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## Board of Directors

- Tunku Dato' Abdul Malek Bin Tunku Kassim, Independent Non-Executive Chairman
- Tay Beng Lock, Group Managing Director
- Yeng Fook Hoo, Deputy Group Managing Director
- Chin Fook Kheong, Group Finance Director
- Goh Kuan Ho, Non-Executive Director
- Mohamad Isa Bin Abdullah, Non-Executive Director
- Yen Siw Kuin, Independent Non-Executive Director
- Chong Teck Foh, Independent Non-Executive Director  
(resigned on 13 April 2005, and re-appointed on 22 April 2005)

## Company Secretaries

- Chin Fook Kheong (MIA 12596)
- Sepekar Zanidah Bt Hussin (LS 007244)

## Audit Committee

- Yen Siw Kuin
- Chong Teck Foh
- Mohamad Isa Bin Abdullah

## Auditors

Anuarul Azizan Chew & Co

18 Jalan 1/64, Off Jalan Kolam Air/Jalan Ipoh,  
51200 Kuala Lumpur

## Registrar

Symphony Share Registrars Sdn Bhd

(formerly known as Malaysian Share Registration Services Sdn Bhd)

Level 26, Menara Multi Purpose, Capital Square,  
No. 8 Jalan Munshi Abdullah, 50100 KL

## Legal Advisors

Rajah, Lau & Associates

B-13-13, Block B, 13<sup>th</sup> Floor, Unit 13, Megan Phileo Avenue,  
No 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur

Tan Eng Choong & Co

No 23, Jalan Pudu Lama, Bukit Mahkamah, 50200 Kuala Lumpur

Wong Beh & Toh

Level 12, West Block, Wisma Selangor Dredging, 142-C,  
Jalan Ampang, 50450 Kuala Lumpur

## Sponsor

AmMerchant Bank Bhd

22<sup>nd</sup> Floor, Bangunan AmBank Group,  
55 Jalan Raja Chulan, 50200 Kuala Lumpur

Tel: 603 2078 2633/44/55

Fax: 603 2078 8596 / 603 2032 4814

## Principal Bankers

- Affin Bank Berhad
- Alliance Bank Berhad
- AmBank Berhad
- Malayan Banking Berhad
- RHB Bank Berhad

## Registered Office

18C, Jalan 1/64, Off Jalan Kolam Air/Jalan Ipoh,  
51200 Kuala Lumpur

Tel: 603 4041 7403

Fax: 603 4043 2309

## Business Office

No 37, Cangkat Bukit Bintang,  
50200 Kuala Lumpur, Malaysia

Tel: 603 2116 1688

Fax: 603 2144 3432

Email: [kl@ghl.com](mailto:kl@ghl.com)

## Stock Exchange Listing

Bursa Malaysia – MESDAQ

Bursa Malaysia Code: 0021

Reuters Code: GHLS.KL

Bloomberg Code: GHLS MK

Website: [www.ghl.com](http://www.ghl.com)

IR Channel: <http://ir.wallstraits.net/ghl>



NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting of the Company will be held at Cempaka Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on 30 May 2005, Monday, at 10.00 a.m. for the purpose of transacting the following businesses:

#### AGENDA

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2004 together with the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To re-elect Tunku Dato' A Malek Bin Tunku Kassim who retires pursuant to Section 129(6) of the Companies Act, 1965. (Resolution 2)
3. To re-elect En. Mohamad Isa bin Abdullah who retires pursuant to Article 127 of the Company's Articles of Association. (Resolution 3)
4. To re-elect Ms. Yen Siw Kuin who retires pursuant to Article 127 of the Company's Articles of Association. (Resolution 4)
5. To re-elect Mr. Chong Teck Foh who retires pursuant to Article 132 of the Company's Articles of Association. (Resolution 5)
6. To approve the payment of Directors' fees of RM216,000 for the year ended 31 December 2004. (Resolution 6)
7. To re-appoint Messrs. Anuarul Azizan Chew & Co., as Auditors of the Company and to authorize the Directors to fix their remuneration. (Resolution 7)

#### As Special Business:

To consider and, if thought fit, to pass the following Ordinary Resolution:

8. **Authority to Directors to Allot and Issue Shares** (Resolution 8)  
 "That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorized to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies having been obtained for such allotment and issue."
9. To transact any other business of the Company for which due notice shall have been given.

BY ORDER OF THE BOARD

Chin Fook Kheong (MIA 12596)  
 Sepekar Zanidah Bt Hussin (LS 007244)  
 Company Secretaries

Kuala Lumpur  
 Date: 6 May 2005





## NOTES ON APPOINTMENT OF PROXY

1. A member entitled to attend and vote at the meeting is entitled to appoint one or up to a maximum of two proxies or in the case of a corporation, to appoint a representative to attend and vote in his place. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 ("Act") shall not apply to the Company.
2. The Form of Proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney.
3. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
4. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy and complies with Section 149(1)(c) of the Act.
5. The Form of Proxy or other instruments of appointment must be deposited with the Registrar of the Company, Symphony Share Registrars Sdn Bhd (*formerly known as Malaysian Share Registration Services Sdn Bhd*) at 26th Floor, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur at least 48 hours before the time fixed for holding the meeting or any adjournment thereof, or in the case of a poll, at least 24 hours before the time appointed for the taking of the poll.

