



# **GALASYS PLC**

## **Interim Report to Shareholders 2014**

**Incorporating Financial Results (un-audited)  
for the six months ended 30 June 2014**

**1 September, 2014**

**Galasys PLC**  
**("Galasys" or the "Group")**

**Interim Results for the six months to 30 June 2014**

Galasys PLC (AIM:GLS), a leading provider of ticketing systems and solutions to the fast growing theme park industry in Asia, is pleased to announce its maiden interim results for the six months ended 30 June 2014 (the "Period").

**Financial Highlights**

- Revenue for H1 2014 ahead 34% at RM16.44m (H1 2013: RM12.27m<sup>^</sup>)
- Gross Profit ahead 34% at RM7.26m (H1 2013: RM5.41m<sup>^</sup>)
- Profit Before Tax ahead 35% at RM5.02m (H1 2013: RM3.72m<sup>^</sup>)
- Profit After Tax ahead 37% at RM4.31m (H1 2013: RM3.13m<sup>^</sup>)
- EPS RM0.0825 or 8.25sen (H1 2013: RM0.0759 or 7.59sen)
- Cash RM13.05m\* (H1 2013: RM17k)
- Repeat and recurring revenue increased to 66% of sales (H1 2013: 60%)

<sup>^</sup>The proforma figure for the six months to 30 June 2013 was prepared by assuming Galasys GLT (formerly known as Green Laser Technology) was part of Galasys Group since 1 January 2013

\* includes net proceeds from IPO of RM10.50m (£2.20m)

**Operational Highlights**

- Successful AIM IPO in May 2014, raising gross proceeds of £3.10 million at a placing price of 22.5p
- Secured new contracts with 26 new amusement parks including a major Ticketing IT Outsourcing (TiTo) contract with Wenzhou Water Park
- Awarded first ever Movie Theme Park ticketing contracts by the Dalian Wanda Group
- Awarded a second contract for Dalian Wanda's indoor Kids' Parks across China
- Awarded a significant system upgrade contract by OCT, our existing theme park customer
- Signed up additional 15 new water parks
- Galasys GLT (formerly Green Laser Technology) successfully integrated into the Group and performing ahead of management expectations
- Partner channel expanded to include Hitachi-Sunway Information Systems, Skafos International (Hong Kong), DCORP R-Keeper (Vietnam) and Cuscap Berhad (Malaysia)
- Appointment of experienced sales director for ASEAN market and an experienced COO previously from the Sunway Group

Commenting on the announcement, **Mr. Teh, Chairman of the Group**, said:

"The Board is delighted with the Group's performance in the first six months of 2014. The performance is particularly impressive given the management time committed in completing our successful IPO. Since the IPO, we have continued to win significant new contracts with some of China and South East Asia's most important theme park operators. We are grateful for the support received from our shareholders, customers and business partners and staff, and look forward to delivering a good performance for the full year."

**Mr. Seah, Chief Executive**, added:

"Our sales pipeline is increasing and we expect further momentum as the Group continues to expand its market coverage in China and other Asian countries. We expect to maintain growth levels, and to secure more projects as we increase penetration into new markets and continue development and launch of new cloud-based products and services going forward. On the back of

the strong growth prospects in the Asian theme park industry, Galasys is well-poised to deliver a good performance for its shareholders in the coming months.”

**For further information, please contact:**

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The Group’s website can be found at: [www.galasystec.com](http://www.galasystec.com)

**About Galasys**

Galasys is a leading integrated and modular amusement park solutions and services provider to premier amusement parks in China and South East Asia. Through its proprietary systems, the Group provides amusement park operators with the ability to sell, manage and analyse tickets, visitors, merchandise sales and other amusement park operations. It has been operating since 2005 and supplies solutions and services to 85 amusement parks in China and South East Asia. The Group has invested more than 50 man-years in R&D and owns the intellectual properties to its software and systems.

The Group’s market position in China has been the culmination of a proven and reliable technology platform and long lasting relationships with amusement park operators, for example Chime Long and the OCT Group, which are two of the largest amusement park operators in China by number of park visitors and tickets sold annually. In addition, the Group is well placed to benefit from the continued urbanisation and growth in Asia.

The Group’s first ticketing management system contract was awarded in 2005 by Chime Long Group. The Group currently employs 77 members of staff and exclusively retains 48 research and development staff provided by third party developers.

