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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30.09.2023	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2022	CURRENT YEAR TO DATE 30.09.2023	PRECEDING YEAR TO DATE 30.09.2022
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	118,154	103,449	332,119	297,221
Cost of sales		(80,244)	(67,428)	(220,815)	(194,151)
Gross profit		**37,910**	**36,021**	**111,304**	**103,070**
Other operating income		1,696	1,153	3,713	3,380
Administration expenses		(25,068)	(22,408)	(74,282)	(66,968)
Distribution costs		(3,824)	(3,161)	(10,120)	(8,647)
Other operating expenses		(558)	(700)	(1,318)	(1,397)
Net gain/(loss) on impairment of financial assets		77	16	1,701	(1,109)
Finance cost		(272)	(314)	(843)	(1,163)
Share of results of associated companies		-	-	-	2
Profit before taxation		9,961	10,607	30,155	27,168
Income tax expense		(3,227)	(3,496)	(10,463)	(8,715)
Profit for the period		**6,734**	**7,111**	**19,692**	**18,453**
Attributable to:					
Owners of the parent		6,731	7,109	19,706	18,446
Non-controlling interest		3	2	(14)	7
		6,734	**7,111**	**19,692**	**18,453**
Earnings Per Ordinary Share					
- Basic (sen)	B9	0.59	0.62	1.73	1.62
- Diluted (sen)	B9	0.59	0.62	1.73	1.62
Profit for the period		6,734	7,111	19,692	18,453
Other comprehensive income, net of tax					
Remeasurement of defined benefit liability, net of tax		-	-	-	386
Foreign currency translation differences		(2,484)	1,959	2,716	128
Total comprehensive income for the period		**4,250**	**9,070**	**22,408**	**18,967**
Total comprehensive income attributable to:					
Owners of the parent		4,247	9,068	22,422	18,960
Non-controlling interest		3	2	(14)	7
		4,250	**9,070**	**22,408**	**18,967**

(The condensed consolidated statement of comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 SEPTEMBER 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	AS AT 30.09.2023 (Unaudited) RM'000	AS AT 31.12.2022 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		91,664	90,838
Goodwill on consolidation		168,639	168,639
Intangible assets		649	638
Trade and other receivables		10,360	10,346
Other investments		27	27
Deferred tax assets		3,340	2,100
		274,679	272,588
Current assets			
Inventories		81,774	89,990
Trade and other receivables		303,732	255,652
Current tax assets		3,075	2,686
Other investments		213	14,901
Cash and bank balances		189,182	143,266
		577,976	506,495
TOTAL ASSETS		852,655	779,083
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		351,485	351,485
Reserves		2,159	(557)
Retained earnings		180,416	160,710
Equity attributable to owners of the parent		534,060	511,638
Non controlling interest		174	188
Total equity		534,234	511,826
Non-current liabilities			
Borrowings	B6	7,334	9,416
Contract liabilities		719	14
Lease liabilities		1,843	2,654
Employee benefits obligation		1,699	1,412
Deferred tax liabilities		7,503	7,886
		19,098	21,382
Current liabilities			
Trade and other payables		246,926	228,893
Contract liabilities		5,372	5,136
Lease liabilities		1,359	1,222
Borrowings	B6	39,735	7,365
Current tax liabilities		5,931	3,259
		299,323	245,875
Total liabilities		318,421	267,257
TOTAL EQUITY AND LIABILITIES		852,655	779,083
Net assets per share (sen)		46.79	44.82

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 SEPTEMBER 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

	Share Capital RM'000	Retirement Benefit Reserve RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	Equity Attributable To Owners Of Parent RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 January 2022	351,485	(305)	(3,250)	160,942	508,872	168	509,040
Total comprehensive income for the period	-	386	128	18,446	18,960	7	18,967
At 30 September 2022	351,485	81	(3,122)	179,388	527,832	175	528,007
At 1 January 2023	351,485	775	(1,332)	160,710	511,638	188	511,826
Total comprehensive income for the period	-	-	2,716	19,706	22,422	(14)	22,408
At 30 September 2023	351,485	775	1,384	180,416	534,060	174	534,234

(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 2022 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 SEPTEMBER 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

