

30 May 2005

GOLD IS

GOLD MK

RM1.38

GOLD

SC rejects Macro Kiosk listing

The Securities Commission rejected Gold IS' proposal to list Macro Kiosk on Mesdaq due to the following-

- ✓ Low profit margin due to the lack variety of products and services for customers compared to other companies which are involved in the same business activities.
- ✓ uncertain future prospect in a very competitive industry.
- **About Macro Kiosk.** Mainly a technology provider for Short Messaging Services (SMS) which enables content providers to link up with telecommunication companies. In FY1/05, Macro Kiosk registered a turnover of RM18m and a net profit of RM2.2m. Currently, the company generates a monthly turnover of RM3m.

Turnover is expected to surge to RM42m to generate a net profit of RM5m for FY1/06. While the company has set up operations in Singapore, Thailand, Brunei and China, most of its revenues currently derive from Malaysia.

- **Reviewing options.** GOLD may opt for an overseas listing in countries like Singapore and Hong Kong where the valuations may be more favourable. However, this could come at a later time as other businesses may be injected into Macro Kiosk to enhance its investment profile.
- **No delay to Hoe Pharmaceuticals listing.** Hoe Pharmaceuticals is still expected to be listed on the Main Board in FY06.
- **Maintain our BUY call on GOLD.** Target P/E of RM2.06, pegged to a FY06 P/E of 12x.

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Gold IS (RM1.38)

Y/E Jan (RM'm)	Pretax Profit	Net Profit	EPS (sen)	EPS Chg (%)	P/E (x)	EV/EBITDA (x)	DPS (sen)	Yield (%)
2003	50.7	35.4	11.0	na *	12.5	30.3	-	-
2004	81.4	60.9	19.0	72	7.3	38.9	2.0	1.4
2005 **	59.7	44.6	13.9	(27)	9.9	19.9	2.5	1.8
2006E	73.8	55.0	17.1	23	8.0	18.9	4.0	2.9
2007E	85.8	64.4	20.1	17	6.9	16.4	5.0	3.6

* - the merger between IGB and Tan & Tan was completed on 31 Jan 02

** - drop in earnings due to sale of IJM Corporation shares by associate IGB and China property developments in FY04.

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