



GHL SYSTEMS BERHAD
(Company No: 293040-D)

Part A: Explanatory notes on consolidated results for the fourth quarter ended 31 December 2014

A1. Basis of Preparation

The interim financial report has been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2013.

The significant accounting policies and methods of computation applied in the interim financial report are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2013.

The Group has not applied in advance the following MFRSs, Amendments to MFRSs and IC Interpretations that have been issued by MASB but not yet effective for the current interim financial report:

MFRSs/ IC Interpretation	Effective Date
Define Benefit Plans: Employee Contributions (Amendments to MFRS 119)	1 July 2014
Amendments to MFRSs Annual Improvements 2010 – 2012 Cycle	1 July 2014
Amendments to MFRSs Annual Improvements 2010 – 2013 Cycle	1 July 2014
Mandatory Effective Date of MFRS 9 and Transition Disclosure	Deferred
MRFS 9 Financial Instruments (2009)	Deferred
MRFS 9 Financial Instruments (2010)	Deferred
MRFS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 9, MFRS 7, and MRFS 139)	Deferred

The Directors anticipate that the adoption of the abovementioned standards and interpretations, when they become effective, are not expected to have material impact on the financial statements of the Group in the in the period of initial application.

A2. Audit Report

The audited report for the annual financial statements of the Group for the financial year ended 31 December 2013 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 and financial year to date ended 31 December 2014, 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 financial year that have a material effect on the results of the Group for the current quarter and year to date ended 31 December 2014.

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 for the current quarter and year to date ended 31 December 2014 other than the followings:

On 16 January 2014, GHL Systems Berhad issued 180,000 new ordinary shares of RM0.20 each under the Executives Share Option at an issue price of RM0.34.

On 17 February 2014, GHL Systems Berhad issued 10,000 new ordinary shares of RM0.20 each under the Executives Share Option at an issue price of RM0.34.

On 3 March 2014, GHL Systems Berhad issued 146,203,468 new ordinary shares of RM0.20 each at an issue price of RM0.44 for share swap to acquire e-pay Asia Limited

On 20 March 2014, GHL Systems Berhad issued 328,300 new ordinary shares of RM0.20 each under the Executives Share Option at an issue price of RM0.34.

On 20 March 2014, GHL Systems Berhad issued 82,945,080 new ordinary shares of RM0.20 each to Cycas at an issue price of RM0.42 per share.

On 20 March 2014, GHL Systems Berhad issued 3,229,864 new ordinary shares of RM0.20 each at an issue price of RM0.44 for share swap to acquire e-pay Asia Limited.

On 16 April 2014, GHL Systems Berhad issued 1,168,951 new ordinary shares of RM0.20 each at an issue price of RM0.44 for share swap to acquire e-pay Asia Limited.

On 16 April 2014, GHL Systems Berhad issued 1,181,778 new ordinary shares of RM0.20 each to Cycas at an issue price of RM0.42 per share.

On 16 April 2014, GHL Systems Berhad issued 613,000 new ordinary shares of RM0.20 each under the Executives Share Option at an issue price of RM0.34.

On 19 May 2014, GHL Systems Berhad issued 660,200 new ordinary shares of RM0.20 each under the Executives Share Option at an issue price of RM0.34.

On 16 July 2014, GHL Systems Berhad issued 849,000 new ordinary shares of RM0.20 each under the Executives Share Option at an issue price of RM0.34.

On 17 September 2014, GHL Systems Berhad issued 1,832,100 new ordinary shares of RM0.20 each under the Executives Share Option at an issue price of RM0.34.

On 16 October 2014, GHL Systems Berhad issued 3,329,500 new ordinary shares of RM0.20 each under the Executives Share Option at an issue price of RM0.34.

On 16 October 2014, GHL Systems Berhad issued 3,329,500 new ordinary shares of RM0.20 each under the Executives Share Option at an issue price of RM0.34.

On 28 October 2014, GHL Systems Berhad has completed the renounceable bonus issue of 213,250,001 new ordinary shares of RM0.20 each on the basis of one (1) bonus share for every two (2) existing shares held.