**Chairman’s Statement**

**AIM IPO and Progress**

The key event of the period for the Group was its successful admission to trading on AIM on 12<sup>th</sup> May 2014. At the time of the listing, we said that funds raised would be primarily used to strengthen the Group’s position in the Asian region by increasing its product and service offerings to current amusement park operators, gaining new amusement park operator customers and financing our entry into new territories. The Galasys team has been busy doing just that since then and I am pleased to report Galasys’ interim results for the first half of the year has shown significant improvements as compared to the same period last year and which exceeded our own expectations. The performance is impressive not least because various senior management members were actively involved in the AIM IPO during most of the first half. The integration of Galasys GLT

(formerly known as Green Laser Sdn Bhd and acquired in H2 last year) has been successful and has made substantial contribution and impact to the Group.

### **Strategy and Outlook**

Our strategy of introducing different engagement and revenue share models is bearing fruit as we have successfully secured more clients at much higher margins in addition to continuing to serve existing clients via upgrades and new product modules. Several new key products and services are in the pipeline and the second half of the year will see us completing their development, and then launching them in the market.

In terms of marketing and business development, the Group has increased the size and capability of the team and the additional resources available are being successfully deployed in reaching out to new business prospects and amusement park customers across Asia. We do not rule out growing through M&A should a suitable target be available, in order to accelerate our growth and to exploit synergies with our existing business.

We expect to maintain the positive trends in the business during the second half of the year as we deliver on our strategic long term objective to transform our current project based business and revenue model into one which correlates our revenue and profits more directly to the number of visitors to our theme-park customers.

We look forward to engaging the market and our clients more deeply in the coming months, and securing more sites and revenue.

Teh Kim Seng  
Non-Executive Chairman  
1 September 2014

### **Chief Executive Officer's Statement**

I am very pleased to provide my first interim review since the Group joined AIM on 12 May 2014.

#### **Results**

The Board is delighted with the Group's performance in the first six months of 2014. Galasys has delivered a strong financial performance with revenues up 34% at RM16.44m (H1 2013: RM12.27m). We have seen continued growth in demand for our products and services from existing customers as well as successfully adding new large customers such as Dalian Wanda. Our operating profit also saw significant improvement - up 30% at RM5.05m (H1 2013: RM3.75m) and this was reflected in the pre-tax profit which is up 35% at RM5.02m (H1 2013: RM3.72m). Our cash balance is at RM 13.05m (H1 2013: RM 17k) which includes the net proceeds from our successful IPO (c. RM10.50m) with the balance of the increase coming from our improved operating cash flows.

According to Global Attractions Attendance Report published by Themed Attraction Association and AECOM, the outlook for the theme park industry in Asia is very strong with annual growth in attendance numbers of 7.5% compared to just under 4% growth in Americas and zero growth in Europe. The report also stated that the top 15 Asian water-park attendance totals have for the first time, surpassed the top 15 water-parks attendance in North America. AECOM further predicts the total attendance for the top 20 Asia Pacific theme parks will also surpass those of North America in the not-too-distant future. For 2013, the attendance numbers in China were 116 million and 135 million in North America. Against this backdrop of fast growth, we expect to continue building on

our market leading position of 85 installed sites across Asia. We are making good progress penetrating into new emerging South East Asia markets which include the Philippines, Thailand, Vietnam and Indonesia.

### **New Wins and TiTo**

We are pleased with the number of new project wins in the first half, particularly securing the Dalian Wanda Group in view of the keen competition we were up against. The Group has so far signed two key projects with the Dalian Wanda Group. The first contract is for the Wuhan Wanda Movie Park. We hope this is the first of many contracts with Dalian Wanda Group, which has plans to build several state-of-the-art theme parks in major cities across China. The second contract is for the Wanda's Kids Parks. Dalian Wanda Group projects that by year 2020, its total investment in this project will reach 5 billion Yuan (c. £480 million), with an estimated presence at 200 stores nationwide. Galasys is the sole supplier of the systems for all the Wanda Kids Parks nationwide.

Water parks have represented the majority of new amusement parks opening this year in China and the Group has secured fifteen water-park projects in the first half of the year. We believe that the Chinese amusement park market will continue to grow strongly with a number of large-scale real estate developers setting up new amusement parks as part of their mixed development projects.

The four Ticketing IT Outsourcing (TiTo) projects are also significant in that we have started engaging clients with our non-project based revenue model which brings us more recurring revenues and higher profit margins.

Outside China, we secured a project for Escape Park in Malaysia. The Group is working on a strong sales pipeline for the second half, and looks forward to making further announcements in due course.

