



GHL SYSTEMS BERHAD

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

THE FIGURES HAVE NOT BEEN AUDITED

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30/06/2014 RM'000	30/06/2013 RM'000	30/06/2014 RM'000	30/06/2013 RM'000
Revenue *	A8	45,301	16,255	70,060	33,722
Cost of sales *		(27,387)	(6,137)	(39,367)	(13,439)
Gross profit		17,914	10,118	30,693	20,283
Other operating income		1,370	138	2,290	274
Payroll expenses		(9,265)	(6,047)	(16,802)	(11,346)
Administration expenses		(3,330)	(1,310)	(6,128)	(3,016)
Distribution costs		(1,018)	(559)	(1,765)	(1,055)
Other expenses		(498)	(123)	(654)	(225)
Profit before interest, taxation, amortisation & depreciation		5,173	2,217	7,634	4,915
Depreciation expenses		(1,131)	(720)	(2,017)	(1,364)
Finance cost		(468)	(46)	(562)	(97)
Share of results of associated companies		(17)	-	49	-
Profit before taxation		3,557	1,451	5,104	3,454
Income tax expense		(514)	104	(521)	104
Profit for the period		3,043	1,555	4,583	3,558
Attributable to:					
Owners of the Company		3,044	1,573	4,587	3,583
Non-controlling interest		(1)	(18)	(4)	(25)
		3,043	1,555	4,583	3,558
Weighted average number of ordinary shares in issue-Basic		420,805	145,386	336,778	145,386
Weighted average number of ordinary shares in issue-Diluted		428,317	145,386	344,290	145,386
Nominal value per share		RM 0.20	RM 0.20	RM 0.20	RM 0.20
Earnings Per Ordinary Share					
- Basic (sen)	B15	0.72	1.08	1.36	2.46
- Diluted (sen)	B15	0.71	1.08	1.33	2.46
Profit for the period		3,043	1,555	4,583	3,558
Other comprehensive income, net of tax					
Foreign currency translation differences		(128)	(762)	(45)	(190)
Total comprehensive income for the period		2,915	793	4,538	3,368
Total comprehensive income attributable to:					
Owners of the Company		2,916	811	4,542	3,393
Non-controlling interest		(1)	(18)	(4)	(25)
		2,915	793	4,538	3,368

Note: * Comparatives have been presented to conform with current year presentation.

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with Audited Financial Statements for the financial year ended 31 December 2013)



GHL SYSTEMS BERHAD

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

THE FIGURES HAVE NOT BEEN AUDITED

<u>Note</u>	AS AT CURRENT YEAR QUARTER 30/06/2014 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2013 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	36,315	32,807
Goodwill on consolidation	51,520	-
Intangible assets	4,297	4,219
Other investment	8,122	-
Deferred tax assets	2,463	2,443
	102,717	39,469
Current assets		
Inventories	37,215	6,596
Trade receivables	14,052	12,406
Other receivables	12,832	1,752
Tax recoverable	2,569	646
Fixed deposits placed with licensed banks	37,871	117
Cash and bank balances	34,976	13,980
	139,515	35,497
TOTAL ASSETS	242,232	74,966
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	84,381	37,077
Reserves	79,418	19,789
Treasury Shares	(638)	(638)
Equity attributable to equity holders of the parent	163,161	56,228
Non controlling interest	(114)	(117)
Total equity	163,047	56,111
Non-current liabilities		
Hire purchase payables	B9 1,691	366
Bank borrowing	B9 15,824	-
Deferred tax liability	1,167	295
Deferred income	-	3,175
	18,682	3,836
Current liabilities		
Trade payables	11,410	1,489
Other payables	24,446	10,641
Deferred income	35	1,849
Hire purchase payables	B9 745	608
Bank borrowings	B9 23,867	-
Tax payable	-	432
	60,503	15,019
Total liabilities	79,185	18,855
TOTAL EQUITY AND LIABILITIES	242,232	74,966
Number of ordinary shares	420,492	183,971
Net assets per share (sen)	38.80	30.56

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with Audited Financial Statements for the financial year ended 31 December 2013)



