



Goldis Bhd

Not Rated

Company briefing take-aways

RM1.50

Stock Data

Price (RM)	1.50
Stock code	5606
Bloomberg Ticker	GOLD MK
Listing	Main Board
Share Cap (RM mn)	323.33
Market Cap (RM mn)	485.08
Par value (RM)	1.00
52-wk high (RM)	2.55
52-wk low (RM)	1.34
Major shareholder:-	
Tan Chin Nam Sdn Bhd	17.66%
Wah Seong M Trading	13.95%
Permodalan Nasional Bhd	12.97%
Tan Kim Yeow Sdn Bhd	9.94%

Financial Data

12 month trailing PER (x)	14.14
BV per share (RM)	3.12
P/BV (x)	0.48
ROE (%)	3.23
Beta (x)	0.84
Altman Z Score	1.63
Dividend yield (%)	1.53

Relative Performance (%)

1-month	5.46
3-month	10.01
6-month	-2.55
12-month	-24.6
YTD	-6.83

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Investment Highlights

Goldis is involved in a diverse range of businesses including property, healthcare, ICT, aquaculture, water related engineering services and paper milling. Goldis is generally involved in investing or starting up business which are perceived as lucrative. Goldis assumed listing status of Tan & Tan Developments bhd on August 5 2002 after its merger with IGB Corporation.

Property. Goldis is involved in property through its associate company IGB. IGB is principally engaged in property development and property investment. Its development is helmed by Tan & Tan Developments bhd and focuses on medium to high end residential developments. Its property investments through, 74.9% owned KrisAssets Holdings Bhd include Mid Valley Megamall, The Gardens and Mid Valley City. Goldis's very own development now includes the GTower.

GTower. GTower is a Grade A 30-story commercial development located at the junction of Jalan Tun Razak and Jalan Ampang, at the heart of KL. The GTower incorporates Grade A building facilities & infrastructure and is a "Green" building with low-energy consumption. The GTower has earned a Provisional BCA Gold Greenmark credit from Singapore and is MSC compliant while featuring advance telecommunications and networks systems. The estimated lettable area is 809,000 square feet. It features CEO duplex offices, open offices, a Boutique Hotel, wellness floor+infinity swimming pool, Mezzanine floor, ample carparks, lower ground F&B, Penthouse Club and Roof Top Bar. The management has targeted MNCs, banks, IT related firms and O&G companies to be its tenants. The management is highly optimistic on its occupancy. At moderate occupancy rates, we expect a revenue contribution of between RM60mn to RM70mn from the building.

Healthcare. Goldis is involved in pharmaceutical products through Hoe Pharmaceuticals. It is one of the leading local manufacturer and distributors of pharmaceutical and cosmeceutical products. It exports its products to 45 countries including Asia, Middle East, Africa, New Zealand and Europe. Revenue is currently 55% derived locally and 45% through exports. Hoepharm was awarded the best branding by MITI in March 2005.



ICT. Goldis is involved in ICT through MacroKiosk and MacroLynx. MacroKiosk is an international company offering instantaneous mobile messaging connectivity. MacroKiosk has strong presence in 10 countries in Asia. MacroKiosk clients includes 12 prominent banks, financial companies, Mobile operators including Maxis & Celcom, prominent entertainment & leisure companies and so forth. MacroKiosk has been awarded a string of both local and international awards. MacroLynx is a broadband provider that mostly caters to buildings in the Klang Valley. It targets commercial subscribers but offers services to both commercial and residential properties. Its subscriber base is still relatively small.

Aquaculture. Goldis is involved in aquaculture through Protech Yu. Protech Yu markets OM3 brand of fish products. Its farms feature sustainable aquaculture of healthy, quality and environmentally friendly fish products. The farm is located in Kuala Kubu.

Water. Goldis has partnered ADB and 2 Singaporean firms to form a JV to undertake water projects in Asia. The JV Co. has obtained 2 BOT sewage plants in Jiangsu Province and Shangdong Province China. It is a concession for 23 years.

Paper manufacturing. Goldis's paper manufacturing plant is in Tianjin Municipal, China. It manufactures corrugated paper using recycled waste paper. It has an annual capacity of 148,000 tons. It is efficiently run and is one of the most environmentally friendly board producers in China.

Future prospects. Goldis continues to target lucrative "Greenfield" businesses which are deemed profitable in the medium to long term. Goldis's gearing is relatively low at 0.2x and would enable Goldis to support such investments. Goldis takes key consideration of synergistic values to the group, the environmental friendliness of the business along with business diversification. Goldis generally targets longer term gains and is not concerned of short term losses and high initial capital commitment. Goldis has a relatively high net asset per share of RM3.12 as of 1QFY08 representing a 51.9% discount to its share price. Most of the value of GTower has not been included under the balance sheet. Goldis's 27.6% interest in IGB is worth RM547mn based on current market prices, exceeding Goldis's own total market cap. We however note that the relatively low volume and low liquidity of the stock attributes to the current poor valuations of the stock.



Source: Bloomberg