

FINANCIAL STATEMENTS



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The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of developing and selling in-house software programmes. The principal activities of the subsidiary companies are stated in Note 4 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit before taxation	11,843,024	11,707,760
Taxation	(82,975)	(34,334)
Net profit for the financial year	11,760,049	11,673,426

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the Group and of the Company for the current financial year.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year under review.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

SHARE CAPITAL

During the financial year, the authorised share capital of the Company was increased from RM50,000,000 to RM100,000,000 by the creation of 500,000,000 new ordinary shares of RM0.10 each.

In addition, the Company increased its issued and paid-up share capital from RM33,650,285 to RM54,459,376 by issuance of :

- (a) 3,719,250 new ordinary shares of RM0.10 each pursuant to the exercise of option granted under GHL Systems Berhad Employee Share Option Scheme (ESOS) at the option price of RM0.16 each;
- (b) 50,000 new ordinary shares of RM0.10 each pursuant to the exercise of option granted under GHL Systems Berhad ESOS at the option price of RM0.164 each;
- (c) 99,000 new ordinary shares of RM0.10 each pursuant to the exercise of option granted under GHL Systems Berhad ESOS at the option price of RM0.305 each; and
- (d) 204,222,660 new ordinary shares of RM0.10 each for working capital pursuant to two-call rights issue at an issue price of RM0.10 each rights share of which the first call of RM0.08 is payable in cash and the second call of RM0.02 is payable by utilisation of the share premium account and retained earnings on the basis of 3 new ordinary shares of RM0.10 each for every 5 existing ordinary shares of RM0.10 each.

All new shares issued rank *pari passu* in all respects with the existing issued shares of the Company.

**Employee Share Option Scheme**

The GHL Systems Berhad Employee Share Option Scheme (ESOS) was approved by shareholders at the Extraordinary General Meeting on 30 May 2005.

The main features of the ESOS are as follows:

- (a) Eligible employees comprise confirmed full time employees, including executive directors of the Company to its eligible subsidiary companies, subject to meet the following conditions:
 - (i) An employee must be at least eighteen (18) years of age on the date of offer;
 - (ii) An employee must fall under one of the categories of employee listed in GHL Systems Berhad ESOS Bye-Law 6.1 maximum entitlement and basis of allotment;
 - (iii) An employee must have been confirmed on the date of offer;
 - (iv) If an employee is employed by a subsidiary of the Company, the employee's period of employment in the Group, for purposes of determining the minimum period of continuous service as stipulated in paragraph (iii) above, shall be deemed to commence from the date on which the employee commenced employment with the subsidiary, or the date on which such company became a subsidiary of the Company, whichever is later; and

Provided always that the selection of any employee for participation and the amount of options to be granted in the scheme shall be at the discretion of the Option Committee and the decision of the Option Committee shall be final and binding.

- (b) No employee shall participate at any time in more than one (1) ESOS currently implemented by any company within the Group.
- (c) The maximum number of new ordinary shares which may be available under the ESOS shall not exceed 15% of the total issued and paid-up share capital of the Company at the point in time during the tenure of the ESOS.
- (d) The ESOS shall come into force for duration of three (3) years from effective date, 28 October 2005 subject however to any extension of the ESOS for a further period of up to seven (7) years at the discretion of the Option Committee. The date of expiry of the ESOS shall be at the end of the three (3) years from the effective date or, if the ESOS shall be extended, shall be the date of expiry as so extended.
- (e) The option price which is made subsequent to the Company's listing on the MESDAQ Market of the Bursa Malaysia Securities Berhad, the weighted average market price of the shares for the five (5) market days immediately preceding the date of offer with a discount of not more than ten per centum (10%).
- (f) A Grantee shall exercise his options by notice in writing to the Company in the prescribed form stating the number of options exercised, the number of shares relating thereto and the Grantee's individual/nominee CDS account number. The options shall be exercised in multiples of and not less than one hundred (100) options. The exercise by a Grantee of some but not all of the options which have been offered to and accepted by him shall not preclude the Grantee from subsequently exercising any other options which have been or will be offered to and accepted by him, during the option period.



The movements of options over unissued shares of the Company granted under the ESOS during the financial year are as follows:

At 1.1.2005	Number of share options			At 31.12.2005	Subscription price per ordinary share	Exercise period
	Granted	Exercised	Lapsed			
3,731,750	-	(3,719,250)	(12,500)	-	RM0.160 (adjusted exercise price)	31.3.2004 to 31.3.2005
50,000	-	(50,000)	-	-	RM0.164 (adjusted exercise price)	31.5.2004 to 31.3.2005
2,267,625	-	-	(2,267,625)	-	RM0.380 (adjusted exercise price)	22.12.2004 to 31.3.2005
1,310,000	-	-	(1,310,000)	-	RM0.375	5.7.2004 to 31.3.2005
1,539,000	-	(99,000)	(1,440,000)	-	RM0.305	28.12.2004 to 31.3.2005
-	69,807,200	-	-	69,807,200	RM0.10	28.10.2005 to 27.10.2008
8,898,375	69,807,200	(3,868,250)	(5,030,125)	69,807,200		

DIRECTORS

The directors who served since the date of the last report are as follows:

Goh Kuan Ho	
Tay Beng Lock	
Yeng Fook Hoo	
Tunku Dato' A Malek Bin Tunku Kassim	
Yen Siw Kuin	
Chin Fook Kheong	
Tajuddin Bin Atan	(appointed on 22.3.2006)
Mohd Ariffin Bin Marzuki (alternate director to Tajuddin Bin Atan)	(appointed on 22.3.2006)
Chong Teck Foh	(resigned on 13.4.2005, re-appointed on 22.4.2005)
Mohamad Isa Bin Abdullah	(resigned on 22.3.2006)


DIRECTORS' INTERESTS

Details of holdings in the share capital and options of the Company and its related corporations by the directors in office at the end of the financial year, according to the register required to be kept under Section 134 of the Companies Act, 1965, were as follows:

	← No. of ordinary shares of RM0.10 each →			
	At 1.1.2005	Acquired	Disposed	At 31.12.2005
GHL Systems Berhad				
Direct interest -				
Goh Kuan Ho	61,769,325	37,061,595	12,000,000	86,830,920
Tay Beng Lock	16,639,587	10,630,952	-	27,270,539
Yeng Fook Hoo	9,968,875	7,681,325	1,000,000	16,650,200
Tunku Dato' A Malek Bin Tunku Kassim	10,000	36,400	-	46,400
Chin Fook Kheong	437,500	262,500	-	700,000
Mohamad Isa Bin Abdullah	-	90,000	-	90,000

	← No. of options over ordinary shares of RM0.10 each (ESOS) →			
	At 1.1.2005	Granted	Exercised	At 31.12.2005
GHL Systems Berhad				
Tay Beng Lock	-	8,000,100	-	8,000,100
Yeng Fook Hoo	1,250,000	8,000,100	1,250,000	8,000,100
Chin Fook Kheong	-	8,000,100	-	8,000,100

By virtue of their interest in the share capital of the Company, Goh Kuan Ho, Tay Beng Lock and Yeng Fook Hoo are also deemed to have interest in the shares of the subsidiary companies to the extent the Company has an interest.

None of the other director holding office at the end of the financial year had any interest in the ordinary shares and options of the Company and its related corporations during the financial year under review.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 29 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement the object of which is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

**OTHER STATUTORY INFORMATION (CONT'D)**

- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the allowance for doubtful debts of the Group and of the Company inadequate to any substantial extent;
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading;
 - (iii) any amount stated in the financial statements of the Group and of the Company misleading; and
 - (iv) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) No contingent or other liabilities of the Group and of the Company have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company or its subsidiary companies to meet their obligations as and when they fall due.
- (d) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Company and its subsidiary companies which has arisen since the end of the financial year which secures the liabilities of any other person; and
 - (ii) any contingent liability in respect of the Company and its subsidiary companies which has arisen since the end of the financial year.

