GHL SYSTEMS BERHAD
(Company No: 293040-D)

Part A: Explanatory notes on consolidated results for the third quarter ended 30 September 2012

A1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting in Malaysia and with IAS 34, Interim Financial Reporting, and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2011. The consolidated financial statements of the Group as at and for the year ended 31 December 2011 were prepared in accordance with Financial Reporting Standards (FRS).

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. The transition to MFRS framework does not have any financial impact to the financial statements of the Group.

The Group has adopted the following MFRS and Amendments to MFRS during the current period:

MFRS 124	Related Party Disclosures
MFRS 139	Financial Instruments: Recognition and Measurement
Amendments to MFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to MFRS 7	Disclosures – Transfers of Financial Assets
Amendments to MFRS 112	Deferred Tax: Recovery of Underlying Assets
Amendments to FRS 9	Mandatory effective Date of FRS 9 and Transition Disclosures

The adoption is mainly to help clarify the requirements of or provide further explanations to existing MFRS and has no financial impact to the Group.

A2. Audited Report

The audited report for the annual financial statements of the Group for the financial year ended 31 December 2011 was not subject to any audit 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 affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual of their nature, size or incidence.

A5. Changes in estimates

There were no changes in the estimates of amount reported in the prior 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

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter under review.

A7. Dividend Paid

There were no dividends paid during the quarter under review.

A8. Segmental Reporting

The Group has three reportable segments for continuing operations, as described below, which are the Group's strategic business units. The strategic business units offer different geographical locations and are managed separately.

The following summary describes the geographical locations units in each of the Group's reportable segments:

(a) Malaysia
(b) Philippines
(c) Thailand

The core revenue of the Group comprises; Shared Services, Solutions Services and Transaction Payment Acquisition. The activities within each of these core businesses are explained below:-

Shared Services comprises mainly revenue derived from the provision of support and other outsourced sales services to banks and merchants. The principal activities comprise; EDC terminal rental and maintenance, sale of EDC terminals, and the production of Credit/Debit, ATM and loyalty cards for banks and merchants.

Solution Services comprises mainly revenue derived from the provision of value-added services to merchants and banks. The principal activities comprise; network device and software sales and rentals in respect of payment network solutions, consumer loyalty products, prepaid solutions, internet payment solutions and the development of various special purposes, back-end merchant applications.

Transaction Payment Acquisition ("TPA") comprises mainly revenue derived from credit card/e-debit transaction payment services to merchants under the "Affiliation Programmes".

Performance is measured based on core businesses revenue and geographical profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Core businesses revenue and geographical profit are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Quarter - 30 September	Malaysia		Philippines		Thailand		Adjustment and Elimination		Consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE										
External Sales										
Shared Services	8,148	7,688	1,483	2,604	1,048	474	-	-	10,679	10,766
Solution Services	1,924	6,565	934	-	98	-	-	-	2,956	6,565
Transaction Payment Acquisition	619	539	351	232	2	-	-	-	972	771
Inter-segment sales	3,564	4,440	-	10	-	342	(3,564)	(4,792)	-	-
	14,255	**19,232**	**2,768**	**2,846**	**1,148**	**816**	**(3,564)**	**(4,792)**	**14,607**	**18,102**
RESULTS										
Segment profit/(loss)	**1,368**	**1,831**	**324**	**(612)**	**64**	**(416)**	**(795)**	**12**	**961**	**815**
Interest income									68	46
Interest expense									(48)	(63)
Profit/loss before taxation									**981**	**798**
Taxation									(75)	-
Net profit/(loss) for the period									**906**	**798**

Cumulative - 30 September	Malaysia		Philippines		Thailand		Adjustment and Elimination		Consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE										
External Sales										
Shared Services	22,108	24,103	4,416	6,695	2,669	3,035	-	-	29,193	33,833
Solution Services	4,834	10,464	2,033	193	330	61	-	-	7,197	10,718
Transaction Payment Acquisition	1,703	1,519	895	837	8	-	-	-	2,606	2,356
Inter-segment sales	11,561	13,255	-	10	-	851	(11,561)	(14,116)	-	-
	40,206	**49,341**	**7,344**	**7,735**	**3,007**	**3,947**	**(11,561)**	**(14,116)**	**38,996**	**46,907**
RESULTS										
Segment profit/(loss)	**3,014**	**3,048**	**686**	**(392)**	**101**	**(921)**	**(521)**	**(77)**	**3,280**	**1,658**
Interest income									221	128
Interest expense									(141)	(151)
Profit/loss before taxation									**3,360**	**1,635**
Taxation									(75)	-
Net profit/(loss) for the period									**3,285**	**1,635**

A9. Valuation of Property, Plant and Equipment

There were no changes or amendments to the valuation of property, plant and equipment brought forward.

