

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 2019.

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD		
	CURRENT YEAR QUARTER UNAUDITED 31.12.2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER UNAUDITED 31.12.2018 RM'000	12 MONTHS ENDED UNAUDITED 31.12.2019 RM'000		AUDITED 31.12.2018 RM'000
Revenue	40,158	45,899	102,871	95,361	
Cost of revenue	(29,460)	(36,982)	(73,604)	(67,313)	
Gross profit	10,698	8,917	29,267	28,048	
Other income	408	232	1,099	648	
Research & development expenses	(632)	(545)	(2,596)	(2,531)	
Administration and other expenses	(3,220)	(2,945)	(11,364)	(10,866)	
Finance costs	(240)	(246)	(1,056)	(995)	
Profit before tax	7,014	5,413	15,350	14,304	
Tax expense	(1,930)	(1,470)	(4,212)	(4,117)	
Total comprehensive income for the period	5,084	3,943	11,138	10,187	
Attributable to:					
Equity holders of the Company	5,079	3,931	11,099	10,160	
Non-controlling interest	5	12	39	27	
	5,084	3,943	11,138	10,187	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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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	AUDITED
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
EARNINGS PER SHARE				
Basic earnings per share (sen)	1.71	1.32	3.74	3.41
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 2018 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 31.12.2019 RM'000	AUDITED AS AT 31.12.2018 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	46,554	47,523
Right-of-use assets	230	-
Development expenditure	-	26
Fixed deposits	8,083	7,833
	-----	-----
	54,867	55,382
	-----	-----
Current assets		
Inventories	8,400	6,994
Trade receivables	19,527	18,579
Other receivables, deposits & prepayments	2,555	4,442
Short term investment	13,457	10,912
Cash & bank balances	5,869	9,687
	-----	-----
	49,808	50,614
	-----	-----
Total assets	104,675	105,996
	=====	=====
EQUITY AND LIABILITIES		
Share capital	29,789	29,789
Retained earnings	34,227	27,599
	-----	-----
Equity attributable to equity holders	64,016	57,388
Non-controlling interest	65	26
	-----	-----
Total equity	64,081	57,414
	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

– (Continued)

	UNAUDITED AS AT 31.12.2019 RM'000	AUDITED AS AT 31.12.2018 RM'000
Non-current liabilities		
Finance lease liabilities	4,283	5,217
Term loans	8,845	8,838
Deferred tax liabilities	3,631	3,221
	-----	-----
	16,759	17,276
	-----	-----
Current liabilities		
Trade payables	7,109	11,022
Other payables & accruals	9,166	9,514
Finance lease liabilities	2,936	5,099
Term loans	616	527
Bankers' acceptance	2,048	1,818
Contract liability	1,850	2,817
Income tax liabilities	110	509
	-----	-----
	23,835	31,306
	-----	-----
Total liabilities	40,594	48,582
	-----	-----
Total equity and liabilities	104,675	105,996
	=====	=====
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.21	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 2018 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity		Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	-----Holders of the Company-----				
	Non-distributable	Distributable			
	Share Capital RM'000	Retained Earnings RM'000			
As at 31 December 2018	29,789	27,599	57,388	26	57,414
Adjustment on adoption of MFRS16 (Note A1)	-	(3)	(3)	-	(3)
As at 1 January 2019	29,789	27,596	57,385	26	57,411
Profit for the period, represents total comprehensive income for the period	-	11,099	11,099	39	11,138
Dividend	-	(4,468)	(4,468)	-	(4,468)
As at 31 December 2019	29,789	34,227	64,016	65	64,081

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
– (Continued)

	Attributable to Equity			Non-Controlling Interest RM'000	Total Equity RM'000
	-----Holders of the Company-----				
	Non-distributable	Distributable	Total		
Share Capital RM'000	Retained Earnings RM'000	Total RM'000			
As at 1 January 2018	29,789	21,162	50,951	-	50,951
Profit for the period, represents total comprehensive income for the period	-	10,160	10,160	27	10,187
Changes in equity interest in a subsidiary	-	-	-	(1)	(1)
Dividend	-	(3,723)	(3,723)	-	(3,723)
As at 31 December 2018	<u>29,789</u>	<u>27,599</u>	<u>57,388</u>	<u>26</u>	<u>57,414</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 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