SIGNIFICANT EVENTS

The significant events are disclosed in Note 30 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 31 to the financial statements.

STAFF INFORMATION

The total number of employees of the Group and of the Company (excluding directors) at the end of the financial year were 225 and 58 (2004 : 194 and 63) respectively.

AUDITORS

The auditors, Anuarul Azizan Chew & Co., have expressed their willingness to accept re-appointment.

Signed in accordance with a resolution of the directors.

TAY BENG LOCK

CHIN FOOK KHEONG

KUALA LUMPUR
23 March 2006



Statement By Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, TAY BENG LOCK and CHIN FOOK KHEONG, being two of the directors of GHL SYSTEMS BERHAD, do hereby state that, in the opinion of the directors, the financial statements set out on pages 34 to 59 are drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2005 and of the results of their operations and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the directors.

TAY BENG LOCK

CHIN FOOK KHEONG

KUALA LUMPUR
23 MARCH 2006

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, CHIN FOOK KHEONG, being the director primarily responsible for the financial management of GHL SYSTEMS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 34 to 59 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed)
CHIN FOOK KHEONG at KUALA LUMPUR in the Federal)
Territory this 23 MARCH 2006)

CHIN FOOK KHEONG

Before me,

COMMISSIONER FOR OATHS

**To The Members Of GHL Systems Berhad**

We have audited the financial statements set out on pages 34 to 59 of GHL Systems Berhad.

The financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as at 31 December 2005 and of their results and the cash flows of the Group and of the Company for the financial year ended on that date; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we acted as auditors have been properly kept in accordance with the provisions of the Act.

The name of the subsidiary company of which we have not acted as auditors is indicated in Note 4 to the financial statements.

We are satisfied that the financial statements of the subsidiary companies that are consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

ANUARUL AZIZAN CHEW & CO.
Firm Number: AF 0791
Chartered Accountants

TEE GUAN PIAN
Approved Number: I886/05/06 (J/PH)
Partner of Firm

KUALA LUMPUR
23 MARCH 2006



Balance Sheets

As At 31 December 2005

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Non-current assets					
Property, plant and equipment	3	40,697,294	23,570,945	14,671,079	6,877,609
Investment in subsidiary companies	4	2	-	4,400,000	4,400,000
Investment in associated companies	5	4,367,737	-	3,800,000	-
Goodwill on consolidation	6	1,743,593	1,743,593	-	-
		46,808,626	25,314,538	22,871,079	11,277,609
Current assets					
Inventories	7	765,811	4,223,169	-	-
Trade receivables	8	28,219,513	28,770,853	15,155,445	14,005,296
Other receivables	9	1,902,224	3,613,136	1,331,512	3,391,297
Amount owing by subsidiary companies	10	-	-	39,728,013	25,485,632
Amount owing by associated company	11	220,538	-	220,538	-
Tax recoverable		27,452	11,955	26,456	8,989
Fixed deposits with licensed banks	12	12,072,069	4,444,813	3,032,087	4,014,087
Cash and bank balances		8,577,299	3,473,525	4,715,457	1,428,745
		51,784,906	44,537,451	64,209,508	48,334,046
Current liabilities					
Trade payables	13	6,725,988	12,464,950	3,968,603	6,304,127
Other payables	14	4,190,844	3,197,535	289,390	320,279
Amount owing to subsidiary company	10	-	-	122,850	-
Hire purchase payables	15	464,379	694,416	413,424	694,416
Borrowings	16	1,937,291	1,500,000	370,091	1,500,000
Taxation		40,361	1,184	-	-
		13,358,863	17,858,085	5,164,358	8,818,822
Net current assets		38,426,043	26,679,366	59,045,150	39,515,224
		85,234,669	51,993,904	81,916,229	50,792,833
Financed by:					
Share capital	17	54,459,376	33,650,285	54,459,376	33,650,285
Share premium	18	-	391,384	-	391,384
Retained profits		24,337,524	16,573,895	24,014,746	16,337,740
		78,796,900	50,615,564	78,474,122	50,379,409
Non-current liabilities					
Hire purchase payables	15	48,305	413,424	-	413,424
Borrowings	16	5,424,907	-	3,442,107	-
Deferred tax liabilities	19	964,557	964,916	-	-
		6,437,769	1,378,340	3,442,107	413,424
		85,234,669	51,993,904	81,916,229	50,792,833

The accompanying notes form an integral part of the financial statements.



Income Statements

For The Financial Year Ended 31 December 2005

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Revenue	20	50,991,554	65,152,832	35,885,024	42,447,191
Cost of sales		(19,431,343)	(37,056,916)	(17,005,433)	(23,325,762)
Gross profit		31,560,211	28,095,916	18,879,591	19,121,429
Other operating income	21	245,932	305,407	84,415	274,202
Operating expenses		(20,141,877)	(20,552,089)	(7,078,767)	(12,329,762)
Profit from operations	22	11,664,266	7,849,234	11,885,239	7,065,869
Finance costs	23	(292,587)	(33,254)	(177,479)	(33,254)
Share of profit / (loss) in associated companies		471,345	(22,575)	-	-
Profit before taxation		11,843,024	7,793,405	11,707,760	7,032,615
Taxation	24	(82,975)	(317,401)	(34,334)	(41,470)
Profit after taxation		11,760,049	7,476,004	11,673,426	6,991,145
Minority shareholders' interest		-	175,955	-	-
Net profit for the financial year		11,760,049	7,651,959	11,673,426	6,991,145
Earnings per share (sen)					
Basic	25(a)	2.76	2.04		
Diluted	25(b)	2.72	2.02		

The accompanying notes form an integral part of the financial statements.



Statements Of Changes In Equity

For The Financial Year Ended 31 December 2005

	Share Capital RM	Share Premium RM	Retained Profits RM	Total RM
Group				
At 1 January 2004	25,850,378	5,912,788	8,921,936	40,685,102
Bonus Issue	6,697,157	(6,697,157)	-	-
Issue of shares pursuant to ESOS	1,102,750	1,175,753	-	2,278,503
Net profit for the financial year	-	-	7,651,959	7,651,959
At 31 December 2004	33,650,285	391,384	16,573,895	50,615,564
At 1 January 2005	33,650,285	391,384	16,573,895	50,615,564
Issue of shares pursuant to ESOS	386,825	246,650	-	633,475
Rights Issue	20,422,266	(638,034)	(3,996,420)	15,787,812
Net profit for the financial year	-	-	11,760,049	11,760,049
At 31 December 2005	54,459,376	-	24,337,524	78,796,900
Company				
At 1 January 2004	25,850,378	5,912,788	9,346,595	41,109,761
Bonus Issue	6,697,157	(6,697,157)	-	-
Issue of shares pursuant to ESOS	1,102,750	1,175,753	-	2,278,503
Net profit for the financial year	-	-	6,991,145	6,991,145
At 31 December 2004	33,650,285	391,384	16,337,740	50,379,409
At 1 January 2005	33,650,285	391,384	16,337,740	50,379,409
Issue of shares pursuant to ESOS	386,825	246,650	-	633,475
Rights Issue	20,422,266	(638,034)	(3,996,420)	15,787,812
Net profit for the financial year	-	-	11,673,426	11,673,426
At 31 December 2005	54,459,376	-	24,014,746	78,474,122

The accompanying notes form an integral part of the financial statements.