## EXPLANATORY NOTES ON SPECIAL BUSINESS

### Resolution 8: Authority to Directors to Allot and Issue Shares

The Proposed Resolution 8, if passed, would enable the Directors to issue shares for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

The Directors who are standing for re-election at the Eleventh Annual General Meeting of the Company are:-

Tunku Dato' A Malek bin Tunku Kassim	Section 129(6) Companies Act 1965	(Resolution 2)
En. Mohamad Isa bin Abdullah	Article 127	(Resolution 3)
Ms. Yen Siw Kuin	Article 127	(Resolution 4)
Mr. Chong Teck Foh	Article 132	(Resolution 5)

The profile of the Directors standing for re-election for Resolutions 2, 3, 4 and 5 are shown on pages 10 and 13 of the Annual Report 2004. The securities holdings of the abovenamed Directors in the Company or its subsidiaries are disclosed in the Directors report on page 31 of the aforesaid Annual Report.

The details of the Directors' attendance for Board Meetings are disclosed in the Corporate Governance Statement.

The Eleventh Annual General Meeting of the Company will be held at Cempaka Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on 30 May 2005, Monday, at 10.00 a.m.





## Chairman's Statement

On behalf of the Board of Directors of GHL Systems Berhad, I am pleased to present to you the 2004 Annual Report and the audited accounts of the Group and Company for the year ended 31 December 2004, together with a comparison to the previous year.

For the year ended 31 December 2004, GHL Systems reported a 27.5% increase in group net profit to RM7.65 million, compared to RM6.0 million achieved in the preceding year. Group revenue however grew at a marginal rate of 1.4% to RM64.2 million due to the streamlining of our prepaid reload business.

The year 2004 saw the escalating crude oil prices affecting the market environment both in the region and in Malaysia. The negative sentiment arising from the expected adverse effects on the regional economy posed great challenges for us in the payment services industry in which we operate.

Despite the challenging market environment last year, the group managed to achieve a commendable double-digit growth rate in net profit. The results not only underscore the achievements of our individual business units, but also indicate the resilience of GHL Systems' overall business strategy.

The group's balance sheet ended the year in a robust position, with shareholders' funds expanding by 24.4% to RM50.6 million and cash balances standing at RM7.9 million – a comfortable level for our market expansion going forward into the year 2005. Return on average shareholders' equity was a creditable 16.8%.

One of our notable achievements for the year was our becoming the leading player in Malaysia to convert the banks' magnetic-stripe terminals to the chip-based EuroPay-MasterCard-Visa ("EMV") standard terminals. I am proud to share with you that GHL Systems had effectively assisted 11 out of 17 banks to migrate onto the EMV platform by 1<sup>st</sup> January 2005, a deadline set by Bank Negara Malaysia. With the completion of the EMV migration, Malaysia is now one of the first countries in the world to be fully compliant with the EMV standards.

Earlier in the year under review, we were successful in obtaining a contract worth RM19.9 million to supply EMV-standard cards and Electronic Draft Capture ("EDC") terminals to Bank Simpanan Nasional. Our entry into the card segment market marks our commitment to providing end-to-end offerings in the payment enabling industry.

*“These developments have served to fortify GHL Systems' position as a leading payment services enabler in the region, providing total payment solutions not just to the financial institutions but also to other commercial enterprises.”*





Chairman's Statement (cont'd)

Moreover, we have made further inroads with our payment solutions; the most outstanding being our proprietary NetAccess transaction concentrator for multi-lane large merchants, which is acknowledged in the industry as one of the fastest in the world. A noteworthy achievement is that our NetAccess has been installed in Philippines' largest mall – Shoemart Department Stores.

Likewise, our other solutions have received positive responses from the user industries. For instance, the NetMatrix-TLE terminal line encryption solution is one of the most remarkable innovations in our research and development activities. This solution is now used by six leading banks in Malaysia, including international banks, for the prevention of theft of credit card information via the telephone line.

All our R&D expenditure incurred during the year, which consisted mainly of salaries and wages of full-time professionals to conduct in-house R&D, were expensed off in the income statement. For the year 2004, our R&D expenditure amounted to RM5.3 million, compared to RM4.2 million the previous year.

These developments have served to fortify GHL Systems' position as a leading payment services enabler in the region, providing total payment solutions not just to the financial institutions but also to other commercial enterprises.

Moving forward, GHL Systems has outlined its strategies to drive further growth in 2005 and thereafter.

Firstly, based on the vote of confidence obtained in Malaysia, GHL Systems is set to export its experience and know-how in EMV migration to other countries. Undeniably, our foray into the overseas market is set to become an important growth avenue for the Group, having engaged in talks to develop joint venture companies in Indonesia, as well as in other regional countries.

Secondly, we intend to further expand the market for our NetAccess, NetMerchant and NetMatrix solutions, both in the local and global environments. To date, we have booked in encouraging sales of our solutions overseas, specifically Thailand, Taiwan, Bangladesh & Philippines, and are positive of our prospects in this segment in the current year.

Thirdly, GHL Systems will continue to undertake Research & Development (R&D) activities to develop innovative payment solutions customised to the unique requirements of specific industries. In the pipeline are payment solutions catering to shopping malls and petrol kiosks, utilising the latest advancements in modern payment technology for greater efficiency in payment transactions.

**UTILISATION OF IPO PROCEEDS & EXTENSION OF PIONEER STATUS**

The IPO proceeds of RM12.6 million have been fully utilised by the Company as at the closing of the year 2004 - RM1.31 million earmarked for listing expenses and RM11.29 million for working capital have been disbursed accordingly. The working capital allocation was used to purchase EMV-

compliant terminals for the mandated conversion by January 2005 as required by Bank Negara Malaysia.

