

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 2018.

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER UNAUDITED 31.12.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER UNAUDITED 31.12.2017 RM'000 (Restated)	12 MONTHS ENDED UNAUDITED 31.12.2018 RM'000	
			UNAUDITED	UNAUDITED 31.12.2017 RM'000 (Restated)
Revenue	45,899	34,942	95,361	96,001
Cost of revenue	(36,982)	(26,061)	(67,313)	(72,628)
	-----	-----	-----	-----
Gross profit	8,917	8,881	28,048	23,373
Other income	232	74	632	405
Research & development expenses	(545)	(582)	(2,531)	(2,334)
Administration and other expenses	(2,945)	(2,683)	(10,866)	(10,278)
Finance costs	(246)	(304)	(995)	(1,303)
	-----	-----	-----	-----
Profit before tax	5,413	5,386	14,288	9,863
Tax expense	(1,470)	(1,970)	(4,117)	(3,226)
	-----	-----	-----	-----
Total comprehensive income for the period	3,943	3,416	10,171	6,637
	=====	=====	=====	=====
Attributable to:				
Equity holders of the Company	3,931	3,416	10,144	6,637
Non-controlling interest	12	-	27	-
	-----	-----	-----	-----
	3,943	3,416	10,171	6,637
	=====	=====	=====	=====

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	12 MONTHS ENDED	
	QUARTER	QUARTER	UNAUDITED	UNAUDITED
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
EARNINGS PER SHARE				
Basic earnings per share (sen)	1.32	1.15	3.41	2.23
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 31.12.2018 RM'000	UNAUDITED AS AT 31.12.2017 RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant & equipment	47,523	41,849
Development expenditure	26	183
Fixed deposits	7,833	7,591
	-----	-----
	55,382	49,623
	-----	-----
Current assets		
Inventories	6,994	9,017
Trade receivables	18,579	19,842
Other receivables, deposits & prepayments	4,442	1,904
Short term investment	10,912	2,993
Cash & bank balances	9,687	8,717
	-----	-----
	50,614	42,473
	-----	-----
Total assets	105,996	92,096
	=====	=====
EQUITY AND LIABILITIES		
Share capital	29,789	29,789
Retained earnings	27,599	21,162
	-----	-----
Equity attributable to equity holders	57,388	50,951
Non-controlling interest	26	-
	-----	-----
Total equity	57,414	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.

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UNAUDITED INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
– (Continued)

	UNAUDITED AS AT 31.12.2018 RM'000	UNAUDITED AS AT 31.12.2017 RM'000 (Restated)
Non-current liabilities		
Finance lease payables	5,217	5,239
Term loans	8,916	7,453
Deferred tax liability	3,221	2,728
	-----	-----
	17,354	15,420
	-----	-----
Current liabilities		
Trade payables	11,022	7,538
Other payables & accruals	12,084	10,589
Finance lease payables	5,099	4,237
Term loans	448	448
Bankers' acceptance	1,818	2,466
Post-employment benefit obligations	248	225
Tax liability	509	222
	-----	-----
	31,228	25,725
	-----	-----
Total liabilities	48,582	41,145
	-----	-----
Total equity and liabilities	105,996	92,096
	=====	=====
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.19	0.17
	=====	=====

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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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	RM'000		
As at 31 December 2017, as previously reported	29,789	21,583	51,372	-	51,372
Adjustment from adoption of MFRS 15	-	(421)	(421)	-	(421)
Restated balance as at 1 January 2018	29,789	21,162	50,951	-	50,951
Profit for the period, represents total comprehensive income for the period	-	10,144	10,144	27	10,171
Changes in equity interest in a subsidiary	-	16	16	(1)	15
Dividend	-	(3,723)	(3,723)	-	(3,723)
As at 31 December 2018	29,789	27,599	57,388	26	57,414

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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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
– (Continued)

	Attributable to Equity		Total Equity RM'000
	----- Holders of the Company -----		
	Non-distributable Share Capital 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	-	(78)	(78)
Profit for the period, represents total comprehensive income for the period	-	6,715	6,715
Dividend	-	(2,979)	(2,979)
Restated balance as at 31 December 2017	29,789	21,162	50,951

