



GHL SYSTEMS BERHAD

Company No: 199401007361 (293040-D)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2024  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31.03.2024	QUARTER ENDED 31.03.2023	PERIOD ENDED 31.03.2024	PERIOD ENDED 31.03.2023
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	122,585	103,965	122,585	103,965
Cost of sales		(83,642)	(68,640)	(83,642)	(68,640)
<b>Gross profit</b>		<b>38,943</b>	<b>35,325</b>	<b>38,943</b>	<b>35,325</b>
Other operating income		774	689	774	689
Administration expenses		(28,078)	(24,009)	(28,078)	(24,009)
Distribution costs		(3,508)	(2,813)	(3,508)	(2,813)
Other operating expenses		(483)	(160)	(483)	(160)
Net (loss)/gain on impairment of financial assets		(138)	679	(138)	679
Finance cost		(403)	(249)	(403)	(249)
<b>Profit before taxation</b>		<b>7,107</b>	<b>9,462</b>	<b>7,107</b>	<b>9,462</b>
Income tax expense		(2,408)	(2,799)	(2,408)	(2,799)
<b>Profit for the period</b>		<b>4,699</b>	<b>6,663</b>	<b>4,699</b>	<b>6,663</b>
<b>Attributable to:</b>					
Owners of the parent		4,714	6,670	4,714	6,670
Non-controlling interest		(15)	(7)	(15)	(7)
		<b>4,699</b>	<b>6,663</b>	<b>4,699</b>	<b>6,663</b>
Earnings Per Ordinary Share					
- Basic (sen)	B9	0.41	0.58	0.41	0.58
- Diluted (sen)	B9	0.41	0.58	0.41	0.58
<b>Profit for the period</b>		<b>4,699</b>	<b>6,663</b>	<b>4,699</b>	<b>6,663</b>
Other comprehensive income, net of tax					
Foreign currency translation differences		(108)	1,804	(108)	1,804
<b>Total comprehensive income for the period</b>		<b>4,591</b>	<b>8,467</b>	<b>4,591</b>	<b>8,467</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		4,606	8,474	4,606	8,474
Non-controlling interest		(15)	(7)	(15)	(7)
		<b>4,591</b>	<b>8,467</b>	<b>4,591</b>	<b>8,467</b>

The comparative figures for certain items under cost of sales and administration expenses have been reclassified to conform to current period's presentation.

*(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 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**

**AS AT 31 MARCH 2024**

**(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>Note</b>	<b>AS AT 31.03.2024 (Unaudited) RM'000</b>	<b>AS AT 31.12.2023 (Audited) RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		99,827	97,137
Goodwill on consolidation		168,639	168,639
Intangible assets		668	729
Trade and other receivables		14,085	15,740
Other investments		8	8
Deferred tax assets		4,328	4,014
		<u>287,555</u>	<u>286,267</u>
<b>Current assets</b>			
Inventories		59,980	71,161
Trade and other receivables		287,368	315,358
Current tax assets		3,486	2,855
Other investments		11,306	6,265
Cash and bank balances		171,579	174,004
		<u>533,719</u>	<u>569,643</u>
<b>TOTAL ASSETS</b>		<u>821,274</u>	<u>855,910</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		351,485	351,485
Reserves		3,674	3,782
Retained earnings		171,402	189,518
<b>Equity attributable to owners of the parent</b>		<u>526,561</u>	<u>544,785</u>
Non controlling interest		185	200
<b>Total equity</b>		<u>526,746</u>	<u>544,985</u>
<b>Non-current liabilities</b>			
Borrowings	B6	9,892	9,495
Contract liabilities		696	700
Lease liabilities		2,166	2,272
Employee benefits obligation		2,200	2,070
Deferred tax liabilities		6,199	6,549
		<u>21,153</u>	<u>21,086</u>
<b>Current liabilities</b>			
Trade and other payables		235,773	251,692
Contract liabilities		7,214	5,197
Lease liabilities		1,252	1,270
Borrowings	B6	26,224	29,411
Current tax liabilities		2,912	2,269
		<u>273,375</u>	<u>289,839</u>
<b>Total liabilities</b>		<u>294,528</u>	<u>310,925</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>821,274</u>	<u>855,910</u>
Net assets per share (sen)		46.13	47.73

