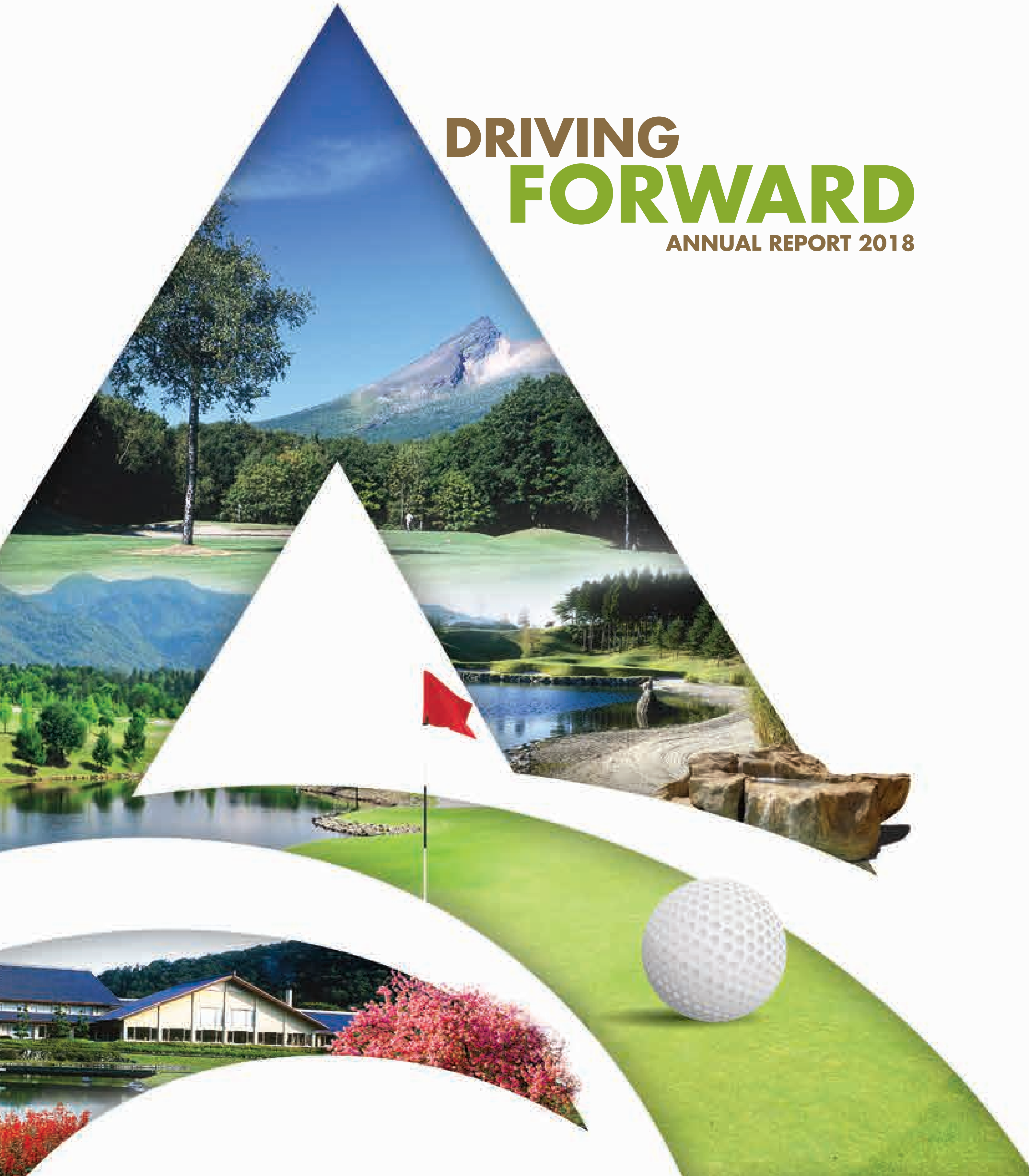
ACCORDIA GOLF
TRUST

DRIVING FORWARD

ANNUAL REPORT 2018



VISION

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

MISSION

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

CONTENTS

CORPORATE PROFILE

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

AGT made its' debut on the Main Board of the SGX-ST on 1 August 2014 and its initial portfolio comprises 89 golf courses (including golf course related assets relating to such golf course) located across Japan ("Initial Portfolio"). Approximately 70% of the Initial Portfolio are located in the three key 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 was JPY149.24 billion as at 31 December 2017.

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

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

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

LETTER TO UNITHOLDERS

Dear Unitholders, FY17/18 (financial year ended 31 March 2018) was a constructive year for AGT. In its pursuit to drive continual performance, the Trustee-Manager took active steps to ensure that its portfolio is adaptable to the changing economic and environmental landscapes.

FINANCIAL PERFORMANCE AND CAPITAL MANAGEMENT

In FY17/18, total distributable income was JPY3,436 million and distribution per unit (DPU) was SGD3.85 cents. This translates to a yield of 6% based on AGT's unit closing price of SGD0.645 as at 31 March 2018. Distributable income was lower compared to the previous year, mainly due to one-off upfront payment for loan extension, repayment of membership deposits and unfavourable weather conditions that resulted in a reduction in the number of players.

In the second half of FY17/18, two consecutive typhoons hit Japan and brought torrential rainfall over much of the country. This has dampened visitation all over AGT's golf courses. Alongside heavy snowfall and cold weather in the last quarter of FY17/18, operating income for FY17/18 slipped 0.9% to JPY51,450 million.

AGT's portfolio valuation was JPY149.24 billion as at 31 December 2017, a slight drop of 1.2% compared to a year ago. A non-cash impairment loss of JPY1.7 billion was recorded for FY17/18. However, this has no impact on the total distributable income available for distribution. AGT remains committed to distribute at least 90% of its taxable income available for distribution to Unitholders. Since inception in 2014, AGT has maintained a stable DPU yield.

As at 31 March 2018, AGT's gross borrowings stood at JPY43.5 billion, equating to a loan-to-value ratio of approximately 29%. We will continue to adopt a prudent stance towards capital management, carefully reviewing our cash flow, debt profile and overall liquidity position to maintain a healthy balance.

ACHIEVING SUSTAINABLE GROWTH

The Japanese economy will likely continue its recovery as consumer spending, exports and capital expenditure improve further. Private consumption, which accounts for about two-thirds of the gross domestic product, is expected to pick up underpinned by the country's high employment rate of 97%. The International Monetary Fund expects the Japanese economy to grow approximately 1.2% and 0.9% year-on-year, respectively, in 2018 and 2019.

Japan remains the top three largest golf markets in the world, trailing only the United States and Canada. Golf continues to be a popular leisure activity for seniors in Japan given their higher and healthy life expectancy. We believe that the demand for golf will be supported by the affluent retired senior golfers, and the number is expected to stay stable in the short to medium term.

However, aging population remains a challenge in the golf industry worldwide as younger golfers are not increasing in proportion to senior golfers. To achieve a sustainable growth in the golf market, AGT's sponsor has introduced asset enhancement initiatives and programmes to reach out to the next-generation and female golfers. This bodes well with the International Olympic Committee's objective to increase the Olympics' appeal to younger audiences. With the inclusion of golf

in the 2020 Summer Olympics, we remain optimistic that it will raise the popularity of the sport among the next generation.

While AGT's sponsor continues to entice younger and female golfers, they are also tapping the increasing inbound tourism to attract tourists to its golf courses. These efforts are in line with AGT's objective to generate stable cash flow and distribution for our Unitholders.

ENGAGING THE INVESTING COMMUNITY

We recognise the importance of providing the investing community regular, clear and balanced overview of AGT's unique business operations and its performance. During the financial year, we have conducted intensive dialogues with our investors worldwide. In addition, site visits to our golf courses in Japan were arranged for the analysts to understand the aspect of golf course management.

UPHOLDING BEST PRACTICES

AGT believes that effective management of environmental, social and governance (ESG) risks and opportunities can help us to deliver long-term value to its stakeholders. AGT takes a balanced approach towards sustainability by actively managing environmental stewardship, social engagement and governance in its business.

AGT has a Sustainability Steering Committee (the "Committee") to lead the sustainability reporting process. The Committee, which reports to the Board, comprises members of senior management across functions. The Committee has been involved in the determination of key ESG factors that are significant to AGT's business and stakeholders. The inaugural standalone Sustainability Report (the "Report") will describe the management, performance and targets in relation to these key ESG factors as well as additional factors on its contribution to local community and golf awareness building activities. More details will be available in the Report which will be published online later during this fiscal year.

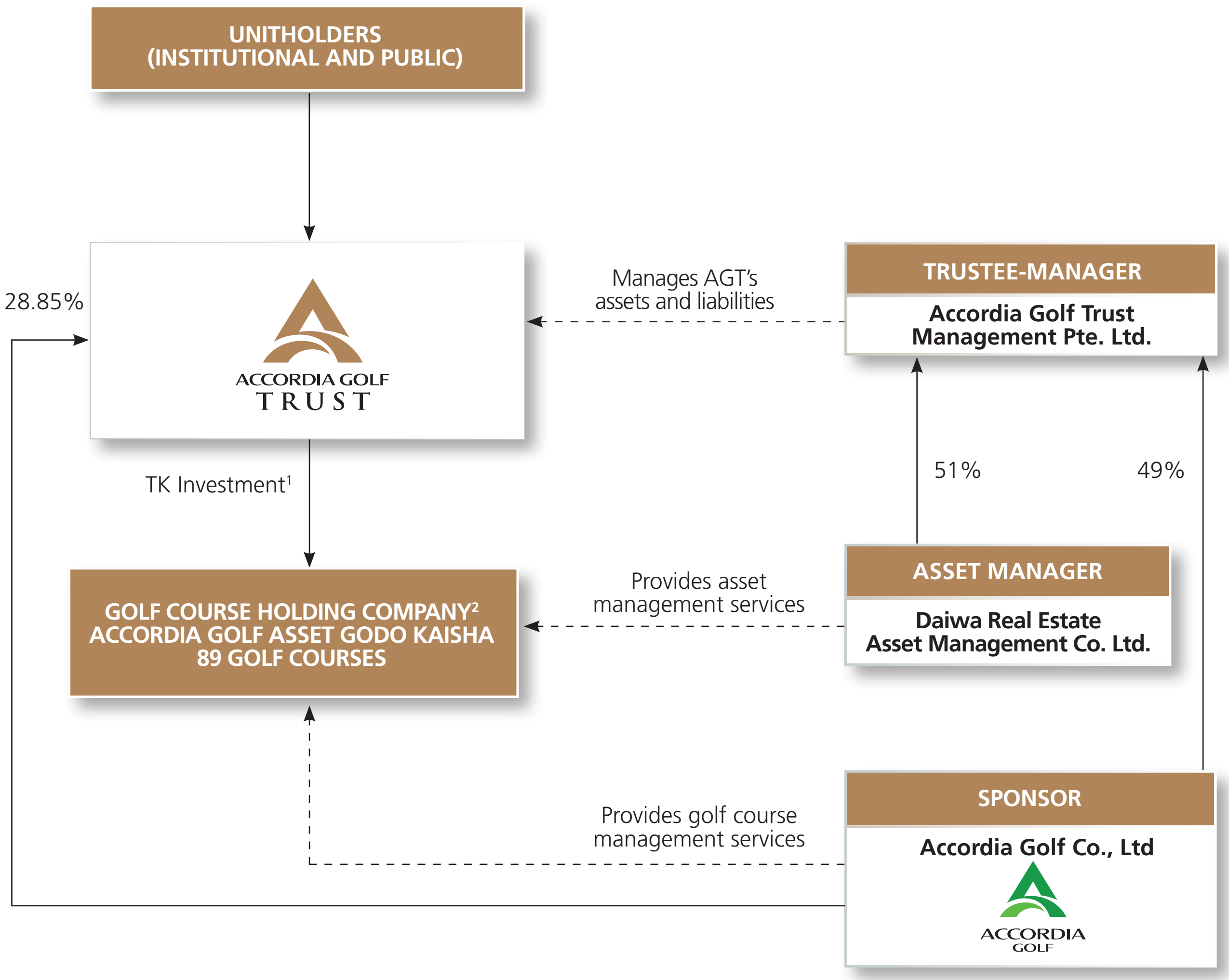
ENSURING STABILITY

Looking ahead, we will leverage our strengths as we continue to strive to achieve steady and resilient returns for Unitholders. The Trustee-Manager will continue to ensure the stability of AGT's golf courses operations and profitability of the assets. On the capital management front, we will continue to take a disciplined approach towards refinancing our loans with the Japanese Banks.

IN APPRECIATION

On behalf of the Board, I would like to express our heartfelt appreciation to our Unitholders and business partners for their unwavering support, as well as our staff for their dedication and commitment. In driving AGT's growth into the future, we will continue to strive towards strengthening our portfolio and seek new growth with sustained returns for our Unitholders.

TRUST STRUCTURE



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

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

BOARD OF DIRECTORS OF THE TRUSTEE-MANAGER

Date of Appointment:
20 March 2014 (as Independent Director)
16 June 2014 (as Chairman)

Date of last Re-appointment:
26 July 2017 (as Independent Director)

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

Other Listed Company Directorships: Nil

Past Listed Company Directorships over the preceding three years: Nil

Principal Commitments: Nil

Academic & Professional Qualifications:
- Degree in Bachelor of Science (with Honours) from the University of Singapore
- Diploma in Education from the University of Singapore

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

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

Date of Appointment: 16 June 2014

Date of last Re-appointment:
26 July 2017

Board Committee served on: Nil

Other Listed Company Directorships: Nil

Past Listed Company Directorships over the preceding three years: Nil

Principal Commitments: Nil

Academic & Professional Qualifications:
- Bachelor of Business Administration from Aoyama Gakuin University

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

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

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

Date of last Re-appointment:
26 July 2017

Date of Cessation: 30 June 2018
(as Chief Operating Officer)
* *Consequent to his resignation as Chief Operating Officer, Mr Toshikatsu Makishima was re-designated as a Non-Executive Director.*

Board Committee served on: Nil

Other Listed Company Directorships: Nil

Past Listed Company Directorships over the preceding three years: Nil

Principal Commitments: Nil

Academic & Professional Qualifications:
- Bachelor of Economics from the University of Tokyo

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

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

BOARD OF DIRECTORS OF THE TRUSTEE-MANAGER

Date of Appointment: 16 June 2014

Date of last Re-appointment: 26 July 2017

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

Other Listed Company Directorships:
- Civmec Ltd. (SGX-ST listed)
- Changan Minsheng APLL Logistics Co., Ltd (HKEX listed)
- InnoTek Ltd. (SGX-ST listed)

Past Listed Company Directorships over the preceding three years:
- AVIC International Maritime Holdings Ltd (SGX-ST listed)

Principal Commitments: Nil

Academic & Professional Qualifications:
- Masters of Business Administration from the National University of Singapore
- Bachelor of Engineering from the University of Tokyo

Experience:
Mr Chong has extensive experience in listed companies, in technology, finance and banking sectors, having held several senior appointments in public and private organisations, and financial institutions.

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

Date of Appointment: 16 June 2014

Date of last Re-appointment: 26 July 2017

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

Other Listed Company Directorships: Nil

Past Listed Company Directorships over the preceding three years:
- The Nippon Synthetic Chemical Industry Co., Ltd.

Principal Commitments:
- Trustees FAS Co., Ltd

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

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

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

EXECUTIVE OFFICERS OF THE TRUSTEE-MANAGER

Please refer to page 5 in the Board of Directors of the Trustee-Manager section of this Annual Report for more information.

Mr Makishima was the Chief Operating Officer ("COO") as at the financial year ended 31 March 2018. He has resigned as the COO with effect from 30 June 2018. Consequently, he was re-designated as a Non-Executive Director.

Please refer to page 5 in the Board of Directors of the Trustee-Manager section of this Annual Report for more information.

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.

Academic & Professional Qualifications:

Degree in Law from Kokugakuin University

Experience:

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

Previous Roles:

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

KEY HIGHLIGHTS

INCOME AVAILABLE FOR DISTRIBUTION

FY17/18
JPY 3,436 MILLION

FY16/17
JPY 5,178 MILLION

DISTRIBUTION PER UNIT

FY17/18
SGD 3.85 CENTS
(JPY3.13)

FY16/17
SGD 6.04 CENTS
(JPY4.71)

NET ASSET VALUE PER UNIT

As at 31 March 2018
SGD 90 CENTS
(JPY72.61)

As at 31 March 2017
SGD 91 CENTS
(JPY73.04)

APPRAISAL VALUE

As at 31 December 2017
JPY 149.24 BILLION

As at 31 December 2016
JPY 150.89 BILLION

LOAN-TO-VALUE[1]

29.1%

NO. OF GOLF COURSES

89

[1] Loan-to-Value = Total loans and borrowings/Total appraisal value of the Initial Portfolio as at 31 December 2017.

FINANCIAL AND OPERATIONS REVIEW

	FULL YEAR (JPY MILLION)	
	FY17/18	FY16/17
Operating Income	**51,450**	51,919
Operating Profit/(Loss)	**6,071**	6,572
Profit/(Loss) After Income Tax	**4,132**	4,113
Total Distributable Income Available	**3,436**	5,178
DPU (SGD Cents)	**3.85**	6.04

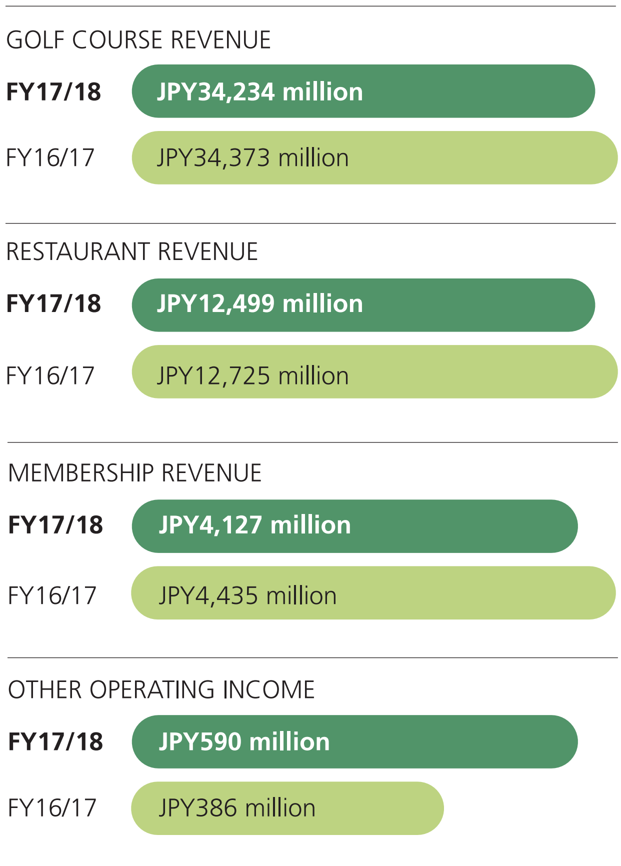
OPERATING PERFORMANCE

AGT golf courses welcomed 5.69 million players during the year. The number dipped slightly by 1.0% year-on-year (YoY), mainly attributed to typhoons that brought torrential rainfalls as well as snowfall in the second half of the fiscal year. The unfavourable weather condition has affected the operating performance of the golf courses in the typical "high season" between October and December.

