

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

UNAUDITED INTERIM FINANCIAL REPORT

Interim financial report on results for the quarter ended 31 December 2011.

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD		
	CURRENT YEAR QUARTER UNAUDITED 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER UNAUDITED 31.12.2010 RM'000	12 MONTHS ENDED UNAUDITED 31.12.2011 RM'000		AUDITED 31.12.2010 RM'000
Revenue	8,397	7,191	29,081	26,789	
Cost of revenue	(5,824)	(5,082)	(20,438)	(18,243)	
Gross profit	2,573	2,109	8,643	8,546	
Other income	56	31	174	106	
Administration and other expenses	(1,408)	(1,242)	(5,028)	(4,803)	
Finance costs	(64)	(158)	(378)	(804)	
Profit before tax	1,157	740	3,411	3,045	
Tax expense	(312)	(450)	(1,246)	(1,800)	
Profit for the period/year	845	290	2,165	1,245	
Other comprehensive income/(loss)	-	-	-	-	
Total comprehensive income for the period/year	845	290	2,165	1,245	
Attributable to:					
Equity holders of the Company	845	290	2,165	1,245	
EARNINGS PER SHARE					
Ordinary shares of RM0.10 each :-					
Basic (sen)	0.38	0.13	0.97	0.56	
Diluted (sen)	N/A	N/A	N/A	N/A	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

OPENSYS (M) BERHAD (Company No. 369818-W)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 31.12.2011 RM'000	AUDITED AS AT 31.12.2010 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	19,295	22,196
Development expenditure	7,983	10,336
Fixed deposits	3,834	3,727
	-----	-----
	31,112	36,259
	-----	-----
Current assets		
Inventories	11,821	9,662
Trade receivables	5,883	4,615
Other receivables, deposits & prepayments	1,005	771
Income tax assets	-	480
Short term investment	1,231	1,119
Cash & bank balances	1,560	664
	-----	-----
	21,500	17,311
	-----	-----
Total assets	52,612	53,570
	=====	=====
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	22,342	22,342
Share premium	5,917	5,917
Retained earnings	10,905	10,974
	-----	-----
Total equity	39,164	39,233
	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
– continued

	UNAUDITED AS AT 31.12.2011 RM'000	AUDITED AS AT 31.12.2010 RM'000
Non-current liabilities		
Finance lease payables	823	1,432
Term loans	268	1,392
Deferred tax liability	3,030	1,800
	-----	-----
	4,121	4,624
	-----	-----
Current liabilities		
Trade payables	2,107	516
Other payables & accruals	2,516	2,305
Finance lease payables	732	1,191
Term loans	1,053	2,106
Post-employment benefit obligations	123	108
Bankers' acceptance	2,796	2,110
Bank overdrafts	-	1,377
	-----	-----
	9,327	9,713
	-----	-----
Total liabilities	13,448	14,337
	-----	-----
Total equity and liabilities	52,612	53,570
	=====	=====
Net assets per share attributable to ordinary equity holders of the Company (sen)	17.53	17.56
	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