*(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 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 31 MARCH 2024  
(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 Interest RM'000	Total Equity RM'000
At 1 January 2023	351,485	775	(1,332)	160,710	511,638	188	511,826
Total comprehensive income for the period	-	-	1,804	6,670	8,474	(7)	8,467
At 31 March 2023	<u>351,485</u>	<u>775</u>	<u>472</u>	<u>167,380</u>	<u>520,112</u>	<u>181</u>	<u>520,293</u>
At 1 January 2024	351,485	561	3,221	189,518	544,785	200	544,985
Total comprehensive income for the period	-	-	(108)	4,714	4,606	(15)	4,591
Dividends	-	-	-	(22,830)	(22,830)	-	(22,830)
At 31 March 2024	<u>351,485</u>	<u>561</u>	<u>3,113</u>	<u>171,402</u>	<u>526,561</u>	<u>185</u>	<u>526,746</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 2023 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 31 MARCH 2024  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>PERIOD ENDED 31.03.2024 RM'000</b>	<b>PERIOD ENDED 31.03.2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,107	9,462
<b>Adjustment for:-</b>		
Amortisation of development cost	71	66
Amortisation of contract liabilities	(3,304)	(2,363)
Bad debts written off	82	-
Depreciation of property, plant and equipment	5,875	5,735
Gain on lease termination	(1)	-
(Gain)/Loss on disposal of property, plant and equipment	(6)	35
Interest expense	403	249
Interest income	(572)	(371)
Net impairment losses/(reversal of impairment losses) on trade and other receivables	138	(679)
Property, plant and equipment written off	25	3
Unrealised loss on foreign exchange	47	40
<b>Operating profit before working capital changes</b>	<b>9,865</b>	<b>12,177</b>
<b>Increase/(Decrease) in working capital</b>		
Inventories	18,971	6,605
Trade and other receivables	29,422	55,011
Trade and other payables	(39,046)	(82,866)
Advance receipt from contract liabilities	5,317	3,281
Employee benefits obligations	102	69
	<b>14,766</b>	<b>(17,900)</b>
<b>Cash generated from/(used in) operations</b>	<b>24,631</b>	<b>(5,723)</b>
Interest received	572	371
Interest paid	(119)	(197)
Tax paid	(3,072)	(2,220)
	<b>(2,619)</b>	<b>(2,046)</b>
<b>Net cash from/(used in) operating activities</b>	<b>22,012</b>	<b>(7,769)</b>



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Company No: 199401007361 (293040-D)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2024  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>PERIOD ENDED 31.03.2024 RM'000</b>	<b>PERIOD ENDED 31.03.2023 RM'000</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(16,380)	(7,287)
Addition in intangible assets	(4)	-
Proceeds from disposal of property , plant and equipment	8	233
Withdrawal in deposits pledged or maturity more than 3 months	124	180
<b>Net cash used in investing activities</b>	<b>(16,252)</b>	<b>(6,874)</b>
<b>Cash Flows From Financing Activities</b>		
Repayment of lease liabilities	(382)	(377)
Drawdown of bank borrowings	33,216	7,550
Repayment of bank borrowings	(35,916)	(1,436)
<b>Net cash (used in)/from financing activities</b>	<b>(3,082)</b>	<b>5,737</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,678</b>	<b>(8,906)</b>
<b>Effect of exchange rate fluctuation</b>	<b>63</b>	<b>1,325</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>169,904</b>	<b>142,836</b>
<b>Cash and cash equivalents at end of the period</b>	<b>172,645</b>	<b>135,255</b>

<b>Cash and cash equivalents at end of the period:-</b>		
Cash and bank balances	171,579	141,222
Other investments	11,306	9,184
	<u>182,885</u>	<u>150,406</u>
Less: Fixed deposits pledged to licensed banks or maturity more than 3 months	(10,240)	(15,151)
	<u>172,645</u>	<u>135,255</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 2023 and the accompanying explanatory notes attached to the interim financial statements)*



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## Part A: Explanatory notes on consolidated results for the quarter ended 31 March 2024

### A1. Basis of Preparation

These unaudited condensed consolidated interim financial statements 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 2023.

### 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 2024 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2023.

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

#### New MFRS adopted during the financial period

Title	Effective Date
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 16 <i>Lease Liability in Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024

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

#### MFRSs and Amendments to MFRSs that are applicable to the Group but not yet effective

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 121 <i>Lack of Interchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	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 2023 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.



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**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 31 March 2024.