I am also pleased to mention here that Multimedia Development Corporation Sdn Bhd ("MDC") had extended for another 5 years our Pioneer Status as a Multimedia Super Corridor ("MSC") company with effect from 1 June 2004. The Pioneer Status accords the Company an income tax exemption for its MSC-qualifying activities during the new five-year period. This extension reflects the confidence MDC has in us as a technology innovator.

**TWO-CALL RIGHTS ISSUE**

The Company proposed renounceable two-call rights issue of 204,222,660 new ordinary shares of RM0.10 each on the basis of three (3) rights shares for every five (5) existing shares held at an indicative issue price of RM0.10 per rights share. The Company expects to raise total proceeds of RM16.3 million from this exercise, which would be used for working capital purposes, including financing the Company's overseas expansion. Shareholders will be voting on this proposal at the Extraordinary General Meeting.

**ENGAGING THE COMMUNITY**

The Group believes that it plays an integral role in engaging and educating the community on the convenience of cashless transactions. It was with this in mind that the Company donated a MEPS e-Debit terminal to the Malaysian Association for the Blind, making it the first charitable organization in Malaysia to receive donations via the Bankcard e-Debit. This initiative is part of the ongoing strategy to educate Malaysians on the convenience of cashless payments and further encourage them to utilize the Bankcard e-Debit as the preferred method of payment transaction.

**CORPORATE GOVERNANCE**

The Board believes in the maintenance of the highest standards of corporate governance practices within the Group as a fundamental part of discharging our responsibilities to protect and maximize shareholders' value and enhancing the business prosperity of the Group. The measures implemented have been highlighted in the Corporate Governance Report.

**APPRECIATION**

On behalf of all the members of the Board, I would like to record my sincere appreciation to all our employees for their commitment to the values of GHL Systems and for their determination in driving the Group's growth.

I would also like to thank our valued customers, shareholders and business associates, as well as our merchants nationwide for their continued support for GHL Systems over the years.

**Tunku Dato' Abdul Malek bin Tunku Kassim,**  
Independent Non-Executive Chairman  
22 April 2005



*“ Our track record shows that many international financial institutions and world-renowned retail giants are running their payment-enabling infrastructure on GHL Systems’ solutions. We are confident that this impressive track record says as much about our past achievement as it does about our prospects.”*

### EMV Projects.

The directive issued by Bank Negara Malaysia requiring banks to fully migrate to the EMV platform offered GHL Systems the opportunity to share its expertise in EMV migration. Last year, we secured migration projects from 8 banks in Malaysia. Adding to previous year’s three, the number of our successful migration projects totaled up to 11, out of 17 banks in Malaysia. This is a remarkable achievement for us; in effect, GHL Systems has become the leading EMV migration player in the Asia Pacific region.

### EDC Pool.

Revenue from rental of Electronic Draft Capture (“EDC”) terminals to merchants nationwide grew by 39.1% to RM13.7 million, compared to RM9.9 million in the previous year. The improved confidence that banks and merchants have in the EMV platform led to a significant increase in the rental of terminals, which certainly had enhanced our recurring income in 2004.

### Whoops!

After three and half years in operation, the management reviewed the Whoops! business and decided that it was not coherent with our competency and corporate direction, i.e. payment solutions. Technology competency notwithstanding, we believe we may take longer than we had anticipated to strengthen our distribution network in the mobile prepaid telecommunication industry. Moreover the supply constraints imposed by telcos limited our growth prospects. In order to remain focused on our core business, the management decided to streamline the operations of Whoops! prepaid reload business after selling our in-house developed “Mobile Commerce” application software on 30 June 2004 for RM3.8 million. The streamlining of the low-margin business, which had not contributed significant profits to the Group, in effect improved the Group’s profit margins as a whole. More importantly, the exercise has freed our valuable financial resources for allocation to the Group’s other high growth segments.

### Solution Sales.

In line with our commitment to become a total payment solutions provider, we invested RM5.3 million in R&D activities to develop a comprehensive range of payment-related solutions. We are pleased to announce that in the year under review our solutions contributed a total revenue of RM29.1 million.

Our proprietary NetAccess solution continued to be the main driver of payment solution sales, contributing RM1.34 million in 2004. NetAccess, a payment network device connecting EDC terminals to computer hosts, has been acknowledged as the fastest and most cost-effective in the industry. We exported the solution to overseas markets such as Taiwan, Bangladesh and the Philippines, where we installed 10 units in Shoemart, Philippines’ largest retail chain.

During the year, we also secured deals to implement our line encryption solution - NetMatrix-TLE, for six banks in Malaysia to prevent theft of credit card information by telephone line tapping. The NetMatrix-TLE solution is the result of our focused R&D during the past two years to continually innovate and create leading edge technologies for the banking industry. We have also received enquiries from Thailand and Indonesia on the NetMatrix-TLE solution.

Another milestone for the year was the sales of NetMerchant solution to AirAsia, one of Asia’s prominent low-cost carriers. NetMerchant is an Enterprise Payment Processor that provides online real-time credit card payment management and transaction processing. The other reference sites of NetMerchant’s installed base include MNI, Touch & Go, and CitiBank, among others.