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

	12 MONTHS ENDED	
	UNAUDITED	UNAUDITED
	31.12.2018	31.12.2017
	RM'000	RM'000
		(Restated)
Cash flows from operating activities		
Profit before tax	14,288	9,863
Adjustments for:-		
Amortisation of development expenditure	157	156
Depreciation	6,144	5,965
Loss/(Gain) on disposal of property, plant & equipment	(8)	14
Property, plant & equipment written off	300	178
Inventories written off	32	57
Interest expenses	995	1,303
Interest income	(510)	(335)
Unrealised capital gain	(3)	-
Unrealised forex gain	(108)	85
	-----	-----
Operating profit before working capital changes	21,287	17,286
Changes in working capital:-		
Inventories	317	5,316
Receivables	(1,275)	(31)
Payables	4,364	(3,291)
	-----	-----
Cash generated from operations	24,693	19,280
Interest paid	(995)	(1,303)
Interest received	510	335
Tax paid	(3,338)	(2,210)
	-----	-----
Net cash from operating activities	20,870	16,102
	-----	-----
Cash flows from investing activities		
Disposal of equity interest in a subsidiary	15	-
Purchase of property, plant & equipment	(6,053)	(6,096)
Proceeds from disposal of property, plant & equipment	15	6
	-----	-----
Net cash used in investing activities	(6,023)	(6,090)
	-----	-----

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.

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UNAUDITED INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - Continued

	12 MONTHS ENDED	
	UNAUDITED	UNAUDITED
	31.12.2018	31.12.2017
	RM'000	RM'000
		(Restated)
Cash flows from financing activities		
Placement of short term investment	(7,916)	(2,892)
Placement of fixed deposits under lien	(242)	(2,194)
Proceeds from borrowings	3,812	14,679
Repayment of borrowings	(2,995)	(13,612)
Proceeds from finance lease liabilities	966	1,945
Repayment from finance lease liabilities	(4,523)	(4,884)
Dividend paid	(2,979)	(2,979)
	-----	-----
Net cash used in financing activities	(13,877)	(9,937)
	-----	-----
Net changes in cash and cash equivalents	970	75
Effects of exchange rate changes	-	(85)
Cash and cash equivalents brought forward	8,717	8,727
	-----	-----
Cash and cash equivalents carried forward	9,687	8,717
	=====	=====

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - Continued

12 MONTHS ENDED
UNAUDITED UNAUDITED
31.12.2018 31.12.2017
RM'000 RM'000
(Restated)

NOTES TO THE STATEMENTS OF CASH FLOWS

i. Cash and cash equivalents comprise:-

Fixed deposits	7,833	7,591
Cash & bank balances	9,687	8,717
	-----	-----
	17,520	16,308
Less : Fixed deposits under lien	(7,833)	(7,591)
	-----	-----
	9,687	8,717
	=====	=====

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

Cash	6,053	6,096
Finance lease arrangement	4,397	8,455
Transfer from inventories	1,675	999
	-----	-----
	12,125	15,550
	=====	=====

iii. Reconciliation of liabilities arising from financing activities:-

	As at	Principle and	Non-cash changes		As at
	01.01.2018		interest	Drawdown	Interest
	RM'000	payments	RM'000	expense	RM'000
		RM'000		RM'000	
Bank borrowings					
- Banker acceptance	2,466	(4,507)	3,812	47	1,818
- Finance lease	9,476	(5,105)	5,363	582	10,316
- Term loan	7,901	(808)	1,908	363	9,364
	19,843	(10,420)	11,083	992	21,498
	-----	-----	-----	-----	-----
	=====	=====	=====	=====	=====

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.

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UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

- (b) Restatement of comparative figures
(i) Reconciliation of profit or loss and comprehensive income.