A10. Material Events Subsequent to Balance Sheet Date

There were no material events subsequent to the end of the balance sheet date that have not been reflected in this report other than the followings:

a) On 1 November 2012, a total of 1,000,000 new ordinary shares of RM0.50 each were allotted and issued pursuant to the Company's Employee Share Option Scheme. The scheme has since expired on 2 November 2012.

b) On 7 November 2012, the Company acquired One (1) ordinary share of RM1.00 each in the share of GHL Loyalty Sdn Bhd at a nominal cash consideration of RM1.00. Subsequent to the acquisition, GHL Loyalty became a wholly owned subsidiary of the Company. GHL Loyalty was incorporated on 19 October 2012 under the Companies Act, 1965 with the issue paid up capital of RM2.00 comprising of two (2) ordinary shares of RM1.00 each.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial year to date under review other than the followings:

a) On 12 April 2012, GHL Asia Pacific Ltd ("GHLAPL"), entered into a Share Sales Agreement ("SSA") with HK New Huang PU Finance Holdings Limited ("HKNHPUF") for the divestment of 1,560,000 ordinary shares of HKD1.00 each, representing 100% of the paid-up capital of its wholly owned subsidiary, GHL (China) Company Limited ("GHLCL") for a total cash consideration of HK10.00.

The results of the divestment to discontinued operations in China are as follows:

Results of discontinued operations

	3 months ended 30 Sept		**6 months ended 30 Sept**	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	-	717	417	4,504
Cost of Sales	-	(22)	(164)	(1,379)
Profit/(Loss) from operations	-	695	253	3,125
Other operating income	-	10	6	21
Payroll expenses	-	(576)	(376)	(1,562)
Administration expenses	-	(495)	715	(1,218)
Distribution expenses	-	(55)	(29)	(257)
Other operating expenses	-	73	-	(53)
Operating profit	-	(348)	569	56
Depreciation	-	(342)	(217)	(927)
Finance costs	-	-	-	-
Profit/(Loss) before tax	-	(690)	352	(871)
Income taxation	-	-	-	-
Profit/(Loss) for the period	-	**(690)**	**352**	**(871)**

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A11. Changes in the Composition of the Group (continued)

a) Cash flow of discontinued operations

	30.09.2012 RM'000
Net liabilities arising from Disposal of GHL (China) Co. Ltd	(620)
Gain on disposals	620
Cash considerations	-
Less: cash and cash equivalent disposed off	(203)
Net cash inflow from disposal of subsidiaries	(203)

b) On 20 July 2012, GHL Asia Pacific Ltd incorporated a wholly own subsidiary in Australia namely GHL Systems Australia Pty Ltd ("GSAPL"). The paid-up share capital of GSAPL is AUD100,000.00 divided into 100,000 shares of AUD1.00 each.

c) On 8 August 2012, GHLSYS Singapore Pte. Ltd. ("GHLSYS Singapore"), a dormant wholly-owned subsidiary of GHL Asia Pacific Ltd. had been struck off from the register of Registrar of Companies and Businesses, Singapore pursuant to Section 344(2) of the Singapore Companies Act.

GHLSYS Singapore was incorporated in Singapore on 23 June 2005 with SG1.00 issued and fully paid up capital comprising 1 ordinary shares of SG1.00. GHLSYS Singapore had not been involved in any business activity since its incorporation.

d) On 17 August 2012, PaymentOne Singapore Pte. Ltd. ("PaymentOne"), a dormant wholly-owned subsidiary of GHL Asia Pacific Ltd. had been struck off from the register of Registrar of Companies and Businesses, Singapore Companies Act (Cap 50) ("the Striking Off").

