

**Company Name** : GHL Systems Berhad  
**Date** : 21 February 2018  
**Source** : The Edge Markets

## **GHL Systems 4Q Net Profit Up 11.5% As Overseas Contribution Rises**

KUALA LUMPUR (Feb 21): GHL Systems Bhd posted an 11.52% rise in fourth quarter net profit to RM4.92 million, from RM4.41 million a year ago, as growth in its Philippine and Thai operations mitigated lower profit incurred by its businesses in Malaysia and Australia.

Earnings per share (EPS) for the quarter ended Dec 31, 2017 (4QFY17) rose to 0.75 sen from 0.68 sen previously, GHL said in a bourse filing.

The better bottom line came despite revenue declining 5.51% to RM63.45 million, from RM67.16 million in 4QFY16, due primarily to lower electronic data capture (EDC) terminal sales at its shared solutions division, and lower e-pay transaction volumes at its transaction payment acquisition (TPA) division.

For its full-year period (FY17), GHL's net profit climbed 13.39% to RM20.54 million, against RM18.12 million in FY16, helped by lower effective tax, and better contribution from its operations in the Philippines and Thailand while the Malaysian market slipped.

Full-year revenue was up 3.93% at RM255.58 million, from RM245.92 million in FY16, with growth registered by the shared solutions, solution services, and TPA divisions. Apart from Australia, the three other countries saw higher revenue contribution in the year.

GHL also said annuity-based revenue contributed 91% of total revenue in FY17, compared with 89% in FY16.

"As TPA gathers momentum in all three geographical markets, we expect annuity revenues will grow even stronger.

"Although the focus remains that of pushing recurring income, the non-annuity based revenue continues to offer opportunities given the low penetration of payment infrastructure and acceptance point EDC terminals," it added.

Moving forward, GHL sees opportunities in all three key markets in Malaysia, Philippines and Thailand with the emergence of QR-based e-wallets "which have spurred growth of domestic e-wallet players".

"2018 will see the launch of several local players in this space," it said. "This bodes well for GHL, as it increases our competitive edge in offering our merchants an integrated omni-channel payment solution."

The group expects 2018 prospects to be positive given its partnership with the banking sector, as well as merchant network of 170,000 acceptance points as at end-2017.

"In the fast evolving market place, the group is expected to increase its investments to further strengthen our market positioning as e-payments gain more prominence," it said.

Shares of GHL Systems closed one sen or 0.69% lower at RM1.44, giving the group a market capitalisation of RM949.6 million.