

**OPENSYS (M) BERHAD (Company No. 369818-W)**  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT**

Interim financial report on results for the quarter ended 31 March 2010.

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER UNAUDITED 31.03.2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER UNAUDITED 31.03.2009 RM'000	03 MONTHS ENDED UNAUDITED UNAUDITED 31.03.2010 31.03.2009 RM'000 RM'000	
REVENUE	6,360	6,792	6,360	6,792
COST OF SALES & OPERATING EXPENSES	(5,424)	(5,407)	(5,424)	(5,407)
OTHER OPERATING INCOME	25	35	25	35
FINANCE COSTS	(269)	(341)	(269)	(341)
PROFIT BEFORE TAX	692	1,079	692	1,079
TAX EXPENSE	(450)	(172)	(450)	(172)
PROFIT FOR THE PERIOD	242	907	242	907
Attributable to : Equity holders of the Company	242	907	242	907
<b>EARNINGS PER SHARE</b>				
Ordinary shares of RM0.10 each :-				
Basic (Sen)	0.11	0.41	0.11	0.41
Diluted (Sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009.

**OPENSYS (M) BERHAD (Company No. 369818-W)**  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	<b>UNAUDITED AS AT 31.03.2010 RM'000</b>	<b>AUDITED AS AT 31.12.2009 RM'000</b>
<b>ASSETS</b>		
Non-current assets		
Property, plant & equipment	24,974	25,985
Development expenditure	11,897	12,793
Fixed deposits	3,669	3,646
	-----	-----
	40,540	42,424
	-----	-----
Current assets		
Inventories	8,694	8,414
Trade receivables	5,304	4,965
Other receivables, deposits & prepayments	1,101	1,270
Income tax assets	480	480
Short term investment	904	402
Cash & bank balances	1,063	572
	-----	-----
	17,546	16,103
	-----	-----
Total assets	58,086	58,527
	=====	=====
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to equity holders		
Share capital	22,342	22,342
Share premium	5,917	5,917
Capital reserve	-	-
Retained earnings	11,088	10,846
	-----	-----
Total equity	39,347	39,105
	-----	-----

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009.

**OPENSYS (M) BERHAD (Company No. 369818-W)**  
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**UNAUDITED INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
– continued

	<b>UNAUDITED AS AT 31.03.2010 RM'000</b>	<b>AUDITED AS AT 31.12.2009 RM'000</b>
Non-current liabilities		
Finance lease payables	2,329	2,486
Term loans	2,928	3,499
Deferred tax liability	450	-
	-----	-----
	5,707	5,985
	-----	-----
Current liabilities		
Trade payables	601	908
Other payables & accruals	4,589	2,252
Finance lease payables	1,349	1,449
Term loans	5,153	6,938
Post-employment benefit obligations	109	109
Bankers' acceptance	1,231	1,195
Bank overdrafts	-	586
	-----	-----
	13,032	13,437
	-----	-----
Total liabilities	18,739	19,422
	-----	-----
Total equity and liabilities	58,086	58,527
	=====	=====
Net assets per share attributable to ordinary equity holders of the Company (Sen)	17.61	17.50
	=====	=====

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009.

**OPENSYS (M) BERHAD (Company No. 369818-W)**  
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**UNAUDITED INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to Equity ----- Holders of the Company -----				Total Equity RM'000
	Share Capital RM'000	Non-distributable		Distributable	
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Retained Earnings RM'000	
As at 1 January 2010	22,342	5,917	-	10,846	39,105
Profit for the period, represents total comprehensive income for the period	-	-	-	242	242
As at 31 March 2010	22,342	5,917	-	11,088	39,347
As at 1 January 2009	22,342	5,917	303	7,281	35,843
Profit for the period, represents total comprehensive income for the period	-	-	-	3,262	3,262
Transfer from capital reserve	-	-	(303)	303	-
As at 31 December 2009	22,342	5,917	-	10,846	39,105

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009.

**OPENSYS (M) BERHAD (Company No. 369818-W)**  
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**UNAUDITED INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

	<b>03 MONTHS ENDED</b>	
	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash flows from operating activities		
Profit before tax	692	1,079
Adjustments for :-		
Non-cash & operating items	2,253	2,439
Non-operating items	(25)	(28)
Operating profit before working capital changes	----- 2,920	----- 3,490
Net changes in current assets	(450)	(1,808)
Net changes in current liabilities	2,030	1,496
Interest paid	(269)	(336)
Interest received	25	28
Tax (paid)/ refund	-	(172)
Net cash from operating activities	----- 4,256	----- 2,698
Cash flows from investing activities		
Purchase of property, plant & equipment	(15)	(311)
Development expenditure paid	(62)	(973)
Net cash used in investing activities	----- (77)	----- (1,284)

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009.

