



**GHL SYSTEMS BERHAD**  
**CONSOLIDATED INCOME STATEMENTS**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2008**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	<u>Note</u>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30/06/2008	30/06/2007	30/06/2008	30/06/2007
		RM	RM	RM	RM
Revenue	A8	11,696,246	13,592,963	23,111,888	26,734,118
Cost of sales		(2,936,865)	(5,178,484)	(6,471,550)	(8,841,010)
<b>Gross profit</b>		<b>8,759,381</b>	<b>8,414,479</b>	<b>16,640,338</b>	<b>17,893,108</b>
Other income		79,945	1,836,805	426,398	1,909,900
Administration expenses		(9,168,510)	(7,415,760)	(16,772,071)	(14,485,633)
Distribution costs		(1,013,596)	(725,934)	(1,906,690)	(1,427,835)
Other expenses		(125,230)	(121,153)	(298,704)	(218,690)
Finance cost		(51,215)	(70,720)	(87,878)	(132,022)
Share of profits in an associated company		-	-	-	261,447
<b>(Loss)/Profit before taxation</b>		<b>(1,519,225)</b>	<b>1,917,717</b>	<b>(1,998,607)</b>	<b>3,800,275</b>
Income tax expense		(35)	(148)	(35)	(34,232)
<b>(Loss)/Profit for the period</b>		<b>(1,519,260)</b>	<b>1,917,569</b>	<b>(1,998,642)</b>	<b>3,766,043</b>
<b>Attributable to:</b>					
Equity holders of the parent		(1,519,260)	1,917,569	(1,998,642)	3,766,043
Minority interest		-	-	-	-
		<b>(1,519,260)</b>	<b>1,917,569</b>	<b>(1,998,642)</b>	<b>3,766,043</b>
Weighted average number of ordinary shares in issue		137,783,849	138,490,767	138,281,362	138,373,900
Nominal value per share		0.50	RM0.50	0.50	RM0.50
(Loss)/Earnings Per Ordinary Share					
- Basic (sen)	B13	(1.10)	1.38	(1.45)	2.72
- Diluted (sen)		(1.10)	1.36	(1.45)	2.67

(The Condensed Consolidated Income Statement should be read in conjunction with Audited Financial Statements for the year ended 31 December 2007)



**GH SYSTEMS BERHAD**  
**CONSOLIDATED BALANCE SHEET**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2008**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	Note	AS AT CURRENT YEAR QUARTER 30.06.2008	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2007 (Audited)
		RM	RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		47,526,942	49,973,480
Prepaid lease payments		1,583,965	1,592,172
Other investment		553,688	553,688
Goodwill on consolidation		1,913,105	1,913,105
		<u>51,577,700</u>	<u>54,032,445</u>
<b>Current assets</b>			
Marketable securities		-	591,685
Inventories		16,903,761	9,557,780
Trade receivables		12,925,472	18,986,414
Other receivables		4,140,935	3,978,157
Tax recoverable		817,354	142,003
Fixed deposits placed with licensed banks		5,197,632	13,486,240
Cash and bank balances		9,059,945	11,407,540
		<u>49,045,099</u>	<u>58,149,819</u>
<b>TOTAL ASSETS</b>		<u>100,622,799</u>	<u>112,182,264</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		69,431,108	69,431,108
Reserves		19,790,674	22,495,536
		<u>89,221,782</u>	<u>91,926,644</u>
<b>Minority interest</b>		9,653	9,653
<b>Total equity</b>		<u>89,231,435</u>	<u>91,936,297</u>
<b>Non-current liabilities</b>			
Hire purchase payables	B9	91,302	92,131
Bank borrowing	B9	3,248,259	3,248,259
Deferred taxation		497,458	497,457
		<u>3,837,019</u>	<u>3,837,847</u>
<b>Current liabilities</b>			
Trade payables		423,128	2,197,127
Other payables		6,669,081	7,572,950
Hire purchase payables	B9	66,128	130,203
Bank borrowings	B9	396,008	6,507,840
		<u>7,554,345</u>	<u>16,408,120</u>
<b>Total liabilities</b>		<u>11,391,364</u>	<u>20,245,967</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>100,622,799</u>	<u>112,182,264</u>
Number of ordinary shares		138,862,215	138,862,215
NA per share (sen)		64.25	66.20

(The Condensed Consolidated Balance Sheet should be read in conjunction with Audited Financial Statements for the year ended 31 December 2007)



