



**GHL SYSTEMS BERHAD**  
**Company No: 199401007361 (293040-D)**

GHL SYSTEMS BERHAD  
 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE PERIOD ENDED 30 JUNE 2022  
 (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
		30.06.2022	30.06.2021	30.06.2022	30.06.2021
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	101,220	92,712	193,772	179,332
Cost of sales		(66,574)	(56,403)	(126,723)	(107,879)
<b>Gross profit</b>		<b>34,646</b>	<b>36,309</b>	<b>67,049</b>	<b>71,453</b>
Other operating income		1,133	2,271	2,510	3,963
Administration expenses		(22,782)	(22,375)	(44,560)	(45,386)
Distribution costs		(2,911)	(2,737)	(5,486)	(5,663)
Other operating expenses		(1,044)	(1,116)	(2,105)	(2,410)
Finance cost		(381)	(607)	(849)	(1,074)
Share of results of associated companies		50	(34)	2	(183)
<b>Profit before taxation</b>		<b>8,711</b>	<b>11,711</b>	<b>16,561</b>	<b>20,700</b>
Income tax expense		(2,555)	(3,674)	(5,219)	(6,772)
<b>Profit for the period</b>		<b>6,156</b>	<b>8,037</b>	<b>11,342</b>	<b>13,928</b>
<b>Attributable to:</b>					
Owners of the Company		6,153	8,038	11,337	13,949
Non-controlling interest		3	(1)	5	(21)
		<b>6,156</b>	<b>8,037</b>	<b>11,342</b>	<b>13,928</b>
Earnings Per Ordinary Share					
- Basic (sen)	B9	0.54	0.70	0.99	1.22
- Diluted (sen)	B9	0.54	0.70	0.99	1.22
<b>Profit for the period</b>		<b>6,156</b>	<b>8,037</b>	<b>11,342</b>	<b>13,928</b>
Other comprehensive income, net of tax					
Remeasurement of defined benefit liability, net of tax		386	-	386	-
Foreign currency translation differences		(755)	(17)	(1,831)	382
<b>Total comprehensive income for the period</b>		<b>5,787</b>	<b>8,020</b>	<b>9,897</b>	<b>14,310</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		5,784	8,021	9,892	14,331
Non-controlling interest		3	(1)	5	(21)
		<b>5,787</b>	<b>8,020</b>	<b>9,897</b>	<b>14,310</b>

*(The condensed consolidated statement of comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)*



**GHL SYSTEMS BERHAD**  
**Company No: 199401007361 (293040-D)**

**GHL SYSTEMS BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE PERIOD ENDED 30 JUNE 2022**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	AS AT 30.06.2022 (Unaudited) RM'000	AS AT 31.12.2021 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	96,206	98,115
Goodwill on consolidation	168,639	168,639
Intangible assets	772	904
Investment in joint ventures and an associate	27	56
Net investment in lease	5,058	3,360
Deferred tax assets	2,137	2,220
	<u>272,839</u>	<u>273,294</u>
<b>Current assets</b>		
Inventories	135,550	64,048
Trade receivables	67,724	60,322
Other receivables	74,275	83,574
Current tax assets	4,569	7,391
Other investment	24,999	101,579
Cash and bank balances	156,378	180,112
	<u>463,495</u>	<u>497,026</u>
<b>TOTAL ASSETS</b>	<u>736,334</u>	<u>770,320</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	351,485	351,485
Reserves	(5,000)	(3,556)
Retained earnings	172,279	160,943
<b>Equity attributable to owners of the parent</b>	<u>518,764</u>	<u>508,872</u>
Non controlling interest	173	168
<b>Total equity</b>	<u>518,937</u>	<u>509,040</u>
<b>Non-current liabilities</b>		
Bank borrowing	12,165	15,393
Contract liabilities	643	-
Lease liabilities	2,914	3,300
Employee benefits obligation	2,201	2,233
Deferred tax liabilities	7,087	6,901
	<u>25,010</u>	<u>27,827</u>
<b>Current liabilities</b>		
Trade payables	61,586	60,481
Other payables	101,963	123,031
Amount due to associate companies	-	9
Contract liabilities	6,336	5,001
Lease liabilities	1,419	2,622
Bank borrowings	17,629	36,997
Current tax liabilities	3,454	5,312
	<u>192,387</u>	<u>233,453</u>
<b>Total liabilities</b>	<u>217,397</u>	<u>261,280</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>736,334</u>	<u>770,320</u>
Net assets per share (sen)	45.45	44.58

*(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)*



**GHL SYSTEMS BERHAD**  
**Company No: 199401007361 (293040-D)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2022**  
*(THE FIGURES HAVE NOT BEEN AUDITED)*

	Share Capital RM'000	Retirement benefit Reserve RM'000	ESS Shares RM'000	Exchange Translation Reserve RM'000	Share Options Reserve RM'000	Retained Profits RM'000	Equity Attributable To Owners Of The Parent RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 January 2021	351,485	(305)	(2,254)	(1,209)	252	133,788	481,757	184	481,941
Purchase of ESS shares	-		(110)	-	-	-	(110)	-	(110)
Transfer of ESS Shares to employees			2,364			(1,004)	1,360		1,360
Share option granted under ESS					(252)		(252)		(252)
Total comprehensive income for the period				382		13,948	14,330	(21)	14,309
At 30 June 2021	<u>351,485</u>	<u>(305)</u>	<u>-</u>	<u>(827)</u>	<u>-</u>	<u>146,732</u>	<u>497,085</u>	<u>163</u>	<u>497,248</u>
At 1 January 2022	351,485	(305)	-	(3,250)	-	160,942	508,872	168	509,040
Total comprehensive income for the period	-	386	-	(1,831)	-	11,337	9,892	5	9,897
At 30 June 2022	<u>351,485</u>	<u>81</u>	<u>-</u>	<u>(5,081)</u>	<u>-</u>	<u>172,279</u>	<u>518,764</u>	<u>173</u>	<u>518,937</u>

