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

Part A: Explanatory notes on consolidated results for the quarter ended 31 December 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 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 *Classification of Liabilities as Current or Non-current*	1 January 2023
• MFRS 17 *Insurance Contracts*	1 January 2023
• Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
• Amendments to MFRS 17 *Insurance Contracts Initial Application of MFRS 17 and MFRS 9 - Comparative Information*	1 January 2023
• Amendments to MFRS 101 *Presentation of Financial Statements - Disclosure of Accounting Policies*	1 January 2023
• Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*	1 January 2023
• Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
• Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*	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.

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

The Company paid the following single tier dividend during the year ended 31 December 2022 (2021: nil) :

	RM'000
A single-tier interim dividend of 2.5 sen per ordinary share, paid on 28 December 2022	28,537

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.

A9. Segmental Reporting (continued)

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.

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.

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A9. Segmental Reporting (continued)

Quarter - 31 December	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
REVENUE												
External Sales												
Transaction Payment Acquisition	60,971	57,323	11,483	8,499	1,728	1,001	-	17	(1,036)	(1,472)	73,146	65,368
Shared Services	29,541	18,641	3,484	4,222	5,548	3,625	-	-	(1,296)	-	37,277	26,488
Solution Services	1,319	1,622	760	906	552	585	329	333	-	(38)	2,960	3,408
Inter-segment sales	6,051	6,451	-	-	-	-	-	-	(6,051)	(6,451)	-	-
	97,882	**84,037**	**15,727**	**13,627**	**7,828**	**5,211**	**329**	**350**	**(8,383)**	**(7,961)**	**113,383**	**95,264**
RESULTS												
EBITDA	**59,470**	**21,991**	**5,348**	**3,791**	**2,240**	**1,001**	**76**	**(205)**	**(46,856)**	**(7,773)**	**20,278**	**18,805**
Interest income	928	1,061	11	7	2	2	-	-	(350)	-	591	1,070
Interest expense	(669)	(515)	(1)	(19)	(6)	(9)	-	-	350	-	(326)	(543)
Depreciation	(3,980)	(4,553)	(1,348)	(1,989)	(868)	(742)	(6)	(12)	(13)	(173)	(6,215)	(7,469)
Amortisation of intangible assets	(66)	(66)	-	-	-	-	-	-	-	-	(66)	(66)
Profit/ (Loss) before taxation	**55,683**	**17,918**	**4,010**	**1,790**	**1,368**	**252**	**70**	**(217)**	**(46,869)**	**(7,946)**	**14,262**	**11,797**
Taxation	(2,654)	(2,500)	(1,126)	(634)	(238)	62	(42)	(51)	(483)	-	(4,543)	(3,123)
Minority interest	-	-	-	-	-	-	-	-	(13)	(4)	(13)	(4)
Segment profit/ (loss) for the financial period after non-controlling interest	**53,029**	**15,418**	**2,884**	**1,156**	**1,130**	**314**	**28**	**(268)**	**(47,365)**	**(7,950)**	**9,706**	**8,670**
Segmental assets	**918,843**	**862,957**	**71,997**	**72,100**	**34,887**	**28,166**	**2,688**	**2,341**	**(267,231)**	**(195,244)**	**761,184**	**770,320**
Segmental liabilities	**464,728**	**400,147**	**18,518**	**24,188**	**14,641**	**10,834**	**668**	**798**	**(248,384)**	**(174,687)**	**250,171**	**261,280**