### **Product Development**

Research and development remains a key business driver for the Group in order to maintain its competitive advantage in delivering innovative software solutions to the market. The Group has strong research and development capability, which has developed many new products in the past and will continue to build on this to serve the industry well.

The eWallet on RFID devices R&D was completed in June 2014 and we have secured a number of new customers to deploy this technology. The new English C# Ticketing platform rollout is targeted to be completed by October 2014.

Following the acquisition and integration of Galasys GLT, the Group intends to rollout Galasys GLT's kiosk products for our amusement park customers in China and South East Asia. Galasys' kiosk software testing program has been completed and trial deployment will start in China in Q4 2014.

The Group has continued to invest in its proprietary Cloud Online Travel Agencies (CLOTA) platform and our target is to launch this internet platform in Q4 2014. We have signed up a number of China's leading online travel agents (OTAs) including Qunar, Ctrip, LY.com, 17U.com and Lvmama. The Group has also signed up four amusement parks using the Ticketing IT Outsourcing (TiTo) engagement model that gives access to tickets to be sold through the CLOTA platform. Furthermore, we have signed up a number of water parks and theme parks that are now selling their park tickets via the Galasys CLOTA platform. Lastly, we have registered GALOTAS.COM as our C2B portal and plan to rollout in Q4 2014.

### **Recruitment**

To strengthen our team further, we have recruited an additional 34 employees since the IPO. These new hires will focus on customer generation, developing new technologies including the CLOTA platform and deployment of new installations including the two key wins from Dalian Wanda. The

Group has also employed an experienced COO and a Sales Director for ASEAN who will focus on identifying and winning new projects in other countries in Asia. The Group will continue to hire new sales and technical talents as our business expands in the second half of 2014.

**Outlook**

The Group operates in Asia, the strongest growth market for Amusement Parks. The Group's growth strategy is built on new product R&D, for example selling and deploying eWallet on RFID, the rollout of TiTo, the continued development and rollout of CLOTA platforms and geographic expansion in to new territories such as the Philippines, Vietnam, Thailand, Indonesia and Hong Kong.

Riding on the back of strong amusement industry growth in Asia, the second half of the year has continued with the same strong trading trends experienced in the first half and management is now able to focus completely on delivering further growth in sales and profits. We look forward to delivering a good set of results for the full year.

Sean Seah  
Chief Executive Officer  
1 September 2014

**Consolidated statements of comprehensive income  
for the six months period ended 30 June 2014**

	Note	Un-audited 6 months to 30/06/14	Un-audited 6 months to 30/06/13 PROFORMA*	Un- audited 6 months to 30/06/13 **	Un-audited 12 months to 31/12/13 **
		RM'000	RM'000	RM'000	RM'000
REVENUE		16,442	12,270	4,860	9,394
Cost of sales		(9,185)	(6,862)	(1,080)	(2,913)
<b>GROSS PROFIT</b>		<b>7,257</b>	5,408	3,780	6,481
Other income		163	156	147	852
Negative goodwill		-	-	-	2,056
Administrative expenses		(2,367)	(1,812)	(1,383)	(2,240)
<b>OPERATING PROFIT</b>		<b>5,053</b>	3,752	2,544	7,149
Finance costs		(38)	(30)	-	(42)
<b>PROFIT BEFORE TAX</b>		<b>5,015</b>	3,722	2,544	7,107
Taxation	5	(709)	(590)	(300)	(350)
<b>PROFIT FOR THE PERIOD</b>		<b>4,306</b>	3,132	2,244	6,757
Other comprehensive income for the period, net of tax		(437)	197	363	637
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b>		<b>3,869</b>	3,329	2,607	7,394
Earnings per share	3				
- Basic (Sen)		8.25	7.59	6.80	20.35
- Diluted (Sen)		7.90	7.59	6.80	20.35

\*The proforma figure for the six months to 30 June 2013 was prepared by assuming Galasys GLT (formerly known as Green Laser Technology) was part of Galasys Group since 1 January 2013

\*\* The un-audited interim financial information for the six months ended 30 June 2013 and 31 December 2013 relates to a period prior to the formation of the current legal group but to a period during which the subsidiary entities were under common control and therefore presents the results of Galasys plc and Galasys Holdings if they had always been combined. This financial information excludes pre-acquisition trade of Galasys GLT (formerly known as Green Laser Technology) up to 27 December 2013, and is not similar to that stated in the Admission Document.