**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; Payment Services, Shared Services and Solution Services. The activities within each of these core businesses are explained below:

**Payment Services** includes revenue derived from three (3) 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"); as well as
- iii) Value-added services which include short-term SME loans with flexible payment options.

**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.

Performance is measured based on the core businesses revenue and geographical earnings before interest, tax, depreciation and amortisation (EBITDA), 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/Period Ended 31 March	Malaysia		Philippines		Thailand		Others		Adjustment and Elimination		Consolidated	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>REVENUE</b>												
<b>External Sales</b>												
Payment Services	65,091	58,832	12,250	11,853	8,484	2,627	54	-	-	-	85,879	73,312
Shared Services	25,594	20,469	3,562	3,524	4,623	3,516	-	-	-	-	33,779	27,509
Solution Services	1,378	1,628	726	778	308	283	515	455	-	-	2,927	3,144
Inter-segment sales	226	-	-	-	-	-	-	-	(226)	-	-	-
	<b>92,289</b>	<b>80,929</b>	<b>16,538</b>	<b>16,155</b>	<b>13,415</b>	<b>6,426</b>	<b>569</b>	<b>455</b>	<b>(226)</b>	<b>-</b>	<b>122,585</b>	<b>103,965</b>
<b>RESULTS</b>												
<b>EBITDA</b>	<b>7,798</b>	<b>7,846</b>	<b>3,158</b>	<b>5,661</b>	<b>1,820</b>	<b>1,411</b>	<b>108</b>	<b>223</b>	-	-	<b>12,884</b>	<b>15,141</b>
Interest income	560	362	13	9	-	-	2	-	(3)	-	572	371
Interest expense	(359)	(242)	-	(1)	(47)	(6)	-	-	3	-	(403)	(249)
Depreciation	(3,819)	(3,879)	(1,054)	(1,001)	(1,002)	(850)	-	(5)	-	-	(5,875)	(5,735)
Amortisation of intangible assets	(52)	(66)	(19)	-	-	-	-	-	-	-	(71)	(66)
<b>Profit before taxation</b>	<b>4,128</b>	<b>4,021</b>	<b>2,098</b>	<b>4,668</b>	<b>771</b>	<b>555</b>	<b>110</b>	<b>218</b>	-	-	<b>7,107</b>	<b>9,462</b>
Taxation	(1,324)	(2,025)	(899)	(612)	(111)	(114)	(74)	(48)	-	-	(2,408)	(2,799)
Minority interest	-	-	-	-	-	-	-	-	15	7	15	7
<b>Segment profit for the quarter/ period after non-controlling interest</b>	<b>2,804</b>	<b>1,996</b>	<b>1,199</b>	<b>4,056</b>	<b>660</b>	<b>441</b>	<b>36</b>	<b>170</b>	<b>15</b>	<b>7</b>	<b>4,714</b>	<b>6,670</b>
<b>Segmental assets</b>	<b>1,001,321</b>	<b>1,029,793</b>	<b>100,838</b>	<b>100,107</b>	<b>41,815</b>	<b>48,995</b>	<b>3,858</b>	<b>3,826</b>	<b>(326,558)</b>	<b>(326,811)</b>	<b>821,274</b>	<b>855,910</b>
<b>Segmental liabilities</b>	<b>537,430</b>	<b>552,364</b>	<b>31,209</b>	<b>32,678</b>	<b>17,414</b>	<b>24,886</b>	<b>1,035</b>	<b>1,058</b>	<b>(292,560)</b>	<b>(300,061)</b>	<b>294,528</b>	<b>310,925</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 period. 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 2023.

**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**

On 3 March 2024, the Group has subscribed for 51,000 preference shares of 100 THB per share in GHL (Thailand) Co., Ltd. for a consideration of 5,100,000 THB. Consequently, the equity interest of the Group in GHL (Thailand) Co., Ltd. pursuant to the new issuance had increased from 97.74% to 97.84%.

Changes in the equity interest do not result in a change in control of the subsidiary.