Lastly, the EMV migration deadline indeed had put our innovation prowess to the test, when we had to develop and quickly deploy innovative payment solutions for petrol kiosks, utilising WiFi technology for credit-card payment transactions. This system has been installed and fully operational in about 600 Shell petrol kiosks and 66 BP kiosks nationwide.

### Card Pay.

Card Pay Sdn Bhd, our 52% subsidiary company, managed to show a decent improvement in its BankCard e-Debit merchant base. Last year, Card Pay recorded a remarkable three-fold increase in the merchant base - from 600 in 2003 to 2,000 terminals deployed nationwide in 2004. These terminals can now be found in established retail outlets, supermarkets, number forecast operators, and even a private college. Last year, our merchants’ transaction value grew at a phenomenal rate of 20% per month; presently, the merchants’ average transaction value stands at RM11 million monthly.





Notwithstanding the encouraging trend of BankCard e-Debit adoption, Card Pay however registered a loss of RM0.67 million for the year under review. The management views Card Pay as a long-term investment and a strategic 'jigsaw' of GHL Systems offering end-to-end payment solutions. As a non-bank third party merchant acquirer for MEPS, we believe Card Pay has a lot of growth potential and will contribute significantly to our recurring income base once critical mass deployment of our BankCard e-Debit terminals is achieved.

## PROSPECTS

The continuing rise of crude oil prices into the year 2005 may pose tough challenges to the global economy, which will likely create sluggish business sentiment in our domestic market. The management however remains optimistic in achieving growth for the year 2005.

First of all, with banks in Malaysia now fully migrated the payment infrastructure to the chip-based EMV standard, and hence an environment with improved fraud mitigation, it is inevitable that the merchant acquiring banks would be more aggressive in their recruitment of merchants. The growing number of credit cards issued in Malaysia, currently numbering about 6.5 million, will also be a key impetus for retail merchants to offer credit card payment facility to the consumers.

In effect, the highly secure EMV platform is presenting even more opportunities to GHL Systems, either through sales of EDC terminals to the acquiring banks or rental to merchants.

We target to build up our recurring rental income base by growing the EDC Pool at 15% per annum. Last year, we managed to outperform the target – while the merchant base increased by 26.2% to about 10,350 terminals, the rental income improved by 39.1% to RM13.7 million. We are optimistic of achieving further growth in light of the high confidence level afforded by the chip-based environment.

The other growth driver this year will be the ongoing RM19.9 million project to supply EMV cards and EDC terminals to Bank Simpanan Nasional. To date, we have still some RM17 million worth of the project to be delivered to the bank. We are confident of delivering the entire project on schedule by the third quarter of 2005.

Most importantly, the learning experience we gained from the supply of chip cards will certainly put us in good stead to offer end-to-end payment solutions, from cards to terminals, to the banks.

In regard to innovations, our R&D team has in the pipeline exciting and innovative products to roll out in the market in 2005. One of them is the MallNet, an integrated payment network solution for shopping malls. The solution is able to connect an entire shopping mall via various forms of connectivity, not only for payment transaction processing but also for mall-wide loyalty and gift card programs. We hope to invest part of the proceeds from the proposed two-call rights issue in the R&D activities to develop this product. We are upbeat of the value propositions offered by MallNet to the shopping malls and hope to attract a good number of large shopping malls in the Klang Valley to install the solution over the next two years.

Lastly, our main growth driver going forward from year 2005 would be our aggressive overseas expansion. While we will continue to seek joint venture partners to set up our EDC Pool overseas, at the same time we intend to export our expertise and experience in EMV migration to banks in other countries such as Thailand, Indonesia, Hong Kong, Macau, Taiwan and People's Republic of China, to play a pivotal role in mitigating fraud in those countries. On top of expertise, we are also bringing our suite of innovative payment solutions overseas.

Our track record shows that many international financial institutions and world-renowned retail giants are running their payment-enabling infrastructure on GHL Systems' solutions. We are confident that this impressive track record says as much about our past achievement as it does about our prospects.





Directors' Profile



From left to right: Chong Teck Foh, Mohamad Isa bin Abdullah, Yeng Fook Hoo, Tunku Dato' Abdul Malek bin Tunku Kassim, Tay Beng Lock, Chin Fook Kheong, Goh Kuan Ho, Yen Siw Kuin



**Tunku Dato' Abdul Malek Bin Tunku Kassim**

Independent Non-Executive Chairman

Tunku Dato' Abdul Malek Bin Tunku Kassim, a Malaysian aged 70, was appointed to the Board on 30 May 2002. He graduated from Queen's University of Belfast, United Kingdom, in 1959 with a Bachelor of Science (Economics) Degree and subsequently obtained a Master Degree in Arts from Vanderbilt University, USA, in 1973. He was admitted as a Fellow member of the Institute of Bankers Malaysia in 1992.

Tunku Dato' Abdul Malek started his career as an administrator with the Kedah Civil Service from 1959 to 1962. From there, he joined the Malaysian Civil Service where he was posted to the Treasury, Ministry of Finance as an officer in the Economic and Tax Divisions from 1962 to 1974. He was seconded to the International Monetary Fund ("IMF") in Washington DC as an adviser to an Executive Director in the IMF's Board of Directors from 1975 to 1976. Upon his return to Kuala Lumpur to resume service with the Ministry of Finance, he was appointed Head of the Tax Division and later the Finance Division. In 1983, he was appointed to the Board of the Asian Development Bank ("ADB") in Manila as an Executive Director.

