GHL SYSTEMS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015
THE FIGURES HAVE NOT BEEN AUDITED

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31/12/2015	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2014	CURRENT YEAR TO DATE 31/12/2015	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014
		RM'000	RM'000	RM'000	RM'000
Revenue	A8	56,946	49,133	211,380	164,933
Cost of sales		(34,570)	(30,371)	(128,593)	(97,796)
Gross profit		**22,376**	**18,762**	**82,787**	**67,137**
Other operating income		1,177	1,671	4,287	4,188
Payroll expenses		(9,688)	(8,670)	(40,504)	(34,047)
Administration expenses		(3,505)	(3,161)	(12,808)	(10,462)
Distribution costs		(1,547)	(2,845)	(4,949)	(7,866)
Other expenses		(1,371)	(803)	(4,466)	(1,741)
Profit before interest, taxation, amortisation & depreciation		**7,442**	**4,954**	**24,347**	**17,209**
Depreciation expenses		(1,352)	(1,332)	(5,248)	(4,532)
Finance cost		(714)	(501)	(2,911)	(1,569)
Share of results of associated companies		(10)	(76)	(60)	13
Profit before taxation		5,366	3,045	16,128	11,121
Income tax expense		(2,231)	(3,018)	(5,886)	(4,750)
Profit for the period/year		**3,135**	**27**	**10,242**	**6,371**
Attributable to:					
Owners of the Company		3,189	124	10,339	6,529
Non-controlling interest		(54)	(97)	(97)	(158)
		3,135	**27**	**10,242**	**6,371**
Earnings Per Ordinary Share					
- Basic (sen)	B14	0.49	0.07	1.61	1.19
- Diluted (sen)	B14	0.49	0.07	1.59	1.17
Profit for the period/year		3,135	27	10,242	7,387
Other comprehensive income, net of tax					
Foreign currency translation differences		(1,630)	364	3,006	(41)
Total comprehensive income for the period/year		**1,505**	**391**	**13,248**	**7,346**
Total comprehensive income attributable to:					
Owners of the Company		1,559	488	13,345	7,387
Non-controlling interest		(54)	(97)	(97)	(41)
		1,505	**391**	**13,248**	**7,346**

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with Audited Financial Statements for the financial year ended 31 December 2014)

GHL SYSTEMS BERHAD

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

THE FIGURES HAVE NOT BEEN AUDITED

	Note	AS AT CURRENT YEAR QUARTER 31/12/2015 (Unaudited) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2014 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		56,797	49,449
Goodwill		105,630	105,630
Intangible assets		3,351	3,888
Other investment		8,071	8,087
Deferred tax assets		732	1,263
		174,581	168,317
Current assets			
Inventories		62,782	51,767
Trade receivables		32,192	34,719
Other receivables		33,518	17,250
Current tax assets		2,083	1,289
Fixed deposits placed with licensed banks		7,299	7,102
Cash and bank balances		52,254	38,225
		190,128	150,352
TOTAL ASSETS		364,709	318,669
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		129,969	128,318
Reserves		108,921	94,978
Treasury Shares		(638)	(638)
Equity attributable to equity holders of the parent		238,252	222,658
Non controlling interest		36	133
Total equity		238,288	222,791
Non-current liabilities			
Hire purchase payables	B9	3,259	4,631
Bank borrowing	B9	14,746	6,685
Deferred tax liability		364	370
Deferred income		184	3
		18,553	11,689
Current liabilities			
Trade payables		8,408	16,176
Other payables		66,146	37,429
Deferred income		255	370
Hire purchase payables	B9	2,150	1,752
Bank borrowings	B9	26,358	27,398
Current tax liability		4,551	1,064
		107,868	84,189
Total liabilities		126,421	95,878
TOTAL EQUITY AND LIABILITIES		364,709	318,669
Net assets per share (sen)		36.74	34.78

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with Audited Financial Statements for the financial year ended 31 December 2014)