	CURRENT YEAR TO DATE 30.09.2023 RM'000	PRECEDING YEAR TO DATE 30.09.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	30,155	27,168
Adjustment for:-		
Amortisation of development cost	202	199
Amortisation of contract liabilities	(8,456)	(9,877)
Bad debts written off	237	65
Depreciation of property, plant and equipment	17,559	19,778
Fair value loss on other investment	-	276
Gain on disposal of an associate	-	(1,182)
Net (gain)/loss on impairment on trade and other receivables	(1,701)	1,109
Interest expense	1,361	1,163
Interest income	(1,098)	(1,590)
Inventories written off	-	11
(Gain)/Loss on disposal of property, plant and equipment	(916)	989
Property, plant and equipment written off	125	156
Reversal of inventories written down	-	(15)
Reversal of impairment on associate	-	(287)
Share of gain from an associate	-	(2)
Unrealised loss/(gain) on foreign exchange	151	(178)
Operating profit before working capital changes	37,619	37,783
Increase/(Decrease) in working capital		
Inventories	24,919	3,041
Trade and other receivables	(46,268)	(4,312)
Trade and other payables	17,253	(27,453)
Advance receipt from contract liabilities	9,290	13,435
Employee benefits obligations	212	290
	5,406	(14,999)
Cash generated from operations	43,025	22,784
Interest received	1,098	1,590
Interest paid	(842)	(586)
Tax paid	(10,388)	(7,857)
Tax refund	863	1,400
	(9,269)	(5,453)
Net cash generated from operating activities	33,756	17,331

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

	CURRENT YEAR TO DATE 30.09.2023 RM'000	PRECEDING YEAR TO DATE 30.09.2022 RM'000
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(34,582)	(31,974)
Placement in deposits pledged or maturity more than 3 months	3,894	1,545
Proceeds from disposal of property , plant and equipment	1,337	501
Proceeds from disposal of an associate	-	1,500
Addition in intangible assets	(209)	-
Net cash used in investing activities	(29,560)	(28,428)
Cash Flows From Financing Activities		
Repayment of lease liabilities	(1,149)	(2,567)
Drawdown of bank borrowings	75,531	19,056
Repayment of bank borrowings	(45,624)	(53,626)
Net cash generated from/(used in) financing activities	28,758	(37,137)
Net decrease in cash and cash equivalents	32,954	(48,234)
Effect of exchange rate fluctuation	2,169	1,149
Effect of fair value changes in cash and cash equivalents	-	(276)
Cash and cash equivalents at beginning of financial period	142,836	265,188
Cash and cash equivalents at end of financial period	177,959	217,827

Cash and cash equivalents at end of financial year:-		
Cash and bank balances	189,182	173,059
Other investments	213	59,726
	189,395	232,785
Less: Fixed deposits pledged to licensed banks or maturity more than 3 months	(11,436)	(14,958)
	177,959	217,827

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 September 2023

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 2022.

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 2023 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2022.

During the financial period, the Group has 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 2023

Title	**Effective Date**
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contract *(Initial Application of MFRS 17and 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 *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023

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 2024

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

Title	**Effective Date**
Amendments to MFRS 1*01 Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 16 *Lease Liability in Sale and Leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group is 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 2022 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 September 2023.

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 and Singapore)

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

Transaction Payment Acquisition ("TPA") includes revenue derived from two (2) distinct components: -

i) GHL's merchant acquiring and electronic payment services ("electronic payment services") and
ii) e-pay services which provides Telco prepaid and other top-up facilities and, bill collection services for consumers ("reload and collection 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.

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

A9. Segmental Reporting (continued)

Quarter - 30 September 2023	Malaysia		Philippines		Thailand		Others		Adjustment and Elimination		Consolidated	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
REVENUE												
External Sales												
Transaction Payment Acquisition	63,448	56,652	11,763	10,118	4,598	1,339	20	-	(1,884)	(1,756)	77,945	66,353
Shared Services	29,051	20,945	4,090	3,889	4,854	9,548	-	-	(1,227)	(95)	36,768	34,287
Solution Services	1,766	1,573	459	467	858	432	358	337	-	-	3,441	2,809
Inter-segment sales	7,198	6,925	-	-	-	-	-	-	(7,198)	(6,925)	-	-
	101,463	**86,095**	**16,312**	**14,474**	**10,310**	**11,319**	**378**	**337**	**(10,309)**	**(8,776)**	**118,154**	**103,449**
RESULTS												
EBITDA	12,531	9,640	4,060	4,123	2,467	1,530	95	40	(2,914)	1,571	16,239	16,904
Interest income	1,431	889	10	8	-	-	-	-	(1,045)	(356)	396	541
Interest expense	(1,627)	(661)	-	(3)	(4)	(6)	-	-	1,045	356	(586)	(314)
Depreciation	(3,859)	(4,068)	(1,189)	(1,547)	(952)	(822)	(5)	(7)	(13)	(13)	(6,018)	(6,457)
Amortisation of intangible assets	(67)	(67)	(3)	-	-	-	-	-	-	-	(70)	(67)
Profit/ (Loss) before taxation	**8,409**	**5,733**	**2,878**	**2,581**	**1,511**	**702**	**90**	**33**	**(2,927)**	**1,558**	**9,961**	**10,607**
Taxation	(1,912)	(3,094)	(974)	(805)	(302)	(29)	(39)	(44)	-	476	(3,227)	(3,496)
Minority interest	-	-	-	-	-	-	-	-	(3)	(2)	(3)	(2)
Segment profit/ (loss) for the financial period after non-controlling interest	**6,497**	**2,639**	**1,904**	**1,776**	**1,209**	**673**	**51**	**(11)**	**(2,930)**	**2,032**	**6,731**	**7,109**
Segmental assets	**1,049,142**	**941,261**	**99,197**	**72,019**	**40,030**	**34,042**	**3,387**	**2,688**	**(339,101)**	**(270,927)**	**852,655**	**779,083**
Segmental liabilities	**585,682**	**485,319**	**33,268**	**17,773**	**17,840**	**14,256**	**801**	**694**	**(319,170)**	**(250,785)**	**318,421**	**267,257**