**GH SYSTEMS BERHAD**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2008**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.06.2008 RM	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2007 RM
<b>Cash Flows From Operating Activities</b>		
(Loss)/ Profit before taxation	(1,998,607)	3,800,275
Adjustment for:		
Reversal of doubtful debts	(44,264)	(332,406)
Depreciation of property, plant & equipment	4,136,279	3,622,138
Loss on disposal of property, plant & equipment	23,943	-
Property, plant & equipments written off	1,518	-
Interest income	(206,230)	(222,773)
Interest expenses	87,878	132,022
Reserve on consolidation written off	-	(25,423)
Gain on disposal of associated companies	-	(1,957,564)
Share of profit in associated companies	-	(261,447)
Operating profit before working capital changes	<u>2,000,517</u>	<u>4,754,822</u>
 (Increase)/Decrease in working capital		
Inventories	<u>(7,345,981)</u>	<u>(3,446,090)</u>
Trade and other receivables	5,455,537	(627,848)
Trade and other payables	<u>(2,677,868)</u>	<u>(144,896)</u>
	<u>(4,568,312)</u>	<u>(4,218,834)</u>
 Cash (used in)/ generated from operations	<u>(2,567,795)</u>	<u>535,988</u>
 Interest received	206,230	222,773
Interest paid	(87,878)	(132,022)
Tax paid	(188,493)	(152,989)
Exchange fluctuation adjustment	<u>(261,927)</u>	<u>207,895</u>
	<u>(332,068)</u>	<u>145,657</u>
 Net cash (used in)/ generated from operating activities	<u>(2,899,863)</u>	<u>681,645</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(3,478,230)	(3,091,669)
Proceeds from disposal of property, plant & equipment	1,771,235	-
Proceeds from disposal of associated company	-	7,030,000
Purchase of Company's own shares	(444,293)	-
Proceeds from disposal of marketable securities	591,685	16,259
Net cash outflow from acquisition of subsidiary companies	-	203,748
Net cash (used in)/ generated from investing activities	<u>(1,559,603)</u>	<u>4,158,338</u>
<b>Cash Flows From Financing activities</b>		
Proceeds from issue of shares	-	478,427
Drawdown of hire purchase	-	202,172
Repayment of hire purchase payables	(64,904)	(461,616)
Repayment of borrowings	(6,111,832)	(428,190)
(Increase)/ Decrease of fixed deposit pledge	1,726,338	-
Dividend paid to shareholders	-	(629,576)
Net cash used in financing activities	<u>(4,450,398)</u>	<u>(838,783)</u>
 <b>Net (decrease)/ increase in cash and cash equivalents</b>	<u>(8,909,864)</u>	<u>4,001,200</u>
<b>Cash and cash equivalents at beginning of financial year</b>	<u>22,067,442</u>	<u>17,112,844</u>
<b>Cash and cash equivalents at end of financial year</b>	<u>13,157,578</u>	<u>21,114,044</u>
 <b>Cash and cash equivalents at end of period comprises:</b>		
Cash and bank balances	5,596,971	6,105,298
Short term marketable securities	<u>3,462,975</u>	<u>-</u>
	9,059,946	6,105,298
Fixed deposits placed with licensed banks	<u>5,197,632</u>	<u>18,516,674</u>
	14,257,578	24,621,972
Less: Fixed deposits pledged to licensed banks	<u>(1,100,000)</u>	<u>(3,507,928)</u>
	<u>13,157,578</u>	<u>21,114,044</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with Audited Financial Statements for the year ended 31 December 2007)



**GHL SYSTEMS BERHAD**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2008**

**THE FIGURES HAVE NOT BEEN AUDITED**

	Share Capital RM	Foreign Exchange Reserves RM	ESOS Reserves RM	Treasury Shares RM	Retained Profits RM	Total Shareholders' Equity RM	Minority Interest RM	Total Equity RM
At 1 January 2007	62,478,744	20,334	343,967	-	27,753,449	90,596,494	1,618	90,598,112
Arising from 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 year	-	-	-	-	3,766,043	3,766,043	-	3,766,043
At 30 June 2007	69,252,887	228,228	343,967	-	24,594,200	94,419,282	36	94,419,318
At 1 January 2008	69,431,108	241,943	576,521	-	21,677,072	91,926,644	9,653	91,936,297
Foreign exchange differences, representing net income not recognised in income statement	-	(261,927)	-	-	-	(261,927)	-	(261,927)
Issue of shares pursuant to ESOS	-	-	-	-	-	-	-	-
Treasury Shares	-	-	-	(444,293)	-	(444,293)	-	(444,293)
Net loss for the financial year	-	-	-	-	(1,998,642)	(1,998,642)	-	(1,998,642)
At 30 June 2008	69,431,108	(19,984)	576,521	(444,293)	19,678,430	89,221,782	9,653	89,231,435

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with Audited Financial Statements for the year ended 31 December 2007)