

OPENSYS (M) BERHAD - Company No: 199501040614 (369818-W)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT

Interim financial report on results for the quarter ended 30 September 2023.

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|--|--|--|--|----------|
| | CURRENT YEAR QUARTER UNAUDITED 30.09.2023 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER UNAUDITED 30.09.2022 RM'000 | 09 MONTHS ENDED UNAUDITED UNAUDITED 30.09.2023 30.09.2022 RM'000 RM'000 | |
| Revenue | 22,454 | 19,888 | 60,789 | 55,472 |
| Cost of revenue | (14,467) | (11,785) | (37,209) | (32,191) |
| Gross profit | 7,987 | 8,103 | 23,580 | 23,281 |
| Other income | 186 | 190 | 710 | 545 |
| Research & development expenses | (705) | (651) | (2,131) | (1,945) |
| Administration and other expenses | (3,232) | (3,264) | (9,881) | (10,002) |
| Finance costs | (36) | (39) | (102) | (159) |
| Profit before tax | 4,200 | 4,339 | 12,176 | 11,720 |
| Tax expense | (1,032) | (1,136) | (3,088) | (3,103) |
| Total comprehensive income for the period | 3,168 | 3,203 | 9,088 | 8,617 |
| Attributable to: | | | | |
| Equity holders of the Company | 3,148 | 3,189 | 9,033 | 8,580 |
| Non-controlling interest | 20 | 14 | 55 | 37 |
| | 3,168 | 3,203 | 9,088 | 8,617 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED INTERIM FINANCIAL REPORT

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

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|----------------------------------|-------------------|----------------|-------------------|------------|
| | CURRENT YEAR | PRECEDING YEAR | 09 MONTHS ENDED | |
| | QUARTER | QUARTER | UNAUDITED | UNAUDITED |
| | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED |
| | 30.09.2023 | 30.09.2022 | 30.09.2023 | 30.09.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| EARNINGS PER SHARE | | | | |
| Basic earnings per share (sen) | 0.70 | 0.71 | 2.02 | 1.92 |
| Diluted earnings per share (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 2022 and the accompanying explanatory notes attached to the interim financial statements.

OPENSYS (M) BERHAD - Company No: 199501040614 (369818-W)
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UNAUDITED INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | UNAUDITED AS AT 30.09.2023 RM'000 | AUDITED AS AT 31.12.2022 RM'000 |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant & equipment | 34,989 | 33,614 |
| Development expenditure | 635 | 837 |
| Fixed deposits | 6,634 | 8,602 |
| | ----- | ----- |
| | 42,258 | 43,053 |
| | ----- | ----- |
| Current assets | | |
| Inventories | 14,199 | 10,694 |
| Trade receivables | 11,526 | 13,064 |
| Other receivables, deposits & prepayments | 2,594 | 1,583 |
| Income tax assets | 44 | 62 |
| Cash and cash equivalents | 42,442 | 38,177 |
| | ----- | ----- |
| | 70,805 | 63,580 |
| | ----- | ----- |
| Total assets | 113,063 | 106,633 |
| | ===== | ===== |
| EQUITY AND LIABILITIES | | |
| Share capital | 29,789 | 29,789 |
| Retained earnings | 56,508 | 53,060 |
| | ----- | ----- |
| Equity attributable to equity holders | 86,297 | 82,849 |
| Non-controlling interest | 229 | 174 |
| | ----- | ----- |
| Total equity | 86,526 | 83,023 |
| | ===== | ===== |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
– (Continued)