*(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)*



**GHL SYSTEMS BERHAD**

**Company No: 199401007361 (293040-D)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2022  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	CURRENT YEAR TO DATE 30.06.2022 RM'000	PRECEDING YEAR TO DATE 30.06.2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	16,561	20,700
<b>Adjustment for:-</b>		
Amortisation of development cost	132	132
Amortisation of contract liabilities	(6,801)	(8,144)
Bad debts written-off	54	17
Depreciation of property, plant and equipment	13,321	14,842
Fair value loss/ (gain) on other investment	277	202
Impairment loss on property, plant and equipment	-	195
Impairment loss on receivables	2,212	2,044
Impairment loss on inventories	-	170
Interest expense	849	1,074
Interest income	(1,049)	(1,514)
Inventories (back)/ written off	11	(1,266)
Loss on disposal of property, plant and equipment	767	179
Gain on disposal of an associate	(1,182)	-
Property, plant and equipment written-off	93	-
Reversal of impairment on trade receivables	(1,087)	(596)
Reversal of impairment on inventories	(5)	-
Reversal of impairment on associate	(287)	-
Share of loss/ (gain) from an associate	(2)	183
Unrealised loss/ (gain) on foreign exchange	(850)	192
<b>Operating profit before working capital changes</b>	<u>23,014</u>	<u>28,410</u>
<b>Increase/(Decrease) in working capital</b>		
Inventories	(60,909)	(17,851)
Trade and other receivables	366	(12,864)
Trade and other payables	(19,971)	(20,021)
Advance receipt from contract liabilities	8,041	8,879
Employee benefits obligations	195	-
	<u>(72,278)</u>	<u>(41,857)</u>
<b>Cash generated from operations</b>	(49,264)	(13,447)
Interest received	1,049	1,514
Interest paid	(356)	(676)
Tax paid	(4,601)	(6,872)
Tax refund	-	360
	<u>(3,908)</u>	<u>(5,674)</u>
<b>Net cash generated from operating activities</b>	<u>(53,172)</u>	<u>(19,121)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(22,870)	(23,383)
Purchase of other investment	-	(318)
Placement in deposits pledged or maturity more than 3 months	588	(1,225)
Proceeds from disposal of property, plant and equipment	211	507
Proceeds from disposal of an associate	1,500	-
<b>Net cash used in investing activities</b>	<u>(20,571)</u>	<u>(24,419)</u>
<b>Cash Flows From Financing Activities</b>		
Purchase of ESS shares	-	(111)
Proceeds from issuance of shares-ESOS	-	1,108
Repayment of lease liabilities	(2,227)	(3,521)
Drawdown of bank borrowings	19,056	50,700
Repayment of bank borrowings	(42,062)	(4,589)
<b>Net cash generated from financing activities</b>	<u>(25,233)</u>	<u>43,587</u>
<b>Net increase in cash and cash equivalents</b>	(98,976)	47
<b>Effect of exchange rate fluctuation</b>	(473)	488
<b>Effect of fair value changes in cash and cash equivalents</b>	(277)	(202)
<b>Cash and cash equivalents at beginning of the finance period</b>	265,188	200,314
<b>Cash and cash equivalents at end of the finance period</b>	<u>165,462</u>	<u>200,647</u>
<b>Cash and cash equivalents at end of the finance year:-</b>		
Cash and bank balances	156,378	110,613
Other investments	24,999	104,648
	<u>181,377</u>	<u>215,261</u>
Less: Fixed deposits pledged to licensed banks or maturity more than 3 months	(15,915)	(14,614)
	<u>165,462</u>	<u>200,647</u>

*(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)*



GHL SYSTEMS BERHAD

Company No: 199401007361 (293040-D)

## Part A: Explanatory notes on consolidated results for the quarter ended 30 June 2022

### A1. Basis of Preparation

These condensed consolidated interim financial statements (Condensed Report) have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The results for this interim period are unaudited and should be read in conjunction with the Group’s audited consolidated financial statements and the accompanying notes for the year ended 31 December 2021.

### A2. Significant Accounting Policies

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 December 2022 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2021.

During the financial period, the Group and the Company have adopted the following revised MFRSs and Amendments to MFRSs that have been issued by the MASB:

#### Effective for annual periods beginning on or after 1 January 2022

Title	Effective Date
• Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
• Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2022
• Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
• Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022

The adoption of these MFRSs did not have any material impact on the Group’s results and financial position.

#### New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
• Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
• MFRS 17 <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 17 <i>Insurance Contracts Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
• Amendments to MFRS 101 <i>Presentation of Financial Statements - Disclosure of Accounting Policies</i>	1 January 2023
• Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates</i>	1 January 2023
• Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
• Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.



GHL SYSTEMS BERHAD

Company No: 199401007361 (293040-D)

**A3. Audit Report of Preceding Annual Financial Statements**

The audit report for the annual financial statements of the Group for the financial year ended 31 December 2021 was not subject to any audit qualification.

**A4. Seasonal or Cyclical Factors**

The business of the Group is not affected by any significant seasonal or cyclical factors, other than the general economic environment in which the Group operates.

**A5. Unusual Items**

There were no items or events affecting assets, liabilities, equity, net income or cash flow of the Group that are unusual of their nature, size or incidence during the current quarter.

**A6. Changes in Estimates**

There were no changes in estimates that have had any material effect during the current quarter.

**A7. Changes in Debts and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs and share cancellations during the current quarter.

**A8. Dividend Paid**

There were no dividends paid during the quarter ended 30 June 2022.

**A9. Segmental Reporting**

The Group has four reportable segments, 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) Others (Australia, Indonesia, Myanmar and Singapore)

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

**Transaction Payment Acquisition ("TPA")** includes revenue derived from two (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 merchant acquiring and electronic payment services ("electronic payment services")

**Shared Services** includes mainly revenue derived from the sales, rental and maintenance of Electronic Data Capture ("EDC") terminals and other card acceptance devices and the supply of cards to banks and other payment operators.

