603	1,184
Operating lease expenses (Note 29)	98	180
Payment on behalf of the Group:		
– Listing expenses	–	2,256
– Web sales commission	1,122	764
– Publication fees	87	61
– Headquarter expenses	224	–
Subordinated loan ²	–	500
Interest expense on subordinated loan ² (Note 23)	15	10
Repayment of finance lease obligations (inclusive of GST)	497	472
Interest expense on finance leases (Note 23)	62	48
Collection on behalf of the Group:		
– Annual membership fee	(200)	(1,108)
– Play fee	(20)	(4)
Reimbursement of shareholders' coupon consumed ³	(440)	(267)
Customer loyalty points awarded (redeemed), net of redeemed (awarded) ⁴	199	(183)
Sales commission income for new membership sign up	(17)	(10)
Accordia Retail Co. Ltd.		
Collection of pro-shop business revenue on behalf by the Group	2,489	1,601
Payment of using pro-shop merchandise for recruitment and corporate activities	138	81
Commission fee income from Pro-Shop Business ⁵	(74)	(45)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

6 RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Group	
	Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 JPY millions
Golf Alliance Co. Ltd.		
Purchases of food and supply through centralised procurement system at no mark-up ⁶	5,713	3,026
Payment for preparing membership booklet	52	50
Integrated procurement system usage fee ⁶	18	11
Heartree Co. Ltd.		
Recharge of restaurant employees' bonus	—	(71)
Discounts received for centralised purchases	(68)	(47)
Accordia Golf Garden Co. Ltd.		
Recharge of golf lesson fees	(22)	(17)

- 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 payment to (2015: net receipt from) the Sponsor due to more customer loyalty points awarded than redeemed (2015: more customers loyalty points redeemed than awarded).
- 5 The golf-shop business (the "Pro-Shop Business") has not been transferred to SPC and continued to be owned and operated by the Sponsor's subsidiary, Accordia 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.

6 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	
	Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 JPY millions
Daiwa Real Estate Asset Management Co. Ltd. (the "TM Partner")		
Initial set up fees	–	400
Asset management fees ⁷	99	66
Daiwa Capital Markets Singapore Limited (related company of the TM Partner)		
Underwriting fee	–	3,100
Daiwa Securities Co. Ltd. (holding company of the TM Partner)		
Commission fee	–	10

7 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.

7 CASH AND BANK BALANCES

	Group		AGT	
	2016 JPY millions	2015 JPY millions	2016 JPY millions	2015 JPY millions
Cash on hand	543	387	–	–
Cash at bank	10,208	11,881	136	261
Cash and cash equivalents	10,751	12,268	136	261
Fixed deposits	487	49	438	–
Total	11,238	12,317	574	261

As at 31 March 2016, fixed deposits of JPY487 million (2015: JPY49 million) includes (i) fixed deposit of JPY49 million (2015: 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 JPY438 million (2015: JPY Nil), which is pledged with a financial institution for foreign exchange forward contract entered by AGT (Note 18).

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For the year ended 31 March 2016

7 CASH AND BANK BALANCES (CONTINUED)

The Group has pledged all cash balances held as bank deposits by the SPC to secure borrowings from financial institutions (Note 13). Based on the terms of the borrowings, a certain amount of cash is reserved for the Group's operational use and restricted from being distributed as TK distribution. Accordingly, management has classified such pledged cash balances as cash and cash equivalents within the statements of financial position and the cash flow statement.

8 TRADE AND OTHER RECEIVABLES

	Group		AGT	
	2016 JPY millions	2015 JPY millions	2016 JPY millions	2015 JPY millions
Trade receivables				
Trade receivables	2,893	2,913	–	–
Less: Allowance for doubtful debts	(502)	(598)	–	–
	<u>2,391</u>	<u>2,315</u>	<u>–</u>	<u>–</u>
Other receivable				
Distribution receivable from subsidiary	–	–	4,545	6,662
	<u>–</u>	<u>–</u>	<u>4,545</u>	<u>6,662</u>
Total trade and other receivables	<u>2,391</u>	<u>2,315</u>	<u>4,545</u>	<u>6,662</u>