On 17 November 2014, GHL Systems Berhad issued 389,400 new ordinary shares of RM0.20 each under the Executives Share Option at an issue price of RM0.34.

On 16 December 2014, GHL Systems Berhad issued 32,000 new ordinary shares of RM0.20 each under the Executives Share Option at an issue price of RM0.227.

A7. Dividend Paid

There were no dividends paid for the current quarter and year to date ended 31 December 2014.

A8. Segmental Reporting

The Group has four 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
- (d) Australia

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

Shared Services comprises mainly revenue derived from the sales, rental and maintenance of EDC terminals and other card acceptance devices and the supply of cards to banks and other payment operators.

Solution Services comprises mainly revenue derived from the sales and services of payment solutions which include network devices and related software, outsourced payment networks, management/processing of payment and loyalty cards, internet payment processing, and the development of card management systems.

Transaction Payment Acquisition ("TPA") comprises revenue derived from directly contracting with merchants to accept payment and loyalty cards, prepaid top-up, bill collection services and conduct other payment services.

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 are the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.



Quarter - 31 December	Malaysia		Philippines		Thailand		Australia		Adjustment and Elimination		Consolidated	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
REVENUE												
External Sales												
Shared Services	5,068	5,406	3,414	3,117	1,578	799	-	-	-	-	10,060	9,322
Solution Services	1,148	1,490	1,207	357	88	786	463	122	-	-	2,906	2,755
Transaction Payment Acquisition	35,364	3,093	954	835	334	196	-	-	-	-	36,652	4,124
Inter-segment sales	4,348	4,186	-	-	-	-	-	-	(4,348)	(4,186)	-	-
	45,928	14,175	5,575	4,309	2,000	1,781	463	122	(4,348)	(4,186)	49,618	16,201
RESULTS												
Segment results	3,979	(2,716)	1,152	452	(1,276)	(574)	(38)	(308)	(239)	838	3,578	(2,308)
Interest income											301	69
Interest expense											(503)	(9)
Profit before taxation											3,376	(2,248)
Taxation											(3,057)	1,848
Net profit for the period											319	(400)

Cumulative - 31 December	Malaysia		Philippines		Thailand		Australia		Adjustment and Elimination		Consolidated	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
REVENUE												
External Sales												
Shared Services	17,910	24,373	12,853	12,133	4,477	3,434	-	-	-	-	35,240	39,940
Solution Services	5,988	7,807	2,462	2,011	700	1,582	1,391	442	-	-	10,541	11,842
Transaction Payment Acquisition	115,039	12,074	3,577	2,669	1,021	649	-	-	-	-	119,637	15,392
Inter-segment sales	16,392	15,216	-	-	-	-	-	-	(16,392)	(15,216)	-	-
	155,329	59,470	18,892	16,813	6,198	5,665	1,391	442	(16,392)	(15,216)	165,418	67,174
RESULTS												
Segment results	11,677	1,713	3,199	2,829	(1,839)	(1,004)	(105)	(912)	(554)	595	12,378	3,221
Interest income											645	215
Interest expense											(1,571)	(156)
Profit before taxation											11,452	3,280
Taxation											(4,789)	1,885
Net profit for the period											6,663	5,165



A9. Valuation of Property, Plant and Equipment

There were no changes or amendments to the valuation of property, plant and equipment from the previous annual financial statements.

A10. Material Subsequent Events

There were no material events subsequent to 31 December 2014 of the balance sheet date that have not been reflected in this report other than the followings:

On 16 January 2015, GHL Systems Berhad issued 920,000 new ordinary shares of RM0.20 each under the Executives Share Option at an issue price of RM0.227.

A11. Changes in the Composition of the Group

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

On 21 February 2014, the Group had controlling interest of 96.75% of e-pay Asia Limited ("EPY") shares. Subsequently, on 16 April 2014, the acquisition was completed and EPY had become a wholly-owned subsidiary of GHL Systems Berhad following the listing of the final tranche of the new issue shares.

