



GHL SYSTEMS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2010
THE FIGURES HAVE NOT BEEN AUDITED

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/06/2010	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2009	CURRENT YEAR TO DATE 30/06/2010	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2009
		RM	RM	RM	RM
Revenue	A8	13,009,033	13,089,090	26,246,238	23,608,149
Cost of sales		(4,111,005)	(3,902,527)	(6,643,525)	(5,592,811)
Gross profit		8,898,028	9,186,563	19,602,713	18,015,338
Other income		288,792	6,563	749,585	522,958
Administration expenses		(10,412,488)	(10,600,561)	(20,166,534)	(21,960,711)
Distribution costs		(1,219,691)	(890,389)	(2,203,112)	(1,783,033)
Other expenses		(152,101)	(128,583)	(358,195)	(264,161)
Finance cost		(41,075)	(26,978)	(93,061)	(62,789)
Loss before taxation		(2,638,535)	(2,453,385)	(2,468,604)	(5,532,398)
Income tax expense		(3,401)	47,041	(3,401)	(41,195)
Loss for the period		(2,641,936)	(2,406,344)	(2,472,005)	(5,573,593)
Attributable to:					
Equity holders of the parent		(2,641,936)	(2,406,344)	(2,472,005)	(5,573,593)
Minority interest		-	-	-	-
		(2,641,936)	(2,406,344)	(2,472,005)	(5,573,593)
Weighted average number of ordinary shares in issue		147,678,350	144,968,352	146,560,257	145,205,258
Nominal value per share		RM 0.50	RM 0.50	RM 0.50	RM 0.50
Loss Per Ordinary Share					
- Basic (sen)	B13	(1.79)	(1.66)	(1.69)	(3.84)
- Diluted (sen)	B13	(1.79)	(1.66)	(1.69)	(3.84)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with Audited Financial Statements for the financial year ended 31 December 2009)



GHL SYSTEMS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2010
THE FIGURES HAVE NOT BEEN AUDITED

	Note	AS AT CURRENT YEAR QUARTER 30/06/2010 RM	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2009 (Audited) RM
ASSETS			
Non-current assets			
Property, plant and equipment		47,992,653	52,316,781
Prepaid lease payments		1,551,135	1,559,343
Goodwill on consolidation		1,913,105	1,913,105
		<u>51,456,893</u>	<u>55,789,229</u>
Current assets			
Inventories		7,276,620	6,319,727
Trade receivables		10,143,842	13,990,646
Other receivables		7,443,747	5,467,023
Tax recoverable		345,993	147,062
Fixed deposits placed with licensed banks		3,152,476	1,959,470
Cash and bank balances		9,185,658	12,773,273
		<u>37,548,336</u>	<u>40,657,201</u>
TOTAL ASSETS		<u>89,005,229</u>	<u>96,446,430</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		72,901,050	69,431,108
Reserves		779,676	7,160,485
Treasury Shares		(824)	(824)
Total equity		<u>73,679,902</u>	<u>76,590,769</u>
Non-current liabilities			
Hire purchase payables	B9	311,821	17,931
Bank borrowing	B9	2,663,600	2,880,770
Deferred taxation		503,559	503,559
		<u>3,478,980</u>	<u>3,402,260</u>
Current liabilities			
Trade payables		2,125,601	5,225,757
Other payables		8,945,264	11,033,537
Hire purchase payables	B9	512,917	17,544
Bank borrowings	B9	262,565	176,563
		<u>11,846,347</u>	<u>16,453,401</u>
Total liabilities		<u>15,325,327</u>	<u>19,855,661</u>
TOTAL EQUITY AND LIABILITIES		<u>89,005,229</u>	<u>96,446,430</u>
Number of ordinary shares		145,802,100	138,862,215
NA per share (sen)		50.53	55.16

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with Audited Financial Statements for the financial year ended 31 December 2009)