Movement in the allowance for doubtful debts

	Group	
	2016 JPY millions	2015 JPY millions
Balance at the beginning of the year/on acquisition as at 1 August 2014 (Note 5)	598	502
Increase in allowance recognised in profit or loss	62	283
Amounts written off during the year/period	(158)	(187)
Balance at the end of the year/period	<u>502</u>	<u>598</u>

9 OTHER ASSETS

	Group		AGT	
	2016 JPY millions	2015 JPY millions	2016 JPY millions	2015 JPY millions
Other current assets				
Prepaid expenses	1,200	1,190	2	2
Net GST receivable	–	331	–	–
Other current assets	2	38	–	–
	<u>1,202</u>	<u>1,559</u>	<u>2</u>	<u>2</u>
Other non-current assets				
Deposits paid to landlord	308	308	–	–
Long-term prepaid expenses	347	500	–	–
Deposits for golf memberships	65	65	–	–
Other non-current assets	2	2	–	–
	<u>722</u>	<u>875</u>	<u>–</u>	<u>–</u>

10 INVESTMENT IN SUBSIDIARY

	AGT	
	2016 JPY millions	2015 JPY millions
Balance as at the beginning of the year/as at 1 August 2014 (Note 5 (a))	76,200	75,225
Additional investment in TK Operator	–	5,918
Return on investment in TK Operator	–	(4,943)
Balance as at the end of the year/period	<u>76,200</u>	<u>76,200</u>

Details of the subsidiary of the Group as at 31 March 2016 are as follows:

Name of subsidiary	Principal activities	Country of incorporation and operation	Proportion of TK Interest	
			2016 %	2015 %
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 a member firm of Deloitte & Touche Tohmatsu Limited for consolidation purposes only.

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For the year ended 31 March 2016

11 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land JPY millions	Golf courses JPY millions	Buildings and structures JPY millions	Machinery, vehicles and fixtures JPY millions	Construction in progress JPY millions	Total JPY millions
Cost						
On acquisition as at 1 August 2014						
(Note 5 (b))	19,681	102,433	24,580	4,335	32	151,061
Additions	–	26	829	377	24	1,256
Transfers	–	–	32	–	(32)	–
Disposals	–	(7)	(18)	(60)	–	(85)
At 31 March 2015	19,681	102,452	25,423	4,652	24	152,232
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
Accumulated depreciation						
Depreciation during the period	–	–	1,670	802	–	2,472
Disposals	–	–	(16)	(50)	–	(66)
At 31 March 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
Accumulated impairment						
Impairment loss recognised in the year and as at 31 March 2016	7	136	30	11	–	184
Carrying value						
At 31 March 2016	19,686	102,344	22,429	4,057	154	148,670
At 31 March 2015	19,681	102,452	23,769	3,900	24	149,826

11 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 JPY184 million (2015: JPY Nil) for those loss making golf courses, 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. The discount rate used in measuring value in use was between 7.0% – 11.8%. The discount rate used when the recoverable amount of these assets are previously estimated in 2015 was between 7.0% – 11.8%.

As at 31 March 2016, the Group has pledged certain freehold land, golf courses and buildings with total carrying amounts of approximately JPY134,169 million (2015: JPY134,663 million), to secure the borrowings granted to the Group (Note 13).

The carrying amounts of property, plant and equipment held by the Group under finance lease arrangements (Note 14) are JPY2,364 million (2015: JPY2,143 million) as at 31 March 2016.

12 INTANGIBLE ASSETS

Group	Goodwill JPY millions	Software JPY millions	Others JPY millions	Total JPY millions
Cost				
On acquisition as at				
1 August 2014	17,079	4	32	17,115
Additions	–	3	–	3
At 31 March 2015	17,079	7	32	17,118
Additions	–	25	–	25
At 31 March 2016	17,079	32	32	17,143
Accumulated amortisation				
Amortisation during the period				
and at 31 March 2015	–	3	–	3
Amortisation during the year	–	4	–	4
At 31 March 2016	–	7	–	7
Carrying amount				
At 31 March 2016	17,079	25	32	17,136
At 31 March 2015	17,079	4	32	17,115

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

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For the year ended 31 March 2016

12 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 (2015: 3 years) and derives the terminal value assuming no long term growth (2015: no long term growth). The rate used to discount the forecast cash flows from the CGU was 5.6% (2015: 5.6%).