| | UNAUDITED AS AT 30.09.2023 RM'000 | AUDITED AS AT 31.12.2022 RM'000 |
|---|--|--|
| Non-current liabilities | | |
| Lease liabilities | 1,248 | 1,019 |
| Term loans | 3,203 | 4,049 |
| Deferred tax liabilities | 2,379 | 3,630 |
| Contract liabilities | 837 | 1,169 |
| | ----- | ----- |
| | 7,667 | 9,867 |
| | ----- | ----- |
| Current liabilities | | |
| Trade payables | 2,147 | 1,247 |
| Other payables & accruals | 7,304 | 8,412 |
| Banker acceptance | 656 | - |
| Lease liabilities | 953 | 1,587 |
| Term loans | 918 | 881 |
| Contract liabilities | 5,391 | 1,280 |
| Income tax liabilities | 1,501 | 336 |
| | ----- | ----- |
| | 18,870 | 13,743 |
| | ----- | ----- |
| Total liabilities | 26,537 | 23,610 |
| | ----- | ----- |
| Total equity and liabilities | 113,063 | 106,633 |
| | ===== | ===== |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 0.19 | 0.19 |
| | ===== | ===== |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

OPENSYS (M) BERHAD - Company No: 199501040614 (369818-W)
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UNAUDITED INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to Equity -----Holders of the Company----- | | | Non- Controlling Interest RM'000 | Total Equity RM'000 |
|--|--|--------------------------------|-----------------|---|---------------------------|
| | Non-distributable | Distributable | Total | | |
| | Share Capital RM'000 | Retained Earnings RM'000 | Total RM'000 | | |
| As at 1 January 2023 | 29,789 | 53,060 | 82,849 | 174 | 83,023 |
| Profit for the period, represents total comprehensive income for the period | - | 9,033 | 9,033 | 55 | 9,088 |
| Dividend | - | (5,585) | (5,585) | - | (5,585) |
| As at 30 September 2023 | 29,789 | 56,508 | 86,297 | 229 | 86,526 |
| As at 1 January 2022 | 29,789 | 47,621 | 77,410 | 125 | 77,535 |
| Profit for the period, represents total comprehensive income for the period | - | 8,580 | 8,580 | 37 | 8,617 |
| Dividend | - | (4,468) | (4,468) | - | (4,468) |
| As at 30 September 2022 | 29,789 | 51,733 | 81,522 | 162 | 81,684 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

OPENSYS (M) BERHAD - Company No: 199501040614 (369818-W)
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UNAUDITED INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 09 MONTHS ENDED | |
|---|------------------------|-------------------|
| | UNAUDITED | UNAUDITED |
| | 30.09.2023 | 30.09.2022 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 12,176 | 11,720 |
| Adjustments for:- | | |
| Amortisation of development expenditure | 202 | 69 |
| Depreciation | 5,104 | 5,453 |
| Gain on disposal of property, plant & equipment | (48) | (233) |
| Interest expenses | 102 | 159 |
| Interest income | (649) | (448) |
| Property, plant & equipment written off | 20 | 4 |
| Used machines written down | - | 38 |
| | ----- | ----- |
| Operating profit before working capital changes | 16,907 | 16,762 |
| Changes in working capital:- | | |
| Inventories | (4,174) | (4,770) |
| Receivables | 527 | (4,707) |
| Payables | 3,570 | 6,449 |
| | ----- | ----- |
| Cash generated from operations | 16,830 | 13,734 |
| Interest paid | (102) | (159) |
| Interest received | 649 | 448 |
| Income tax paid | (3,155) | (2,992) |
| | ----- | ----- |
| Net cash from operating activities | 14,222 | 11,031 |
| | ----- | ----- |
| Cash flows from investing activities | | |
| Addition in development expenditure | - | (82) |
| Purchase of property, plant & equipment ("PPE") | (5,014) | (1,563) |
| Proceeds from disposal of property, plant & equipment | 209 | 519 |
| | ----- | ----- |
| Net cash used in investing activities | (4,805) | (1,126) |
| | ----- | ----- |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - Continued

| | 09 MONTHS ENDED | |
|--|------------------------|-------------------|
| | UNAUDITED | UNAUDITED |
| | 30.09.2023 | 30.09.2022 |
| | RM'000 | RM'000 |
| Cash flows from financing activities | | |
| Uplift/(Placement) of fixed deposits under lien (Repayment to)/Proceeds from: | | |
| - finance lease liabilities | 1,968 | (109) |
| - term loan | (1,382) | (1,205) |
| - Banker acceptance | (809) | (733) |
| Dividend paid | 656 | - |
| | (5,585) | (4,468) |
| | ----- | ----- |
| Net cash used in financing activities | (5,152) | (6,515) |
| | ----- | ----- |
| Net changes in cash and cash equivalents | 4,265 | 3,390 |
| Cash and cash equivalents brought forward | 38,177 | 38,441 |
| | ----- | ----- |
| Cash and cash equivalents carried forward | 42,442 | 41,831 |
| | ===== | ===== |

