



A hand is shown using a computer mouse. The background is a green-tinted image with various digital and business-related icons, including a shopping cart, an envelope, a bar chart, and a document. The word "CONTENTS" is written in large, bold, green capital letters across the middle of the image.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of the Company will be held at Nakhoda 1, Level 3, Hotel Armada Petaling Jaya, Lorong Utara C, Seksyen 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 16 June 2010 at 3.00pm for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2009 and the Reports of the Directors and the Auditors thereon. *(Please refer to Note 1.)*

2. To approve the payment of Directors' fees for the year ended 31 December 2009.

(Resolution 1)

3. To re-elect the following Director retiring in accordance with Article 98 of the Company's Articles of Association:

Mr. Tune Hee Hian

(Resolution 2)

4. To consider and if thought fit, to pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965:-

"THAT Mr. James Henry Stewart, retiring in accordance with Section 129 of the Companies Act, 1965 be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting."

(Resolution 3)

5. To re-appoint Messrs HLB Ler Lum as Auditors and to authorise the Board of Directors to fix their remuneration.

(Resolution 4)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution: -

6. **ORDINARY RESOLUTION
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

"THAT, subject always to the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Act, to issue shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company as at the date of this Annual General Meeting, and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

(Resolution 5)

NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board

LIM SECK WAH (MAICSA 0799845)

KONG MEI KEE (MAICSA 7039391)

Company Secretaries

Dated this 25th day of May 2010

Kuala Lumpur

Notes:

1. *The Agenda No. 1 is meant for discussion only as the Company's Articles of Association provides that the audited financial statements are to be laid in the general meeting and do not require a formal approval of shareholders. Hence, it is not put forward for voting.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.*
3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.*
4. *Where a member appoints two (2) proxies to attend at the same meeting, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.*
5. *If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney duly authorized.*
6. *The Form of Proxy must be deposited at the Registered Office of the Company at Level 15-2, Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
7. *Explanatory notes on Special Business*
 - 7.1 *The Ordinary Resolution 5 proposed in Agenda 6, if passed will give the Directors of the Company the flexibility to issue and allot new shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.*

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issue capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company for the time being, for such purposes. The renewed authority for allotment of shares will provide flexibility to the Company for the allotment of shares for the purpose of funding future investment, working capital and/or acquisitions. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

No shares have been issued and allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 17 June 2009.

PROFILE OF DIRECTORS



Seated from left to right:

CHEE HONG SOON
TAN KEE CHUNG
JAMES HENRY STEWART

Standing from left to right:

LEE SWEE SENG
TUNE HEE HIAN
TAI KEAT CHAI

TAN KEE CHUNG (*Malaysian, Aged 51*)

was appointed as Executive Director of OpenSys on 7 December 1995. He is a co-founder and the Chief Executive Officer of OpenSys. He is a member of the Remuneration Committee. He is responsible for the management of the business operations of the Company, business development and strategic planning. He obtained his Bachelor of Science degree in Computer Science from the University of Brighton, United Kingdom in 1982 and he was also a Johor State Government Scholar. He has about 27 years experience, mainly in management, sales and marketing, in the IT industry. Prior to co-founding OpenSys, he was the Marketing Director of AT&T GIS from January 1993 to December 1995, General Systems Division Manager in NCR from January 1991 to December 1992, Financial Systems District Manager in NCR from January 1990 to December 1990, Major Accounts Manager in Digital Equipment Corporation from 1986 to 1989 and Major Accounts Sales Specialist in Rank Xerox Ltd, United Kingdom from 1982 to 1985. He was also a member of the AT&T GIS Leadership Advisory Council from 1993 to 1995.

PROFILE OF DIRECTORS

CHEE HONG SOON *(Malaysian, Aged 50)*

was appointed as Executive Director of OpenSys on 7 December 1995. He is a co-founder and the Chief Financial Officer of OpenSys. He primarily oversees the finance department of the Company. He obtained his Bachelor of Science degree in Physics from Universiti Malaya in 1983. He has more than 20 years experience in transaction switching systems implementation, software application, database design, system migration and disaster recovery. Prior to co-founding OpenSys, he worked as a regional Enterprise Systems Consultant in AT&T GIS from 1990 to 1995 and Senior Systems Engineer in NCR from 1983 to 1989.

