

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 2018.

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|--|--|--|--|---|
| | CURRENT YEAR QUARTER UNAUDITED 31.03.2018 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER UNAUDITED 31.03.2017 RM'000 (Restated) | 03 MONTHS ENDED UNAUDITED 31.03.2018 RM'000 | UNAUDITED 31.03.2017 RM'000 (Restated) |
| Revenue | 17,228 | 29,524 | 17,228 | 29,524 |
| Cost of revenue | (11,127) | (25,045) | (11,127) | (25,045) |
| Gross profit | 6,101 | 4,479 | 6,101 | 4,479 |
| Other income | 153 | 5 | 153 | 5 |
| Research & development expenses | (662) | (589) | (662) | (589) |
| Administration and other expenses | (2,658) | (2,313) | (2,658) | (2,313) |
| Finance costs | (263) | (219) | (263) | (219) |
| Profit before tax | 2,671 | 1,363 | 2,671 | 1,363 |
| Tax expense | (776) | (359) | (776) | (359) |
| Profit for the period | 1,895 | 1,004 | 1,895 | 1,004 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 1,895 | 1,004 | 1,895 | 1,004 |
| Attributable to: | | | | |
| Equity holders of the Company | 1,895 | 1,004 | 1,895 | 1,004 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017 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 | | |
|--|--|------------------------------------|----------------------|------------------------------------|-----------|
| | CURRENT YEAR QUARTER UNAUDITED 31.03.2018 RM'000 | PRECEDING | 03 MONTHS ENDED | | |
| | | YEAR | UNAUDITED | UNAUDITED | UNAUDITED |
| | | CORRESPONDING | QUARTER | UNAUDITED | UNAUDITED |
| | | 31.03.2017 RM'000 (Restated) | 31.03.2018 RM'000 | 31.03.2017 RM'000 (Restated) | |

EARNINGS PER SHARE

| | | | | |
|----------------------------------|------|------|------|------|
| Basic earnings per share (sen) | 0.64 | 0.34 | 0.64 | 0.34 |
| 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 2017 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 FINANCIAL POSITION

| | UNAUDITED AS AT 31.03.2018 RM'000 | UNAUDITED AS AT 31.12.2017 RM'000 (Restated) |
|--|--|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant & equipment | 41,278 | 41,849 |
| Development expenditure | 143 | 183 |
| Fixed deposits | 9,648 | 7,591 |
| | ----- | ----- |
| | 51,069 | 49,623 |
| | ----- | ----- |
| Current assets | | |
| Inventories | 9,565 | 9,017 |
| Trade receivables | 10,651 | 19,842 |
| Other receivables, deposits & prepayments | 1,872 | 1,904 |
| Short term investment | 15,912 | 2,993 |
| Cash & bank balances | 4,584 | 8,717 |
| | ----- | ----- |
| | 42,584 | 42,473 |
| | ----- | ----- |
| Total assets | 93,653 | 92,096 |
| | ===== | ===== |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders | | |
| Share capital | 29,789 | 29,789 |
| Retained earnings | 21,568 | 21,162 |
| | ----- | ----- |
| Total equity | 51,357 | 50,951 |
| | ----- | ----- |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017 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 FINANCIAL POSITION
– (Continued)

