



**GHL SYSTEMS BERHAD**  
**CONSOLIDATED INCOME STATEMENTS**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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
		30/09/2008	30/09/2007	30/09/2008	30/09/2007
		RM	RM	RM	RM
Revenue	A8	14,201,899	11,918,327	37,313,787	38,652,445
Cost of sales		(4,579,983)	(3,615,781)	(11,051,533)	(12,456,791)
<b>Gross profit</b>		<b>9,621,916</b>	<b>8,302,546</b>	<b>26,262,254</b>	<b>26,195,654</b>
Other income		831,354	565,578	1,257,752	2,475,478
Administration expenses		(9,724,221)	(7,856,115)	(26,496,292)	(22,341,747)
Distribution costs		(854,316)	(762,890)	(2,761,005)	(2,190,724)
Other expenses		(117,697)	(157,891)	(416,402)	(376,584)
Finance cost		(45,030)	(236,201)	(132,908)	(368,222)
Share of profits in an associated company		-	-	-	261,447
<b>(Loss)/Profit before taxation</b>		<b>(287,994)</b>	<b>(144,973)</b>	<b>(2,286,601)</b>	<b>3,655,302</b>
Income tax expense		-	(1,470)	(35)	(35,702)
<b>(Loss)/Profit for the period</b>		<b>(287,994)</b>	<b>(146,443)</b>	<b>(2,286,636)</b>	<b>3,619,600</b>
<b>Attributable to:</b>					
Equity holders of the parent		(287,994)	(146,443)	(2,286,636)	3,619,600
Minority interest		-	-	-	-
		<b>(287,994)</b>	<b>(146,443)</b>	<b>(2,286,636)</b>	<b>3,619,600</b>
Weighted average number of ordinary shares in issue		138,651,244	138,778,242	138,405,556	138,510,162
Nominal value per share		RM 0.50	RM 0.50	RM 0.50	RM 0.50
(Loss)/Earnings Per Ordinary Share					
- Basic (sen)	B13	(0.21)	(0.11)	(1.65)	2.61
- Diluted (sen)		(0.21)	(0.10)	(1.65)	2.36