NOTES TO THE STATEMENTS OF CASH FLOWS

i. Cash and cash equivalents comprise: -

| | | |
|----------------------------------|---------|---------|
| Fixed deposits | 6,634 | 8,565 |
| Money market instruments | 24,047 | 9,215 |
| Cash & bank balances | 18,395 | 32,616 |
| | ----- | ----- |
| | 49,076 | 50,396 |
| Less : Fixed deposits under lien | (6,634) | (8,565) |
| | ----- | ----- |
| | 42,442 | 41,831 |
| | ===== | ===== |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - Continued

09 MONTHS ENDED
UNAUDITED UNAUDITED
30.09.2023 30.09.2022
RM'000 RM'000

NOTES TO THE STATEMENTS OF CASH FLOWS- (Continued)

ii. Analysis of acquisition of property, plant & equipment :-

| | | |
|---------------------------|-------|-------|
| Cash | 5,014 | 1,100 |
| Lease arrangement | 977 | 303 |
| Transfer from inventories | 669 | 325 |
| | 6,660 | 1,728 |
| | 6,660 | 1,728 |

iii. Reconciliation of liabilities arising from financing activities: -

| | Non-cash changes | | | | | As at 30.09.2023 RM'000 |
|---------------------|-------------------------------|---|--------------------|---------------------------------|-------------------------------|-------------------------------|
| | As at 01.01.2023 RM'000 | Principal and interest payments RM'000 | Proceeds RM'000 | Acquisition of PPE RM'000 | Interest expense RM'000 | |
| Bank borrowings | | | | | | |
| - Banker acceptance | - | (7) | 656 | - | 7 | 656 |
| - Lease liabilities | 2,606 | (1,477) | - | 977 | 95 | 2,201 |
| - Term loan | 4,930 | (809) | - | - | - | 4,121 |
| | 7,536 | (2,293) | 656 | 977 | 102 | 6,978 |

| | Non-cash changes | | | | | As at 30.09.2022 RM'000 |
|---------------------|-------------------------------|---|--------------------|---------------------------------|-------------------------------|-------------------------------|
| | As at 01.01.2022 RM'000 | Principal and interest payments RM'000 | Proceeds RM'000 | Acquisition of PPE RM'000 | Interest expense RM'000 | |
| Bank borrowings | | | | | | |
| - Banker acceptance | - | (254) | 252 | - | 2 | - |
| - Lease liabilities | 3,505 | (1,318) | - | 346 | 113 | 2,646 |
| - Term loan | 5,922 | (777) | - | - | 44 | 5,189 |
| | 9,427 | (2,349) | 252 | 346 | 159 | 7,835 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :-

Disclosure requirements per MFRS 134 - paragraph 16

A1. (a) Accounting Policies and Methods of Computation

The quarterly report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the audited condensed consolidated financial statements.

The accounting policies and methods of computation adopted by the Group in unaudited condensed financial statements and unaudited interim financial report are consistent with those adopted in the latest audited financial statements for the financial year ended 31 December 2022.

Effective for financial periods beginning on or after 1 January 2023

| | |
|------------------------|--|
| MFRS 17 | Insurance Contracts |
| Amendments to MFRS 101 | Disclosure of Accounting Policies |
| Amendments to MFRS 108 | Definition of Accounting Estimates |
| Amendments to MFRS 112 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to MFRS 112 | International Tax Reform – Pillar Two Model Rules |
| Amendments to MFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current |
| Amendments to MFRS 101 | Non-current Liabilities with Covenants |
| Amendments to MFRS 107 | Supplier Finance Arrangements |

Effective date deferred

| | |
|------------------------------------|--|
| Amendments to MFRS 10 and MFRS 128 | Sales or Contribution of Assets between an Investor and its Associate or Joint Venture |
|------------------------------------|--|

The Group will adopt the above pronouncements when they become effective in the respective financial periods. The Group is in the process of assessing the financial effect of these pronouncements upon their initial application.