TUNE HEE HIAN *(Malaysian, Aged 51)*

was appointed as Executive Director of OpenSys on 9 January 1996. As a Business Development Director of OpenSys, he is primarily responsible for the management of product development. He is also involved in providing business development support for the overseas market. He holds a Bachelor of Science degree in Education and a Postgraduate Diploma in Computer Science from University Of Malaya in 1984. He also holds a Master's Certificate in Project Management from George Washington University, Washington DC, USA, which he obtained in 1995. He was also a Certified Project Management Professional of the PMI and has more than 25 years of experience in software development, project management and implementation of online financial systems. Prior to co-founding OpenSys, he worked as a Group Manager for Financial Systems in AT&T GIS from 1995 to 1996, as a Technical Consultant in NCR from 1992 to 1995, Systems Engineer in NCR from 1988 to 1991 and Instructor in Customer Education in NCR from 1984 to 1987.

LEE SWEE SENG *(Malaysian, Aged 50)*

was appointed as Independent Non-Executive Director of OpenSys on 6 November 2003. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee. He was called to the Malaysian Bar in 1985 and has been in active law practice since then. He is currently the managing partner of Lee Swee Seng & Co., Advocates & Solicitors in Kuala Lumpur. He obtained his Bachelor of Law (LLB Hons) and Masters in Law (LL.M) from the University of Malaya. He holds a Masters of Business Administration (MBA) from Southern Cross University in Australia. He is also a Certified National Trainer of Junior Chamber International, a past National President of Junior Chamber Malaysia in 1999 and a Member of the Malaysian Institute of Arbitrators and an associate member of the Malaysian Institute of Management. In addition, he is a Certified Mediator of the Malaysian Mediation Centre, a Notary Public, a Trademark, Industrial Design and Patent Agent. He is a member of the Malaysian Institute of Corporate Governance. He also lectures in the University of Malaya LLM programme,

University of Ballarat MBA programme and a Visiting Fellow of Taylor's University College Law Programme with University of Reading. He is a Bar Council member for 2010/2011.

He has resigned as an Independent Non-Executive Director of Opensys on 28 April 2010.

JAMES HENRY STEWART *(Canadian, Aged 76)*

was appointed as Independent Non-Executive Director of OpenSys on 6 November 2003. He is the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee. He has more than thirty years of experience in the IT industry. His management expertise includes sales and marketing, human resource planning, financial management and customer relations. He was the Managing Director of NCR Corporation for South East Asia and responsible for the overall objectives of NCR Corporation subsidiaries in Thailand, Malaysia, Singapore, Philippines, Indonesia and Sri Lanka from 1995 to 1997. He was the Country Manager for NCR Malaysia from 1989 to 1996, Vice President Computer Systems Division for NCR Canada Ltd from 1986 to 1988 and Vice President, Product Development and Marketing for NCR Canada Ltd from 1984 to 1985. Prior to that, he occupied various management positions with NCR Canada Ltd from 1968 to 1984.

TAI KEAT CHAI *(Malaysian, Aged 56)*

was appointed as Independent Non-Executive Director of OpenSys on 29 December 2006. He is also a member of both the Nomination Committee and Audit Committee. Presently, he is a Board member of Chuan Huat Resources Berhad, Disccomp Berhad, Cuscapi Berhad, Imaspro Corporation Berhad, SILK Holdings Berhad, MIDF Amanah Investment Bank Berhad and several other private limited companies. He began his career with KPMG in London in 1977 and a year later returned home to join PricewaterhouseCoopers. In 1981, he joined Alliance Investment Bank Berhad and rose to the position of Senior Manager (Corporate Finance). In 1990, he ventured into the stock broking industry and has worked in SJ Securities Sdn Bhd, A.A. Anthony Securities Sdn Bhd and ECM Investment Bank Berhad as General Manager, Director and a dealer's representative respectively.

Note : All the above named Directors of the Company have no family relationship with the other directors or substantial shareholders of the Company; and have not been convicted of any criminal offences (other than ordinary traffic offences, if any) and do not have any conflict of interest of the Company.