Upon his return to Malaysia after his stint with the ADB in 1987, Tunku Dato' Abdul Malek became an Executive Director of Kewangan Usaha Bersatu Berhad ("KUBB") from 1987 until 1993. During his tenure at KUBB, he was also a Chairman of the Association of Finance Companies, a director of Cagamas Berhad, as well as a Council Member of the Institute of Bankers Malaysia. He was in retirement from 1993 to 1995. Between 1995 and 1999, he was on the Boards of Directors of Commerce Asset-Holding Berhad, Commerce International Merchant Bankers Berhad and CIMB Securities Sdn Bhd.

In June 1999, he joined BSN Commercial Bank (Malaysia) Berhad ("BSNC Bank") as a director and its Chairman. BSNC Bank was renamed BSNC Corporation Berhad ("BSNC") following the disposal of its banking business to Affin Bank. Tunku Dato' Abdul Malek retired from his position as Chairman from 1 July 2003. He is currently a director of UBB (Malaysia) Trustee Berhad (formerly known as BSNC Trustee Berhad) and Commerce Life Assurance Bhd (formerly known as AMAL Assurance Bhd).





## Directors' Profile



**Tay Beng Lock**  
Group Managing Director,  
Executive Director

Tay Beng Lock, a Malaysian aged 44, was appointed to the Board on 26 January 1999. He obtained his Bachelor Degree in Electrical Engineering with distinction from Carleton University, Canada, in 1984 and a Master Degree in Business Administration with distinction from Middlesex University, United Kingdom, in 1996. He was appointed the Group Managing Director of the Company on 26 January 1999.

He began his career in 1984 with Mecomb Malaysia Sdn Bhd as a Sales Engineer specialized in electronic test and measurement instruments. He later joined Hewlett-Packard Sales (Malaysia) Sdn Bhd ("HP") in 1986 as a Staff Field Engineer and rose through the ranks over the six years there to a Business Manager position, overseeing HP's Test and Measurement division (which is now part of Agilent Technologies, Inc).

In 1992, he joined Delteq (M) Sdn Bhd, a regional systems integrator, as the General Manager responsible for the management of the company's operations. He left Delteq in 1996 to join GHL Automation Sdn Bhd as the General Manager, and subsequently in late 1997 was seconded to GHL Technologies Sdn Bhd ("GHL Technologies"). He later became the Managing Director of GHL Technologies, as well as GHL Transact Sdn Bhd and GHL Payments Sdn Bhd. One of his notable achievements at the GHL Group was the restructuring of the group's businesses by divesting the computer retail business and by realigning the group's business focus in the payment space.

With about 21 years of corporate and marketing experience, he is well placed to lead the Group to greater heights.



**Yeng Fook Hoo**  
Deputy Group Managing  
Director, Executive Director

Yeng Fook Hoo, a Malaysian aged 48, was appointed to the Board on 26 January 1999. He obtained his Bachelor Degree in Economics and Mathematics from the University of London in 1979 and completed a Senior Management Program at Harvard Business School in 1988. He has 17 years of experience in the banking industry, with 10 years of experience in handling the implementation of major banking systems.

He started his career with Pacific Bank Berhad as a Trainee Officer in 1981. In 1984, he was promoted to the Branch Manager, managing 3 branches in Rengit, Batu Pahat and Johor Bahru. In 1988, he advanced to the position of Senior Manager of Operations / Information Technology ("IT"). His achievement included creating and implementing the first integrated bank-in slip to streamline and simplify the bank-in process for Pacific Bank Berhad's customers. He was also responsible for conceiving, designing, creating and implementing the first "instant" ATM card that allowed customers to use their new and replacement ATM cards instantly at the point of registration. In addition, he was instrumental in co-developing and overseeing the migration effort of Pacific Bank Berhad's retail backend banking system from the legacy Honeywell System to the new Tandem System. This extensive exercise was completed within nine (9) months. He left Pacific Bank Berhad in 1994 to join Hong Leong Bank Berhad.

From 1994 to 1997, he was the General Manager of the Operations / IT division of Hong Leong Bank Berhad, where he implemented a new branch delivery system and the first branch system operating on a Windows platform. When he joined the Company in 1997, he was managing the research and development efforts for various transaction-processing and payment-related technologies and solutions such as NetAccess, NetMerchant, NetSync and PivotPoints. In addition, he was also responsible for conceiving the EDC Pool Program, which was successfully implemented with three (3) partner banks. He also oversees the operations of PayDirect. He was designated as the Deputy Group Managing Director in 2002, responsible for the business development and R & D activities of the Group.





**Chin Fook Kheong**

Group Finance Director,  
Executive Director

Chin Fook Kheong, a Malaysian aged 41, was appointed to the board on 31 May 2003. He is a fellow member of the Chartered Institute of Management Accountant (CIMA) and a member of the Malaysian Institute of Accountants (MIA). He obtained his Master's degree in Business Administration (MBA) from the University of Nottingham in January 2004.

He started his career in auditing with S F Yap & Co in 1987 and later joined Nanyang Union Sdn Bhd in 1988 as its Group Accountant, managing all financial matters of a group of companies involved in fabrication and manufacture of rubber gloves and machines, manufacture of ceramic products and pesticides, and trading of industrial chemicals. He was also in charge of the corporate affairs of Nanyang, as well as secretarial and taxation matters.