GHL SYSTEMS BERHAD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

THE FIGURES HAVE NOT BEEN AUDITED

	Share Capital RM'000	Share Premium RM'000	Exchange Translation Reserve RM'000	Share Options Reserve RM'000	Treasury Shares RM'000	Retained Profits / (Accumulated Losses) RM'000	Total Attributable To Owners Of The Parent RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 January 2013	73,401	-	(516)	-	(638)	(30,936)	41,311	(18)	41,293
Issuance of ordinary shares	(44,041)	-	-	-	-	44,041	-	-	-
Total comprehensive income for the year	-	-	(190)	-	-	3,583	3,393	(25)	3,368
At 30 June 2013	29,360	-	(706)	-	(638)	16,688	44,704	(43)	44,661
At 1 January 2014	37,077	1,990	(1,215)	646	(638)	18,368	56,228	(117)	56,111
Share swap to acquire a subsidiary	30,120	36,145	-	-	-	-	66,265	-	66,265
Issuance of ordinary shares	16,825	18,508	-	-	-	-	35,333	-	35,333
Issuance of ordinary shares pursuant to ESS	359	251	-	-	-	-	610	-	610
Share option granted under ESS	-	-	-	183	-	-	183	-	183
Total comprehensive income for the year	-	-	(45)	-	-	4,587	4,542	(4)	4,538
Forex exchange differences	-	-	-	-	-	-	-	7	7
At 30 June 2014	84,381	56,894	(1,260)	829	(638)	22,955	163,161	(114)	163,047

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with Audited Financial Statements for the financial year ended 31 December 2013)



GHL SYSTEMS BERHAD

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

THE FIGURES HAVE NOT BEEN AUDITED

	CURRENT YEAR TO DATE 30/06/2014 RM'000	PRECEDING YEAR CURRENT YEAR TO DATE 30/06/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,104	3,454
Adjustment for:-		
Amortisation of development cost	595	-
Bad debts written-off	3	-
ESOS expenses	-	-
Depreciation of property, plant and equipment	5,161	3,991
Impairment loss on receivables	40	-
Interest expense	562	97
Interest income	(216)	(81)
Inventories written back	(41)	-
Loss/(Gain) on disposal of property, plant and equipment	40	(1)
Reversal of impairment on trade receivables	(94)	(70)
Share options granted under ESS	183	-
Share of gain from an associate	(49)	-
Unrealised gain on foreign exchange	(867)	(60)
Operating profit before working capital changes	<u>10,421</u>	<u>7,330</u>
(Increase)/Decrease in working capital		
Inventories	(4,595)	87
Trade and other receivables	5,101	328
Trade and other payables	(1,375)	(1,261)
Advance receipt from deferred income	(4,989)	-
	<u>(5,858)</u>	<u>(846)</u>
Cash generated from operations	4,563	6,484
Interest received	216	81
Interest paid	(562)	(97)
Tax paid	(1,094)	(357)
	<u>(1,440)</u>	<u>(373)</u>
Net cash from operating activities	<u>3,123</u>	<u>6,111</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(501)	(6,587)
Proceeds from disposal of property, plant and equipment	314	25
Addition in intangible assets	(617)	(1,188)
Acquisition of subsidiary for cash, net cash acquired	19,069	-
Net cash used in investing activities	<u>18,265</u>	<u>(7,750)</u>
Cash Flows From Financing Activities		
Proceeds from issuance of shares	35,942	-
(Increase)/Decrease in fixed deposits pledged	(5,576)	964
Increase in cash at bank pledged	-	(2,926)
Drawdown of hire purchase	1,536	200
Repayment of hire purchase payables	(601)	(464)
Drawdown of bank borrowings	2,229	-
Repayment of bank borrowings	(2,161)	(589)
Net cash used in financing activities	<u>31,369</u>	<u>(2,815)</u>
Net increase/(decrease) in cash and cash equivalents	52,757	(4,454)
Effect of exchange rate fluctuation	417	(244)
Cash and cash equivalents at beginning of the finance period	13,997	15,459
Cash and cash equivalents at end of the finance period	<u>67,171</u>	<u>10,761</u>

Cash and cash equivalents at end of the finance year:-		
Cash and bank balances	34,976	13,408
Fixed deposits with licensed banks	37,871	850
	<u>72,847</u>	<u>14,258</u>
Less: Fixed deposits pledged to licensed banks	(5,676)	(571)
Less: Cash at bank pledged to licensed banks	-	(2,926)
	<u>67,171</u>	<u>10,761</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with Audited Financial Statements for the financial year ended 31 December 2013)