



**GH SYSTEMS BERHAD**  
**CONSOLIDATED INCOME STATEMENTS**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	<u>Note</u>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/09/2007	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2006	CURRENT YEAR TO DATE 30/09/2007	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2006
		RM	RM	RM	RM
Revenue	A8	11,918,327	15,196,343	38,652,445	35,368,096
Cost of sales		<u>(3,615,781)</u>	<u>(4,459,914)</u>	<u>(12,456,791)</u>	<u>(8,841,460)</u>
<b>Gross profit</b>		<b>8,302,546</b>	<b>10,736,429</b>	<b>26,195,654</b>	<b>26,526,636</b>
Other income		565,578	266,631	2,475,478	488,817
Administration expenses		(7,856,115)	(8,001,568)	(22,341,747)	(19,033,792)
Distribution costs		(762,890)	(823,833)	(2,190,724)	(2,224,776)
Other expenses		(157,891)	(164,568)	(376,584)	(394,389)
Finance cost		(236,201)	(80,435)	(368,222)	(313,449)
Share of profits of associates		-	115,852	261,447	454,526
<b>(Loss)/Profit before taxation</b>		<b>(144,973)</b>	<b>2,048,508</b>	<b>3,655,302</b>	<b>5,503,573</b>
Income tax expense		(1,470)	(40,000)	(35,702)	(77,000)
<b>(Loss)/Profit for the period</b>		<b><u>(146,443)</u></b>	<b><u>2,008,508</u></b>	<b><u>3,619,600</u></b>	<b><u>5,426,573</u></b>
<b>Attributable to:</b>					
Equity holders of the parent		(146,443)	2,016,793	3,619,600	5,434,858
Minority interest		-	(8,285)	-	(8,285)
		<b><u>(146,443)</u></b>	<b><u>2,008,508</u></b>	<b><u>3,619,600</u></b>	<b><u>5,426,573</u></b>
Weighted average number of ordinary shares in issue		138,778,242	134,115,606	138,510,162	133,767,467
Nominal value per share		RM0.50	RM0.50	RM0.50	RM0.50
(Loss)/Earnings Per Ordinary Share					
- Basic (sen)	B13	(0.11)	1.50	2.61	4.06
- Diluted (sen)		(0.10)	1.43	2.36	3.87

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2007**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	AS AT CURRENT YEAR QUARTER 30.9.2007	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2006 (Audited)
Note	RM	RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	52,271,295	54,203,365
Investment in associated companies	-	5,060,989
Other investment	553,687	-
Goodwill on consolidation	2,205,168	1,869,146
	<u>55,030,150</u>	<u>61,133,500</u>
<b>Current assets</b>		
Marketable securities	-	16,259
Inventories	8,575,914	5,296,870
Trade receivables	18,706,057	19,040,227
Other receivables	2,580,076	4,088,925
Tax recoverable	130,375	71,116
Fixed deposits placed with licensed banks	18,344,387	10,340,015
Cash and bank balances	6,934,663	10,280,757
	<u>55,271,472</u>	<u>49,134,169</u>
<b>TOTAL ASSETS</b>	<u>110,301,622</u>	<u>110,267,669</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	69,431,107	62,478,744
Reserves	25,034,259	28,117,750
	<u>94,465,366</u>	<u>90,596,494</u>
<b>Minority interest</b>	36	1,618
<b>Total equity</b>	<u>94,465,402</u>	<u>90,598,112</u>
<b>Non-current liabilities</b>		
Hire purchase payables	B9 114,885	5,398
Bank borrowing	B9 3,494,886	4,137,507
Deferred taxation	984,852	987,811
	<u>4,594,623</u>	<u>5,130,716</u>
<b>Current liabilities</b>		
Trade payables	1,532,656	7,212,751
Other payables	8,767,395	6,477,836
Hire purchase payables	B9 144,443	41,357
Bank borrowings	B9 797,103	797,103
Taxation	-	9,794
	<u>11,241,597</u>	<u>14,538,841</u>
<b>Total liabilities</b>	<u>15,836,220</u>	<u>19,669,557</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>110,301,622</u>	<u>110,267,669</u>
Number of ordinary shares	138,862,215	624,787,440 *
NA per share (sen)	68.03	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)