| | UNAUDITED AS AT 31.03.2018 RM'000 | UNAUDITED AS AT 31.12.2017 RM'000 (Restated) |
|--|--|---|
| Non-current liabilities | | |
| Finance lease payables | 4,268 | 5,239 |
| Term loans | 7,360 | 7,453 |
| Deferred tax liability | 2,696 | 2,728 |
| | ----- | ----- |
| | 14,324 | 15,420 |
| | ----- | ----- |
| Current liabilities | | |
| Trade payables | 1,560 | 7,538 |
| Other payables & accruals | 18,505 | 10,589 |
| Finance lease payables | 4,066 | 4,237 |
| Term loans | 433 | 448 |
| Bankers' acceptance | 2,428 | 2,466 |
| Post-employment benefit obligations | 263 | 225 |
| Tax liability | 717 | 222 |
| | ----- | ----- |
| | 27,972 | 25,725 |
| | ----- | ----- |
| Total liabilities | 42,296 | 41,145 |
| | ----- | ----- |
| Total equity and liabilities | 93,653 | 92,096 |
| | ===== | ===== |
| Net assets per share attributable to ordinary equity holders of the Company (sen) | 17.24 | 17.10 |
| | ===== | ===== |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017 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 |
|--|--|----------------------------|---|---------------------------|
| | Non-distributable Share Capital RM'000 | Share Premium RM'000 | Distributable Retained Earnings RM'000 | |
| As at 31 December 2017, as previously reported | 29,789 | - | 21,583 | 51,372 |
| Adjustments from adoption of MFRS 15 | - | - | (421) | (421) |
| Restated balance as at 1 January 2018 | 29,789 | - | 21,162 | 50,951 |
| Profit for the year, represents total comprehensive income for the year | - | - | 1,895 | 1,895 |
| Dividend | - | - | (1,489) | (1,489) |
| As at 31 March 2018 | 29,789 | - | 21,568 | 51,357 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017 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
– (Continued)

| | Attributable to Equity ----- Holders of the Company ----- | | | Total Equity RM'000 |
|--|--|----------------------------|---|---------------------------|
| | Non-distributable Share Capital RM'000 | Share Premium RM'000 | Distributable Retained Earnings RM'000 | |
| As at 31 December 2016, as previously reported | 29,789 | - | 17,847 | 47,636 |
| Adjustments from adoption of MFRS 15 | - | - | (343) | (343) |
| Restated balance as at 1 January 2017 | 29,789 | - | 17,504 | 47,293 |
| Adjustments from adoption of MFRS 15 | - | - | (69) | (69) |
| Profit for the year, represents total comprehensive income for the year | - | - | 1,073 | 1,073 |
| Dividend | - | - | (1,489) | (1,489) |
| As at 31 March 2017 | 29,789 | - | 17,019 | 46,808 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017 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 FLOWS

| | 03 MONTHS ENDED | |
|---|------------------------|-------------------|
| | UNAUDITED | UNAUDITED |
| | 31.03.2018 | 31.03.2017 |
| | RM'000 | RM'000 |
| | | (Restated) |
| Cash flows from operating activities | | |
| Profit before tax | 2,671 | 1,363 |
| Adjustments for:- | | |
| Amortisation of development expenditure | 39 | 39 |
| Depreciation | 1,457 | 1,415 |
| Property, plant & equipment written off | 164 | 54 |
| Interest expenses | 271 | 370 |
| Interest income | (98) | (50) |
| | ----- | ----- |
| Operating profit before working capital changes | 4,504 | 3,191 |
| Changes in working capital:- | | |
| Inventories | (569) | 883 |
| Receivables | 9,223 | (779) |
| Payables | 485 | 2,291 |
| | ----- | ----- |
| Cash generated from operations | 13,643 | 5,586 |
| Interest paid | (271) | (370) |
| Interest received | 98 | 50 |
| Tax paid | (313) | (552) |
| | ----- | ----- |
| Net cash from operating activities | 13,157 | 4,714 |
| | ----- | ----- |
| Cash flows from investing activities | | |
| Purchase of property, plant & equipment | (1,027) | (6,022) |
| | ----- | ----- |
| Net cash used in investing activities | (1,027) | (6,022) |
| | ----- | ----- |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim₇ financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - Continued

| | 03 MONTHS ENDED | |
|--|------------------------|-------------------|
| | UNAUDITED | UNAUDITED |
| | 31.03.2018 | 31.03.2017 |
| | RM'000 | RM'000 |
| | | (Restated) |
| Cash flows from financing activities | | |
| Placement of short term investment | (12,919) | (1) |
| Placement of fixed deposits under lien | (2,057) | (42) |
| Proceeds from borrowings | 1,040 | 8,423 |
| Repayment of borrowings | (1,185) | (1,075) |
| Proceeds from finance lease liabilities | - | 1,316 |
| Repayment from finance lease liabilities | (1,142) | (869) |
| | ----- | ----- |
| Net cash (used in)/from financing activities | (16,263) | 7,752 |
| | ----- | ----- |
| Net changes in cash and cash equivalents | (4,133) | 6,444 |
| Cash and cash equivalents brought forward | 8,717 | 8,727 |
| | ----- | ----- |
| Cash and cash equivalents carried forward | 4,584 | 15,171 |
| | ===== | ===== |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017 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 – (Continued)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - Continued

| | 03 MONTHS ENDED | |
|--|------------------------|-------------------|
| | UNAUDITED | UNAUDITED |
| | 31.03.2018 | 31.03.2017 |
| | RM'000 | RM'000 |
| | | (Restated) |