	Quarter Ended 31.12.2017			Cumulative Period Ended 31.12.2017		
	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	35,018	(76)	34,942	96,104	(103)	96,001
Cost of revenue	(26,061)	-	(26,061)	(72,628)	-	(72,628)
Gross profit	8,957	(76)	8,881	23,476	(103)	23,373
Other income	74	-	74	405	-	405
Research & development expenses	(582)	-	(582)	(2,334)	-	(2,334)
Administration and other expenses	(2,683)	-	(2,683)	(10,278)	-	(10,278)
Finance costs	(304)	-	(304)	(1,303)	-	(1,303)
Profit before tax	5,462	(76)	5,386	9,966	(103)	9,863
Tax expenses	(1,988)	18	(1,970)	(3,251)	25	(3,226)
Total comprehensive income for the period	3,474	(58)	3,416	6,715	(78)	6,637
Attribute to Equity holders of the Company	3,474	(58)	3,416	6,715	(78)	6,637

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

(ii) Reconciliation of 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 ended 31 December 2018.

The second interim tax-exempt dividend of 0.5 sen per ordinary share amounting to RM1,489,460 was declared on 24 August 2018 and paid on 15 October 2018 in respect of the year ended 31 December 2018.

The third interim tax-exempt dividend of 0.25 sen per ordinary share amounting to RM744,730 was declared on 26 November 2018 and paid on 07 January 2019 in respect of the year ended 31 December 2018.

UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

A8. Segmental Reporting

	Hardware RM'000	Software Solutions and Services RM'000	Elimination RM'000	Consolidated RM'000
4th quarter ended 31 December 2018				
External sales	33,843	12,056	-	45,899
Intersegment transactions	-	2,430	(2,430)	-
Total revenue	<u>33,843</u>	<u>14,486</u>	<u>(2,430)</u>	<u>45,899</u>
Segment results	3,210	5,707		8,917
Unallocated other income				232
Unallocated operating expenses				<u>(3,736)</u>
Profit before tax				<u>5,413</u>
4th quarter ended 31 December 2017 (Restated)				
External sales	25,067	9,875	-	34,942
Intersegment transactions	-	-	-	-
Total revenue	<u>25,067</u>	<u>9,875</u>	<u>-</u>	<u>34,942</u>
Segment results	4,645	4,236		8,881
Unallocated other income				74
Unallocated operating expenses				<u>(3,569)</u>
Profit before tax				<u>5,386</u>
12 months ended 31 December 2018				
External sales	52,587	42,774	-	95,361
Intersegment transactions	-	4,619	(4,619)	-
Total revenue	<u>52,587</u>	<u>47,393</u>	<u>(4,619)</u>	<u>95,361</u>
Segment results	7,755	20,293		28,048
Unallocated other income				632
Unallocated operating expenses				<u>(14,392)</u>
Profit before tax				<u>14,288</u>
12 months ended 31 December 2017 (Restated)				
External sales	57,632	38,369	-	96,001
Intersegment transactions	-	-	-	-
Total revenue	<u>57,632</u>	<u>38,369</u>	<u>-</u>	<u>96,001</u>
Segment results	6,748	16,625		23,373
Unallocated other income				405
Unallocated operating expenses				<u>(13,915)</u>
Profit before tax				<u>9,863</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 during the period under review except for the following:

On 18 May 2018, the Board of Directors of OpenSys (M) Berhad ("the Company") announced that the Company disposed 15,000 ordinary shares equivalent to 15% of equity in OpenSys Technologies Sdn. Bhd. ("OTSB") to Nawahasu Sdn. Bhd. for a total cash consideration of RM15,000.00 ("the Disposal"). Upon the Disposal, Company has changed its equity participation in OTSB from a wholly-owned subsidiary to a 85% owned subsidiary.

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

Group
AS AT 31.12.2018
RM'000

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

Approved and contracted for

640

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OPENSYS (M) BERHAD (Company No. 369818-W)
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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 31.12.2018 RM'000	Preceding Year Corresponding Quarter Unaudited 31.12.2017 (Restated) RM'000	Change %	12 Months Ended Unaudited 31.12.2018 RM'000	12 Months Ended Unaudited 31.12.2017 (Restated) RM'000	Change %
Revenue	45,899	34,942	31.4	95,361	96,001	(0.7)
Profit before tax	5,413	5,386	0.5	14,288	9,863	44.9

For the fourth quarter ended 31 December 2018, the Group recorded a revenue of RM45.9 million, an increase of 31% from RM34.94 million for the corresponding quarter of the preceding year, primarily due to the higher revenue achieved from the roll-out of the Cash Recycling Machine (CRM). Our profit before tax increased marginally to RM5.4 million as compared to the corresponding quarter of the preceding year.