SENIOR MANAGEMENT



Seated from left to right:

GOH CHING LONG

Director, Customer Support Services

CHEE HONG SOON

Chief Financial Officer

TAN KEE CHUNG

Chief Executive Officer

TUNE HEE HIAN

Director, Business Development

Standing from left to right:

OOI HOCK ANG

Senior Manager,
Project Management Office/QA

ERIC LIM SWEE KEAH

Director, Sales

WONG SIEW POOI

Director, Software Development
& Integration

THAM KOK CHENG

Director, Research & Development

LUKE SEBASTIAN

Senior Manager, Centre of Technology

KOH LEA CHEONG

Director, Business Process Outsourcing

LEONG YOKE WAI

Director, Hardware Development
& Integration

CEO'S STATEMENT

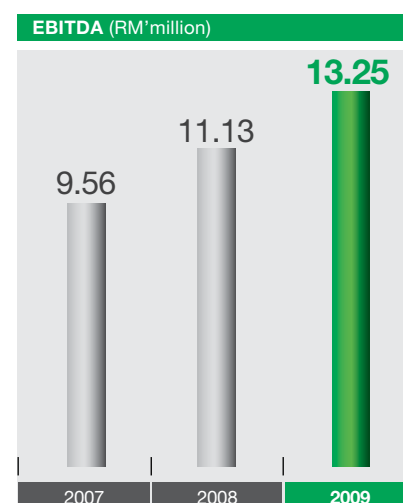
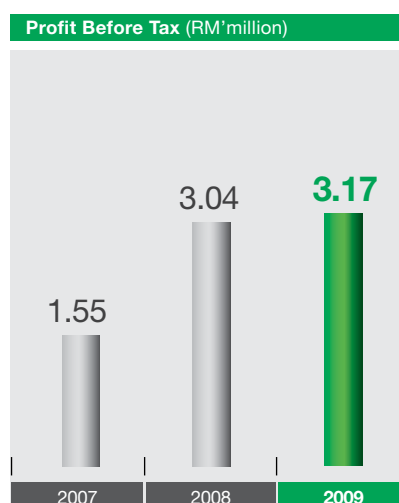
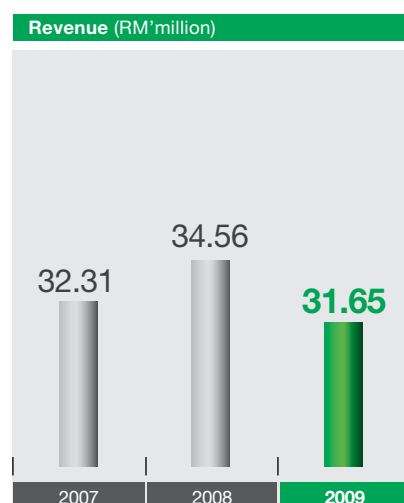


Year 2009 was the year that the sub-prime crisis reached a peak - causing some of our customers to trim down or hold back their capital expenditure in anticipation of tougher times ahead. Fortunately, the bleak scenario that was forecasted by most economists did not fully materialize largely due to coordinated rescue and pump-priming actions by most governments throughout the world. Our customers have since resumed their investment in information technology although they are still slightly cautious on the state of the economy going forward.

Despite a turbulent year in 2009, OpenSys' performance was good due to the resilience of our "software as a service" (SaaS) business model. For the last several years, we have re-engineered our company to generate more revenue from "click charges" resulting in steady income and recurring cash flow.

For the financial year ended 31 December 2009, profit before tax for our Company rose 4.2% to RM3.17 million although our revenue fell 8.4% to RM31.65 million from a year before. Our earnings before interest, tax, depreciation and amortization (EBITDA) jumped 19.1% to RM13.25 million from the corresponding period in 2008.

	2007	2008	2009
Revenue (RM'million)	32.31	34.55	31.65
Profit Before Tax (RM'million)	1.55	3.04	3.17
EBITDA (RM'million)	9.56	11.13	13.25



CEO'S STATEMENT



In 2009, OpenSys remains the market leader in two key domains, namely:

Efficient Service Machines (ESM) – self-service kiosks that allow customers to make deposits of cheques and cash; and pay bills using cash, cheques, credit and debit cards. To date, we have more than 2,000 units installed in four countries.

Cheque Truncation System (CTS) - an image-based cheque clearing system that minimizes the physical movement of cheques by converting cheques and standing instructions into electronic fund transfer instruments. OpenSys modern CTS system delivers as much as 80% operational cost savings to banks at less than half the price of traditional systems.

OpenSys continues to invest heavily in research and development to maintain our market leadership position and keep our products relevant. The total research and development expense incurred by our Company for the 12-month financial period up to 31 December 2009 was RM4.76 million. The carrying book value of development expenditure for the year ended 31 December 2009 is RM12.79 million.

In the area of corporate social responsibility, we installed a Charity Kiosk at One Utama Shopping Complex to allow shoppers to make donations via cash or cheques to three beneficiaries namely Kiwanis Down Syndrome Foundation, Hospis Malaysia and United Voice for a period of six months in 2009.

The Board of Directors would like take this opportunity to extend our gratitude and appreciation to our shareholders, customers, suppliers and business partners for the invaluable support that you give to OpenSys.