In 1990, he joined Mulpha International Berhad, a company listed on the MSEL Main Board, as a Divisional Manager. He managed Mulpha's sports and cosmetics trading divisions for Hong Kong, Macau, Malaysia, Singapore, Brunei and Indonesia, and was also responsible for the management of Mulpha's corporate affairs. In 1994, he left Mulpha and joined Forsixten Sdn Bhd, a company specialising in manufacture of bags and belts, as its General Manager. He re-joined Nanyang in 1995 as its Group Financial Controller and was responsible for managing its group financial matters, corporate affairs and large-scale development and construction projects.

In 1998, he moved to Jac Malaysia Sdn Bhd as a General Manager of Finance, responsible for its finance division and corporate affairs. Jac Malaysia, a major self-adhesive label manufacturer in Malaysia, was one of the twelve worldwide manufacturing facilities for the Germany-based Jackstaedt GmbH, one of the major self-adhesive label manufacturers in the world. He left Jac Malaysia in 2000 and later joined GHL as a General Manager of Finance and Administration. He was responsible for the finance division, credit control and corporate affairs of the GHL Group. In June 2002, he was promoted to the Group Finance Director of GHL.



**Goh Kuan Ho**

Non-Executive Director

Goh Kuan Ho, a Malaysian aged 41, was appointed to the Board on 29 March 1994. She started her career as an Administrator with Nortek Computer Sdn. Bhd. in 1984. In 1988, she joined GHL Automation (a sole proprietorship) as an Administrator, and left in 1991 to join GHL Automation Sdn. Bhd. as a Customer Service Manager. She was later appointed to the Board of Directors of GHL Automation Sdn. Bhd. In late 1991, she was appointed to the Board of Directors of Info Era Sdn. Bhd. ("Info Era") and also assumed the position of Retail Manager of Info Era. She resigned as a director of GHL Automation Sdn. Bhd. and Info Era in April 1999 and April 2001 respectively. In 1997, she was appointed to the Board of Directors of GHL Technologies Sdn Bhd ("GHL Technologies") and also assumed the position of Corporate Business Manager of GHL Technologies. She resigned from all her positions in GHL Technologies and joined Jardine OneSolution (2001) Sdn. Bhd. ("Jardine OneSolution") as a Corporate Account Manager in July 2000. In February 2004, she left Jardine OneSolution and took up her current position of General Manager with Microtree Sdn Bhd.



Directors' Profile



**Mohamad Isa Bin Abdullah**

Non-Executive Director

Mohamad Isa Bin Abdullah, a Malaysian aged 48 was appointed to the Board on 30 May 2002. He graduated from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) in 1979 with a Bachelor Science Agribusiness degree. He began his career as an officer with Bank Bumiputra Malaysia Berhad (now known as Bumiputra-Commerce Bank Berhad) in 1979 and left 3 years later to join the Corporate Planning Department of Perwira Affin Bank Berhad (now known as Affin Bank) ("PABB") as a Senior Officer. In 1987, he was promoted to the position of Head of the Corporate Planning Department of PABB. He left PABB in 1995 to join BSN Commercial Bank (Malaysia) Berhad as the Head of the Strategic Planning Department and was subsequently promoted to Assistant General Manager in 2000. He is currently the Chief Executive Officer of BSNC and sits on the Boards of Directors of the subsidiary and associated companies of BSNC, namely BSNC Leasing (M) Sdn. Bhd., BSNC Ringgit Sdn. Bhd., BSNC Partners Sdn. Bhd., Card Pay Sdn Bhd., Kostuni Kembana Sdn. Bhd., Pin Centre Sdn Bhd, and Computer Infobase Systems Sdn Bhd. He also sits on the Board of Global Carriers Berhad.



**Yen Siw Kuin**

Independent Non-Executive Director

Yen Siw Kuin, a Malaysian aged 48, was appointed to the Board on 15 January 2003. She graduated with a Bachelor of Science (Economics) degree in Accounting and Finance from the London School of Economics and Political Science, University of London, United Kingdom in 1980. Prior to joining the Khee San Berhad Group of Companies in 1989 as its Group Financial Controller, she was attached to the international accounting firms of Touche Ross in the United Kingdom as an Audit Executive from 1981 to 1983 and as a Tax Executive from 1983 to 1985, and Price Waterhouse in Malaysia as a Tax Manager from 1985 to 1989. As the Group Financial Controller of the Khee San Berhad Group of Companies, she was responsible for the operations of the finance and accounts departments. Her responsibilities at Khee San Berhad have expanded to include overseeing the company's legal, quality assurance and quality control departments. She was appointed to the Board of Directors of Khee San Berhad as an Executive Director in 2000. She is also the Company Secretary and a member of the Audit Committee of Khee San Berhad, and holds directorships in several private limited companies. She is a member of the Institute of Chartered Accountants in England and Wales as well as the Malaysian Institute of Accountants.



**Chong Teck Foh**

Independent Non-Executive Director

Chong Teck Foh, a Malaysian aged 48, was appointed to the Board on 15 January 2003. He has extensive experience in sales, general management and support, and a strong technical background. He obtained his Master's Degree in Very Large Scale Integration Systems Design at the University of West London, United Kingdom in 1982.

He is currently the Managing Director of Hewlett-Packard Sales (Malaysia) Sdn. Bhd ("HPSM") as well as Country General Manager of HP's Customer Solutions Group for Malaysia. As an IT activist in the local market, he is a member of the Association of the Computer and Multimedia Industry of Malaysia (PIKOM), a self-funding association representing the IT industry in Malaysia. He is also a member of the American Malaysian Chamber of Commerce (AMCHAM) in Malaysia. Under his leadership, HP was reported by International Data Corporation (IDC) as the No. 1 selling PC Vendor in Malaysia in 2002, 2003 and 2004.