**Solution Services** includes 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 and the development of card management systems.



**GHL SYSTEMS BERHAD**

**Company No: 199401007361 (293040-D)**

**A9. Segmental Reporting (continued)**

Performance is measured based on the core businesses revenue and geographical profit before tax and interest, as included in the internal management reports that are reviewed by the Executive Director/Group Chief Executive Officer. These revenues 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.



**GHL SYSTEMS BERHAD**  
Company No: 199401007361 (293040-D)

**A9. Segmental Reporting (continued)**

Quarter - 30 June 2022	Malaysia		Philippines		Thailand		Others		Adjustment and Elimination		Consolidated	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>REVENUE</b>												
<b>External Sales</b>												
Transaction Payment Acquisition	59,488	48,762	9,013	5,570	1,176	631	-	37	(1,862)	(802)	67,815	54,198
Shared Services	23,425	25,498	3,977	5,478	3,048	2,153	-	-	4	-	30,454	33,128
Solution Services	1,504	3,923	486	602	560	623	339	347	62	(109)	2,951	5,386
Inter-segment sales	8,880	5,532	-	-	-	-	-	-	(8,880)	(5,532)	-	-
	<b>93,297</b>	<b>83,715</b>	<b>13,476</b>	<b>11,650</b>	<b>4,784</b>	<b>3,407</b>	<b>339</b>	<b>384</b>	<b>(10,676)</b>	<b>(6,443)</b>	<b>101,220</b>	<b>92,712</b>
<b>RESULTS</b>												
<b>EBITDA</b>	<b>12,076</b>	<b>13,540</b>	<b>2,837</b>	<b>3,926</b>	<b>1,172</b>	<b>447</b>	<b>(185)</b>	<b>754</b>	<b>(519)</b>	<b>362</b>	<b>15,381</b>	<b>19,029</b>
Interest income	467	795	9	7	2	3	-	-	(77)	-	401	805
Interest expense	(446)	(547)	(5)	(55)	(7)	(5)	-	-	77	-	(381)	(607)
Depreciation	(4,080)	(4,627)	(1,725)	(2,092)	(789)	(712)	(17)	(6)	(13)	(13)	(6,624)	(7,450)
Amortisation of intangible assets	(66)	(66)	-	-	-	-	-	-	-	-	(66)	(66)
<b>Profit/ (Loss) before taxation</b>	<b>7,951</b>	<b>9,095</b>	<b>1,116</b>	<b>1,786</b>	<b>378</b>	<b>(267)</b>	<b>(202)</b>	<b>748</b>	<b>(532)</b>	<b>349</b>	<b>8,711</b>	<b>11,711</b>
Taxation	(2,702)	(2,720)	(461)	(520)	53	26	(52)	(101)	607	(358)	(2,555)	(3,674)
Minority interest	-	-	-	-	-	-	-	-	(3)	1	(3)	1
<b>Segment profit/ (loss) for the financial period after non-controlling interest</b>	<b>5,249</b>	<b>6,375</b>	<b>655</b>	<b>1,266</b>	<b>431</b>	<b>(241)</b>	<b>(254)</b>	<b>647</b>	<b>72</b>	<b>(8)</b>	<b>6,153</b>	<b>8,038</b>
<b>Segmental assets</b>	<b>896,890</b>	<b>799,877</b>	<b>73,083</b>	<b>70,760</b>	<b>32,035</b>	<b>26,208</b>	<b>2,639</b>	<b>2,047</b>	<b>(268,313)</b>	<b>(169,864)</b>	<b>736,334</b>	<b>729,028</b>
<b>Segmental liabilities</b>	<b>427,658</b>	<b>397,880</b>	<b>23,605</b>	<b>22,978</b>	<b>13,934</b>	<b>8,329</b>	<b>823</b>	<b>726</b>	<b>(248,623)</b>	<b>(198,133)</b>	<b>217,397</b>	<b>231,780</b>





**GHL SYSTEMS BERHAD**

Company No: 199401007361 (293040-D)

Cumulative - 30 June 2022	Malaysia		Philippines		Thailand		Others		Adjustment and Elimination		Consolidated	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>REVENUE</b>												
<b>External Sales</b>												
Transaction Payment Acquisition	114,117	97,860	16,463	11,179	2,214	1,455	-	51	(3,363)	(1,502)	129,431	109,043
Shared Services	44,798	46,775	8,352	11,195	6,248	4,336	-	-	(221)	-	59,177	62,306
Solution Services	2,896	5,058	821	1,271	775	1,067	672	699	-	(112)	5,164	7,983
Inter-segment sales	15,329	11,347	-	-	-	-	-	-	(15,329)	(11,347)	-	-
	<b>177,140</b>	<b>161,040</b>	<b>25,636</b>	<b>23,645</b>	<b>9,237</b>	<b>6,858</b>	<b>672</b>	<b>750</b>	<b>(18,913)</b>	<b>(12,961)</b>	<b>193,772</b>	<b>179,332</b>
<b>RESULTS</b>												
<b>EBITDA</b>	23,755	29,724	6,152	7,963	2,234	(8)	131	(121)	(2,458)	(2,324)	29,814	35,234
Interest income	1,111	1,498	13	13	2	3	-	-	(77)	-	1,049	1,514
Interest expense	(880)	(936)	(32)	(128)	(14)	(10)	-	-	77	-	(849)	(1,074)
Depreciation	(8,095)	(9,211)	(3,653)	(4,123)	(1,535)	(1,469)	(12)	(13)	(26)	(26)	(13,321)	(14,842)
Amortisation of intangible assets	(132)	(132)	-	-	-	-	-	-	-	-	(132)	(132)
<b>Profit/ (Loss) before taxation</b>	<b>15,759</b>	<b>20,943</b>	<b>2,480</b>	<b>3,725</b>	<b>687</b>	<b>(1,484)</b>	<b>119</b>	<b>(134)</b>	<b>(2,484)</b>	<b>(2,350)</b>	<b>16,561</b>	<b>20,700</b>
Taxation	(5,272)	(5,239)	(988)	(1,254)	37	180	(103)	(101)	1,107	(358)	(5,219)	(6,772)
Minority interest	-	-	-	-	-	-	-	-	(5)	21	(5)	21
<b>Segment profit/ (loss) for the financial period after non-controlling interest</b>	<b>10,487</b>	<b>15,704</b>	<b>1,492</b>	<b>2,471</b>	<b>724</b>	<b>(1,304)</b>	<b>16</b>	<b>(235)</b>	<b>(1,382)</b>	<b>(2,687)</b>	<b>11,337</b>	<b>13,949</b>
<b>Segmental assets</b>	<b>896,890</b>	<b>799,877</b>	<b>73,083</b>	<b>70,760</b>	<b>32,035</b>	<b>26,208</b>	<b>2,639</b>	<b>2,047</b>	<b>(268,313)</b>	<b>(169,864)</b>	<b>736,334</b>	<b>729,028</b>
<b>Segmental liabilities</b>	<b>427,658</b>	<b>397,880.00</b>	<b>23,605</b>	<b>22,978</b>	<b>13,934</b>	<b>8,329</b>	<b>823</b>	<b>726</b>	<b>(248,623)</b>	<b>(198,133)</b>	<b>217,397</b>	<b>231,780</b>