PayementOne was incorporated in Singapore on 17 April 2006 with SG10,000.00 issued and fully paid up capital comprising 10,000 ordinary shares of SG1.00. PaymentOne had not been involved in any business activity since its incorporation.

e) On 14 September 2012, PaymentOne (HK) Pte Limited ("PaymentOne HK"),a dormant wholly owned subsidiary of GHL Asia Pacific Ltd. had been struck off from the Companies Registry, Hong Kong pursuant to Section 219AA(9) of the Companies Ordinance.

PaymentOne HK was incorporated in Hong Kong on 2 June 2006, with HK10,000.00 comprising ten thousand (10,000) ordinary shares of HK1.00. PaymentOne HK has not been involved in any business activity since its incorporation.

f) On 21 September 2012, GHL Thailand Co Ltd, a 99.99% subsidiary of GHL Asia Pacific Ltd. had completed the acquisition of 10,000 ordinary shares of THB100 each fully paid up in the capital of Conscious Object Development Co. Ltd. ("COD") representing 100% of the equity interest in COD from Mr Warrapot Hirunpiwong, Mr Yuttakit Kirunpiwong and Madam Pensri Sarakum at a total cost of acquisition of up to approximately RM895,000.

A12. Contingent Liabilities

The Group does not have any contingent liabilities as at the date of this report other than the following:

(a)	Banker's guarantee in favour of third parties	**RM'000**
	- Secured	326

A13. Capital commitment

The amount of capital commitment for purchase property, plant and equipment not provided for as at 30 September 2012 are as follows:

	RM'000
Approved but not contracted for	3,181

A14. Significant related party transactions

Significant related party transactions for the current quarter under review are as follows:

Related Party:	**Current Year Quarter 30/09/2012 RM'000**	**Preceding Year Corresponding Quarter 30/09/2011 RM'000**	**Current Year To Date 30/09/2012 RM'000**	**Preceding Year Corresponding Period 30/09/2011 RM'000**
^ Supply of EuroPay-MasterCard-Visa chip-based cards and/or data preparation and personalisation of chip-based cards; supply of computer hardware and software; sales of payment solutions; sales and rental of EDC terminals and other related services by the GHL Group to e-pay (M) Sdn Bhd ("e-pay") *	1,223	1,083	2,322	1,919
# Purchase of EuroPay-MasterCard-Visa chip-based cards and/or data preparation and personalisation of chip-based cards; purchase of computer hardware and software; sales of payment solutions; sales and rental of EDC terminals and other related services by the GHL Group from Microtree Sdn Bhd ("Microtree") *	-	-	151	-

^ *Loh Wee Hian, GHL Systems Berhad Executive Vice Chairman and a major shareholder, has an indirect interest in e-pay (M) Sdn Bhd through his 61.60% shareholding in e-pay Asia Limited, the holding company of e-pay (M) Sdn Bhd. He is currently also the Deputy Chairman of e-pay (M) Sdn Bhd as well as the Executive Chairman and CEO of e-pay Asia Limited.*

Goh Kuan Ho, GHL Systems Berhad Non Executive Director and a substantial shareholder, is currently General Manager of Microtree Sdn Bhd.

* *The Board of Directors is of the opinion that all the transaction above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transaction with unrelated parties.*

PART B: ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

Q3 2012 VS Q3 2011 - Profit After Tax (Continuing operations)

The Group's 3Q profit after tax (PAT) for the quarter ended 30 September 2012 was RM0.9 million, an increase of RM0.1 million (14% yoy) compared to the corresponding quarter, Q3 2011..

The improvement in 3Q12 profitability was due to efficient cost controls which saw expenses reductions in payroll (-11%), administrative expenses (-33%) and depreciation (-26%). The quarterly gross profit margin also improved from 63% to 72% in 3Q12 due to a better revenue mix of recurring annuity revenues.

Q3 2012 VS Q3 2011 - Segment Revenue
Continuing operations

The Group's total 3Q 2012 revenue declined 19% to RM14.6 million (2011- RM18.1) million due to lower solution services and shared services sales but was and offset by an increased in transaction payment acquisition sales. Since the beginning of the 1Q12, the group has been striving towards changing its revenue mix from non-annuity hardware and card sales to recurring annuity revenue of rental and maintenance of EDC terminals and transaction payment acquisition.