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

A9. Segmental Reporting (continued)

Cumulative - 30 September 2023	Malaysia		Philippines		Thailand		Others		Adjustment and Elimination		Consolidated	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
REVENUE												
External Sales												
Transaction Payment Acquisition	186,476	170,769	36,368	26,581	11,031	3,553	236	-	(5,203)	(5,119)	228,908	195,784
Shared Services	71,365	65,743	11,006	12,241	12,334	15,796	-	-	(2,037)	(316)	92,668	93,464
Solution Services	5,427	4,469	2,397	1,288	1,508	1,207	1,211	1,009	-	-	10,543	7,973
Inter-segment sales	19,775	22,254	-	-	-	-	-	-	(19,775)	(22,254)	-	-
	283,043	263,235	49,771	40,110	24,873	20,556	1,447	1,009	(27,015)	(27,689)	332,119	297,221
RESULTS												
EBITDA	29,565	33,395	14,291	10,275	5,548	3,764	411	171	(1,636)	(887)	48,179	46,718
Interest income	3,409	2,000	29	21	6	2	1	-	(2,347)	(433)	1,098	1,590
Interest expense	(3,663)	(1,541)	(2)	(35)	(43)	(20)	-	-	2,347	433	(1,361)	(1,163)
Depreciation	(11,520)	(12,163)	(3,239)	(5,200)	(2,745)	(2,357)	(16)	(19)	(39)	(39)	(17,559)	(19,778)
Amortisation of intangible assets	(199)	(199)	(3)	-	-	-	-	-	-	-	(202)	(199)
Profit/ (Loss) before taxation	17,592	21,492	11,076	5,061	2,766	1,389	396	152	(1,675)	(926)	30,155	27,168
Taxation	(6,619)	(8,366)	(4,063)	(1,793)	(550)	8	(136)	(147)	905	1,583	(10,463)	(8,715)
Minority interest	-	-	-	-	-	-	-	-	14	(7)	14	(7)
Segment profit/ (loss) for the financial period after non-controlling interest	10,974	13,126	7,013	3,268	2,216	1,397	260	5	(756)	650	19,706	18,446
Segmental assets	1,049,142	941,261	99,197	72,019	40,030	34,042	3,387	2,688	(339,101)	(270,927)	852,655	779,083
Segmental liabilities	585,682	485,319	33,268	17,773	17,840	14,256	801	694	(319,170)	(250,785)	318,421	267,257

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 2022.

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	18,686

A14. Capital Commitments

Capital commitments for purchase of property, plant and equipment not provided for as at 30 September 2023 are as follows:

	RM'000
Approved but not contracted for	7,239

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

B1 (i) Performance of current quarter (3Q 2023) vs corresponding quarter (3Q 2022) by segment

The Group's 3Q23 revenue was up 14.2% YoY to RM118.2 million as compared to RM103.5 million in the corresponding quarter in 3Q22. Despite the higher revenue, 3Q23 registered marginally lower pre-tax profit of RM10.0 million compared to 3Q22's pre-tax profit of RM10.6 million, a YoY decline of -6.1%. 3Q23 profit after tax and minority interest was also down -5.3% YoY at RM6.7 million (3Q22 : RM7.1 million). Profitability was impacted by higher operating expenditure resulting from the Group's technology migration over to the cloud.