A12. Contingent Liabilities

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

(a) Banker's guarantee in favour of third parties	RM'000
- Secured	33,783
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A13. Capital Commitment

The amount of capital commitment for purchase property, plant and equipment not provided for as at 31 December 2014 are as follows:

Approved but not contracted for	RM'000
	1,073
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A14. Significant Related Party Transactions

Significant related party transactions for the current quarter and year to date under review are as follows:

Related Party:	Current Year Quarter 31/12/2014 RM'000	Preceding Year Corresponding Quarter 31/12/2013 RM'000	Current Year To Date 31/12/2014 RM'000	Preceding Year Corresponding Period 31/12/2013 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") *	-	643	309	1,680
# 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") *	65	173	464	342
@ Office rental paid to Telemas Corporation Sdn Bhd ("Telemas") *	99	-	323	-

^ GHL Systems Berhad Executive Vice Chairman and is a major shareholder Loh Wee Hian has an indirect interest in e-pay (M) Sdn Bhd through his 61.60% shareholding in e-pay Asia Limited("EPY"), the holding company of e-pay (M) Sdn Bhd. He is currently also the Executive Director of e-pay (M) Sdn Bhd as well as the Executive Chairman and CEO of e-pay Asia Limited. On 21 February 2014, GHL had controlling interest of 96.75% of EPY shares. Subsequently, on 16 April 2014, the acquisition was completed and EPY had become a wholly-owned subsidiary of GHL Systems Berhad. As a subsidiary of the Group, the related party transaction will be eliminated at the Group consolidation.

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

@ Mr Loh Wee Hian also has direct interest in Telemas Corporation 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

Performance of current quarter (4Q 2014) vs corresponding quarter (4Q 2013) by segment

GHL group's turnover grew strongly by +206.3% yoy to RM49.6 million as compared to RM16.2 million for the corresponding period in 2013. Pre-tax profits also grew strongly to RM3.4 million as compared to the loss before tax of RM2.2 million in 4Q13. 4Q14 net profits however, amounted to RM0.3 million (4Q13 loss of RM0.4 million) principally due to higher tax charges, interest paid and impairment of trade receivables, inventories and intangible assets. The group saw quarter on quarter growth in all of its three divisions; Shared Services (7.9%), Solution Services (5.5%) and TPA (788.5%). The group's balance sheet remains robust with a net cash position of RM4.6 million (2013 RM13.1 million).

The performance of the individual divisions are as follows.

Shared Services

Shared Services revenue grew by +7.9% in 4Q14 to RM10.1 million (4Q13 RM9.3 million). This was principally due to higher EDC hardware sales in 4Q14 offset by lower card sales and marginally lower maintenance fees collected.

Solution Services

Solution Services revenue grew by +5.5% in 4Q14 to RM2.9 million (4Q13 RM2.8 million). This was as the result of higher software sales in the Philippines during this quarter. Hardware sales for solutions services however, was down yoy but overall, the division still recorded a small improvement.

Transaction Payment Acquisition (TPA)

TPA revenue grew by +788.5% in 4Q14 to RM36.7 million (4Q13 RM4.1 million). This was principally due to incremental revenue from e-pay Asia Limited which was not consolidated in 4Q13, having being acquired in 1Q14. All three markets Malaysia, Thailand and Philippines showed TPA revenue improvements this quarter.

Performance of current quarter (4Q 2014) vs corresponding quarter (4Q 2013) by geographical segment

4Q 2014 revenue was up +206.3% yoy with growth being recorded in all the group's regional markets namely; Malaysia, Thailand Australia and Philippines. In terms of profit after tax, both Malaysia and Philippines remain the key contributors whereas the Thai operations recorded an EBIT loss of RM1.3 million for this quarter due to debt and inventory impairment provisions. Australia broke-even this quarter, having recorded revenues from a maintenance project amounting to RM0.5 million. Group 4Q14 pre-tax profit amounted to RM3.4 million as compared to RM2.2 million pre-tax loss in 4Q 2013.