OPENSYS (M) BERHAD (Company No. 369818-W)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity ----- Holders of the Company -----				Total Equity RM'000
	Share Capital RM'000	Non-distributable Share Premium RM'000	Capital Reserve RM'000	Distributable Retained Earnings RM'000	
As at 1 January 2011	22,342	5,917	-	10,974	39,233
Profit for the year, represents total comprehensive income for the year	-	-	-	2,165	2,165
Dividend paid	-	-	-	(2,234)	(2,234)
As at 31 December 2011	<u>22,342</u>	<u>5,917</u>	<u>-</u>	<u>10,905</u>	<u>39,164</u>
As at 1 January 2010	22,342	5,917	-	10,846	39,105
Profit for the year, represents total comprehensive income for the year	-	-	-	1,245	1,245
Dividend paid	-	-	-	(1,117)	(1,117)
As at 31 December 2010	<u>22,342</u>	<u>5,917</u>	<u>-</u>	<u>10,974</u>	<u>39,233</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	12 MONTHS ENDED	
	UNAUDITED	AUDITED
	31.12.2011	31.12.2010
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	3,411	3,045
Adjustments for:-		
Amortisation of development expenditure	4,135	3,856
Depreciation	3,839	3,881
Interest expenses	514	907
Interest income	(163)	(101)
Operating profit before working capital changes	----- 11,736	----- 11,588
Inventories	(2,160)	(1,248)
Receivables, deposits and prepayments	(1,501)	848
Payables	1,818	(341)
Cash generated from operations	----- 9,893	----- 10,847
Interest paid	(514)	(907)
Interest received	163	101
Tax paid	(16)	-
Tax refund	480	-
Net cash from operating activities	----- 10,006	----- 10,041
Cash flows from investing activities		
Purchase of property, plant & equipment	(902)	(184)
Development expenditure paid	(1,660)	(1,308)
Proceeds from the disposal of property, plant & equipment	-	2
Net cash used in investing activities	----- (2,562)	----- (1,490)

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW - Continued

	12 MONTHS ENDED	
	UNAUDITED	AUDITED
	31.12.2011	31.12.2010
	RM'000	RM'000
Cash flows from financing activities		
Placement of short term investment	(112)	(717)
Placement of fixed deposits under lien	(107)	(81)
Proceeds from borrowings	5,374	4,188
Repayment of borrowings	(6,866)	(10,211)
Repayment of finance lease payables	(1,226)	(1,312)
Dividend paid	(2,234)	(1,117)
	-----	-----
Net cash used in financing activities	(5,171)	(9,250)
	-----	-----
Net changes in cash and cash equivalents	2,273	(699)
Cash and cash equivalents brought forward	(713)	(14)
	-----	-----
Cash and cash equivalents carried forward	1,560	(713)
	=====	=====
Cash and cash equivalents comprise:-		
Fixed deposits	3,834	3,727
Cash & bank balances	1,560	664
Bank overdrafts	-	(1,377)
	-----	-----
	5,394	3,014
Less : Fixed deposits under lien	(3,834)	(3,727)
	-----	-----
	1,560	(713)
	=====	=====

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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 interim financial report should be read in conjunction with the audited statements of the Group for the year ended 31 December 2010.

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 year ended 31 December 2010, except for the adoption of following Financial Reporting Standards ("FRS"), Issues Committee ("IC") Interpretations and Amendments to FRS:

	Effective Date
● Amendments to FRS 132, <i>Financial Instruments: Presentation</i> - <i>Classification of Rights Issues</i>	1 March 2010
● FRS 1, <i>First-time Adoption of Financial Reporting Standards</i> (revised)	1 July 2010
● FRS 3, <i>Business Combinations</i> (revised)	1 July 2010
● FRS 127, <i>Consolidated and Separate Financial Statements</i> (revised)	1 July 2010
● Amendments to FRS 2, <i>Share-based Payment</i>	1 July 2010
● Amendments to FRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2010
● Amendments to FRS 138, <i>Intangible Assets</i>	1 July 2010
● IC Interpretation 12, <i>Service Concession Agreements</i>	1 July 2010
● IC Interpretation 16, <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2010
● IC Interpretation 17, <i>Distributions of Non-cash Assets to Owners</i>	1 July 2010
● Amendments to IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 July 2010
● Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards</i> - <i>Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters</i> - <i>Additional Exemptions for First-time Adopters</i>	1 January 2011
● Amendments to FRS 2, <i>Group Cash-settled Share Based Payment Transactions</i>	1 January 2011
● Amendments to FRS 7, <i>Financial Instruments: Disclosures</i> - <i>Improving Disclosures about Financial Instruments</i>	1 January 2011
● IC Interpretation 4, <i>Determining whether an Arrangement contains a Lease</i>	1 January 2011
● IC Interpretation 18, <i>Transfers of Assets from Customers</i>	1 January 2011
● Improvements to FRSs (2010)	1 January 2011

The adoption of the above FRSs, IC Interpretations and Amendments do not have any material impact on the financial statements of the Group.