Cash Flow Statements

For The Financial Year Ended 31 December 2005

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Cash Flows From Operating Activities				
Profit before taxation	11,843,024	7,793,405	11,707,760	7,032,615
Adjustment for:				
Depreciation of property, plant and equipment	6,368,555	4,004,672	1,406,188	1,378,773
Gain on disposal of property, plant and equipment	(878)	(16,479)	-	(16,334)
Share of (profit)/loss in associated companies	(471,345)	22,575	-	-
Gain on deemed disposal of associated company	(39,404)	-	-	-
Unrealised loss on foreign exchange	895	-	-	-
Property, plant and equipment written off	7,628	-	-	-
Interest income	(170,037)	(180,291)	(78,517)	(151,192)
Dividend income	-	(81,676)	-	(81,676)
Interest expense	292,587	33,254	177,479	33,254
Operating profit before working capital changes	17,831,025	11,575,460	13,212,910	8,195,440
(Increase)/Decrease in working capital				
Inventories	3,457,358	(1,610,612)	-	2,136,128
Receivables	2,262,252	(17,510,766)	909,636	(12,437,776)
Payables	(4,697,507)	9,982,446	(2,366,414)	4,699,279
Amount owing by subsidiary companies	-	-	(14,119,531)	(11,779,387)
Amount owing by/(to) associated company	(220,538)	1,066,760	(220,538)	1,066,760
	801,565	(8,072,172)	(15,796,847)	(16,314,996)
Cash generated from/(used in) operations	18,632,590	3,503,288	(2,583,937)	(8,119,556)
Interest received	170,037	180,291	78,517	151,192
Interest paid	(292,587)	(33,254)	(177,479)	(33,254)
Dividend received	-	81,676	-	81,676
Tax paid	(59,654)	(73,502)	(51,800)	(64,750)
	(182,204)	155,211	(150,762)	134,864
Net cash from/(used in) operating activities	18,450,386	3,658,499	(2,734,699)	(7,984,692)



For The Financial Year Ended 31 December 2005

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Cash Flows From Investing Activities					
Purchase of property, plant and equipment	26	(23,881,105)	(13,573,814)	(9,199,658)	(2,502,496)
Acquisition of associated companies		(3,857,883)	-	(3,800,000)	-
Proceeds from disposal of property, plant and equipment		436,305	1,887,384	-	1,833,680
Net cash (outflow)/inflow on acquisition of subsidiary company		(2)	200,448	-	-
Net cash used in investing activities		(27,302,685)	(11,485,982)	(12,999,658)	(668,816)
Cash Flows From Financing Activities					
Repayment of hire purchase payables		(700,156)	(365,412)	(694,416)	(365,412)
Repayment of borrowings		(2,037,802)	-	(1,587,802)	-
Decrease/(increase) in fixed deposits pledged		900,000	(4,100,000)	1,000,000	(2,800,000)
Drawdown of borrowings		7,900,000	1,500,000	3,900,000	1,500,000
Proceeds from issue of shares		16,421,287	2,278,503	16,421,287	2,278,503
Net cash from/(used in) financing activities		22,483,329	(686,909)	19,039,069	613,091
Net increase/(decrease) in cash and cash equivalents		13,631,030	(8,514,392)	3,304,712	(8,040,417)
Cash and cash equivalents at beginning of financial year		3,818,338	12,332,730	1,742,832	9,783,249
Cash and cash equivalents at end of financial year		17,449,368	3,818,338	5,047,544	1,742,832
Cash and cash equivalents at end of year comprises:					
Cash and bank balances		8,577,299	3,473,525	4,715,457	1,428,745
Fixed deposits with licensed banks		12,072,069	4,444,813	3,032,087	4,014,087
		20,649,368	7,918,338	7,747,544	5,442,832
Less : Fixed deposits pledged to licensed banks		(3,200,000)	(4,100,000)	(2,700,000)	(3,700,000)
		17,449,368	3,818,338	5,047,544	1,742,832

The accompanying notes form an integral part of the financial statements.



1. CORPORATE INFORMATION

The principal activities of the Company are those of developing and selling in-house software programmes. The principal activities of the subsidiary companies are stated in Note 4 to the financial statements.

The Company is a public limited liability company, incorporated under the Companies Act, 1965 and domiciled in Malaysia, and is listed on the Malaysian Exchange of Securities Dealing & Automated Quotation (MESDAQ) of Bursa Malaysia Securities Berhad (Bursa Malaysia).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year except for GHLSYS Singapore Pte. Ltd. as in the opinion of the directors, the financial statements of the subsidiary company does not materially affect the financial statements of the Group and the control in this subsidiary company is likely to be temporary. Subsidiary companies are consolidated using the acquisition method of accounting. Companies acquired or disposed of are included in the consolidated financial statements from the date of acquisition or to the date of disposal.

All inter-company transactions, balances and unrealised surpluses and deficits on transactions with and between subsidiary companies are eliminated.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree. Separate disclosure is made of minority interest.

(c) Goodwill on consolidation

Goodwill arising on consolidation represents the excess of the acquisition cost over the fair value of the net assets of the subsidiary companies at the date of acquisition.

Goodwill on consolidation is reviewed at each balance sheet date and will be written down for impairment where it is considered necessary.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unimpaired balance of goodwill which were not previously recognised in the consolidated income statement.

(d) Subsidiary companies

A subsidiary company is a company in which the Group owns, directly or indirectly, more than 50% of the equity share capital and has control over its financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiary companies is stated at cost unless, in the opinion of the directors, a permanent diminution in value of the investments has arisen.

(e) Associated companies

Associated companies are defined as those companies not being a subsidiary company in which the investor company has a long term interest of between 20% to 50% equity and in whose financial and operating decisions the investor company exercises significant influence.

The consolidated financial statements include the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 2(k).


2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
(f) Property, plant and equipment (cont'd)

Freehold land is not amortised. All other property, plant and equipment are depreciated on a straight line method at rates calculated to write off the cost of the assets to its residual value over their estimated useful lives at the following annual rates:

Buildings	2%
Computer equipments	33%
EDC equipments	20%
Computer software	10%
Motor vehicles	20%
Furniture, fittings and office equipments	10%
Renovation	50%

Gains or losses on disposals are determined by comparing net disposal proceeds with carrying amount and are included in the income statements.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value and are determined on the first-in-first-out method.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(h) Trade and other receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. Doubtful debts are provided based on specific review of the receivables.

(i) Trade and other payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(j) Leases and hire purchase

A lease is recognised as a finance lease if it transfers substantially to the Group and the Company all the risks and rewards incident to ownership. All other leases are treated as operating leases.

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheets as liabilities. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practical to determine; otherwise, the Group or the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charges on the remaining balance of the obligations for each accounting period.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(j) Leases and hire purchase (cont'd)**

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment which are owned.

Lease rental under operating lease is charged to the income statements on a straight line basis over the term of the relevant lease.

(k) Impairment

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statements immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statements, a reversal of that impairment loss is recognised as income in the income statements.

(l) Cash and cash equivalents

Cash and cash equivalent consist of cash in hand, bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalent are presented net of bank overdrafts and pledged deposits.

(m) Provisions for liabilities and contingent liabilities

Provisions for liabilities are recognised when the Group and the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote except for cases where the amount involved is material and the Directors are of the opinion that disclosure is appropriate.

(n) Foreign currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at the rates of exchange ruling at that date and exchange differences are taken to the income statements. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(n) Foreign currencies (cont'd)**

All exchange rate differences are taken to the income statements.