Shared Services Overall 3Q12 revenue declined slightly to RM10.7 million (2011- RM10.8 million). This was due to lower outright EDC terminals sales and cards sales of RM0.9 million which was offset by higher rental and maintenance revenue of RM0.8 million.

Solution Services Revenue decreased by RM3.6 million to RM2.9 million (2011- RM6.5 million). The Malaysia segment recorded lower revenues of RM4.6 million but was offset by higher revenues in the Philippines and Thailand arising from hardware, software and maintenance revenues within the solutions services business segment.

Transaction Payments Acquisition ("TPA") which comprises of transaction payment processing increased by RM0.2 million (26%) to RM1 million (2011- RM0.8 million) driven by higher acceptance of electronic payment in the region.

Q3 2012 VS Q3 2011 - Revenue & Result by Country
Continuing operations

Malaysia revenue for 3Q12 was RM10.7 million (2011- RM14.8 million), a decline of 28%. This was mainly due to lower solutions services revenues of RM4.6 million. There was an increase of RM0.5 million shared services arising mainly from higher rental and maintenance of EDC terminals. TPA recorded marginal increase in revenue of RM0.1 million. Overall, Malaysia segment profits dropped marginally by RM0.5 million driven by lower sales.

B1. **Review of Performance (continued)**

3Q12 revenue from the Philippines maintained at RM2.8 million (2011- RM2.8 million). A decrease of RM1.1 million revenue from shared services (reduction in EDC terminals outright sales of RM1.4 million) was offset by higher revenues from solutions services of RM1.0 million and TPA of RM0.1 million. The change of revenue mix from EDC terminal sales to solutions services and TPA improved margins and resulted in segment profits of RM0.3 million from a loss of RM0.6 million in 2011.

Thailand 3Q12 revenue increased by RM0.6 million to RM1.1 million (2011- RM0.5 million) due to an increase in shared services revenue of RM0.5 million and solutions services revenue of RM0.1 million. With the improved revenue, Thailand's 3Q12 operations also turned around from a loss of RM0.4 million in 2011 to a breakeven position in 2012.

Cumulative 9 months 2012 VS 9 months 2011 - Profit After Tax (PAT) (Continuing operations)

The Group's PAT for the cumulative 9 months ended 30 September 2012 was RM3.3 million, an increase of 101% compared to the corresponding cumulative 3Q11 of RM1.6 million.

The higher PAT resulted from a change in the revenue mix, more efficient cost management and the exit from loss making operations in China.

Cumulative 9 month 2012 VS 9 months 2011
Segment Revenue - Continuing operations

The Group's cumulative 3Q12 revenue reduced by 16.8% to RM39.0 million (2011- RM46.9 million). The reduction was mainly caused by lower outright sales of EDC terminals and cards, both within the shared services and solutions services business.

Shared Services Overall revenue reduced by RM4.6 million (14%) to RM29.2 million (2011- RM33.8 million). The reduction was due to lower outright sales of EDC terminals and cards of RM6.2 million. However, maintenance and rental of EDC terminals revenues increased by RM1.5 million. This is consistent with the Group's strategy of focusing on building recurring annuity revenue streams instead of outright sales of EDC terminals.

Solutions Services Total revenue reduced by RM3.5 million (33%) to RM7.2 million (2011- RM10.7 million). Malaysia sales reduced by RM5.6 million, but sales from the Philippines and Thailand both increased by RM2.1 million.

Transaction Payments Acquisition ("TPA") Overall revenue increased by 11% to RM2.6 million (2011- RM2.3 million). There has been consistent uptrend of TPA revenue underpinned by higher merchant acquisition rates and better market acceptance of electronic payment in ASEAN.