GHL SYSTEMS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015
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 Earnings RM'000	Total Attributable To Owners Of The Parent RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 January 2014	37,077	1,990	(1,215)	646	(638)	18,368	56,228	(117)	56,111
Additional non-controlling interests arising on business combination	-	-	(17)	-	-	(274)	(291)	291	-
Bonus issue	42,650	(42,650)	-	-	-	-	-	-	-
Acquisition of subsidiaries	30,120	90,361	-	-	-	-	120,481	-	120,481
Issuance of ordinary shares	16,825	18,508	-	-	-	-	35,333	-	35,333
Issuance of ordinary shares pursuant to ESS	1,646	2,139	-	(1,035)	-	-	2,750	-	2,750
ESS forfeited	-	-	-	(29)	-	29	-	-	-
Share issuance expenses	-	(192)	-	-	-	-	(192)	-	(192)
Share options granted under ESS	-	-	-	962	-	-	962	-	962
Total comprehensive income for the year	-	-	-	-	-	6,529	6,529	(158)	6,371
Forex exchange differences	-	-	858	-	-	-	858	117	975
At 31 December 2014	128,318	70,156	(374)	544	(638)	24,652	222,658	133	222,791
At 1 January 2015	128,318	70,156	(374)	544	(638)	24,652	222,658	133	222,791
Issuance of ordinary shares pursuant to ESS	1,651	2,990	-	-	-	-	4,641	-	4,641
ESS lapsed/forfeited	-	-	-	(29)	-	29	-	-	-
Share option granted under ESS	-	-	-	(2,393)	-	-	(2,393)	-	(2,393)
Total comprehensive income for the year	-	-	-	-	-	10,340	10,340	(97)	10,243
Forex exchange differences	-	-	3,006	-	-	-	3,006	-	3,006
At 31 December 2015	129,969	73,146	2,632	(1,878)	(638)	35,021	238,252	36	238,288

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with Audited Financial Statements for the financial year ended 31 December 2014)

GHL SYSTEMS BERHAD

STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

THE FIGURES HAVE NOT BEEN AUDITED

	CURRENT YEAR TO DATE 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,128	11,121
Adjustment for:-		
Amortisation of development cost	1,065	1,194
Amortisation of deferred income	33	(731)
Bad debts written-off	44	86
Depreciation of property, plant and equipment	15,966	10,770
Impairment loss on property, plant and equipment	-	278
Impairment loss on receivables	-	-
Impairment loss on trade and other receivables	1,431	927
Interest expense	2,889	1,432
Interest income	(1,153)	(648)
Inventories written off	340	841
Inventories written back	-	(41)
(Gain) on disposal of available-for-sale investments	-	(76)
(Gain)/loss on disposal of property, plant and equipment	(20)	12
Intangible asset written off	-	853
Property, plant and equipment written-off	748	1
Property, plant and equipment written back	-	(1)
Reversal of impairment on trade receivables	(182)	(184)
Share options granted under ESS	465	962
Share of profit of joint ventures	-	(13)
Share of gain from an associate	60	-
Unrealised loss on foreign exchange	1,323	385
Operating profit before working capital changes	39,137	27,168
(Increase)/Decrease in working capital		
Inventories	(24,895)	(23,753)
Trade and other receivables	(13,226)	(22,946)
Trade and other payables	19,058	12,694
Advance receipt from deferred income	-	373
	(19,063)	(33,632)
Cash generated/(used in) from operations	20,074	(6,464)
Interest received	1,153	648
Interest paid	(2,889)	(1,432)
Tax paid	(2,422)	(2,254)
Tax refund	-	16
	(4,158)	(3,022)
Net cash/ (used in) from operating activities	15,916	(9,486)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(5,647)	(8,574)
Purchase of other investment	(44)	-
Proceeds from disposal of available-for-sale investments	-	1,119
Proceeds from disposal of property , plant and equipment	-	692
Addition in intangible assets	(529)	(1,585)
Acquisition of subsidiary for cash, net cash acquired	-	19,069
Placement in deposits pledged	-	(5,786)
Net cash (used in0/from investing activities	(6,220)	4,935
Cash Flows From Financing Activities		
Proceeds from issuance of shares-special issue	-	35,333
Proceeds from issuance of shares-ESOS	2,048	2,748
Share issuance expenses	-	(192)
Increase in fixed deposits pledged	(888)	-
Repayment of hire purchase payables	(1,964)	(1,852)
Drawdown of term loans	14,576	3,901
Drawdown of bankers' acceptance and Islamic facility	-	3,000
Repayment of bank borrowings	(9,314)	(12,696)
Net cash from financing activities	4,458	30,242
Net increase in cash and cash equivalents	14,154	25,691
Effect of exchange rate fluctuation	(817)	(246)
Cash and cash equivalents at beginning of the finance period	39,442	13,997
Cash and cash equivalents at end of the finance period	52,779	39,442

Cash and cash equivalents at end of the finance year:-		
Cash and bank balances	52,254	38,225
Fixed deposits with licensed banks	7,299	7,103
	59,553	45,328
Less: Fixed deposits pledged to licensed banks	(6,774)	(5,886)
	52,779	39,442

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with Audited Financial Statements for the financial financial year ended 31 December 2014)

GHL SYSTEMS BERHAD
(Company No: 293040-D)

Part A: Explanatory notes on consolidated results for the fourth quarter ended 31 December 2015

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 2014.

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 2014.

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:

Title	**Effective Date**
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101 Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127 Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRSs Annual Improvements to 2012-2015 Cycle	1 January 2016
MFRS 9 Financial Instruments (IFRS as issued by IASB in July 2015)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018

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 2014 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 2015, 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 2015.