**OPENSYS (M) BERHAD (Company No. 369818-W)**  
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**UNAUDITED INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW - Continued**

	<b>03 MONTHS ENDED</b>	
	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash flows from financing activities		
Placement of short term investment	(503)	-
Placement of fixed deposits under lien	(22)	(26)
Proceeds from borrowings	670	3,599
Repayment of borrowings	(2,990)	(6,112)
Repayment of finance lease payables	(257)	(487)
	-----	-----
Net cash used in financing activities	(3,102)	(3,026)
	-----	-----
Net changes in cash and cash equivalents	1,077	(1,612)
Cash and cash equivalents brought forward	(14)	2,783
	-----	-----
Cash and cash equivalents carried forward	1,063	1,171
	=====	=====
Cash and cash equivalents comprise:-		
Fixed deposits	3,669	3,576
Cash & bank balances	1,063	1,171
Bank overdrafts	-	-
	-----	-----
	4,732	4,747
Less : Fixed deposits under lien	(3,669)	(3,576)
	-----	-----
	1,063	1,171
	=====	=====

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009.

**OPENSYS (M) BERHAD (Company No. 369818-W)**  
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## **UNAUDITED INTERIM FINANCIAL REPORT**

**Notes :-**

### **Disclosure requirements per FRS 134 - paragraph 16**

#### **A1. Accounting Policies and Methods of Computation**

The interim financial report is unaudited and has been prepared in accordance with FRS 134 : “Interim Financial Reporting” and Chapter 9, Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

The Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2009.

The accounting policies and methods of computation adopted by the Group in this unaudited interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 31 December 2009, except for the adoption of FRS 7 Financial Instruments: Disclosures, FRS 8 Operating Segments, FRS 101 Presentation of Financial Statements (revised) and FRS 139 Financial Instruments: Recognition and Measurement effective from the financial period beginning 1 January 2010.

The following notes explain the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

#### **A2. Qualification of Financial Statements**

The Auditors’ Report on the financial statements of the Group for the financial year ended 31 December 2009 was not subject to any qualification.

#### **A3. Seasonality or Cyclicity of Operations**

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

#### **A4. Exceptional or Unusual Items**

During the current financial quarter, there was no item of exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

#### **A5. Changes in Estimates of Amounts Reported**

There was no change in estimate of amount reported that has a material effect in the current financial quarter under review.

**OPENSYS (M) BERHAD (Company No. 369818-W)**  
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**UNAUDITED INTERIM FINANCIAL REPORT**

**Notes :- (continued)**

**A6. Changes in Debt Securities and Equity Securities**

During the current financial quarter, there were no issuances, cancellation, repurchase, resale and repayment of debt securities and equity securities.

**A7. Dividend paid**

No dividend has been paid during the current financial quarter.

**A8. Segmental Reporting**

No segment information is prepared as the Group's activities are predominantly in one industry segment.

**A9. Valuation of Property, Plant & Equipment**

The Group did not carry out any valuation on its property, plant & equipment.

**A10. Material Events Subsequent to the End of the Current Quarter**

There were no other material events subsequent to the end of the current financial quarter up to the date of this announcement.

**A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group subsequent to the end of the current financial quarter up to the date of this announcement.

**A12. Changes in Contingent Liabilities or Contingent Assets**

Not applicable.

**A13. Material Capital Commitments**

Not applicable.



**OPENSYS (M) BERHAD (Company No. 369818-W)**  
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**UNAUDITED INTERIM FINANCIAL REPORT**

Notes :- (continued)

Disclosure requirements required by the Listing Requirements of Bursa Securities for the MESDAQ Market

**B1. Group's Review of Performance**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER UNAUDITED 31.03.2010 RM'000	PRECEDING YEAR	03 MONTHS ENDED	
		CORRESPONDING	UNAUDITED	UNAUDITED
		QUARTER UNAUDITED 31.03.2009 RM'000	31.03.2010 RM'000	31.03.2009 RM'000
Revenue	6,360	6,792	6,360	6,792
Profit before tax	692	1,079	692	1,079
	=====	=====	=====	=====

The Company's revenue was lower at RM6.360 million for the first quarter ended 31 March 2010 as compared to RM6.792 million for the corresponding quarter ended 31 March 2009. This was mainly due to the lower sales of the Efficient Service Machine ("ESM"). The profit before tax decreased from RM1.079 million to RM0.692 million.