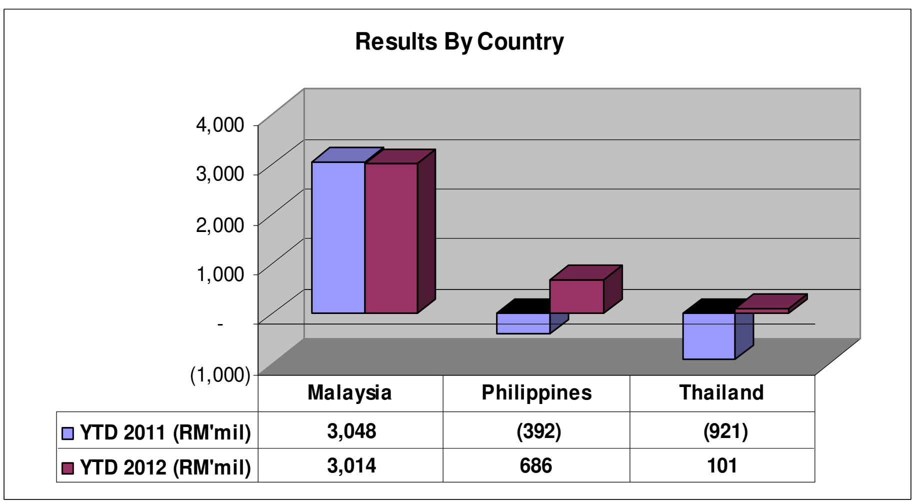
B1. Review of Performance (continued)

<u>Cumulative 9 months 2012 VS 9 months 2011</u>
<u>Revenue & Result by Country - Continuing operations</u>

Malaysia's revenue for cumulative 9 months 2012 was RM28.6 million, a reduction of 21% from 2011 of RM36.1 million. The reduction was due to a reduction in outright EDC terminals and cards sales and solutions services sales. Malaysia's segment profits remain unchanged at RM3 million (2011- RM3 million) despite a decline in revenue because of the change in revenue mix and margin improvement.

The Philippines' revenue reduced marginally by 5% from RM7.7 million to RM7.3 million. The reduction was caused by lower outright EDC terminals sales (RM3.3 million) offset by increased of RM1.1 million in shared services rental and maintenance revenues and an encouraging RM1.8 million increased in solutions services revenues. The Philippines' profits, however, increased by 275% (RM1.1 million), turning around from losses to profit principally due to improved profit margins from solutions services sales and recurring annuity revenue in shared services.

Thailand's revenue marginally reduced by RM0.1 million (2.9%) from RM3.1 million to RM3 million due to lower outright sales of EDC terminals within the shared services business but offset by improved in solutions services sales by RM0.3 million. The company continues to focus in changing its revenue from hardware sales to recurring annuity revenue of EDC terminal rental. Thailand also turned around from a loss of RM0.9 million in 2011 to a small profit in 2012. The improvement in results was mainly driven by cost rationalization and the change in its revenue mix.



* The chart excludes China operation as it has been disposed.

B2. **Current Year's Prospects**

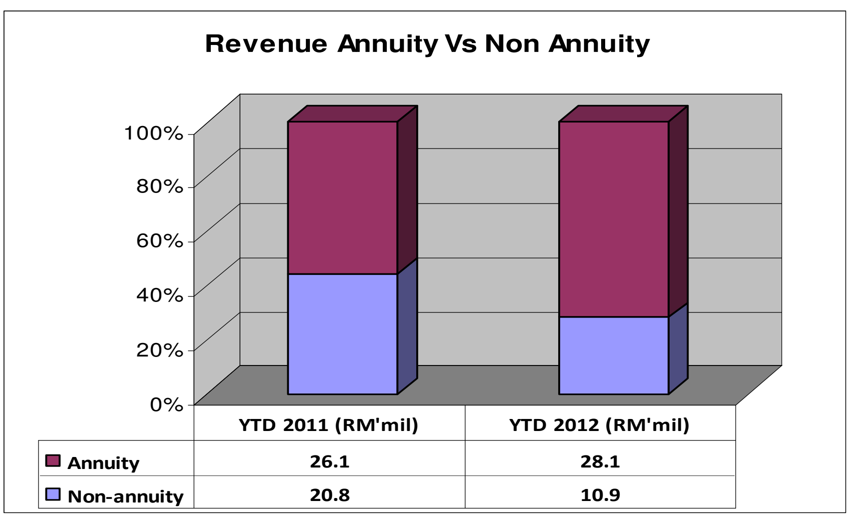
The Group continues to grow its businesses with the aim of becoming the leading electronic payment solution provider in ASEAN that offers a full spectrum of solutions comprising merchant acquisition, installation of hardware and infrastructure, and provision of software services.

In respect of shared services, the Group is focusing on building strong and sustainable annuity revenue through rental and maintenance of EDC terminals in order to reduce the dependency on less predictable outright hardware and card sales. The Board remains committed to expand the necessary sales resources to increase merchant acquisition rates and the terminal base.