Mr. Chong resigned as an Independent Non-Executive Director on 13 April 2005 and was re-appointed on 22 April 2005.



Financial Highlights

Summarized Group Income Statement

Year Ended (RM'000)	2002	2003	2004
Turnover	30,545	63,268	64,172
Operating Profit	3,594	6,582	7,849
Profit Before Tax	3,215	6,227	7,793
Net Profit	3,198	6,003	7,652

Summarized Group Balance Sheet

Year Ended (RM'000)	2002	2003	2004
Fixed Assets	14,064	14,136	23,571
Associated Company	391	23	-
Goodwill	1,624	1,624	1,744
	16,079	15,782	25,315
Current Assets	13,833	30,733	44,537
Current Liabilities	7,655	5,136	17,858
Net Current Assets	6,178	25,597	26,679
	22,257	41,379	51,994

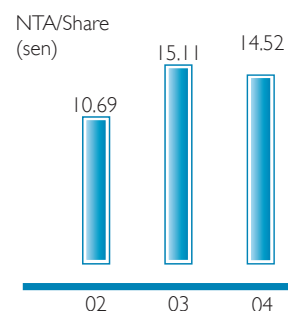
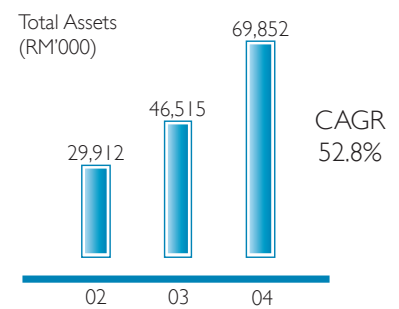
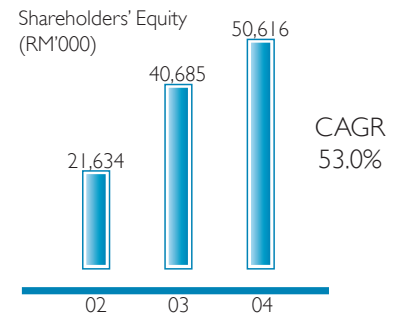
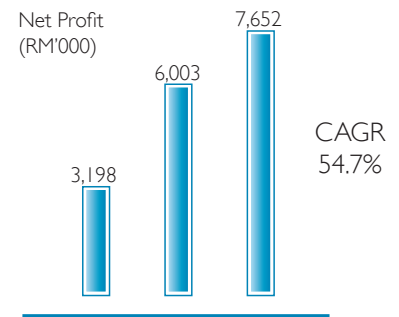
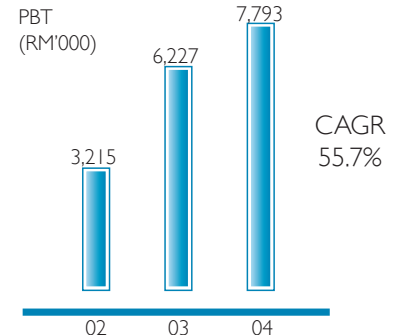
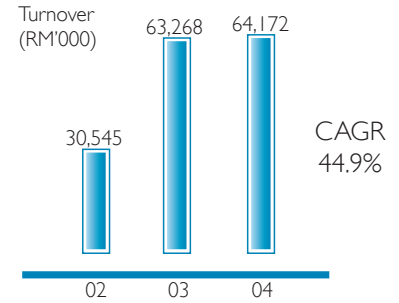
Financed By:

Share Capital	18,715	25,850	33,650
Reserves	2,919	14,835	16,965
Shareholders' Equity	21,634	40,685	50,616
Long-term Borrowings	79	-	413
Deferred Taxation	544	694	965
	623	694	1,378
	22,257	41,379	51,994

Analysis

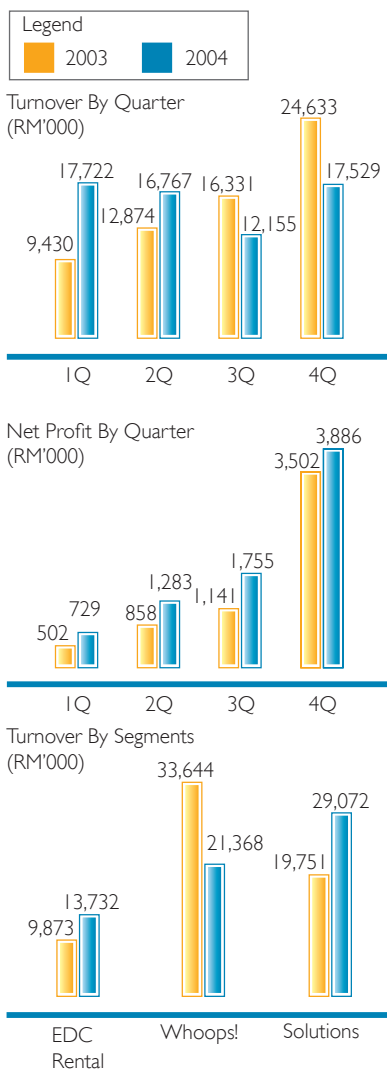
Year Ended (RM'000)	2002	2003	2004
Turnover Growth	-	107.1%	1.4%
Operating Profit Growth	-	83.1%	19.2%
Profit Before Tax Growth	-	93.7%	25.2%
Net Profit Growth	-	87.7%	27.5%
Operating Profit Margin	11.8%	10.4%	12.2%
Pre-tax Profit Margin	10.5%	9.8%	12.1%
Net Profit Margin	10.5%	9.5%	11.9%
Total Assets	29,912	46,515	69,852
Total Borrowings/Equity Ratio	Net Cash	Net Cash	Net Cash
Cash and Cash Equivalents	2,902	12,333	7,918
ROE (Average Equity)	19.4%	19.3%	16.8%
ROA (Average Total Assets)	12.2%	15.7%	13.2%
NTA Per Share (sen)	10.69	15.11	14.52
Net Earnings Per Share (sen)	2.09	2.54	2.30
Weighted Avg No. of Shares#	152.67	236.61	332.60