For the year ended 31 December 2018, the Group achieved a growth in profit before tax at RM14.29 million as compared to RM9.86 million in the preceding year despite a slight decline in revenue. The better performance in 2018 was mainly driven by higher gross margins achieved from the roll-out of the CRM due to the stronger ringgit against foreign currencies.

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

Notes :- (continued)

B2. Group's Comparison with Preceding Quarter

	03 MONTHS ENDED		CHANGE %
	UNAUDITED 31.12.2018 RM'000	UNAUDITED 30.09.2018 RM'000	
Revenue	45,899	17,139	167.8
Profit before tax	5,413	3,171	70.7
	=====	=====	=====

For the current quarter ended 31 December 2018, the Group recorded a revenue of RM45.9 million as compared to RM17.14 million in the preceding quarter ended 30 September 2018. The improved revenue of 168% was mainly driven by higher revenue achieved for the roll-out of the Cash Recycling Machine (CRM).

The Group posted a higher profit before tax of RM5.4 million for the current quarter as compared to the profit before tax of RM3.17 million in the immediate preceding quarter.

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 2019.

B4. Profit Forecast

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

OPENSYS (M) BERHAD (Company No. 369818-W)
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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	12 MONTHS ENDED	
	QUARTER	QUARTER	UNAUDITED	UNAUDITED
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Current year	1,064	1,289	3,693	2,649
Prior year	-	308	64	308
Deferred tax	406	373	360	269
	-----	-----	-----	-----
	1,470	1,970	4,117	3,226
	=====	=====	=====	=====

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 31.12.2018 RM'000	Year to date 31.12.2018 RM'000
Interest income	(97)	(510)
Interest expenses	246	995
Amortisation	40	157
Depreciation	1,653	6,144
Inventories written off	32	32
Gain on disposal of property, plant & equipment	(8)	(8)
Property, plant & equipment written off	-	300
Foreign exchange gain	(20)	(3)
Unrealised foreign exchange gain	(105)	(108)
Unrealised capital gain on short term investment	(3)	(3)
	=====	=====

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.

OPENSYS (M) BERHAD (Company No. 369818-W)
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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 31.12.2018 RM'000	UNAUDITED AS AT 31.12.2017 RM'000 (Restated)
Secured short-term borrowings		
Finance lease payables	5,099	4,237
Term loans	448	448
Bankers' acceptance	1,818	2,466
	----- 7,365 -----	----- 7,151 -----
Secured long-term borrowings		
Finance lease payables	5,217	5,239
Term loans	8,916	7,453
	----- 14,133 -----	----- 12,692 -----
Total borrowings	----- 21,498 =====	----- 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)
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UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

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 ended 31 December 2018.

The second interim tax-exempt dividend of 0.5 sen per ordinary share amounting to RM1,489,460 was declared on 24 August 2018 and paid on 15 October 2018 in respect of the year ended 31 December 2018.

The third interim tax-exempt dividend of 0.25 sen per ordinary share amounting to RM744,730 was declared on 26 November 2018 and paid on 07 January 2019 in respect of the year ended 31 December 2018.

The first interim tax-exempt dividend of 0.5 sen per ordinary share amounting to RM1,489,460 was declared on 25 February 2019 and will be paid on 15 April 2019 in respect of the year ending 31 December 2019.

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	CORRESPONDING	12 MONTHS ENDED	
	QUARTER	QUARTER	UNAUDITED	UNAUDITED
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
		(Restated)		(Restated)
Profit for the period (RM'000)	3,943	3,416	10,171	6,637
Number of ordinary shares ('000)	297,892	297,892	297,892	297,892
Basic earnings per share (sen)	1.32	1.15	3.41	2.23

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

UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

B11. Group's Earnings Per Share

(ii) Diluted earnings per share

Not applicable.

By Order of the Board
LIM SECK WAH
Secretary
Kuala Lumpur