**B2. Group's Comparison with Preceding Quarter**

	03 MONTHS ENDED	
	UNAUDITED 31.03.2010 RM'000	UNAUDITED 31.12.2009 RM'000
Revenue	6,360	8,223
Profit before tax	692	28
	=====	=====

The lower revenue of RM6.360 million for the current quarter ended 31 March 2010 as compared to RM8.223 million for the preceding quarter ended 31 December 2009 is mainly due to the decrease in sales of the ESM and Cheque Processing Software. We recorded a higher profit before tax of RM0.692 million for the quarter ended 31 March 2010 compared to the profit before tax of RM0.028 million for the preceding quarter ended 31 December 2009.

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**UNAUDITED INTERIM FINANCIAL REPORT**

Notes :- (continued)

**B3. Prospects**

OpenSys expects further growth in outright sales of ESM and image-based cheque processing solution in this financial year.

**B4. Profit Forecast**

No profit forecast was announced; hence there are no comparison between actual results and forecast.

**B5. Group's Tax Expense**

Tax expense comprises the following :-

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER UNAUDITED 31.03.2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER UNAUDITED 31.03.2009 RM'000	03 MONTHS ENDED UNAUDITED UNAUDITED 31.03.2010 31.03.2009 RM'000 RM'000	
Malaysian income tax -----				
Tax charged for the current period	-	172	-	172
Deferred tax	450	-	450	-
	-----	-----	-----	-----
	450	172	450	172
	=====	=====	=====	=====

There was no tax charged for the quarter ended 31 March 2010 due to the utilisation of unabsorbed capital allowances brought forward. This is, however, subject to confirmation by the Inland Revenue Board.

The recognition of the deferred tax liability of RM450,000 for the quarter ended 31 March 2010 was due to the adoption of FRS 112 (Income Taxes). This deferred tax liability is the effect of the temporary difference between the carrying amount of assets and its tax base. This has resulted in deferred tax liability being recognised in respect of capital allowances in excess of depreciation charges of property, plant & equipment.

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**UNAUDITED INTERIM FINANCIAL REPORT**

Notes :- (continued)

**B6. Sales of Unquoted Investment and/or Properties**

Not applicable.

**B7. Quoted Securities**

During the current financial quarter, there was no purchase or disposal of quoted securities. The Group does not have any quoted securities at the end of the current financial quarter.

**B8. Corporate Proposals**

There are no corporate proposals announced by the Group as at the date of this announcement.

**B9. Group's Borrowings**

The breakdowns of the borrowings are set out below :-

	<b>UNAUDITED AS AT 31.03.2010 RM'000</b>	<b>AUDITED AS AT 31.12.2009 RM'000</b>
<b>Secured short-term borrowings</b>		
Finance lease payables	1,349	1,449
Term loans	5,153	6,938
Bankers' acceptance	1,231	1,195
Bank overdrafts	-	586
	----- 7,733 -----	----- 10,168 -----
<b>Secured long-term borrowings</b>		
Finance lease payables	2,329	2,486
Term loans	2,928	3,499
	----- 5,257 -----	----- 5,985 -----
Total borrowings	=====	=====

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**UNAUDITED INTERIM FINANCIAL REPORT**

Notes :- (continued)

**B10. Off Balance Sheet Financial Instruments**

No off balance sheet financial instruments were utilised for the current financial quarter.

**B11. Material Litigation**

There was no material litigation pending as at the date of this announcement.

**B12. Dividend**

No dividend has been declared or paid for the current financial quarter.

**B13. Group's Earnings Per Share**

(i) **Basic earnings per share**

The basic earnings per share of the Group have been computed by dividing the profit for the period by the weighted average number of ordinary shares in issue of RM0.10 each issued in the three months ended 31 March 2010 where relevant.

	INDIVIDUAL PERIOD PRECEDING YEAR		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER UNAUDITED 31.03.2010	CORRESPONDING QUARTER UNAUDITED 31.03.2009	03 MONTHS ENDED UNAUDITED UNAUDITED 31.03.2010 31.03.2009	
Profit for the period (RM'000)	242	907	242	907
Weighted average number of ordinary shares ('000)	223,420	223,420	223,420	223,420
<b>Ordinary shares of RM0.10 each :-</b>				
Basic earnings per share (Sen)	0.11	0.41	0.11	0.41

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**UNAUDITED INTERIM FINANCIAL REPORT**

**Notes :- (continued)**

**B13. Group's Earnings Per Share (Continued)**

**(ii) Diluted earnings per share**

Not applicable.

By Order of the Board  
LIM SECK WAH  
Secretary  
Kuala Lumpur