We would also like to thank each and every member of our management and staff for his/her dedication and commitment to grow with our Company, without which our success would not be possible.

Tan Kee Chung
Chief Executive Officer

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Kee Chung
(Executive Director and Chief Executive Officer)

Chee Hong Soon
(Executive Director)

Tune Hee Hian
(Executive Director)

James Henry Stewart
(Independent Non-Executive Director)

Lee Swee Seng
(Independent Non-Executive Director)
(Resigned 28 April 2010)

Tai Keat Chai
(Independent Non-Executive Director)

COMPANY SECRETARIES

Lim Seck Wah (MAICSA-0799845)
Kong Mei Kee (MAICSA-7039391)

AUDIT COMMITTEE

- 1) James Henry Stewart (Chairman)
- 2) Lee Swee Seng
(Resigned 28 April 2010)
- 3) Tai Keat Chai

NOMINATION COMMITTEE

- 1) James Henry Stewart (Chairman)
- 2) Lee Swee Seng
(Resigned 28 April 2010)
- 3) Tai Keat Chai

REMUNERATION COMMITTEE

- 1) James Henry Stewart (Chairman)
- 2) Lee Swee Seng
(Resigned 28 April 2010)
- 3) Tan Kee Chung

REGISTERED OFFICE

Level 15-2, Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur
Tel : 03-2692 4271
Fax : 03-2732 5388

BUSINESS OFFICE

Level 7, Menara Axis,
2 Jalan 51A/223,
46100 Petaling Jaya, Selangor
Tel : 03-7968 6868
Fax : 03-7968 1282

Suite 4.08, Level 4
Amoda Building
22 Jalan Imbi
55100 Kuala Lumpur
Tel : 03-2145 2878
Fax : 03-2148 2239

SHARE REGISTRAR

Mega Corporate Services Sdn Bhd
(187984-H)
Level 15-2, Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur
Tel : 03-2692 4271
Fax : 03-2732 5388

AUDITORS

HLB Ler Lum (AF 0276)
2nd & 3rd Floor, Bangunan Yeoh
35 & 37 Jalan Kamunting
50300 Kuala Lumpur
Tel : 03-2691 5737
Fax : 03-2691 3227

PRINCIPAL BANKERS

EON Bank Berhad (92351-V)
Malayan Banking Berhad (3813-K)

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
ACE Market
Stock Code : 0040

AUDIT COMMITTEE REPORT

The principle objective of the Audit Committee is to assist the Board in discharging certain of its statutory duties and responsibilities in relation to financial, accounting and reporting practices and to ensure proper disclosure to the shareholders of the Company.

COMPOSITION AND DESIGNATION OF AUDIT COMMITTEE

The Audit Committee comprises the following members: -

CHAIRMAN

James Henry Stewart - Independent Non-Executive Director

MEMBERS

Lee Swee Seng - Independent Non-Executive Director (*Resigned 28 April 2010*)

Tai Keat Chai - Independent Non-Executive Director

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

MEMBERSHIP

The Audit Committee shall be appointed by the Board of Directors from among their number and shall be composed of not fewer than 3 members, exclusively non-executive directors with a majority being Independent Non-Executive.

The members of the Audit Committee shall elect a chairman from among their member who is an independent director. The Chairman elected shall be subject to endorsement by the Board.

If a member of the Audit Committee resigns, or for any reason ceases to be a member with the results that the number is reduced below 3, the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

No alternate director shall be appointed as a member of the Audit Committee.

The terms of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three (3) years. However, the appointment terminates when a member ceases to be a Director.

Subsequent to Mr. Lee Swee Seng's resignation on 28 April 2010, the composition of the Company's Audit Committee does not meet the Bursa Listing Requirements. Nevertheless, the Company has three months to fill the vacancy. The Board shall seek for the right candidate accordingly.

AUTHORITY

The Audit Committee is authorized to investigate any activity of the Company within its terms of reference and all employees shall be directed to co-operate with any request made by the Committee. The Committee shall be empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibilities.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Audit Committee shall be: -

- to consider the appointment of the external auditors, the audit fees and any question of resignation or dismissal;
- to oversee all matters pertaining to audit including the review of the audit plan and report;
- to discuss problems and reservations arising from the interim and final results, and any matters the external auditors may wish to discuss (in the absence of management where necessary);
- to keep under review the effectiveness of internal control systems, and in particular review the external auditors management letter and management's response;
- to consider other matters, act upon the Board of Directors' request to investigate and report on any issues or concerns in regard to management of the Company, as defined;
- to review the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work; and
- to verify the allocation of options to the eligible employees pursuant to the Company's Employee Share Option Scheme at the end of each financial year.