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 year ended 31 December 2010.

UNAUDITED INTERIM FINANCIAL REPORT

A2. Qualification of Financial Statements

The Auditors' Report on the financial statements of the Group for the year ended 31 December 2010 was not subject to any qualification.

A3. Seasonality or Cyclicalities 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.

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

The first interim tax-exempt dividend of 5% per ordinary share of 10 sen each amounting to RM1,117,100 was declared on 21 February 2011 and paid on 29 April 2011 in respect of the year ended 31 December 2011. The second interim tax-exempt dividend of 5% per ordinary share of 10 sen each totalling RM1,117,100 recommended by the Directors in respect of the year ended 31 December 2011 was declared on 18 November 2011 and paid on 20 December 2011.

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A8. Segmental Reporting

	Efficient Service Machine (ESM) RM'000	Software Solution and Services RM'000	Eliminations RM'000	Consolidated RM'000
4th quarter ended 31 December 11				
External sales	2,520	5,877	-	8,397
Intersegment transactions	-	-	-	-
Total revenue	<u>2,520</u>	<u>5,877</u>	-	<u>8,397</u>
Segment results	443	2,130	-	2,573
Unallocated other income				56
Unallocated operating expenses				<u>(1,472)</u>
Profit before tax				<u>1,157</u>
4th quarter ended 31 December 10				
External sales	1,830	5,361	-	7,191
Intersegment transactions	-	-	-	-
Total revenue	<u>1,830</u>	<u>5,361</u>	-	<u>7,191</u>
Segment results	508	1,601	-	2,109
Unallocated other income				31
Unallocated operating expenses				<u>(1,400)</u>
Profit before tax				<u>740</u>
12 months ended 31 December 11				
External sales	7,725	21,356	-	29,081
Intersegment transactions	-	-	-	-
Total revenue	<u>7,725</u>	<u>21,356</u>	-	<u>29,081</u>
Segment results	1,631	7,012	-	8,643
Unallocated other income				174
Unallocated operating expenses				<u>(5,406)</u>
Profit before tax				<u>3,411</u>
12 months ended 31 December 10				
External sales	5,767	21,022	-	26,789
Intersegment transactions	-	-	-	-
Total revenue	<u>5,767</u>	<u>21,022</u>	-	<u>26,789</u>
Segment results	1,351	7,195	-	8,546
Unallocated other income				106
Unallocated operating expenses				<u>(5,607)</u>
Profit before tax				<u>3,045</u>

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Notes :- (continued)

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.

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Notes :- (continued)

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

B1. Group's Review of Performance

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER UNAUDITED 31.12.2011 RM'000	PRECEDING YEAR	12 MONTHS ENDED	
		CORRESPONDING	UNAUDITED	AUDITED
		QUARTER UNAUDITED 31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Revenue	8,397	7,191	29,081	26,789
Profit before tax	1,157	740	3,411	3,045
	=====	=====	=====	=====

The Company's revenue was higher at RM8.397 million for the fourth quarter ended 31 December 2011 as compared to RM7.191 million for the corresponding quarter ended 31 December 2010. This was mainly due to the higher sales of the Efficient Service Machines (ESM). The profit before tax increased from RM0.740 million to RM1.157 million mainly due to the margins generated from the sales of the Total Cheque Processing Software and the maintenance of the ESM.