**GHL SYSTEMS BERHAD**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	<b>CURRENT YEAR QUARTER 30.09.2007 RM</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 30.09.2006 RM</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	3,655,302	5,503,573
Adjustment for:		
Reversal of doubtful debts	(416,093)	-
Depreciation of property, plant & equipment	5,481,189	5,743,774
Loss on disposal of property, plant & equipment	-	2,791
Interest income	(386,907)	(300,543)
Interest expenses	181,653	313,449
Reserve on consolidation written off	(25,423)	-
Provision for doubtful debts	-	2,320,000
Foreign currency translation reserve	-	55,726
Minority interest	-	8,285
Gain on disposal of associated company	(2,261,252)	-
Share of profit in associated companies	(261,447)	(454,526)
Operating profit before working capital changes	<u>5,967,022</u>	<u>13,192,529</u>
(Increase)/Decrease in working capital		
Inventories	(3,279,044)	(6,421,035)
Trade and other receivables	2,259,110	1,344,402
Trade and other payables	(3,390,536)	3,624,615
Amount owing by associated company	-	220,538
	<u>(4,410,470)</u>	<u>(1,231,480)</u>
Cash generated from operations	1,556,552	11,961,049
Interest received	386,907	300,543
Interest paid	(181,653)	(313,449)
Tax paid	(103,286)	(75,677)
Exchange fluctuation adjustment	222,201	-
	<u>324,169</u>	<u>(88,583)</u>
Net cash from operating activities	1,880,721	11,872,466
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(3,549,119)	(10,120,243)
Proceed from disposal of associated company	7,030,000	57,883
Proceeds from disposal of marketable securities	16,259	7,750
Net cash outflow from acquisition of subsidiary companies	(316,606)	(212,403)
Net cash from/(used in) investing activities	<u>3,180,534</u>	<u>(10,267,013)</u>
<b>Cash Flows From Financing activities</b>		
Proceeds from issue of shares	656,647	688,710
Drawdown of hire purchase	296,006	-
Repayment of hire purchase payables	(83,433)	(452,802)
Repayment of borrowings	(642,621)	(2,214,560)
Decreased of fixed deposit pledge	-	250,000
Dividend paid to shareholders	(629,576)	-
Net cash used in financing activities	<u>(402,977)</u>	<u>(1,728,652)</u>
<b>Net increase in cash and cash equivalents</b>	4,658,278	(123,199)
<b>Cash and cash equivalents at beginning of financial period</b>	<u>17,112,844</u>	<u>17,449,368</u>
<b>Cash and cash equivalents at end of financial period</b>	<u>21,771,122</u>	<u>17,326,169</u>
<b>Cash and cash equivalents at end of period comprises:</b>		
Cash and bank balances	6,934,663	5,713,991
Fixed deposits placed with licensed banks	18,344,387	14,562,178
	<u>25,279,050</u>	<u>20,276,169</u>
Less: Fixed deposits pledged to licensed banks	(3,507,928)	(2,950,000)
	<u>21,771,122</u>	<u>17,326,169</u>

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



**GH SYSTEMS BERHAD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2007**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	Share Capital RM	Foreign Exchange Reserves RM	Non-Distributable 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
Movement upon acquisition	-	-	-	-	-	-	46,294	46,294
Issue of shares pursuant to ESOS	688,710	-	-	-	-	688,710	-	688,710
Foreign currency translation	-	55,726	-	-	-	55,726	-	55,726
Net profit for the financial period	-	-	-	-	5,434,858	5,434,858	(8,285)	5,426,573
At 30 Sept 2006	<u>55,148,086</u>	<u>55,726</u>	<u>-</u>	<u>-</u>	<u>29,772,382</u>	<u>84,976,194</u>	<u>38,009</u>	<u>85,014,203</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	-	222,201	-	-	-	222,201	-	222,201
Issue of shares pursuant to ESOS	656,647	-	-	-	-	656,647	-	656,647
Bonus Issue	6,295,716	-	-	-	(6,295,716)	-	-	-
Dividend	-	-	-	-	(629,576)	(629,576)	-	(629,576)
Net profit for the financial period	-	-	-	-	3,619,600	3,619,600	-	3,619,600
At 30 Sept 2007	<u>69,431,107</u>	<u>242,535</u>	<u>-</u>	<u>343,967</u>	<u>24,447,757</u>	<u>94,465,366</u>	<u>36</u>	<u>94,465,402</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)