The closing exchange rate used by the Group and the Company for the main foreign currency is USD1 = RM3.78 (2004 : USD1 = RM3.83).

(o) Revenue recognition**(i) Goods sold and services rendered**

Revenue from sales of goods and services is recognised when significant risk and rewards have been transferred to the buyer, if any, or performance of services, net of sales taxes and discounts.

(ii) Rental income

Rental income is recognised on an accruals basis unless ability to collect is in doubt.

(iii) Interest income

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.

(p) Income tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of an assets or liabilities in the balance sheet and its tax base at the balance sheet date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the balance sheet date. The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(q) Employee benefits**(i) Short term employee benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(q) Employee benefits (cont'd)****(i) Short term employee benefits (cont'd)**

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statements as incurred.

(iii) Employee share option scheme

GHL Systems Berhad's Employee Share Option Scheme allows the Company's employees to subscribe for shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

(r) Financial instruments

Financial instruments carried on the balance sheets include cash and bank balances, deposits, receivables, payables and borrowings. Financial instruments are recognised in the balance sheets when the Group and the Company has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group and the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The particular recognition method adopted for financial instruments recognised on the balance sheets is disclosed in the individual accounting policy statements associated with each item.

**3. PROPERTY, PLANT AND EQUIPMENT**

Group	Freehold land and buildings RM	Computer equipments RM	EDC equipments RM	Computer software RM	Motor vehicles RM	Furniture, fittings and office equipments RM	Renovation RM	Total RM
Cost								
At 1.1.2005	-	2,326,280	21,020,482	7,127,200	1,983,794	400,838	1,210,688	34,069,282
Additions	4,875,000	562,455	14,104,730	3,314,485	138,346	682,183	308,906	23,986,105
Disposals	-	(1,535)	(1,932,478)	-	-	-	(380)	(1,934,393)
Written off	-	-	(17,649)	-	-	-	-	(17,649)
At 31.12.2005	4,875,000	2,887,200	33,175,085	10,441,685	2,122,140	1,083,021	1,519,214	56,103,345
Accumulated depreciation								
At 1.1.2005	-	1,494,113	5,767,777	2,027,073	306,688	111,978	790,708	10,498,337
Charge for the financial year	-	583,046	4,462,777	726,454	400,892	54,437	140,949	6,368,555
Disposals	-	(42)	(1,453,359)	-	-	-	(135)	(1,453,536)
Written off	-	-	(7,305)	-	-	-	-	(7,305)
At 31.12.2005	-	2,077,117	8,769,890	2,753,527	707,580	166,415	931,522	15,406,051
Carrying amount								
At 31.12.2005	4,875,000	810,083	24,405,195	7,688,158	1,414,560	916,606	587,692	40,697,294
At 31.12.2004	-	832,167	15,252,705	5,100,127	1,677,106	288,860	419,980	23,570,945
Depreciation charge for the financial year ended 31.12.2004								
	-	549,334	2,167,854	712,020	302,980	39,661	232,823	4,004,672



3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Freehold land and buildings RM	Computer equipments RM	Computer software RM	Motor vehicles RM	Furniture, fittings and office equipments RM	Renovation RM	Total RM
Cost							
At 1.1.2005	-	1,410,740	6,500,000	1,968,294	147,696	284,348	10,311,078
Additions	4,875,000	307,901	3,313,485	-	673,366	29,906	9,199,658
At 31.12.2005	4,875,000	1,718,641	9,813,485	1,968,294	821,062	314,254	19,510,736
Accumulated depreciation							
At 1.1.2005	-	908,492	1,900,000	294,547	47,243	283,187	3,433,469
Charge for the financial year	-	317,361	663,658	393,658	28,739	2,772	1,406,188
At 31.12.2005	-	1,225,853	2,563,658	688,205	75,982	285,959	4,839,657
Carrying amount							
At 31.12.2005	4,875,000	492,788	7,249,827	1,280,089	745,080	28,295	14,671,079
At 31.12.2004	-	502,248	4,600,000	1,673,747	100,453	1,161	6,877,609
Depreciation charge for the financial year ended 31.12.2004							
	-	287,286	650,000	299,880	14,640	126,967	1,378,773

- (a) Included in the property, plant and equipment of the Group and of the Company are motor vehicles acquired under hire purchase with carrying amounts of RM1,351,967 and RM1,217,755 (2004: RM1,567,414 and RM1,567,414) respectively.
- (b) The land titles of the freehold land and buildings of the Company are still in the process of being registered in the name of the Company.
- (c) The freehold land and buildings of the Group and of the Company have been pledged to a licensed bank for term loan facility granted to the Group and to the Company as stated in Note 16 to the financial statements.
- (d) Staff costs capitalised during the financial year in the following property, plant and equipment are as follows:

Note	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Computer software	3,100,000	-	3,100,000	-
EDC equipments	1,388,621	-	-	-
28	4,488,621	-	3,100,000	-


4. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2005	2004
	RM	RM
(a) Unquoted shares, at cost	4,400,000	4,400,000

(b) The subsidiary companies and shareholdings therein are as follows:

Name of company	Country of incorporation	Equity interest		Principal activities
		2005	2004	
		%	%	
Direct holding -				
GHL Transact Sdn. Bhd.	Malaysia	100	100	Sale and rental of Electronic Data Capture (EDC) equipment and related services.
GHL Payments Sdn. Bhd.	Malaysia	100	100	Sale and rental of Electronic Data Capture (EDC) equipment and related services.
GHL Eftpos Sdn. Bhd.	Malaysia	100	100	Sale and rental of Electronic Data Capture (EDC) equipment and related services.
GHL International Sdn. Bhd. (formerly known as PaymentOne Sdn. Bhd.)	Malaysia	100	100	Investment holding and sale of Electronic Data Capture (EDC) equipment.
Indirect holding -				
Subsidiary company of GHL International Sdn. Bhd. (formerly known as PaymentOne Sdn. Bhd.)				
Card Pay Sdn. Bhd.	Malaysia	52	52	Third party acquirer for e-debit and MEPS CASH transactions.
*GHLSYS Singapore Pte. Ltd.	Singapore	100	-	Dormant

* Subsidiary company not audited by Anuarul Azizan Chew & Co.

(c) Subsidiary company not consolidated

	Group	
	2005	2004
	RM	RM
Unquoted shares, at cost	2	-

The financial statements of GHLSYS Singapore Pte.Ltd.has not been consolidated as in the opinion of the directors the financial statements of the subsidiary company does not materially affect the financial statements of the Group and the control in this subsidiary company is likely to be temporary.



5. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Unquoted shares, at cost	3,857,883	-	3,800,000	-
Exchange adjustment	(895)	-	-	-
	<hr/> 3,856,988	<hr/> -	<hr/> 3,800,000	<hr/> -
Share of post acquisition losses	471,345	-	-	-
	<hr/> 4,328,333	<hr/> -	<hr/> 3,800,000	<hr/> -
Gain on deemed disposal of associated company's shares	39,404	-	-	-
	<hr/> 4,367,737	<hr/> -	<hr/> 3,800,000	<hr/> -
The Groups' investment in associated companies is represented by:				
Share of net assets	<hr/> 4,367,737	<hr/> -	<hr/> 3,800,000	<hr/> -

The associated companies and shareholding therein are as follows:

Name of company	Country of incorporation	Equity interest		Principal activities
		2005 %	2004 %	
Direct holding -				
*MobilityOne Sdn. Bhd. (formerly known as Whoops Sdn. Bhd.)	Malaysia	29.46	-	Provision of e-Channel product and services, technology managed services and solution sales and consultancy.
Indirect holding -				
Associated company of GHL International Sdn. Bhd. (formerly known as PaymentOne Sdn. Bhd.)				
*GHL (China) Company Limited	Hong Kong	30	-	Acting as a non-exclusive distributors for products and services and carrying on business related to or connected with the supply, lease and servicing for hardware, software and services in payment and transaction solutions.