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 2015 other than the followings:

a) Issuance of 7,851,700 and 406,000 new ordinary shares of RM0.20 each under the Executives Share Option at an issue price of RM0.227 and RM0.574.

A7. Dividend Paid

There were no dividends paid for the current quarter and year to date ended 31 December 2015.

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 2 distinct components

i) E-pay services which provides Telco prepaid and other top-up facilities and, bill collection services for consumers ("reload and collection services") and

ii) GHL's direct merchant acquiring and card payment services ("card payment services")

Performance is measured based on core businesses revenue and geographical profit before tax and interest, 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.

GHL

Quarter - 31 Dec	Malaysia		Philippines		Thailand		Australia		Adjustment and Elimination		Consolidated	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
REVENUE												
External Sales												
Shared Services	4,571	4,954	4,214	3,414	1,799	1,207	-	-	-	-	10,584	9,575
Solution Services	1,787	1,147	2,950	1,208	204	88	302	463	-	-	5,243	2,906
Transaction Payment Acquisition	39,254	35,363	1,423	955	442	334	-	-	-	-	41,119	36,652
Inter-segment sales	8,150	4,348	-	-	-	-	-	-	(8,150)	(4,348)	-	-
	53,762	**45,812**	**8,587**	**5,575**	**2,445**	**1,629**	**302**	**463**	**(8,150)**	**(4,348)**	**56,946**	**49,133**
RESULTS												
Segment results	**5,015**	**26,337**	**1,952**	**1,152**	**(1,224)**	**(1,276)**	**85**	**(38)**	**-**	**(22,933)**	**5,828**	**3,242**
Interest income											252	304
Interest expense											(714)	(501)
Profit before taxation											**5,366**	**3,045**
Taxation											(2,231)	(3,018)
Net profit for the period											**3,135**	**27**

Cumulative - 31 Dec	Malaysia		Philippines		Thailand		Australia		Adjustment and Elimination		Consolidated	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
REVENUE												
External Sales												
Shared Services	21,641	17,796	17,466	12,853	3,870	4,106	-	-	-	-	42,977	34,755
Solution Services	5,902	5,988	3,768	2,462	428	700	1,051	1,391	-	-	11,149	10,541
Transaction Payment Acquisition	150,675	115,039	4,682	3,577	1,897	1,021	-	-	-	-	157,254	119,637
											-	
Inter-segment sales	21,999	16,392	-	-	-	-	-	-	(21,999)	(16,392)	-	-
	200,217	**155,215**	**25,916**	**18,892**	**6,195**	**5,827**	**1,051**	**1,391**	**(21,999)**	**(16,392)**	**211,380**	**164,933**
RESULTS												
Segment results	**16,000**	**34,035**	**3,892**	**3,199**	**(2,185)**	**(1,839)**	**273**	**(105)**	**(94)**	**(23,248)**	**17,886**	**12,042**
Interest income											1,153	648
Interest expense											(2,911)	(1,569)
Profit before taxation											**16,128**	**11,121**
Taxation											(5,886)	(4,750)
Net profit for the period											**10,242**	**6,371**

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 2015 of the balance sheet date that have not been reflected in this report.

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.

A12. Contingent Liabilities

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

		RM'000
(a)	Banker's guarantee in favour of third parties	
	- Secured	20,949
(b)	Corporate guarantee – Financial Institution and trade suppliers	114,500
		135,449

A13. Capital Commitment

The amount of capital commitment for purchase property, plant and equipment not provided for as at 31 December 2015 are as follows:

	RM'000
Approved but not contracted for	300

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 31/12/2015 RM'000	Preceding Year Corresponding Quarter 31/12/2014 RM'000	Current Year To Date 31/12/2015 RM'000	Preceding Year Corresponding Period 31/12/2014 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") *	-	-	-	309
# 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	24	464
@ Office rental paid to Telemas Corporation Sdn Bhd ("Telemas") *	111	99	438	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. She has resigned on 3 March 2015.

@ *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 2015) vs corresponding quarter (4Q 2014) by segment

GHL group 4Q15 turnover grew +16% yoy to RM56.95 million as compared to RM49.13 million for the corresponding period in 2014. 4Q15 pre-tax profits improved to RM5.36 million as compared to RM3.05 million in 4Q14 which resulted in higher net profits of RM3.14 million (4Q14 RM0.03million). The better performance was primarily driven by growth in all three segments in Malaysia and the Philippines. The combination of a higher pre-tax profit and a lower tax charge in 4Q15 (there was a higher tax deferred tax charge in 4Q14) resulted in a significant improvement in net profit margins during this quarter. The group's balance sheet remains healthy with a net cash position of RM18.45 million (31.12.2014 – Net cash RM11.25 million).

The performance of the individual segments are as follows:-
(Please see Section A8. Segment reporting for a definition of the various segments)

Shared Services
Shares services division 4Q15 revenue grew by +11% yoy to RM10.59 million (4Q14 – RM9.58million) due to better rental/maintenance fees from all three main markets despite lower, non-annuity EDC terminal sales.

