

**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 2012.

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER UNAUDITED 31.03.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER UNAUDITED 31.03.2011 RM'000	03 MONTHS ENDED UNAUDITED UNAUDITED 31.03.2012 31.03.2011 RM'000 RM'000	
Revenue	10,423	7,140	10,423	7,140
Cost of revenue	(6,771)	(3,855)	(6,771)	(3,855)
Gross profit	3,652	3,285	3,652	3,285
Other income	35	29	35	29
Research & development expenses	(530)	(382)	(530)	(382)
Administration and other expenses	(1,279)	(1,181)	(1,279)	(1,181)
Finance costs	(52)	(129)	(52)	(129)
<b>Profit before tax</b>	1,826	1,622	1,826	1,622
Tax expense	(442)	(465)	(442)	(465)
<b>Profit for the period/year</b>	1,384	1,157	1,384	1,157
Other comprehensive income/(loss)	-	-	-	-
<b>Total comprehensive income for the period/year</b>	1,384	1,157	1,384	1,157
Attributable to:				
Equity holders of the Company	1,384	1,157	1,384	1,157

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME –  
(continued)**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		PRECEDING		
		YEAR		
	CURRENT YEAR	CORRESPONDING	03 MONTHS ENDED	
	QUARTER	QUARTER	UNAUDITED	UNAUDITED
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000

**EARNINGS PER SHARE**

Ordinary shares of RM0.10 each :-

Basic (sen)	0.62	0.52	0.62	0.52
	=====	=====	=====	=====
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 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED</b>	<b>AUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>(Restated)</b>	<b>(Restated)</b>
	<b>31.03.2012</b>	<b>AS AT</b>	<b>AS AT</b>
	<b>RM'000</b>	<b>31.12.2011</b>	<b>01.01.2011</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
Non-current assets			
Property, plant & equipment	21,800	19,295	22,196
Development expenditure	81	-	-
Fixed deposits	3,863	3,834	3,728
	-----	-----	-----
	25,744	23,129	25,924
	-----	-----	-----
Current assets			
Inventories	9,344	11,821	9,662
Trade receivables	9,968	5,883	4,615
Other receivables, deposits & prepayments	758	1,005	771
Income tax assets	-	-	480
Short term investment	2,187	1,231	1,119
Cash & bank balances	3,005	1,560	664
	-----	-----	-----
	25,262	21,500	17,311
	-----	-----	-----
Total assets	51,006	44,629	43,235
	=====	=====	=====
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equity holders			
Share capital	22,342	22,342	22,342
Share premium	5,917	5,917	5,917
Retained earnings	5,805	4,421	638
	-----	-----	-----
Total equity	34,064	32,680	28,897
	-----	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
– (Continued)

	<b>UNAUDITED</b>	<b>AUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>(Restated)</b>	<b>(Restated)</b>
	<b>31.03.2012</b>	<b>AS AT</b>	<b>AS AT</b>
	<b>RM'000</b>	<b>31.12.2011</b>	<b>01.01.2011</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Non-current liabilities</b>			
Finance lease payables	689	823	1,432
Term loans	107	268	1,392
Deferred tax liability	1,970	1,530	1,800
	-----	-----	-----
	2,766	2,621	4,624
	-----	-----	-----
<b>Current liabilities</b>			
Trade payables	2,826	2,107	516
Other payables & accruals	5,624	2,517	2,305
Finance lease payables	556	732	1,191
Term loans	928	1,053	2,106
Post-employment benefit obligations	191	123	108
Bankers' acceptance	4,051	2,796	2,110
Bank overdrafts	-	-	1,378
	-----	-----	-----
	14,176	9,328	9,714
	-----	-----	-----
Total liabilities	16,942	11,949	14,338
	-----	-----	-----
Total equity and liabilities	51,006	44,629	43,235
	=====	=====	=====
Net assets per share attributable to ordinary equity holders of the Company (sen)	15.25	14.63	12.93
	=====	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 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 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 2012					
- as previously stated	22,342	5,917	-	10,905	39,164
- effect of change in accounting policy	-	-	-	(6,484)	(6,484)
As at 1 January 2012, As restated	22,342	5,917	-	4,421	32,680
Profit for the year, represents total comprehensive income for the year	-	-	-	1,384	1,384
As at 31 March 2012	22,342	5,917	-	5,805	34,064
As at 1 January 2011					
- as previously stated	22,342	5,917	-	10,974	39,233
- effect of change in accounting policy	-	-	-	(10,336)	(10,336)
As at 1 January 2011, As restated	22,342	5,917	-	638	28,897
Profit for the period, represents total comprehensive income income for the year	-	-	-	1,157	1,157
Dividend paid	-	-	-	(1,117)	(1,117)
As at 31 March 2011	22,342	5,917	-	678	28,937

