



**GH SYSTEMS BERHAD**  
(Company No: 293040-D)

**Quarterly report on consolidated results for the third quarter ended 30 September 2007**

**A. EXPLANATORY NOTES AS PER FRS 134**

**A1. Basis of Preparation**

The quarterly financial report has been prepared in accordance with the reporting requirements outlined in the Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The quarterly financial statements should be read in conjunction with the latest audited financial statements of GH System Berhad (“Company”) and its subsidiary companies (“Group”) for the financial year ended 31 December 2006.

The accounting policies and methods of computation adopted by the Group in this quarterly report is consistent with those adopted in the financial statements for the financial year ended 31 December 2006.

**A2. Audit Report**

The audit report for the annual financial statements of the Group for the financial year ended 31 December 2006 was not subject to any qualification.

**A3. Seasonal or Cyclical Factors**

The business of the Group is not affected by any significant seasonal or cyclical factors.

**A4. Unusual Items**

During the current quarter under review, there were no items or events that arose and affected the assets, liabilities, equity, net income or cash flows of the Group, to the effect that is of unusual nature, size or incidence.

**A5. Change in estimates**

There were no changes in the estimates of amounts reported in the previous quarter that have a material effect on the results of the group for the current quarter under review.

#### **A6. Changes in Debts and Equity Securities**

Save as disclosed below, there were no issuance, cancellation, repurchases, resale and repayments of debts and equity securities of the Company for the current quarter under review:-

- (a) On 6 July 2007, the issued and paid-up share capital of the Company was increased from 138,505,775 to 138,670,495 by way of allotment and issue of 164,720 ordinary shares of RM0.50 each arising from the exercise of Employees' Share Option Scheme ("ESOS").
- (b) On 6 August 2007, the issued and paid-up share capital of the Company was increased from 138,670,495 to 138,862,215 by way of allotment and issue of 191,720 ordinary shares of RM0.50 each arising from the exercise of ESOS.

#### **A7. Dividend Paid**

There were no dividends paid during the quarter under review.

#### **A8. Segmental Reporting**

The principal businesses of the Group are dealing in Electronic Draft Capture ("EDC") equipment and related services, and developing and selling of software programmes in Malaysia and Asian region which are essentially within a single business segment and as such, segmental reporting is not necessary.

#### **A9. Valuation of Property, Plant and Equipment**

The Company did not revalue any of its property, plant and equipment during the quarter under review.

#### **A10. Material Events Subsequent to 30 September 2007**

There were no material events between 30 September 2007 and the date of this report that have not been reflected in the interim financial statement for the quarter under review except for the following:-

- a) On 8 October 2007, GHL International Sdn Bhd ("GHL International"), a wholly owned subsidiary of the Company has entered into a Share Sale Agreement with BSNC Corporation Berhad to purchase 600,000 ordinary shares of RM1.00 each in Card Pay Sdn Bhd ("Card Pay"), representing 48% of the issued and paid-up share capital of Card Pay, at a purchase consideration of RM80,000. Pursuant to this acquisition, GHL International's shareholding in Card Pay has increased to 1,250,000 ordinary shares of RM1.00 each, equivalent to 100% of the issued and paid-up share capital of Card Pay.

- b) On 23 November 2007, GHL (China) Co. Ltd (“GHL China”), a wholly owned subsidiary of GHL AP, has subscribed for 3,786,419 new ordinary shares of Renminbi One (RMB1.00) each in GHL Beijing Co. Ltd (“GHL Beijing”), for a cash consideration of RMB3,786,419.00. As a result of this subscription, the total cost of investment of GHL Beijing has increased to RMB10 million comprising 10 million ordinary shares of RMB1.00 each, representing 100% of the issued and paid-up share capital of GHL Beijing.

**A11. Changes in the Composition of the Group**

There were no other material changes in the composition of the Group for the current quarter under review.

**A12. Contingent Liabilities**

Save as disclosed below, the Group does not have any contingent liabilities as at the date of this report:-

**Amount utilised**

Banker’s guarantee in favour of third parties

RM

- Secured

100,000

**A13. Capital commitment**

There was no capital commitment as at the date of this report.