In respect of solutions services, the Group is presently enhancing its existing software and hardware capabilities and features to cater for new market segments. Whilst no significant growth is anticipated this year, the benefits are expected to be reaped in 2013 and beyond.

In respect of the TPA business, the Group is investing significantly in hiring new talent and setting up regional offices in Malaysia in order to scale up merchant acquisition rates. The TPA segment has been registering double digit growth over the past few years and this is expected to continue into the future.

Despite lower revenue recorded in cumulative 9 months of 2012, the financial performance of the Group has improved significantly compared to the same period last year. This was simply due to the change in the revenue mix, better cost control and the exit of loss making operations in China.



* The chart excludes China operation as it has been disposed.

B3. Profit forecast and Profit guarantee

The Company has not issued any profit forecast or profit guarantee for the current year.

B4. Profit before Taxation- Continuing Operations

	Current Quarter 30/09/2012 RM'000	Preceding Year Corresponding Quarter 30/09/2011 RM'000	Current Year To Date 30/09/2012 RM'000	Preceding Year Corresponding Period 30/09/2011 RM'000
Bad debts written off	-	40	2	40
Depreciation of property, plant and equipment	1,445	1,945	4,115	7,589
Fixed assets written back	-	(1)	-	(4)
Fixed assets written off	-	-	1	1
(Gain)/Loss on disposal of fixed assets	9	304	8	535
Gain on disposal of investment in subsidiary	-	-	(620)	-
Impairment loss on receivables	210	822	210	822
Inventories reversal	-	-	-	(59)
Interest income	(68)	(46)	(221)	(128)
Income expenses	48	63	141	151
Realised (gain)/loss on foreign exchange	82	5	341	101
Reversal of allowance for doubtful debts	3	(1,128)	(212)	(1,581)
Unrealised (gain)/loss on foreign exchange	(13)	(116)	(161)	(301)

B5. Taxation

	Current Quarter 30/09/2012 RM'000	Preceding Year Corresponding Quarter 30/09/2011 RM'000	Current Year To Date 30/09/2012 RM'000	Preceding Year Corresponding Period 30/09/2011 RM'000
Tax expenses	75	-	75	-

The Group's tax rate is disproportionate to the statutory tax rate due to unabsorbed tax loss and unutilised tax allowances and deferred tax benefits of certain companies within the Group.

B6. Profit on Sale of Unquoted Investment and/or Properties

There was no disposal of unquoted investment or properties during the financial quarter under review.

B7. Purchase and Disposal of Quoted Securities

There was no purchase or disposal of quoted securities during the financial quarter under review.

B8. Status of Corporate Proposals

There were no corporate proposals announced and not completed as at the date of this report other than the followings:

On 12 November 2012, AmInvestment Bank Berhad ("AmInvestment Bank") on behalf of the Board of Directors of the Company announced that GHL proposes to undertake the following proposals:-

(i) Proposed capital reduction of the issued and paid-up share capital of GHL pursuant to Section 64(1) of the Companies Act, 1965 ("Act"), involving the cancellation of RM0.30 of the par value of every existing ordinary share of RM0.50 each in GHL ("Share(s)") ("Proposed Capital Reduction");

(ii) Proposed renounceable rights issue of up to [36.35 million] new ordinary shares of RM0.20 each ("Rights Shares") on the basis of one (1) Right Share for every four (4) GHL Shares held after the Proposed Capital Reduction on an entitlement date to be determined later ("Entitlement Date") ("Proposed Rights Issue");

(iii) Proposed exemption under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Over and Mergers 2010 ("Code") to Mr. Loh Wee Hian and Ms Teo Kwee Hwa from the obligation to extend a mandatory take-over offer for the remaining GHL Shares not already held by them which may arise pursuant to the Rights Issue ("Proposed Exemption");

(iv) Proposed establishment of an executives' share scheme up to fifteen percent (15%) of the issued and paid-up share capital of the Company (excluding treasury shares) at any point in time ("Proposed Executives' Share Scheme");

(v) Proposed increase in GHL's authorised share capital from RM100.00 million comprising 200.00 million GHL Shares to RM500.00 million comprising 2.5 billion GHL Shares ("Proposed Increase in Authorised Share Capital"); and