The Group's revenue growth in this quarter was led by its Transaction Payment Acquisition (TPA) business, which registered a 17.5% YoY improvement. The revenue from Shared Services and Solutions divisions in 3Q23 also registered improvements of 7.2% YoY and 22.5% YoY respectively. The Group's balance sheet remains healthy with a net cash position of RM142.1 million (31.12.2022: Net cash RM122.6 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) GHL's direct contractual relationships with merchants to provide international and domestic card payment services ("card payment services") and e-wallet payment services; and (ii) 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"). Each of these are described in more detail as follows:

(i) 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 1 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; and
d) e-wallet merchant acquisition in Malaysia, Thailand and Philippines

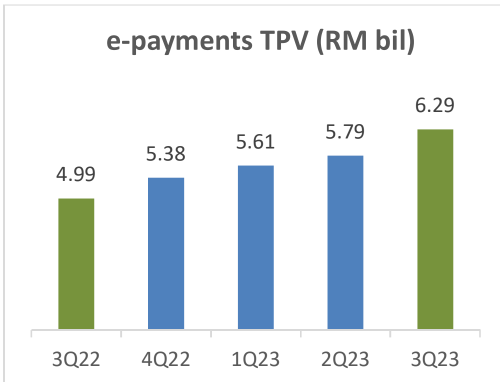
3Q23 transaction value processed grew 26.0% YoY to RM6.3 billion (3Q22: RM5.0 billion) as retail spending both online and in store continue to grow. 3Q23 TPV generated revenue of RM42.0 million, a growth of 26.4% YoY (3Q22: RM33.2 million). The blended MDR (gross revenue/TPV) achieved in the quarter was stable at 67 basis points (3Q22: 67 basis points) albeit (1) products' mix change of payment types; and (2) merchants' mix change as transactions are captured at both physical and online merchants as domestic consumption remains resilient and aided by growth in tourism spending.

Gross profit was, however, flat YoY at RM9.0 million (3Q22: RM9.0 million). The 3Q23 gross profit/TPV margin spreads were lower at 14 bps compared to last year (3Q22: 18 bps). This quarter's gross profit has been adjusted (and restated for 3Q22) to reclassify costs relating to Direct Acquiring into Cost of Sales (COS) which was previously recognised in OPEX to better reflect the operational nature of this TPA e-payments segment.

TPV performance over the coming quarters is expected to improve as tourism across the region continue to return to pre-pandemic levels and economic conditions approach normality.

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

B1. (i) Performance of current quarter (3Q 2023) vs corresponding quarter (3Q 2022) by segment (continued)



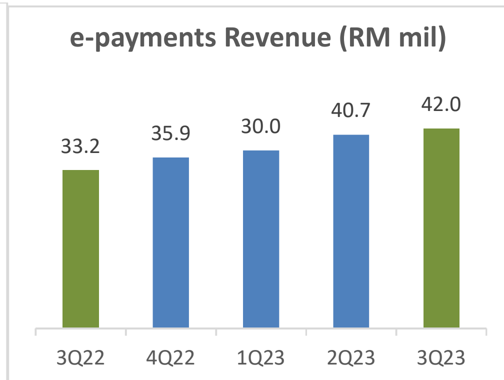


Table 1

GHL Electronic payments TPA *(All stated in RM'millions unless stated otherwise)*	**3Q 2022**	**3Q 2023**	**% change**
Transaction Payment Value	**4,988.2**	**6,284.5**	**26.0%**
Gross Revenue	**33.2**	**42.0**	**26.4%**
Gross Revenue / Transaction Payment Value (Note 1)	**0.67%**	**0.67%**	**0.3%**
Gross Profit	**9.0**	**9.0**	**-0.5%**
Gross Profit / Transaction Payment Value (Note 1)&(Note 2)	**0.18%**	**0.14%**	**-21.0%**
Merchant Footprint - TPA Only (Thousands)	**128.7**	**125.4**	**-2.6%**

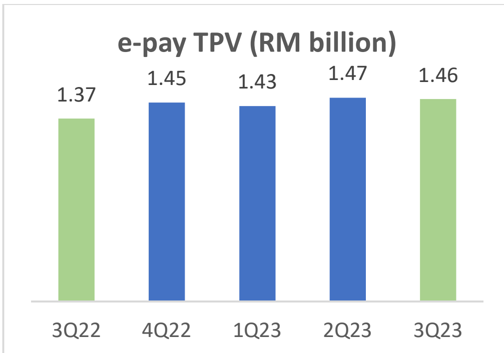
Note 1 - Gross Revenue or Gross Profit respectively divided by the Transaction Payment Value expressed as a %.
Note 2 – The gross profit has been restated as a result of changes in indirect costs allocation basis due to required improvements to our internal business processes to include certain network upgrades, as well as expenses relating to the Direct Acquiring business that were previously included in the administrative OPEX expenses. This reclassification from OPEX to COGS is intended to more accurately reflect the gross margins of this payment TPA segment.