OPERATING INCOME

In FY17/18, AGT's total operating income dipped 0.9% YoY to JPY51,450 million. The amount comprised golf course revenue of JPY34,234 million, restaurant revenue of JPY12,499 million, membership revenue of JPY4,127 million and other operating income of JPY590 million. In terms of composition in percentage, this translates to 66.5%, 24.3%, 8.1% and 1.1% respectively.

The golf course revenue[1] and the restaurant revenue[2] were impacted by the adverse weather condition across Japan, while the decline in membership revenue[3] was due to a slip in the number of members.



FINANCIAL AND OPERATIONS REVIEW

OPERATING EXPENSES

AGT's total operating expenses stood at JPY45,379 million as at the financial period end. The expenses comprise mainly the golf course related cost, selling, general and administrative (SG&A) expenses as well as other expenses.

The golf course related expenses for FY17/18 was JPY35,653 million, an improvement of 0.7% YoY. Despite a rise in utility expenses on the back of crude oil price hikes and commissions paid on online golf bookings, we have achieved cost savings through the integrated procurement system. SG&A expenses and other expenses increased 2.8% YoY to JPY9,726 million. This was in part due to an impairment loss of JPY1,720 million recorded, up JPY221 million YoY. However, this has no impact on the distribution as AGT's distributable income is calculated based on actual cash flow.

TOTAL ASSETS AND NET ASSET VALUE

Total assets and net assets value as at the end of FY17/18 was JPY175,952 million and JPY80,155 million, respectively. During the same period, net asset value attributable to Unitholders stood at JPY79,802 million. Net asset value attributable to Unitholders per unit was SGD0.90 as at 31 March 2018.

BORROWINGS

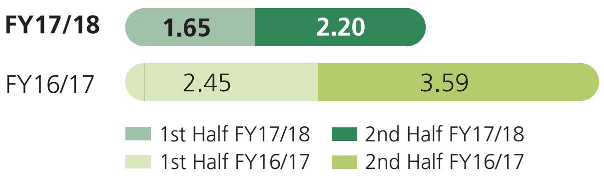
During the fiscal year, AGT entered into an agreement with the same banks to extend the maturity date of its existing JPY15 billion term loan by another year to August 2018. AGT's gross borrowings as at 31 March 2018 stood at JPY43.5 billion, translating to a loan-to-value ratio of 29.1%[4].

DISTRIBUTION

Total distribution declared for FY17/18 was JPY3,436 million, equating to a distribution per unit of SGD3.85 cents. Distribution dropped 33.6% from JPY5,178 million mainly due to the repayment of membership deposits and a one-time upfront fee for a loan extension in the first half of FY17/18, also typhoons on consecutive weekends in October 2017 and rain and snowfall in 4Q FY17/18. For the full year ended 31 March 2018, 100% of AGT's distributable income was paid to its unitholders.

ACTUAL DISTRIBUTION PER UNIT (100% BASIS)

Singapore cents



1 Golf course revenue consists of playing fees (green fees and cart fees), caddie fees, accommodation fees, driving range fees and golf equipment rental fees.
2 Restaurant revenue is made up of dining, revenue from events at the hotels and sale of food and beverages at the hotels as well as snack shops.
3 Membership revenue comprises annual membership fees, membership admission fees and membership transfer fees.
4 Based on the latest appraisal value of the Initial Portfolio as at 31 December 2017.

ASSET PORTFOLIO OVERVIEW

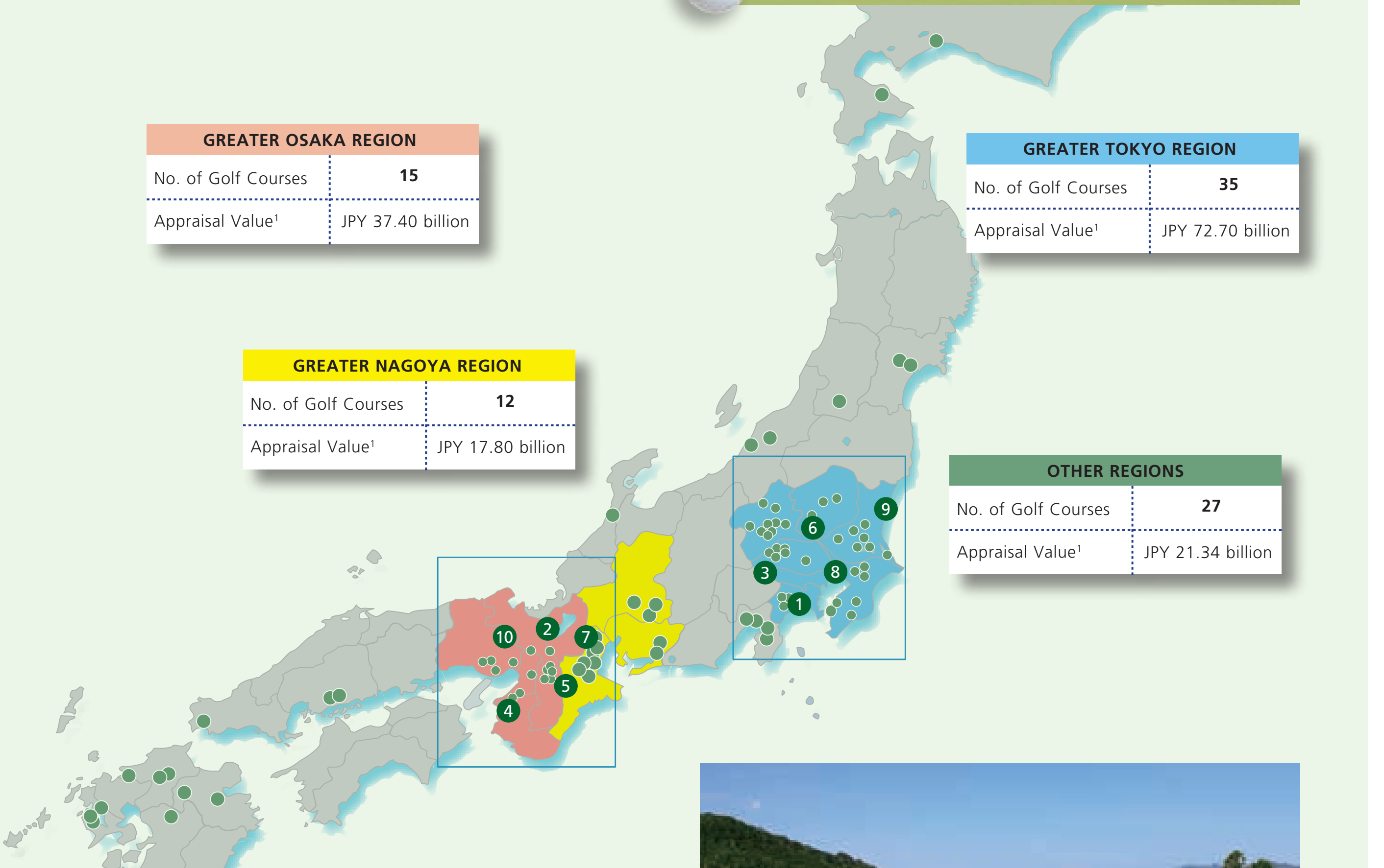
TOP 10 GOLF COURSES

UNIQUE JAPANESE ASSETS

No. of golf courses: 89

Appraisal value: JPY 149.24 billion[1]

1 DAIATSUGI COUNTRY CLUB HON COURSE, TOKYO REGION



GREATER OSAKA REGION	
No. of Golf Courses	15
Appraisal Value[1]	JPY 37.40 billion

GREATER TOKYO REGION	
No. of Golf Courses	35
Appraisal Value[1]	JPY 72.70 billion

GREATER NAGOYA REGION	
No. of Golf Courses	12
Appraisal Value[1]	JPY 17.80 billion

OTHER REGIONS	
No. of Golf Courses	27
Appraisal Value[1]	JPY 21.34 billion

2 OTSU COUNTRY CLUB, OSAKA REGION

[1] Appraisal value was as at 31 December 2017 and conducted by independent real estate.

ASSET PORTFOLIO OVERVIEW

TOP 10 GOLF COURSES

3 DAIATSUGI COUNTRY CLUB SAKURA COURSE, TOKYO REGION

4 IZUMISANO COUNTRY CLUB, OSAKA REGION

5 KISAICHI COUNTRY CLUB, OSAKA REGION

6 NORTHERN COUNTRY CLUB NISHIKIGAHARA, TOKYO REGION

7 KAMO COUNTRY CLUB, OSAKA REGION

8 TOKYOWAN COUNTRY CLUB, TOKYO REGION

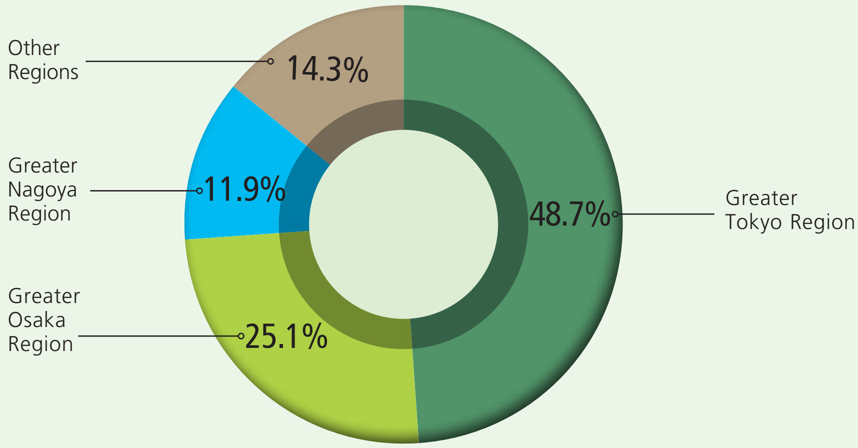
9 TSUCHIURA COUNTRY CLUB, TOKYO REGION

10 ATAGOHARA GOLF CLUB, OSAKA REGION

KEY STATISTICS OF INITIAL PORTFOLIO GOLF COURSES

REGIONS	NUMBER OF COURSES	%	APPRAISAL VALUE AS AT 31 DEC 2017[1] (JPY BILLION)	%
Greater Tokyo	35	39.3	72.70	48.7
Greater Osaka	15	16.9	37.40	25.1
Greater Nagoya	12	13.5	17.80	11.9
3 Key Metropolitan Areas	**62**	**69.7**	**127.90**	**85.7**
Other Regions	27	30.3	21.34	14.3
TOTAL	**89**	**100.0**	**149.24**	**100.0**

APPRAISAL VALUE AS AT 31 DECEMBER 2017 (BY PERCENTAGE)



REGIONS	REVENUE FOR FY17/18[2] (JPY BILLION)	UTILISATION RATES FY17/18[3] (%)	NOI FY17/18[4] (JPY BILLION)	NOI MARGIN FY17/18[5] (%)	NOI YIEL FY17/18[6] (%)
Greater Tokyo	22.63	78.6	5.38	23.8	7.4
Greater Osaka	11.96	86.0	3.00	25.2	8.0
Greater Nagoya	6.60	78.2	1.29	19.5	7.2
3 Key Metropolitan Areas	**41.19**	**80.6**	**9.67**	**23.5**	**7.6**
Other Regions	10.53	68.8	1.67	15.9	7.8
TOTAL	**51.72**	**77.5**	**11.35**	**21.9**	**7.6**

[1] Appraisals are conducted by independent real estate appraisers.
[2] Gross revenue includes play fees (which comprise of green fees and cart fees), caddy fees, restaurant revenue, membership fees and other revenues from the golf courses.
[3] Utilisation rate = Total no. of players per 18 holes/Total operating days x 200 people
[4] NOI is derived by deducting merchandise and material expense, labour cost, other operating expenses from revenue and golf course management agreement (GCMA) fees.
[5] NOI margin = NOI/Revenue
[6] NOI yield = NOI/Appraisal value

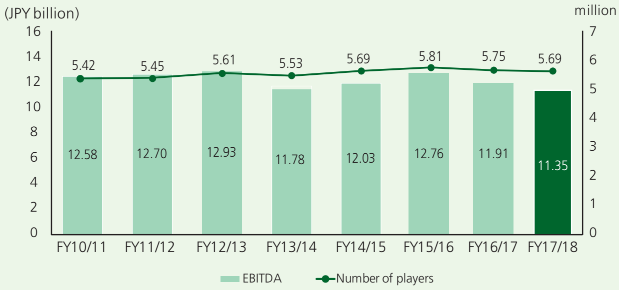
ASSET PORTFOLIO OVERVIEW

PORTFOLIO OVERVIEW

As at 31 March 2018, AGT's portfolio value had slipped 1.2% year-on-year (YoY) to JPY149.24 billion. Its golf courses continue to deliver stable EBITDA (earnings before interest, tax, depreciation and amortisation) amid unfavourable weather conditions such as typhoons and heavy snowfalls. More than two-thirds of the golf courses are located in three key metropolitan cities in Japan, with an average utilisation rate of 77.5%.

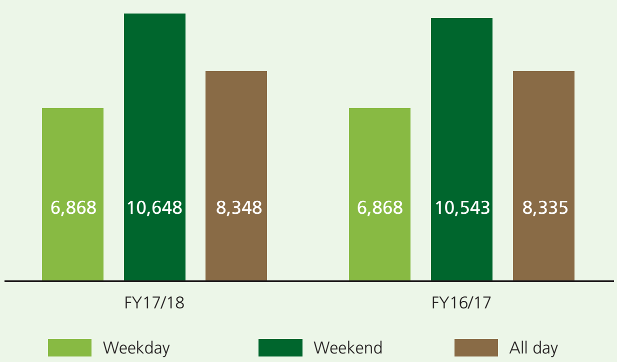
Despite a drop in the number of players from 5.75 million to 5.69 million in FY17/18, the ultilisation rate remained stable at 77.5%. Furthermore, play trends at weekends improved during the year. Play fee per player increased slightly from JPY8,335 to JPY8,348 in FY17/18 on the back of the sponsor's initiatives to attract more golfers.

EBITDA AND NUMBER OF PLAYERS



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

REVENUE PER PLAYER (in JPY)



Note: Revenue excludes membership fees and pro-shop business.

MARKETING INITIATIVES

AGT's sponsor stepped up efforts to introduce several initiatives during the year. These included the U-40 Passport, the Ladies Golfcircle "Friends", the Summer Programme and the Deka cup competition. These initiatives aim to engage with young and female golfers, and to reinvent the golf industry in Japan. The sponsor has also established partnerships with organisations such as JAL Mileage Bank, Tokyo Toyopet and au Wallet, under which players can be rewarded for playing golf.

As at 31 March 2018, the number of loyalty programme cardholders was 3.35 million, down 25% YoY. The drop was mainly due to a membership clean-up involving inactive members who had not utilised the facilities for three consecutive years. Nevertheless, the number of cardholders still accounts for approximately 61% of the total number of golf players in Japan[1], similar to last year.

Tapping digital technology, AGT's sponsor is in the process of installing GPS navigation systems in golf carts to promote competitive play. The system provides accurate yardages to the target – also known as pin – and helps golfers select appropriate golf clubs. Play scores will be calculated and uploaded into the system instantaneously. Approximately 30% of AGT's golf courses has been fitted with GPS navigation systems, which have been well received by players. This aligns with the sponsor's objective to reach out and connect with the next generation of players.

[1] According to the Leisure White Paper 2017 by Japanese Productivity Council, the total number of golf players was 5.5 million.