**GHL SYSTEMS BERHAD**

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**A10. Valuation of Property, Plant and Equipment**

The property, plant and equipment are stated at cost/valuation less accumulated depreciation and impairment losses. There was no revaluation of property, plant and equipment for the current quarter and financial year to date. The valuation of property, plant and equipment of the Group have been brought forward without amendment from the financial statements for the year ended 31 December 2021.

**A11. Material Subsequent Events to the end of Current Quarter**

There was no material event subsequent to the end of the reporting period and up to the date of issuance of this report.

**A12. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial quarter under review other than the following:

On 19 June 2022, Mobiepay Sdn. Bhd. and Pay Here Sdn. Bhd., both are subsidiaries of GHL Systems Berhad had disposed all of their shares in MRuncit Commerce Sdn. Bhd. comprising 1,457,860 Ordinary Shares (total effective interest of 31.76%) for a consideration of RM1,500,000.00.

**A13. Contingent Liabilities and Contingent Assets**

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

	<b>RM'000</b>
Banker's guarantee in favour of third parties	
- Secured	<u>21,154</u>

**A14. Capital Commitments**

Capital commitments for purchase of property, plant and equipment not provided for as at 30 June 2022 are as follows:

	<b>RM'000</b>
Approved but not contracted for	<u>13,449</u>



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

**B1 (i) Performance of current quarter (2Q 2022) vs corresponding quarter (2Q 2021) by segment**

GHL's 2Q22 group revenue was up 9.2% YoY to RM101.2 million as compared to RM92.7 million in the corresponding quarter in 2Q21. Despite the higher revenue, 2Q22 registered lower pre-tax profit of RM8.7 million compared to 2Q21's pre-tax profit of RM11.7 million mainly due to lower gross profit margins. 2Q 2022 profit after tax and minority interest was similarly lower YoY at RM6.2 million (2Q21 PATMI RM8.0 million).

COVID-19 positive cases peaked in 1Q22 but as a result of the higher vaccination rates, lockdown measures were progressively relaxed and this continued in 2Q22. The reopening of more retail outlets, increased interstate travels, and less stringent SOPs allowed consumer spending to continue to improve during the quarter. The group's revenue growth in this quarter was led by its Transaction Payment Acquisition (TPA) business, which registered a 25.1% YoY improvement. The Shared Services and Solutions divisions registered a decline of -13.3% YoY performance or in absolute terms, RM5.1million decline in revenue YoY. The group's balance sheet as at 30 June 2022 remains healthy with a net cash position of RM106.0 million (31.12.2021 – Net cash RM121.8 million) excluding amounts placed in short term money market investments.

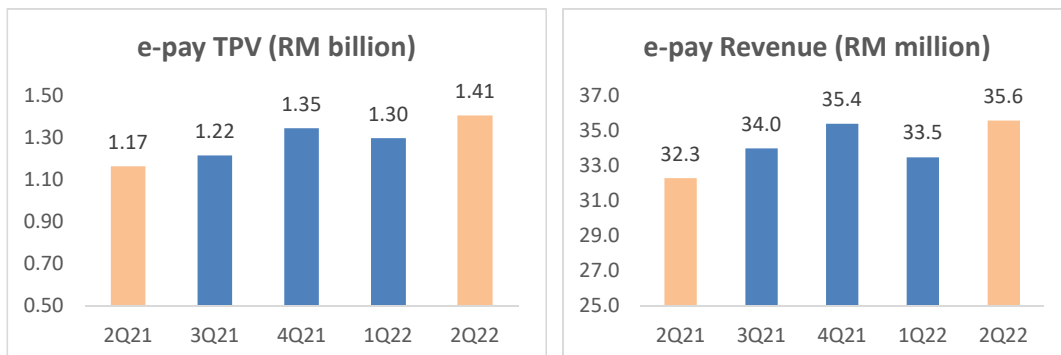
The performances of the individual segments are as follows: -

**Transaction Payment Acquisition (TPA)**

The TPA business has two distinct components, each at a different stage of their development. These are; i) e-pay's direct contractual relationships with merchants to provide Telco prepaid and other top-up facilities and, bill collection services for consumers ("reload and collection services") and ii) GHL's direct contractual relationships with merchants to provide international and domestic card payment services ("card payment services") and e-wallet payment services. Each of these is described in more detail as follows: -

**(i) e-pay (reload and collection services)**

e-pay is the largest provider of reload and collection services in Malaysia. It has approximately 51,400 acceptance points nationwide, encompassing all petrol chains, large convenience store chains and general retailers. The e-pay brand is well known to consumers across Malaysia. With over 20 years of experience, e-pay is clearly the market leader in Malaysia within this industry segment. A summary of key data relating to the e-pay business is found in the Table 1 below. As demonstrated, the transaction value processed (TPV) by e-pay grew by 20.7% YoY with a gross profit margin spread of 79 basis points (2Q21 95 basis) due changes in merchant mix as well as product mix during the quarter. e-pay's TPV and revenue continued its steady uptrend although margins are dependent on the merchant touchpoints in which the TPV has been generated.