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Cumulative - 31 December	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
REVENUE												
External Sales												
Transaction Payment Acquisition	**231,740**	**205,059**	**38,064**	**24,818**	**5,281**	**2,867**	**-**	**91**	**(6,155)**	**(3,798)**	**268,930**	**229,037**
Shared Services	**95,284**	**82,756**	**15,725**	**20,615**	**21,344**	**13,247**	**-**	**-**	**(1,612)**	**-**	**130,741**	**116,618**
Solution Services	**5,788**	**8,546**	**2,048**	**2,708**	**1,759**	**1,998**	**1,338**	**1,412**	**-**	**(153)**	**10,933**	**14,511**
Inter-segment sales	28,305	24,338	-	-	-	-	-	-	(28,305)	(24,338)	-	-
	361,117	**320,699**	**55,837**	**48,141**	**28,384**	**18,112**	**1,338**	**1,503**	**(36,072)**	**(28,289)**	**410,604**	**360,166**
RESULTS												
EBITDA	**92,865**	**66,208**	**15,623**	**14,619**	**6,004**	**1,516**	**247**	**(116)**	**(47,743)**	**(12,988)**	**66,996**	**69,239**
Interest income	2,928	3,243	32	28	4	4	-	-	(783)	-	2,181	3,275
Interest expense	(2,210)	(2,105)	(36)	(183)	(26)	(22)	-	-	783	-	(1,489)	(2,310)
Depreciation	(16,143)	(18,075)	(6,548)	(8,013)	(3,225)	(2,929)	(25)	(26)	(52)	(213)	(25,993)	(29,256)
Amortisation of intangible assets	(265)	(265)	-	-	-	-	-	-	-	-	(265)	(265)
Profit/ (Loss) before taxation	**77,175**	**49,006**	**9,071**	**6,451**	**2,757**	**(1,431)**	**222**	**(142)**	**(47,795)**	**(13,201)**	**41,430**	**40,683**
Taxation	(11,020)	(10,112)	(2,919)	(2,115)	(230)	232	(189)	(184)	1,100	(362)	(13,258)	(12,541)
Minority interest	-	-	-	-	-	-	-	-	(20)	16	(20)	16
Segment profit/ (loss) for the financial period after non-controlling interest	**66,156**	**38,894**	**6,152**	**4,336**	**2,527**	**(1,199)**	**33**	**(326)**	**(46,715)**	**(13,547)**	**28,152**	**28,158**
Segmental assets	**918,843**	**862,957**	**71,997**	**72,100**	**34,887**	**28,166**	**2,688**	**2,341**	**(267,231)**	**(195,244)**	**761,184**	**770,320**
Segmental liabilities	**464,728**	**400,147**	**18,518**	**24,188**	**14,641**	**10,834**	**668**	**798**	**(248,384)**	**(174,687)**	**250,171**	**261,280**

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.

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:

	RM'000
Banker's guarantee in favour of third parties	
- Secured	17,466

A14. Capital Commitments

Capital commitments for purchase of property, plant and equipment not provided for as at 31 December 2022 are as follows:

	RM'000
Approved but not contracted for	3,533

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

B1 (i) Performance of current quarter (4Q 2022) vs corresponding quarter (4Q 2021) by segment

GHL's 4Q22 Group revenue was up 19.0% YoY to RM113.4 million as compared to RM95.3 million in the corresponding quarter in 4Q21. This is the Group's all time highest quarterly revenue achieved. In line with the higher revenue, 4Q22 registered higher pre-tax profit of RM14.3million compared to 4Q21's pre-tax profit of RM11.8 million. 4Q22 profit after tax and minority interest was also higher by 11.9% YoY at RM9.7 million (4Q21 PATMI RM8.7 million).

COVID-19 positive cases peaked in 1Q22 but as a result of the higher vaccination rates, lockdown measures were progressively relaxed throughout 2022 with various countries slowly relaxing travel restrictions. The reopening of more retail outlets, increased interstate travels, increased inbound tourism, and less stringent measures allowed consumer spending to continue to improve in 2022 compared to 2021. The group's revenue growth in this quarter was led by its Transaction Payment Acquisition (TPA) business, which registered a 11.9% YoY improvement. The Shared Services and Solutions divisions in the 4Q22 registered a growth of 34.6% YoY or in absolute terms, RM10.3million improvement in revenue YoY. The group's balance sheet remains healthy with a net cash position of RM122.4 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: -