# Ordinary shares of RM0.10 each ( 'million )  
 \* CAGR = Compound Annual Growth Rate





Financial Highlights (cont'd)



Quarterly Analysis

Year Ended (RM'000)

	2003	2004	% Chg
<b>Turnover</b>			
1st Quarter	9,430	17,722	87.9%
2nd Quarter	12,874	16,767	30.2%
3rd Quarter	16,331	12,155	-25.6%
4th Quarter	24,633	17,529	-28.8%
	<u>63,268</u>	<u>64,172</u>	<u>1.4%</u>
<b>Net Profit</b>			
1st Quarter	502	729	45.2%
2nd Quarter	858	1,283	49.6%
3rd Quarter	1,141	1,755	53.8%
4th Quarter	3,502	3,886	11.0%
	<u>6,003</u>	<u>7,652</u>	<u>27.5%</u>

Segmental Analysis

Year Ended (RM'000)

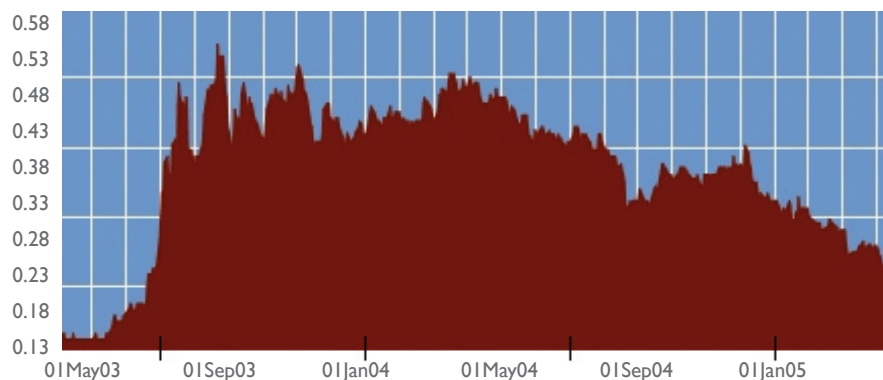
	2003	2004	% Chg
EDC Rental	9,873	13,732	39.1%
Whoops!	33,644	21,368	-36.5%
Solutions	19,751	29,072	47.2%
	<u>63,268</u>	<u>64,172</u>	<u>1.4%</u>

Summarized Group Cash Flows

Year Ended (RM'000)

	2002	2003	2004
Operating Profit Before Working Capital Changes	7,081	13,548	11,402
Net Cash Flows From Operating Activities	2,619	3,873	2,678
Net Cash Flows From Investing Activities	(6,098)	(7,252)	(10,505)
Net Cash Flows Financing Activities	4,718	12,809	(2,187)
Net Increase in Cash and Cash Equivalents	1,240	9,431	(10,014)
Cash and Cash Equivalents at Beginning of Year	1,662	2,902	12,333
Cash and Cash Equivalents at End of Year	2,902	12,333	2,318

Share Market Information



Share Price

Record High Price (adjusted) RM0.592  
 15 Apr 05 Closing Price RM0.260

Market Value Ratios (on 15 April 05)

Historical PE Multiple 11.3  
 Price/Book Ratio 1.79





Corporate Calendar



Date | 16 Jan 2004  
Event | **Launch of Adaptive Secure Payment Architecture (ASPA)**

GHL launched the Adaptive Secure Payment Architecture (ASPA), addressing banks' present and future needs in the payment landscape.

Date | 27 Feb 2004  
Event | **Analyst briefing**

Updating the financial community on the FY03 results and investment merits of GHL Systems Berhad



Date | 19 May 2004  
Event | **Launch of 'Pay & Win' contest**

GHL and MEPS collaborated to promote Bankcard e-Debit facilities through the 'Pay & Win' contest

Date | 23 Sept 2004  
Event | **MAB charity donation**

Mr. George Thomas, Executive Director of Malaysian Association for the Blind receiving the Bankcard e-Debit terminal from Mr. Tay Beng Lock, Group Managing Director of GHL Systems – making MAB the first charitable organisation enabled to receive donations via Bankcard e-Debit terminal.



Date | 9 Oct 2004  
Event | **Annual dinner**

Employees rewarded for their hard work and perseverance in helping GHL achieve its successes

Date | 1 Dec 2004  
Event | **Wireless WiFi Solution**

GHL provided to BP and Shell petrol kiosks wireless payment solutions utilizing WiFi technology



Date | 10 Mar 2005  
Event | **SAP Launch**

GHL investing in SAP Business One Solution to support overseas expansion