(vi) Proposed amendments to the Memorandum and Articles of Association ("M&A") of GHL ("Proposed Amendments");

B9. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 30 September 2012 are as follows:-

(a) **Bank Borrowings**

	Total Secured Term Loan RM'000
Repayable within twelve months	392
Repayable more than twelve months	1,957
	2,349

The secured term loan from a local financial institution is to finance the purchase of three (3) units of 4 ½ storey shop offices. The term loan bears an interest of 5.0% per annum ("p.a.") on monthly rest for the first three (3) years and thereafter Base Lending Rate ("BLR") + 0.60% p.a. and is repayable over fifteen (15) years. The loan is expected to be fully repaid by year 2019. The term loan interest rate was revised at BLR + 0.00% p.a. based on letter dated 21 December 2007. Subsequently, the term loan interest rate was revised at BLR – 1.00% p.a. based on letter dated 23 February 2010 and 26 April 2010. The BLR as at 30 September 2012 is 6.60% p.a. The Group's banking facilities are secured by pledging of fixed deposits to the financial institution and pledging of the aforementioned three (3) units of the 4½ storey shop offices. The portion of the bank borrowings due within one (1) year is classified as current liabilities.
The Group does not have any foreign currency denominated bank borrowings as at 30 September 2012.

B9. Group Borrowings and Debt Securities (continued)

(b) **Hire Purchase**

	Total Hire Purchase RM
Repayable within twelve months	833
Repayable more than twelve months	1,000
	1,833

The hire purchase payables of the Group as at 30 September 2012 are for the Group's motor vehicles and EDC equipment. The portion of the hire purchase due within one (1) year is classified as current liabilities.

B10. Realised and Unrealised Profits/ (Losses)

	Current Quarter As at 30/09/2012	**Immediate Preceding Quarter As at 31/12/2011 (Audited)**
Total accumulated losses of the Company and subsidiaries:-	**RM'000**	**RM'000**
- Realised	(43,905)	(54,849)
- Unrealised	161	38
	(43,744)	(54,811)
Less: Consolidation adjustment	11,561	18,991
Total group retained	**(32,183)**	**(35,820)**

B11. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

B12. Material Litigation

As at the date of this report, the Group is not engaged in any material litigation, claims, arbitration or prosecution, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group, other than the following:-

(a) As disclosed in our 2011 annual report, claims had been made by Privilege Investment Holdings Pte Ltd ("Privilege") against several GHL group companies for alleged breach of contract and other legal obligations in relation to a Shareholders Agreement that was signed between GHL International Sdn Bhd, GHLSYS Singapore Pte Ltd and Privilege in 2005 ("Shareholders Agreement"). The abovementioned parties mutually agreed to terminate the Shareholders Agreement via a termination agreement in 2006. Since then, the matter has yet to proceed to Court. The Board of Directors is of the opinion that the allegations are unfounded and that the company will vigorously defend its position if required to do so.

B13. **Dividend Proposed**

There was no dividend declared during the quarter under review.

B14. **Earnings Per Share**

a) Basic earnings per share
The basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the financial period and excluding the treasury shares held by the Company.

b) Diluted earnings per share
For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity holders of the parent and weighted average number of ordinary shares in issue during the period and excluding treasury shares held by the Company.

Basic		Current Quarter 30/09/2012	Preceding Year Corresponding Quarter 30/09/2011	Current Year To Date 30/09/2012	Preceding Year Corresponding Period 30/09/2011
Net profit attributable to equity holders of the parent	(RM'000)	906	108	3,637	764
Weighted average number of ordinary shares in issue and issuable	(Unit'000)	144,386	142,280	144,386	142,280
Basic earnings per share	(Sen)	0.63	0.08	2.52	0.54

Diluted		Current Quarter 30/09/2012	Preceding Year Corresponding Quarter 30/09/2011	Current Year To Date 30/09/2012	Preceding Year Corresponding Period 30/09/2011
Net profit attributable to equity holders of the parent	(RM'000)	906	108	4,657	764
*Weighted average number of ordinary shares in issue and issuable	(Unit'000)	144,386	142,280	144,386	142,280
Diluted profit per share	(Sen)	0.63	0.08	2.52	0.54

* The number of shares exercised under ESOS was not taken into account in the computation of diluted earnings per share because the effect on the basic earnings per share is antidilutive.