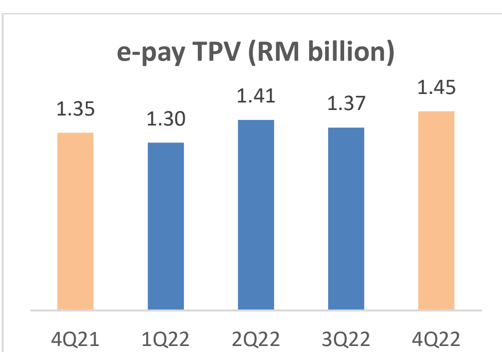
Transaction Payment Acquisition (TPA)

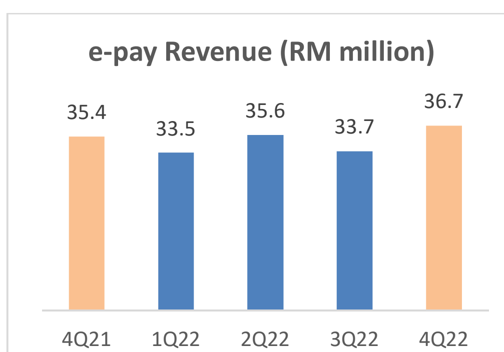
The TPA business has two distinct components, each at different stages of their development. These are; i) e-pay's direct contractual relationships with merchants to provide Telco prepaid and other top-up facilities and, bill collection services for consumers ("reload and collection services") and ii) 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 are 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 54,850 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 Table 1 below.

As shown in Table 1, 4Q22 transaction value processed (TPV) by e-pay grew by 7.6% YoY with a gross profit margin spread of 82 basis points (4Q21 87 basis) due to changes in merchant as well as product mix during the quarter. e-pay's TPV continued its steady uptrend, although margins are dependent on the merchant touchpoints in which the TPV has been generated. e-pay's 4Q22 revenue of RM36.7 million grew by 3.6% YoY (4Q21 RM35.4 million).





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B1. (i) Performance of current quarter (4Q 2022) vs corresponding quarter (4Q 2021) by segment (continued)

Table 1

e-pay *(All stated in RM'millions unless stated otherwise)*	**4Q 2021**	**4Q 2022**	**% change**
Transaction Payment Value	**1,345.2**	**1,447.0**	**7.6%**
Gross Revenue	**35.4**	**36.7**	**3.6%**
Gross Revenue / Transaction Payment Value (Note 1)	**2.63%**	**2.53%**	**-3.6%**
Gross Profit	**11.7**	**11.8**	**1.2%**
Gross Profit / Transaction Payment Value (Note 1)	**0.87%**	**0.82%**	**-5.9%**
Merchant Footprint - e-pay Only (Thousands)	**49.0**	**54.9**	**11.9%**

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

4Q22 transaction value processed grew 7.5% YoY to RM5.4 billion (4Q21 – RM5.0 billion) with the removal of lockdown restrictions at physical payment touchpoints and easing of cross border travel. 4Q22 TPV generated revenue of RM35.9 million, a growth of 19.8% YoY (4Q21 – RM30.0 million). The blended MDR (gross revenue/TPV) achieved in the quarter was higher at 67 basis points (4Q21 - 60 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 reopen progressively as consumers returned to the "High Street" as SOPs were relaxed in stages during the quarter.

Gross profit was up 19.5% YoY to RM13.7 million (4Q21 RM11.5 million). The 4Q22 gross profit/TPV margin spreads was stable at 26 basis points (4Q21 – 23 basis points) TPV performance over the coming quarters is expected to improve as borders continue to reopen and economic conditions approach normality. With most SOPs relaxed and businesses open, and consumers returning to retail spending will continue to 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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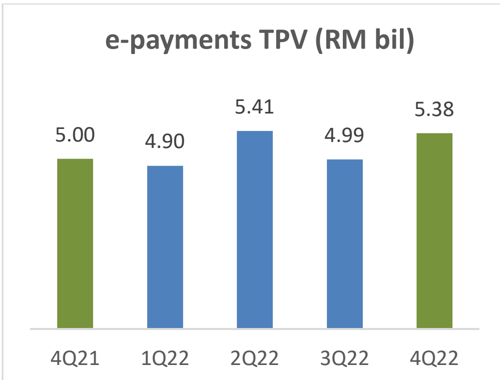
B1. (i) Performance of current quarter (4Q 2022) vs corresponding quarter (4Q 2021) by segment (continued)



