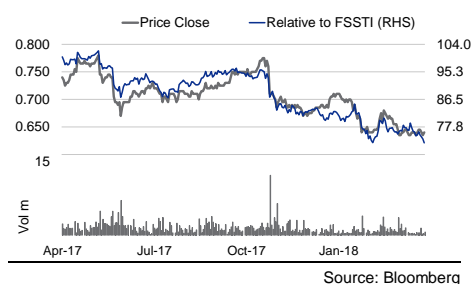


Singapore

NON RATED


Current price:	S\$0.64
Consensus Tgt Price:	S\$0.76
Up/downside:	N/A
Reuters:	ACCO.SI
Bloomberg:	AGT SP
Market cap:	US\$536.9m
	S\$703.4m
Average daily turnover:	US\$0.45m
	S\$0.59m
Current shares o/s:	1,099m
Free float:	71.2%



Price performance	1M	3M	12M
Absolute (%)	-3.8	-9.2	-11.7
Relative (%)	-5.1	-10.2	-25.1

Major shareholders	% held
MBK Partners	28.9
Goldman Sachs	10.0
Morgan Stanley	7.7

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Accordia Golf Trust

Teeing off to a new game?

- We visited four of AGT's golf courses in Nagoya over 16-17 Apr 2018.
- Bloomberg consensus projects AGT to record FY3/18F dividend yield of 7.8%, with FY18F P/BV of 0.7x and P/E of 2.3x.
- Following MBK's acquisition of AGT's sponsor, Accordia Golf Co Ltd, management said the former is more willing to approve spending to enhance golf course values.
- Dividends are derived in JPY and paid in S\$. The company engages in short-term hedging on the distribution amount to minimise foreign exchange risk to unitholders.

Visited four golf courses in Nagoya

Over 16-17 Apr, AGT hosted two analysts and three investors for a tour of four of its golf courses in Nagoya, Japan. The key concerns raised were: 1) valuation of the golf courses; 2) pricing trends; 3) player visitorship numbers; 4) potential steps that can be taken to raise revenue; 5) acquisition pipeline, 6) competition, and 7) ability to benefit from the improving Japanese economy.

Management comments

According to management, the ability to raise prices is still subject to competitive forces but management noted that the situation has been helped by the closure of some golf courses nearby. Generally speaking, we believe Nagoya courses are able to maintain or raise prices gradually due to their proximity to the expressways, allowing easy access and their less challenging design, which favours casual players.

Acquisition pipeline

Management stated that its priority now is to refinance existing term loans. AGT has two term loans of JPY15bn each that mature in Aug 2018. Management is confident that the loans will be renewed by then. The current negotiations revolve around pricing of the refinancing of these loans. Management expects to be able to explore acquisitions once the loans have been refinanced.

Sponsor now owned by MBK Partners

In Mar 2017, the Sponsor of AGT, Accordia Golf Co Ltd (previously 2131 JP) became a wholly-owned subsidiary of K.K. MBKP Resort (MBKP Resort) that is owned by private equity firm, MBK Partners (Unlisted). MBKP Resort assumes all assets, liabilities, rights and obligations of the Sponsor. The relationship between AGT and its Sponsor is unchanged and no material adverse changes to the business and operations of AGT are expected. Management thinks that MBK is more open to asset enhancement initiatives.

The four golf courses

Three of the AGT golf courses we visited were in the Greater Nagoya region and one was classified by AGT as located in the Greater Osaka region. The Yokkaichinosato Golf Club had the highest utilisation rate of 84.1% in FY17 and the highest appraisal value of JPY2.5bn in the Greater Nagoya portfolio. This golf course was acquired in 2009 and saw 59,472 visitors in FY17.

Valuations

Based on Bloomberg estimates, there are two brokers covering AGT with a consensus average target price of S\$0.76. In terms of Bloomberg consensus estimates, AGT is trading at an FY18F P/BV of 0.7x and dividend yield of 7.8%.