(ii) e-pay (reload and collection services)

e-pay is the largest provider of reload and collection services in Malaysia. It has approximately 60,300 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 2 below. As shown in Table 2, 3Q23 transaction value processed (TPV) by e-pay grew by 6.6% YoY with a gross profit margin spread of 73 basis points (3Q22: 78 basis points) 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 revenue trend however has been impacted by a lower blended MDR given product pricing and merchant mix changes.

B1. (i) Performance of current quarter (3Q 2023) vs corresponding quarter (3Q 2022) by segment (continued)

(ii) e-pay (reload and collection services) (continued)



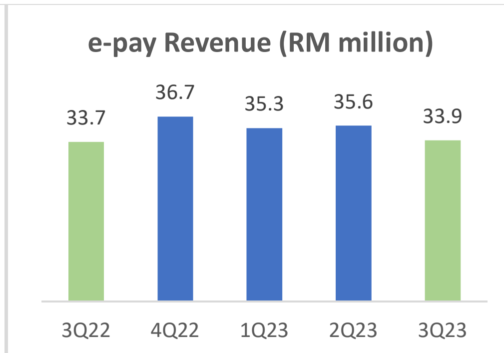


Table 2

e-pay *(All stated in RM'millions unless stated otherwise)*	**3Q 2022**	**3Q 2023**	**% change**
Transaction Payment Value	**1,372.1**	**1,462.6**	**6.6%**
Gross Revenue	**33.7**	**33.9**	**0.7%**
Gross Revenue / Transaction Payment Value (Note 1)	**2.45%**	**2.32%**	**-5.5%**
Gross Profit	**10.7**	**10.7**	**0.4%**
Gross Profit / Transaction Payment Value (Note 1)	**0.78%**	**0.73%**	**-5.8%**
Merchant Footprint - e-pay Only (Thousands)	**53.0**	**60.3**	**13.7%**

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 17.5% YoY in 3Q23 at RM77.9 million (3Q22: RM66.4 million) driven by payments revenues (26.4% YoY), while e-pay revenues were flat (0.7% YoY). e-pay used to be the larger contributor in the TPA segment but the GHL electronic payments TPA (encompassing card, online, mobile and next gen payments) is growing at a faster rate and became the larger component in 2023 onwards.

<u>Shared Services</u>

Shared services revenue in 3Q23 grew 7.2% YoY to RM36.8 million (3Q22: RM34.3 million) due to higher EDC hardware sales but lower rental and maintenance revenue collected. The 7.2% improvement amounted to RM2.5 million for the quarter under review.

<u>Solutions Services</u>

Solutions services gross revenue was up 22.5% in 3Q23 to RM3.4 million (3Q22: RM2.8 million) mainly due higher software sales and maintenance revenue collected compared to the same period one year ago.

B1. (ii) Performance of current quarter (3Q 2023) vs corresponding quarter (3Q 2022) by geographical segment

The Group's 3Q23 revenue was up 14.2% YoY to RM118.2 million as compared to RM103.5 million in the corresponding quarter in 3Q22. The Group's revenue growth in this quarter was led by its Transaction Payment Acquisition (TPA) business, which registered a 17.5% YoY improvement. The revenue from Shared Services and Solutions divisions in 3Q23 also registered improvements of 7.2% YoY and 22.5% YoY respectively. Gross margins were slightly lower at 32.1% (3Q22: 34.8%) mainly due to the change in revenue mix and segment mix. All the main geographical markets contributed positively to the Group's EBITDA. Despite the revenue YoY growth, the group's EBITDA was down -3.9% due to higher OPEX YoY as the group incurred expenses in areas such as network upgrade and improvements, expenses for our lending and Direct Acquiring businesses.

Malaysia operations accounted for 77.2% of the Group's revenue in 3Q23 with a 18.1% YoY growth to RM91.2 million. TPA and Shared services division led the growth during the quarter with higher transaction volume and higher hardware sales revenue while Solutions services registered a YoY smaller growth due to software sales compared to 3Q22.

The Philippines operations was the second largest contributor, accounted for 13.8% of 3Q23 Group revenue. The third quarter of 2023 saw revenue grew by 10.1% YoY to RM16.3 million (3Q22 – RM14.8 million) due to growth in the TPA pillar driven by higher transaction volume and value as well as hardware sales in its Shared services pillar. Its Solutions services division however registered flat YoY performance.

Thailand operations 3Q23 revenue contributed 8.7% to the Group total and declined -7.2% YoY to RM10.3 million (3Q22: RM11.1 million) due to a YoY decline in EDC sales revenue in its Shared services pillars. Growth in volumes in its TPA division was driven in part by better tourism activities.

