

Adding OCK-WA into the Portfolios

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Portfolio	Thematic	Growth	Dividend Yield
Stock Name	OCK-WA	OCK-WA	
CATS Code	0172WA	0172WA	
Action	BUY	BUY	
Quantity (shares)	50,000	50,000	
Price (RM)	0.180	0.180	
Value (RM)	9,000	9,000	
Total Quantity	50,000	50,000	
Total Value (RM)	9,000	9,000	
Average Cost (RM)	0.180	0.180	

Comments We are adding 50k OCK-WA's shares each into our THEMATIC and GROWTH portfolios based on yesterday's closing price of RM0.180/share. We like OCK for: (i) its healthy cash flow on the back of escalating recurring income trend, (ii) spreading its wings in Myanmar and across Southeast Asia, (iii) its ability to ride with the passive infrastructure sharing trend, (iv) its EBITDA margin expanding trend, and (iv) potential growth through M&A activity.

We expect OCK to record another double-digit annual growth of 18% (to RM29.2m) in FY16 on the back of higher telecommunication network services contribution. FY17E net profit, however, is expected to growth marginally by 1.1% (to RM29.5m) as a result of the higher depreciation cost incurred after the full-year rental income contribution of its Myanmar project.

We fair value OCK at RM0.95/share or RM0.44/share for its warrants. Our OCK valuation methodology is based on DCF valuation (WACC: 9.1%, TG: 1.5%) instead of the traditional PER methodology. This is to capture the group's steady cash flow from its core tower operations over the long-term, capex required, as well as management's strategy to drive recurring revenues.



Source: Bloomberg, Kenanga Research

05 May 2016

Retail Model Portfolio – Thematic

No	CATS Code	Company	Last Buy/Sell Date	No. of Shares	Average Cost	Avg Cost/Share	Share Price @ 4-May-16	Value	Unrealised Profit / (Loss)	% Change YTD	Weighting (as % of NAV)	Latest Dividend Ex-Date	Gross Div	Consensus 12M Div Yield	KNK's/Consensus' TP	Potential Upside/Downside
					RM	RM	RM	RM	RM	%	%		RM	%	RM	%
1	5219	PESTECH INTERNATIONAL BHD	31-Dec-15	4,500	29,665	6.592	6.350	28,575	(1,090)	-3.67%	29.7%	1/26/2016	0.03	0.47	7.43	17.0%
2	5347	TENAGA NASIONAL BHD	31-Dec-15	1,500	19,980	13.320	14.080	21,120	1,140	5.71%	20.0%	5/18/2016	0.10	2.07	16.49	17.1%
3	7113	TOP GLOVE CORP BHD	31-Dec-15	2,000	13,580	6.790	4.930	9,860	(3,720)	-27.39%	13.6%	1/11/2016	0.06	2.32	7.80	58.2%
4	6432	APOLLO FOOD HOLDINGS BHD	21-Jan-16	3,000	17,130	5.710	5.880	17,640	510	2.98%	17.1%	12/9/2015	0.25	4.24	6.48	10.2%
5	0172	OCC GROUP BHD	4-May-16	10,000	7,950	0.795	0.795	7,950	-	0.00%	8.0%	3/28/2016	0.01	0.76	0.95	19.5%
					88,305			85,145	(3,160)	-3.58%	88.3%			0.87		

Total Dividend Received YTD

225

Total Realised Return

-

Total Return (based on the total allocated amount)

(2,935) -2.94

KLCI

FBMKLCI Index

1,692.51

1,657.58

(34.93)

-2.06%

3.06

KLCI – TOTAL RETURN

-2.61%

Retail Model Portfolio – Growth

No	CATS Code	Company	Last Buy/Sell Date	No. of Shares	Average Cost	Avg Cost/Share	Share Price @ 4-May-16	Value	Unrealised Profit / (Loss)	% Change YTD	Weighting (as % of NAV)	Latest Dividend Ex-Date	Gross Div	Consensus 12M Div Yield	KNK's/Consensus' TP	Potential Upside/Downside
					RM	RM	RM	RM	RM	%	%		RM	%	RM	%
1	5219	PESTECH INTERNATIONAL BHD	31-Dec-15	4,000	26,260	6.565	6.350	25,400	(860)	-3.27%	26.3%	1/26/2016	0.03	0.47	7.43	17.0%
2	5347	TENAGA NASIONAL BHD	31-Dec-15	1,500	19,980	13.320	14.080	21,120	1,140	5.71%	20.0%	5/18/2016	0.10	2.07	16.49	17.1%
3	0089	TEX CYCLE TECHNOLOGY	31-Dec-15	10,000	11,600	1.160	0.995	9,950	(1,650)	-14.22%	11.6%	11/27/2015	0.01	0.75	1.50	50.8%
4	7113	TOP GLOVE CORP BHD	31-Dec-15	2,000	13,580	6.790	4.930	9,860	(3,720)	-27.39%	13.6%	1/11/2016	0.06	2.32	7.80	58.2%
5	6432	APOLLO FOOD HOLDINGS BHD	21-Jan-16	3,000	17,130	5.710	5.880	17,640	510	2.98%	17.1%	12/9/2015	0.25	4.24	6.48	10.2%
6	0172	OCC GROUP BHD	4-May-16	10,000	7,950	0.795	0.795	7,950	-	0.00%	8.0%	3/28/2016	0.01	0.76	0.95	19.5%
					96,500			91,920	(4,580)	-4.75%	96.50%			0.94		

Total Dividend Received YTD

210

Total Realised Return

0

Total Return (based on the total allocated amount)

(4,370) -4.37%

KLCI

FBMKLCI Index

1,692.51

1,657.58

(34.93)

-2.06%

3.06

KLCI – TOTAL RETURN

-2.61%



05 May 2016

Stock Ratings are defined as follows:**Stock Recommendations**

- OUTPERFORM : A particular stock's Expected Total Return is MORE than 10% (an approximation to the 5-year annualised Total Return of FBMKLCI of 10.2%).
- MARKET PERFORM : A particular stock's Expected Total Return is WITHIN the range of 3% to 10%.
- UNDERPERFORM : A particular stock's Expected Total Return is LESS than 3% (an approximation to the 12-month Fixed Deposit Rate of 3.15% as a proxy to Risk-Free Rate).

Sector Recommendations***

- OVERWEIGHT : A particular sector's Expected Total Return is MORE than 10% (an approximation to the 5-year annualised Total Return of FBMKLCI of 10.2%).
- NEUTRAL : A particular sector's Expected Total Return is WITHIN the range of 3% to 10%.
- UNDERWEIGHT : A particular sector's Expected Total Return is LESS than 3% (an approximation to the 12-month Fixed Deposit Rate of 3.15% as a proxy to Risk-Free Rate).

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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