As at 31 March 2016, any reasonably possible change to the key assumptions applied were not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

13 BORROWINGS FROM FINANCIAL INSTITUTIONS

	Group	
	2016 JPY millions	2015 JPY millions
Current portion	450	450
Less: Unamortised loan facility fee	(7)	(13)
	<u>443</u>	<u>437</u>
Non-current portion	43,875	44,325
Less: Unamortised loan facility fee	(1,375)	(1,996)
	<u>42,500</u>	<u>42,329</u>
Total	<u>42,943</u>	<u>42,766</u>

13 BORROWINGS FROM FINANCIAL INSTITUTIONS (CONTINUED)

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

	Group	
	2016 JPY millions	2015 JPY millions
Outstanding principal amount:		
Term Loan A	14,775	14,925
Term Loan B	14,775	14,925
Term Loan C	14,775	14,925
	44,325	44,775

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 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 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 at maturity in August 2019.

As disclosed in Note 18, the Group uses interest rate swaps to swap a portion of its borrowings from floating rates to fixed rates. As at 31 March 2016, the notional amount swapped was JPY34,475 million (2015: JPY34,825 million). The Group's average effective interest rate is 3.17% (2015: 3.40%) per annum.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

14 FINANCE LEASE PAYABLES

The Group leased certain of its property, plant and equipment (Note 11) under finance leases from the Sponsor and other third parties. As at 31 March 2016, the finance lease payables to the Sponsor and to the third parties are JPY1,650 million (2015: JPY2,181 million) and JPY888 million (2015: JPY87 million) respectively.

For the year ended 31 March 2016, the average lease term is 6.7 years (2015: 6.5 years). The Group has options to purchase the leased assets at a value stipulated under the agreement upon expiry of the lease terms. The Group's obligations under finance leases are secured by the lessors' title to the leased assets (Note 11).

Interest rates underlying all obligations under finance leases are fixed at respective contract dates at an average of 3.22% (2015: 3.13%) for the year ended 31 March 2016.

Group	Minimum lease payments 31 March 2016 JPY millions	Minimum lease payments 31 March 2015 JPY millions	Present value of minimum lease payments 31 March 2016 JPY millions	Present value of minimum lease payments 31 March 2015 JPY millions
Amounts payable under finance leases:				
Within one year	655	608	592	545
In the second to fifth years inclusive	1,664	1,460	1,569	1,363
After five years	383	366	377	360
	2,702	2,434	2,538	2,268
Less: Future finance charges	(164)	(166)	–	–
Present value of lease obligations	2,538	2,268	2,538	2,268
Less: Amount due for settlement within 12 months (shown under current liabilities)			(592)	(545)
Amount due for settlement after 12 months			1,946	1,723

15 TRADE AND OTHER PAYABLES

	Group		AGT	
	2016 JPY millions	2015 JPY millions	2016 JPY millions	2015 JPY millions
Trade payables	760	818	8	1
Trade payable to subsidiary	–	–	31	31
Property and other tax payables	1,341	1,339	–	–
Other payables to the Sponsor group (Note 6 (ii))	1,159	980	–	–
Accrued expenses	78	102	26	44
Management fee payable to the Trustee-Manager (Note 6 (i))	102	82	102	82
Other payables	1,659	1,783	–	–
Total trade and other payables	5,099	5,104	167	158

The average credit period on purchases of goods is 1 month (2015: 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.

16 MEMBERSHIP DEPOSITS

	Group	
	2016 JPY millions	2015 JPY millions
Total membership deposits	13,712	14,806
Less: Current portion	(10,142)	(9,778)
Non-current portion	3,570	5,028

Membership deposits pertain to deposits received from members, which are refundable after the lock-up period upon members' resignation and redemption of their memberships. The average lock-up period is 10 to 15 years. Upon the expiry of the lock-up period, such membership deposits have been re-classified from "non-current liabilities" to "current liabilities".