STATISTICS OF INITIAL PORTFOLIO GOLF COURSES

GREATER TOKYO REGION

NO.	GOLF COURSE	APPRAISAL VALUE (JPY MILLION) AS AT 31 DECEMBER 2017	LOCATION	NUMBER OF HOLES	INAUGURAL BY THE YEAR	REVENUE FOR FY17/18 (JPY BILLION)	UTILISATION RATES FY17/18 (%)	NO. OF VISITORS FY17/18
1	Daiatsugi Country Club Hon Course	7,980	Atsugi-Shi, Kanagawa	27	1970	1,304	86.3	92,459
2	Daiatsugi Country Club Sakura Course	6,650	Atsugi-Shi, Kanagawa	18	1981	1,101	110.0	79,434
3	Northern Country Club Nishikigahara Golf Course	4,610	Saitama-Shi, Saitama	43	1963	1,188	87.1	144,369
4	Tokyowan Country Club	3,770	Sodegaura-Shi, Chiba	27	1979	1,051	88.6	96,483
5	Tsuchiura Country Club	3,660	Inashiki-Shi, Ibaraki	27	1962	886	85.1	91,690
6	Odawara Golf Club Matsuda Course	2,900	Ashigarakami-Gun, Kanagawa	18	1973	655	85.5	62,063
7	Yorii Country Club	2,810	Osato-Gun, Saitama	18	1978	652	80.2	56,602
8	Central Golf Club	2,760	Namegata-Shi, Ibaraki	36	1974	977	74.9	107,573
9	Fujioka Golf Club	2,730	Fujioka-Shi, Gunma	36	1968	710	68.9	98,136
10	Aqualine Golf Club	2,670	Kisarazu-Shi, Chiba	18	1997	650	81.6	58,617
11	Mito Golf Club	2,450	Mito-Shi, Ibaraki	36	1966	821	68.5	97,591
12	Naritahigashi Country Club	2,440	Katori-Shi, Chiba	18	1982	573	81.5	58,039
13	Chiba Sakuranosato Golf Club	2,040	Katori-Shi, Chiba	18	1984	548	81.7	59,284
14	Kanetsu Highland Golf Club	2,030	Takasaki-Shi, Gunma	27	1972	600	80.3	85,983
15	Sawara Country Club	1,980	Katori-Shi, Chiba	18	1990	631	82.9	59,198
16	Minagawajo Country Club	1,920	Tochigi-Shi, Tochigi	18	1973	601	75.0	53,837
17	Ohiradai Country Club	1,840	Tochigi-Shi, Tochigi	27	1974	605	72.9	78,503
18	Tamagawa Country Club	1,600	Hiki-Gun, Saitama	18	1994	547	79.0	56,417

ASSET PORTFOLIO OVERVIEW

STATISTICS OF INITIAL PORTFOLIO GOLF COURSES

GREATER TOKYO REGION (cont'd)

NO.	GOLF COURSE	APPRAISAL VALUE (JPY MILLION) AS AT 31 DECEMBER 2017	LOCATION	NUMBER OF HOLES	INAUGURAL BY THE YEAR	REVENUE FOR FY17/18 (JPY BILLION)	UTILISATION RATES FY17/18 (%)	NO. OF VISITORS FY17/18
19	Sainomori Country Club	1,460	Chichibu-Shi, Saitama	18	1989	609	78.8	55,973
20	Kodamakamikawa Country Club	1,400	Kodama-Gun, Saitama	18	1988	524	83.9	59,397
21	Central Golf Club New Course	1,390	Namegata-Shi, Ibaraki	18	1979	477	80.4	57,228
22	Kanra Country Club	1,380	Kanra-Gun, Gunma	18	1975	490	80.1	57,172
23	Wildduck Country Club	1,350	Kamisu-Shi, Ibaraki	18	1991	469	77.7	56,578
24	Myogi Country Club	1,270	Tomioka-Shi, Gunma	18	1986	968	74.6	52,813
25	Ishioka Golf Club West Course	1,120	Kasama-Shi, Ibaraki	18	1990	537	84.3	59,866
26	Hanao Country Club	1,070	Isumi-Gun, Chiba	18	1992	520	87.3	62,823
27	Midono Country Club	1,050	Fujioka-Shi, Gunma	18	1990	512	86.3	60,898
28	Koryo Country Club	1,020	Kanuma-Shi, Tochigi	27	1975	511	65.1	69,889
29	Twin Lakes Country Club	941	Fujioka-Shi, Gunma	18	1988	546	84.5	60,330
30	Chichibu Kokusai Country Club	694	Chichibu-Gun, Saitama	18	1975	346	72.5	50,203
31	Kamogawa Country Club	677	Kamogawa-Shi, Chiba	18	1970	592	82.4	59,645
32	Northern Country Club Akagi Golf Course	418	Shibukawa-Shi, Gunma	27	1976	397	64.8	53,451
33	Kitsuregawa Country Club	346	Sakura-Shi, Tochigi	27	1987	520	63.0	67,864
34	Northern Country Club Jomo Golf Course	184	Agatsuma-Gun, Gunma	18	1978	236	70.5	39,488
35	Village Higashi Karuizawa Golf Club	81	Annaka-Shi, Gunma	18	1978	278	62.6	44,191
	TOTAL	**72,691**				**22,632**	**78.6**	**2,404,087**

STATISTICS OF INITIAL PORTFOLIO GOLF COURSES

GREATER OSAKA REGION

NO.	GOLF COURSE	APPRAISAL VALUE (JPY MILLION) AS AT 31 DECEMBER 2017	LOCATION	NUMBER OF HOLES	INAUGURAL BY THE YEAR	REVENUE FOR FY17/18 (JPY BILLION)	UTILISATION RATES FY17/18 (%)	NO. OF VISITORS FY17/18
1	Otsu Country Club	7,410	Otsu-Shi, Shiga	45	1969	1,636	86.9	157,773
2	Izumisano Country Club	4,640	Izumisano-Shi, Osaka	27	1972	1,042	94.2	102,544
3	Kisaichi Country Club	4,480	Katano-Shi, Osaka	27	1968	1,028	92.9	101,204
4	Kamo Country Club	4,310	Kizugawa-Shi, Kyoto	36	1974	1,118	89.0	129,577
5	Atagohara Golf Club	3,180	Takarazuka-Shi, Hyogo	27	1960	824	80.4	87,276
6	Naranomori Golf Club	2,090	Nara-Shi, Nara	18	1988	700	90.0	64,996
7	Harima Country Club	1,950	Ono-Shi, Hyogo	18	1965	572	88.0	64,258
8	Kameoka Golf Club	1,900	Kameoka-Shi, Kyoto	18	1998	512	81.5	56,552
9	Lake Forest Resort	1,770	Soraku-Gun, Kyoto	45	1993	1,538	81.3	147,647
10	Sorei Golf Club Tsuchiyama Course	1,360	Kouka-Shi, Shiga	18	1996	440	78.5	53,394
11	Kyowa Golf Club	1,270	Soraku-Gun, Kyoto	18	1974	504	83.7	59,408
12	Misaki Country Club	1,210	Sennan-Gun, Osaka	18	1970	578	93.6	67,375
13	Yamato Kougen Country Club	771	Nara-Shi, Nara	18	2001	543	85.7	62,068
14	Kasai Country Club	578	Kasai-Shi, Hyogo	18	1987	430	78.7	57,145
15	Shirasagi Golf Club	478	Himeji-Shi, Hyogo	18	1996	490	83.5	60,654
	TOTAL	**37,397**				**11,955**	**86.0**	**1,271,871**

GREATER NAGOYA REGION

NO.	GOLF COURSE	APPRAISAL VALUE (JPY MILLION) AS AT 31 DECEMBER 2017	LOCATION	NUMBER OF HOLES	INAUGURAL BY THE YEAR	REVENUE FOR FY17/18 (JPY BILLION)	UTILISATION RATES FY17/18 (%)	NO. OF VISITORS FY17/18
1	Yokkaichinosato Golf Club	2,550	Yokkaichi-Shi, Mie	18	1988	706	81.5	58,698
2	Shinyo Country Club	2,100	Toki-Shi, Gifu	18	1990	665	85.1	60,923
3	Fujiwara Golf Club	2,020	Inabe-Shi, Mie	27	1993	715	71.4	74,283
4	Castlehill Country Club	1,960	Toyokawa-Shi, Aichi	18	1993	658	80.8	58,855
5	Kasumi Golf Club	1,370	Tsu-Shi, Mie	18	1992	495	77.3	56,000
6	Forest Mizunami Country Club	1,370	Mizunami-Shi, Gifu	18	1987	540	86.4	62,188
7	Forest Geino Golf Club	1,270	Tsu-Shi, Mie	18	1991	462	72.1	52,201
8	Tsukude Golf Club	1,260	Shinshiro-Shi, Aichi	18	1994	538	79.4	55,138
9	Sorei Golf Club Seki Course	1,250	Kameyama-Shi, Mie	18	1996	409	73.9	52,632
10	Sun Classic Golf Club	1,020	Kani-Gun, Gifu	18	1992	535	86.9	62,949
11	Route 25 Golf Club	929	Iga-Shi, Mie	18	1995	485	75.8	53,694
12	Meisho Golf Club	705	Tsu-Shi, Mie	18	1984	390	70.5	51,037
	TOTAL	**17,804**				**6,598**	**78.2**	**698,598**

ASSET PORTFOLIO OVERVIEW

STATISTICS OF INITIAL PORTFOLIO GOLF COURSES

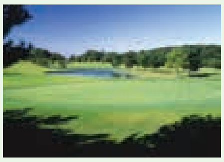
OTHER REGION

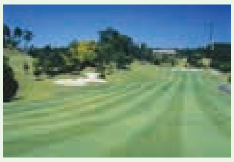
NO.	GOLF COURSE	APPRAISAL VALUE (JPY MILLION) AS AT 31 DECEMBER 2017	LOCATION	NUMBER OF HOLES	INAUGURAL BY THE YEAR	REVENUE FOR FY17/18 (JPY BILLION)	UTILISATION RATES FY17/18 (%)	NO. OF VISITORS FY17/18
1	Mishima Country Club	3,040	Mishima-Shi, Shizuoka	18	1988	686	86.2	62,555
2	Ashitaka Six Hundred Club	2,120	Numazu-Shi, Shizuoka	18	1969	637	84.9	61,830
3	Jurigi Country Club	1,730	Fuji-Shi, Shizuoka	18	1973	477	69.5	46,116
4	Nijo Country Club	1,580	Itoshima-Shi, Fukuoka	18	1974	533	82.5	59,863
5	Sanyo Kokusai Golf Club	1,110	Sanyoonoda-Shi, Yamaguchi	36	1980	648	62.6	88,646
6	Hongo Country Club	1,050	Mihara-Shi, Hiroshima	18	1977	408	66.2	47,895
7	Yunoura Country Club	1,000	Hioki-Shi, Kagoshima	18	1989	439	79.3	56,955
8	Dainiigata Country Club Izumosaki Course	882	Santo-Gun, Niigata	18	1974	316	69.3	40,313
9	Sasebo Kokusai Country Club	870	Sasebo-Shi, Nagasaki	18	1976	380	70.9	51,296
10	Beppu No Mori Golf Club	834	Beppu-Shi, Oita	27	1974	471	64.8	68,655
11	Central Fukuoka Golf Club	781	Chikushino-Shi, Fukuoka	18	1975	480	83.7	57,566
12	Osato Golf Club	720	Kurokawa-Gun, Miyagi	18	1998	317	85.0	55,574
13	Takehara Country Club	615	Takehara-Shi, Hiroshima	18	1994	371	63.3	45,324
14	Izu Kokusai Country Club	541	Izu-Shi, Shizuoka	18	1961	296	65.8	47,240
15	Nagasaki Park Country Club	499	Saikai-Shi, Nagasaki	18	1994	365	65.1	46,746
16	Aoshima Golf Club	484	Miyazaki-Shi, Miyazaki	18	1991	454	72.4	52,152
17	Fukuoka Pheasant Country Club	459	Tagawa-Gun, Fukuoka	18	1976	328	68.3	47,673
18	Dainiigata Country Club Sanjo Course	450	Sanjo-Shi, Niigata	18	1976	240	64.4	30,669
19	Kikuchi Country Club	425	Kikuchi-Shi, Kumamoto	18	1979	313	66.5	45,873
20	Onuma Lake Golf Club	404	Kayabe-Gun, Hokkaido	27	1975	278	54.5	37,267
21	Amagaseonsen Country Club	341	Hita-Shi, Oita	18	1967	264	56.4	38,668
22	Tarumae Country Club	341	Tomakomai-Shi, Hokkaido	27	1963	361	53.9	38,780
23	Rainbow Sports Land Golf Club	324	Miyakonojo-Shi, Miyazaki	18	1992	245	65.7	47,140
24	Hananomori Golf Club	308	Kurokawa-Gun, Miyagi	18	1992	408	69.4	38,882
25	Yamagataminami Country Club	266	Higashiokitama-Gun, Yamagata	18	1985	208	62.5	27,986
26	Huis Ten Bosch Country Club	111	Saikai-Shi, Nagasaki	18	1991	311	59.0	42,032
27	Kanazawa Central Country Club	60	Kanazawa-Shi, Ishikawa	18	1993	294	69.1	36,898
	TOTAL	**21,345**				**10,528**	**68.8**	**1,320,594**

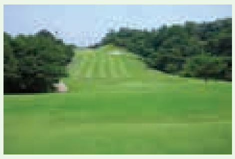
Note: Inaugural year means the year in which the golf course first commenced operations after the completion of its development and construction.

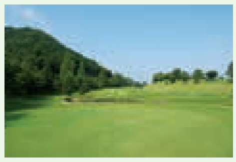
GREATER TOKYO REGION


Aquline GC


Central GC


Chiba Sakuranosato GC

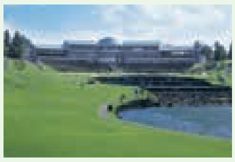

Fujioka GC

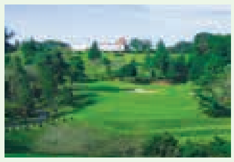

Kanetsu Highland GC


Mito GC


Naritahigashi CC


Odawara GC,
Matsuda Course

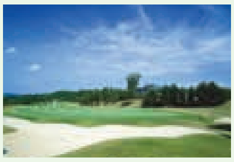

Sawara CC

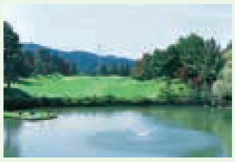

Yorri CC

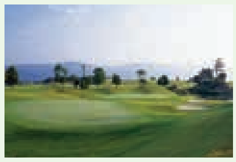
GREATER OSAKA REGION

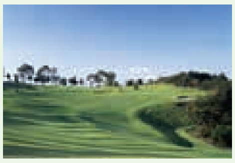

Harima CC


Kameoka GC

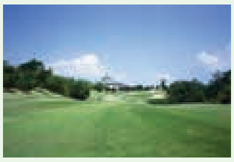

Kasai CC

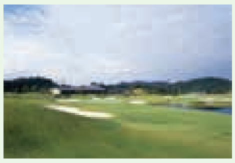

Kyowa GC

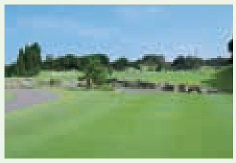

Lake Forest Resort


Misaki CC

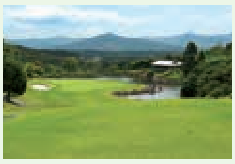

Naranomori GC

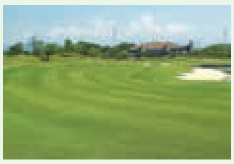

Shirasagi GC

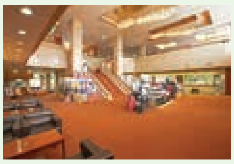

Sorei GC Tsuchiyama Course

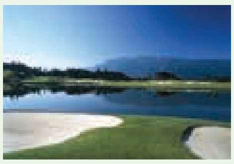

Yamato Kougen CC

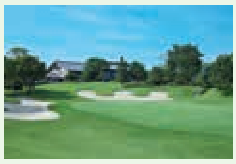
GREATER NAGOYA REGION


Castle Hill CC


Forest Geino GC

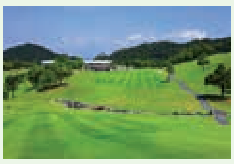

Forest Mizunami CC

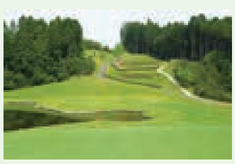

Fujiwara GC

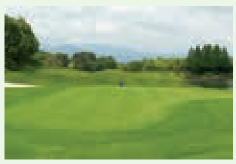

Kasumi GC


Shinyo CC


Sorei GC Seki Course


SunClassic GC


Tsukude GC


Yokkaichinosato GC

JAPAN'S GOLF INDUSTRY

According to the International Monetary Fund, Japan's economic growth is forecast to be 1.2% and 0.9%, respectively, in 2018 and 2019. The projection aligns with the Japanese government's three-pronged approach, also known as Abenomics policy, that combines fiscal expansion, monetary easing, and structural reform. The policy aims to boost domestic demand and gross domestic product growth while raising inflation to 2%.

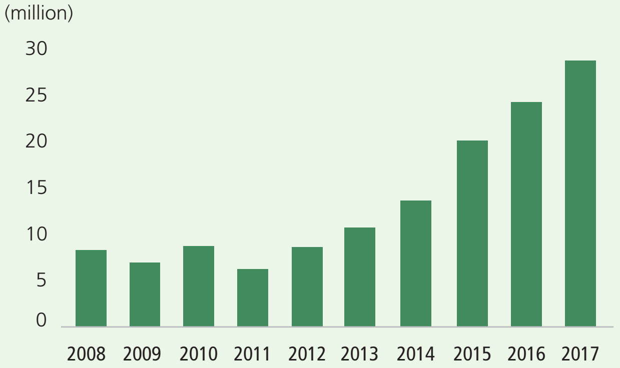
We believe that as long as the government remains adamant in its economic strategy, demand for golf in Japan is expected to remain sound.

COMPLEMENTING THE GOLF SWING

Japan's tourism industry, one of the key economic growth drivers, continues to remain robust fuelled by weak yen. Inbound tourism hit a new high of 28.7 million tourists in 2017, a surge of 19.3% year-on-year, ahead of the 2020 Olympic Games in Tokyo. The number is estimated to reach 40 million in 2020.

The inclusion of golf as one of the Olympic sports complements our portfolio of assets. Alongside the growing number of visitors, we remain hopeful that this will increase the number of players at our golf courses and improve the appeal of golf among the next-generation as well as female players.

NUMBER OF VISITORS TO JAPAN



Source: Japan Tourism Statistics

CONSOLIDATING FOR A SUSTAINABLE FUTURE

Japan has 2,282[1] golf courses as at the end of 2016, a slight decrease by 1.5% compared with the previous year. The consolidation is deemed a natural correction caused by over saturation during the boom years and will likely benefit AGT, one of the leading golf operators in Japan.

NUMBER OF GOLF COURSES IN JAPAN

Source: Nihon Golf-jo Keieisha Kyokai 2017

Golf continues to be a major pastime for the affluent seniors of age above 60 in Japan. While Japan's population fell for the seventh consecutive year to approximately 127 million[2] in 2017, the average life expectancy of its people remains high at 83.7 years[3]. According to the latest statistics by Nihon Golf-jo Keieisha Kyokai, the number of golf plays in Japan held steady at above 86 million per annum between 2012 and 2016.

In the short to medium term, we believe that the demand for golf will be supported by the senior golfers.

[1] Nihon Golf-jo Keieisha Kyokai
[2] Statistics of Japan
[3] World Health Organisation – World Health Statistics 2017

NUMBER OF PLAYS AND NUMBER OF PLAYS PER PLAYER

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

RISK AND UNCERTAINTIES

The government's planned sales tax hike, from 8% to 10%, in 2019 could put a lid on consumer spending which currently makes up approximately two-thirds of the economy. Nevertheless, according to consultancy firm TMF Group, the impact on economic growth is expected to be smaller compared with 2014, when the last tax hike took place.

Despite that energy conservation and a lower dependency on crude oil imports are the government's key priorities, the country is still heavily dependent on crude oil which could pose a downside risk to macroeconomic stability. Other headwinds include potential spike in oil price increases as well as Federal Reserve interest rate hikes.