NOTES TO THE STATEMENTS OF CASH FLOWS

i. Cash and cash equivalents comprise:-

| | | |
|----------------------------------|---------|---------|
| Fixed deposits | 9,648 | 5,439 |
| Cash & bank balances | 4,584 | 15,171 |
| | ----- | ----- |
| | 14,232 | 20,610 |
| Less : Fixed deposits under lien | (9,648) | (5,439) |
| | ----- | ----- |
| | 4,584 | 15,171 |
| | ===== | ===== |

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

| | | |
|---------------------------|-------|-------|
| Cash | 1,027 | 6,022 |
| Finance lease arrangement | - | 3,544 |
| Transfer from inventories | 21 | 27 |
| | ----- | ----- |
| | 1,048 | 9,593 |
| | ===== | ===== |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017 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. 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 ACE 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 2017 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 2017.

The significant accounting policies and methods adopted for the unaudited condensed consolidated financial statement are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2017, except for changes arising from the adoption of MFRS 15 “Revenue from Contracts with Customers” as described below:

(a) Adoption of MFRS 15 “Revenue from contracts with customers”

The Group has adopted MFRS 15 in the current financial period. The core principle in MFRS 15 is that an entity recognised revenue to depict the transfer of promised goods and services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of good or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

The Group has assessed the estimated impact that the application of MFRS 15 will have on its consolidated financial statements. Comparatives for the financial statements have been reclassified and restated to conform to the current year’s presentation under MFRS 15.

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

Restatement of comparative figures

(i) Reconciliation of Consolidated Statement of Comprehensive Income

| | Quarter Ended 31.03.17 | | | Cumulative Period Ended 31.03.17 | | |
|--|--------------------------------|----------------------------------|---------------------|----------------------------------|----------------------------------|---------------------|
| | Previously reported RM '000 | Effects of MFRS 15 RM '000 | Restated RM '000 | Previously reported RM '000 | Effects of MFRS 15 RM '000 | Restated RM '000 |
| Revenue | 29,615 | (91) | 29,524 | 29,615 | (91) | 29,524 |
| Cost of revenue | (25,045) | - | (25,045) | (25,045) | - | (25,045) |
| Gross profit | 4,570 | (91) | 4,479 | 4,570 | (91) | 4,479 |
| Other income | 5 | - | 5 | 5 | - | 5 |
| Research & development expenses | (589) | - | (589) | (589) | - | (589) |
| Administration and other expenses | (2,313) | - | (2,313) | (2,313) | - | (2,313) |
| Finance costs | (219) | - | (219) | (219) | - | (219) |
| Profit before tax | 1,454 | (91) | 1,363 | 1,454 | (91) | 1,363 |
| Tax expenses | (381) | 22 | (359) | (381) | 22 | (359) |
| Total comprehensive income for the period | 1,073 | (69) | 1,004 | 1,073 | (69) | 1,004 |
| Attribute to Equity holders of the Company | 1,073 | (69) | 1,004 | 1,073 | (69) | 1,004 |