**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	11,607
- Unsecured	5,188
	<u>16,795</u>

**A14. Capital Commitments**

Capital commitments for purchase of property, plant and equipment not provided for as at 31 March 2024 are as follows:

	<b>RM'000</b>
Approved and contracted for	<u>20,187</u>



**GHL SYSTEMS BERHAD**

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

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

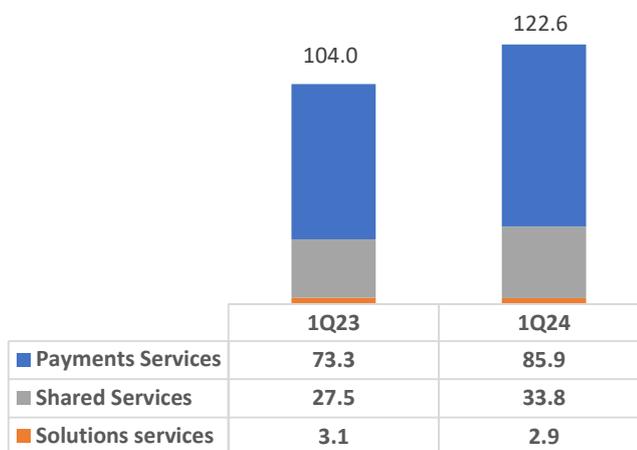
**B1 (i) Performance of current quarter (1Q24) vs corresponding quarter (1Q23)**

The Group’s 1Q24 revenue was up by 17.9% YoY to RM122.6 million as compared to RM104.0 million in the corresponding quarter in 1Q23. The Group’s revenue growth in this quarter was led by its Payment Services business, which registered a 17.1% YoY improvement. The revenue from Shared Services in 1Q24 also registered improvements of 22.8% YoY, while solution services registered a decline of 6.9% YoY

The Group’s 1Q24 profit after tax was down by 29.5% to RM4.7 million as compared to RM6.7 million in the corresponding quarter in 1Q23. Profitability was impacted by higher operating expenditure resulting from the Group’s continued investment in growing its merchant base, IT infrastructures and human capital.

The Group’s balance sheet remains healthy with a net cash position of RM132.0 million as at 31 March 2024 (31 December 2023: Net cash of RM131.6 million) excluding amounts placed in short term money market investments.

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



The performances of the individual segments are as follows: -

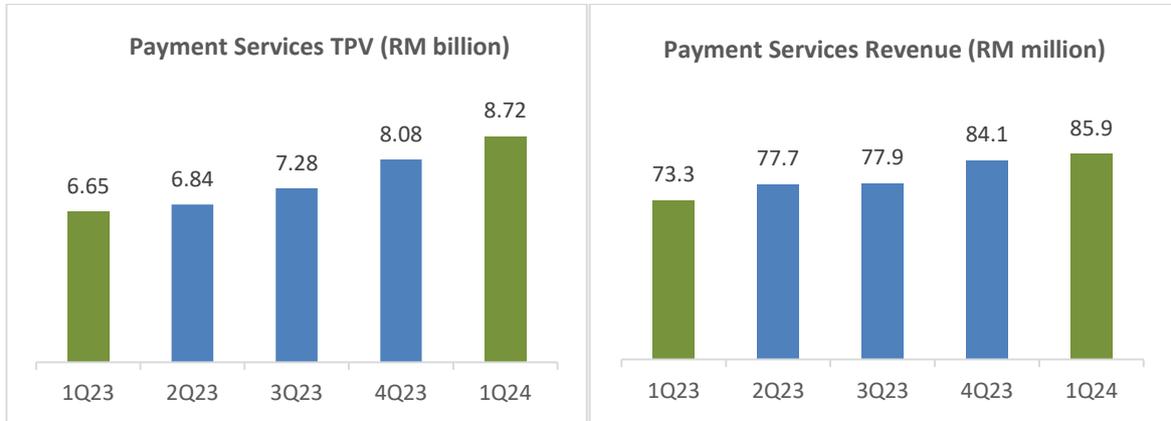
**Payment Services**

Payment Services revenue in 1Q24 grew by 17.1% YoY to RM85.9 million (1Q23: RM73.3 million) due to higher payment transaction captured in all its three key geographical markets. 1Q24 hit RM8.72 billion TPV (Transaction Payment Value) processed, and increase of 31% YoY as spending and the cashless trend remains resilient.



**B1 (i) Performance of current quarter (1Q24) vs corresponding quarter (1Q23) (continued)**

**Payment Services (continued)**



**Shared Services**

Shared Services revenue in 1Q24 grew by 22.8% YoY to RM33.8 million (1Q23: RM27.5 million) due to higher EDC hardware sales, rental revenue and maintenance revenue.

**Solutions Services**

Solutions services gross revenue was down 6.7% in 1Q24 to RM2.9 million (1Q23: RM3.1 million) mainly due to lower software sales revenue collected compared to the same period one year ago.