Malaysian operations accounted for 83.8% of the group's revenues mostly due to TPA revenues derived from e-pay's operations. Excluding TPA, Malaysia's revenues from both Shared Services and Solution Services were however down yoy. Shared Services were down due to lower Rental



B1. Review of Performance (continued)

and maintenance fees collected as banks exited low volume merchants but this was partly offset by higher hardware sales in 4Q14. Card sales within Shared Services was also lower in 4Q 2014. The decreases in card sales and rental and maintenance income were offset by increases in TPA revenue which grew 10 fold.

Philippine operations was the second largest contributor, accounting for 11.2% of 4Q 2014 group revenues. Revenues in 4Q14 grew +29.4% yoy to RM5.7 million (4Q 2013 RM4.3 million) principally due to increases in revenue rental and maintenance of EDC terminals (+9.3% yoy growth) as well as higher software sales in the Solution Services segment. Philippines is also laying the ground work to further expand its TPA business and has signed an agreement this quarter with Omnipay Inc. , a local bank and a Telco company to operate as a TPA.

Thailand operations 4Q14 revenue increased +12.3% yoy to RM2.0 million (4Q 2013 RM1.8 million) principally due to an increase in EDC terminal sales. The business environment remains weak due to the uncertain political situation and deferment of payment infrastructure investment. TPA revenues from the tie up with Thanachart Bank and Bangkok Bank in 3Q14 saw a small improvement in revenues in 4Q14 to RM0.3 million (4Q13 – RM0.2 million). We continue to manage our resource deployment in Thailand cautiously pending a return to a more conducive business environment.

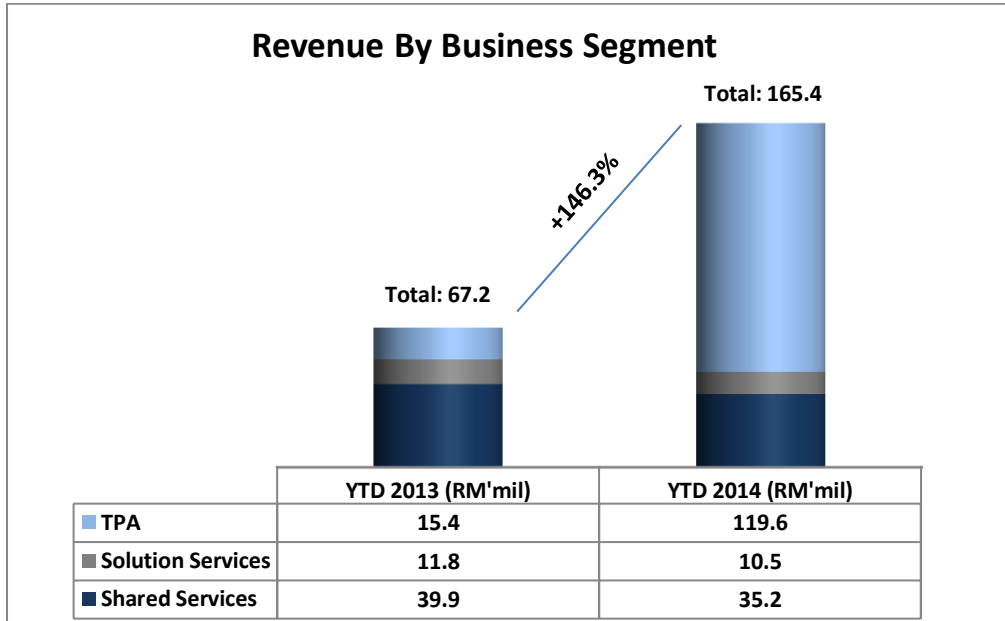
The group's Australian operations recorded 4Q14 revenues of RM0.5 million (4Q13 RM0.1 million) principally due to maintenance projects in Australia within its Solution Service division. There are no Shared Services and TPA revenues recorded by our Australian operations.