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**B1. (i) Performance of current quarter (2Q 2022) vs corresponding quarter (2Q 2021) by segment (continued)**

**Table 1**

<b>e-pay</b> <i>(All stated in RM'millions unless stated otherwise)</i>	<b>2Q 2021</b>	<b>2Q 2022</b>	<b>% change</b>
Transaction Payment Value	1,165.1	1,406.7	20.7%
Gross Revenue	32.3	35.6	10.2%
Gross Revenue / Transaction Payment Value (Note 1)	2.78%	2.53%	-8.7%
Gross Profit	11.1	11.1	0.0%
Gross Profit / Transaction Payment Value (Note 1)	0.95%	0.79%	-17.2%
Merchant Footprint - e-pay Only (Thousands)	45.2	51.4	13.7%

*Note 1 - Gross Revenue or Gross Profit respectively divided by the Transaction Payment Value expressed as a %*

**(ii) GHL (e-payment services)**

The TPA electronic payment services business is driven by our direct arrangement with international schemes, TPA arrangements with leading domestic banks in our respective markets, as well as agreements with a leading China e-wallet provider, which is expanding into ASEAN, and other local e-wallet providers in each of our respective markets. A summary of key data relating to the e-payment business is found in the Table 2 below. The existing GHL TPA revenue data, as shown in this table, comprises revenues generated from the following activities:

- a) Merchant Discount Rate ("MDR") revenue derived from direct contracts with merchants and revenue sharing arrangements with banks in Malaysia, Thailand and Philippines
- b) Domestic debit card merchant acquisition in Malaysia, Thailand and Philippines.
- c) e-Commerce TPA ("eGHL") in Malaysia, Indonesia, Thailand, Philippines and Singapore.
- d) e-wallet merchant acquisition in Malaysia, Thailand and Philippines

2Q22 transaction value processed grew 23.9% YoY to RM5.4 billion (2Q21 – RM4.4billion) with the continued relaxation of the lockdown restrictions at physical payment touchpoints and cross border travel. 2Q22 TPV generated revenue of RM32.2 million, a growth of 47.2% YoY (2Q21 – RM21.9 million). The gross revenue/transaction margin achieved in the quarter was higher at 59 basis points (2Q21 - 50 basis points) due to 1) product mix change of payment types and, 2) merchant mix change as transactions are captured more at physical merchants in favour of online merchants as lockdown eased. Retail merchants began to reopen progressively as consumers returned to the "High Street" as SOPs were relaxed in stages during this quarter.

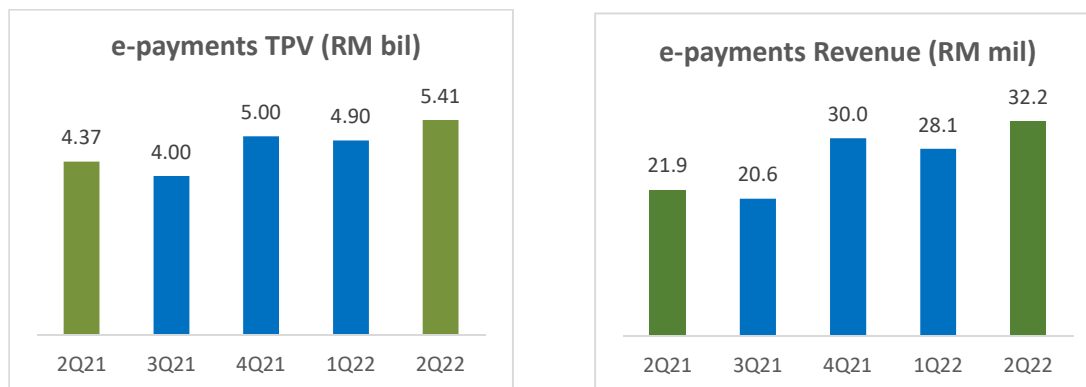
Gross profit was up 26.5% YoY to RM10.3 million (2Q21 RM8.2 million). The 2Q22 gross profit/transaction value margin spreads was stabled at 19 basis points (2Q21 – 19 basis points) a year ago. Assuming that the pandemic conditions will continue to improve and the governments do not reimpose stricter measures to contain the pandemic, performance over the coming quarters is expected to improve as most governments are relaxing SOPs and businesses are re-opening and consumers are gradually returning to retail spending which would generate higher TPV. However global concerns around inflation and rising interest rates could impact consumer spending and confidence in the coming quarters.



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**B1. (i) Performance of current quarter (2Q 2022) vs corresponding quarter (2Q 2021) by segment (continued)**



**Table 2**

<b>GHL Electronic payments TPA</b> <i>(All stated in RM'millions unless stated otherwise)</i>	<b>2Q 2021</b>	<b>2Q 2022</b>	<b>% change</b>
Transaction Payment Value	<b>4,368.1</b>	<b>5,414.0</b>	<b>23.9%</b>
Gross Revenue	<b>21.9</b>	<b>32.2</b>	<b>47.2%</b>
Gross Revenue / Transaction Payment Value (Note 1)	<b>0.50%</b>	<b>0.59%</b>	<b>18.7%</b>
Gross Profit	<b>8.2</b>	<b>10.3</b>	<b>26.5%</b>
Gross Profit / Transaction Payment Value (Note 1)	<b>0.19%</b>	<b>0.19%</b>	<b>2.0%</b>
Merchant Footprint - TPA Only (Thousands)	<b>114.0</b>	<b>127.1</b>	<b>11.5%</b>

*Note 1 - Gross Revenue or Gross Profit respectively divided by the Transaction Payment Value expressed as a %.*

Transaction Payment Acquisition (TPA) segment revenue was up 25.1% YoY in 2Q22 at RM67.8 million (2Q21 – RM54.2 million) driven by both e-pay revenues (+10.2% YoY) and Payments (+47.2% YoY). e-pay remains the larger contributor in the TPA segment but the GHL electronic payments TPA (encompassing card, online, mobile and next gen payments) are growing at a faster rate.