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

(ii) Reconciliation of Consolidated Statement of Financial Position

| | Previously reported RM'000 | As at 31.12.2017 Effects of MFRS 15 RM'000 | Restated RM'000 |
|--|----------------------------------|---|--------------------|
| ASSETS | | | |
| <u>Non-current assets</u> | | | |
| Property, plant & equipment | 41,849 | - | 41,849 |
| Development expenditure | 183 | - | 183 |
| Fixed deposits | 7,591 | - | 7,591 |
| | ----- | ----- | ----- |
| | 49,623 | - | 49,623 |
| | ----- | ----- | ----- |
| <u>Current assets</u> | | | |
| Inventories | 9,017 | - | 9,017 |
| Trade receivables | 19,842 | - | 19,842 |
| Other receivables, deposits & prepayments | 1,904 | - | 1,904 |
| Short term investment | 2,993 | - | 2,993 |
| Cash & bank balances | 8,717 | - | 8,717 |
| | ----- | ----- | ----- |
| | 42,473 | - | 42,473 |
| | ----- | ----- | ----- |
| Total assets | 92,096 | - | 92,096 |
| | ===== | ===== | ===== |
| EQUITY AND LIABILITIES | | | |
| <u>Equity attributable to equity holders</u> | | | |
| Share capital | 29,789 | - | 29,789 |
| Retained earnings | 21,583 | (421) | 21,162 |
| | ----- | ----- | ----- |
| Total equity | 51,372 | (421) | 50,951 |
| | ----- | ----- | ----- |
| <u>Non-current liabilities</u> | | | |
| Finance lease payable | 5,239 | - | 5,239 |
| Term loans | 7,453 | - | 7,453 |
| Deferred tax liability | 2,861 | (133) | 2,728 |
| | ----- | ----- | ----- |
| | 15,553 | (133) | 15,420 |
| | ----- | ----- | ----- |

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 2017 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

The first interim tax-exempt dividend of 0.5 sen per ordinary share amounting to RM1,489,460 was declared on 26 February 2018 and paid on 18 April 2018 in respect of the year ending 31 December 2018.

UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

A8. Segmental Reporting

| | Hardware RM'000 | Software Solutions and Services RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|---|----------------------------|---|--------------------------------|--------------------------------|
| 03 months ended 31 March 2018 | | | | |
| External sales | 7,325 | 9,903 | - | 17,228 |
| Intersegment transactions | - | - | - | - |
| Total revenue | <u>7,325</u> | <u>9,903</u> | - | <u>17,228</u> |
| Segment results | 1,510 | 4,591 | - | 6,101 |
| Unallocated other income | | | | 153 |
| Unallocated operating expenses | | | | <u>(3,583)</u> |
| Profit before tax | | | | <u>2,671</u> |
| 03 months ended 31 March 2017 (Restated) | | | | |
| External sales | 20,162 | 9,362 | - | 29,524 |
| Intersegment transactions | - | - | - | - |
| Total revenue | <u>20,162</u> | <u>9,362</u> | - | <u>29,524</u> |
| Segment results | 927 | 3,552 | - | 4,479 |
| Unallocated other income | | | | 5 |
| Unallocated operating expenses | | | | <u>(3,121)</u> |
| Profit before tax | | | | <u>1,363</u> |

OPENSYS (M) BERHAD (Company No. 369818-W)
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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 2017.

A12. Material Capital Commitments

There are no material capital commitments at the end of the current reporting quarter.

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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 31.03.2018 RM'000 | Preceding Year Corresponding Quarter Unaudited 31.03.2017 RM'000 (Restated) | Change % | 03 Months Ended | | |
| | | | | Unaudited 31.03.2018 RM'000 | Unaudited 31.03.2017 RM'000 (Restated) | Change % |
| Revenue | 17,228 | 29,524 | (41.6) | 17,228 | 29,524 | (41.6) |
| Profit before tax | 2,671 | 1,363 | 96.0 | 2,671 | 1,363 | 96.0 |

The Group's revenue was lower at RM17.228 million for the first quarter ended 31 March 2018 as compared to RM29.524 million for the corresponding quarter of the preceding year ended 31 March 2017. This was mainly due to the lower revenue achieved from the roll-out of the Cash Recycling Machine (CRM). Our profit before tax increased from RM1.363 million to RM2.671 million.

We achieve a pre-tax margin of 15.5% for the first quarter ended 31 March 2018 as compared 4.6% for the corresponding quarter of the preceding year ended 31 March 2017. This represents a 337% improvement in our pre-tax margin and is due to the stronger ringgit against foreign currencies.