	12 MONTHS ENDED	
	UNAUDITED	AUDITED
	31.12.2019	31.12.2018
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	15,350	14,304
Adjustments for:-		
Amortisation of development expenditure	26	157
Depreciation	7,183	6,144
Interest expenses	1,056	995
Interest income	(722)	(510)
Inventories written off	110	32
Gain on disposal of shares in subsidiary	-	(16)
Loss/(gain) on disposal of property, plant & equipment	23	(8)
Property, plant & equipment written off	137	300
Trade-in machine from customer written down	796	1,305
Unrealised capital gain	-	(3)
Unrealised forex gain	(90)	(108)
	-----	-----
Operating profit before working capital changes	23,869	22,592
Changes in working capital:-		
Inventories	(2,028)	(988)
Receivables	939	(1,275)
Payables	(5,280)	4,364
	-----	-----
Cash generated from operations	17,500	24,693
Interest paid	(1,056)	(995)
Interest received	722	510
Income tax paid	(4,200)	(3,338)
	-----	-----
Net cash from operating activities	12,966	20,870
	-----	-----
Cash flows from investing activities		
Disposal of equity interest in a subsidiary	-	15
Placement of short term investment	(2,545)	(7,916)
Purchase of property, plant & equipment ("PPE")	(2,776)	(6,053)
Proceeds from disposal of property, plant & equipment	289	15
	-----	-----
Net cash used in investing activities	(5,032)	(13,939)
	-----	-----

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 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

	12 MONTHS ENDED	
	UNAUDITED	AUDITED
	31.12.2019	31.12.2018
	RM'000	RM'000
Cash flows from financing activities		
Placement of fixed deposits under lien	(251)	(242)
(Repayment to)/Proceeds from:		
- banker acceptance	230	(648)
- finance lease liabilities	(4,180)	(3,557)
- term loan	(2,428)	1,465
Dividend paid	(5,213)	(2,979)
	-----	-----
Net cash used in financing activities	(11,842)	(5,961)
	-----	-----
Net changes in cash and cash equivalents	(3,908)	970
Effects of exchange rate changes	90	-
Cash and cash equivalents brought forward	9,687	8,717
	-----	-----
Cash and cash equivalents carried forward	5,869	9,687
	=====	=====

NOTES TO THE STATEMENTS OF CASH FLOWS

i. Cash and cash equivalents comprise: -

Fixed deposits	8,084	7,833
Cash & bank balances	5,869	9,687
	-----	-----
	13,953	17,520
Less : Fixed deposits under lien	(8,084)	(7,833)
	-----	-----
	5,869	9,687
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - Continued

12 MONTHS ENDED
UNAUDITED AUDITED
31.12.2019 31.12.2018
RM'000 RM'000

NOTES TO THE STATEMENTS OF CASH FLOWS- (Continued)

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

Cash	2,776	6,053
Finance lease arrangement	950	4,397
Term loan	2,525	-
Transfer from inventories	512	1,675
	6,763	12,125
	6,763	12,125

iii. Reconciliation of liabilities arising from financing activities: -

	Non-cash changes						
	As at 01.01.2019 RM'000	MFRS 16 RM'000	Principle and interest payments RM'000	Proceeds RM'000	Acquisition of PPE RM'000	Interest expense RM'000	As at 31.12.2019 RM'000
Bank borrowings							
- Banker acceptance	1,818	-	(3,873)	4,046	-	57	2,048
- Finance lease	10,316	133	(6,137)	1,375	950	582	7,219
- Term loan	9,365	-	(2,846)	-	2,525	417	9,461
	21,499	133	(12,856)	5,421	3,475	1,056	18,728
	21,499	133	(12,856)	5,421	3,475	1,056	18,728

	Non-cash changes					
	As at 01.01.2018 RM'000	Principle and interest payments RM'000	Proceeds RM'000	Acquisition of PPE RM'000	Interest expense RM'000	As at 31.12.2018 RM'000
Bank borrowings						
- Banker acceptance	2,466	(4,507)	1,994	-	38	1,818
- Finance lease	9,476	(5,105)	-	1,500	437	10,316
- Term loan	7,901	(807)	-	-	271	9,365
	19,843	(10,419)	1,994	1,500	992	21,499
	19,843	(10,419)	1,994	1,500	992	21,499

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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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 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 2018 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 2018.