Some key observations during the COVID-19 pandemic were:

- 1) movement restrictions imposed by the Governments in response to the Pandemic and high positive COVID-19 case numbers have slowly been relaxed since 4Q21 but continued to impact TPV and margins. On a positive note, vaccination rates also improved significantly which enabled governments to ease lockdown SOPs which has led to most ASEAN countries to reopen borders in stages in 2Q22.
- 2) health concerns amongst consumers have given cashless payments a significant boost where both consumers and merchants preference has shifted from cash towards use of digital payments including cards and e-wallets to conduct transactions. This behavioural change bodes well for the group's outlook.



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### **Shared Services**

Shared services revenue in 2Q22 declined -8.1% YoY to RM 30.5 million (2Q21 – RM33.1 million) mainly due to lower rental revenue collected. Hardware EDC sales revenue improved during the quarter as capex spending at banks have begun to improve although several remain cautious with spending due to the COVID-19 conditions as well as growing concerns on inflation and a higher interest rate environment.

### **Solutions Services**

Solutions services gross revenue was down -45.2% in 2Q22 to RM3.0 million (2Q21 – RM5.4 million) mainly due a one off project revenue recognition in the corresponding 2Q21 period which was non-recurring. The decline was however marginally offset by higher maintenance revenue generated in Malaysia.

### **B1. (ii) Performance of current quarter (2Q 2022) vs corresponding quarter (2Q 2021) by geographical segment**

GHL's 2Q22 group revenue was up 9.2% YoY to RM101.2 million as compared to RM92.7 million in the corresponding period in 2Q21.. All the main geographical markets contributed positively to the group's EBITDA with the exception of others geographical markets which posted a small loss at EBITDA level of RM185,000. In 2Q22, the Group achieved profit before tax of RM8.7 million, down -25.6% YoY compared to 2Q21's profit before tax of RM11.7 million. The lower profitability in 2Q22 was mainly due to lower gross margins overall.

Malaysia operations accounted for 81.6% of the group's revenues in 2Q22 with a 7.0% YoY growth to RM82.6 million. TPA division led the growth during the quarter due to higher transaction volume and value but shared and solutions services registered YoY decline due to lower rental revenue and a one off project revenue recorded in 2Q21 respectively.

The Philippines operations was the second largest contributor, accounting for 13.3% of 2Q22 group revenue. This second quarter of 2022 saw revenue grew by 15.7% YoY to RM13.5 million (2Q21 – RM11.7 million) due to growth in the TPA pillar driven by higher transaction volume and value. Its Shared and solutions services division however registered lower rental and maintenance revenue.

Thailand operations' 2Q22 revenue contributed 4.5% to the group total and grew 33.3% YoY to RM4.5 million (2Q21 – RM3.4 million) due to improvements in its rental/maintenance revenue recorded in its Shared services pillar division and a small growth in its TPA division. Solutions services was down marginally YoY. The Thai tourism sector remained subdued but was slowly relaxing its entry procedures in 1Q22 and is almost completely open by 2Q22 but its main tourism driver, Chinese tourists remain uncertain, due to China's strict travel restrictions for its citizens.

The group's other geographical operations recorded 2Q22 revenue of RM0.3 million (2Q21 – RM0.4 million) on an ongoing maintenance project in Australia in its Solutions Service segment. There were no Shared Services and TPA revenue recorded by our Australian operations for the quarter under review.

As at end June 2022, the group's payment touchpoints stood at 402,400, a 2.4% YoY growth overall whereas TPA touchpoints grew 12.1% but this was negated by the rental terminal retrievals at certain banks.

During 2Q22, whilst the group maintained its regional footprint growth strategy, the group's footprint investment was RM2.5 million due to the cautiousness in the COVID-19 situation. This investment figure is lower than previous quarters due to the movement restrictions imposed in our key markets. As lockdown measures ease, these investment spending could grow in the coming quarters should conditions and consumer spending sentiment continue to improve further.

The group strives to maintain its strategy of a sustainable growth in its financial performance whilst maintaining the same growth trajectory in strengthening its ASEAN presence.



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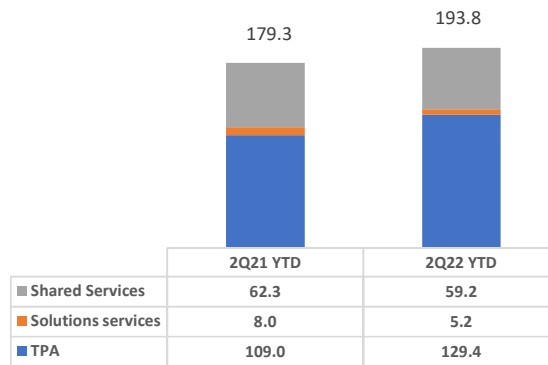
**B1. (iii) Performance of year to date period (2Q22) vs corresponding period (2Q21) by business segment**

Group revenue for the first six months of 2022 was up 8.1% YoY to RM193.8 million (2Q21 – RM179.3 million) with growth driven by the TPA segment across all three key markets of Malaysia, Philippine and Thailand. The Shared and Solution Services segments, were, however, down -5.0% and -35.3% respectively due to lower rental revenue in Malaysia and Philippines and a one-off project revenue recognised in the corresponding quarter of 2Q21.