## Consolidated statement of financial position

as at ended 30 June 2014

	Note	Un-audited As at 30/06/14	Un-audited As at 30/06/13 **	Un-audited As at 31/12/13 **
		RM'000	RM'000	RM'000
<b>Non-current assets</b>				
Property, plant and equipment		392	62	212
Intangible assets	6	3,531	1,297	2,769
Goodwill on consolidation		506	498	516
Investment in quoted shares		-	-	113
<b>Total non-current assets</b>		<b>4,429</b>	<b>1,857</b>	<b>3,610</b>
<b>Current assets</b>				
Inventories		1,226	2,314	2,169
Trade and other receivables		16,506	8,244	12,672
Amount owing by contract customers		2,949	1,671	1,369
Amount owing by related party		-	-	347
Tax recoverable		163	-	-
Fixed deposit with licensed banks		-	-	463
Cash and bank balances		13,054	17	1,701
<b>Total current assets</b>		<b>33,898</b>	<b>12,246</b>	<b>18,721</b>
<b>TOTAL ASSETS</b>		<b>38,327</b>	<b>14,103</b>	<b>22,331</b>
<b>Equity and Liabilities</b>				
Stated capital	4	25,249	-	13,539
Merger deficit		(10,832)	-	(10,832)
Other reserves		304	304	304
Foreign currency translation difference		200	151	637
Retained earnings		17,132	10,248	12,825
<b>Total equity</b>		<b>32,053</b>	<b>10,703</b>	<b>16,473</b>
<b>Non-current liabilities</b>				
Deferred taxation		-	-	3
Borrowings		139	-	254
<b>Total non-current liabilities</b>		<b>139</b>	<b>-</b>	<b>257</b>
<b>Current liabilities</b>				
Borrowings		-	-	616
Trade and others payables		3,703	2,972	1,728
Amount owing to related party		-	4	560
Amount owing to a director		-	-	2
Redeemable convertible preference shares		-	-	1,174
Hire purchase payable		150	-	30
Taxation		2,282	424	1,491
<b>Total current liabilities</b>		<b>6,135</b>	<b>3,400</b>	<b>5,601</b>
<b>Total liabilities</b>		<b>6,274</b>	<b>3,400</b>	<b>5,858</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,327</b>	<b>14,103</b>	<b>22,331</b>

\*\* The un-audited interim financial information for the six months ended 30 June 2013 and 31 December 2013 relates to a period prior to the formation of the current legal group but to a period during which the subsidiary entities were under common control and therefore presents the results of Galasys plc and Galasys Holdings if they had always been combined. This financial information excludes pre-acquisition trade of Galasys GLT (formerly known as Green Laser Technology) up to 27 December 2013, and is not similar to that stated in the Admission Document.



## Consolidated statement of cash flows

for the six-month period ended 30 June 2014

	Un-audited 30/06/2014	Un-audited 30/06/2013 **	Un-audited 31/12/13 **
	RM'000	RM'000	RM'000
<b>Cash flows from operating activities</b>			
Profit before taxation	5,015	2,544	7,107
Adjustments for:			
Depreciation of property, plant and equipment	53	5	29
Amortisation charge	393	54	678
Gain on disposal	49	-	(2)
Negative goodwill	-	-	(2,056)
Interest expense	38	-	42
Fair value loss on receivables	-	-	16
Written off of tenancy deposits	-	-	5
Written off of other receivables	-	-	185
	5,548	2,603	6,004
<b>Operating profit before working capital changes</b>			
(Increase)/Decrease in inventories	943	(199)	74
Increase in trade and other receivables	(3,487)	(3,179)	(2,944)
Increase/(Decrease) in trade and other payables	1,975	1,175	(1,151)
Increase in amount owing by contract customers	(1,580)	(367)	(320)
<b>Cash flow from operations</b>	3,399	33	1,663
Finance costs	(38)	-	(9)
Income tax paid	-	-	(350)
<b>Net cash flows from operating activities</b>	3,361	33	1,304
<b>Cash flows used in investing activities</b>			
Acquisition of property, plant and equipment	(232)	(3)	22
Acquisition of intangible assets	(1,155)	(273)	(1,763)
Acquisition of a subsidiary	-	-	291
Proceed from sales of unquoted shares	64	-	-
Proceed from disposal of property, plant and equipment	-	-	(35)
Fixed deposit through acquisition of subsidiary	-	-	(463)
Bank overdraft through acquisition of subsidiary	-	-	567
(Advances to)/Repayment from holding company	-	-	385
(Advances to)/Repayment from director	(2)	-	10
(Advances to)/Repayment from related party	(561)	(3)	244
<b>Net cash flows used in investing activities</b>	(1,886)	(279)	(742)
<b>Cash flows from/(used in) financing activities</b>			