Performance of year to date 2014 vs corresponding period 2013 by segment

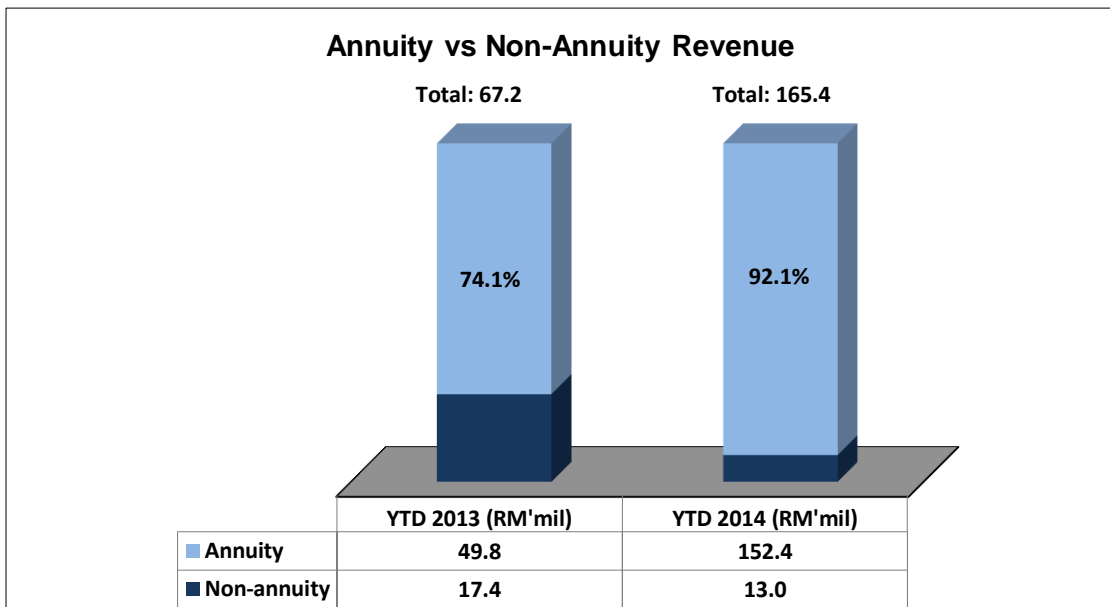
GHL group's performance in 2014 showed a significant improvement mostly due to TPA revenue derived from its e-pay subsidiary, consolidated from March 2014 onwards. Group turnover grew +146.3% yoy to RM165.4 million (2013 RM67.2 million. Pre-tax profits grew 249.1% to RM11.5 million as compared to RM3.3 million a year ago and 2014 pre-tax margins were 6.9%, an improvement over 2013's pretax margins of 4.9%.

The net profit after tax grew +29.0% yoy to RM6.7 million (2013 – RM5.2m). Net profit grew less rapidly than turnover due higher taxation charges in 2014 (minimal in 2013) as well as higher costs incurred in gearing up for the launch of TPA in Malaysia, Thailand and Philippines. Taxation charges have increased as the group has utilised past business tax losses due to its profitability.

B1. Review of Performance (continued)



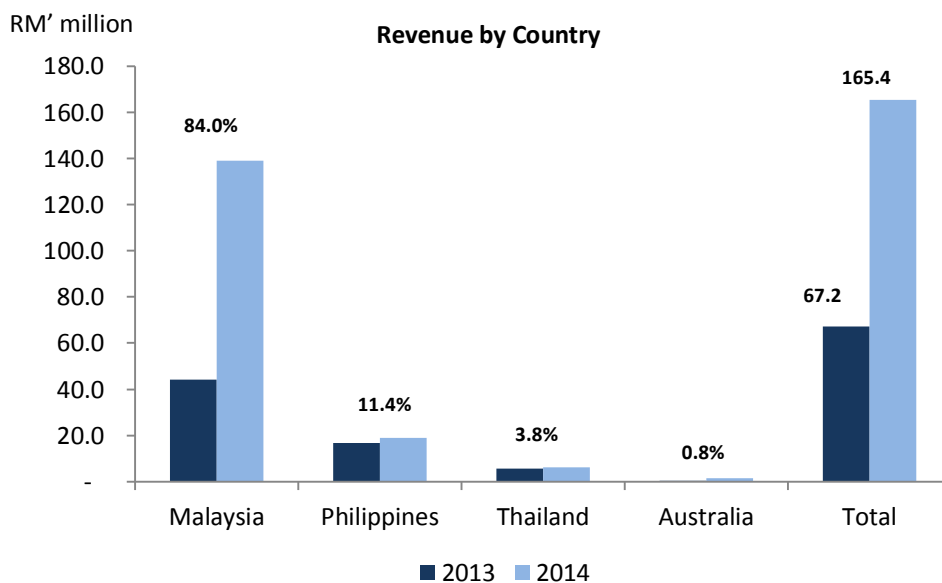
Shared Services and Solution Services were both marginally lower yoy as maintenance fees and hardware and card sales in 2014 were lower compared to the same period last year.