Solutions Services
Solutions services revenue grew strongly at 81% in 4Q14 to RM5.24 million (4Q14 – RM2.91million) due to higher non-recurrent hardware sales and higher maintenance fees collected. Software sales revenues however, were marginally weaker yoy.

Transaction Payment Acquisition (TPA)
TPA revenues overall grew +12% yoy in 4Q15 to RM41.12 million (4Q14 – RM36.65million) driven primarily by higher volume sales and terminal population growth. The Bank TPA segment is relatively new and only started growing in 3Q15 and 4Q15 after GHL signed a TPA agreement with a major Malaysian banking group in 2Q2015. Together with the other components of the card payments services TPA (see Section B1, Table 2, note 3 below for the full components) it accounted for 16% of the total TPA segment revenue in 4Q15. This Bank card payment services TPA segment gross revenue grew 27% to RM6.4 million in 4Q15 (RM 5.0 million in 4Q14). As previously reported, Philippines has experienced delays in commencing its Bank card payment services TPA business. It is expected to commence this activity in 2Q16 when systems have been fully integrated with underlying acquiring Banks. The e-pay, reload and bill collections business constitutes the largest component within the TPA segment (84% of 4Q15 TPA segment revenue). While the reload and bill collections business constitutes the most mature component within the overall TPA segment, its gross revenue continues to grow strongly - 10% to RM34.71 million in 4Q15 (4Q14 – RM31.5 million).

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

Table 1 – Reload and bill collections business

e-pay *(All stated in RM' Millions unless stated otherwise)*	**4Q 2014**	**4Q 2015**	**% change**
Transaction Value Processed	750.78	886.40	18.1%
Gross Revenue	31.50	34.71	10.2%
Gross Revenue/Transaction Value *(Note 1)*	4.20%	3.90%	-0.3%
Gross Margin	9.53	11.01	15.5%
Gross Margin/Transaction Value *(Note 1)*	1.30%	1.20%	-0.1%
Number of Merchant Acceptance Points *(Thousands) (Note 2)*	23.17	28.70	23.8%

Note 1 - Gross Revenue or Gross Margin respectively divided by the Transaction Value Processed expressed as a %.
Note 2 – Merchant Acceptance Points means the number of merchant outlets that accept e-pay products and services

Table 2 – Card payment services

GHL Bank card payment TPA only *(All stated in RM' Millions unless stated otherwise)*	**4Q 2014**	**4Q 2015**	**% change**
Transaction Value Processed	435.22	455.47	4.7%
Gross Revenue	5.04	6.41	27.2%
Revenue/Transaction Value *(Note 1)*	1.16%	1.41%	0.2%
Gross Margin	2.41	3.40	41.1%
Gross Margin/Transaction Value *(Note 1)*	0.60%	0.70%	0.1%
Number of Merchant Acceptance Points *(Thousands) (Note 2)*	31.63	45.84	44.9%

Note 1 - Gross Revenue or Gross Margin respectively divided by the Transaction Value Processed expressed as a %.
Note 2 – Merchant Acceptance Points means the number of merchant outlets that accept GHL TPA products and services

Note 3 GHL (card payment services)

The TPA Bank card payment services business is relatively new. The existing GHL Bank card payment services data as shown in Table 2 comprises of the following activities (listed in order of size);

(i) Various revenue sharing arrangements under direct contracts with merchants and banks in Malaysia and Philippines (Since 2008)
(ii) Malaysian domestic debit card ("MyDebit") merchant acquisition (since 2003)
(iii) Internet TPA ("eGHL") in Malaysia (Since 2Q 2014) and Thailand (Since 2013), and
(iv) "Card Present" TPA (i.e. non-internet TPA) in Thailand (Since 2Q 2014).

Performance of current quarter (4Q 2015) vs corresponding quarter (4Q 2014) by geographical segment

4Q15 revenue grew +16% yoy with growth being recorded in all the three markets of Malaysia, Philippines and Thailand with a small decline in Australia. The group 4Q15 pre-tax profit grew strongly to RM5.36 million (RM3.05 million pre-tax profits in 3Q14) with Malaysia and the Philippines being the primary contributors and, Australia a minor contributor. Thai operations recorded a slightly lower EBIT loss of RM1.21 million for this quarter (4Q14 EBIT loss –RM1.28million).

Malaysia operations accounted for 80% of group revenues in 4Q15 with yoy growth in Solutions Services and TPA but a small contraction in the Shared Services segment. The Shared services segment saw growth in its rental/maintenance but the decline in EDC hardware sales compared to 4Q14 caused an overall lower result. Solutions services in Malaysia recorded growth in rental/maintenance, hardware and software revenues and higher TPA transaction fees from both e-pay and bank card services. Overall, Malaysia grew 10.0% yoy in 4Q15.