The Group's other geographical operations recorded 3Q23 revenue of RM0.4 million (3Q22: 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 September 2023, the Group's payment touchpoints stood at 463,800, a 11.4% YoY growth overall where TPA touchpoints grew 2.2% YoY.

During 3Q23, the Group invested RM4.1 million to continue its regional footprint growth. This investment figure is higher compared to 3Q22. 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 year to date (3Q23 YTD) vs corresponding period (3Q22 YTD) by business segment

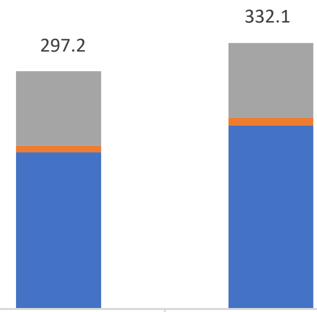
The Group revenue for 3Q23 YTD was up 11.7% YoY to RM332.1 million (3Q22 YTD: RM297.2 million) with growth driven by the TPA segment across all three key markets of Malaysia, Philippines and Thailand. The Shared Services segment was down 0.9% due to lower rental revenue but this was mitigated by higher EDC sales in Malaysia. Solution Services segment was higher by 32.2% due to higher maintenance revenue in Malaysia and higher software sales from the Philippines market.

During the first 9 months of 2023. the Group's gross profit margin was lower at 33.5% (3Q22: 34.7%) due to business pillar, payment type and merchant type mix. In line with the improvement in top-line revenue, pretax profit in 3Q23 YTD was higher at RM30.2 million compared to RM27.2 million in the same period a year ago.

Net profit after tax and minority interest in 3Q23 YTD was also higher at RM19.7 million compared to the same period last year for 3Q22 YTD of RM18.4 million

B1. (iii) Performance of year to date (3Q23 YTD) vs corresponding period (3Q22 YTD) by business segment (continued)

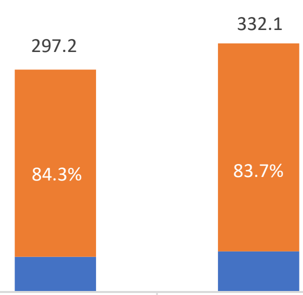
Revenue By Business Segment (RM mil)



	3Q22 YTD	3Q23 YTD
Shared Services	93.4	92.7
Solutions services	8.0	10.5
TPA	195.8	228.9

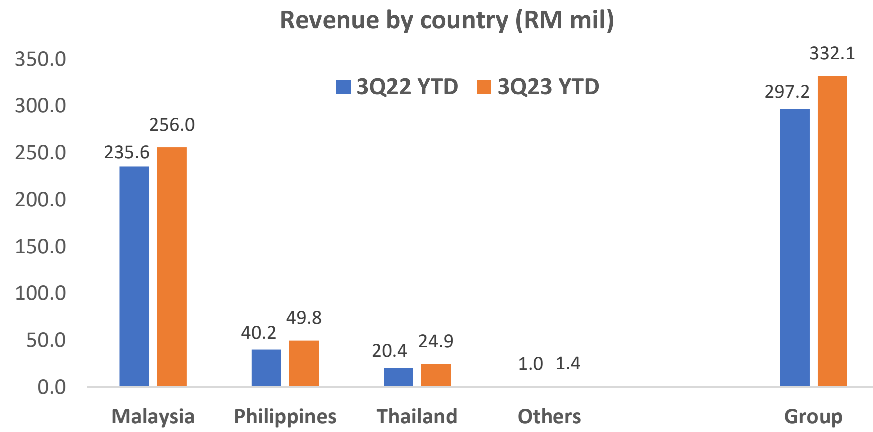
The annuity-based revenue component within the Group's total revenue in 3Q23 YTD remains high at 83.7% and this compared to 84.3% achieved in 3Q22 YTD due to lower recurring rental revenue in first 9 months of 2023. The Group's strategy is to grow the TPA and other businesses that have a strong recurring 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 continue to grow in the coming quarters.

Annuity vs Non annuity revenue (RM mil)



	3Q22 YTD	3Q23 YTD
Annuity	250.5	278.1
Non Annuity	46.7	54.0

B1. (iv) Performance of year to date (3Q23 YTD) vs corresponding period (3Q22 YTD) by geographical segment



The Group revenue for 3Q23 YTD was up 11.7% YoY to RM332.1 million (3Q22 YTD: RM297.2 million) with growth driven by the TPA segment across all three key markets of Malaysia, Philippines and Thailand. The Shared Services segment was down 0.9% due to lower rental revenue but this was mitigated by higher EDC sales in Malaysia. Solution Services segment was higher by 32.2% due to higher maintenance revenue in Malaysia and higher software sales from the Philippines market.