The Group has also adopted the following amendments to Malaysian Accounting Standards Board and Issues Committee (“IC”) Interpretation that came into effect on 1 January 2019 which did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application except MFRS 16 :-

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendments, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interest in Associates and Joint Ventures

Annual improvement to MFRS Standards 2015-2017 Cycle

(b) Adoption of MFRS 16 “Leases”

The Group has adopted MFRS 16 in the current financial period, where MFRS 16 supersedes MFRS 117 “Leases” and the related interpretations. Under MFRS 16, a lease is a contract (or part of contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases.

MFRS 16 requires the lessee to recognise in the statements of financial position, a “right-of-use” of the underlying asset and a lease liability reflecting future lease payment for most leases. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognised in the statement of profit or loss.

UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

(b) Adoption of MFRS 16 “Leases” (continued)

The Group adopted the simplified transition approach without restating the comparatives for the period prior to first adoption as permitted under the specific transition provisions in the standard.

On adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of MFRS 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5%.

The financial effects arising from the adoption of MFRS 16 are as follows:

(c) Statement of Financial Position as at 1 January 2019

	Previously reported	Effects of MFRS 16	As reported under MFRS 16
	RM’000	RM’000	RM’000
<u>Non-current assets</u>			
Right-of-use assets	-	130	130
<u>Non-current liabilities</u>			
Finance lease liabilities	5,217	33	5,250
<u>Current liabilities</u>			
Finance lease liabilities	5,099	100	5,199
<u>Equity</u>			
Retained earnings	27,599	(3)	27,596

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UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

The Group did not early adopt the following standards that have been issued by the Malaysian Accounting Standards Board but are not effective for period beginning on 1 January 2019, but will be effective for later periods.

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 3	Business combination
Amendments to MFRS 101	Presentation of financial statements
Amendments to MFRS 108	Accounting policies, changes in accounting estimates and errors

Effective date deferred

Amendments to MFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 128	Sale 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.

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 2018 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 third interim dividend of 0.25 sen per ordinary share amounting to RM744,732 was declared on 26 November 2018 and paid on 07 January 2019 in respect of the year ended 31 December 2018.

The first interim dividend of 0.5 sen per ordinary share amounting to RM1,489,465 was declared on 25 February 2019 and paid on 15 April 2019 in respect of the year ended 31 December 2019.

The second interim dividend of 0.25 sen per ordinary share amounting to RM744,732 was declared on 27 May 2019 and paid on 15 July 2019 in respect of the year ended 31 December 2019.

The third interim dividend of 0.5 sen per ordinary share amounting to RM1,489,465 was declared on 26 August 2019 and paid on 30 September 2019 in respect of the year ended 31 December 2019.

The fourth interim dividend of 0.25 sen per ordinary share amounting to RM744,733 was declared on 25 November 2019 and paid on 30 December 2019 in respect of the year ended 31 December 2019.

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
4th quarter ended 31 December 2019				
External sales	27,945	12,213	-	40,158
Intersegment transactions	-	3,039	(3,039)	-
Total revenue	<u>27,945</u>	<u>15,252</u>	<u>(3,039)</u>	<u>40,158</u>
Segment results	5,630	5,068	-	10,698
Unallocated other income				408
Unallocated operating expenses				<u>(4,092)</u>
Profit before tax				<u>7,014</u>
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>
12 months ended 31 December 2019				
External sales	57,273	45,598	-	102,871
Intersegment transactions	-	10,503	(10,503)	-
Total revenue	<u>57,273</u>	<u>56,101</u>	<u>(10,503)</u>	<u>102,871</u>
Segment results	9,420	19,847		29,267
Unallocated other income				1,099
Unallocated operating expenses				<u>(15,016)</u>
Profit before tax				<u>15,350</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				648
Unallocated operating expenses				<u>(14,392)</u>
Profit before tax				<u>14,304</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 2018.

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 31.12.2019 RM'000	Preceding Year Corresponding Quarter Unaudited 31.12.2018 RM'000	Change %	12 Months Ended Unaudited 31.12.2019 RM'000	Audited 31.12.2018 RM'000	Change %
Revenue	40,158	45,899	(12.5)	102,871	95,361	7.9
Profit before tax	7,014	5,413	29.6	15,350	14,304	7.3

The Group's revenue was lower at RM40.16 million for the fourth quarter ended 31 December 2019 as compared to RM45.9 million for the corresponding quarter of the preceding year. The decline was attributed to lower revenue recognition from the roll out of the Cash Recycling Machine (CRM) during the quarter. Despite lower revenue in the current quarter, profit before tax grew 29.6% to RM7.01 million from RM5.41 million mainly due to the fulfillment of orders of Windows 10 platform upgrade received in the second half of the year.