The acquisition of e-pay has caused the group's annuity based revenues to increase significantly to 92.1% as compared to 74.1% previously. GHL's group's strategy to address one-off project sales only opportunistically has resulted in almost all revenues now being earned on a recurring basis. Once commencement of TPA gathers momentum in all 3 geographical markets, these annuity revenues will grow even stronger.

B1. Review of Performance (continued)

Performance of year to date 2014 vs corresponding period 2013 by country



Group turnover grew +146.3% yoy to RM165.4 million (2013 RM67.2 million). Pre-tax profits grew 249.1% to RM11.5 million as compared to RM3.3 million a year ago and 2014 pre-tax margins increased to 6.9%, an improvement over 2013's pre-tax margins of 4.9%.

Malaysian operations contributed 84.0% (2013 65.9%) of group turnover and this increase was principally due to the consolidation of e-pay's revenues from March 2014 onwards. At the EBIT margin level, Malaysian operations achieved 8.1% in 2014 an improvement from the 3.9% in 2013.

Philippines turnover grew 12.4% yoy to RM19.0 million (2013 RM16.8 million) and similarly, EBIT margins improved marginally from 16.8% in 2013 to 16.9% in 2014. The margin improvement resulted from stronger growth in rental and maintenance revenues as well as transaction fees earned from TPA activities.

Thailand recorded modest topline revenue growth of 9.4% despite the challenging market conditions and political environment. 2014 revenues grew to RM6.2 million (2013 RM5.7 million) but EBIT turned negative with losses before interest of RM1.8 million compared to RM1.0 million loss in 2013.

Australia remains the smallest contributor to group revenue at RM1.4 million or 0.8% of group turnover. 2014 saw turnover grow from RM0.4 million in 2013 to RM1.4 million in 2014 which resulted in a small EBIT loss of RM0.1 million compared to losses of RM0.9 million in the previous year.



B2. Current Year's Prospects (FY2015)

The Group ended 2014 and started 2015 on an up-swing as it inked several TPA tie-ups in quick succession. In 4Q2014, GHL signed TPA agreements with Omnipay, Inc, a local bank and a Telco in the Philippines. In January 2015, the group signed TPA agreements with Global Payments in Malaysia and in February 2015, signed a TPA agreement with Amanah Ikhtiar Malaysia (AIM) to collect loan repayments using e-debit. These agreements follow on from the initial TPA agreement signed with Thanachart Bank in Thailand in 2Q2014 and the launch of e-ghl, the group's online payment gateway as a TPA, also in 2Q2014.

e-pay acquisition in 1Q2014 jump started GHL group's TPA business in 2014, this revenue stream is not predicated on the acceptance of international credit and debit cards. Rather, e-pay's TPA revenue is primarily derived from Telco top-up and bill collection services through direct contracts between e-pay and the Telcos and merchants. GHL's objective all along has been to extend these TPA activities to include the acceptance of international credit and domestic debit cards by entering into TPA agreements as mentioned in the paragraph above.

GHL is presently in the process of integrating its back-end systems to the various banks in order to implement its TPA agreements to accept international credit cards. In one case, in the Philippines we are also awaiting central bank approval before we can proceed. The bulk of the effort in 2015 will therefore be directed towards the full implementation of our TPA initiative in both Malaysia as well as the Philippines. From a timing perspective, it will be likely that the first TPA merchants will be on-boarded sometime in 2Q2015 and larger numbers of merchants recruited towards the 3rd and 4th quarter of 2015. GHL group will start reporting information on the number of merchants acquired from the 2nd quarter so that stakeholders can track our progress.