A2. Qualification of Financial Statements

The Auditors’ Report on the financial statements of the Group for the year ended 31 December 2022 was not subject to any qualification.

UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

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

The first interim dividend of 0.40 sen per ordinary share amounting to RM1,787,356 was declared on 20 February 2023 and paid on 16 March 2023 in respect of the year ending 31 December 2023.

The second interim dividend of 0.40 sen per ordinary share amounting to RM1,787,356 was declared on 22 May 2023 and paid on 16 June 2023 in respect of the year ending 31 December 2023.

The third interim dividend of 0.45 sen per ordinary share amounting to RM2,010,778 was declared on 21 August 2023 and paid on 15 September 2023 in respect of the year ending 31 December 2023.

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UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

A8. Segmental Reporting

| | Hardware RM'000 | Solutions and Services RM'000 | Consolidated RM'000 |
|---|----------------------------|--|--------------------------------|
| 3rd quarter ended 30 September 2023 | | | |
| Total revenue | 5,754 | 16,700 | 22,454 |
| Segment results | 1,111 | 6,876 | 7,987 |
| Unallocated other income | | | 186 |
| Unallocated operating expenses | | | (3,973) |
| Profit before tax | | | <u>4,200</u> |
| 3rd quarter ended 30 September 2022 | | | |
| Total revenue | 3,975 | 15,913 | 19,888 |
| Segment results | 695 | 7,408 | 8,103 |
| Unallocated other income | | | 190 |
| Unallocated operating expenses | | | (3,954) |
| Profit before tax | | | <u>4,339</u> |
| 09 months ended 30 September 2023 | | | |
| Total revenue | 10,287 | 50,502 | 60,789 |
| Segment results | 1,839 | 21,741 | 23,580 |
| Unallocated other income | | | 710 |
| Unallocated operating expenses | | | (12,114) |
| Profit before tax | | | <u>12,176</u> |
| 09 months ended 30 September 2022 | | | |
| Total revenue | 8,971 | 46,501 | 55,472 |
| Segment results | 1,432 | 21,849 | 23,281 |
| Unallocated other income | | | 545 |
| Unallocated operating expenses | | | (12,106) |
| Profit before tax | | | <u>11,720</u> |

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UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

A9. 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.

A10. 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.

A11. Changes in Contingent Liabilities or Contingent Assets

There was no significant change in the contingent liabilities of the Group since the last financial year ended 31 December 2022.

A12. Material Capital Commitments

Group
AS AT 30.09.2023
RM'000

**Capital expenditure in respect of property, plant & equipment
not provided for :-**

Approved and contracted for 9,450
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UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes : - (continued)

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

B1. Group's Review of Performance

| | INDIVIDUAL PERIOD | | | CUMULATIVE PERIOD | | |
|-------------------|--|--|----------|-----------------------------|-----------------------------|----------|
| | Current Year Quarter Unaudited 30.09.2023 RM'000 | Preceding Year Corresponding Quarter Unaudited 30.09.2022 RM'000 | Change % | 09 Months Ended | | |
| | | | | Unaudited 30.09.2023 RM'000 | Unaudited 30.09.2022 RM'000 | Change % |
| Revenue | 22,454 | 19,888 | 12.9 | 60,789 | 55,472 | 9.6 |
| Profit before tax | 4,200 | 4,339 | (3.2) | 12,176 | 11,720 | 3.9 |

Current Quarter (July 2023 – September 2023)

The Group's quarterly revenue rose 12.9% to RM22.454 million for the current quarter under review (3Q2023) compared to RM19.888 million in the corresponding quarter last year (3Q2022). Hardware sales continued its momentum with an increase of 44.8% from RM3.975 million to RM5.754 million. Revenue from Solutions and Services registered a 5% growth in 3Q2023 to RM16.7 million due to the increasing demand for maintenance services. Despite higher revenue, profit before tax declined marginally by 3.2% to RM4.2 million in 3Q2023. This decline is mainly attributed to elevated operational expenses, which were driven by higher staff costs due to workforce expansion and a rise in material costs for spare parts and repair charges during the quarter.