Philippine was the fastest growing and second largest contributor, accounting for 15% of 4Q15 group revenues. 4Q15 quarter revenues grew +54% yoy to RM8.59 million (4Q14 – RM5.58million) supported by growth in the rental/maintenance of EDC terminals as well as hardware sales from the network solutions division. The group has been laying the ground work to further expand TPA in the Philippines by partnering a banking group and two of the major telco operators. The implementation of these initiatives has been delayed due to delays in implementing systems integration and operational processes with the acquirers. Despite this, the Philippines operations were still able to grow 54% yoy by exacting better results in their Shared services and Solutions services divisions.

Thailand's 4Q15 revenue improved to RM2.45 million (4Q14 – RM1.63million) as the group collected higher rental/maintenance revenues in Shared Services and Solutions Services. TPA transaction fee income was also marginally higher at RM0.44million vs RM0.33milion in the same period last year. Overall, Thailand operations grew 50.3% yoy but from a much smaller base. The losses in Thailand were mostly due to impairment of trade receivables and expired tax credits.

The group's Australian operations recorded 4Q15 revenues of RM0.3million (4Q14 – RM0.5 million) on an ongoing maintenance projects in Australia in its Solutions Service division. There are no Shared solutions and TPA revenues recorded by our Australian operations.

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

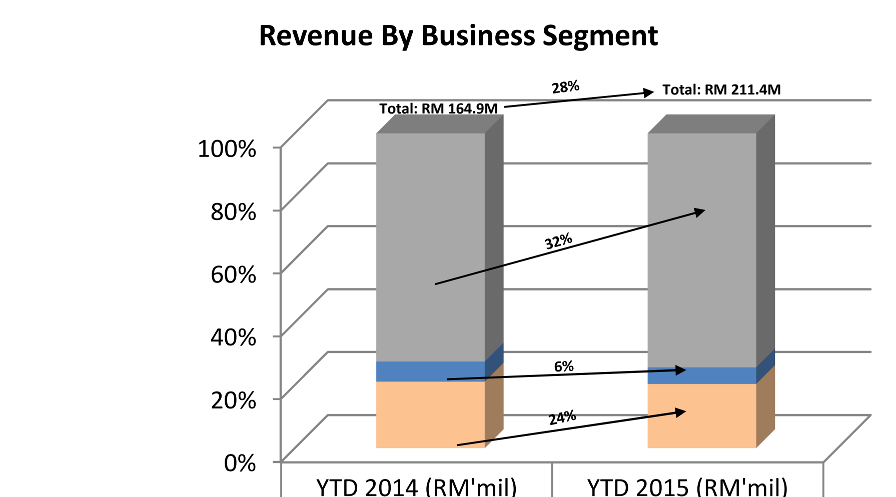
Performance of year to date period (4Q 2014 YTD) vs corresponding period (4Q 2014 YTD) by segment

Group turnover for the 12 months in 2015 grew +28% yoy to RM211.38million (4Q14 YTD – RM164.93million) driven by growth in all three segments; Shared Services (+24% yoy), Solutions Services (+6% yoy) and TPA (28% yoy). Pre-tax profits grew 41% to RM15.70 million as compared to RM11.12 million a year ago and pre-tax margins improved to 7.4% over 2014's pre-tax margins of 6.7%.

Net profit after tax grew by +61% yoy to RM10.24 million (4Q14 YTD – RM6.37million). Net profits grew at a higher rate than pre-tax profits due to lower taxation charges in 2015. The effective taxation charge in 2015 was 35% as compared to 43% in 2014 resulting from deferred tax provisions in that year. Also, the full year's net profit result for 2015 would have been much improved had the group not incurred a charge of RM1.21 million for unrealised forex losses arising from an unexpected ringgit devaluation in 3Q2015. The small US$ loan that caused this loss will be fully repaid by 1H2016.

The chart in Figure 1 illustrates the significant changes in business composition that occurred between 4Q 2014 and 4Q 2015.