Hire purchase (repaid)/advanced	(15)	-	-
Bank financing (repaid)/advanced	(595)	(245)	(244)
Issuance of preference shares	-	-	1,174
Net proceeds from issue of shares	10,536	-	-
Net cash flows from/(used in) financing activities	<b>9,926</b>	(245)	930
Foreign currency translation difference	<b>(511)</b>	317	18
<b>Net increase in cash &amp; cash equivalents</b>	<b>11,401</b>	(491)	1,492
Cash and cash equivalents at beginning of the period	<b>2,164</b>	191	191
<b>Cash and cash equivalents at end of the period</b>	<b>13,054</b>	17	1,701

\*\* The un-audited interim financial information for the six months ended 30 June 2013 and 31 December 2013 relates to a period prior to the formation of the current legal group but to a period during which the subsidiary entities were under common control and therefore presents the results of Galasys plc and Galasys Holdings if they had always been combined. This financial information excludes pre-acquisition trade of Galasys GLT (formerly known as Green Laser Technology) up to 27 December 2013, and is not similar to that stated in the Admission Document.

**Consolidated statement of changes in equity  
for the six-month period ended 30 June 2014**

	Stated capital	Foreign currency translation difference	Capital reserve	Merger deficit	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2013	-	(212)	304	-	8,004	8,096
Profit for the period	-	-	-	-	2,244	2,244
Other comprehensive income for the period						
- Foreign currency translation differences for foreign operations	-	363	-	-	-	363
Total comprehensive income for the period	-	363	-	-	2,244	2,607
Balance at 30 June 2013	-	151	304	-	10,248	10,703
Balance at 1 January 2014	13,539	637	304	(10,832)	12,826	16,474
Profit for the period	-	-	-	-	4,306	4,306
Other comprehensive income for the period						
- Foreign currency translation differences for foreign operations	-	(437)	-	-	-	(437)
Total comprehensive income for the period	-	(437)	-	-	4,306	3,869
Converted preference share	1,174	-	-	-	-	1,174
Net proceed from issuance of shares - IPO	10,536	-	-	-	-	10,536
Balance at 30 June 2014	25,249	200	304	(10,832)	17,132	32,053

## **Notes to the Interim Accounts as at 30 June 2014**

### **1. General information and basis of preparation**

The company was incorporated in Jersey, on 23 January 2014 as a public limited company.

The Company is listed on the AIM Market of the London Stock Exchange. The Company's registered office is Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES and its principal place of business is unit 3A-2, Level 3A, Tower 9, Avenue 5, The Horizon, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The primary business of the Galasys Group is principally engaged in an integrated service and theme-park solutions provider that provides information technology solutions and management services to third parties operating in the amusement park industry in Asia.

The interim financial information was prepared by the Directors and approved for issue on 1 September 2014.

The accounting policies applied in the Interim Financial Statements are consistent with those described in the Admission Document. Where new standards or amendments to existing standards have become effective during the year, there has been no material impact on the results of the Group.

Certain statements within this report are forward looking. The expectations reflected in these statements are considered reasonable. However, no assurance can be given that they are correct. As these statements involve risks and uncertainties the actual results may differ materially from those expressed or implied by these statements.

This interim financial information has not been audited.

The interim financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") issued by the International Accounting Standards Board ("IASB"), including related Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC)

IFRS does not provide specific guidance on accounting for common control transactions. Therefore, the Directors have selected an accounting policy using the "hierarchy" described in paragraphs 10-12 of IAS 8 Accounting Policies, Change in Accounting Estimates and Errors. The hierarchy permits the consideration of pronouncement of other standard-setting bodies. The Directors have adopted a policy of accounting for business combinations between entities under common control in accordance with guidance under US GAAP 805-10-15. This guidance produces a result that is similar to pooling. For those entities under common control, the interim financial information has therefore been prepared as if each of the entities within the Galasys Group at 30 June 2014 had been held by Galasys Holdings.

The un audited interim financial information for the six months ended 30 June 2013 and 31 December 2013 relates to a period prior to the formation of the current legal group but to a period during which the subsidiary entities were under common control and therefore presents the results of Galasys plc and Galasys Holdings if they had always been combined. Under this method, the results and net assets of Galasys plc and its subsidiaries are aggregated (with eliminations for intercompany transactions and balances), as are the related share capital balances and reserves.