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>03 MONTHS ENDED</b>	
	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash flows from operating activities		
Profit before tax	1,826	1,622
Adjustments for:-		
Depreciation	1007	977
Interest expenses	113	153
Interest income	(38)	(31)
	-----	-----
Operating profit before working capital changes	2,908	2,721
Inventories	2,478	132
Receivables, deposits and prepayments	(3,839)	694
Payables	3,894	1,429
	-----	-----
Cash generated from operations	5,441	4,976
Interest paid	(113)	(153)
Interest received	38	31
Tax paid	(2)	-
	-----	-----
Net cash from operating activities	5,364	4,854
	-----	-----
Cash flows from investing activities		
Purchase of property, plant & equipment	(3,512)	(420)
Development expenditure paid	(81)	-
	-----	-----
Net cash used in investing activities	(3,593)	(420)
	-----	-----

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED INTERIM FINANCIAL REPORT**

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

	<b>03 MONTHS ENDED</b>	
	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash flows from financing activities		
Placement of short term investment	(956)	(6)
Placement of fixed deposits under lien	(29)	(22)
Proceeds from borrowings	2,618	973
Repayment of borrowings	(1,649)	(1,798)
Repayment of finance lease payables	(310)	(294)
	-----	-----
Net cash used in financing activities	(326)	(1,147)
	-----	-----
Net changes in cash and cash equivalents	1,445	3,287
Cash and cash equivalents brought forward	1,560	(714)
	-----	-----
Cash and cash equivalents carried forward	3,005	2,573
	=====	=====
Cash and cash equivalents comprise:-		
Fixed deposits	3,863	3,750
Cash & bank balances	3,005	3,128
Bank overdrafts	-	(555)
	-----	-----
	6,868	6,323
Less : Fixed deposits under lien	(3,863)	(3,750)
	-----	-----
	3,005	2,573
	=====	=====

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 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 MFRS 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 is the Group’s first MFRS compliant interim financial report and hence MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards (MFRS 1 ) has been applied.

The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The impact of the transition from FRS to MFRS is described in below.

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this interim financial report are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below :-

Development expenditure and Deferred tax liabilities

Under FRS, the Group capitalised all the software development costs which meets certain criteria that indicate it is probable that the costs will give rise to future economic benefits.

Upon transition to MFRS, the Group redefined the capitalised development expenditures policy to capitalised development expenditure related to the new development products which meets certain criteria that indicate it is probable that the costs will give rise to future economic benefits.

The change in the above accounting policy will impact the deferred tax liabilities.

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:-

FRS as at 1.1.2011 RM’000	Effect of transition RM’000	MFRS as at 1.1.2011 RM’000
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Statement of Financial Position

Reconciliation of equity as at 1 January 2011

Development expenditure	10,336	(10,336)	-
Retained earnings	10,974	(10,336)	638



**UNAUDITED INTERIM FINANCIAL REPORT – (Continued)**

**Notes :-**

**Reconciliation of equity as at 31 December 2011**

Development expenditure	7,983	(7,983)	-
Retained earnings	10,905	(6,483)	4,422
Deferred tax liabilities	3,030	(1,500)	1,530

**Statement of Comprehensive Income**

**Financial impact for the period 31 March 2011**

	FRS RM'000	Effect of transition RM'000	MFRS RM'000
Cost of sales	4,888	(1,033)	3,855
Research & development expenses	-	382	382
Profit for the year	506	651	1,157
	=====	=====	=====

At the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>	<b>Effective for annual periods beginning on or after</b>	
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

**UNAUDITED INTERIM FINANCIAL REPORT – (Continued)**

**Notes :- (continued)**

**A2. Qualification of Financial Statements**

The Auditors' Report on the financial statements of the Group for the year ended 31 December 2011 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.

