



GHL SYSTEMS BERHAD
CONSOLIDATED INCOME STATEMENTS
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2007
THE FIGURES HAVE NOT BEEN AUDITED

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/06/2007	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2006	CURRENT YEAR TO DATE 30/06/2007	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2006
		RM	RM	RM	RM
Revenue	A8	13,592,963	12,705,964	26,734,118	20,171,753
Cost of sales		<u>(5,178,484)</u>	<u>(3,826,165)</u>	<u>(8,841,010)</u>	<u>(4,381,546)</u>
Gross profit		8,414,479	8,879,799	17,893,108	15,790,207
Other income		1,836,805	106,160	1,909,900	222,186
Administration expenses		(7,415,760)	(6,102,716)	(14,485,633)	(11,032,221)
Distribution costs		(725,934)	(756,889)	(1,427,835)	(1,400,944)
Other expenses		(121,153)	(158,526)	(218,690)	(229,822)
Finance cost		(70,720)	(177,873)	(132,022)	(233,015)
Share of profits of associates		<u>-</u>	<u>34,803</u>	<u>261,447</u>	<u>338,675</u>
Profit before taxation		1,917,717	1,824,758	3,800,275	3,455,066
Income tax expense		(148)	(37,000)	(34,232)	(37,000)
Profit for the period		<u>1,917,569</u>	<u>1,787,758</u>	<u>3,766,043</u>	<u>3,418,066</u>
Attributable to:					
Equity holders of the parent		<u>1,917,569</u>	<u>1,787,758</u>	<u>3,766,043</u>	<u>3,418,066</u>
Weighted average number of ordinary shares in issue		138,490,767	134,115,606	138,373,900	133,590,512
Nominal value per share		RM0.50	RM0.50	RM0.50	RM0.50
Earnings Per Ordinary Share					
- Basic (sen)	B13	1.38	1.33	2.72	2.56
- Diluted (sen)		1.36	1.27	2.67	2.43

(The Condensed Consolidated Income Statement should be read in conjunction with Audited Financial Statements for the year ended 31 December 2006)



GH SYSTEMS BERHAD
CONSOLIDATED BALANCE SHEET
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2007
THE FIGURES HAVE NOT BEEN AUDITED

	Note	AS AT CURRENT YEAR QUARTER 30.6.2007	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2006 (Audited)
		RM	RM
ASSETS			
Non-current assets			
Property, plant and equipment		53,672,896	54,203,365
Investment in associated companies		-	5,060,989
Other investment		250,000	-
Goodwill on consolidation		2,205,168	1,869,146
		<u>56,128,064</u>	<u>61,133,500</u>
Current assets			
Marketable securities		-	16,259
Inventories		8,742,960	5,296,870
Trade receivables		20,879,083	19,040,227
Other receivables		3,210,321	4,088,925
Tax recoverable		180,079	71,116
Fixed deposits placed with licensed banks		18,516,674	10,340,015
Cash and bank balances		6,105,298	10,280,757
		<u>57,634,415</u>	<u>49,134,169</u>
TOTAL ASSETS		<u>113,762,479</u>	<u>110,267,669</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		69,252,887	62,478,744
Reserves		25,166,395	28,117,750
		<u>94,419,282</u>	<u>90,596,494</u>
Minority interest		36	1,618
Total equity		<u>94,419,318</u>	<u>90,598,112</u>
Non-current liabilities			
Hire purchase payables	B9	148,629	5,398
Bank borrowing	B9	3,709,317	4,137,507
Deferred taxation		984,852	987,811
		<u>4,842,798</u>	<u>5,130,716</u>
Current liabilities			
Trade payables		3,067,701	7,212,751
Other payables		10,477,990	6,477,836
Hire purchase payables	B9	157,569	41,357
Bank borrowings	B9	797,103	797,103
Taxation		-	9,794
		<u>14,500,363</u>	<u>14,538,841</u>
Total liabilities		<u>19,343,161</u>	<u>19,669,557</u>
TOTAL EQUITY AND LIABILITIES		<u>113,762,479</u>	<u>110,267,669</u>
Number of ordinary shares		138,505,775	624,787,440 *
NA per share (sen)		68.17	14.50

* comprises of ordinary shares of RM0.10 each. The share consolidation exercise undertaken by the Company was completed on 9 February 2007.