Figure 1

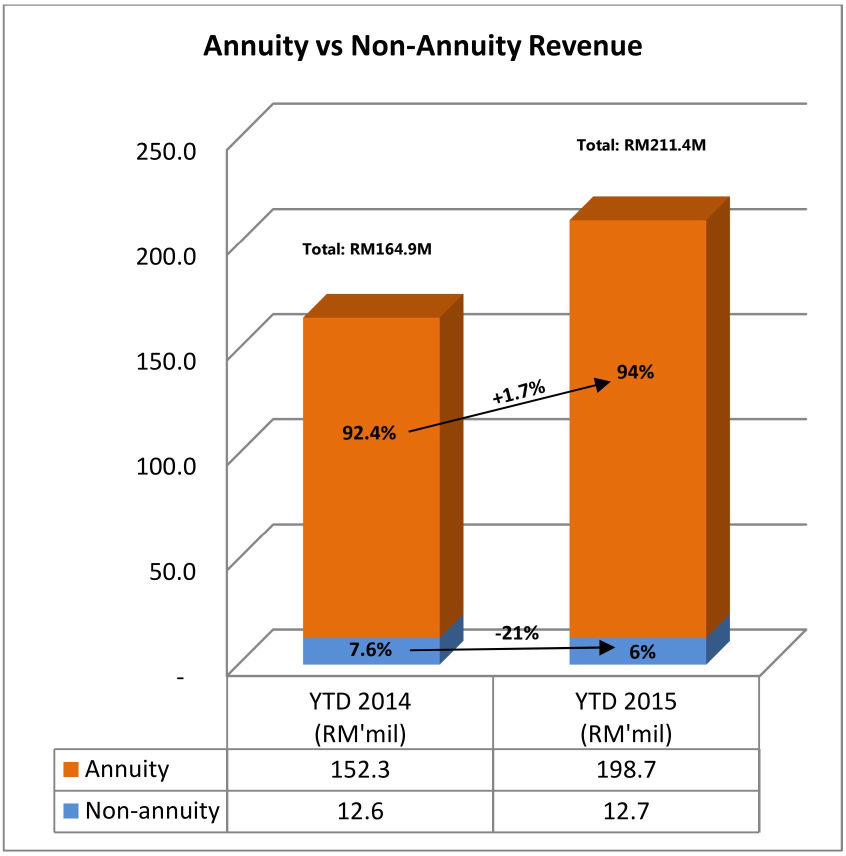


	YTD 2014 (RM'mil)	YTD 2015 (RM'mil)
TPA	119.6	157.3
Solution Services	10.5	11.1
Shared Services	34.8	43.0

Shared Services and TPA recorded strong growth whereas Solutions Services revenue grew more modestly due to fewer non-annuity software and hardware sales in 2015 as compared to the same period last year.

B1. Review of Performance (continued)

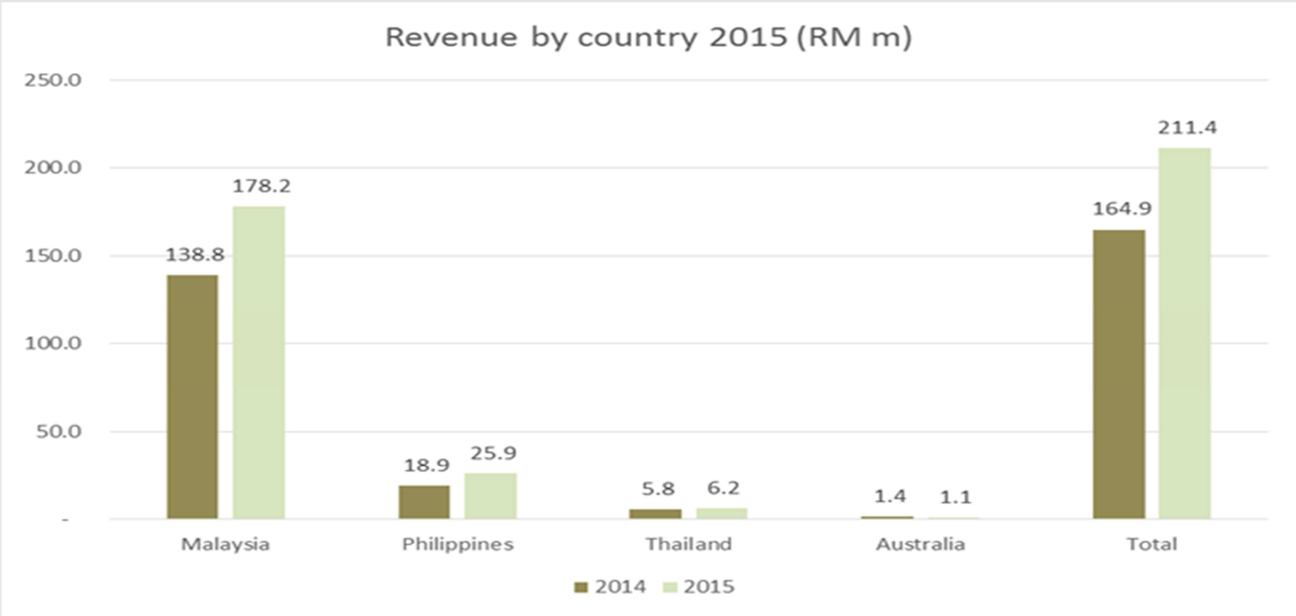
Figure 2



The annuity based component of the group's total revenue grew from 92% of total revenue in 2014 to 94% of total revenue in 2015. The group has now clearly weaned itself of its previous dependency on non-annuity based revenue streams. The non-annuity component of the group's revenue has now shrunk to 6% reflecting lower hardware and software sales principally from Philippines operations in 2015. While the group's strategy remains focussed on accelerating the annuity based TPA businesses across the region, the group will continue to opportunistically contract non-annuity based deals particularly if these support the needs of our acquirers and our larger merchants. On balance, it is likely that the mix between annuity and non-annuity revenue will stabilise at these levels in the near future.