For non-current membership deposits, Trustee-Manager has discounted the future cash outflow using the Group's borrowing rate, calculated as 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 THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

17 OTHER LIABILITIES

	Group	
	2016 JPY millions	2015 JPY millions
Other current liabilities		
Unearned membership revenue	2,992	3,223
Provision for unutilised employee leave	608	558
Advanced receipt of insurance compensation	45	68
Payable to the Sponsor group (Note 6 (ii))	195	188
Provision for bonus	306	293
Other tax payables	284	287
Net GST payable	170	–
Other current liabilities	30	24
	4,630	4,641
Other non-current liabilities		
Payable to Qualified Institutional Investor ¹	5	5
Other non-current liabilities	39	29
	44	34

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

18 DERIVATIVE FINANCIAL INSTRUMENTS

	Group		AGT	
	2016 JPY millions	2015 JPY millions	2016 JPY millions	2015 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:	(398)	(283)	–	–
	(382)	(283)	16	–
Analysed as:				
Current assets	16	–	16	–
Non-current liabilities	(398)	(283)	–	–
	(382)	(283)	16	–

18 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.

The fair value of foreign exchange forward contract with nominal value of JPY1,000 million (2015: JPY Nil) as at 31 March 2016 is estimated at JPY16 million (2015: JPY Nil), which resulted in derivative financial asset of the Group. These amounts are based on valuation techniques as at year end. The changes in the fair value of non-hedging currency derivative, totalling gain of JPY16 million (2015: JPY Nil), has been included in other operating income.

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 JPY34,475 million (2015: JPY34,825 million) as at 31 March 2016 is estimated at JPY398 million (2015: JPY283 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 loss of JPY115 million (2015: JPY283 million) for the year ended 31 March 2016 have been recognised directly in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

19 UNITHOLDERS' FUNDS

	Group and AGT		Group		AGT	
	2016 Number of units	2015 Number of units	2016 JPY millions	2015 JPY millions	2016 JPY millions	2015 JPY millions
Balance at the beginning of the year/period	1,099,122,000	–	81,086	–	81,486	–
Units issued at registration	–	1	–	*	–	*
Units issued under the public offering	–	782,025,000	–	62,523	–	62,523
Units issued as consideration units (Note 5 (a))	–	317,096,999	–	25,358	–	25,358
	<u>1,099,122,000</u>	<u>1,099,122,000</u>	<u>81,086</u>	<u>87,881</u>	<u>81,486</u>	<u>87,881</u>
Less: Equity issue expenses ^{1,2}			–	(6,795)	–	(6,395)
Balance at the end of the year/period			<u>81,086</u>	<u>81,086</u>	<u>81,486</u>	<u>81,486</u>

* Less than JPY1 million

1 Equity issue expenses include professional and other fees, underwriting, selling and management commission, and miscellaneous offering expenses. Included in equity issue expenses were JPY477 million of non-audit fees paid to the auditors.

2 An amount of equity issue expenses of JPY400 million were incurred and expensed off by SPC, but was capitalised against Unitholders' funds at the Group level.

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.

19 UNITHOLDERS' FUNDS (CONTINUED)

The restrictions of a Unitholder include the following:

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

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

20 NON-CONTROLLING INTEREST

Non-controlling interest represents the interests in the operating results and net assets of the SPC attributable to the shareholders of the TK Operator, in accordance with the TK Agreement.

21 REVENUE

	Group	
	Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 JPY millions
Golf course revenue	34,812	21,786
Restaurant revenue	12,914	8,032
Membership revenue	4,811	3,345
	<u>52,537</u>	<u>33,163</u>

22 SELLING, GENERAL AND ADMINISTRATIVE EXPENSE

	Group	
	Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 JPY millions (Restated)
Tax and levies ¹	1,427	1,429
Commission fees	1,961	1,282
Advertising expense	732	475
Others	794	702
	<u>4,914</u>	<u>3,888</u>

¹ Tax and levies of JPY1,427 million (2015: JPY1,429 million) includes property tax of JPY1,279 million (2015: JPY1,327 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

23 INTEREST EXPENSE AND OTHER FINANCE COSTS

	Group	
	Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 JPY millions
Interest expense – financial institutions	876	594
Interest expense – related party (Note 6 (ii))	15	10
Interest expense – finance lease		
– Related party (Note 6 (ii))	62	48
– Third parties	21	3
Amortisation of capitalised loan facility fee	627	424
Amortisation of membership deposits	79	67
Foreign exchange loss regarding financial activities	–	92
Other finance costs	7	60
	1,687	1,298

24 INCOME TAX EXPENSE

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

Income from the TK Business will be subject to withholding tax in Japan which is levied on the amount of TK distribution paid from the SPC to AGT. The applicable withholding tax rate is 20.42% (2015: 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 2016 is 34.81% (2015: 35.36%).