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UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

B2. Group's Comparison with Preceding Quarter

| | 03 MONTHS ENDED | | |
|-------------------|------------------------|-------------------|---------------|
| | UNAUDITED | UNAUDITED | CHANGE |
| | 31.03.2018 | 31.12.2017 | % |
| | RM'000 | RM'000 | |
| | | (Restated) | |
| Revenue | 17,228 | 34,942 | (50.7) |
| Profit before tax | 2,671 | 5,386 | (50.4) |
| | ===== | ===== | ===== |

The lower revenue of RM17.228 million for the current quarter ended 31 March 2018 as compared to RM34.942 million for the preceding quarter ended 31 December 2017 is due to the lower roll-out of the Cash Recycling Machine (CRM). As a result, we recorded a lower profit before tax of RM2.671 million for the quarter ended 31 March 2018 compared to the profit before tax of RM5.386 million for the preceding quarter ended 31 December 2017.

We achieve a pre-tax margin of 15.5% for the first quarter ended 31 March 2018 as compared 15.3% for the corresponding quarter of the preceding year ended 31 December 2017. The slight improvement in our pre-tax margin is due to the stable and marginally stronger ringgit against foreign currencies during the period in comparison.

B3. Prospects

OpenSys expects that, barring any unforeseen circumstances, the performance of the Group will continue to be satisfactory in the financial year ending 31 December 2018.

B4. Profit Forecast

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

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UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

B5. Group's Tax Expense

Tax expense comprises the following:-

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|--------------|-------------------|----------------|-------------------|------------|
| | CURRENT YEAR | PRECEDING YEAR | 03 MONTHS ENDED | |
| | QUARTER | CORRESPONDING | UNAUDITED | UNAUDITED |
| | UNAUDITED | QUARTER | UNAUDITED | UNAUDITED |
| | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | | (Restated) | | (Restated) |
| Current year | 808 | 381 | 808 | 381 |
| Deferred tax | (32) | (22) | (32) | (22) |
| | ----- | ----- | ----- | ----- |
| | 776 | 359 | 776 | 359 |
| | ===== | ===== | ===== | ===== |

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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UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

B6. Profit for the period

| | Current Quarter 31.03.2018 RM'000 | Year to date 31.03.2018 RM'000 |
|---|--|---|
| Interest income | (98) | (98) |
| Interest expenses | 271 | 271 |
| Amortisation | 39 | 39 |
| Depreciation | 1,457 | 1,457 |
| Property, plant & equipment written off | 164 | 164 |
| Realised foreign exchange gain | (55) | (55) |
| | ===== | ===== |

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 properties, impairment of assets, gain or loss on derivatives and exceptional items for the current financial quarterly 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 31.03.2018 RM'000 | UNAUDITED AS AT 31.12.2017 RM'000 |
|--------------------------------------|--|--|
| Secured short-term borrowings | | |
| Finance lease payables | 4,066 | 4,237 |
| Term loans | 433 | 448 |
| Bankers' acceptance | 2,428 | 2,466 |
| | ----- 6,927 | ----- 7,151 |
| | ----- | ----- |
| Secured long-term borrowings | | |
| Finance lease payables | 4,268 | 5,239 |
| Term loans | 7,360 | 7,453 |
| | ----- 11,628 | ----- 12,692 |
| | ----- | ----- |
| Total borrowings | 18,555 ===== | 19,843 ===== |

B9. Material Litigation

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

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

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Notes :- (continued)

B10. Dividend

The first interim tax-exempt dividend of 0.5 sen per ordinary share amounting to RM1,489,460 was declared on 26 February 2018 and paid on 18 April 2018 in respect of the year ending 31 December 2018.

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 31.03.2018 | CORRESPONDING QUARTER UNAUDITED 31.03.2017 (Restated) | 03 MONTHS ENDED UNAUDITED 31.03.2018 | UNAUDITED 31.03.2017 (Restated) |
| Profit for the period (RM'000) | 1,895 | 1,004 | 1,895 | 1,004 |
| Number of ordinary shares ('000) | 297,892 | 297,892 | 297,892 | 297,892 |
| Basic earnings per share (sen) | 0.64 | 0.34 | 0.64 | 0.34 |

(ii) Diluted earnings per share

Not applicable.

By Order of the Board
LIM SECK WAH
Secretary
Kuala Lumpur