* Associated companies not audited by Anuarul Azizan Chew & Co.

**6. GOODWILL ON CONSOLIDATION**

	Group	
	2005	2004
	RM	RM
At 1 January	1,743,593	1,623,556
Acquisition of subsidiary company	-	120,037
At 31 December	<u>1,743,593</u>	<u>1,743,593</u>

7. INVENTORIES

	Group	
	2005	2004
	RM	RM
At cost		
EDC equipments	467,736	3,854,775
Others	298,075	368,394
	<u>765,811</u>	<u>4,223,169</u>

8. TRADE RECEIVABLES

The Group's and the Company's normal trade credit terms range from 30 to 60 days (2004 : 30 to 60 days).

9. OTHER RECEIVABLES

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Other receivables	126,179	259,720	2,590	214,594
Deposits	1,243,949	1,162,765	1,162,310	1,134,126
Prepayments	532,096	2,190,651	166,612	2,042,577
	<u>1,902,224</u>	<u>3,613,136</u>	<u>1,331,512</u>	<u>3,391,297</u>

10. AMOUNT OWING BY/TO SUBSIDIARY COMPANIES

(a) The amount owing by subsidiary companies represents unsecured interest free advances with no fixed term of repayment except for an amount of RM2,826,289 (2004 : RM23,109,035) which is made up of trade transactions.

(b) The amount owing to subsidiary company represents unsecured interest free advances with no fixed term of repayment except for an amount of RM122,850 (2004 : RMNil) which is made up of trade transactions.

11. AMOUNT OWING BY ASSOCIATED COMPANY

This represents unsecured interest free advances with no fixed term of repayment.



12. FIXED DEPOSITS WITH LICENSED BANKS

Included in the above is an amount of RM3,200,000 (2004: RM4,100,000) and RM2,700,000 (2004 : RM3,700,000) pledged to licensed banks as security for banking facilities granted to the Group and the Company respectively.

The Group's and the Company's interest rates and maturities of deposits are as follows:

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Interest rates (%)	2.6 - 3.7	2.75 - 4.0	2.6 - 3.7	2.75 - 3.7
Maturities (days)	30 - 365	30 - 365	30 - 365	30 - 365

13. TRADE PAYABLES

The Group's and the Company's normal trade credit terms range from 30 to 60 days (2004 : 30 to 60 days).

14. OTHER PAYABLES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Other payables	56,886	59,657	47,381	46,330
Deposits	3,587,998	2,678,740	-	-
Accruals	545,960	459,138	242,009	273,949
	4,190,844	3,197,535	289,390	320,279

15. HIRE PURCHASE PAYABLES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
(a) Minimum hire purchase payments				
Within one year	476,862	739,548	421,278	739,548
Between one and five years	49,604	421,278	-	421,278
	526,466	1,160,826	421,278	1,160,826
Less: Finance charges	(13,782)	(52,986)	(7,854)	(52,986)
	512,684	1,107,840	413,424	1,107,840
(b) Present value of hire purchase liabilities				
Within one year	464,379	694,416	413,424	694,416
Between one and five years	48,305	413,424	-	413,424
	512,684	1,107,840	413,424	1,107,840
Analyse as:				
Within twelve months	464,379	694,416	413,424	694,416
After twelve months	48,305	413,424	-	413,424
	512,684	1,107,840	413,424	1,107,840

The hire purchase liabilities of the Group and of the Company bore interest at the balance sheet date at rates ranging from 2.8% to 3.3% and 3.3% (2004: 5.5% and 6.0%) per annum respectively.


16. BORROWINGS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Secured				
Term loan	3,812,198	-	3,812,198	-
Revolving credit	-	1,500,000	-	1,500,000
	<u>3,812,198</u>	<u>1,500,000</u>	<u>3,812,198</u>	<u>1,500,000</u>
Unsecured				
Term loans	3,550,000	-	-	-
	<u>7,362,198</u>	<u>1,500,000</u>	<u>3,812,198</u>	<u>1,500,000</u>
Analysed as:				
Repayable within twelve months				
Term loans	1,937,291	-	370,091	-
Revolving credit	-	1,500,000	-	1,500,000
	<u>1,937,291</u>	<u>1,500,000</u>	<u>370,091</u>	<u>1,500,000</u>
Repayable after twelve months				
Term loans	5,424,907	-	3,442,107	-
	<u>7,362,198</u>	<u>1,500,000</u>	<u>3,812,198</u>	<u>1,500,000</u>

The term loan of the Company obtained from licensed bank is secured by the fixed charge over the freehold land and buildings of the Company.

The term loans are repayable by monthly instalment over 2 to 15 years.

Maturity of borrowings is as follows:

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Within one year	1,937,291	1,500,000	370,091	1,500,000
Between one and two years	1,687,291	-	370,091	-
Between two and five years	1,775,874	-	1,110,274	-
After five years	1,961,742	-	1,961,742	-
	<u>7,362,198</u>	<u>1,500,000</u>	<u>3,812,198</u>	<u>1,500,000</u>

Ranges of interest rates are as follows:

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Term loans	5.00 - 7.75	-	5.00	-
Revolving credit	-	6.50	-	6.50

**17. SHARE CAPITAL**

	Group/Company	
	2005	2004
	RM	RM
Ordinary shares of RM0.10 each:		
Authorised		
At 1 January	50,000,000	50,000,000
Created during the financial year	50,000,000	-
At 31 December	100,000,000	50,000,000
Issued and fully paid		
At 1 January	33,650,285	25,850,378
Issue of shares pursuant to ESOS	386,825	1,102,750
Rights issue	20,422,266	-
Bonus issue	-	6,697,157
At 31 December	54,459,376	33,650,285

During the financial year, the authorised share capital of the Company was increased from RM50,000,000 to RM100,000,000 by the creation of 500,000,000 new ordinary shares of RM0.10 each.

In addition, the Company increased its issued and paid-up share capital from RM33,650,285 to RM54,459,376 by issuance of :

- 3,719,250 new ordinary shares of RM0.10 each pursuant to the exercise of option granted under GHL Systems Berhad Employee Share Option Scheme (ESOS) at the option price of RM0.16 each;
- 50,000 new ordinary shares of RM0.10 each pursuant to the exercise of option granted under GHL Systems Berhad ESOS at the option price of RM0.164 each;
- 99,000 new ordinary shares of RM0.10 each pursuant to the exercise of option granted under GHL Systems Berhad ESOS at the option price of RM0.305 each; and
- 204,222,660 new ordinary shares of RM0.10 each for working capital pursuant to two-call rights issue at an issue price of RM0.10 each rights share of which the first call of RM0.08 is payable in cash and the second call of RM0.02 is payable by utilisation of the share premium account and retained earnings on the basis of 3 new ordinary shares of RM0.10 each for every 5 existing ordinary shares of RM0.10 each.

All new shares issued rank pari passu in all respects with the existing issued shares of the Company.