(The Condensed Consolidated Balance Sheet should be read in conjunction with Audited Financial Statements for the year ended 31 December 2006)



GH SYSTEMS BERHAD
CONSOLIDATED CASH FLOW STATEMENT
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2007
THE FIGURES HAVE NOT BEEN AUDITED

	CURRENT YEAR QUARTER 30.06.2007 RM	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2006 RM
Cash Flows From Operating Activities		
Profit before taxation	3,800,275	3,455,066
Adjustment for:		
Reversal of doubtful debts	(332,406)	-
Depreciation of property, plant & equipment	3,622,138	3,616,285
Interest income	(222,773)	(192,479)
Interest expenses	132,022	233,015
Reserve on consolidation written off	(25,423)	-
Gain on disposal of associated company	(1,957,564)	-
Share of profit in associated companies	(261,447)	(338,675)
Operating profit before working capital changes	<u>4,754,822</u>	<u>6,773,212</u>
 (Increase)/Decrease in working capital		
Inventories	(3,446,090)	(1,170,400)
Trade and other receivables	(627,848)	5,396,619
Trade and other payables	(144,896)	(3,292,798)
Amount owing by associated company	-	220,538
	<u>(4,218,834)</u>	<u>1,153,959</u>
Cash generated from operations	535,988	7,927,171
 Interest received	222,773	192,479
Interest paid	(132,022)	(233,015)
Tax paid	(152,989)	(61,216)
Exchange fluctuation adjustment	207,895	-
	<u>145,657</u>	<u>(101,752)</u>
Net cash from operating activities	681,645	7,825,419
Cash Flows From Investing Activities		
Acquisition of associated companies	-	(114,193)
Purchase of property, plant and equipment	(3,091,669)	(3,059,526)
Proceed from disposal of associated company	7,030,000	-
Proceeds from disposal of marketable securities	16,259	-
Net cash outflow from acquisition of subsidiary companies	203,748	-
Net cash from/(used in) investing activities	<u>4,158,338</u>	<u>(3,173,719)</u>
Cash Flows From Financing activities		
Proceeds from issue of shares	478,427	688,710
Drawdown of hire purchase	202,172	-
Repayment of hire purchase payables	(461,616)	(358,583)
Repayment of borrowings	(428,190)	(2,002,483)
Dividend paid to shareholders	(629,576)	-
Net cash used in financing activities	<u>(838,783)</u>	<u>(1,672,356)</u>
 Net increase in cash and cash equivalents	4,001,200	2,979,344
Cash and cash equivalents at beginning of financial period	17,112,844	17,449,368
Cash and cash equivalents at end of financial period	<u>21,114,044</u>	<u>20,428,712</u>
Cash and cash equivalents at end of period comprises:		
Cash and bank balances	6,105,298	8,089,180
Fixed deposits placed with licensed banks	18,516,674	15,539,532
	<u>24,621,972</u>	<u>23,628,712</u>
Less: Fixed deposits pledged to licensed banks	(3,507,928)	(3,200,000)
	<u>21,114,044</u>	<u>20,428,712</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with Audited Financial Statements for the year ended 31 December 2006)



GHL SYSTEMS BERHAD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2007
THE FIGURES HAVE NOT BEEN AUDITED

	Share Capital RM	→ Non-Distributable ← Foreign Exchange Reserves RM	ESOS Reserves RM	Distributable Retained Profits RM	Total Shareholders' Equity RM	Minority Interest RM	Total Equity RM
At 1 January 2006	54,459,376	-	-	24,337,524	78,796,900	-	78,796,900
Issue of shares pursuant to ESOS	688,710	-	-	-	688,710	-	688,710
Net profit for the financial period	-	-	-	3,418,066	3,418,066	-	3,418,066
At 30 June 2006	<u>55,148,086</u>	<u>-</u>	<u>-</u>	<u>27,755,590</u>	<u>82,903,676</u>	<u>-</u>	<u>82,903,676</u>
At 1 January 2007	62,478,744	20,334	343,967	27,753,449	90,596,494	1,618	90,598,112
Arising from additional acquisition of shares in subsidiary companies	-	-	-	-	-	(1,582)	(1,582)
Foreign exchange differences, representing net loss not recognised in income statement	-	207,894	-	-	207,894	-	207,894
Issue of shares pursuant to ESOS	478,427	-	-	-	478,427	-	478,427
Bonus Issue	6,295,716	-	-	(6,295,716)	-	-	-
Dividend	-	-	-	(629,576)	(629,576)	-	(629,576)
Net profit for the financial period	-	-	-	3,766,043	3,766,043	-	3,766,043
At 30 June 2007	<u>69,252,887</u>	<u>228,228</u>	<u>343,967</u>	<u>24,594,200</u>	<u>94,419,282</u>	<u>36</u>	<u>94,419,318</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with Audited Financial Statements for the year ended 31 December 2006)