Aging population remains the greatest challenge in the golf industry. Domestically, the number of next-generation players are not increasing in proportion to senior players.

INVESTOR RELATIONS

AGT believes that openness and transparency are essential in maintaining positive relations with stakeholders. To achieve a high level of transparency, the management is committed to fair, timely, regular and consistent disclosures to all unitholders and investors.

The Investor Relations (IR) personnel supports the CEO and management in facilitating communications with existing and potential institutional investors, retail unitholders, financial analysts as well as other key stakeholders. Guided by a defined set of principles and practices set out in its IR Policy, the management engages in proactive communication with the investing community. Unitholders are encouraged to subscribe to the email alerts to receive updates on AGT's business operations.

AGT publishes its financial results on a quarterly basis. Analyst briefing and investor meetings are organised for the announcements where the CEO presents AGT's financial performance and business operations for that period as well as the latest industry developments. Regular briefings to various brokers are also conducted. These sessions provide a platform for the management to understand and address issues that matter to stakeholders.

KEEPING AN OPEN COMMUNICATION

In 2017, the management hosted meetings, conference calls and luncheons where they met and strengthened ties with local and international investors.

AGT also took part in several conferences held by various financial institutions which included the SGX Singapore Corporate Day. At these events, the management presented its business operations and outlook. AGT was listed as one of the Top 25 Jewels by RHB Securities in April 2017.

As the first business trust that invests in golf course assets, the management arranged a site visit in April 2017 for analysts to visit some golf courses in Tokyo to help them understand the golf industry and AGT's business operations.

The third annual general meeting took place in July 2017 and was well attended by more than 110 unitholders. The management updated unitholders on AGT's business performance, outlook and its growth strategy. The Board of Directors also met and renewed ties with unitholders.

LOOKING AHEAD

The management will continue to promote AGT through the various platforms available and keep existing unitholders updated on its strategy and latest corporate developments.

AGT's annual general meeting in July 2017

Corporate presentation organised by SGX

UNITHOLDER DEPOSITORY

For unitholding account-related matters such as change of details and unitholding record, please contact:

THE CENTRAL DEPOSITORY (PTE) LIMITED
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138589
Tel: (65) 6535 7511

INVESTOR RELATIONS CONTACT

For more information on AGT and its operations, please contact:

Bee Lin, Ling
Tel: (65) 6592 1059
Email: beelin@agtrust.com.sg

INVESTOR RELATIONS AND FINANCIAL CALENDAR

Q1 FY17/18 (April to June 2017)	**Q2 FY17/18** (July to September 2017)	**Q3 FY17/18** (October to December 2017)	**Q4 FY17/18** (January to March 2018)
• Announced FY16/17 results with analysts' briefing • 2H FY16/17 distribution payout to unitholders • Post-results luncheon with investors • Conducted one-on-one investor meetings and conference calls • Corporate presentation to Maybank Kim Eng Securities, KGI Securities and RHB Securities • Hosted site visit to analysts in Tokyo • Non-deal roadshows in New York, Tokyo, Hong Kong and Taipei	• Announced 1Q FY17/18 results with analysts' briefing • Convened AGM on 26 July 2017 • Corporate presentation organised by SGX	• Announced 2Q FY17/18 results with analysts' briefing • 1H FY17/18 distribution payout to unitholders • Post-results luncheon with investors • Conducted one-on-one investor meetings and conference calls	• Announced 3Q FY17/18 results with analysts' briefing

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman and Independent Director
Mr Khoo Kee Cheok

Executive Director and Chief Executive Officer
Mr Yoshihiko Machida

Non-Executive Director
Mr Toshikatsu Makishima

Independent Directors
Mr Chong Teck Sin
Mr Hitoshi Kumagai

AUDIT AND RISK COMMITTEE

Chairman
Mr Chong Teck Sin

Members
Mr Khoo Kee Cheok
Mr Hitoshi Kumagai

REMUNERATION COMMITTEE

Chairman
Mr Hitoshi Kumagai

Members
Mr Khoo Kee Cheok
Mr Chong Teck Sin

REGISTERED OFFICE OF AGT AND TRUSTEE-MANAGER

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Fax: +65 6220 2824
Website: www.agtrust.com.sg
Email: info@agtrust.com.sg

UNIT REGISTRAR AND UNIT TRANSFER OFFICE

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Tel: +65 6536 5355
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INDEPENDENT AUDITOR

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7 Straits View
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Tel: +65 6236 3388
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Partner-in-Charge: Mr Yeow Chee Keong
Date of appointment: 26 July 2017

COMPANY SECRETARY

Mr Lai Kuan Loong, Victor

CORPORATE GOVERNANCE

ABOUT AGT AND TRUSTEE-MANAGER

Accordia Golf Trust ("**AGT**") is a business trust constituted in Singapore by a trust deed dated 16 June 2014 as amended by the first amending and restating deed dated 21 July 2014 (the "**Trust Deed**"), made by Accordia Golf Trust Management Pte. Ltd., as trustee-manager of AGT (the "**Trustee-Manager**").

AGT is registered as a business trust under the Business Trusts Act, Chapter 31A of Singapore (the "**BTA**") and was listed on the Main Board of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 1 August 2014 ("**Listing Date**"). Accordia Golf Co., Ltd is the sponsor of AGT (the "**Sponsor**").

The Trustee-Manager is committed to high standards of corporate governance, business integrity and professionalism in all its activities and has adopted corporate governance practices which are in line with the Singapore Code of Corporate Governance 2012 (the "**Code**") throughout the financial year ended 31 March 2018. 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 is supported by two committees namely (1) Audit and Risk Committee and (2) Remuneration Committee. These committees function within clearly defined terms of reference.

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

Each Director acts honestly, with due care and diligence, and in the best interests of AGT. The Board meets regularly, at least once every quarter, to review the business performance and outlook of AGT, as well as to deliberate on business strategy, including any significant acquisitions, disposals, fund raising and development projects of AGT. All Board meetings are scheduled in advance and ad-hoc meetings are convened as and when warranted, when particular circumstances come to the Board's attention.

The number of meetings of the Board and the Board Committees during the year ended 31 March 2018 as well as the attendance of the Directors, are as follows:

Name of Directors	Board Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings	
	Number of meetings	Attendance	Number of meetings	Attendance	Number of meetings	Attendance
Khoo Kee Cheok	7	7	5	5	1	1
Chong Teck Sin	7	7	5	5	1	1
Hitoshi Kumagai	7	7	5	5	1	1
Yoshihiko Machida	7	7	5*	5*	1*	1*
Toshikatsu Makishima	7	7	5*	5*	1*	1*

* By Invitation

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

As part of continuous training, Directors will, from time to time, receive updates and briefing from professional advisors, auditors and Management on relevant practices, new rules and regulations, corporate governance, changes in accounting standards and risk management issues applicable or relevant to the performance of their duties and responsibilities as Directors. The Directors are encouraged to attend training courses from the Singapore Institute of Directors and any other relevant training programmes, so as to keep up-to-date with changes to financial, legal and regulatory requirements and the business environment. The Directors have attended courses on Directorship Fundamentals, Singapore Governance and Transparency Index, Remuneration Committee Essentials, What It Takes to be Effective. 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 arranged and these include Fujioka Golf Club, Kanra Country Club, Myogi Country Club, Village Higashi Karuizawa Golf

CORPORATE GOVERNANCE

Club, Kanetsu Highland Golf Club, Midono Country Club, Twin Lake Country Club, Northern Country Club Nishikigahara Golf Course, Shirasagi Golf Club, Kasai Country Club, Otsu Country Club, Lake Forest Resort. Meetings between the Management of the abovementioned golf courses and the Directors were also arranged so that the Directors can better understand the issues faced by the ground team.

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 a majority of directors who are independent from management and business relationships with the trustee-manager;

- 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 composition of the Board and Board Committees is set out below:

Name	Board	Audit and Risk Committee	Remuneration Committee
Khoo Kee Cheok	Independent Non-Executive Chairman	Member	Member
Chong Teck Sin	Independent Non-Executive Director	Chairman	Member
Hitoshi Kumagai	Independent Non-Executive Director	Member	Chairman
Yoshihiko Machida	Executive Director	–	–
Toshikatsu Makishima#	Non-Executive Director	–	–

Re-designated to Non-Executive Director consequent to his resignation as Chief Operating Officer on 30 June 2018

CORPORATE GOVERNANCE

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.

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 Messrs Khoo Kee Cheok, Chong Teck Sin and Hitoshi Kumagai is independent from Management and business relationships with the Trustee-Manager, and independent from every substantial shareholder of the Trustee-Manager. All the Independent Directors are able to exercise independent judgement on the business activities of AGT. None of the Independent Directors have served beyond nine years.

Mr Toshikatsu Makishima resigned as Chief Operating Officer on 30 June 2018 following a job re-assignment by a seconding company, being a shareholder of the Trustee-Manager (the "**Seconding Shareholder**"). Consequent to his resignation as Chief Operating Officer, Mr Toshikatsu Makishima was re-designated as Non-Executive Director. He remains as a Non-Executive Director of the Trustee-Manager.

As at the date of this report, the Directors were as follows:

Independent Directors
Mr Khoo Kee Cheok (Chairman)
Mr Chong Teck Sin
Mr Hitoshi Kumagai

Executive Director
Mr Yoshihiko Machida (Chief Executive Officer)

Non-Executive Director
Mr Toshikatsu Makishima

Further information on the Directors is provided in the Board of Directors of the Trustee-Manager section on pages 5 and 6 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 Directors, the Board collectively possesses core competencies in areas such as accounting and finance, regulatory matters, risk management, business and management experience and also industry specific knowledge. As such, the Board is of the opinion that the current Board appropriately balances and retains a diversity of the relevant skills, experience and expertise for effective management of the Trustee-Manager and AGT.

There were no alternate Directors appointed during the year.

CORPORATE GOVERNANCE

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 ("**CEO**") are held by separate individuals. The Board Chairman is Mr Khoo Kee Cheok, an Independent Non-Executive Director. The CEO is Mr Yoshihiko Machida, who is an Executive Director. The Chairman and the CEO are not immediate family members.

There is a clear division of responsibilities between the Chairman and the CEO. 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 CEO, 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 CEO, Mr Yoshihiko Machida, is an Executive Director with full executive responsibilities over the business directions and operational decisions of AGT. As CEO, 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.

Given that the roles of the Chairman and CEO are separate and the Chairman is independent, no lead Independent Director is required to be appointed.

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

CORPORATE GOVERNANCE

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.

A formal letter of appointment explaining their duties and obligations as Director is provided to every new Director upon appointment. The formal letter of appointment sets out the time commitment required of the Director and the Director's roles and responsibilities, including disclosure requirements and best practices relating to dealings in securities under applicable laws and regulations.

All the Directors shall be up for re-nomination and re-election at every annual general meeting of the Trustee-Manager.

BOARD PERFORMANCE

Principle 5

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The Board had put in place a formal process to annually assess the performance and effectiveness of the Board as a whole and its Board Committees. The Board members are provided with a set of questions, setting out the salient recommendations from the Code, which is designed to seek their views or feedback on the various aspects of the Board as well as the Board Committees. The Company Secretary compiles Directors' responses to the questionnaires into a consolidated report. The Board members will then gather to discuss their views on the various aspects of the Board and improvements made to areas where the Board views to be necessary to enhance the overall effectiveness of the Board and/or Board Committees. The performance criteria for the evaluation covers amongst other criteria, the Board's composition and size, Board processes, the Board's access to information, corporate strategy, internal controls, risk management and standard of conduct and performance of the Board's principal functions and fiduciary duties, guidance to and communication with Management. The evaluation for the financial year ended 31 March 2018 confirmed that the Board and its Board Committees were generally functioning effectively during the year.

While the 2012 CG Code recommends that the Directors be assessed individually, the Board felt that it is more appropriate and effective to assess the Board as a whole, bearing in mind that each Board member contributes in different ways to the success of the Trustee-Manager.

In determining whether each Director is able to devote sufficient time to discharge his or her duties, the Board will take cognizance of the requirements under the Code, but its assessment will not be restricted only to the number of board representations of each Director and their respective principal commitments per se. The contributions by each Director to and during Board and Board Committee meetings, as well as their attendance at such meetings, are also taken into account. Although some of the Directors have other principal commitments, the Board is of the view that the individual Directors have devoted sufficient time and

CORPORATE GOVERNANCE

attention towards the discharge of their responsibilities as Directors and towards the affair of AGT and Trustee-Manager for the year ended 31 March 2018. 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. For the financial year under review, the Board is satisfied that all Directors have been able to and have adequately carried out their duties as Directors notwithstanding their other listed company board representations and other principal commitments.

Details of such directorships and chairmanship both present and those held over the preceding three years in other listed companies, and other principal commitments are set out on pages 5 and 6 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 Board members 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 Secretary, as well as the internal and external auditors at all times. The Company Secretary (and/or his authorised designates) attends Board meetings and ensures that established procedures and all relevant statutes and regulations that are applicable to the Trustee-Manager and AGT are complied with. The appointment and removal of the Company Secretary is subject to the Board's approval.

CORPORATE GOVERNANCE

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 presence of Management.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

LEVEL AND MIX OF REMUNERATION

Principle 8

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

DISCLOSURE ON REMUNERATION

Principle 9

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Remuneration Committee ("**RC**") ensures 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 RC assists the Board in the discussion and recommendation for matters relating to executive remuneration and similar issues.

The RC comprises the three Independent Directors as members with Mr Hitoshi Kumagai as Chairman of the Committee. The members of the RC are Messrs Khoo Kee Cheok and Chong Teck Sin. The RC met subsequent to the financial year-end.

The RC is guided by a set of written rules known as the RC terms of reference that has been approved by the Board. The RC 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.

CORPORATE GOVERNANCE

Independent Directors receive fixed Directors' fees payable quarterly in arrears for their Board and Board Committee membership. The Directors' fees are appropriate to their level of contribution, taking into account their responsibilities and time spent such that the independence of the Independent Directors is not compromised by their compensation. 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 for the financial year ended 31 March 2018 are set out below:

Directors	**Directors' Fees**	**Executive Remuneration**
Khoo Kee Cheok	A(1)	Nil
Chong Teck Sin	A(1)	Nil
Hitoshi Kumagai	A(1)	Nil
Yoshihiko Machida	Nil(2)	B(3)
Toshikatsu Makishima	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) Messrs Yoshihiko Machida and Toshikatsu Makishima are Executive Officers of the Trustee-Manager. As such, they were remunerated by the Trustee-Manager for their contributions as Executive Officers and no Directors' fees were paid to them in FY17/18.

(3) "B" refers to remuneration between the equivalent of S$250,001 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 Code for the following reasons:

1. The remuneration of the Executive Directors (including the CEO) and Key Management personnel are not paid out of the Trust but instead remunerated directly by the Trustee-Manager;
2. Remuneration matters of the Executive Directors (including the CEO) and Key Management personnel are confidential and sensitive matters;
3. The negative impact which such disclosure may have on the Trustee-Manager in retaining talent on a long-term basis taking into consideration the confidential nature of remuneration matters and the importance of ensuring the stability and continuity of the business operations with an experienced management team in place.

CORPORATE GOVERNANCE

The total remuneration paid to the Key Management personnel (who are not Directors or the CEO) for the financial year ended 31 March 2018 was approximately S$550,000.

There are no employees of the Trustee-Manager, AGT and its subsidiary who are immediate family members of the Directors or the CEO during the financial year ended 31 March 2018.

ACCOUNTABILITY AND AUDIT ACCOUNTABILITY

Principle 10

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard Unitholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board has overall responsibility for the governance of risk and exercises oversight of the risk management strategy and framework. The Audit and Risk Committee ("**ARC**") 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 2018, 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 ARC 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 ARC quarterly for review.

CORPORATE GOVERNANCE

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 ARC. 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 ARC.

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 ARC 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 CEO 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 ARC, is of the opinion that Trustee-Manager's existing internal controls are adequate and effective as at 31 March 2018 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 ARC.

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.

CORPORATE GOVERNANCE

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 ARC comprises three members, all of whom are Independent Directors and appropriately qualified with the relevant business, accounting and financial management experience and skills to discharge their responsibilities. None of the ARC members were previous partners or directors of AGT's external auditors, PricewaterhouseCoopers LLP ("**PwC**"), within the last twelve months or hold any financial interest in the external auditors. As at 31 March 2018, the members of the ARC are:

Mr Chong Teck Sin (Chairman)
Mr Khoo Kee Cheok
Mr Hitoshi Kumagai

The ARC functions independently of the Executive Officers and the other Directors who are not members of the ARC. 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 ARC. The ARC 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 ARC.

The ARC is regulated by a set of written rules known as the ARC Committee Terms of Reference that has been endorsed by the Board. The principal responsibilities of the ARC 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 auditors' 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 Trust Property;

CORPORATE GOVERNANCE

(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 ARC 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 ARC becomes aware or that it suspects;

(h) to report to the Monetary Authority of Singapore ("**MAS**") if the ARC 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;

CORPORATE GOVERNANCE

(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 ARC;

(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 ARC is briefed and updated by external auditors on relevant changes to accounting standards and issues that have direct impact on financial statements during each of the meetings. During the financial year under review, the ARC also held meetings with the external auditors and internal auditors without the presence of Management.

CORPORATE GOVERNANCE

In performing its function for the financial year ended 31 March 2018, the ARC:

(a) held five 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 ARC is satisfied that the nature and the extent of such services would not affect the independence and objectivity of the external auditors. The external auditors have also confirmed their independence in this respect;

(e) reviewed the nature of interested person transactions; and

(f) reviewed and pre-approved the derivatives transactions to ensure that the instruments, processes and practices are in accordance with the policy approved by the Board.

The total audit fees paid to the external auditors, PwC, are disclosed in the table below:

External Auditors Fees for FY17/18	S$	% of total fees
Total Audit Fees	487,000	82
Total Non-Audit Fees	104,000	18
Total Fees Paid	591,000	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 ARC 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 ARC 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 80 Robinson Road, #22-03A, Singapore 068898 and addressed to the Audit and Risk Committee c/o Accordia Golf Trust Management Pte. Ltd.

CORPORATE GOVERNANCE

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 ARC and administratively to the CEO. The internal auditors plan the internal audit schedules in consultation with, but independent of the Management. The audit plan is submitted to the ARC for approval prior to the commencement of the internal audit work. The ARC reviews the internal audit report and monitors the implementation of the improvements required on internal control weaknesses identified.