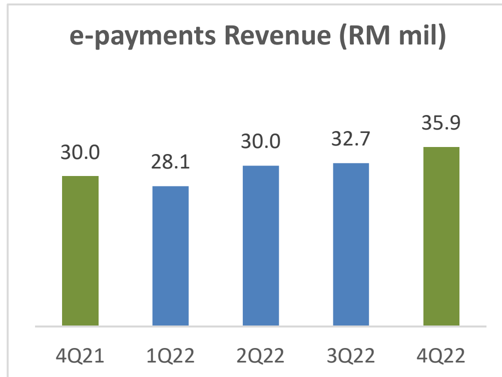


Table 2

GHL Electronic payments TPA *(All stated in RM'millions unless stated otherwise)*	**4Q 2021**	**4Q 2022**	**% change**
Transaction Payment Value	**5,001.8**	**5,375.9**	**7.5%**
Gross Revenue	**30.0**	**35.9**	**19.8%**
Gross Revenue / Transaction Payment Value (Note 1)	**0.60%**	**0.67%**	**11.5%**
Gross Profit	**11.5**	**13.7**	**19.5%**
Gross Profit / Transaction Payment Value (Note 1)	**0.23%**	**0.26%**	**11.2%**
Merchant Footprint - TPA Only (Thousands)	**121.9**	**121.9**	**0.0%**

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 11.9% YoY in 4Q22 at RM73.1 million (4Q21 – RM65.4 million) driven by payments revenues (+19.8% YoY) and e-pay revenues marginally higher (3.6% 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.

<u>Shared Services</u>

Shared services revenue in 4Q22 grew 40.7% YoY to RM37.3 million (4Q21 – RM26.5 million) driven by higher EDC hardware sales which offset the lower rental revenue collected. Hardware EDC sales revenue improved during the quarter under review as capex spending at banks have begun to improve although several banks remain cautious with spending due to the COVID-19 conditions as well as growing concerns on inflation and a higher interest rate environment.

<u>Solutions Services</u>

Solutions services gross revenue was down -13.1% in 4Q22 to RM3.0 million (4Q21 – RM3.4 million) mainly due to lower hardware sales and maintenance revenue collected compared to the same period one year ago.

B1. (ii) Performance of current quarter (4Q 2022) vs corresponding quarter (4Q 2021) by geographical segment

GHL's 4Q22 Group revenue was up 19.0% YoY to RM113.4 million as compared to RM95.3 million in the corresponding quarter in 4Q21. The Group's revenue growth in this quarter was led by its Transaction Payment Acquisition (TPA) business, which registered a 11.9% YoY improvement. The Shared Services and Solutions divisions in the 4Q22 registered a growth of 34.6% YoY or in absolute terms, RM10.3million improvement in revenue YoY. Gross margins dipped to 35.6% (4Q21 – 38.6%) mainly due to the change in revenue mix and segment mix. All the main geographical markets contributed positively to the group's EBITDA. In 4Q22, the Group achieved higher pre-tax profit of RM14.3 million compared to 4Q21's pre-tax profit of RM11.8 million. The improved profitability in 4Q22 was in line with the group's higher revenue generated.

Malaysia's operations accounted for 80.0% of the Group's revenue in 4Q22 with a 17.9% YoY growth to RM89.7million. TPA and Shared services division led the growth during the quarter with higher transaction volume and higher terminal sales. However, Solutions Services registered a small YoY decline due to lower hardware sales compared to 4Q21.