Malaysia operations contributed RM256.0 million or 77.1% (3Q22 YTD: 79.3%) of the Group revenue and registered an 8.7% YoY growth where the TPA segment led the growth during the quarter due to higher transaction volume and value. Shared services in 3Q23 YTD were up at 6.0% YoY due to higher hardware sales which was partially dragged by lower rental revenue. Solutions Services segments registered YoY improvement due to higher maintenance revenue.

Philippines' revenue was 23.9% YoY higher at RM49.8 million (3Q22 YTD: RM40.2 million) driven by better TPA performance but dragged by lower Shared Services collection of rental revenue. Solutions Services registered a growth due to software sales revenue generated.

Thailand recorded an improvement in revenue of 22.1% YoY to RM24.9 million from RM20.4 million in 3Q22 YTD with improvements from its TPA division and Solutions Services due to software sales. Shared Services segment was down due to higher hardware sales in the corresponding 3Q22 YTD which was not repeated in 3Q23 YTD. Thailand's TPA segment improved YoY, on the back of higher local consumption as well as the return of tourism.

Other countries remain the smallest contributor to group operations at RM1.4 million of the Group turnover compared to 3Q22 YTD turnover of RM1.0 million. The improvement in EBITDA contribution of RM0.41 million compared to 3Q22 YTD of RM0.17 million was due to some small TPA revenue recognised from the Group's Indonesian operations in 2Q23.

B1. (v) Performance of current quarter (3Q23) vs preceding quarter (2Q23) by business segment

Table 3

Revenue (RM million)	**2Q23**	**3Q23**
TPA	77.6	78.0
Shared Services	28.4	36.8
Solutions Services	4.0	3.4
Group revenue	110.0	**118.2**
Profit Before Tax	10.7	**10.0**

For the quarter ended 30 September 2023, the Group recorded revenue of RM118.2 million, up 7.5% quarter- on-quarter (QoQ) from RM110.0 million recorded in 2Q23. This 3Q23 QoQ improvement was driven primarily by higher hardware sales in the Shared Services division. 3Q23 TPA revenue were flat despite an 8.5% improvement in TPV as the blended MDR was down due to changes in merchant and geographical mix. Overall profit margin and profit before tax was lower QoQ due to lower gross profit margins achieved in 3Q23.

B2. Current Year's Prospects (FY 2023)

The first nine months of 2023 continued to see an uptrend in consumer cashless spending, resulting in higher revenue in the TPA business across the Group's three key markets. We believe despite the global macroeconomic uncertainties; this upward trend will continue into the final quarter of 2023 and into 2024. The Shared and Solution Services businesses continue to enjoy a healthy pipeline of deals which will likely result in additional revenues in the coming quarters. The Group's focus on high growth lines of business, such as offline and online direct merchant acquiring is expected to contribute to the growth in revenue in the remainder of 2023 and in 2024.

Despite the continued recovery in consumption and activities in 2023, concerns remain around inflation and uncertain movement of interest rates globally. Geo-political tensions and ongoing conflict in Europe and Middle East may impact the growth outlook of economies. Despite the global headwinds, the Group's diverse range of business pillars, merchant mix and geographical coverage continue to contribute to revenue improvements driven by the growing adoption of cashless payments among ASEAN consumers for both their online and in-store transactions. Additionally, ASEAN governments' push for digitisation for cross-border payments will be a significant catalyst for our future growth.

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 in the fourth quarter of 2023.

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

B3. Profit before Taxation

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

	Current Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year To Date 30.09.2023 RM'000	Preceding Year To Date 30.09.2022 RM'000
Amortisation of intangible asset	70	67	202	199
Bad debts written off	66	11	237	65
Depreciation of property, plant and equipment	6,018	6,457	17,559	19,778
Fair value (gain)/loss in other investments	-	(1)	-	276
Loss/(Gain) on foreign exchange:				
- Realised	141	419	75	332
- Unrealised	157	672	151	(178)
(Gain)/Loss on disposal of property, plant and equipment	(795)	222	(916)	989
Gain on disposal of investment in associate	-	-	-	(1,182)
Net (gain)/loss on impairment on trade and other receivables	(77)	(16)	(1,701)	1,109
Interest expenses	586	314	1,361	1,163
Interest income	(396)	(541)	(1,098)	(1,590)
Inventories written off	-	-	-	11
Property, plant and equipment written off	55	63	125	156
Rental expenses	61	62	183	193
Reversal of impairment on investment in associate	-	-	-	(287)
Reversal of inventories written down	-	(10)	-	(15)

B4. Tax expense

	Current Quarter 30.09.2023 RM'000	Year To Date 30.09.2023 RM'000
Current tax expenses based on profit for the financial quarter:		
Malaysian income tax	(3,567)	(7,948)
Foreign income tax	(714)	(3,098)
Under-provision in prior years	(63)	(957)
Deferred taxation:		
Relating to origination and reversal of temporary differences	1,117	1,340
Overprovision in prior years	-	200
Total	(3,227)	(10,463)

The Group's effective tax rate for the year to date ended 30 September 2023 was higher than the statutory tax rate mainly due to certain disallowable expenses for tax purposes, under accrual of prior year tax and non-recognition of deferred tax asset arising from tax losses.