The ARC 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 ARC also reviews the results of internal audits and Management's actions in resolving any audit issues reported.

UNITHOLDER RIGHTS

Principle 14

Companies should treat all Unitholders fairly and equitably, and should recognise, protect and facilitate the exercise of Unitholders' rights, and continually review and update such governance arrangements.

COMMUNICATION WITH UNITHOLDERS

Principle 15

Companies should actively engage their Unitholders and put in place an investor relations policy to promote regular, effective and fair communication with Unitholders.

The Trustee-Manager is committed to treating all Unitholders fairly and equitably and keeping all Unitholders and other stakeholders and analysts informed of the performance and changes in AGT or its business which would be likely to materially affect the price or value of Units, on a timely and consistent basis, so as to assist Unitholders and investors in their investment decisions.

The Trustee-Manager provides accurate and timely disclosure of material information relating to AGT by way of public releases or announcements via SGXNET and subsequently on its corporate website www.agtrust.com.sg. The corporate website also includes contact details for investor enquiries and feedback. Enquiries and feedback are answered within three business days. Where immediate disclosure is not practicable, the relevant announcement is made as soon as possible to ensure that all stakeholders and the general public have equal access to the information.

All Unitholders are entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at general meetings. Unitholders are informed in advance of the meeting rules, voting procedures, matters requiring Unitholders' approval and other information necessary for Unitholders to exercise their rights to attend, speak and vote at general meetings.

CORPORATE GOVERNANCE

The Trustee-Manager had a dedicated Investor Relations Manager to facilitate all communications.

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

More details on the investor relations activities can be found on pages 22 and 23 of this Annual Report.

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 a copy of AGT's annual report with the notice of the annual general meeting ("**AGM**") prior to the AGM in compliance with the requisite notice period. For an extraordinary general meeting ("**EGM**") to be held, Unitholders will receive a copy of a circular with the notice of EGM which contains details of the matters to be proposed for Unitholders' consideration and approval. Notices for the general meetings setting out all items of business to be transacted at the general meetings will also be 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 ARC), 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. At Unitholders' meeting, each resolution will be voted on by way of electronic poll voting for Unitholders/proxies present at the Unitholders' meetings. The detailed results showing the number of votes cast for and against each resolution and the respective percentages after each resolution has been put to vote are displayed real-time at the Unitholders' meeting. The outcome of each Unitholders' meeting will also be announced in a timely manner through SGXNET after the Unitholders' meeting.

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 business other than managing AGT.

CORPORATE GOVERNANCE

The Trustee-Manager will set the strategic direction of AGT and decide on the acquisition, divestment or enhancement of assets of AGT in accordance with its stated investment strategy. Additionally, the Trustee-Manager will undertake active management of AGT's assets (being the TK Interests) to enhance the performance of the portfolio. It will also undertake capital and risk management strategies in order to maintain a strong balance sheet for AGT.

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

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

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

(a) treat Unitholders who hold Units in the same class fairly and equally;

(b) ensure that all payments out of the Trust Property are made in accordance with the BTA and the Trust Deed;

(c) report to the Authority any contravention of the BTA or the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 ("**SF BT Regulations**") by any other person that:

    (i) relates to AGT; and

    (ii) has had, has or is likely to have, a material adverse effect on the interests of all Unitholders, or any class of Unitholders, as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention;

(d) ensure that the Trust Property is properly accounted for; and

(e) ensure that the Trust Property is kept distinct from the property held in its own capacity.

The Board meets regularly to review AGT's business activities and strategies pursuant to its then prevailing investment mandate. Such regular review is aimed at ensuring adherence to the Trust Deed and compliance with any applicable legislation, regulations and guidelines such that all projects are within the permitted business scope under the Trust Deed. Prior to the conduct of any significant business transaction, the Board, the ARC 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;

CORPORATE GOVERNANCE

(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 CEO are 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 CEO became a director or CEO 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 CEO, any Director, any controlling Unitholder or any controlling shareholder of the Trustee-Manager, either still subsisting or entered into during FY17/18, other than, where applicable:

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

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

CORPORATE GOVERNANCE

Conflicts of Interests

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

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

(b) In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of the Sponsor and/or its subsidiaries.

(c) Where matters concerning AGT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of AGT with an interested person, the Board is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of AGT and its minority Unitholders, and in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or AGT, the Trustee-Manager (including the ARC) will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

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

(e) In order to manage any potential competition and conflicts of interest that may arise between the Sponsor and the Trustee-Manager and/or the Golf Course Holding Company in relation to any assets that fall within the investment mandate of AGT or the holding of the Initial Portfolio golf courses for the purpose of managing and operating the golf course business (the "**TK Business**"), the Sponsor has granted (i) a right of first refusal to Golf Course Holding Company, (ii) a right of first refusal to the Trustee-Manager, and a call option to each of the Golf Course Holding Company and the Trustee-Manager, with effect from the Listing Date.

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

Interested Person Transactions

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

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

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

As a general rule, the Trustee-Manager must demonstrate to its ARC that such transactions satisfy the foregoing criteria. This may entail obtaining (where practicable) a quotation from a party unrelated to the Trustee-Manager.

CORPORATE GOVERNANCE

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 ARC 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 ARC) will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

The aggregate of transactions entered into with interested persons/parties during the financial year ended 31 March 2018 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 2017 to 31 March 2018 (JPY million)	1 April 2017 to 31 March 2018 (JPY million)
Accordia Golf Trust Management Pte. Ltd.	Trustee-Manager	– Trustee-Manager fee	254	NA

CORPORATE GOVERNANCE

Name of interested person	Relationship with interested person	Transaction contents	Aggregate value of all IPT during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
			1 April 2017 to 31 March 2018 (JPY million)	1 April 2017 to 31 March 2018 (JPY million)
Accordia Golf Co., Ltd	Controlling shareholder of AGT & controlling shareholder of the Trustee-Manager	– Golf course management fee	5,823	NA
		– Payment of staff secondment fee	1,715	
		– Operating lease fee	38	
		– Interest expense on subordinated loan	15	
		– Sales commission income for new membership sign up	6	
		– Customer loyalty point awarded (redeemed), net of redeemed (awarded)	26	
		– Shareholders' coupon	399	
		– Collection of annual membership fee on behalf of the Group	57	
		– Collection of play fee on behalf of the Group	14	
		– Repayment of finance lease obligations	338	
		– Interest expense on finance leases	26	
		– Purchases of food and supply through centralised procurement system at no mark-up	5,558	
		– Integrated procurement system usage fee	16	
		– Compensation for golf course damage	145	
		– Golf course operation consulting fee	78	

CORPORATE GOVERNANCE

Name of interested person	Relationship with interested person	Transaction contents	Aggregate value of all IPT during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
			1 April 2017 to 31 March 2018 (JPY million)	1 April 2017 to 31 March 2018 (JPY million)
		– Commission fee income from Pro-Shop Business – Payment of using pro-shop merchandise for recruitment and corporate activities – Collection of Pro-Shop Business revenue on behalf of the Group	17 23 485	
Accordia Retail Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	– Commission fee income from Pro-Shop Business – Payment of using pro-shop merchandise for recruitment and corporate activities – Collection of Pro-shop Business revenue on behalf of the Group	57 102 1,932	NA
Heartree Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	– Discounts received for centralised purchases	62	NA
Accordia Golf Garden Co., Ltd.	Subsidiary of controlling shareholder of AGT & subsidiary of controlling shareholder of the Trustee-Manager	– Recharge of golf lesson fees	22	NA
Daiwa Real Estate Asset Management Co. Ltd.	Controlling shareholder of the Trustee-Manager	– Asset management fee	100	NA

CORPORATE GOVERNANCE

FEES PAYABLE TO THE TRUSTEE-MANAGER

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

Management fees

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

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

Fees and expenses paid to the Trustee-Manager out of Trust Property for FY17/18 are disclosed in pages 85 and 86 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. The activities are conducted within the framework of applicable professional standards, laws and regulations.

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. Open communication between employees and Management is encouraged to foster collaboration and teamwork.

The Group focuses on the long-term sustainability of golf business and is aware of the environmental issues which the industry is constantly facing. As such, it has adopted a proactive approach towards environmental, social and governance responsibility and introduces initiatives that benefit its stakeholders, employees and local community. Details of the Group's initiatives will be disclosed in its inaugural Sustainability Report expected to be published online later during this fiscal year.

30 June 2018

TRUSTEE-MANAGER'S STATEMENT

The directors of Accordia Golf Trust Management Pte. Ltd. (the "Trustee-Manager"), as the Trustee-Manager of Accordia Golf Trust ("AGT"), present their statement to the unitholders of AGT ("Unitholders") together with the audited financial statements of AGT and its subsidiary (the "Group") for the financial year ended 31 March 2018 and the statement of financial position of AGT as at 31 March 2018.

In the opinion of the directors,

(a) the statement of financial position of AGT and the consolidated financial statements of the Group as set out on pages 58 to 102 are drawn up so as to give a true and fair view of the financial position of AGT and of the Group as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore and International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that AGT will be able to pay its debts as and when they fall due.

In accordance with Section 86(2) of the Business Trusts Act, Chapter 31A of Singapore, the directors of the Trustee-Manager certify that:

(a) fees or charges paid or payable out of AGT Property to the Trustee-Manager are in accordance with the trust deed of AGT;

(b) interested person transactions entered into by the Group during the year ended 31 March 2018 are not detrimental to the interests of all the Unitholders as a whole based on the circumstances at the time of the transaction; and

(c) the Board of Directors of the Trustee-Manager 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.

DIRECTORS

The directors of the Trustee-Manager in office at the date of this statement are as follows:

Mr Khoo Kee Cheok
Mr Yoshihiko Machida
Mr Chong Teck Sin
Mr Hitoshi Kumagai
Mr Toshikatsu Makishima

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE UNITS AND DEBENTURES

Neither at the end of nor at any time during the financial year was AGT a party to any arrangement whose object was to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in, or debentures of, AGT or any other body corporate.

TRUSTEE-MANAGER'S STATEMENT

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, none of the directors of the Trustee-Manager holding office at the end of the financial year had any interests in the units or debentures of AGT or any related corporations.

There were no changes in any of the above mentioned interests in AGT between 31 March 2018 and 21 April 2018.

UNIT OPTIONS

No options were granted during the financial year to subscribe for unissued units of AGT.

No units were issued during the financial year by virtue of the exercise of options to take up unissued units of AGT.

There were no unissued units of AGT under option at the end of the financial year.

AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee of the Trustee-Manager (the "Audit and Risk Committee") at the end of the financial year were as follows:

Mr Chong Teck Sin (Chairman)
Mr Khoo Kee Cheok
Mr Hitoshi Kumagai

All members of the Audit and Risk Committee were 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 the Group.

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.

TRUSTEE-MANAGER'S STATEMENT

AUDIT AND RISK COMMITTEE (CONTINUED)

(ii) to review:

- the assistance given by the Trustee-Manager 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 AGT Property;
- interested person transactions for potential conflicts of interest;
- risk management policies and guidelines and monitor compliance therewith; and
- the statement of financial position of AGT and the consolidated financial statements of the Group and the statement of financial position, statement of profit or loss and statement of cash flows of the Trustee-Manager submitted to the Audit and Risk Committee 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 and 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;

TRUSTEE-MANAGER'S STATEMENT

AUDIT AND RISK COMMITTEE (CONTINUED)

(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 its 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, PricewaterhouseCoopers LLP, be nominated for reappointment at the forthcoming Annual General Meeting of AGT.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the directors

Yoshihiko Machida
Chief Executive Officer and Executive Director

25 June 2018

Khoo Kee Cheok
Chairman and Independent Director

25 June 2018

CHIEF EXECUTIVE OFFICER'S STATEMENT

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

Yoshihiko Machida
Chief Executive Officer and Executive Director

25 June 2018

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Accordia Golf Trust ("AGT") and its subsidiary ("the Group") and the statement of financial position of AGT are properly drawn up in accordance with the provisions of the Business Trusts Act, Chapter 31A of Singapore (the "Act") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of AGT as at 31 March 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of AGT and the Group comprise:

- the statements of financial position of the Group and AGT as at 31 March 2018;
- the consolidated statement of profit or loss and other comprehensive income of the Group for the year then ended;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where the Trustee-Manager made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of Property, Plant and Equipment (Note 10) ***Refer to Note 2(k), Note 3(b) and Note 10 to the financial statements***	
As at 31 March 2018, the Group operates 89 golf courses in Japan classified as property, plant and equipment with a carrying value of JPY 146,033 million, representing 83% of total assets. For the financial year ended 31 March 2018, an impairment loss of JPY 1,720 million was recognised in the Statement of Profit and Loss And Other Comprehensive Income. The assessment of impairment of golf courses is significant to our audit due to: • The carrying amounts of property, plant and equipment that contribute significantly to the Group's total assets; and • The amount of the Trustee-Manager's judgement involved in assessing the recoverable amounts of the golf courses. This includes judgement about the future cash flows generated from the golf courses, as well as judgements about discount rates applied in the discounted cash flow analysis.	Our audit procedures focused on the reasonableness of the inputs applied in determining the recoverable amounts of the golf courses. The audit procedures were performed with the support from our valuation specialist. Our audit procedures included the following: • obtained an understanding of the Trustee-Manager's processes for impairment assessment; • assessed the competency, independence and integrity of the professional valuers engaged by the Group; • involved our valuation specialists to assess the appropriateness of the valuation techniques and the reasonableness of the inputs such as discount rates used by the external valuers in determining the recoverable amounts of the golf courses; • tested the integrity of information, including financial information provided to the professional valuers; • reviewed the Trustee-Manager's sensitivity analysis on the inputs utilised as part of the impairment assessment; and • assessed the Trustee-Manager's main future cash flow inputs and corroborated them by comparing them to internal forecasts and strategic plans that were approved by senior management, and compared these inputs against historical data. Based on the procedures performed, we found the underlying inputs applied to be reasonable. We have also assessed the adequacy of the disclosures relating to the judgements made and found the disclosures in the financial statements to be appropriate.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

Other Information

The Trustee-Manager is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

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

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

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

The Trustee-Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF ACCORDIA GOLF TRUST

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager.
- Conclude on the appropriateness of the Trustee-Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Yeow Chee Keong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore

25 June 2018

STATEMENTS OF FINANCIAL POSITION – GROUP AND AGT

31 March 2018

	Note	Group 2018 JPY million	Group 2017 JPY million	AGT 2018 JPY million	AGT 2017 JPY million
Current assets					
Cash and bank balances	6	**8,145**	10,252	**116**	58
Trade and other receivables	7	**2,596**	2,407	**2,946**	4,482
Inventories		**281**	256	**–**	–
Other assets	8	**1,207**	1,206	**16**	1
		12,229	14,121	**3,078**	4,541
Non-current assets					
Investment in subsidiary	9	**–**	–	**75,447**	75,447
Property, plant and equipment	10	**146,033**	146,536	**–**	–
Intangible assets	11	**17,245**	17,131	**–**	–
Other assets	8	**445**	584	**–**	–
		163,723	164,251	**75,447**	75,447
Total assets		**175,952**	178,372	**78,525**	79,988
Current liabilities					
Borrowings from financial institutions	12	**28,847**	14,830	**–**	–
Finance lease payables	13	**983**	659	**–**	–
Trade and other payables	14	**5,441**	5,621	**148**	166
Membership deposits	15	**10,521**	11,215	**–**	–
Income taxes payable		**602**	915	**602**	915
Derivative financial instruments	17	**18**	12	**–**	–
Other liabilities	16	**4,135**	4,350	**–**	–
		50,547	37,602	**750**	1,081
Non-current liabilities					
Borrowings from financial institutions	12	**14,108**	28,299	**–**	–
Finance lease payables	13	**3,044**	2,219	**–**	–
Borrowing from a related party	5(ii)	**500**	500	**–**	–
Membership deposits	15	**31**	821	**–**	–
Deferred tax liabilities	23(c)	**27,427**	28,068	**–**	–
Derivative financial instruments	17	**60**	189	**–**	–
Other liabilities	16	**80**	78	**–**	–
		45,250	60,174	**–**	–
Total liabilities		**95,797**	97,776	**750**	1,081
Net assets		**80,155**	80,596	**77,775**	78,907
Equity					
Unitholders' funds	18	**81,086**	81,086	**81,486**	81,486
Cash flow hedging reserve		**(78)**	(201)	**–**	–
Accumulated losses		**(1,206)**	(605)	**(3,711)**	(2,579)
Equity attributable to Unitholders		**79,802**	80,280	**77,775**	78,907
Non-controlling interest		**353**	316	**–**	–
Total equity		**80,155**	80,596	**77,775**	78,907

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2018

	Note	Group 2018 JPY million	Group 2017 JPY million
Revenue	20	**50,860**	51,533
Other operating income		**590**	386
Operating income		**51,450**	51,919
Labour and outsourcing expense		**(16,367)**	(16,373)
Merchandise and material expense		**(3,560)**	(3,704)
Golf course management fee		**(5,823)**	(5,915)
Golf course maintenance and repair cost		**(2,558)**	(2,497)
Asset manager's fee		**(99)**	(100)
Trustee-Manager's fee		**(254)**	(253)
Depreciation and amortisation expense		**(3,168)**	(3,259)
Operating lease expense	27	**(1,995)**	(2,022)
Utility expense		**(2,182)**	(2,118)
Selling, general and administrative expense	21	**(5,242)**	(5,219)
Impairment loss		**(1,720)**	(1,499)
Other operating expenses		**(2,411)**	(2,388)
Operating expense		**(45,379)**	(45,347)
Operating profit		**6,071**	6,572
Interest expense and other finance costs	22	**(1,603)**	(1,658)
Profit before income tax		**4,468**	4,914
Income tax expense	23	**(336)**	(801)
Profit for the year	24	**4,132**	4,113
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Unrealised gain on change in fair value of cash flow hedging financial instruments	17	**123**	197
Other comprehensive income for the year, net of tax		**123**	197
Total comprehensive income for the year		**4,255**	4,310
Profit for the year attributable to			
Unitholders		**4,095**	4,000
Non-controlling interest		**37**	113
		4,132	4,113
Total comprehensive income for the year attributable to			
Unitholders		**4,218**	4,197
Non-controlling interest		**37**	113
		4,255	4,310
Earnings per unit attributable to Unitholders (JPY)	25	**3.73**	3.64