The TPA initiative is imperative to GHL group's strategy and 2015 will be a significant turning point for the group. This initiative will not only enable us to enter into the smaller merchant market, which is relatively unserved, but will also enable us to cross-sell e-pay's products, thereby delivering a greater value proposition to merchants. TPA will also position GHL as a major merchant acquirer within the ASEAN region.

The Group continues to invest in the infrastructure and development of the sales and underlying risk and operations systems resources to implement GHL's TPA business regionally. This investment in people and systems will increase temporary overheads before sales momentum is achieved and the results are reflected in the group's bottom line

The group's proposed bonus issue of (1:2) went ex on 28th October 2014 and has caused the group's paid up share capital to increase to 641.2 million shares.

Given the above, GHL Group expects 2015 prospects to remain positive.

B3. Profit Forecast and Profit Guarantee

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

B4. Profit Before Taxation

	Current Quarter 31/12/2014 RM'000	Preceding Year Corresponding Quarter 31/12/2013 RM'000	Current Year To Date 31/12/2014 RM'000	Preceding Year Corresponding Period 31/12/2013 RM'000
Amortisation of intangible asset	274	802	1,097	802
Bad debts written off	83	-	86	4
Depreciation of property, plant and equipment	3,483	1,538	11,127	7,666
Fixed assets (written back)/written Off	(1)	173	(1)	144
(Gain)/Loss on foreign exchange				
- Realised	(89)	(2)	(117)	(605)
- Unrealised	(75)	(185)	(396)	(221)
(Gain)/Loss on disposal of fixed assets	8	(6)	49	(12)
Gain on disposal of investment	(17)	-	(93)	-
Gross dividends received from:				
- Shares quoted in Malaysia	-	-	(36)	-
Impairment loss on receivables	827	143	927	143
Impairment loss on goodwill	(40,979)	-	(40,979)	
Interest income	(301)	(69)	(645)	(215)
Interest expenses	503	9	1,571	156
Inventory written off	941	159	900	159
Rental expenses	391	293	1,744	1,152
Reversal of allowance for doubtful debts	(87)	(57)	(181)	(160)
Share based payment	962	869	962	869

B5. Taxation

	Current Quarter 31/12/2014 RM'000	Preceding Year Corresponding Quarter 31/12/2013 RM'000	Current Year To Date 31/12/2014 RM'000	Preceding Year Corresponding Period 31/12/2013 RM'000
Current tax expenses based on profit for the financial year:				
Malaysian income tax	(2,129)	(1,912)	(3,191)	(2,014)
Foreign income tax	(820)	(10)	(1,364)	(24)
	(2,949)	(1,922)	(4,555)	(2,038)
Over/(under) provision in prior years	(108)	-	(234)	153
Total	(3,057)	(1,922)	(4,789)	(1,885)



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 for the current quarter and year to date ended 31 December 2014.

B7. Purchase and Disposal of Quoted Securities

There was no purchase or disposal of quoted securities for current quarter and year to date ended 31 December 2014.

B8. Status of Corporate Proposals

- (a) There were no corporate proposals announced and not completed as at the date of this report.
- (b) On 6 March 2014, GHL raised gross proceeds of RM35.3 million from the proposed subscription of 84,126,858 new ordinary shares pertaining to the Share Subscription Agreement ("SSA") with Cycas, and has utilised approximately 98% of the proceeds as at 31 December 2014.