18. SHARE PREMIUM

	Group/Company	
	2005	2004
	RM	RM
At 1 January	391,384	5,912,788
Arising in respect of ESOS	246,650	1,374,897
Utilisation for bonus issue	-	(6,697,157)
Utilisation for rights issue	(88,034)	-
Direct attributable costs pertaining to ESOS and rights issue	(550,000)	(199,144)
At 31 December	-	391,384

19. DEFERRED TAX LIABILITIES

	Group	
	2005	2004
	RM	RM
At 1 January	964,916	694,003
Recognised in income statement	(359)	270,913
At 31 December	964,557	964,916

Presented after appropriate offsetting as follows:

Deferred tax liabilities	5,234,657	3,122,539
Deferred tax assets	(4,270,100)	(2,157,623)
	964,557	964,916

The components and movements of deferred tax liabilities and assets of the Group during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Accelerated capital allowances	Total
	RM	RM
At 1 January 2005	3,122,539	3,122,539
Recognised in income statement	2,112,118	2,112,118
At 31 December 2005	5,234,657	5,234,657

Deferred tax assets of the Group:

	Accelerated capital allowances	Total
	RM	RM
At 1 January 2005	(2,157,623)	(2,157,623)
Recognised in income statement	(2,112,477)	(2,112,477)
At 31 December 2005	(4,270,100)	(4,270,100)

**20. REVENUE**

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Whoops	-	21,367,908	-	21,367,908
Rental	19,595,445	13,732,022	-	-
Solutions	31,396,109	30,052,902	35,885,024	21,079,283
	<u>50,991,554</u>	<u>65,152,832</u>	<u>35,885,024</u>	<u>42,447,191</u>

21. OTHER OPERATING INCOME

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Fixed deposit interest	108,934	180,291	78,517	151,192
Other interest income	61,103	-	-	-
Realised gain on foreign exchange	31,395	728	5,898	-
Dividend income	-	81,676	-	81,676
Gain on disposal of property, plant and equipment	878	16,479	-	16,334
Gain on deemed disposal of associated company's shares	39,404	-	-	-
Others	4,218	26,233	-	25,000
	<u>245,932</u>	<u>305,407</u>	<u>84,415</u>	<u>274,202</u>

22. PROFIT FROM OPERATIONS

Profit from operations is derived after charging:

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Auditors' remuneration	30,500	28,000	12,000	10,000
Company's directors' remuneration	1,572,163	1,403,984	1,572,163	1,403,984
Depreciation of property, plant and equipment	6,368,555	4,004,672	1,406,188	1,378,773
Loss on foreign exchange:				
- Realised	55,732	46,885	-	20,913
- Unrealised	895	-	-	-
Rental of premises	779,331	709,956	457,731	390,556
Property, plant and equipment written off	7,628	-	-	-

Directors' remuneration

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Executive Directors				
Fees	72,000	72,000	72,000	72,000
Salaries and other emoluments	1,218,847	1,060,700	1,218,847	1,060,700
EPF	137,316	127,284	137,316	127,284
Non Executive Directors				
Fees	144,000	144,000	144,000	144,000
Total directors' remuneration	<u>1,572,163</u>	<u>1,403,984</u>	<u>1,572,163</u>	<u>1,403,984</u>



23. FINANCE COSTS

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Hire purchase interest	45,360	33,254	45,132	33,254
Term loan interest	247,227	-	132,347	-
	292,587	33,254	177,479	33,254

24. TAXATION

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Tax expense for the financial year:				
Current tax provision	84,000	49,960	35,000	43,000
Over provision in prior financial year	(666)	(3,472)	(666)	(1,530)
	83,334	46,488	34,334	41,470
Deferred tax:				
Relating to origination and reversal of temporary differences	146,461	387,356	-	-
Over provision in prior financial year	(146,820)	(116,443)	-	-
	(359)	270,913	-	-
	82,975	317,401	34,334	41,470

Income tax is calculated at the statutory rate of 28% on chargeable income of the estimated assessable profit for the financial year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate are as follows:

Group

	2005	2004
	RM	RM
Profit before taxation	11,843,024	7,793,405
Taxation at statutory tax rate of 28% (2004: 28%)	3,316,047	2,182,153
Tax incentive for small and medium scale companies at 20% tax rate	(32,037)	(11,535)
Pioneer status tax incentive	(4,155,245)	(2,458,459)
Expenses not deductible for tax purposes	1,094,122	564,572
Income not subject to tax	(149,186)	(160)
Deferred tax assets not recognised	156,760	160,745
Over provision of current taxation in prior year	(666)	(3,472)
Over provision of deferred taxation in prior year	(146,820)	(116,443)
	82,975	317,401

**24. TAXATION (CONT'D)****Company**

	2005	2004
	RM	RM
Profit before taxation	11,707,760	7,032,615
Taxation at statutory tax rate of 28% (2004 : 28%)	3,278,173	1,969,132
Pioneer status tax incentive	(4,155,245)	(2,458,459)
Expenses not deductible for tax purposes	912,072	532,327
Over provision of current taxation in respect of prior year	(666)	(1,530)
	34,334	41,470

25. EARNINGS PER SHARE**(a) Basic earnings per share**

The earnings per share has been calculated based on the consolidated profit after taxation of RM11,760,049 (2004 : RM7,651,959) for the Group and the weighted average number of ordinary shares in issue during the financial year of 426,171,492 (2004 : 375,436,355*).

(b) Fully diluted earnings per share

Fully diluted earnings per share has been calculated based on the consolidated profit after taxation of RM11,760,049 (2004: RM7,651,959) for the Group and the adjusted weighted average number of ordinary shares issued and issuable of 432,060,059 (2004 : 379,324,722*) shares. The adjusted weighted average number of ordinary shares issued and issuable has been arrived at based on the assumption that all the ESOS as at 31 December 2005 are converted to ordinary shares.

* Being the weighted average number or adjusted weighted average number of ordinary shares of RM0.10 each in issue after adjusting for the rights issue of 204,222,660 ordinary shares of RM0.10 each.

26. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Aggregate cost	23,986,105	14,972,314	9,199,658	3,896,496
Less: Hire purchase financing	(105,000)	(1,394,000)	-	(1,394,000)
Other payables	-	(4,500)	-	-
	23,881,105	13,573,814	9,199,658	2,502,496

27. SECTION 108 TAX CREDIT AND TAX EXEMPT INCOME

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt income under Income Tax (Amendment) Act, 1999 to frank the payment of dividends out of all its retained profits as at 31 December 2005.


28. STAFF COSTS

	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Staff costs (excluding directors) comprise:					
Charged to income statements		5,361,658	8,086,773	862,861	5,520,655
Capitalised in property, plant and equipment	3	4,488,621	-	3,100,000	-
Total staff costs for the financial year		9,850,279	8,086,773	3,962,861	5,520,655

Included in the staff costs (excluding directors) are contributions made to the Employees Provident Fund under a defined contribution plan of the Group and of the Company amounting to RM802,258 and RM362,492 (2004 : RM773,510 and RM403,054) respectively.

The total number of employees (excluding directors) of the Group and of the Company at the end of the financial year were 225 and 58 (2004 : 194 and 63) respectively.