(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 THIRD QUARTER ENDED 30 SEPTEMBER 2008**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	Note	AS AT CURRENT YEAR QUARTER 30.09.2008	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2007 (Audited)
		RM	RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		47,190,995	49,973,480
Prepaid lease payments		1,579,862	1,592,172
Other investment		553,688	553,688
Goodwill on consolidation		1,913,105	1,913,105
		<u>51,237,650</u>	<u>54,032,445</u>
<b>Current assets</b>			
Marketable securities		-	591,685
Inventories		20,537,469	9,557,780
Trade receivables		14,442,765	18,986,414
Other receivables		2,308,028	3,978,157
Tax recoverable		976,784	142,003
Fixed deposits placed with licensed banks		4,271,224	13,486,240
Cash and bank balances		7,685,303	11,407,540
		<u>50,221,573</u>	<u>58,149,819</u>
<b>TOTAL ASSETS</b>		<u>101,459,223</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		18,977,571	22,495,536
Treasury Shares		(5,090)	-
		<u>88,403,589</u>	<u>91,926,644</u>
<b>Minority interest</b>		<u>9,653</u>	<u>9,653</u>
<b>Total equity</b>		<u>88,413,242</u>	<u>91,936,297</u>
<b>Non-current liabilities</b>			
Hire purchase payables	B9	88,894	92,131
Bank borrowing	B9	3,248,259	3,248,259
Deferred taxation		497,457	497,457
		<u>3,834,610</u>	<u>3,837,847</u>
<b>Current liabilities</b>			
Trade payables		1,680,937	2,197,127
Other payables		7,329,086	7,572,950
Hire purchase payables	B9	33,314	130,203
Bank borrowings	B9	168,034	6,507,840
		<u>9,211,371</u>	<u>16,408,120</u>
<b>Total liabilities</b>		<u>13,045,981</u>	<u>20,245,967</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>101,459,223</u>	<u>112,182,264</u>
Number of ordinary shares		138,862,215	138,862,215
NA per share (sen)		63.66	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 THIRD QUARTER ENDED 30 SEPTEMBER 2008**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	<b>CUMULATIVE QUARTER</b>	<b>PRECEDING YEAR</b>
	<b>CURRENT</b>	<b>CORRESPONDING</b>
	<b>YEAR</b>	<b>QUARTER</b>
	<b>QUARTER</b>	<b>QUARTER</b>
	<b>30.09.2008</b>	<b>30.09.2007</b>
	<b>RM</b>	<b>RM</b>
<b>Cash Flows From Operating Activities</b>		
(Loss)/ Profit before taxation	(2,286,601)	3,655,302
Adjustment for:		
Reversal of doubtful debts	(55,028)	(416,093)
Depreciation of property, plant & equipment	6,234,440	5,481,189
Loss on disposal of property, plant & equipment	16,751	-
Property, plant & equipments written off	19,342	-
Interest income	(266,019)	(386,907)
Interest expenses	132,908	368,222
Reserve on consolidation written off	-	(25,423)
Gain on disposal of associated companies	-	(2,261,252)
Share of profit in associated companies	-	(261,447)
Operating profit before working capital changes	<u>3,795,793</u>	<u>6,153,591</u>
(Increase)/Decrease in working capital		
Inventories	(10,979,689)	(3,279,044)
Trade and other receivables	5,166,672	2,259,110
Trade and other payables	(760,054)	(3,390,536)
	<u>(6,573,071)</u>	<u>(4,410,470)</u>
Cash (used in)/ generated from operations	(2,777,278)	1,743,121
Interest received	266,019	386,907
Interest paid	(132,908)	(368,222)
Tax paid	(82,527)	(103,286)
Exchange fluctuation adjustment	(442,281)	222,201
	<u>(391,697)</u>	<u>137,600</u>
Net cash (used in)/ generated from operating activities	(3,168,975)	1,880,721
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(4,933,958)	(3,549,119)
Proceeds from disposal of property, plant & equipment	1,458,219	-
Proceeds from disposal of associated company	-	7,030,000
Purchase of Company's own shares	(5,090)	-
Proceeds from disposal of marketable securities	591,685	16,259
Net cash outflow from acquisition of subsidiary companies	-	(316,606)
Net cash (used in)/ generated from investing activities	<u>(2,889,144)</u>	<u>3,180,534</u>
<b>Cash Flows From Financing activities</b>		
Proceeds from issue of shares	-	656,647
Drawdown of hire purchase	-	296,006
Repayment of hire purchase payables	(100,126)	(83,433)
Repayment of borrowings	(6,339,806)	(642,621)
Decrease of fixed deposit pledge	1,726,338	-
Dividend paid to shareholders	(439,202)	(629,576)
Net cash used in financing activities	<u>(5,152,796)</u>	<u>(402,977)</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(11,210,915)	4,658,278
<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 period</b>	<u>10,856,527</u>	<u>21,771,122</u>
<b>Cash and cash equivalents at end of period comprises:</b>		
Cash and bank balances	7,685,303	6,934,663
Fixed deposits placed with licensed banks	4,271,224	18,344,387
	<u>11,956,527</u>	<u>25,279,050</u>
Less: Fixed deposits pledged to licensed banks	(1,100,000)	(3,507,928)
	<u>10,856,527</u>	<u>21,771,122</u>

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



**GH SYSTEMS BERHAD**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008**

**THE FIGURES HAVE NOT BEEN AUDITED**

	Share Capital RM	Foreign Exchange Reserves RM	Share Premium RM	ESOS Reserves RM	Retained Profits RM	Treasury Shares 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	-	222,201	-	-	-	-	222,201	-	222,201
Issue of shares pursuant to ESOS	656,647	-	-	-	-	-	656,647	-	656,647
Bonus Issue	6,295,717	-	-	-	(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 September 2007	69,431,108	242,535	-	343,967	24,447,757	-	94,465,366	36	94,465,402
At 1 January 2008	69,431,108	241,943	-	576,521	21,677,072	-	91,926,644	9,653	91,936,297
Transfer of reserve arising from expired of ESOS	-	-	576,521	(576,521)	-	-	-	-	-
Reclassification of ESOS reserves expired on 5/9/2008	-	-	(349,846)	-	-	-	(349,846)	-	(349,846)
Foreign exchange differences, representing net income not recognised in income statement	-	(442,281)	-	-	-	-	(442,281)	-	(442,281)
Dividend	-	-	-	-	(439,202)	-	(439,202)	-	(439,202)
Treasury Shares	-	-	-	-	-	(5,090)	(5,090)	-	(5,090)
Net loss for the financial period	-	-	-	-	(2,286,636)	-	(2,286,636)	-	(2,286,636)
At 30 September 2008	69,431,108	(200,338)	226,675	-	18,951,234	(5,090)	88,403,589	9,653	88,413,242

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