The gross proceeds raised from the Proposed Subscription are expected to be utilised in the following manner:

Purpose	Proposed utilisation	Actual utilisation	Balance unutilised		Intended time frame for utilisation from listing date
	RM'000	RM'000	RM'000	%	
Cash consideration paid for e-pay Asia Limited acquisition	2,621	2,621	-	-	Utilised
Related acquisition cost	2,000	2,000	-	-	Utilised
<u>Working Capital</u>					
Payroll expenses	21,499	21,499	-	-	Utilised
Administrative expenses	6,142	6,142	-	-	Utilised
Distribution expenses	3,071	3,071	-	-	Utilised
Total	35,333	35,333	-	-	

B9. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 31 December 2014 are as follows:-

(a) Bank Borrowings

	Long-term Borrowings RM'000	Short-term Borrowings RM'000	Total RM'000
Ringgit Malaysia	-	21,000	21,000
Philippine peso	3,177	816	3,993
US dollar	3,497	5,594	9,091
	6,674	27,410	34,084

The Bankers' Acceptance and Commodity Murabahah/Trade Loan are secured by way of:

	2014 RM'000	2013 RM'000
(i) term deposits of the Group	5,576	4,838
(ii) structured investment of the Group	8,000	6,000
(iii) a Corporate Guarantee by parent entity	74,000	64,000
	87,576	74,838

The term loans is secured by way of:

- (i) negative pledge from e-pay (M) Sdn Bhd
- (ii) 60% shares of e-pay (M) Sdn Bhd which currently held by e-pay Asia Limited
- (iii) first party charge over cash deposits by the Company over Escrow Account solely operated by the Bank
- (iv) Undertaking from the Company to assign 100% dividend from the subsidiaries throughout the duration of the Term Loan facilities to the Bank's Escrow Account

(a) Hire Purchase

	Long-term Hire Purchase RM'000	Short-term Hire Purchase RM'000	Total RM'000
Ringgit Malaysia	488	213	701
Philippine peso	4,309	1,620	5,929
	4,797	1,833	6,630

The hire purchase payables of the Group as at 31 December 2014 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 Profit

	As at 31/12/2014	As at 31/12/2013 (Audited)
	RM'000	RM'000
Total retained profit of the Group:-		
- Realised	(53,672)	(58,766)
- Unrealised	804	2,370
	(52,868)	(56,396)
Less: Consolidation adjustment	77,799	74,764
Total group retained	24,931	18,368

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.

B13. Dividend Proposed

There was no dividend declared for the current quarter and year to date ended 31 December 2014.

B14. Memorandum of Understanding

On 12 February 2014, the GHL System Berhad entered into a Memorandum of Understanding ("MOU") with PT. Peruri Digital Security ("PDS") in Jakarta, Indonesia. The objective of the MOU is for the two parties to initiate a cooperation to forge a mutually beneficial and non-exclusive collaborative within one year from the date of signing the MOU in relation to the development and promotion of payment related businesses in Indonesia which includes; micropayment systems, Internet Payment Gateway, payment and loyalty management systems and processing services, smart card and its security technologies and other electronic payment systems.

There were no changes in the status of the above mentioned MOU since the date of the announcement.

B15. Earnings Per Share

a) Basic earnings per share

Basic earnings per ordinary share for the financial period is calculated by dividing the profit for the financial period attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the financial period.

b) Diluted earnings per share

Diluted earnings per ordinary share for the financial period is calculated by dividing the profit for the financial period attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the financial period adjusted for the effects of dilutive potential ordinary shares.

<u>Basic</u>		Current Quarter 31/12/2014	Preceding Year Corresponding Quarter 31/12/2013	Current Year To Date 31/12/2014	Preceding Year Corresponding Period 31/12/2013
Profit attributable to owners of the Company	(RM'000)	402	(343)	6,808	5,264
Weighted average number of ordinary shares in issue and issuable	(Unit'000)	574,009	190,039	431,149	173,782
Basic earnings per share	(Sen)	0.07	(0.18)	1.58	3.03

<u>Diluted</u>		Current Quarter 31/12/2014	Preceding Year Corresponding Quarter 31/12/2013	Current Year To Date 31/12/2014	Preceding Year Corresponding Period 31/12/2013
Profit attributable to owners of the Company	(RM'000)	402	(343)	6,808	5,264
Weighted average number of ordinary shares in issue and issuable	(Unit'000)	583,314	188,260	440,700	175,623
Diluted earnings per share	(Sen)	0.07	(0.18)	1.54	3.00