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

Performance of year to date period (4Q15) vs corresponding period (4Q14) by country



4Q15 YTD group turnover grew +28% yoy to RM211.38 million (4Q14 YTD – RM164.93million). Pre-tax profits grew +41% to RM16 million compared to RM11.1 million a year ago with pre-tax margins better at 7.4% compared to 2014's pre-tax margins of 6.7%.

Malaysian operations contributed 84% (2014 – 84%) of group turnover and the increase was due to higher EDC sales and rental revenues and growth of TPA revenues as transaction fees and volumes improved. EBIT margins were 8.7% for 2015, an improvement from 7.8% in 2014.

Philippines turnover grew 37% yoy to RM25.9 million (2014 - RM18.9million) but EBIT margins were lower at 9.6% in 2015 vs 16.9% in 2014 due to lower hardware sales (which are higher margin) as compared to the annuity based rental which continued to outperform. Both Shared Services and TPA registered growth of +35.9% and +30.9% respectively with Solutions Services showing the highest growth at 53.0% but off a much lower base in 2014. Philippines contributed 12.3% to group revenues in 2015.

Thailand recorded a small growth in top line revenue of 6% due to an improvement in TPA revenues in 2015. This was, tempered by a reduction in Shared Services and Solutions services revenue of -6% and -39% respectively. The business climate remains challenging in Thailand due to the lacklustre economy and competitive pressures from some of the Thai commercial banks. The group continues to be cautious in its investment pending an improvement in the macro environment. EBIT remained in negative territory with losses before interest of RM2.12 million as compared to RM1.84 million losses in 2014. The loss increased slightly due the effect of a weaker Ringgit when consolidating Thai Bhat losses.

Australia remains the smallest contributor to group operations at RM1.05 million or 1% of group turnover compared to 2014 turnover of RM1.39 million. This led to a small EBIT contribution of RM0.3 million compared to the loss of RM0.1 million in the same period for the previous year.

B2. Current Year's Prospects (FY 2016)

The Group's strategy of growing its TPA business is well underway. Through e-pay, the group now has a consistent and high level of earnings from the reload and bill collections component of the TPA business. This core business continues to perform strongly. The Bank card payment services business is however, still in the early stages of development and yet to realise its potential. The Malaysian business entered into a TPA agreement with a large local Bank and effectively commenced merchant acquisition activities for card payment services in 3Q2015 . In the 6 months ended December 2015, there was a sizeable and promising number of merchant acquisitions closed under this TPA arrangement. Two other acquirers in Malaysia under a similar TPA program have been delayed in their implementation due to system integration issues. These are likely to commence only in 2Q2016.

Aside from delays in systems integration, the domestic market in Malaysia has been somewhat affected by the bearish disposition and consumer sentiment arising from macro economic factors such as the oil price drop, the depreciating Ringgit and the introduction of GST (Goods & Services Tax). These factors have impacted consumer demand which has somewhat affected our TPA business.

While the Philippines accounts for only 12% of group revenue, it is the fastest growing business within the group. Our Philippine business has signed up several acquirers including banks and Telcos and is presently in the process of integrating its systems with these acquirers. This Bank card payment services business is likely to commence only in the 2Q2016 and should provide a good platform to significantly increase our market share in the Philippines. Peso has also strengthened against the Ringgit and this has helped the group better balance its portfolio.

Despite the delays, together with the other components of the card payments services TPA (see Section B1, Table 2, note 3 below for the full components) our total TPA gross revenue grew 27% in 4Q2015 vs 4Q2014. This is highly encouraging given that there was only one acquirer in Malaysia for card payment services TPA in 2015. With the introduction of several new acquirers in Malaysia and the Philippines in 2Q2016, we should see much faster growth in this component of the TPA business. Malaysia is expected to be the largest contributor to group earnings in the near future particularly due to the strength of e-pay earnings. However, we expect that Malaysia share of revenues will reduce as our Philippines operations start to commence its TPA business in the coming year.

From a financial perspective, the group has minimal foreign currency borrowings. Nevertheless, the group had to provide for an unrealised forex translation loss of RM1.21 million in 2015 due to a significant depreciation of the Ringgit in 3Q2015. The small US$1.0 million loan as at end December 2015 that caused the loss is expected to be fully repaid in 2016.

We expect 2016 prospects to remain positive and the recent TPA tie-ups will contribute positively to the group's results in the coming years. The group is well positioned in ASEAN and should benefit as the region moves from its present low e-payments penetration and adoption rate to a higher level.