GH SYSTEMS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2010
THE FIGURES HAVE NOT BEEN AUDITED

	Share Capital RM	Foreign Exchange Reserves RM	ESOS Reserve RM	Treasury Shares RM	Retained Profits RM	Total Shareholders' Equity RM
At 1 January 2009	69,431,108	(1,256,993)	-	(4,467)	15,083,429	83,253,077
Foreign exchange differences, representing net income not recognised in income statement	-	700,699	-	-	-	700,699
Treasury Shares	-	-	-	(207,851)	-	(207,851)
Net loss for the financial period	-	-	-	-	(5,573,593)	(5,573,593)
At 30 June 2009	<u>69,431,108</u>	<u>(556,294)</u>	<u>-</u>	<u>(212,318)</u>	<u>9,509,836</u>	<u>78,172,332</u>
At 1 January 2010	69,431,108	(749,850)	35,364	(824)	7,874,971	76,590,769
Foreign exchange differences, representing net loss not recognised in income statement	-	(438,862)	-	-	-	(438,862)
Bonus Issue	3,469,942	-	-	-	(3,469,942)	-
Net loss for the financial period	-	-	-	-	(2,472,005)	(2,472,005)
At 30 June 2010	<u>72,901,050</u>	<u>(1,188,712)</u>	<u>35,364</u>	<u>(824)</u>	<u>1,933,024</u>	<u>73,679,902</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with Audited Financial Statements for the financial year ended 31 December 2009)



GH SYSTEMS BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2010
THE FIGURES HAVE NOT BEEN AUDITED

	CUMULATIVE QUARTER	PRECEDING YEAR
	CURRENT	CORRESPONDING
	YEAR	QUARTER
	QUARTER	QUARTER
	30/06/2010	30/06/2009
	RM	RM
Cash Flows From Operating Activities		
Loss before taxation	(2,468,604)	(5,532,398)
Adjustment for:		
Bad debt written off	1,538,113	-
Depreciation of property, plant & equipment	4,886,652	6,164,672
(Gain)/Loss on disposal of property, plant & equipment	(206,224)	12,280
Interest income	(72,781)	(67,837)
Interest expenses	93,061	62,789
Unrealised gain on foreign exchange	(240,905)	-
Inventories recovery	(64,795)	-
Gain on disposal of other investment	(17,461)	-
Reversal of allowance for doubtful debts no longer required	(1,177,014)	-
Property, plant & equipments written back	(128)	-
Property, plant & equipments written off	-	22,943
Operating profit before working capital changes	<u>2,269,914</u>	<u>662,449</u>
 (Increase)/Decrease in working capital		
Inventories	(892,098)	(237,834)
Trade and other receivables	2,536,084	(8,051,960)
Trade and other payables	(5,188,429)	7,976,058
	<u>(3,544,443)</u>	<u>(313,736)</u>
Cash (used in)/generated from operations	(1,274,529)	348,713
 Interest paid	(93,061)	(62,789)
Interest received	72,781	67,837
Tax (paid)/refund	(202,332)	198,443
Exchange fluctuation adjustment	(438,862)	700,699
	<u>(661,474)</u>	<u>904,190</u>
Net cash (used in)/generated from operating activities	(1,936,003)	1,252,903
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(652,502)	(2,246,438)
Proceeds from disposal of property, plant & equipment	264,038	779,168
Proceeds from disposal of others investment	17,461	-
Purchase of Company's own shares	-	(207,851)
Net cash used in investing activities	<u>(371,003)</u>	<u>(1,675,121)</u>
Cash Flows From Financing activities		
Repayment of hire purchase payables	(210,737)	(40,074)
Repayment of borrowings	(131,168)	(589,970)
Decrease of fixed deposit pledge	3,519	289,751
Net cash used in financing activities	<u>(338,386)</u>	<u>(340,292)</u>
Net decrease in cash and cash equivalents	(2,645,392)	(762,510)
Cash and cash equivalents at beginning of financial period	<u>13,616,367</u>	<u>11,149,286</u>
Cash and cash equivalents at end of financial period	<u>10,970,975</u>	<u>10,386,776</u>
 Cash and cash equivalents at end of period comprises:		
Cash and bank balances	9,185,658	6,731,473
Fixed deposits placed with licensed banks	3,152,476	4,724,718
	<u>12,338,134</u>	<u>11,456,191</u>
Less: Fixed deposits pledged to licensed banks	(1,367,159)	(1,069,416)
	<u>10,970,975</u>	<u>10,386,775</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with Audited Financial Statements for the year ended 31 December 2009)