Financial Summary	Mar-12	Mar-13	Mar-15**	Mar-16	Mar-17
(JPY, m)					
Gross revenue	53,930	53,594	33,163	52,537	51,533
Operating income	54,298	54,220	33,425	53,175	51,919
Net Profit	5,775	6,001	2,590	6,517	4,000
Distributable profit	0	10,000	5,673	6,041	5,178
Core EPS*	5.25	5.46	3.14	5.93	3.64
Core EPS growth (%)	na	3.9	nm	nm	(38.6)
FD core P/E (x)	9.7	9.4	16.3	8.6	14.1
DPS*	0.00	9.10	5.16	6.63	6.04
Dividend yield (%)	0.00	17.78	10.08	12.95	11.80
Loan-to-valuation (%)	30.9	30.5	30.4	28.8	28.9
BVPS*	75.07	75.07	75.87	89.00	91.00
P/BV (x)	0.68	0.68	0.67	0.58	0.00
ROE (%)	7.0	7.3	5.5	6.7	4.0

* based on post IPO issued capital, ** 1st Aug 14 to 31 Mar 15

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: AGT's Nagoya region golf course portfolio statistics

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

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

SOURCES: COMPANY REPORTS, [OTHER SOURCE?]

Figure 2: AGT's Nagoya region golf course portfolio



SOURCES: COMPANY REPORTS

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Corporate Governance Report:

The disclosure of the survey result of the Thai Institute of Directors Association (“IOD”) regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70 or	No Survey Result
Description:	Excellent	Very Good	Good	N/A	

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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2018		
1275 companies under coverage for quarter ended on 31 March 2018		
	Rating Distribution (%)	Investment Banking clients (%)
Add	61.1%	5.5%
Hold	29.7%	2.0%
Reduce	8.9%	0.4%

Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2017, Anti-Corruption 2017

AAV – Very Good, n/a, **ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AMATA** – Very Good, n/a, **ANAN** – Excellent, n/a, **AOT** – Excellent, Declared, **AP** – Excellent, Declared, **ASK** – Very Good, Declared, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Declared, **BCP** - Excellent, Certified, **BCPG** – Very Good, n/a, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – not available, n/a, **BH** - Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Declared, **BLA** – Very Good, Certified, **BPP** – Good, n/a, **BR** - Good, Declared, **BTS** - Excellent, Certified, **CBG** – Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Very Good, Declared, **CPALL** – not available, Declared, **CPF** – Excellent, Declared, **CPN** - Excellent, Certified, **DELTA** - Excellent, n/a, **DEMCO** – Excellent, Certified, **DIF** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Very Good, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **GFPT** - Excellent, Declared, **GGC** – not available, Declared, **GLOBAL** – Very Good, Declared, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Declared, **GRAMMY** - Excellent, n/a, **GUNKUL** – Excellent, Declared, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **ICHI** – Excellent, n/a, **III** – not available, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JAS** – not available, Declared, **JASIF** – not available, n/a, **JUBILE** – Good, Declared, **KAMART** – not available, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KGI** – Very Good, Certified, **KKP** – Excellent, Certified, **KSL** – Very Good, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, n/a, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Very Good, Declared, **MALEE** – Very Good, n/a, **MBKET** – Very Good, Certified, **MC** – Very Good, Declared, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTLS** – Very Good, Declared, **NYT** – Excellent, n/a, **OISHI** – Very Good, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PSH** – Excellent, Certified, **PSL** - Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **SAMART** - Excellent, n/a, **SAPPE** - Good, n/a, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCBLIF** – not available, n/a, **SCC** – Excellent, Certified, **SCN** – Very Good, Declared, **SCCC** - Excellent, Declared, **SIM** - Excellent, n/a, **SIRI** – Very Good, Declared, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Declared, **STA** – Very Good, Declared, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **TASCO** – Very Good, n/a, **TCAP** – Excellent, Certified, **THAI** – Very Good, n/a, **THANI** – Very Good, Certified, **THCOM** – Excellent, Certified, **THRE** – Very Good, Certified, **THREL** – Excellent, Certified, **TICON** – Very Good, Declared, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TK** – Very Good, n/a, **TKN** – Very Good, Declared, **TMB** - Excellent, Certified, **TNR** – Good, n/a, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – not available, n/a, **TRUE** – Excellent, Declared, **TTW** – Very Good, n/a, **TU** – Excellent, Declared, **TVO** – Excellent, Declared, **UNIQ** – not available, Declared, **VGI** – Excellent, Declared, **WHA** – not available, Declared, **WHART** – not available, n/a, **WORK** – not available, n/a.

Companies participating in Thailand’s Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of October 28, 2016) are categorized into:

- Companies that have declared their intention to join CAC, and
- Companies certified by CAC

Recommendation Framework

Stock Ratings

Definition:

- Add The stock's total return is expected to exceed 10% over the next 12 months.
- Hold The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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