Year to Date (January 2023 – September 2023)

For the financial period ended 30 September 2023 (9M2023), the Group achieved a higher revenue of RM60.789 million, representing an increase of 9.6% compared to RM55.472 million in the corresponding financial period ended 30 September 2022 (9M2022). Hardware revenue has seen a respectable 14.7% growth from RM8.971 million to RM10.287 million, driven by the strong sales performance of cash recycling machine (CRM) cheque deposit sidecar modules to the banking customers. Revenue from software solutions and services segment remained consistent, experiencing a growth of 8.6% to RM50.502 million. This increase was primarily driven by higher revenue from maintenance services. In line with the growth in revenue, the Group reported a higher profit before tax of RM12.176 million in 9M2023, representing a 3.9% increase from RM11.72 million a year ago.

UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

B2. Group's Comparison with Preceding Quarter

| | 03 Months Ended | | Change % |
|-------------------|--|--|---------------------|
| | Unaudited 30.09.2023 RM'000 | Unaudited 30.06.2023 RM'000 | |
| Revenue | 22,454 | 20,918 | 7.3 |
| Profit before tax | 4,200 | 4,253 | (1.2) |
| | ===== | ===== | ===== |

For the quarter under review, the Group's revenue amounted to RM22.454 million, marking a 7.3% increase compared to the RM20.918 million recorded in the preceding quarter. The growth in revenue in the current quarter was mainly driven by the increased sales of CRM cheque deposit sidecar modules and a consistent demand for maintenance services. The Group posted a marginally lower profit before tax of RM4.2 million for the current quarter as compared to RM4.253 million in the preceding quarter as a result of elevated operational expenses, which were driven by higher staff costs due to workforce expansion and a rise in material costs related to spare parts and repair charges during the quarter.

B3. Prospects

Malaysia's Gross Domestic Product (GDP) expended moderately by 2.9% in the second quarter of 2023 (2Q2023) as domestic demand remained the key driver of growth, supported by private consumption and investment. Household spending, investment activities and continued recovery in inbound tourism partially offset slower export growth. The Malaysian economy is projected to expand close to the lower end of the 4.0% to 5.0% range in 2023. This growth is expected to be sustained by domestic demand, bolstered by improving employment and income, along with the execution of multi-year projects. Additionally, the upward trend in tourist arrivals is projected to persist, further supporting activities related to the tourism sector. Although the whole year 2023 GDP forecast is expected to be in the range of 4.0% to 5.0%, the Group remains cautiously optimistic about the future due to challenging global economic environment and impact of geopolitical conflicts.

Within the Group's CRM business segment, a positive shift in market sentiment has been observed as banks have resumed their procurement initiatives, signalling a robust recovery in this business segment. Notably, there has been a keen level of interest among banking customers in enhancing the functionality of CRMs, including features like cheque deposit and debit card dispensing. This development is expected to have a favourable impact on the Group's hardware business segment. The Group's services business segments have demonstrated resilience, consistently delivering revenue and profit. The demand for the Group's services business, encompassing CRM maintenance services, cheque processing services, bill payment and top-up kiosks, cash in transit services and software development services, is expected to continue on an upward trajectory.

UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

Looking forward, in addition to the expansion our core businesses, the Group will place a strong emphasis on fostering the growth of new revenue streams. These strategic initiatives encompass SmartCIT, Branch Of The Future solutions, the buySolar online marketplace, merchant acquiring services, and e-wallet top-up kiosks to augment both our top-line and bottom-line performance.

Barring any unforeseen circumstances, the Group anticipates a satisfactory performance in FY2023 and beyond. The Group remains unwavering in its commitment to create enduring value to its shareholders through sustained growth and profitability, capitalizing on its core competencies while actively exploring new avenues of opportunity.