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2018

	Unitholders' funds JPY million	Cash flow hedging reserve JPY million	Retained profits/ (Accumulated losses) JPY million	Attributable to unitholders JPY million	Non-controlling interest JPY million	Total equity JPY million
Group						
Balance as at 1 April 2017	81,086	(201)	(605)	80,280	316	80,596
Total comprehensive income for the year:						
Profit for the year	–	–	4,095	4,095	37	4,132
Other comprehensive income for the year (Note 17)	–	123	–	123	–	123
Total	–	123	4,095	4,218	37	4,255
Transaction with Unitholders, recognised directly in equity:						
Distribution paid (Note 28)	–	–	(4,696)	(4,696)	–	(4,696)
Total	–	–	(4,696)	(4,696)	–	(4,696)
Balance as at 31 March 2018	81,086	(78)	(1,206)	79,802	353	80,155
Balance as at 1 April 2016	81,086	(398)	1,226	81,914	203	82,117
Total comprehensive income for the year:						
Profit for the year	–	–	4,000	4,000	113	4,113
Other comprehensive income for the year (Note 17)	–	197	–	197	–	197
Total	–	197	4,000	4,197	113	4,310
Transaction with Unitholders, recognised directly in equity:						
Distribution paid (Note 28)	–	–	(5,831)	(5,831)	–	(5,831)
Total	–	–	(5,831)	(5,831)	–	(5,831)
Balance as at 31 March 2017	81,086	(201)	(605)	80,280	316	80,596

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2018

	Group	
	2018 JPY million	**2017 JPY million**
Cash flows from operating activities		
Profit for the year	**4,132**	4,113
Adjustments for:		
Depreciation and amortisation expense	**3,168**	3,259
Impairment loss	**1,720**	1,499
Interest expense and other finance costs	**1,603**	1,658
Interest income	**(1)**	(2)
Income tax expense	**336**	801
Loss on disposal of property, plant and equipment	**25**	15
Allowance for doubtful trade receivables	**104**	141
Gain on forfeiture of membership deposits	**(26)**	(23)
Operating cash flow before movements in working capital	**11,061**	11,461
Changes in working capital:		
Trade receivables and others	**215**	(163)
Inventories	**(25)**	(11)
Trade payables and others	**(682)**	(289)
Cash generated from operations	**10,569**	10,998
Interest and other finance cost paid	**(915)**	(951)
Income tax paid	**(1,290)**	(1,457)
Net cash flows from operating activities	**8,364**	8,590
Cash flows from investing activities		
Additions of property, plant and equipment (Note A)	**(2,230)**	(1,660)
Proceeds from disposal of property, plant and equipment (Note B)	**4**	2
Acquisition of intangible assets	**(114)**	(1)
Net cash flows used in investing activities	**(2,340)**	(1,659)
Cash flows from financing activities		
Repayment of borrowings from financial institutions	**(450)**	(450)
Payment of borrowing transaction costs	**(384)**	–
Repayment of membership deposits	**(1,937)**	(1,003)
Repayment of finance lease obligation	**(664)**	(632)
Decrease in pledged deposit	**–**	438
Distribution to unitholders	**(4,696)**	(5,831)
Net cash flows used in financing activities	**(8,131)**	(7,478)
Net decrease in cash and cash equivalents	**(2,107)**	(547)
Balance of cash and cash equivalents at the beginning of the financial year (Note 6)	**10,203**	10,751
Effect of exchange rate changes on the balance of cash held in foreign currency	**–**	(1)
Balance of cash and cash equivalents at the end of the financial year (Note 6)	**8,096**	10,203

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2018

Reconciliation of liabilities arising from financing activities

			Non-cash changes			
	1 April 2017	**Principal and interest payments**	**Transfer to other payable**	**Interest expense**	**Amortisation of facility fee**	**31 March 2018**
	JPY million	**JPY million**	**JPY million**			**JPY million**
Bank borrowings	43,129	(1,152)	–	318	660	42,955
Lease liabilities	2,878	1,063	–	86	–	4,027
Membership deposits	12,036	(1,937)	435	18	–	10,552

Note A:
During the current financial year, the Group acquired property, plant and equipment with an aggregate cost of approximately JPY 4,453 million (2017: JPY 2,638 million), of which JPY 1,841 million (2017: JPY 982 million) was acquired under finance lease arrangement and JPY 410 million (2017: JPY 209 million) remains unpaid as at year end. The outstanding amount as at 31 March 2017 of JPY 209 million had been paid during the current financial year.

Note B:
During the current financial year, the Group disposed property, plant and equipment to Accordia Golf Co., Ltd (the "Sponsor") with sales proceeds of JPY 36 million (2017: JPY 12 million), of which JPY 32 million (2017: JPY 10 million) was offset against finance lease obligation to the Sponsor.

The accompanying notes form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL INFORMATION

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 80 Robinson Road #22-03A, Singapore 068898. 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, comprising golf courses and golf course related assets.

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 Tokumei Kumiai Agreement ("TK Agreement") AGT, as the investor, will provide funds to the TK Operator in return for the right to receive distribution of profit generated from the operation of the GK. Under the TK Agreement, the net income of the TK business, comprising principally the income generated from the golf course business, will be passed up to AGT. AGT is entitled to 98.99% of the profits and losses of such business, while the shareholder of the TK Operator and QII (as disclosed in Note 19) are entitled to 1% and 0.01% of the allocated profits and losses respectively. AGT is, therefore, entitled to receive substantially all of the economic interest from the TK Operator.

The Trustee-Manager has assessed the economic reality of AGT and its investment activities through the TK Operator and concluded that AGT has the ability to use its power to affect its returns from the TK Operator pursuant to the TK Agreement. Accordingly, the TK Operator is considered as a subsidiary. The consolidated financial statements of AGT and its subsidiary are presented by consolidating AGT and the TK Operator (together referred to as the "Group").

The consolidated financial statements of the Group and the statement of financial position of AGT for the financial year ended 31 March 2018 were authorised for issue by the Board of Directors of the Trustee-Manager on 25 June 2018.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the Trustee-Manager to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. 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.

Going concern

The Group is in a net current liabilities position of JPY 38,318 million, which includes bank borrowings amounting to JPY 28,847 million that are repayable in August 2018. The financial statements have been prepared on a going concern basis as the directors expect that the Group will be able to meet its liabilities as and when they fall due on the following basis:

- The Trustee-Manager has been in negotiations with the respective financial institutions for the refinancing of bank borrowings due in August 2018. As at the date of this report, draft term sheets have been provided by the financial institutions. The directors expect that the borrowings will be successfully refinanced and the refinancing agreements will be signed one week before the actual maturity dates.

- In the past years, the Group has not had any breaches in its debt covenants, and that it has been successful in refinancing its bank borrowings as they come due.

- Based on the Group's forecasted cash flows, it has adequate cash inflow from its operations to settle its expected operating cash outflows and interest expenses in the next twelve months.

Interpretations and amendments to published standards effective in 2017

On 1 April 2017, the Group adopted the new or amended IFRS and Interpretations of IFRS ("INT IFRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with relevant transitional provisions in the respective IFRS and INT IFRS.

The adoption of these new or amended IFRS and INT IFRS did not result in substantial changes to the accounting policies of the Group and AGT and had no material effect on the amounts reported for the current or prior financial years except for the following:

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

IAS 7 Statement of cash flows

The amendments to IAS 7 Statement of cash flows (Disclosure initiative) sets out required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has included the additional required disclosures in the Consolidated Statement of Cash Flows to the Financial Statements.

(b) 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.

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 Operator is principally engaged in the investment holding of TK business. Under the TK Agreement, 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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (continued)

Consolidation of a subsidiary begins when AGT obtains control over the subsidiary and ceases when AGT loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date AGT gains control until the date when AGT ceases to control the subsidiary.

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

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments recognition, measurement and derecognition

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

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

Effective interest method

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

Financial assets

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

Loans and receivables

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

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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Financial assets (continued)

Impairment of financial assets (continued)

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

– significant financial difficulty of the issuer or counterparty; or

– breach of contract, such as a default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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

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

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

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

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 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

Derecognition of financial liabilities

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

(d) Derivative financial instruments

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

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

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Hedge accounting

The activities of the Group expose it primarily to the financial risks of changes in interest rates. The Group uses interest rate swap agreements to hedge the exposure. Those contracts that can also be settled in cash are treated as financial instruments. The Group does not use derivative financial instruments for speculative purposes. The use of leveraged instruments is not permitted.

At the inception of the hedge relationship the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 17 contains details of the fair values of the derivative instruments used for hedging purposes.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other gains and losses.

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

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leasing

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note (n) below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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

(g) Inventories

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

(h) Property, plant and equipment

All items of property, plant and equipment, are initially recorded at cost. Except for golf course land and construction in progress, they are 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.

Golf course land comprise of freehold land plus any other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Golf course land and construction in progress are not depreciated and are initially recorded at cost, and subsequently measured at cost less any accumulated impairment losses.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment (continued)

Depreciation is charged so as to write off the cost of assets (other than freehold land and construction in progress) less their residual values over their useful lives, using the straight-line method, on the following bases:

Building and structures	–	1 to 56 years
Machinery, vehicles and fixtures	–	1 to 25 years

Depreciation on assets under construction in progress commences when the assets are ready for their intended use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end, with the effect of any changes in estimated accounted for on a prospective basis.

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

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

(i) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business 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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Intangible assets acquired separately

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

(k) 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.

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.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue recognition

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

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

- Golf course revenue and restaurant revenue are recognised upon the delivery and completion of the services.

- Membership revenue consists of annual membership fees and membership enrolment and transfer fees. Annual membership fees are recognised on a straight line basis over the period in which the membership fees are paid. Annual membership fees billed in advance of the rendering of services are deferred and presented in the statement of financial position as unearned revenue. Membership enrolment and membership transfer fees are recognised in full in the financial year when new members are admitted or transferred.

(n) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) Retirement benefit cost

Payments to defined contributions retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions.

(p) Employee leave entitlement

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

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Taxation (continued)

Deferred tax

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

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiary, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Current and deferred tax for the year

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Foreign currency transactions and translation

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment that the entity operates in (its functional currency). The accompanying financial statements are prepared and presented in JPY, the functional currency of AGT, for financial reporting purposes.

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

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

(s) 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.

(t) 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.

(u) 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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Distribution policy (continued)

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.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Non-depreciation of property, plant and equipment – Golf course land

As at 31 March 2018, the carrying value of property, plant and equipment are JPY 146,033 million (2017: JPY 146,536 million), as disclosed in Note 10 to the financial statements. All items of property, plant and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses.

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

The Group's golf courses reside on a mixture of freehold land of approximately 69% (2017: 69%) and leasehold land of approximately 31% (2017: 31%). The lease periods of the leasehold land are for an initial term of 20 years. The leases have been subsequently renewed based on the same conditions of the original lease agreements. There are no terms or conditions in the lease agreements in relation to the termination of the lease agreements during the lease term and there have been no prior cases of termination during the lease term. The Trustee-Manager is of the view that it is reasonably certain that the Group will be able to renew the leases in order to derive future economic benefits from the use of the golf courses. Accordingly, golf course land is accounted for as a non-depreciable asset.

(b) Impairment assessment of property, plant and equipment

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.

In assessing the recoverable amount of the assets, significant judgements are used to estimate the future cash flows generated from the golf courses and the discount rates applied in the discounted cash flow analysis. In making these judgements, the Trustee-Manager has relied on the past performances of the golf courses and its expectations of market development. Specific estimates are disclosed in Note 10.

For the current financial year, the Group recorded an impairment loss on property, plant and equipment amounting to JPY 1,720 million (2017: JPY 1,499 million) for those loss-making golf courses. Management is of the view the impairment loss recorded is reasonable and adequate.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(c) Impairment assessment of goodwill

On 1 August 2014, AGT acquired Accordia Golf Asset ("SPC") which owns a portfolio of 89 golf courses across Japan. As a result of the acquisition, the Group recorded goodwill of JPY 17,079 million, the difference between purchase consideration of JPY 75,225 million and fair value of net assets acquired of JPY 58,146 million.

Goodwill has been attributed to synergies arising from:

- centralised utilisation of golf course maintenance equipment among golf courses within the same region;
- centralisation of all major pricing, purchasing, marketing, advertising and human resource decisions, except for hiring of operational staff;
- centralised procurement system whereby majority of the food and supplies across the all golf courses are purchased;
- centralised membership loyalty points system across all golf courses.

The Trustee-Manager has identified each golf course as a separate cash-generating unit ("CGU") for the purpose of impairment testing. As the 89 golf courses benefit from the synergies, the Trustee-Manager cannot allocate the goodwill to each of the 89 golf courses, except on an arbitrary basis. The combination of 89 CGUs represents the lowest level at which the Trustee-Manager captures information, for internal management reporting purposes, about the benefits of the goodwill.

For the purpose of the annual impairment assessment of goodwill, the Trustee-Manager had engaged an independent external valuer to estimate the recoverable amount of SPC as at 31 March 2018.

The assumptions and judgement involved in estimating the recoverable amount of SPC include discount rate, revenue growth rate and terminal growth rate. These assumptions and judgement are disclosed in Note 11.

Based on the annual goodwill impairment assessment performed by the Trustee-Manager, goodwill was not impaired.

(d) Uncertain tax position

The Group is subject to income taxes in Japan and Singapore. In determining the income tax liabilities, the Trustee-Manager has estimated the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction.

As the Trustee-Manager believes that the tax positions are sustainable, the Group has not recognised any additional tax liability on these uncertain tax positions.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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	
	2018 JPY million	**2017 JPY million**	**2018 JPY million**	**2017 JPY million**
Financial assets				
Loans and receivables:				
Cash and bank balances	**8,145**	10,252	**116**	58
Trade and other receivables	**2,596**	2,407	**2,946**	4,482
Other financial assets	**71**	71	**–**	–
Total non-derivative financial assets	**10,812**	12,730	**3,062**	4,540
Derivative financial instruments not designated in hedge accounting relationships	**–**	–	**–**	–
	10,812	12,730	**3,062**	4,540
Financial liabilities				
Amortised cost:				
Borrowings from financial institutions	**42,955**	43,129	**–**	–
Membership deposits	**10,552**	12,036	**–**	–
Trade and other payables	**4,164**	4,294	**148**	166
Finance lease payables	**4,027**	2,878	**–**	–
Borrowings from a related party	**500**	500	**–**	–
Other financial liabilities	**527**	521	**–**	–
Total non-derivative financial liabilities	**62,725**	63,358	**148**	166
Derivative financial instruments in designated hedge accounting relationships	**78**	201	**–**	–
	62,803	63,559	**148**	166

(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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

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

Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign currency risk

Foreign currency risk arising from changes in foreign currency exchange rates has a financial effect on the Group and AGT in the current reporting period and in future years.

The Group is not exposed to significant currency risk as its portfolio of golf courses held by the TK Operator is located in Japan and the cash flows from the operations of the golf courses are denominated in JPY, the functional currency of the entities.

However, AGT will receive distributions from the TK Operator where operational cash flows are denominated in JPY, while AGT's distributions to Unitholders are denominated in Singapore dollars (SGD). This exposes AGT to foreign currency risk.

(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.

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 2018 is JPY 448 million (2017: JPY 480 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	
	2018 JPY million	**2017 JPY million**
Trade receivables past due not impaired		
Less than 3 months	**2,596**	1,422
Between 3 to 6 months	**–**	985
	2,596	2,407

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

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

(ii) Credit risk (continued)

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.

Non-derivative financial liabilities

	Weighted average interest rate per annum	On demand or within 1 year JPY million	Within 2 to 5 years JPY million	After 5 years JPY million
Group				
2018				
Floating rate – borrowings from financial institutions	3.12%	29,513	14,414	–
Fixed rate – borrowing from a related party	3.00%	15	60	425
Finance lease payables	2.49%	1,051	2,693	482
Trade and other payables	–	4,164	–	–
Membership deposits	0.16%	10,539	31	–
Other liabilities	–	522	–	5
Total		45,804	17,198	912

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

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

(iii) Liquidity risk (continued)

	Weighted average interest rate per annum	On demand or within 1 year JPY million	Within 2 to 5 years JPY million	After 5 years JPY million
Group				
2017				
Floating rate – borrowings from financial institutions	3.08%	15,516	29,398	–
Fixed rate – borrowing from a related party	3.00%	15	60	719
Finance lease payables	3.13%	724	1,895	441
Trade and other payables	–	4,294	–	–
Membership deposits	0.48%	11,238	823	–
Other liabilities	–	516	–	5
Total		32,303	32,176	1,165

All non-derivative financial liabilities of AGT as at 31 March 2018 and 2017 are on demand or due within one year.

Derivative financial liabilities

The table below analyses the derivative financial instruments of the Group for which contractual maturities are essential for an understanding of the timing of cash flows into relevant maturity groupings based on the remaining period from the date of statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand or within 1 year JPY million	Within 2 to 5 years JPY million
Derivative financial liabilities		
Group		
2018		
Net settled: Interest Rate Swap	18	60
Group		
2017		
Net settled: Interest Rate Swap	12	189

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

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

(iii) Liquidity risk (continued)

As at 31 March 2018, the Group had negative working capital of JPY 38,318 million (2017: JPY 23,481 million). This includes:

(i) JPY 2,584 million (2017: JPY 2,769 million) of unearned membership revenue, which represents collections received from customers and do not require any future cash outflow from the Group;

(ii) a current portion of membership deposits of JPY 10,521 million (2017: JPY 11,215 million). Based on the historical trend, the redemption amount by members is significantly lower than the current portion of membership deposits recorded by the Group; and

(iii) a current portion of borrowings from financial institutions of JPY 28,847 million (2017: JPY 14,830 million) is due on August 2018.

The Trustee-Manager has carefully monitored and managed its cash flow. Management and operation reports are prepared and reviewed on a monthly basis. Cash flow forecasts are prepared on a monthly basis to project cash flow requirements of the Group using the various general and operational assumptions which takes into account, (i) reasonably possible changes in business performance, and (ii) the on-going discussion held between management and financial institutions on the refinancing arrangement. (Note 2(a)).

After considering the above factors and the upcoming refinancing of current bank borrowings, the directors expect the Group to be in a positive working capital position in the next twelve months. The directors believes that the Group 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 twelve months, including its proposed upcoming distribution of JPY 1,965 million to unitholders.

(iv) Interest rate risk

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

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

Further details of the interest rate swap contracts are found in Note 17.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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 values.