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 <u>31/12/2015</u> RM'000	Preceding Year Corresponding Quarter <u>31/12/2014</u> RM'000	Current Year To Date <u>31/12/2015</u> RM'000	Preceding Year Corresponding Period <u>31/12/2014</u> RM'000
Amortisation of intangible asset	305	371	1,065	1,194
Bad debts written off	44	83	44	86
Depreciation of property, plant and equipment	4,451	3,125	15,966	10,770
Fixed assets written off/(written back)	748	-	748	-
(Gain)/Loss on foreign exchange				
- Realised	870	(142)	1,333	(170)
- Unrealised	(962)	705	1,323	385
(Gain)/Loss on disposal of fixed assets	(68)	(29)	(20)	12
Gain on disposal of investment	-	-	-	(76)
Gross dividends received from:				
- Share quoted in Malaysia	-	-	-	(36)
Impairment loss on receivables	1,167	827	1,431	927
Interest income	(254)	(304)	(1,153)	(648)
Interest expenses	693	364	2,889	1,432
Inventory written off/(back)	340	800	340	800
Rental expenses	317	299	1,246	1,652
Reversal of allowance for doubtful debts	(73)	(90)	(182)	(184)
Share based payment	102	394	465	962

GHL

B5. Taxation

	Current Quarter 31/12/2015 RM'000	Preceding Year Corresponding Quarter 31/12/2014 RM'000	Current Year to Date 31/12/2015 RM'000	Preceding Year Corresponding Period 31/12/2014 RM'000
Current tax expenses based on based on profit for the financial year:				
Malaysian income tax	(1,552)	(907)	(4,708)	(1,969)
Foreign income tax	(679)	(1,128)	(1,178)	(1,672)
Over/(under) provision in prior year	-	(42)	-	(168)
	(2,231)	(2,077)	(5,886)	(3,809)
Withholding tax	-	(34)	-	(34)
Deferred tax:				
Relating to origination and reversal of temporary differences	-	(909)	-	(909)
Over/(under) provision in prior years	-	2	-	2
	-	(907)	-	(907)
Total	**(2,231)**	**(3,018)**	**(5,886)**	**(4,750)**

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.

GHL

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 2015.

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 2015.

B8. Status of Corporate Proposals

There were no corporate proposals announced and not completed as at the date of this report.

B9. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 31 December 2015 are as follows:-

(a) Bank Borrowings

	Long-term Borrowings RM'000	Short-term Borrowings RM'000	Total RM'000
Ringgit Malaysia	12,000	21,081	33,081
Philippine peso	2,746	983	3,729
US dollar	-	4,294	4,294
	14,746	**26,358**	**41,104**

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

		2015 RM'000	2014 RM'000
(i)	term deposits of the Group	6,774	5,211
(ii)	structured investment of the Group	8,000	8,000
(iii)	a Corporate Guarantee by parent entity	74,000	74,000
		88,774	**87,211**

The term loans are secured by way of:
(i) negative pledge from e-pay (M) Sdn Bhd
(ii) first party charge over cash deposits by the Company over Escrow Account solely operated by the Bank
(iii) 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

(b) **Hire Purchase**

	Long-term Hire Purchase RM'000	Short-term Hire Purchase RM'000	Total RM'000
Ringgit Malaysia	340	236	576
Philippine peso	2,919	1,914	4,833
	3,259	**2,150**	**5,409**

The hire purchase payables of the Group as at 31 December2015 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 31/12/2015 RM'000	As at 31/12/2014 (Audited) RM'000
Total retained profit of the Group:-		
- Realised	(34,430)	(53,935)
- Unrealised	1,692	508
	(32,738)	(53,427)
Less: Consolidation adjustment	67,759	78,079
Total group retained	**35,021**	**24,652**

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 2015.

GHL

B14. 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.

Basic		**Current Quarter 31/12/2015**	**Preceding Year Corresponding Quarter 31/12/2014**	**Current Year To Date 31/12/2015**	**Preceding Year Corresponding Period 31/12/2014**
Profit attributable to owners of the Company	(RM'000)	3,189	124	10,339	6,529
Weighted average number of ordinary shares in issue and issuable	(Unit'000)	647,974	167,106	644,158	547,754
Basic earnings per share	(Sen)	0.49	0.07	1.61	1.19

Diluted		**Current Quarter 31/12/2015**	**Preceding Year Corresponding Quarter 31/12/2014**	**Current Year To Date 31/12/2015**	**Preceding Year Corresponding Period 31/12/2014**
Profit attributable to owners of the Company	(RM'000)	3,189	124	10,339	6,529
Weighted average number of ordinary shares in issue and issuable	(Unit'000)	652,444	169,654	648,530	557,526
Diluted earnings per share	(Sen)	0.49	0.07	1.59	1.17

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