AUDIT COMMITTEE REPORT

MEETINGS AND ATTENDANCE

Meetings shall be held at least 4 times a year or a frequency to be decided by the Committee. The Committee may require the external auditors and any official of the Company to attend any of its meetings as it determined. The external auditors may request a meeting if they consider one is necessary. The quorum for each meeting shall be at least 2 members, both of whom present shall be Independent Non-Executive Directors. The Company Secretary is the Secretary of the Committee.

The Audit Committee shall meet with the external auditors and internal auditors without executive board members present at least once a year.

There were four (4) Audit Committee meetings chaired by Mr. James Henry Stewart and were attended by the members during the year 2009.

Record of attendance for meetings held during the financial year ended 31 December 2009 is as follow: -

AUDIT COMMITTEE MEMBERS	ATTENDANCE
James Henry Stewart (Chairman)	4/4
Lee Swee Seng (<i>Resigned 28 April 2010</i>)	4/4
Tai Keat Chai	4/4

The Company Secretary attended all the Audit Committee meetings.

In carrying out its duties, the Audit Committee reported to and updated the Board on significant issues and concerns discussed during the Committee's meetings and where appropriate, made necessary recommendations to the Board. The Secretary was responsible to record all proceedings and minutes of all meetings of the Audit Committee.

SUMMARY ACTIVITIES OF THE AUDIT COMMITTEE DURING THE YEAR

The activities of the Audit Committee during the financial year ended 31 December 2009 are as follows: -

- review the quarterly results;
- review the adequacy of the audit scope and plan of the external auditors;
- review reports of the internal and external auditors;
- consider and recommend to the Board for approval of the audit fees payable to the external auditors;
- review the internal auditors' scope of work;
- check with the internal auditors on any findings which require the committee's attention;
- review the internal control policy and internal control system; and
- review the audited Financial Statements of the Group and the Company prior to submission to the Board for their consideration and approval.

INTERNAL AUDIT FUNCTIONS

The Company has outsourced its internal audit division to a third party professional firm to assist the Audit Committee in discharging their responsibilities and duties. The role of the internal audit functions is to undertake independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively.

The internal audits cover the review of the adequacy of risk management, operational controls, and compliance with established procedures, guidelines and statutory requirements.

During the financial year under review, the internal auditors reviewed and audited the Company's Management and Financial Control, Inventory Management Control, Property, Plant and Equipment Management Control and Insurance Coverage. Follow-up review was also performed on the Company's Purchase and Payment System, Cash and Bank Management System, Human Resource and Payroll Management and Employee Claims Processing and Controls. There were no significant problems noted during the period under review.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors fully acknowledges the importance of adopting high standards of corporate governance as means for sustaining the Company's long-term growth and increasing shareholders' value. The Company is currently moving towards compliance with the Principles and adoption of most of the Best Practices as set out in Part 1 & Part 2 of the Malaysian Code of Corporate Governance ("The Code").

PRINCIPLES STATEMENT

The following statement sets out how the Company has applied the Principles in Part 1 of the Code: -

A. BOARD OF DIRECTORS

Board Composition and Balance

The Board presently comprises five (5) members and is headed by the Chief Executive Officer, Mr. Tan Kee Chung. The profile of each Director is presented separately in the Annual Report.

The Board members are made up as follows:-

- One (1) Chief Executive Officer
- Two (2) Executive Directors
- Two (2) Independent Non-Executive Directors

The Company is in compliance with Rule 15.02 of the ACE Market Listing Requirements whereby one-third of its Board members are independent directors.

Board Committees

There are three committees of the Board, namely the Audit Committee, Nomination Committee and Remuneration Committee. All these committees have written terms of reference to govern their respective responsibilities. Each of the committees have the authority to examine particular issues and report to the Board with their recommendations. The ultimate decision on all matters lies with the Board.

Duties and Responsibilities

The Company acknowledges the importance of having an effective Board to lead and control the Company. The Board is ultimately responsible for the stewardship of the Company's strategic direction and development. The Board's responsibilities include reviewing and adopting the Company's goals, objectives and strategic plans set by the management, monitoring the achievement of the goals and objectives, reviewing the performance and identifying the Company's principal risks.

The Board is comprised of professionals from various backgrounds and is capable of bringing in-depth and diverse experience, expertise and perspectives to the Company's business operations. The profile of each Director is presented separately in the Annual Report.