The Philippines' operations were the second largest contributor, accounted for 13.8% of 4Q22 Group revenue. The fourth quarter of 2022 saw revenue grew by 15.4% YoY to RM15.7 million (4Q21 – RM13.6 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's operations 4Q22 revenue contributed 6.8% to the Group total and grew 48.1% YoY to RM7.7 million (4Q21 – RM5.2 million) due to improvements in its EDC sales and rental/maintenance revenue in its Shared and Solutions Services pillars and growth in volumes in its TPA division. The Thai tourism sector remained subdued but was slowly relaxing its entry procedures and was almost completely open by 4Q22 but one its main tourism driver, Chinese tourists remain absent in 4Q22, due to China's strict travel restrictions for its citizen. Despite the lack of Chinese tourism activity, the group posted a strong performance in all the 3 business pillars for Thailand. China however reopened its borders in 1Q23 and the impact of higher tourism is beginning to be noticed.

The Group's other geographical operations recorded 4Q22 revenue of RM0.3 million (4Q21 – RM0.3 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 December 2022, the Group's payment touchpoints stood at 419,400, a 5.4% YoY growth overall where TPA touchpoints grew 3.4%.

During the 4Q22, whilst the Group maintained its regional footprint growth strategy, the Group's footprint investment was RM2.9 million which has slowly grown since COVID SOPs were gradually relaxed in 2022. This investment figure is higher compared to 4Q21. These investment spending could grow or reduce in the coming quarters depending on conditions and consumer spending sentiment.

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.

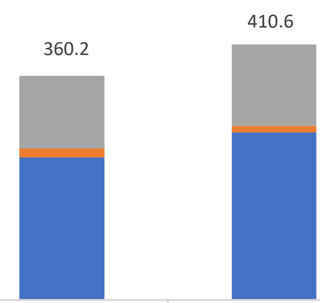
B1. (iii) Performance of FY 2022 vs FY 2021 by business segment

Group revenue for 2022 was up 14.0% YoY to RM410.6 million (2021 – RM360.2 million) with growth driven by the TPA segment across all three key markets of Malaysia, Philippine and Thailand. The Shared Services segment was up 12.1% and Solution Services segment was down -24.7% respectively due to lower rental revenue in Malaysia and Philippines and a one-off project revenue for Solution Services recognised in the same period in 2021.

Despite the improvement in top-line revenue, the Group's gross profit margins declined to 34.9% (4Q21 – 38.9%) due to business pillar, payment type and merchant type mix. Despite the lower GP margin, pre-tax profit grew in 2022 driven by top-line revenue growth and registered a higher pre-tax profit of RM41.4 million compared to RM40.7 million in 2021.

Net profit after tax and minority interest in 2022 was flat at RM28.2 million compared to the same period last year for 2021 of RM28.2 million due to a marginally higher effective tax rate of 32.0% in 2022 (2021 – 30.8%).

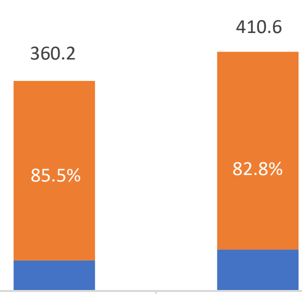
Revenue By Business Segment (RM mil)



	4Q21 YTD	4Q22 YTD
Shared Services	116.7	130.8
Solutions services	14.5	10.9
TPA	229.0	268.9

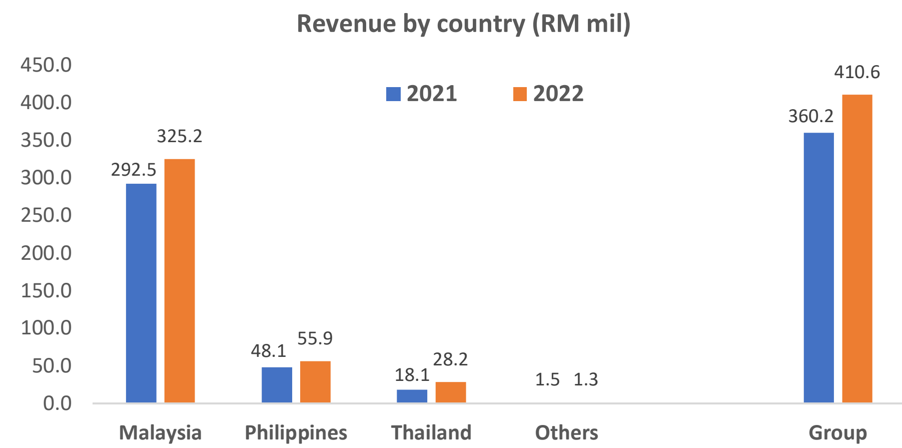
The annuity-based revenue component within the Group's total revenue in 2022 remains high at 82.8% and this compared to 85.5% achieved in 2021 due to higher hardware sales in 2022. Despite this 2.7% decline in percentage terms, the absolute annuity revenue in 2022 grew by RM31.9 million YoY. The Group's 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)



