

## Dolomite Corporation

Recommendation: **NOT RANKED**

Stock Code: 5835

Bloomberg: DOLM MK

Price: MYR0.33

12-Month Target Price: N/A

Date: October 2, 2007

Board: Main

Sector: Industrial Products

GICS: Industrials/Construction &amp; Engineering

Market Value - Total: MYR86.7 mln

**Summary:** Dolomite Corporation Berhad (Dolomite), through its subsidiaries, is engaged in construction, property development, quarrying and manufacturing of building materials such as hot-mixes, ready-mixed concrete and pre-cast concrete products. Dolomite assumed the listing status of Sunway Building Technology on July 25, 2003.

Analyst: Su Peng Ng



## Recent Developments

## Recommendation &amp; Investment Risks

- Pending the renewal of the CBRS research scheme, and confirmation that Dolomite will be participating in the new scheme, we suspend coverage of the stock until further notice. Our last recommendation was Hold. Our last 12-month target price was MYR0.35.
- As developments in Dolomite may impact the company's fundamental outlook and valuation during the suspension of coverage, please note that current earnings forecasts may become stale and should not be seen to be representative of our view.

## Key Stock Statistics

	2006	2007E
FY Dec.		
Reported EPS (sen)	-4.8	0.3
PER (x)	NM	105.9
Dividend/Share (sen)	0.0	0.0
NTA/Share (MYR)	0.73	0.73
Book Value/Share (MYR)	0.73	0.73
No. of Outstanding Shares (mln)	262.7	
52-week Share Price Range (MYR)	0.23 - 0.44	
Major Shareholders:	%	
Huang Jen Soong & family	31.5	
Lim Beng Keat & family	21.6	
Lau Huang Nam & family	7.0	

## Per Share Data

	2004	2005	2006	2007E
FY Dec.				
Book Value (MYR)	0.80	0.78	0.73	0.73
Cash Flow (sen)	3.2	0.1	-2.1	2.8
Reported Earnings (sen)	0.2	-2.2	-4.8	0.3
Dividend (sen)	0.0	0.0	0.0	0.0
Payout Ratio (%)	0.0	0.0	0.0	0.0
PER (x)	143.6	NM	NM	105.9
P/Cash Flow (x)	10.3	228.8	NM	11.8
P/Book Value (x)	0.4	0.4	0.5	0.5
Dividend Yield (%)	0.0	0.0	0.0	0.0
ROE (%)	0.3	0.4	-0.7	0.4
Net Gearing (%)	79.8	88.1	88.0	84.9

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**Profit & Loss**

FY Dec. / MYR mln	2005	2006	2007E	2008E
Reported Revenue	107.3	141.0	148.7	207.9
Reported Operating Profit	5.4	-0.4	10.6	15.6
Depreciation & Amortization	-6.2	-7.1	-6.5	-6.4
Net Interest Income / (Expense)	-7.9	-7.6	-7.9	-8.2
Reported Pre-tax Profit	-2.4	-8.0	2.7	7.4
Effective Tax Rate (%)	NM	NM	70.0	50.0
Reported Net Profit	-5.8	-12.7	0.8	3.7
Reported Operating Margin (%)	5.1	-0.3	7.1	7.5
Reported Pre-tax Margin (%)	-2.3	-5.6	1.8	3.5
Reported Net Margin (%)	-5.4	-9.0	0.6	1.8

Source: Company data, S&amp;P Equity Research

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**Glossary**

**Strong Buy:** Total return is expected to outperform the total return of the KLCI or KL Emas Index respectively, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

**Buy:** Total return is expected to outperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months, with shares rising in price on an absolute basis.

**Hold:** Total return is expected to closely approximate the total return of the KLCI or KL Emas Index respectively, over the coming 12 months with shares generally rising in price on an absolute basis.

**Sell:** Total return is expected to underperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months and share price is not anticipated to show a gain.

**Strong Sell:** Total return is expected to underperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months by a wide margin, with shares falling in price on an absolute basis.

**S&P 12 Month Target Price** – The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

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For residents of Malaysia. All queries in relation to this report should be referred to Alexander Chia, Desmond Ch'ng or Ching Wah Tam.

**Recommendation and Target Price History**

Date	Recommendation	Target Price
New	Not Ranked	
13-Sep-07	Hold	0.35
28-Aug-07	Sell	0.35
2-Mar-07	Strong Sell	0.20
30-Nov-06	Strong Sell	0.23
5-Jun-06	Strong Sell	0.20
21-Mar-06	Sell	0.20