The presence of Non-Executive Directors who are independent from the management ensures a balanced and independent view at all Board deliberations. The Independent Directors are also free from any business or other relationships that could materially interfere with the exercise of their independent judgment.

STATEMENT OF CORPORATE GOVERNANCE

Meetings

The Board meets regularly, with due notice of issues to be discussed and records its conclusions in discharging its duties and responsibilities.

The Board met four (4) times during the financial year ended 31 December 2009. The members of the Board and their attendance at the meetings were as follows: -

Board of Directors	No. of meetings attended
Tan Kee Chung	4/4
Chee Hong Soon	4/4
Tune Hee Hian	4/4
James Henry Stewart	4/4
Lee Swee Seng (<i>Resigned 28 April 2010</i>)	4/4
Tai Keat Chai	4/4

The Company Secretary attended all the Board meetings.

Supply of Information

The agenda and Board papers for each item as well as minutes of previous meetings are circulated prior to the Board meetings to give Directors sufficient time to deliberate on the issues to be raised at the Board meetings.

Upon recommendations by the management/committee members, the Board will deliberate and discuss on the matters before any decisions be made. All proceedings of the Board Meetings are minuted and signed by the Chairman of the meeting in accordance with the provision of Section 156 of the Companies Act, 1965.

The Board is kept updated on the Company's and Group's activities and its operations on a regular basis. The directors also have access to reports on the Group's activities, both financial and operational.

All directors have access to the advice and services of the Company Secretary who is responsible for ensuring that board procedures are followed and the Board may also take independent advice, at the Company's expenses, in the furtherance of their duties if so required. The Board also has unlimited access to all information with regard to the activities of the Company.

Appointments to the Board

The appointment of any additional Director is made as and when it is deemed necessary by the existing Board with due consideration given to the mix of expertise and experience required for an effective Board.

The Company has established a Nomination Committee on 13.2.2007. The Nomination Committee, which has been appointed by the Board is primarily empowered by its terms of reference in carrying out the functions amongst, to review annually the required mix of skills, experience and other qualities of the Directors and to recommend new appointment, if any, to the Board.

The Nomination Committee is also set for assessing the effectiveness of the board as a whole, the committees of the board and the contribution of each individual director including Independent Non-Executive Directors and Chief Executive Officer. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions are properly documented.

STATEMENT OF CORPORATE GOVERNANCE

Appointments to the Board (Cont'd)

The Nomination Committee comprises the following: -

Chairman

James Henry Stewart - Independent Non-Executive Director

Members

Lee Swee Seng - Independent Non-Executive Director (*Resigned 28 April 2010*)
 Tai Keat Chai - Independent Non-Executive Director

Re-election

Pursuant to the Company's Articles of Association, one-third (1/3) of the Directors including the Managing Director, shall retire from office, at least once in three (3) years. Retiring directors can offer themselves for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by shareholders at the next Annual General Meeting held following their appointment. Directors over seventy (70) years of age are subject for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

At the forthcoming Annual General Meeting, Mr. Tune Hee Hian will retire by rotation pursuant to Article 98. Mr. James Henry Stewart, age 76 will retire in accordance with Section 129(6) of the Companies Act, 1965. All of them being eligible, offer themselves for re-election.

Directors' Training

In line with the constant amendments for the enhancement of the rules and regulations and borderless business environment, the Directors are encouraged to continuously attend the relevant training courses to further enhance their knowledge and to equip them in effectively discharging their duties as directors.

The Board members attends relevant training programmes from time to time to equip themselves with the knowledge to discharge their duties more effectively.

All directors have attended training in 2009. The details of the courses attended are as follows: -

Director	Date	Course Attended
Tan Kee Chung	2 July 2009	Corporate Governance Guide - Towards Boardroom Excellence - Organized by the Malaysian Institute of Accountants
Chee Hong Soon	14 April 2009	FTSE Bursa Malaysia Index Series Elevating Malaysian PLCs with International Index Methodology - Organized by Bursa Malaysia Berhad
	26 – 27 May 2009	Malaysian Customs Procedures - Organized by The Exporters Club Sdn Bhd
	10 July 2009	Technical Briefing - New Regulatory Framework and The ACE Market Requirements - Organized by Bursa Malaysia Berhad
	23 July 2009	Corporate Governance Guide - Towards Boardroom Excellence - Organized by Malaysian Institute of Accountants

STATEMENT OF CORPORATE GOVERNANCE

Directors' Training (Cont'd)