For the current year to date, the Group's revenue rose from RM95.36 million to RM102.87 million with higher revenue contribution arising from the roll out of the CRM and Windows 10 platform upgrade. Correspondingly, the Group achieved a growth in profit before tax at RM15.35 million as compared to RM14.3 million in the preceding year.

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UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

B2. Group's Comparison with Preceding Quarter

	03 MONTHS ENDED		
	UNAUDITED	UNAUDITED	CHANGE
	31.12.2019	30.09.2019	%
	RM'000	RM'000	
Revenue	40,158	21,412	87.5
Profit before tax	7,014	2,946	138.1

The higher revenue of RM40.16 million for the current quarter ended 31 December 2019 as compared to RM21.41 million for the preceding quarter ended 30 September 2019 is driven by higher revenue from the roll-out of the Cash Recycling Machine (CRM) and Windows 10 platform upgrade. As a result, the Group posted a higher profit before tax of RM7.01 million for current quarter as compared to the profit before tax of RM2.95 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 2020.

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	12 MONTHS ENDED	
	QUARTER	CORRESPONDING	UNAUDITED	AUDITED
	UNAUDITED	QUARTER	UNAUDITED	31.12.2018
	31.12.2019	UNAUDITED	31.12.2019	31.12.2018
	RM'000	31.12.2018	RM'000	RM'000
		RM'000	RM'000	RM'000
Current year	1,379	1,064	3,884	3,512
Prior year	-	-	(74)	64
Deferred tax	551	406	402	541
	-----	-----	-----	-----
	1,930	1,470	4,212	4,117
	=====	=====	=====	=====

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.

B6. Profit for the period

	Current Quarter	Year to date
	31.12.2019	31.12.2019
	RM'000	RM'000
Interest income	(167)	(722)
Interest expenses	237	1,056
Amortisation	-	26
Depreciation	1,831	7,183
(Gain)/loss on disposal of property, plant & equipment	(4)	23
Property, plant & equipment written off	45	137
Trade-in machine from customer written down	695	796
Inventories written off	110	110
Unrealised forex gain	(90)	(90)
	=====	=====

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.

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UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

B7. Corporate Proposals

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

B8. Group's Borrowings

The breakdown of the borrowings is set out below:-

	UNAUDITED AS AT 31.12.2019 RM'000	AUDITED AS AT 31.12.2018 RM'000
Secured short-term borrowings		
Finance lease liabilities	2,936	5,099
Term loans	616	527
Bankers' acceptance	2,048	1,818
	----- 5,600	----- 7,444
Secured long-term borrowings		
Finance lease liabilities	4,283	5,217
Term loans	8,845	8,838
	----- 13,128	----- 14,055
Total borrowings	=====	=====

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)

UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

Notes :- (continued)

B10. Dividend

The first interim dividend of 0.5 sen per ordinary share amounting to RM1,489,465 was declared on 25 February 2019 and paid on 15 April 2019 in respect of the year ended 31 December 2019.

The second interim dividend of 0.25 sen per ordinary share amounting to RM744,732 was declared on 27 May 2019 and paid on 15 July 2019 in respect of the year ended 31 December 2019.

The third interim dividend of 0.5 sen per ordinary share amounting to RM1,489,465 was declared on 26 August 2019 and paid on 30 September 2019 in respect of the year ended 31 December 2019.

The fourth interim dividend of 0.25 sen per ordinary share amounting to RM744,733 was declared on 25 November 2019 and paid on 30 December 2019 in respect of the year ended 31 December 2019.

The first interim dividend of 0.5 sen per ordinary share amounting to RM1,489,465 was declared on 24 February 2020 and will be paid on 13 April 2020 in respect of the year ending 31 December 2020.

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

UNAUDITED INTERIM FINANCIAL REPORT – (Continued)

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 31.12.2019	CORRESPONDING QUARTER UNAUDITED 31.12.2018	12 MONTHS ENDED UNAUDITED 31.12.2019	AUDITED 31.12.2018
Profit attributable to owners	5,084	3,943	11,138	10,187
Number of ordinary shares ('000)	297,892	297,892	297,892	297,892
Basic earnings per share (sen)	1.71	1.32	3.74	3.41

(ii) Diluted earnings per share

Not applicable.

By Order of the Board
LIM SECK WAH
Secretary
Kuala Lumpur