Despite the improvement in top-line revenue, the group’s gross profit margins declined to 34.6% (2Q21 – 39.8%) due to business pillar, payment type and merchant type mix. For the period ended 30 June 2022, the Group registered a pre-tax profit of RM16.6 million compared to RM20.7 million in the same period a year ago.

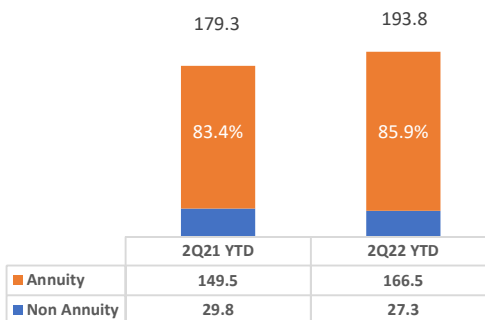
Net profit after tax and minority interest in 2Q22 YTD was RM11.3 million compared to the same period last year for 2Q21 YTD of RM14.0 million.

**Revenue By Business Segment (RM mil)**



The annuity-based revenue component within the group’s total revenue in the first six months of 2022 remains high at 85.9% and this compared to 83.4% achieved in 2Q21 due to growing TPA revenue generated. Although in percentage terms, it grew 2.5% points, the absolute annuity revenue terms in 2Q22 YTD grew 11.4% YoY. The group’s strategy is to grow the TPA and other businesses that have a strong recurring annuity-based revenue and at the same time to continue to support our main bank customers with their hardware and software requirements. As TPA recovery gathers momentum in all three geographical markets, we expect the annuity revenue to remain strong and recover in the coming quarters.

**Annuity vs Non annuity revenue (RM mil)**

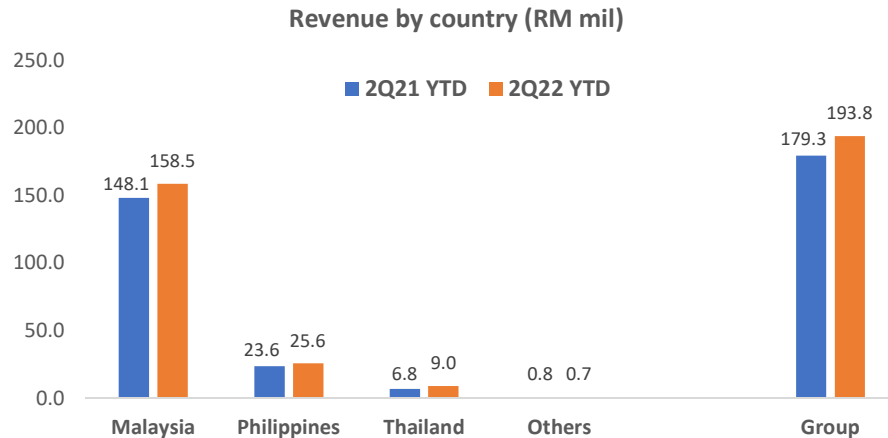




**GHL SYSTEMS BERHAD**

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**B1. (Iv) Performance of year to date period (2Q 2022) vs corresponding quarter (2Q 2021) by geographical segment**



Group revenue for the first six months of 2022 was up 8.1% YoY to RM193.8 million (2Q21 – RM179.3 million) with growth driven by the TPA segment across all three key markets of Malaysia, Philippine and Thailand. The Shared and Solution Services segments, however, were down -5.0% and -35.3% due to lower rental revenue in Malaysia and Philippines and a one-off project revenue recognised in the corresponding quarter of 2Q21.

Malaysian operations contributed RM158.5 million or 81.8% (2Q21 – 82.6%) of group revenue and registered a 7.1% YoY whereby the TPA segment led the growth during the quarter due to higher transaction volume and value but Shared and Solutions Services segments registered YoY decline due to lower rental revenue and a one off project revenue recorded in 2Q21 respectively.

Philippines’ revenue was 8.4% YoY higher at RM25.6 million (2Q21 – RM23.6 million) driven by better TPA performance but dragged by lower Shared Services due to terminal retrievals by certain banks. Solutions Services registered a small decline due to lower software sales and lower maintenance revenue generated.

Thailand recorded an improvement in revenue of 32.4% YoY to RM9.0 million from RM6.8 million in 2Q21 with improvements from its TPA division and Shared Services due to higher rental revenue as well as hardware terminal sales to the banks. Solutions Services segment was down due to lower software sales. Thailand’s TPA segment, although improved, continue to be impacted by border closures which impacted tourist arrivals and hence the group’s cross border e-wallet business.

Other countries remain the smallest contributor to group operations at RM0.7 million of group turnover compared to 2Q21 turnover of RM0.8 million. The EBITDA contribution of RM0.1 million compared to RM0.1 million loss in 2Q21 was due to operational and investment costs incurred in our new markets in the previous corresponding period.





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**B1. (v) Performance of current quarter (2Q22) vs preceding quarter (1Q22) by business segment**

**Table 3**

<b>Revenue (RM million)</b>	<b>1Q22</b>	<b>2Q22</b>
TPA	61.6	67.8
Shared Services	28.8	30.5
Solutions Services	2.2	3.0
<b>Group revenue</b>	<b>92.6</b>	<b>101.2</b>
<b>Profit Before Tax</b>	<b>7.9</b>	<b>8.7</b>

For the quarter ended 30 June 2022, the group recorded revenue of RM101.2 million, up 9.3% quarter-over-quarter (QoQ) from RM92.6 million recorded in 1Q22. The main factors for this improvement were higher TPA revenue due to improvements in transaction volumes and values. 2Q22 also saw higher consumer spending resulting from the Ramadan and Eid holiday period. Shared services registered a 6.0% QoQ improvement due to higher hardware sales in Malaysia but tempered by lower rental revenue in Malaysia and Philippines. Solutions services was up 33.4% QoQ due to higher software sales captured in Thailand and Philippines. Overall pre-tax profits grew 10.1% QoQ to RM8.7 million driven by higher revenue achieved by all three business pillars.