Director	Date	Course Attended
	2 November 2009	4th Advent Tax & Business Management Seminar - Organized by Advent Tax Consultants Sdn Bhd
	16 – 17 November 2009	An Overview of Financial Reporting Standards - Organized by Bridge Knowle Events (M) Sdn Bhd
James Henry Stewart	2 July 2009	Corporate Governance Guide – Towards Boardroom Excellence - Organized by the Malaysian Institute of Accountants
Lee Swee Seng (Resigned 28 April 2010)	9 -12 November 2009	22nd LAWASIA Conference - LAWASIA and Ho Chi Minh City Bar Association
Tai Keat Chai	August 2009	Financial Institutions Directors' Education Programme - Organized by Bank Negara Malaysia and Perbadanan Insurans Deposit Malaysia
Tune Hee Hian	23 July 2009	Corporate Governance Guide - Towards Boardroom Excellence - Organized by the Malaysian Institute of Accountants

B. DIRECTORS' REMUNERATION

The details of the remuneration for Directors during the financial year ended 31 December 2009 are categorized into appropriate components as follows: -

	Fees RM'000	Others Salaries RM'000	Emoluments RM'000	Total RM'000
Executive directors	-	726	352	1,078
Non executive directors	72	-	6	78

The annual remuneration of the directors in bands of RM50,000 is tabulated below: -

Remuneration Band	Executive	Non executive
Below RM50,001	-	3
RM50,001 - RM250,000	-	-
RM250,001 - RM300,000	2	-
RM300,001 - RM500,000	-	-
RM500,001 - RM550,000	1	-

The Company has established the Remuneration Committee on 13.2.2007. The Committee's primary responsibility is to recommend to the Board, the remuneration of Directors. In the case of Executive Directors, the component parts of remuneration are structured to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular non-executive concerned.

STATEMENT OF CORPORATE GOVERNANCE

However, the final decision on the Directors' remuneration lies on the Board as a whole and the respective director is to abstain from discussion on their own remuneration.

The members of the Remuneration Committee are as follows: -

Chairman

James Henry Stewart - Independent Non-Executive Director

Members

Lee Swee Seng - Independent Non-Executive Director (*Resigned 28 April 2010*)
Tan Kee Chung - Chief Executive Officer

C. SHAREHOLDERS

Dialogue between the Company and Investor

The Company values dialogue with investors as a means of effective communication that enables the Board to convey information about the Company's performance, corporate strategy and other matters affecting shareholders' interests.

The Annual General Meeting is the principal forum for dialogue with individual shareholders. It is a crucial mechanism in shareholder communication for the Company. All shareholders, including private investors, have an opportunity to participate in discussions with the Board on matters relating to the Company's operations and performance at the Company's Annual General Meeting.

The Board is also committed to ensure that shareholders are well informed of major developments of the Company and the information is also communicated to them through the following channels:-

- a) Annual Report;
- b) Various disclosures and announcements made to Bursa Securities including the quarterly results and annual results; and
- c) The Company's website www.myopensys.com through which shareholders and the public in general can gain access to the latest corporate and product information of the Company.

Annual General Meeting ("AGM")

Notice of AGM and annual reports are sent out to shareholders at least 21 days before the date of the meeting.

At the AGM, the Board also provides opportunities for shareholders to raise questions pertaining to the business activities of the Company. Directors and senior management staff are available to respond to shareholders' queries.

For the re-election of Directors, the Board will ensure that full information is disclosed through the notice of meeting regarding Directors who are subject to retire but being eligible, offer themselves for re-election.

Each item of special business included in the notice of meeting will be accompanied by an explanatory statement for the proposed resolution to facilitate full understanding and evaluation of issues involved.

STATEMENT OF CORPORATE GOVERNANCE

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide a balanced and understandable assessment of the Company's financial performance, financial position and prospects through the annual financial statements and announcement of quarterly results.

In the preparation of the financial statements, the directors have:

- Adopted suitable accounting policies and applied them consistently;
- Made judgments and estimates that are prudent and reasonable;
- Ensured applicable accounting standards have been followed, subject to any material departures, disclosed and explained in the financial statements; and
- Prepared the financial statements on an ongoing basis.

Internal Control

The Board has overall responsibility for maintaining a system of internal controls, which provides reasonable assessments of effective and efficient operations, internal controls and compliance with laws and regulations.

The Company has outsourced the independent internal audit division to ensure the internal audit functions are carried out effectively and professionally.