The annuity-based revenue component within the Group’s total revenue in 1Q24 remains high at 84.7% (1Q 23: 85.7%). Despite this 1.0% decline in percentage terms, the absolute annuity revenue in 1Q24 grew by RM14.8 million YoY. The Group’s strategy is to grow the Payment Services 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. The Payment Services segment in all three geographical markets remain robust and hence annuity revenue is expected to remain resilient.

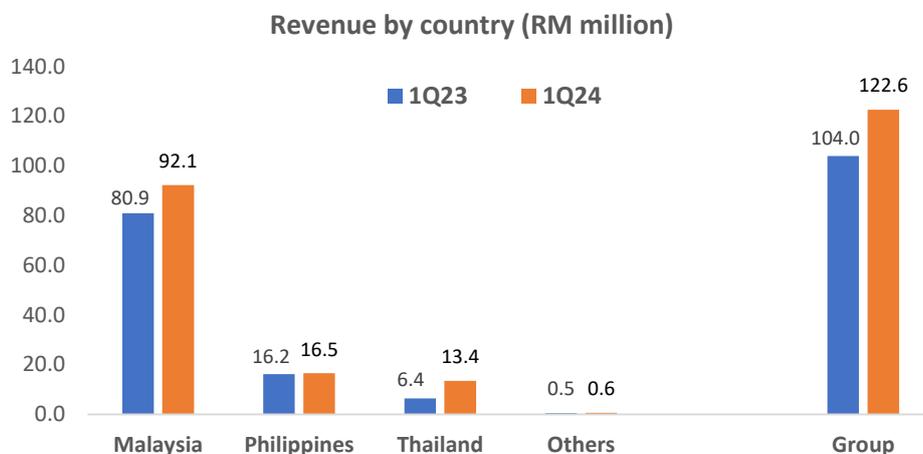
**Annuity vs Non annuity revenue (RM million)**





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**B1. (ii) Performance of current quarter (1Q24) vs corresponding quarter (1Q23) by geographical segment**



The Group's revenue was mainly contributed by Malaysia operations, which accounts for 75.1% of the Group's revenue in 1Q24. The Philippines operations was the second largest contributor, accounted for 13.5% of 1Q24 Group's revenue. Thailand operations' 1Q24 revenue contributed 10.9%, while other geographical operations contribute to the remaining 0.5% of the Group's revenue.

Malaysia

Malaysia operations revenue in 1Q24 has seen a 13.8% YoY growth to RM92.1 million (1Q23: RM80.9 million). Payment Services and Shared Services segments led the growth during the quarter with higher transaction volume and higher hardware sales revenue. Solutions services however was down marginally due to lower software sales in 1Q24 compared to a year ago.

Philippines

1Q24 saw revenue up by 1.9% YoY to RM16.5 million (1Q23: RM16.2 million). The Shared Services and Payment Services segments was however flat YoY and its Solutions Services segment registered a marginal YoY dip in performance.

Thailand

Thailand operations' 1Q24 revenue improved significantly by 109.4% YoY to RM13.4 million (1Q23: RM6.4 million) due to strong Payment Services segment where its revenues grew 3.2x. EDC sales revenue was down but this was offset by improvement in its rental revenue collected. Shared Services segment for Thailand was flat YoY. Growth in TPV volumes in Payment Services was driven in part by better tourism activities.

Others

The Group's other geographical operations recorded 1Q24 revenue of RM0.6 million (1Q23: RM0.5 million) on an ongoing maintenance project in Australia in its Solutions Services segment. There were no Shared Services and TPA revenue recorded by our Australian operations for the quarter under review.



GHL SYSTEMS BERHAD

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**B1. (iii) Performance of current quarter (1Q24) vs preceding quarter (4Q23) by business segment**

Revenue (RM million)	4Q23	1Q24
Payment Services	84.1	85.9
Shared Services	40.7	33.8
Solutions Services	3.4	2.9
<b>Group revenue</b>	<b>128.2</b>	<b>122.6</b>
<b>Profit After Tax</b>	<b>9.1</b>	<b>4.7</b>

For the quarter ended 31 March 2024, the Group recorded revenue of RM122.6 million, down 4.4% quarter- on-quarter (QoQ) from RM128.2 million recorded in 4Q23. This 1Q24 QoQ dip in performance was driven primarily by 4Q23 Shared Services revenue were recorded higher EDC hardware sales, which was not repeated in 1Q24. Payment Services was up 2.1% driven by higher transaction count in 1Q24. In line with the lower 1Q24 revenue, profit after tax was similarly down QoQ due to the group's continued investment in the Direct Acquiring business, IT security and cloud infrastructure, human capital; lower other income as well as higher tax expenses for the period.