(a) Income tax expense

	Group	
	Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 JPY millions
Foreign withholding tax	1,356	813
Deferred tax (Note 24 (c))	(877)	(696)
Total income tax expense	479	117

24 INCOME TAX EXPENSE (CONTINUED)

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

	Group	
	Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 JPY millions
Profit before income tax	7,141	2,765
Tax calculated at Singapore tax rate of 17%	1,214	470
Income not subject to tax	(731)	(252)
Foreign tax credit claimed	(470)	–
Effect of (non-taxable income) non-deductible expense in determining taxable profit	(224)	396
Effect of different tax rate of subsidiary operating in other jurisdiction	(35)	163
Effect on deferred tax balances due to the changes in tax rate	(631)	(1,473)
Foreign withholding tax	1,356	813
Total income tax expense	479	117

(c) Deferred tax

The tax effects of temporary differences that give rise to deferred tax liabilities as at 31 March 2016 are as follows:

	Group		
	Golf course assets JPY millions	Others JPY millions	Total JPY millions
Deferred tax liabilities			
As at 1 August 2014	30,092	192	30,284
Recognised in profit or loss (Note 24(a))	(1,426)	730	(696)
As at 31 March 2015	28,666	922	29,588
Recognised in profit or loss (Note 24 (a))	(620)	(257)	(877)
As at 31 March 2016	28,046	665	28,711

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24 INCOME TAX EXPENSE (CONTINUED)

(c) Deferred tax (continued)

As at acquisition date, the Group recognised a deferred tax liability of JPY30,284 million in relation to the taxable temporary difference of JPY81,606 million, between the carrying amount and the tax basis of golf course assets arising from the acquisition of TK Interest. Such deferred tax liability is measured based on an undiscounted basis at the enacted tax rate of 37.11% applicable to the SPC. SPC will be subject to additional income tax in Japan in the event that SPC retains future income to fund future tax payment.

25 PROFIT FOR THE YEAR/PERIOD

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

	Group	
	Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 JPY millions
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	3,404	2,472
Amortisation of intangible assets	4	3
Amortisation of deferred expense	7	10
Total depreciation and amortisation expense	3,415	2,485
Audit fees		
Paid and payable to auditors of AGT	16	22
Paid and payable to other auditors	38	47
Total audit fees	54	69
Non-audit fees		
Paid and payable to auditors of AGT	1	1
Paid and payable to other auditors	6	12
Total non-audit fees	7	13
Allowance for doubtful trade receivables	62	283
Gain on forfeiture of membership deposits	(29)	(32)
Impairment of property, plant and equipment	184	–
Loss on sale of property, plant and equipment (net)	4	7

26 EARNINGS PER UNIT

The calculation of earnings per unit is based on profit attributable to Unitholders of JPY6,517 million (2015: JPY2,590 million) for the year/period and 1,099,122,000 units (2015: 1,099,122,000 units) in issue.

27 SEGMENT INFORMATION

The Group is principally engaged in the business of owning, operating and maintaining golf courses and golf course related assets in Japan and therefore Trustee-Manager considers that the Group operates as one single business and geographical segment. No single customers contributed 10% or more to the Group's revenue for the year ended 31 March 2016 and for the period ended 31 March 2015.

28 COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Group's commitment under operating leases is disclosed in Note 29. There is no other commitment as at 31 March 2016 and 31 March 2015 both at Group and at AGT level.

(b) Contingencies

There are no contingent liabilities or contingent assets as at 31 March 2016 and 31 March 2015 both at Group and at AGT level.

29 OPERATING LEASE ARRANGEMENTS

The Group as lessee

Minimum lease payments under operating leases (net of rebates) recognised as an expense were as follows:

Payment recognised as an expense

Minimum lease payments to:

- Sponsor (Note 6 (ii))
- Third parties

Group	
Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 JPY millions
98	180
1,956	1,212
2,054	1,392

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

29 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 2016 and 2015.