29. SIGNIFICANT RELATED PARTIES TRANSACTIONS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Sales to subsidiary companies				
GHL Transact Sdn. Bhd.	-	-	4,481,200	5,238,560
GHL Payments Sdn. Bhd.	-	-	2,878,200	451,520
GHL Eftpos Sdn. Bhd.	-	-	317,340	1,112,480
GHL International Sdn. Bhd.	-	-	-	550,000
Maintenance fee received from subsidiary company				
Card Pay Sdn. Bhd.	-	-	240,000	240,000
Purchase of IT Equipments from a subsidiary company,				
GHL Transact Sdn. Bhd.	-	-	-	288,418
Rental and maintenance charges paid to GHL Enterprise Sdn. Bhd., a company in which Goh Kuan Ho, a director of the Company, has substantial financial interest	559,900	492,000	264,700	196,800
Supply of EuroPay-MasterCard-Visa chip-based cards and/or data preparation and personalisation of chip-based cards and installation of EDC equipment to Bank Simpanan Nasional* ("BSN")	17,409,414	2,246,270	17,409,414	2,246,270

* BSN is a substantial shareholder of BSNC Corporation Berhad ("BSNC") and BSNC is a substantial shareholder of the Company. In addition, En. Tajuddin Bin Atan, a director of the Company is the Chief Executive Officer of BSN and a director of BSNC while En. Mohd Ariffin Bin Marzuki, a director of the Company is the Chief Operating Officer of BSNC.

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

30. SIGNIFICANT EVENTS

During the financial year, the following significant events took place for the Company and its subsidiary companies:

- (a) On 14 April 2005, a subsidiary company, PaymentOne Sdn. Bhd. changed its name to GHL International Sdn. Bhd.



30. SIGNIFICANT EVENTS (CONT'D)

- (b) On 10 May 2005, the Company acquired 38,000,000 ordinary shares of RM0.10 each representing 34.86% equity interest in MobilityOne Sdn. Bhd., formerly known as Whoops Sdn. Bhd. ("MOSB") for a purchase consideration of RM3,800,000.

On 15 November 2005, MOSB increased its issued and paid-up share capital from RM10,900,020 to RM12,900,002 by the issue of 19,999,820 ordinary shares of RM0.10 each at par for cash. The Company did not subscribe its shares of the issued and paid-up share capital of MOSB. Consequently, the Company shareholding in MOSB has decreased from 34.86% to 29.46%.

On 23 December 2005, Whoops Sdn. Bhd. has changed its name to MobiltyOne Sdn Bhd.

- (c) On 15 July 2005, GHL International Sdn. Bhd., formerly known as PaymentOne Sdn. Bhd. ("GHL International"), a wholly owned subsidiary company of the Company has entered into a Shareholders' Agreement to acquire 30% equity interest in GHL (China) Company Limited ("GHL China"), a private limited company incorporated in Hong Kong. On 1 September 2005, GHL International subscribed 117,000 ordinary shares of HKD1.00 each representing 30% equity interest in GHL China for a purchase consideration of HKD117,000.
- (d) On 31 October 2005, GHL International has entered into a Shareholders' Agreement with a third party to acquire 50% equity interest in GHLSYS Singapore Pte. Ltd. ("GHLSYS"), a private limited company incorporated in Singapore. On the same date, GHL International has subscribed 1 ordinary share of SGD1.00 in GHLSYS for a purchase consideration of SGD1.00. As the third party did not subscribe for its share of the issued and paid-up share capital of GHLSYS, GHLSYS became a wholly owned subsidiary company of GHL International. Subsequent to the financial year end, the Shareholders' Agreement has been mutually terminated.

31. SUBSEQUENT EVENTS

Subsequent to the financial year end, the following subsequent events took place for the Company and its subsidiary company:

- (a) On 1 February 2006, GHL China, an associated company of GHL International, increased its issued and paid-up share capital from HKD390,000 to HKD780,000 by the issue of 390,000 ordinary shares of HKD1 each at par for cash. GHL International subscribed for its share of the increase in the issued and paid-up share capital of GHL China.

On 13 March 2006, GHL China increased its issued and paid-up share capital from HKD780,000 to HKD897,000 by the issue of 117,000 ordinary shares of HKD1 each at par for cash. GHL International subscribed for the entire increase and consequently, the shareholding in GHL China has increased from 30% to 39%.

- (b) On 10 March 2006, the issued and paid-up share capital of the Company was increased from RM54,459,376 to RM55,148,086 by the issue of 6,887,100 ordinary shares of RM0.10 each at par for cash pursuant to the exercise of option granted under GHL Systems Berhad ESOS at an exercise price of RM0.10.

32. CAPITAL COMMITMENT

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Authorised and contracted for	-	3,900,000	-	3,900,000


33. CONTINGENT LIABILITIES

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Limit of guarantees				
Banker's guarantee in favour of third parties				
- secured	2,700,000	2,200,000	2,700,000	2,200,000
- unsecured	3,197,678	1,197,678	3,197,678	1,197,678
	<u>5,897,678</u>	<u>3,397,678</u>	<u>5,897,678</u>	<u>3,397,678</u>
Corporate guarantees given to financial institutions for term loans facility granted to a subsidiary company	-	-	6,500,000	-
	<u>5,897,678</u>	<u>3,397,678</u>	<u>12,397,678</u>	<u>3,397,678</u>
Amount utilised				
Banker's guarantee in favour of third parties				
- secured	100,000	250,000	100,000	250,000
- unsecured	-	150,000	-	150,000
	<u>100,000</u>	<u>400,000</u>	<u>100,000</u>	<u>400,000</u>
Corporate guarantees given to financial institutions for term loans facility granted to a subsidiary company	-	-	3,550,000	-
	<u>100,000</u>	<u>400,000</u>	<u>3,650,000</u>	<u>400,000</u>

34. FINANCIAL INSTRUMENTS
(a) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its financial risks, including foreign currency exchange risk, interest rate risk, market risk, credit risk, liquidity and cash flow risk. The Group and the Company's operates within clearly defined guidelines that are approved by the Board and the Group and the Company's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's and the Company's borrowings and deposits. The Group and the Company monitors the interest rates constantly although the prevailing interest rates are low.

(c) Foreign Exchange Risk

The Group and the Company is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar, Singapore Dollar and Indonesian Rupiah. The Group and the Company maintains a natural hedge that minimises the foreign exchange exposure by matching foreign currency income with foreign currency costs.

(d) Credit Risk

The Group's and the Company's exposure to credit risk arises mainly from receivables. Receivables are monitored on an ongoing basis via management reporting procedure and action is taken to recover debts when due.

At balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk for the Group and the Company is the carrying amount of the financial assets shown in the balance sheet.

(e) Liquidity and Cash Flow Risks

The Group and the Company seeks to achieve a flexible and cost effective borrowing structure to ensure that the projected net borrowing needs are covered by available committed facilities. Debt maturities are structured in such a way to ensure that the amount of debt maturing in any one year is within the Group's and the Company's ability to repay and/or refinance.

**(e) Liquidity and Cash Flow Risks (Cont'd)**

The Group and the Company also maintains a certain level of cash and cash convertible investments to meet its working capital requirements.

(f) Fair Values

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings are carried at their approximate fair values due to the relatively short term maturity of these financial instruments.

The aggregate fair values of the other financial liabilities carried on the balance sheet approximates their carrying value and the Group and the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be settled.

35. SEGMENTAL REPORTING

The principal business of the Group are those of dealing with EDC equipments and its related services, developing and selling software programmes in Malaysia which are substantially within a single business segment, as such, segmental reporting is deemed not necessary.

36. COMPARATIVE FIGURES

Certain comparative figures have been reclassified where necessary to conform with the current financial year's presentation as follows:

	As previously stated RM	Reclassified RM	As restated RM
Group			
Income Statement			
Revenue	64,172,248	980,584	65,152,832
Cost of sales	(36,293,536)	(763,380)	(37,056,916)
Other operating income	522,611	(217,204)	305,407
Cash Flow Statement			
Gain on disposal of property, plant and equipments	(233,683)	217,204	(16,479)
Payables	9,219,066	763,380	9,982,446
Proceeds from disposal of property, plant and equipment	2,867,968	(980,584)	1,887,384
Company			
Income Statement			
Revenue	41,947,191	500,000	42,447,191
Cost of sales	(22,990,366)	(335,396)	(23,325,762)
Other operating income	438,806	(164,604)	274,202
Cash Flow Statement			
Gain on disposal of property, plant and equipments	(180,938)	164,604	(16,334)
Payables	4,363,883	335,396	4,699,279
Proceeds from disposal of property, plant and equipment	2,333,680	(500,000)	1,833,680

37. DATE OF AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31 December 2005 were authorised for issue in accordance with a resolution of the Board of Directors on 23 March 2006.