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

	Fair value as at				
Financial assets/ liabilities	**2018 JPY million**	**2017 JPY million**	**Fair value hierarchy**	**Valuation technique(s); and key input(s)**	**Significant unobservable input(s)**
Interest Rate Swaps	**Liabilities:** Current – 18 Non-current – 60 **(designated for hedging)**	**Liabilities:** Current – 12 Non-current – 189 **(designated for hedging)**	Level 2	Fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.	N/A

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

The Group's capital risk management objectives are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. To achieve its capital risk management objectives, the Group may adjust the amount of dividend payment, return capital to Unitholders, issue new units and obtain new borrowings. The Group's overall strategy remains unchanged from 2017.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

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

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

The Group monitors capital via the debt-to-equity ratio and the net debt-to-equity ratio, which are calculated as total debt divided by equity and total debt net of cash and bank balances ("Net debt") divided by equity. Total debt comprises "Borrowings from financial institutions", "Finance lease payables", "Borrowing from a related party" and "Membership deposits" as shown in the consolidated statement of financial position. Equity is the total equity as shown in the consolidated statement of financial position.

In addition, the Group also specifically monitors the financial ratios of its debt covenants stated in the agreements with the financial institutions providing the loan facilities to the Group. The Group is in compliance with externally imposed capital requirements for the year ended 31 March 2018 and 2017.

The debt-to-equity ratio is as follows:

	Group	
	2018 JPY million	**2017 JPY million**
Total debt	**58,034**	58,543
Cash and bank balances	**(8,145)**	(10,252)
Net debt	**49,889**	48,291
Total equity	**80,155**	80,596
Debt-to-equity ratio	**0.72**	0.73
Net debt-to-equity ratio	**0.62**	0.60

5 RELATED PARTY TRANSACTIONS

(i) The Trustee-Manager

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

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

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

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).

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

5 RELATED PARTY TRANSACTIONS (CONTINUED)

(i) The Trustee-Manager (continued)

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

	Group	
	2018 JPY million	2017 JPY million
Trustee-Manager fees	**254**	253
Expense reimbursement	**–**	8

(ii) Accordia Golf Co., Ltd and its subsidiaries (the "Sponsor group")[1]

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

	Group	
	2018 JPY million	2017 JPY million
Accordia Golf Co., Ltd (the "Sponsor")		
Golf course management fees[2]	**5,823**	5,915
Staff secondment fees	**1,715**	1,712
Operating lease expenses (Note 27)	**38**	78
Payment on behalf of the Group:		
– Web sales commission	**1,259**	1,210
– Publication fees	**65**	70
– Headquarter expenses	**465**	315
Interest expense on subordinated loan[3] (Note 22)	**15**	15
Repayment of finance lease obligations (inclusive of GST)	**338**	433
Interest expense on finance leases (Note 22)	**26**	43
Collection on behalf of the Group:		
– Annual membership fee	**(57)**	(64)
– Play fee	**(14)**	(19)
Reimbursement of shareholders' coupon consumed[4]	**(399)**	(480)
Customer loyalty points awarded/(redeemed), net of redeemed/(awarded)[5]	**26**	(38)
Sales commission income for new membership sign up	**6**	(11)
Purchases of food and supply through centralised procurement system at no mark-up[7]	**5,558**	–
Integrated procurement system usage fee[7]	**16**	–
Collection of pro-shop business revenue on behalf by the Group	**(485)**	–
Payment of using pro-shop merchandise for recruitment and corporate activities	**(23)**	–
Commission fee income from Pro-Shop Business[6]	**(17)**	–
Compensation for golf course damage	**(145)**	–
Golf course operation consulting fee	**78**	–

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

5 RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Group	
	2018 JPY million	**2017 JPY million**
Accordia Retail Co. Ltd[1]		
Collection of pro-shop business revenue on behalf by the Group	**1,932**	2,384
Payment of using pro-shop merchandise for recruitment and corporate activities	**102**	140
Commission fee income from Pro-Shop business	**(57)**	(73)
Golf Alliance Co. Ltd.		
Purchases of food and supply through centralised procurement system at no mark-up[7]	**–**	5,613
Payment for operating expenses[8]	**–**	148
Integrated procurement system usage fee[7]	**–**	18
Heartree Co. Ltd.		
Purchase of restaurant kitchen equipment	**–**	(7)
Discounts received for centralised purchases	**(62)**	(39)
Accordia Golf Garden Co. Ltd.		
Recharge of golf lesson fees	**(22)**	(23)

1 Accordia Retail Co. Ltd. was amalgamated into Accordia Golf Co., Ltd and ceased to exist as at 1 January 2018. The figures presented were for 9 months from 1 April 2017 to 31 December 2017 and transactions after amalgamation were included in Accordia Golf Co., Ltd.

2 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.

3 The Sponsor has provided a subordinated loan to SPC of JPY 500 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.

4 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.

5 Members who play golf in SPC's golf course will be awarded customer loyalty points equivalent to 1% to 2% of sales amount. The Group pays the Sponsor the amount equivalent to points awarded. Upon members' redemption, the Sponsor pays the Group the amount equivalent to points redeemed. The payment to the Sponsor for points awarded and the receipt from the Sponsor for points redeemed are settled on a net basis. During the current financial year, there is a net receipt to (2017: net payment from) the Sponsor due to more (2017: less) customers loyalty points awarded than redeemed.

6 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.

7 In FY2017, 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.

In FY2018, Golf Alliance Co. Ltd. was amalgamated into Accordia Golf Co., Ltd and ceased to exist as at 1 April 2017. Transactions after amalgamation were included in Accordia Golf Co., Ltd.

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

5 RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

	Group	
	2018 JPY million	2017 JPY million
Daiwa Real Estate Asset Management Co. Ltd. (the "TM Partner")		
Asset management fees[9]	**100**	100

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

6 CASH AND BANK BALANCES

	Group		AGT	
	2018 JPY million	2017 JPY million	2018 JPY million	2017 JPY million
Cash on hand	**858**	514	**–**	–
Cash at bank	**7,238**	9,689	**116**	58
Cash and cash equivalents	**8,096**	10,203	**116**	58
Fixed deposits	**49**	49	**–**	–
Total	**8,145**	10,252	**116**	58

As at 31 March 2018, fixed deposits of of JPY 49 million (2017: JPY 49 million) have not been classified as "cash and cash equivalents" as the maturity date of these fixed deposits is more than three months.

The Group has pledged all cash balances held as bank deposits by the SPC to secure borrowings from financial institutions (Note 12). Based on the terms of the borrowings, a certain amount of cash is reserved for the Group's operational use and restricted from being distributed to Unitholders. Accordingly, management has classified such pledged cash balances as cash and cash equivalents within the statements of financial position and the cash flow statement.

7 TRADE AND OTHER RECEIVABLES

	Group		AGT	
	2018 JPY million	2017 JPY million	2018 JPY million	2017 JPY million
Trade receivables				
Trade receivables	**3,044**	2,887	**–**	–
Less: Allowance for doubtful debts	**(448)**	(480)	**–**	–
	2,596	2,407	**–**	–
Other receivable				
Distribution receivable from subsidiary	**–**	–	**2,946**	4,482
Total trade and other receivables	**2,596**	2,407	**2,946**	4,482

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

7 TRADE AND OTHER RECEIVABLES (CONTINUED)

Movement in the allowance for doubtful debts

	Group	
	2018 JPY million	**2017 JPY million**
Balance at the beginning of the year	**480**	502
Increase in allowance recognised in profit or loss	**104**	141
Amounts written off during the year	**(136)**	(163)
Balance at the end of the year	**448**	480

8 OTHER ASSETS

	Group		AGT	
	2018 JPY million	**2017 JPY million**	**2018 JPY million**	**2017 JPY million**
Other current assets				
Prepaid expenses	**1,190**	1,204	**1**	1
Other current assets	**17**	2	**15**	–
	1,207	1,206	**16**	1
Other non-current assets				
Deposits paid to landlord	**309**	308	**–**	–
Long-term prepaid expenses	**67**	207	**–**	–
Deposits for golf memberships	**65**	65	**–**	–
Other non-current assets	**4**	4	**–**	–
	445	584	**–**	–

9 INVESTMENT IN SUBSIDIARY

	AGT	
	2018 JPY million	**2017 JPY million**
Balance as at the beginning of the year	**75,447**	76,200
Return on investment	**–**	(753)
Balance as at the end of the year	**75,447**	75,447

Details of the subsidiary of the Group as at 31 March 2018 are as follows:

Name of subsidiary	**Principal activities**	**Country of incorporation and operation**	**Proportion of TK Interest**	
			2018 %	**2017 %**
Accordia Golf Asset Godo Kaisha (SPC)[1, 2]	Special purpose entity – Investment in golf course assets	Japan	98.99	98.99

1 Although AGT holds 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 (see Note 1), and AGT receives substantially all of the SPC's economic interest. Accordingly, the Group regards the SPC as a subsidiary.

2 Audited by PricewaterhouseCoopers Aarata LLC for consolidation purposes only.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

10 PROPERTY, PLANT AND EQUIPMENT

Group	Golf course land JPY million	Buildings and structures JPY million	Machinery, vehicles and fixtures JPY million	Construction in progress JPY million	Total JPY million
Cost					
At 1 April 2016	122,173	26,448	5,740	154	154,515
Additions	78	945	1,339	276	2,638
Transfers	–	397	–	(397)	–
Disposals	(17)	(31)	(169)	–	(217)
At 31 March 2017	122,234	27,759	6,910	33	156,936
Additions	10	1,852	2,557	5	4,424
Transfers	–	19	10	(29)	–
Disposals	–	(28)	(302)	(4)	(334)
At 31 March 2018	**122,244**	**29,602**	**9,175**	**5**	**161,026**
Accumulated depreciation					
At 1 April 2016	–	3,989	1,672	–	5,661
Depreciation during the year	–	2,134	1,112	–	3,246
Disposals	–	(31)	(159)	–	(190)
At 31 March 2017	–	6,092	2,625	–	8,717
Depreciation during the year	–	1,971	1,175	–	3,146
Disposals	–	–	(273)	–	(273)
At 31 March 2018	**–**	**8,063**	**3,527**	**–**	**11,590**
Accumulated impairment					
At 31 March 2017	1,199	394	90	–	1,683
Impairment loss recognised in the year	1,363	289	68	–	1,720
At 31 March 2018	**2,562**	**683**	**158**	**–**	**3,403**
Carrying value					
At 31 March 2018	**119,682**	**20,856**	**5,490**	**5**	**146,033**
At 31 March 2017	121,035	21,273	4,195	33	146,536

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 JPY 1,720 million (2017: JPY 1,499 million), which has been included in other operating expenses. The recoverable amount of property, plant and equipment has been estimated on the basis of their value in use (2017: value in use). The discount rate used in measuring value in use was between 7.0 to 11.8% (2017: 7.0 to 11.8%) per annum.

If the discount rate used to estimate recoverable amount has increased/decreased by 5%, the impairment loss recognised for the current financial year will have been JPY 2,109 million higher/JPY 1,815 million lower.

As at 31 March 2018, the Group has pledged certain freehold land, golf courses and buildings with total carrying amounts of approximately JPY 132,630 million (2017: JPY 132,630 million), to secure the borrowings granted to the Group (Note 12).

The carrying amounts of property, plant and equipment held by the Group under finance lease arrangements (Note 13) are JPY 3,712 million (2017: JPY 2,662 million) as at 31 March 2018.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

11 INTANGIBLE ASSETS

Group	Goodwill JPY million	Software JPY million	Others JPY million	Total JPY million
Cost				
At 1 April 2016	17,079	32	32	17,143
Additions	–	1	–	1
At 31 March 2017	17,079	33	32	17,144
Additions	–	129	–	129
At 31 March 2018	**17,079**	**162**	**32**	**17,273**
Accumulated amortisation				
At 1 April 2016	–	7	–	7
Amortisation during the year	–	6	–	6
At 31 March 2017	–	13	–	13
Amortisation during the year	–	15	–	15
At 31 March 2018	**–**	**28**	**–**	**28**
Carrying amount				
At 31 March 2018	**17,079**	**134**	**32**	**17,245**
At 31 March 2017	17,079	20	32	17,131

The value of the goodwill is allocated to the SPC which is principally engaged in the golf courses business in Japan (Note 3(c)).

Impairment test for goodwill

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

The recoverable amount of the SPC is determined based on fair value less costs to sell calculation. The key assumptions for the fair value less costs to sell 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 post-tax rates that reflect current market assessments of the time value of money and the risks specific to the SPC. 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 (2017: 3 years) and derives the terminal value assuming no long term growth (2017: no long term growth). The rate used to discount the forecast cash flows from the SPC was 4.8% (2017: 4.4%) per annum.

As at 31 March 2018, any reasonably possible change to the key assumptions applied are not likely to cause the recoverable amounts to be below the carrying amount of the SPC.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

12 BORROWINGS FROM FINANCIAL INSTITUTIONS

	Group	
	2018	**2017**
	JPY million	**JPY million**
Current portion	**29,100**	14,925
Less: Unamortised loan facility fee	**(253)**	(95)
	28,847	14,830
Non-current portion	**14,325**	28,950
Less: Unamortised loan facility fee	**(217)**	(651)
	14,108	28,299
Total	**42,955**	43,129

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

	Group	
	2018	**2017**
	JPY million	**JPY million**
Outstanding principal amount:		
Term Loan A	**14,475**	14,625
Term Loan B	**14,475**	14,625
Term Loan C	**14,475**	14,625
	43,425	43,875

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 JPY 75 million and by a balloon repayment of JPY 14,625 million at maturity in August 2017.

For Term Loan B, interest is levied at a floating interest rate of 6-month JPY TIBOR plus 150 basis points per annum. The 4-year term loan is repayable by semi-annually instalments of JPY 75 million and by a balloon repayment of JPY 14,475 million at maturity in August 2018.

For Term Loan C, interest is levied at a floating interest rate of 6-month JPY TIBOR plus 175 basis points per annum. The 5-year term loan is repayable by semi-annually instalments of JPY 75 million and by a balloon repayment of JPY 14,325 million at maturity in August 2019.

As disclosed in Note 17, the Group uses interest rate swaps to swap a portion of its borrowings from floating rates to fixed rates. As at 31 March 2018, the notional amount swapped was JPY 24,125 million (2017: JPY 34,125 million). The Group's average effective interest rate is 3.12% (2017: 3.08%) per annum.

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

13 FINANCE LEASE PAYABLES

Group	Minimum lease payments 31 March 2018 JPY million	Minimum lease payments 31 March 2017 JPY million	Present value of minimum lease payments 31 March 2018 JPY million	Present value of minimum lease payments 31 March 2017 JPY million
Amounts payable under finance leases:				
Within one year	**1,051**	724	**983**	659
In the second to fifth years inclusive	**2,693**	1,895	**2,572**	1,786
After five years	**481**	441	**472**	433
	4,225	3,060	**4,027**	2,878
Less: Future finance charges	**(198)**	(182)	**–**	–
Present value of lease obligations	**4,027**	2,878	**4,027**	2,878
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(983)**	(659)
Amount due for settlement after 12 months			**3,044**	2,219

The Group leased certain of its property, plant and equipment (Note 10) under finance leases from the Sponsor and other third parties. As at 31 March 2018, the finance lease payables to the Sponsor and to the third parties are JPY 847 million (2017: JPY 1,206 million) and JPY 3,180 million (2017: JPY 1,672 million) respectively.

For the year ended 31 March 2018, the average lease term is 7.0 years (2017: 7.0 years). The Group has options to purchase the leased assets at a value stipulated under the agreement upon expiry of the lease terms. The Group's obligations under finance leases are secured by the lessors' title to the leased assets (Note 10).

Interest rates underlying all obligations under finance leases are fixed at respective contract dates at an average of 2.49% (2017: 3.13%) per annum for the year ended 31 March 2018.

14 TRADE AND OTHER PAYABLES

	Group		AGT	
	2018 JPY million	2017 JPY million	2018 JPY million	2017 JPY million
Trade payables	**1,117**	779	**–**	11
Trade payable to subsidiary	**–**	–	**31**	31
Property and other tax payables	**1,277**	1,327	**–**	–
Other payables to the Sponsor group (Note 5 (ii))	**1,201**	1,155	**–**	–
Accrued expenses	**76**	79	**21**	25
Management fee payable to the Trustee-Manager (Note 5 (i))	**96**	99	**96**	99
Other payables	**1,674**	2,182	**–**	–
Total trade and other payables	**5,441**	5,621	**148**	166

The average credit period on purchases of goods is 1 month (2017: 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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

15 MEMBERSHIP DEPOSITS

	Group	
	2018	**2017**
	JPY million	**JPY million**
Total membership deposits	**10,552**	12,036
Less: Current portion	**(10,521)**	(11,215)
Non-current portion	**31**	821

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.

16 OTHER LIABILITIES

	Group	
	2018	**2017**
	JPY million	**JPY million**
Other current liabilities		
Unearned membership revenue	**2,584**	2,769
Provision for unutilised employee leave	**629**	614
Advanced receipt of insurance compensation	**1**	28
Payable to the Sponsor group (Note 5 (ii))	**164**	169
Provision for bonus	**319**	318
Other tax payables	**326**	337
Net Goods and Services Tax (GST) payable	**63**	86
Other current liabilities	**49**	29
	4,135	4,350
Other non-current liabilities		
Payable to Qualified Institutional Investor[1]	**5**	5
Other non-current liabilities	**75**	73
	80	78

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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

17 DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2018 JPY million	2017 JPY million
Interest rate swap designated and effective as hedging instruments carried at fair value	**(78)**	(201)
	(78)	(201)
Analysed as:		
Current liabilities	**(18)**	(12)
Non-current liabilities	**(60)**	(189)
	(78)	(201)

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 JPY 24,125 million (2017: JPY 34,125 million) as at 31 March 2018 is estimated at JPY 78 million (2017: JPY 201 million), which resulted in derivative financial instrument liability of the Group. These amounts are based on using valuation techniques as at year end. The aforementioned interest rate swaps qualify for hedge accounting.

Therefore, the changes in the fair value of hedging interest rate derivative, totalling gain of JPY 123 million (2017: JPY 197 million) for the year ended 31 March 2018 have been recognised directly in other comprehensive income.