**B2. FY2024 Prospects**

The upward trend of cashless spending is expected to continue in 2024. Despite the continued ASEAN recovery in travel, consumption and commercial activities, concerns remain around the global macroeconomic uncertainties. Geopolitical tensions and the ongoing conflict in Europe and the Middle East may impact global oil prices thus affecting the growth outlook of economies in our region.

The Group's diverse range of business segments, merchant mix and geographical coverage continue to contribute to revenue growth 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 the Group's future growth.

The Group's focus on high growth lines of business, such as Omni-channel direct merchant acquiring continues to contribute to the growth in revenue in 2024. As market leaders, the Shared and Solution Services businesses will also enjoy a healthy pipeline of deals which will likely result in further growth. To boost our competitive edge in the payments industry, the business continues to invest in its technology platforms, in our acquiring and lending businesses, as well as in its human capital. These investments will result in a near term impact on margins. The Group aims to mitigate this impact by capturing higher margin growth opportunities whilst optimising operational efficiency.

The Group remains positive regarding the long-term potential of the ASEAN payments industry. We believe the trends of switching to e-payments and cashless channels will continue, hence providing a long runway for profitable growth for the Group in 2024 and beyond.



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**B3. Profit before Taxation**

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

	Quarter Ended 31.03.2024 RM'000	Quarter Ended 31.03.2023 RM'000	Period Ended 31.03.2024 RM'000	Period Ended 31.03.2023 RM'000
Amortisation of intangible asset	71	66	71	66
Bad debts written off	82	-	82	-
Depreciation of property, plant and equipment	5,875	5,735	5,875	5,735
Loss on foreign exchange:				
- Realised	182	43	182	43
- Unrealised	47	40	47	40
(Gain)/Loss on disposal of property, plant and equipment	(6)	35	(6)	35
Gain on lease termination	(1)	-	(1)	-
Net impairment losses/(reversal of impairment losses) on trade and other receivables	138	(679)	138	(679)
Interest expenses	403	249	403	249
Interest income	(572)	(371)	(572)	(371)
Property, plant and equipment written off	25	3	25	3
Rental expenses	78	61	78	61

**B4. Taxation**

	Quarter Ended 31.03.2024 RM'000	Period Ended 31.03.2024 RM'000
Current tax expenses based on profit for the financial quarter/period:		
Malaysian income tax	(1,997)	(1,997)
Foreign income tax	(684)	(684)
Under-provision in prior years	(400)	(400)
Deferred taxation:		
Relating to origination and reversal of temporary differences	131	131
Over-provision in prior years	542	542
<b>Total</b>	<b>(2,408)</b>	<b>(2,408)</b>

The Group's effective tax rate for the period to date ended 31 March 2024 was higher than the statutory tax rate mainly due to certain disallowable expenses for tax purposes.



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**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 31 March 2024 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	-	2,354	-	15,449	-	17,803
<b>Unsecured</b>						
<i>Bank borrowings</i>						
- Ringgit Malaysia	-	7,538	-	2,987	-	10,525
- Thai Baht	-	-	60,000	7,788	60,000	7,788
	-	<b>9,892</b>	<b>60,000</b>	<b>26,224</b>	<b>60,000</b>	<b>36,116</b>

**B7. Material Litigation**

As at the date of this report, the Group is not engaged in any material litigation, claims, arbitration or prosecution, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

**B8. Dividend**

The Board of Directors has declared a final single-tier dividend of 2.0 sen per ordinary share, amounting to RM22.8 million in respect of the financial year ended 31 December 2023, paid on 10 May 2024.



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**B9. Earnings Per Share**

**a) Basic earnings per ordinary share**

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year 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 ordinary share**

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year 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.

	Quarter Ended 31.03.2024	Quarter Ended 31.03.2023	Period Ended 31.03.2024	Period Ended 31.03.2023
<b>Basic</b>				
Profit attributable to owners of the parent (RM'000)	4,714	6,670	4,714	6,670
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)	0.41	0.58	0.41	0.58
<b>Diluted</b>				
Profit attributable to owners of the parent (RM'000)	4,714	6,670	4,714	6,670
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)	0.41	0.58	0.41	0.58