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 30.09.2023 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER UNAUDITED 30.09.2022 RM'000 | 09 MONTHS ENDED UNAUDITED 30.09.2023 30.09.2022 RM'000 RM'000 | |
| Current year | 1,124 | 806 | 5,344 | 2,030 |
| Prior year | (47) | (122) | (47) | (122) |
| Deferred tax | (45) | 452 | (2,209) | 1,195 |
| | ----- | ----- | ----- | ----- |
| | 1,032 | 1,136 | 3,088 | 3,103 |
| | ===== | ===== | ===== | ===== |

The higher effective tax rate of the Group as compared to the Malaysia statutory income tax rate for the current financial quarter and financial year to date is mainly due to non tax deductibility of certain expenses incurred by the Group.

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Notes :- (continued)

B6. Profit for the period

| | Current Quarter 30.09.2023 RM'000 | Year to date 30.09.2023 RM'000 |
|---|--|---|
| Amortisation of development expenditure | 76 | 202 |
| Depreciation | 1,704 | 5,104 |
| Gain on disposal of property, plant & equipment | - | (48) |
| Interest income | (176) | (649) |
| Interest expenses | 36 | 102 |
| Property, plant & equipment written off | 14 | 20 |
| Realised gain on foreign exchange | (9) | (12) |
| | ===== | ===== |

Other than the above items, there were no other income including investment income, write off of receivables, allowance for impairment, gain or loss on disposal of quoted or unquoted investment, impairment of assets, gain or loss on derivatives and exceptional items for the current financial quarter and financial year to date.

B7. Corporate Proposals

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

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UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

B8. Group's Borrowings

The breakdown of the borrowings is set out below:-

| | UNAUDITED AS AT 30.09.2023 RM'000 | AUDITED AS AT 31.12.2022 RM'000 |
|--------------------------------------|--|--|
| Secured short-term borrowings | | |
| Banker acceptance | 656 | - |
| Lease liabilities | 953 | 1,587 |
| Term loans | 918 | 881 |
| | ----- | ----- |
| | 2,527 | 2,468 |
| | ----- | ----- |
| Secured long-term borrowings | | |
| Lease liabilities | 1,248 | 1,019 |
| Term loans | 3,203 | 4,049 |
| | ----- | ----- |
| | 4,451 | 5,068 |
| | ----- | ----- |
| Total borrowings | 6,978 | 7,536 |
| | ===== | ===== |

B9. Material Litigation

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

B10. Dividend

The first interim dividend of 0.40 sen per ordinary share amounting to RM1,787,356 was declared on 20 February 2023 and paid on 16 March 2023 in respect of the year ending 31 December 2023.

The second interim dividend of 0.40 sen per ordinary share amounting to RM1,787,356 was declared on 22 May 2023 and paid on 16 June 2023 in respect of the year ending 31 December 2023.

The third interim dividend of 0.45 sen per ordinary share amounting to RM2,010,778 was declared on 21 August 2023 and paid on 15 September 2023 in respect of the year ending 31 December 2023.

The fourth interim dividend of 0.45 sen per ordinary share amounting to RM2,010,778 was declared on 20 November 2023 and will be paid on 14 December 2023 in respect of the year ending 31 December 2023.

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Notes :- (continued)

B11. 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 in issue during the period.

| | INDIVIDUAL PERIOD PRECEDING YEAR | | CUMULATIVE PERIOD | |
|---|--|---|--|-------------------------|
| | CURRENT YEAR QUARTER UNAUDITED 30.09.2023 | CORRESPONDING QUARTER UNAUDITED 30.09.2022 | 09 MONTHS ENDED UNAUDITED 30.09.2023 | UNAUDITED 30.09.2022 |
| Profit attributable to owners (RM'000) | 3,148 | 3,189 | 9,033 | 8,580 |
| Number of ordinary shares ('000) | 446,838 | 446,838 | 446,838 | 446,838 |
| Basic earnings per share (sen) | 0.70 | 0.71 | 2.02 | 1.92 |

(ii) Diluted earnings per share

Not applicable.

By Order of the Board
LIM SECK WAH
Secretary
Kuala Lumpur