	2021	2022
Annuity	308.0	339.9
Non Annuity	52.2	70.7

B1. (Iv) Performance of FY 2022 vs FY 2021 by geographical segment



Group revenue for 2022 was up 14.0% YoY to RM410.6 million (2021 – RM360.2 million) with growth driven by the TPA segment across all three key markets of Malaysia, Philippine and Thailand. The Shared Services segment was up 12.1% and Solution Services segment was down -24.7% respectively due to lower rental revenue in Malaysia and Philippines and a one-off project revenue for Solution Services recognised in the same period in 2021.

Malaysian operations contributed RM325.2 million or 79.2% (4Q21 – 81.2%) of Group revenue and registered an 11.6% YoY growth whereby the TPA segment led the growth during the quarter due to higher transaction volume and value. Shared services in 2022 were up marginally at 15.1% YoY due to higher EDC terminal sales but was impacted by lower rental revenue. Solutions Services segments registered YoY decline due to lower rental revenue and a one-off project revenue recorded in 2021.

Philippines' revenue was 16.2% YoY higher at RM55.9 million (2021 – RM48.1 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 by 55.8% YoY to RM28.2 million from RM18.1 million in 2021 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 marginally due to higher software sales in the corresponding 2021 which was not repeated in 2022. Thailand's TPA segment, although improved YoY, continue to be impacted by border closures which affected tourist arrivals and hence the group's cross border e-wallet business. This however is expected to improve in 2023 with the return of Chinese tourists.

Other countries remain the smallest contributor to Group operations at RM1.3 million of group turnover compared to 2021 turnover of RM1.5 million. The EBITDA contribution of RM0.25 million compared to losses of RM0.12 million in 2021 was due to better operational efficiency and lower investment costs incurred compared to the prior year.

B1. (v) Performance of current quarter (4Q22) vs preceding quarter (3Q22) by business segment

Table 3

Revenue (RM million)	**3Q22**	**4Q22**
TPA	66.3	73.1
Shared Services	34.3	37.3
Solutions Services	2.8	3.0
Group revenue	**103.4**	**113.4**
Profit Before Tax	**10.6**	**14.3**

For the quarter ended 31 December 2022, the group recorded revenue of RM113.4 million, up 9.6% quarter- on-quarter (QoQ) from RM103.4 million recorded in 3Q22. All three business pillars recorded QoQ improvements. 4Q22 TPA were higher driven by higher consumer spending resulting from year end holidays and festive period. Solutions services were flat QoQ. Overall profit margin and profit before tax was higher QoQ due to changes in revenue mix and segmental mix.

B2. Current Year's Prospects (FY 2023)

2022 improved as easing of COVID lockdown measures enabled more consumption at in-store merchants led to higher TPV and revenue growth. Additionally, the group's focus on high growth, high margin lines of business such as offline and online merchant acquiring and SME lending is expected to contribute to the growth in revenues.

Although the recovery in consumption and activities in 2022 flowed through the group's operations, there remains concerns in the form of inflation and higher interest rates in the global economies. Geo-political tensions and ongoing conflict in Europe and the effects of supply chain disruptions in sectors such as electronics, automotive, energy and commodities may impact growth of global economies. Despite the global headwinds, our Group's diverse range of business pillars, merchant base and geographical mix, should still lead to revenue improvements as more ASEAN consumers increasingly adopt cashless as a mean of conducting their online and in-store transactions.