B2. Group's Comparison with Preceding Quarter

	03 MONTHS ENDED	
	UNAUDITED 31.12.2011 RM'000	UNAUDITED 30.09.2011 RM'000
Revenue	8,397	6,546
Profit before tax	1,157	624
	=====	=====

The higher revenue of RM8.397 million for the current quarter ended 31 December 2011 as compared to RM6.546 million for the preceding quarter ended 30 September 2011 is mainly due to the increase in sales of the Efficient Service Machines (ESM). We recorded a higher profit before tax of RM1.157 million for the quarter ended 31 December 2011 compared to the profit before tax of RM0.624 million for the preceding quarter ended 30 September 2011 due to the higher gross margins from the sales of the ESM, Total Cheque Processing Software and maintenance of the ESM.

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Notes :- (continued)

B3. Prospects

OpenSys expects further growth in outright sales of ESM and image-based cheque processing solution in the financial year ending 31 December 2012.

B4. Profit Forecast

No profit forecast was announced; hence there is 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 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER UNAUDITED 31.12.2010 RM'000	12 MONTHS ENDED UNAUDITED AUDITED 31.12.2011 31.12.2010 RM'000 RM'000	
Malaysian income tax -----				
Tax charge for				
Current period				
- Other income	12	-	12	-
- Business income	-	-	-	-
Prior year	-	-	4	-
Deferred tax	300	450	1,230	1,800
	-----	-----	-----	-----
	312	450	1,246	1,800
	=====	=====	=====	=====

The tax provision of RM12,000 was mainly due to the tax provision on fixed deposit income. There was no tax charge for business income for the quarter ended 31 December 2011 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 RM1,230,000 as at 31 December 2011 was due to the adoption of FRS 112 (Income Taxes). This deferred tax liability is recognised in respect of capital allowances in excess of depreciation charges of property, plant & equipment.

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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 breakdown of the borrowings is set out below:-

	UNAUDITED AS AT 31.12.2011 RM'000	AUDITED AS AT 31.12.2010 RM'000
Secured short-term borrowings		
Finance lease payables	732	1,191
Term loans	1,053	2,106
Bankers' acceptance	2,796	2,110
Bank overdrafts	-	1,377
	----- 4,581 -----	----- 6,784 -----
Secured long-term borrowings		
Finance lease payables	823	1,432
Term loans	268	1,392
	----- 1,091 -----	----- 2,824 -----
Total borrowings	5,672 =====	9,608 =====

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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

The first interim tax-exempt dividend of 5% per ordinary share of 10 sen each amounting to RM1,117,100 was declared on 21 February 2011 and paid on 29 April 2011 in respect of the year ended 31 December 2011. The second interim tax-exempt dividend of 5% per ordinary share of 10 sen each totaling RM1,117,100 recommended by the Directors in respect of the year ended 31 December 2011 was declared on 18 November 2011 and paid on 20 December 2011.

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 of RM0.10 each in issue during the period.

	INDIVIDUAL PERIOD PRECEDING YEAR	CUMULATIVE PERIOD		
	CURRENT YEAR	CORRESPONDING		
	QUARTER	QUARTER	12 MONTHS ENDED	
	UNAUDITED	UNAUDITED	UNAUDITED	
	31.12.2011	31.12.2010	31.12.2011	
			AUDITED	
			31.12.2010	
Profit for the period/year (RM'000)	845	290	2,165	1,245
	=====	=====	=====	=====
Weighted average number of ordinary shares ('000)	223,420	223,420	223,420	223,420
	=====	=====	=====	=====
Ordinary shares of RM0.10 each :-				
Basic earnings per share (Sen)	0.38	0.13	0.97	0.56
	=====	=====	=====	=====

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Notes :- (continued)

B13. Group's Earnings Per Share (Continued)

(ii) **Diluted earnings per share**

Not applicable.

B14. Group's Retained Earnings

	UNAUDITED AS AT 31.12.2011 RM'000	AUDITED AS AT 31.12.2010 RM'000
Group's Retained Earnings as per consolidated accounts		
- Realised	13,935	12,774
- Unrealised	(3,030)	(1,800)
	-----	-----
	10,905	10,974
	=====	=====

By Order of the Board
LIM SECK WAH
Secretary
Kuala Lumpur