18 UNITHOLDERS' FUNDS

	Group and AGT		Group		AGT	
	2018 Number of units	2017 Number of units	2018 JPY million	2017 JPY million	2018 JPY million	2017 JPY million
Balance at the beginning and end of the year	**1,099,122,000**	1,099,122,000	**81,086**	81,086	**81,486**	81,486

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

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

18 UNITHOLDERS' FUNDS (CONTINUED)

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

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

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

The restrictions of a Unitholder include the following:

(i) A Unitholder's right is limited to the right to require due administration of AGT in accordance with the provisions of the Trust Deed; and

(ii) A Unitholder has no right to request to redeem his units while his units are listed on SGX-ST.

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

19 NON-CONTROLLING INTEREST

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

20 REVENUE

	Group	
	2018 JPY million	**2017 JPY million**
Golf course revenue	**34,234**	34,373
Restaurant revenue	**12,499**	12,725
Membership revenue	**4,127**	4,435
	50,860	51,533

21 SELLING, GENERAL AND ADMINISTRATIVE EXPENSE

	Group	
	2018 JPY million	**2017 JPY million**
Tax and levies[1]	**1,380**	1,432
Commission fees	**2,321**	2,136
Advertising expense	**775**	784
Others	**766**	867
	5,242	5,219

[1] Tax and levies of JPY 1,380 million (2017: JPY 1,432 million) includes property tax of JPY 1,260 million (2017: JPY 1,293 million).

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

22 INTEREST EXPENSE AND OTHER FINANCE COSTS

	Group	
	2018	**2017**
	JPY million	**JPY million**
Interest expense – financial institutions	**817**	853
Interest expense – related party (Note 5 (ii))	**15**	15
Interest expense – finance lease		
– Related party (Note 5 (ii))	**26**	43
– Third parties	**60**	42
Amortisation of capitalised loan facility fee	**660**	636
Amortisation of membership deposits	**18**	62
Other finance costs	**7**	7
	1,603	1,658

23 INCOME TAX EXPENSE

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

Income from the TK Business will be subject to withholding tax in Japan which is levied on the amount of TK distribution paid from the SPC to AGT. The applicable withholding tax rate is 20.42% (2017: 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 2018 is 34.60% (2017: 34.60%).

(a) Income tax expense

	Group	
	2018	**2017**
	JPY million	**JPY million**
Foreign withholding tax	**977**	1,444
Deferred tax (Note 23 (c))	**(641)**	(643)
Total income tax expense	**336**	801

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

23 INCOME TAX EXPENSE (CONTINUED)

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

	Group	
	2018 **JPY million**	**2017** **JPY million**
Profit before income tax	**4,468**	4,914
Tax calculated at Singapore tax rate of 17%	**760**	835
Income not subject to tax	**(593)**	(597)
Foreign tax credit claimed	**(412)**	(414)
Effect of (non-taxable income), non-deductible expense in determining taxable profit	**(291)**	(284)
Effect of different tax rate of subsidiary operating in other jurisdiction	**(105)**	(183)
Foreign withholding tax	**977**	1,444
Total income tax expense	**336**	801

(c) Deferred tax

The tax effects of temporary differences that give rise to deferred tax liabilities as at 31 March 2018 are as follows:

		Group	
	Golf course assets JPY million	**Others JPY million**	**Total JPY million**
Deferred tax Assets			
As at 31 March 2016	–	–	–
As at 31 March 2017	–	–	–
Recognised in profit or loss (Note 23(a))	59	–	59
As at 31 March 2018	59	–	59
Deferred tax liabilities			
As at 31 March 2016	28,046	665	28,711
Recognised in profit or loss (Note 23(a))	(426)	(217)	(643)
As at 31 March 2017	27,620	448	28,068
Recognised in profit or loss (Note 23(a))	(328)	(254)	(582)
As at 31 March 2018	27,292	194	27,486
Net deferred tax liabilities	27,233	194	27,427

As at acquisition date, the Group recognised a deferred tax liability in relation to the taxable temporary difference, between the carrying amount and the tax basis of golf course assets arising from the acquisition of TK Interest. Such deferred tax liability is measured based on an undiscounted basis at the enacted tax rate of 34.60% 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.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

24 PROFIT FOR THE YEAR

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

	Group	
	2018 JPY million	2017 JPY million
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	**3,146**	3,246
Amortisation of intangible assets	**15**	6
Amortisation of other finance costs	**7**	7
Total depreciation and amortisation expense	**3,168**	3,259
Audit fees	**42**	52
Non audit fees	**14**	7
Interest income	**(1)**	(2)
Allowance for doubtful trade receivables	**104**	141
Gain on forfeiture of membership deposits	**(26)**	(23)
Impairment of property, plant and equipment	**1,720**	1,499
Loss on sale of property, plant and equipment	**25**	15

25 EARNINGS PER UNIT

The calculation of earnings per unit is based on profit attributable to Unitholders of JPY 4,095 million (2017: JPY 4,000 million) for the year and 1,099,122,000 units (2017: 1,099,122,000 units) in issue.

26 SEGMENT INFORMATION

The Group is principally engaged in the business of owning, operating and maintaining golf courses and golf course related assets in Japan and therefore Trustee-Manager considers that the Group operates as one single business and geographical segment. No single customers contributed 10% or more to the Group's revenue for the year ended 31 March 2018 and 2017.

27 OPERATING LEASE ARRANGEMENTS

The Group as lessee

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

Payment recognised as an expense

	Group	
	2018 JPY million	2017 JPY million
Minimum lease payments to:		
– Sponsor (Note 5 (ii))	**38**	78
– Third parties	**1,957**	1,944
	1,995	2,022

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

27 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 renewed based on the same conditions of the original lease agreements as long as the Group continues to renew the leases. There are no terms or conditions in the lease agreements in relation to the termination of the lease agreements during the lease terms. 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 2018 and 2017.

28 DISTRIBUTIONS

	Group and AGT	
	2018 JPY million	**2017 JPY million**
Distribution of 3.59 Singapore cents per unit (2017: 4.31 cents) for the period from 1 October 2016 to 31 March 2017 (2017: 1 October 2015 to 31 March 2016)	**3,184**	3,798
Distribution of 1.65 Singapore cents per unit (2017: 2.45 cents) for the period from 1 April 2017 to 30 September 2017 (2017: 1 April 2016 to 30 September 2016)	**1,512**	2,033
Distribution paid	**4,696**	5,831

In respect of the current period from 1 October 2017 to 31 March 2018, a distribution of 2.20 Singapore cents per unit or SGD 24.2 million (equivalent to JPY 1,961 million) was paid out to Unitholders on 21 June 2018.

These financial statements do not reflect the distribution for the half year period from 1 October 2017 to 31 March 2018, which will be accounted for in total equity as an appropriation of retained earnings in the year ending 31 March 2019.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

29 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2018 and which the Group has not early adopted:

- **IFRS 9 *Financial instruments*** (effective for annual periods beginning on or after 1 January 2018)

  IFRS 9 replaces IAS 39 *Financial instruments: Recognition and Measurement* and its relevant interpretations.

  IFRS 9 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI (FVOCI). Gains and losses realised on the sale of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from the FVOCI reserve to retained profits.

  Under IFRS 9, there were no changes to the classification and measurement requirements for financial liabilities except for the recognition of fair changes arising from changes in own credit risk. For liabilities designed at fair value through profit or loss, such changes are recognised in OCI.

  IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

  There is also now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under IFRS 15 *Revenue from Contracts with Customers*, lease receivables, loan commitments and certain financial guarantee contracts.

  The new standard also introduces expanded disclosure requirements and changes in presentation.

  The Group plans to adopt the new IFRS retrospectively from 1 April 2018 in line with the transition provisions permitted under the standard. Comparatives for the financial year ended 31 March 2018 will not be restated and the Group will recognise any difference between the carrying amounts as at 31 March 2018 and 1 April 2018 in the consolidated statement of changes in equity.

  The following financial assets will be subject to the expected credit losses impairment under IFRS 9:

  - Trade and other receivables

  The Group does not expect a material impact on the provision for impairment of the above financial assets.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

29 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

- **IFRS 15 *Revenue from contracts with customers*** (effective for annual periods beginning on or after 1 January 2018)

  IFRS 15 replaces IAS 11 *Construction contracts*, IAS 18 *Revenue*, and related interpretations.

  Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of IFRS 15 is that an entity recognises 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. An entity recognises revenue in accordance with that core principle by applying the following steps:

  - 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

  IFRS 15 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  The Group does not anticipate that the adoption of this new IFRS would have a material impact on the Group's financial statements.

- **IFRS 16 *Leases*** (effective for annual periods beginning on or after 1 January 2019)

  IFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

  The new standard also introduces expanded disclosure requirements and changes in presentation.

  The Group plans to adopt the new accounting standard retrospectively on 1 April 2019 and in line with the transition provisions permitted under the standard, the cumulative effect of initial application will be recognised as an adjustment to the opening retained profit as at 1 April 2019.

  The Group has yet to determine to what extent the commitments as at the reporting date will result in the recognition of an asset and a liability for future payments and how this will affect the Group's total return and classification of cash flows.

30 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Trustee-Manager Accordia Golf Trust on 25 June 2018.

STATISTICS OF UNITHOLDINGS

As at 11 June 2018

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

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

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	Number of Unitholders	%	Number of Units	%
1 – 99	2	0.06	11	0.00
100 – 1,000	200	5.63	178,217	0.02
1,001 – 10,000	1,472	41.47	9,924,796	0.90
10,001 – 1,000,000	1,849	52.08	98,896,100	9.00
1,000,001 and above	27	0.76	990,122,876	90.08
TOTAL	**3,550**	**100.00**	**1,099,122,000**	**100.00**

SUBSTANTIAL UNITHOLDERS

(As recorded in the Register of Substantial Unitholders)

	Direct Interest	%	Deemed Interest	%
Accordia Golf Co., Ltd ("**AGCL**")	317,097,000	28.85	–	–
Accordia Finance Company DAC	–	–	317,097,000(1)	28.85
Green Leisure Lux Sarl	–	–	317,097,000(1)	28.85
Green Leisure Ltd	–	–	317,097,000(1)	28.85
MBK Partners JC, L.P.	–	–	317,097,000(2)	28.85
MBK Partners Fund III, L.P.	–	–	317,097,000(3)	28.85
MBK Partners GP III, L.P.	–	–	317,097,000(3)	28.85
MBK GP III, Inc	–	–	317,097,000(3)	28.85
Michael ByungJu Kim	–	–	317,097,000(3)	28.85
MBK Partners JC, GP L.P.	–	–	317,097,000(4)	28.85
MBK Partners JC GP, Inc.	–	–	317,097,000(4)	28.85
Teck Chien Kong	–	–	317,097,000(4)	28.85
CPP Investment Board Private Holdings (3) Inc	–	–	317,097,000(5)	28.85
Canada Pension Plan Investment Board	–	–	317,156,000(5)	28.86
Daiwa PI Partners Co. Ltd. ("**DPPCL**")	58,858,000	5.36	–	–
Daiwa Investment Management Inc ("**DIMI**")	–	–	58,858,000(6)	5.36
Daiwa Securities Group Inc. ("**DSGI**")	–	–	65,922,900(7)	6.00
Global Long Short Master Ireland Limited ("**GLSM Ireland**")	66,196,100(8)	6.02	–	–
GS Investment Strategies, LLC	–	–	109,906,800(8)	10.00
The Goldman Sachs Group, Inc ("**GSG**")	–	–	153,309,768(9)	13.95

STATISTICS OF UNITHOLDINGS

As at 11 June 2018

Notes:

(1) Green Leisure Ltd is the sole shareholder of Green Leisure Lux Sarl. Green Leisure Lux Sarl is the sole shareholder of Accordia Finance Company DAC, which in turn is the sole shareholder of AGCL.

Green Leisure Ltd, Green Leisure Lux Sarl and Accordia Finance Company DAC are therefore each deemed to be interested in Units held by AGCL.

(2) MBK Partners JC, L.P. is a controlling shareholder of Green Leisure Ltd and is therefore deemed to be interested in Units held by AGCL.

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

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

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

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

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

(8) GS Investment Strategies, LLC is deemed to have an interest in Units through its managed funds, GLSM Ireland and Oryza Capital Master Ltd, and it is 100% owned by GSG through GSAM Holdings LLC. GLSM Ireland is a subsidiary of GSG.

(9) GSG is deemed to have an interest in Units held through its subsidiaries GLSM Ireland, Oryza Capital Master Ltd, Goldman Sachs Credit Partners (Japan), Ltd and Goldman Sachs International.

TWENTY LARGEST UNITHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	ACCORDIA GOLF CO., LTD	317,097,000	28.85
2.	DBS NOMINEES (PRIVATE) LIMITED	230,397,500	20.96
3.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	122,437,388	11.14
4.	CITIBANK NOMINEES SINGAPORE PTE LTD	110,411,219	10.05
5.	RAFFLES NOMINEES (PTE) LIMITED	81,310,697	7.40
6.	DBSN SERVICES PTE. LTD.	25,369,246	2.31
7.	HSBC (SINGAPORE) NOMINEES PTE LTD	24,607,655	2.24
8.	ABN AMRO CLEARING BANK N.V.	14,563,400	1.33
9.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	12,247,700	1.11
10.	UOB KAY HIAN PRIVATE LIMITED	10,468,500	0.95
11.	MAYBANK KIM ENG SECURITIES PTE. LTD.	5,455,450	0.50
12.	MERRILL LYNCH (SINGAPORE) PTE LTD	4,966,350	0.45
13.	DAIWA CAPITAL MARKETS SINGAPORE LIMITED	4,790,000	0.44
14.	PHILLIP SECURITIES PTE LTD	4,498,900	0.41
15.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,001,171	0.27
16.	DB NOMINEES (SINGAPORE) PTE LTD	2,856,500	0.26
17.	XIAO ZHONGMIN	2,139,100	0.19
18.	OCBC SECURITIES PRIVATE LIMITED	1,787,200	0.16
19.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,758,400	0.16
20.	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	1,522,700	0.14
	TOTAL	**981,686,076**	**89.32**

PERCENTAGE OF UNITHOLDING IN PUBLIC'S HANDS

As at 11 June 2018, approximately 51.20% of the Trust's units are held in the hands of public. Accordingly, the Trust has complied with Rule 723 of the Listing Manual of the SGX-ST.

Unit Price Performance

Highest Unit Price	S$0.770
Lowest Unit Price	S$0.625
Average Closing Unit Price	S$0.710
Opening Unit Price on 1 April 2017	S$0.735
Closing Unit Price on 31 March 2018	S$0.645

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Unitholders of Accordia Golf Trust ("**AGT**") will be held at NTUC Centre, No. 1 Marina Boulevard, Room 801, Level 8, Singapore 018989 on Thursday, 26 July 2018 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of the Trustee-Manager issued by Accordia Golf Trust Management Pte. Ltd. (the "**Trustee-Manager**"), Statement by the Trustee-Manager and the Audited Financial Statements of AGT for the year ended 31 March 2018 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To re-appoint Messrs PricewaterhouseCoopers LLP as External Auditors of AGT to hold office until the conclusion of the next Annual General Meeting of AGT and to authorise the Directors of the Trustee-Manager to fix its remuneration. **(Resolution 2)**

AS SPECIAL BUSINESS

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

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

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

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

provided that:

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

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

(a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST), the Trust Deed and the BTA for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore); and

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

[See Explanatory Note 1] **(Resolution 3)**

4. The Proposed Renewal of the Unit Buy-Back Mandate

*All capitalised terms in the Resolution 4 below and defined in the Letter to Unitholders of AGT dated 6 July 2018 (the "**Letter**") shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Letter.*

That:

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

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

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

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

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

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

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

(c) in this Ordinary Resolution:

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

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

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

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

where:

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

NOTICE OF ANNUAL GENERAL MEETING

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

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

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

[See Explanatory Note 2] **(Resolution 4)**

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

Lai Kuan Loong, Victor
Company Secretary
Singapore, 6 July 2018

Explanatory Notes:

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A Unitholder entitled to attend and vote at the Annual General Meeting of Unitholders is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.

2. Where a Unitholder appoints two proxies, he/she must specify the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy. Where a Unitholder appoints two proxies and does not specify the proportion of his/her unitholding to be represented by each proxy, then the Units held by the Unitholder are deemed to be equally divided between the proxies.

3. The instrument appointing a proxy or proxies must be deposited at the Registered Office of Accordia Golf Trust Management Pte. Ltd., the Trustee-Manager of AGT at 80 Robinson Road, #22-03A, Singapore 068898 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 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 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 NTUC Centre, No. 1 Marina Boulevard, Room 801, Level 8, Singapore 018989 on Thursday, 26 July 2018 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	**Resolutions relating to:**	**No. of Votes For***	**No. of Votes Against***
1	Adoption of the Report of the Trustee-Manager, Statement by the Trustee-Manager and the Audited Financial Statements of AGT for the year ended 31 March 2018 together with the Independent Auditor's Report thereon		
2	Re-appointment of PricewaterhouseCoopers LLP as External Auditors of AGT		
3	Authority to issue new units in AGT		
4	Renewal of Unit Buy-Back Mandate		

* *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 ______________ 2018

Total number of Units in:	No. of Units
(a) CDP Register	
(b) Register of Unitholders	

____

Signature of Unitholder(s)
or, Common Seal of Corporate Unitholder

Notes:

1. Please insert the total number of units in AGT ("Units") held by you. If you have Units entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Units. If you have Units registered in your name in the Register of Members, you should insert that number of Units. If you have Units entered against your name in the Depository Register and Units registered in your name in the Register of Members, you should insert the aggregate number of Units entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Units held by you.

2. A Unitholder of AGT entitled to attend and vote at a meeting of AGT is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder of AGT.

3. Where a Unitholder appoints two proxies, he/she must specify the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy. Where a Unitholder appoints two proxies and does not specify the proportion of his/her unitholding to be represented by each proxy, then the Units held by the Unitholder are deemed to be equally divided between the proxies.

4. Completion and return of this instrument appointing a proxy shall not preclude a Unitholder from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the meeting in person, and in such event, Accordia Golf Trust Management Pte Ltd., the Trustee-Manager of 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 80 Robinson Road, #22-03A, Singapore 068898 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. No instrument appointing a proxy or proxies shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

7. A corporation, being 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 and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual, in accordance with the Trust Deed.

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 6 July 2018.

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.

ACCORDIA GOLF TRUST
80 Robinson Road
#22-03A
Singapore 068898