30 DISTRIBUTIONS

	Group and AGT	
	Year ended 31 March 2016 JPY millions	Period ended 31 March 2015 JPY millions
Distribution of 5.71 Singapore cents per unit for the period from 1 August 2014 to 31 March 2015	5,673	–
Distribution of 2.32 Singapore cents per unit for the period from 1 April 2015 to 30 September 2015	2,208	–
Distribution paid	7,881	–

In respect of the current period from 1 October 2015 to 31 March 2016, a distribution of 4.31 Singapore cents per unit or SGD47 million (equivalent to JPY3,833 million) was paid out to unitholders on 21 June 2016.

These financial statements do not reflect the distribution for the half year period from 1 October 2015 to 31 March 2016, which will be accounted for in total equity as an appropriation of retained earnings in the year ending 31 March 2017.

31 PRIOR YEAR RECLASSIFICATIONS

In order to provide more relevant and comprehensive information on the nature of certain expenses, certain reclassifications to the consolidated statement of profit or loss and other comprehensive income have been made to the financial statements. As a result, comparative figures have been reclassified to conform to the current year's presentation.

	Group 1 August 2014 to 31 March 2015		
	As previously reported JPY millions	Reclassifications JPY millions	As restated JPY millions
<u>Consolidated statement of profit or loss and other comprehensive income</u>			
Golf course maintenance and repair cost	641	799	1,440
Labour cost and outsourcing expense	8,760	1,749	10,509
Operating lease expense	–	1,392	1,392
Utility expense	–	1,766	1,766
Selling, general and administrative expense	–	3,888	3,888
Other operating expenses	11,029	(9,594)	1,435

32 COMPARATIVE FIGURES

The financial statements for 2016 cover the 12 months ended 31 March 2016. The financial statements for 2015 cover the financial period since constitution of AGT on 16 June 2014 to 31 March 2015. As a result, the comparative amounts in the financial statements are not comparable.

UNITHOLDERS STATISTICS

As at 20 June 2016

Issued Units

There were 1,099,122,000 Units (voting rights: one vote per Unit) issued in AGT as at 20 June 2016. There is only one class of Units in AGT. There were no treasury units held.

1. Unit Price Performance (For the year ended 31 March 2016)

Unit Closing Price (S\$) on 31 March 2016	0.600
Highest Closing Price (S\$)	0.815
Lowest Closing Price (S\$)	0.480
Average Closing Price (S\$)	0.639
Average Daily Trading Volume (Units)	2,025,355

2. Distribution of Unitholdings

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	2	0.06	45	0.00
100 – 1,000	183	5.67	171,316	0.02
1,001 – 10,000	1,356	42.00	9,149,396	0.83
10,001 – 1,000,000	1,666	51.59	95,180,410	8.66
1,000,001 AND ABOVE	22	0.68	994,620,833	90.49
TOTAL	3,229	100.00	1,099,122,000	100.00

3. Twenty Largest Unitholders

No.	Name	No. of Units	%
1	DBS NOMINEES (PRIVATE) LIMITED	282,001,203	25.66
2	ACCORDIA GOLF CO LTD	274,780,501	25.00
3	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	148,713,791	13.53
4	RAFFLES NOMINEES (PTE) LIMITED	85,049,563	7.74
5	CITIBANK NOMINEES SINGAPORE PTE LTD	66,830,492	6.08
6	DAIWA CAPITAL MARKETS SINGAPORE LIMITED	47,456,499	4.32
7	DBSN SERVICES PTE. LTD.	25,671,203	2.34
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	20,728,000	1.89
9	HSBC (SINGAPORE) NOMINEES PTE LTD	10,616,016	0.97
10	BANK OF SINGAPORE NOMINEES PTE. LTD.	7,873,200	0.72
11	PHILLIP SECURITIES PTE LTD	6,355,700	0.58
12	UOB KAY HIAN PRIVATE LIMITED	2,378,700	0.22
13	DB NOMINEES (SINGAPORE) PTE LTD	2,197,200	0.20
14	ABN AMRO CLEARING BANK N.V.	2,028,800	0.18
15	LIM TECK MENG JOSHUA(LIN DEMING JOSHUA)	1,852,500	0.17
16	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,772,665	0.16
17	OCBC SECURITIES PRIVATE LIMITED	1,758,900	0.16
18	KIEW POW LOOK @HEW POW LOOK	1,620,000	0.15
19	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,524,300	0.14
20	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	1,232,800	0.11
	Total	992,442,033	90.32