**B2. Current Year's Prospects (FY 2022)**

2022 started relatively unchanged compared to the last quarter of 2021 as the COVID-19 pandemic remained as a concern in some of our markets. Different countries are implementing commensurate measures to contain the spread whilst juggling and keeping their economies as open as possible. Cross border travel remains nascent but vaccination efforts are being intensified by most countries and hopefully the various economies will experience a more meaningful recovery and reopening in the second half of 2022. During 1Q22, several easing of lockdown measures were seen in GHL's 3 main markets with further easing continued in 2Q22.

Given our Group's diverse range of business pillars, merchant base and geographical mix, the ongoing relaxation of lockdown measures has resulted in the group recording revenue improvement but margins were impacted due primarily to upgrading of our terminal inventory in our Shared services segment, thereby causing a reduction in our margins and secondarily due to merchant and revenue mix changes in our TPA segment.

As COVID-19 impact improves for the better, there is now a cautious optimism on the gradual recovery in consumer spending but new concerns in the form of inflation and higher interest rates in the global economies has now become the new caution. The ongoing conflict in Europe and the effects of supply chain disruptions in sectors such as electronics, automotive, energy and commodities has begun to drag on the GDP growth of global economies.

The Group remains positive in the long-term potential of the ASEAN e-payments industry and believes the trends of switching to e-payments and cashless channels will continue going forward.



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**B3. Profit before Taxation**

Profit before tax is arrived at after charging/(crediting) the following items:

	Current Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 RM'000	Current Year To Date 30.06.2022 RM'000	Preceding Year To Date 30.06.2021 RM'000
Amortisation of intangible asset	66	66	132	132
Bad debts written off	171	17	54	17
Depreciation of property, plant and equipment	6,624	7,450	13,321	14,842
Fixed assets written off/ (back)	86	(9)	93	-
(Gain)/Loss on foreign exchange:				
Realised	(98)	(30)	(87)	(81)
Unrealised	(691)	131	(850)	192
Loss/(gain) on disposal of fixed assets	429	517	767	179
(Gain)/Loss on disposal of investment in associate	(1,182)	-	(1,182)	-
Fair value (gain)/loss on other investments	337	18	277	202
Impairment loss on inventories	-	1	-	170
Impairment (gain)/loss on property, plant and equipment	20	83	-	195
Impairment loss on receivables	1,383	959	2,212	2,044
Interest income	(401)	(805)	(1,049)	(1,514)
Interest expenses	381	607	849	1,074
Rental expenses	63	70	131	177
Reversal of allowance for doubtful debts	(441)	(189)	(1,087)	(596)

**B4. Tax expense**

	Current Quarter 30.06.2022 RM'000	Year To Date 30.06.2022 RM'000
Current tax expenses based on profit for the financial quarter:		
Malaysian income tax	(2,300)	(2,069)
Foreign income tax	(174)	(595)
Relating to origination and reversal of temporary differences	(81)	(81)
<b>Total</b>	<b>(2,555)</b>	<b>(5,219)</b>

The Group's effective tax rate for the current quarter and for the year to date ended 30 June 2022 was higher than the statutory tax rate mainly due to certain disallowable expenses for tax purposes.

**B5. Status of Corporate Proposals**

There were no corporate proposals announced but not completed during the quarter under review as at the date of this report.



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#### B6. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 30 June 2022 are as follows:

	Long-term Borrowings		Short-term Borrowings		Total Borrowings	
	Foreign '000	RM'000	Foreign '000	RM'000	Foreign '000	RM'000
<b>Secured</b>						
<i>Bank borrowings</i>						
- Ringgit Malaysia	-	12,132	-	17,573	-	29,705
- Philippine Peso	406	33	705	56	1,111	89
<b>Unsecured</b>						
<i>Bank borrowings</i>						
- Ringgit Malaysia	-	-	-	-	-	-
		<b>12,165</b>		<b>17,629</b>		<b>29,794</b>

#### B7. Material Litigation

##### Bestinet v GHL ePayments Sdn Bhd (Kuala Lumpur High Court)

The High Court has on 30 May 2022 decided in our favour in which Bestinet's claim against GHL ePayments (the wholly owned subsidiary of the Company) was dismissed with cost and GHL ePayments' counter-claim against Bestinet has been allowed with cost.

Thereafter, Bestinet has filed and served a Notice of Appeal to the Court of Appeal, to appeal against the said High Court decision on 24 June 2022.

#### B8. Dividend

No dividend has been declared for the financial quarter ended 30 June 2022.

#### B9. Earnings Per Share

##### a) Basic earnings per share

Basic earnings per ordinary share for the financial period is calculated by dividing the profit/(loss) 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/(loss) 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.



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**B9. Earnings Per Share (continued)**

	<b>Current Quarter 30.06.2022</b>	<b>Preceding Year Corresponding Quarter 30.06.2021</b>	<b>Current Year To Date 30.06.2022</b>	<b>Preceding Year To Date 30.06.2021</b>
<b><u>Basic</u></b>				
Profit attributable to owners of the Company (RM'000)	6,153	8,038	11,337	13,949
Weighted average number of ordinary shares in issue and issuable (Unit'000)	1,141,500	1,140,669	1,141,500	1,140,669
Basic earnings per ordinary share (Sen)	0.54	0.70	0.99	1.22
<b><u>Diluted</u></b>				
Profit attributable to owners of the Company (RM'000)	6,153	8,038	11,337	13,948
Weighted average number of ordinary shares in issue and issuable (Unit'000)	1,141,500	1,141,305	1,141,500	1,141,305
Diluted earnings per ordinary share (Sen)	0.54	0.70	0.99	1.22