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.

B3. Profit before Taxation

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

	Current Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year To Date 31.12.2022 RM'000	Preceding Year To Date 31.12.2021 RM'000
Amortisation of intangible asset	66	66	265	265
Bad debts written off	23	140	88	171
Depreciation of property, plant and equipment	6,215	7,469	25,993	29,256
Property, plant and equipment written off/ (back)	180	20	336	20
(Gain)/Loss on foreign exchange:				
Realised	384	160	716	17
Unrealised	163	(426)	(15)	87
Loss/(gain) on disposal of fixed assets	(119)	379	870	547
(Gain)/Loss on termination of right-of-use assets	36	(111)	36	(111)
Gain on disposal of investment in associate	-	-	(1,182)	-
Impairment loss on property, plant and equipment	-	160	-	637
Impairment loss on trade and other receivables	780	3,592	3,491	5,986
Interest income	(591)	(1,070)	(2,181)	(3,275)
Interest expenses	326	543	1,489	2,310
Inventories written (back)/off	94	-	105	(1,098)
Rental expenses	57	62	250	314
Reversal of impairment on trade and other receivables	(718)	(3,030)	(2,320)	(8,263)
Reversal of impairment on investment in associate	-	(31)	(287)	(31)
Reversal of inventories written down	(1,089)	(2)	(1,104)	(2)
Fair value (gain)/loss on other investments	6	267	282	642

B4. Tax expense

	Current Quarter 31.12.2022 RM'000	Year To Date 31.12.2022 RM'000
Current tax expenses based on profit for the financial quarter:		
Malaysian income tax	(3,012)	(10,172)
Foreign income tax	(1,730)	(3,066)
(Over)/Under-provision in prior years	293	307
Relating to origination and reversal of temporary differences	(94)	(327)
Total	(4,543)	(13,258)

The Group's effective tax rate for the current quarter and for the year to date ended 31 December 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.

B6. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 31 December 2022 are as follows:

	Long-term Borrowings		Short-term Borrowings		Total Borrowings	
	Foreign '000	**RM'000**	**Foreign '000**	**RM'000**	**Foreign '000**	**RM'000**
Secured						
Bank borrowings						
- Ringgit Malaysia	-	9,417	-	7,320	-	16,737
- Philippine Peso	-	-	733	58	733	58
Unsecured						
Bank borrowings						
- Ringgit Malaysia	-	-	-	-	-	-
		9,417		**7,378**		**16,795**

B7. Material Litigation

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

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

Thereafter, Bestinet has filed and served a Notice of Appeal to the Court of Appeal on 24 June 2022 to appeal against the High Court Decision ("Appeal") and the Appeal is set to be heard on 4 September 2023.

Bestinet has also filed an application for the stay of execution of the High Court Decision on 26 August 2022 and the said application was dismissed on 16 December 2022. At the same time, eGHL has also issued a Statutory Notice of Demand against Bestinet on 17 December 2022 to enforce the High Court Decision.

B8. Dividend

No dividend has been declared for the financial quarter ended 31 December 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.

	Current Quarter 31.12.2022	**Preceding Year Corresponding Quarter 31.12.2021**	**Current Year To Date 31.12.2022**	**Preceding Year To Date 31.12.2021**
Basic				
Profit attributable to owners of the Company (RM'000)	9,706	8,671	28,152	28,158
Weighted average number of ordinary shares in issue and issuable (Unit'000)	1,141,500	1,141,500	1,141,500	1,141,403
Basic earnings per ordinary share (Sen)	0.85	0.76	2.47	2.47
Diluted				
Profit attributable to owners of the Company (RM'000)	9,706	8,671	28,152	28,158
Weighted average number of ordinary shares in issue and issuable (Unit'000)	1,141,500	1,141,500	1,141,500	1,141,403
Diluted earnings per ordinary share (Sen)	0.85	0.76	2.47	2.47