The interim financial information is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial information of the Galasys Group is presented in Malaysia Ringgit ("RM"), which is the presentation currency for the interim financial information. The functional currency of Galasys Group is also Malaysia Ringgit ("RM").

The interim financial information has been prepared on the historical cost basis except for the use of fair values as required by accounting standards. The principal accounting policies adopted, which have been applied consistently in the financial period.

The proforma figure for the six months to 30 June 2013 was prepared by assuming Galasys GLT (formerly known as Green Laser Technology) was part of Galasys Group since 1 January 2013.

## 2. Going-concern basis

As at 30 June 2014, the Group had net assets of RM32,052,940 as set out in the Interim Financial Statements above. Following the admission of the ordinary shares to the trading on AIM, Galasys Plc has considerable financial resources. As a consequence, the Directors believe that Galasys Plc and the Group are well placed to manage its business risks successfully and the Directors have reasonable expectations that the Group have sufficient working capital available for its present requirements that is for the next 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the historical financial information.

## 3. Earnings per share

Earnings per share has been calculated by dividing the consolidated profit after taxation attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

A pro-forma earnings per share has been included for the comparative period based on the relevant number of shares in Galasys plc following the listing on AIM on 12 May 2014. The calculation of earnings per share is based on the earnings and number of shares set out below.

Diluted earnings per share has been calculated on the same basis as above, except that the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares (arising from the Group's share option scheme and warrants) into ordinary shares has been added to the denominator. There are no changes to the profit (numerator) as a result of the dilutive calculation. The number of dilutive shares has increased due to the issue of new share options in the current year.

	Unaudited 6 months ended 30 Jun 2014 RM'000	Proforma Unaudited 6 months ended 30 Jun 2013 RM'000	Unaudited 6 months ended 30 Jun 2013 RM'000	Unaudited Year ended 31 Dec 2013 RM'000
Profit after tax attributable to owners	4,306	3,132	2,244	6,757
<b>Weighted average number of shares:</b>				
Basic	52,168,915	41,278,891	33,023,113	33,204,061
Effect of dilutive potential	2,330,000	-	-	-

ordinary shares				
Diluted	<u>54,498,915</u>	<u>41,278,891</u>	<u>33,023,113</u>	<u>33,204,061</u>

**Earnings per share:**

Basic (sen)	8.25	7.59	6.80	20.35
Diluted (sen)	7.90	7.59	6.80	20.35

**4. Stated capital**

	<u>Number</u>	<u>Stated Capital RM'000</u>
On incorporation on 23 January 2014	2	-
Issued in connection with the acquisition of Galasys Holding Ltd	52,696,454	14,713
Placing shares	<u>13,874,582</u>	<u>10,536</u>
<b>At 30 June 2014</b>	<u>66,571,038</u>	<u>25,249</u>

An initial public offer being completed on admission of relevant shares to trading on AIM on 12 May 2014, resulted in the issue of 13,874,582 ordinary shares at 22.5p per share raising approximately £3.12 million before costs.

**5. Income tax expense**

Tax expense is recognised based on management's best estimate of the weighted average annual tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30.6.2014 was lower than the Malaysian statutory tax rate of 25% (six months ended 30.6.2013: 25%) caused mainly by the following factors:-

- i) effects of lower tax rates in certain tax jurisdictions; and
- ii) effects of certain income not subject to tax.

**6. Intangible assets**

	<b>Un-audited As at 30/06/14 RM'000</b>	<b>Un-audited As at 30/06/13 RM'000</b>	<b>Un-audited As at 31/12/13 RM'000</b>
<b>At cost:</b>			
At 1 January	<b>4,254</b>	2,180	2,180
Addition during the year	<b>1,155</b>	273	1,815
Effect in foreign exchange translation	-	(400)	259
	<b>5,409</b>	2,053	4,254
<b>Accumulated amortisation:</b>			
At 1 January	<b>(1,484)</b>	(702)	(702)
Addition during the financial year	<b>(394)</b>	(54)	(677)
Effect in foreign exchange translation	-	-	(104)

	<u>(1,878)</u>	<u>(756)</u>	<u>(1,483)</u>
At 30 June/31 December	<u>3,531</u>	<u>1,297</u>	<u>2,769</u>

# ***Riding High with Galasys***



## **Galasys PLC**

Registered office:  
Queensway House,  
Hilgrove Street, St Helier,  
Jersey, JE1 1ES

Registered in Jersey with company registration number 114827