4. Substantial Unitholders

(As recorded in the Register of Substantial Unitholders)

	Direct Interest	%	Deemed Interest	%
Accordia Golf Co., Ltd ("AGCL")	274,780,501	25.00	42,316,499 ⁽¹⁾	3.85
Daiwa PI Partners Co. Ltd. ("DPPCL")	58,858,000	5.36	–	–
Daiwa Investment Management Inc ("DIMI")	–	–	58,858,000 ⁽²⁾	5.36
Daiwa Securities Group Inc. ("DSGI")	–	–	75,785,800 ⁽³⁾	6.90
Global Long Short Master Ireland Limited ("GLSM Ireland")	120,923,600 ⁽⁴⁾	11.00	–	
The Goldman Sachs Group, Inc ("GSG")	–	–	165,256,468 ⁽⁵⁾	15.04
Morgan Stanley & Co. LLC	–	–	67,411,873 ⁽⁶⁾	6.13
Morgan Stanley Domestic Holdings, Inc.	–	–	67,411,873 ⁽⁶⁾	6.13
Morgan Stanley Capital Management, LLC	–	–	67,411,873 ⁽⁶⁾	6.13
Morgan Stanley	–	–	82,449,164 ⁽⁶⁾	7.50
Mitsubishi UFJ Financial Group Inc ("Mitsubishi UFJ")	–	–	82,449,164 ⁽⁷⁾	7.50

Notes:

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

UNITHOLDERS STATISTICS

As at 20 June 2016

5. Trustee-Manager's Directors' Unitholdings

As recorded in the Register of Directors' Unitholdings as at 20 June 2016.

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

6. Percentage of Unitholdings in Public Hands

As at 20 June 2016, approximately 41.72% of the Units in AGT were held by the public. Accordingly, AGT is in compliance with Rule 723 of the Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

ACCORDIA GOLF TRUST

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Unitholders of Accordia Golf Trust ("AGT") will be held at 1 Marina Boulevard, Level 9 Room 903, NTUC Centre, Singapore 018989 on Thursday, 28 July 2016 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS:

1. To receive and adopt the Report of the Trustee-Manager issued by Accordia Golf Trust Management Pte. Ltd. (the "**Trustee-Manager**"), Statement by the Trustee-Manager and the Audited Financial Statements of AGT for the year ended 31 March 2016 together with the Independent Auditor's Report thereon.
(Resolution 1)
2. To re-appoint Deloitte & Touche LLP as Auditors of AGT and to authorise the Directors of the Trustee-Manager to fix its remuneration.
(Resolution 2)

SPECIAL BUSINESS:

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

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

That pursuant to Clause 6.1.1 of the deed of trust dated 16 June 2014 and the first amending and restating deed dated 21 July 2014 (collectively, "**Trust Deed**"), Section 36 of the Business Trusts Act, Chapter 31A of the Singapore ("**BTA**"), and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**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) 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 (including Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders shall not exceed twenty per centum (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the total number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:
 - (a) new Units arising from the conversion or exercise of any Instruments;
 - (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; and
- (4) unless revoked or varied by 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]

(Resolution 3)

By Order of the Board of Accordia Golf Trust Management Pte. Ltd.
(as Trustee-Manager of Accordia Golf Trust)

Lynn Wan
Victor Lai
Company Secretaries
Singapore, 7 July 2016

Explanatory Notes:

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

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

Notes

1. A Unitholder entitled to attend and vote at the Annual General Meeting of Unitholders is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.
2. The instrument appointing a proxy must be deposited at the Registered Office of the 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 Units	%
Address			

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General 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 9 Room 903, NTUC Centre, Singapore 018989 on Thursday, 28 July 2016 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 Statement of AGT for the year ended 31 March 2016 together with the Independent Auditor's Report thereon		
2	Re-appointment of Deloitte & Touche LLP as Auditors of AGT		
3	Authority to issue new units in AGT		

** 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 _____ 2016

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 Unitholders, 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 Unitholders, 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 Unitholders. 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 AGT ("Trustee-Manager") reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Trustee-Manager at 6 Shenton Way, 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 2016.

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**

ACCORDIA GOLF TRUST

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