List of Properties

Title/Location	Description/ Existing Use	Registered Owner	Age of Building (Years)	Land / Built-Up Area	Tenure	Net Book Value as at 31.12.2005 (RM)	Original Cost (RM)
4 1/2-storey shop office at Unit L 7, 8 & 9, C-G-15, Block C, Jalan Dataran SD I Dataran SD, PJU 9 Bandar Sri Damansara 52200 Kuala Lumpur	Office space	GHL Systems Berhad	<1	570 sq m	Leasehold	4,875,000	4,875,000



Shareholding Statistics As At 30 March 2006

Authorised Capital	:	RM100,000,000.00
Issued And Fully Paid-up Capital	:	RM55,148,086.00
Class of Shares	:	Ordinary shares of 10 sen each fully paid
Voting Rights	:	One vote per 10 sen share

BREAKDOWN OF SHAREHOLDINGS

Size Of Holdings	No. of Holders	%	No. Of Shares	%
Less than 100	220	3.83	10,613	0
100-999	92	1.60	25,625	0.01
1,000-4,999	984	17.14	2,620,020	0.48
5,000-10,000	1579	27.50	12,373,940	2.24
10,001-100,000	2441	42.52	83,937,273	15.22
100,001-1,000,000	385	6.71	104,193,835	18.89
Above 1,000,000	40	0.70	348,319,554	63.16
Total	5,741	100.00	551,480,860	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 30 MARCH 2006

According to the register required to be kept under Section 69L of the Companies Act, 1965, the following are substantial shareholders of the Company:-

Substantial Shareholders	Direct Interest	No. of Shares Held	
		% Indirect Interest	%
Maybank Nominees (Tempatan) Sdn Bhd JMF Asset Management Sdn Bhd (for BSNC Corporation Berhad)	92,660,099	16.80	-
Goh Kuan Ho	86,830,920	15.75	-

DIRECTORS' SHAREHOLDINGS AS AT 30 MARCH 2006

Name of Directors	Note	Direct Interest	No. of Shares Held		
			%	Indirect Interest	%
Goh Kuan Ho	1	86,830,920	15.75	-	-
Tay Beng Lock	2	27,270,539	4.94	-	-
Yeng Fook Hoo	3	16,650,200	3.02	-	-
Chin Fook Kheong		700,000	0.13	-	-
Tunku Dato' Abdul Malek Bin Tunku Kassim		46,400	0.01	-	-

Notes:

- 37,061,595 held under Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd
- 10,000,000 held under Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd
- 6,431,325 held under Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd



Shareholding Statistics As At 30 March 2006

STATEMENT OF SHAREHOLDINGS
THIRTY LARGEST REGISTERED SHAREHOLDERS AS AT 30 MARCH 2006

	Holdings	%
Mayban Nominees (Tempatan) Sdn Bhd	123,906,974	22.47
Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd	53,492,920	9.7
Goh Kuan Ho	49,769,325	9.02
Tay Beng Lock	17,270,539	3.13
BHLB Trustee Berhad	11,024,541	2
Yeng Fook Hoo	10,218,875	1.85
RHB Capital Nominees (Tempatan) Sdn Bhd	10,003,250	1.81
Goh Heng Loo	9,820,000	1.78
Teh Cheong Hua	8,178,800	1.48
Joshua Tan Siew Hua	6,860,200	1.24
GHS Strategic Holdings Sdn Bhd	6,763,200	1.23
Citigroup Nominees Sdn Bhd	6,184,800	1.12
Mersec Nominees (Tempatan) Sdn Bhd	5,570,200	1.01
Amanah Raya Berhad	4,702,000	0.85
Foo Choon Tow	4,050,000	0.73
Public Nominees (Tempatan) Sdn Bhd	3,939,600	0.71
Ang Kok Seong	3,639,200	0.66
TA Nominees (Tempatan) Sdn Bhd	3,178,920	0.58
Teng Lung Sing	2,883,200	0.52
Associated Abrasives Sdn Bhd	2,600,000	0.47
HDM Nominees (Tempatan) Sdn Bhd	2,576,400	0.47
Lim Chai Ong	2,400,000	0.44
Jerneh Asia Capital Sdn Bhd	2,333,200	0.42
Cimsec Nominees (Tempatan) Sdn Bhd	2,317,175	0.42
Tasec Nominees (Tempatan) Sdn Bhd	2,146,200	0.39
Koay Lee Hon	2,085,000	0.38
Inter-pacific Equity Nominees (Tempatan) Sdn Bhd	2,078,850	0.38
Huang Wei Nee	2,044,200	0.37
Amsec Nominees (Tempatan) Sdn Bhd	1,849,400	0.34
Mayban Securities Nominees (Tempatan) Sdn Bhd	1,765,685	0.32



Proxy Form

I/We, _____

NRIC No. /Passport No. /Company No. _____

of _____

being a member /members of GHL SYSTEMS BERHAD, hereby appoint

_____ NRIC No. _____

of _____

and/or _____ NRIC No. _____

of _____

or failing him/her; the Chairman of the Meeting as my / our proxy / proxies to vote for me / us on my / our behalf at the Twelfth Annual General Meeting of the Company to be held at Cempaka-Raya Room, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur on 26 May 2006, Friday at 10.00 a.m. and at any adjournment thereof, in the manner indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	To receive and adopt the Financial Statements and Reports.		
2.	To re-appoint Tunku Dato' A Malek bin Tunku Kassim as Director.		
3.	To re-elect Mr: Chong Teck Foh as Director.		
4.	To re-elect Mr: Chin Fook Kheong as Director.		
5.	To re-elect En. Tajuddin bin Atan as Director.		
6.	To approve the Directors' fees and remuneration.		
7.	To re-appoint Messrs Anuarul Azizan Chew & Co., as Auditors of the Company.		
8.	As special business, to approve the ordinary resolution pursuant to Section 132D of the Companies Act, 1965.		

The proportions of my/our holdings to be represented by my/our proxies are as follows:-

First Proxy
No. of Shares: _____

Second Proxy
No. of Shares: _____

Percentage : _____ %

Percentage : _____ %

(Please indicate with 'X' how you wish to cast your vote. In the absence of specific directions, the proxy may vote or abstain from voting on the resolutions as he/she may think fit.)

Signed this _____ day of _____, 2006.

Signature : _____
(If shareholder is a corporation, this part should be executed under seal)

NUMBER OF SHARES HELD	
------------------------------	--

NOTES

1. A member entitled to attend and vote at the general meeting is entitled to appoint up to two (2) proxies 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 duly authorised in writing.
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. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account which is credited with ordinary shares of the Company.
5. The Form of Proxy or other instruments of appointment must be deposited at the Registered Office of the Company at 20-C, Jalan 1164, Off Jalan Kolam Air/Jalan Ipoh, 51200 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.



Fold Here

Please affix
postage stamp
here

GHL SYSTEMS BERHAD (293040-D)
20C, Jalan 1/64, Jalan Kolam Air/Jalan Ipoh
51200 Kuala Lumpur.

Fold Here