**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 quarter under review.

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

**Notes :- (continued)**

**A8. Segmental Reporting**

	<b>Efficient Service Machine (ESM) RM'000</b>	<b>Software Solution and Services RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>03 months ended 31 March 12</b>				
External sales	5,555	4,868	-	10,423
Intersegment transactions	-	-	-	-
Total revenue	<u>5,555</u>	<u>4,868</u>	-	<u>10,423</u>
Segment results	1,792	1,860	-	3,652
Unallocated other income				35
Unallocated operating expenses				<u>(1,861)</u>
Profit before tax				<u>1,826</u>
<b>03 months ended 31 March 11</b>				
External sales	1,600	5,540	-	7,140
Intersegment transactions	-	-	-	-
Total revenue	<u>1,600</u>	<u>5,540</u>	-	<u>7,140</u>
Segment results	256	3,029	-	3,285
Unallocated other income				29
Unallocated operating expenses				<u>(1,692)</u>
Profit before tax				<u>1,622</u>

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

**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.

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

**UNAUDITED INTERIM FINANCIAL REPORT – (Continued)**

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 31.03.2012 RM'000	PRECEDING YEAR	03 MONTHS ENDED	
		CORRESPONDING	UNAUDITED	UNAUDITED
		QUARTER UNAUDITED 31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Revenue	10,423	7,140	10,423	7,140
Profit before tax	1,826	1,622	1,826	1,622
	=====	=====	=====	=====

The Company's revenue was higher at RM10.423 million for the first quarter ended 31 March 2012 as compared to RM7.140 million for the corresponding quarter ended 31 March 2011. This was mainly due to the higher sales of the Efficient Service Machines (ESM). The profit before tax increased from RM1.622 million to RM1.826 million mainly due to the margins generated from the sales of the ESM.

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

	03 MONTHS ENDED	
	UNAUDITED 31.03.2012 RM'000	UNAUDITED 31.12.2011 RM'000
Revenue	10,423	8,397
Profit before tax	1,826	1,737
	=====	=====

The higher revenue of RM10.423 million for the current quarter ended 31 March 2012 as compared to RM8.397 million for the preceding quarter ended 31 December 2011 is mainly due to the increase in sales of the Efficient Service Machines (ESM). We recorded a higher profit before tax of RM1.826 million for the quarter ended 31 March 2012 compared to the profit before tax of RM1.737 million for the preceding quarter ended 31 December 2011 due to the higher gross margins from the sales of the ESM.

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

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 31.03.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER UNAUDITED 31.03.2011 RM'000	03 MONTHS ENDED UNAUDITED AUDITED 31.12.2012 31.03.2011 RM'000 RM'000	
Malaysian income tax				
-----				
Tax charge for				
Current period				
- Other income	2	-	2	-
- Business income	-	-	-	-
Deferred tax	440	465	440	465
-----	442	465	442	465
=====				

The tax provision of RM2,000 was mainly due to the tax provision on fixed deposit income. There was no tax charge for business income for the quarter ended 31 March 2012 due to the utilisation of unabsorbed capital allowances brought forward. This is, however, subject to confirmation by the Inland Revenue Board.

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

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:-

	<b>UNAUDITED AS AT 31.03.2012 RM'000</b>	<b>AUDITED AS AT 31.12.2011 RM'000</b>
<b>Secured short-term borrowings</b>		
Finance lease payables	556	732
Term loans	928	1,053
Bankers' acceptance	4,051	2,796
	----- 5,535 -----	----- 4,581 -----
<b>Secured long-term borrowings</b>		
Finance lease payables	689	823
Term loans	107	268
	----- 796 -----	----- 1,091 -----
Total borrowings	=====	=====

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

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% amounting to RM1,117,100 was declared on 12 April 2012 and payable on 25 May 2012 in respect of the year ending 31 December 2012.

**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 number of ordinary shares of RM0.10 each in issue during the period.

	<b>INDIVIDUAL PERIOD PRECEDING YEAR</b>	<b>CUMULATIVE PERIOD</b>		
	<b>CURRENT YEAR</b>	<b>CORRESPONDING</b>	<b>03 MONTHS ENDED</b>	
	<b>QUARTER</b>	<b>QUARTER</b>	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>UNAUDITED</b>	<b>UNAUDITED</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b>31.03.2012</b>	<b>31.03.2011</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Profit for the period/year (RM'000)	1,384	1,157	1,384	1,157
	=====	=====	=====	=====
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)	0.62	0.52	0.62	0.52
	=====	=====	=====	=====



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

Notes :- (continued)

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

(ii) Diluted earnings per share

Not applicable.

**B14. Group's Retained Earnings**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT 31.03.2012</b>	<b>(Restated)</b>
	<b>RM'000</b>	<b>AS AT 31.12.2011</b>
		<b>RM'000</b>
Group's Retained Earnings as per consolidated accounts		
- Realised	7,775	5,951
- Unrealised	(1,970)	(1,530)
	-----	-----
	5,805	4,421
	=====	=====

By Order of the Board  
LIM SECK WAH  
Secretary  
Kuala Lumpur