B5. Status of Corporate Proposals

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

B6. Group Borrowings and Debt Securities

The Group's borrowings and debt securities as at 30 September 2023 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	-	3,273	-	33,743	-	37,016
- Philippine Peso	-	-	-	-	-	-
Unsecured						
Bank borrowings						
- Ringgit Malaysia	-	4,061	-	3,409	-	7,470
- Philippine Peso	-	-	137	11	137	11
- Thai Baht	-		20,000	2,572	20,000	2,572
		7,334	**20,137**	**39,735**	**20,137**	**47,069**

B7. Material Litigation

Bestinet v GHL ePayments Sdn Bhd (Court of Appeal)

On 19 September 2019, Bestinet Sdn Bhd ("Bestinet") commenced an action against GHL ePayments Sdn Bhd (a wholly owned subsidiary of the Company) ("eGHL") in the Kuala Lumpur High Court for breach of contract and misrepresentation.

Bestinet engaged eGHL to develop an e-wallet application for foreign workers, and Bestinet's claim against eGHL was premised upon an allegation that eGHL misrepresented itself as an e-wallet service provider that was licensed by Bank Negara Malaysia ("BNM") and was able to obtain the BNM's approval for the proposed e-wallet application.

As BNM approval was not obtained for the proposed e-wallet application, Bestinet terminated the contract between the parties and claimed that eGHL should pay Bestinet RM 3,733,292.34 as special and general damages for the alleged misrepresentation.

On 30 August 2019, eGHL filed its Statement of Defence and Counterclaim against Bestinet. eGHL counterclaimed against Bestinet for a declaration that the termination of the contract by Bestinet was unlawful, payment of outstanding invoices amounting to RM185,500 together with interest and RM 1,885,000.00 as loss of profits.

The Kuala Lumpur High Court had on 30 May 2022 decided in eGHL's favour in which Bestinet's claim against eGHL was dismissed with cost and eGHL's counterclaim against Bestinet has been partly allowed with costs amounting to RM30,000.00 ("High Court Judgment").

Thereafter, Bestinet filed and served a notice of appeal to the Court of Appeal on 24 June 2022 to appeal against the High Court Judgment ("Appeal"). Bestinet also filed an application for a stay of execution of the High Court Judgment on 26 August 2022 ("Stay of Execution"), and the Stay of Execution was dismissed on 16 December 2022.

B7. Material Litigation (continued)

At the same time, eGHL issued a statutory notice of demand against Bestinet on 17 December 2022 to enforce the High Court Judgment. Bestinet had thereafter settled the judgment sum of RM374,823.83 to eGHL on 3 April 2023.

The Court of Appeal on 22 September 2023 unanimously dismissed Bestinet's appeal against the High Court decision dated 30 May 2023 in favour of eGHL. The Court of Appeal also ordered Bestinet to pay costs of RM 30,000.00 to eGHL.

Bestinet's solicitors have confirmed that Bestinet would not be filing an application for leave to appeal to the Federal Court. As for the costs of RM30,000.00, eGHL can proceed to claim it upon receiving the sealed Court of Appeal Order.

B8. Dividend

No dividend has been declared for the financial quarter ended 30 September 2023.

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 owners 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 owners 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 30.09.2023	**Preceding Year Corresponding Quarter 30.09.2022**	**Current Year To Date 30.09.2023**	**Preceding Year To Date 30.09.2022**
Basic				
Profit attributable to owners of the parent (RM'000)	6,731	7,109	19,706	18,446
Weighted average number of ordinary shares in issue and issuable (Unit'000)	1,141,500	1,141,500	1,141,500	1,141,500
Basic earnings per ordinary share (Sen)	0.59	0.62	1.73	1.62
Diluted				
Profit attributable to owners of the parent (RM'000)	6,731	7,109	19,706	18,446
Weighted average number of ordinary shares in issue and issuable (Unit'000)	1,141,500	1,141,500	1,141,500	1,141,500
Diluted earnings per ordinary share (Sen)	0.59	0.62	1.73	1.62