

Company Name : OCK Group Berhad

Date : 7 July 2014

Source : The Star

OCK gets 'buy' rating on Indonesian telco venture

OCK GROUP BHD
By RHB Research
Buy (Initiation)
Target Price: RM1.65

RHB Research has initiated coverage on OCK with a "buy" rating and fair value of RM1.65, which takes into account the dilution from the placement exercise and new shares to be paid as consideration for the acquisition of PT Mulia Telecommunication.

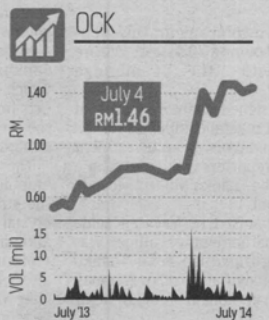
It said OCK was looking to capture a slice of the telco site maintenance market that also offered recurring revenue in Indonesia.

"The proposed acquisition of PT Mulia should give OCK exposure to the fast-growing tower market in Indonesia," the research unit noted.

It said strong growth opportunities for the group in the leasing of telco sites, which, along with its growing green energy business, offered steady recurring income.

It added that OCK was pursuing growth outside of Malaysia, both organically and inorganically, and could see a boost to its profile upon transferring to the Main Market in the fourth quarter this year. OCK now owns 240 telco sites and is targeting 300 telco sites by year-end.

RHB Research also believes that Telekom Malaysia's entry into Packet



One Networks (M) Sdn Bhd (P1) (TM plans to invest RM1bil in P1 for long-term evolution roll-out) is positive for OCK.