Relationship with External Audit

The Company's independent external auditors hold an essential role for the shareholders by enhancing the reliability of the Company's financial statements and providing assurance of that reliability to users of these financial statements.

The external auditors have an obligation to bring any significant defects in the Company's system of control and compliance to the attention of the Management; and if necessary, to the Audit Committee and the Board.

E. DIRECTOR'S RESPONSIBILITY STATEMENT IN RESPECT OF FINANCIAL STATEMENTS

The Directors are required to prepare the financial statements for each financial year, which gives a true and fair view of the state of affairs, the results and cash flow of the Company for the financial year ended.

The Directors are responsible for ensuring that the Company keeps accounting records with reasonable accuracy, which will at any time reflect the financial position of the Company. It is also the duty and responsibility of the Directors to ensure that the financial statements are complied with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

ADDITIONAL COMPLIANCE INFORMATION

1. Non-audit Fees

There was no non-audit fee paid to the external auditors by the Company for the financial year ended 31 December 2009.

2. Revaluation Policy

Not applicable.

3. Option, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued or exercised during the financial year.

During the financial year ended 31 December 2009, no options were exercised by the eligible employees under the Employee Share Option Scheme (ESOS).

No ESOS option was offered to the non-executive directors of the Company in respect of the financial year ended 31 December 2009.

The company's ESOS has expired on 29 January 2009.

4. Utilisation of Proceeds

The Company did not undertake any corporate exercise during the financial year. Hence, no proceeds were raised.

5. Corporate Social Responsibilities ("CSR")

On 24th March 2009, the Company launched its CSR initiative with a first in Malaysia Charity Kiosk at One Utama Shopping Complex, Petaling Jaya, Selangor. The OpenSys Charity Kiosk, based on its successful Efficient Service Machine (ESM) technology that are used by banks, insurance and telecommunication companies, was located at the shopping complex until 30th September 2009.

The Charity Kiosk allowed public to make donations to three beneficiaries namely Kiwanis Down Syndrome Foundation – National Centre, Hospis Malaysia and United Voice. Donations can be made by cash or cheques. During the six months period, a total of RM10,306.00 was collected for the three beneficiaries.

The Company had sponsored the cost of developing the software and hardware for the Charity Kiosk. All maintenance costs of the Charity Kiosk were borne by the Company and the Company did not impose any charges for the service. All donations made via the Charity Kiosk were collected by representatives of the three beneficiaries.

On 14th May 2009, The Malaysia Books of Records awarded the Company a National Record for the First Electronic Kiosk to Accept Donations for Charity.

OpenSys wishes to thank all the donors and all those who provided support for making the CSR initiative a success.

6. Others

During the financial year ended 31 December 2009, none of the following transactions has been entered by the Company:-

- Share Buy-backs;
- Sponsorship of any American Depository Receipt or Global Depository Receipt programmes;
- Sanctions and/or penalties imposed on the Company, Directors or management staff by the relevant regulatory bodies;
- Issuance or announcement of any profit estimate, forecast or projection;
- Profit guarantee given by the Company; and
- Material contracts entered into by the Company involving directors and substantial shareholders

STATEMENT ON INTERNAL CONTROL

Introduction

Pursuant to paragraph 15.26(b) of the Bursa Securities Listing Requirements, the Board of Directors is pleased to make a statement on the state of the internal controls of the Group which has been prepared in accordance with the Listing Requirements for ACE Market and guided by the Bursa Malaysia Statement on Internal Control: Guidance for Directors of Public Listed Companies.

Responsibilities of the Board

The Board acknowledges its responsibility for maintaining sound systems of internal control, and for reviewing the effectiveness, adequacy and integrity of the system. The systems of internal control cover financial, operational controls, compliance controls, and risk management. The Board also acknowledges that a sound system of internal control reduces, but cannot eliminate, the risk of failure to achieve business objectives. Accordingly, a sound system of internal control therefore provides reasonable, but not absolute, assurance against material misstatement, fraud and loss.

Risk Management

The Group has in placed a risk management framework and a sound system of internal control to achieve a good governance framework. The risk management framework is set up to identify, evaluate, monitor and manage risks that may affect the Group's businesses. An effective framework allows the Management to manage risks within defined parameters and standards.

The Management, with the assistance of the internal auditors pursued a continuous process of identifying, assessing and managing key business, operational and financial risks faced by its business units as well as regularly reviewing planned strategies to determine whether risks are mitigated and well-managed, and to ensure compliance with the guidelines issued by the relevant authorities.

Internal Audit Function

The internal audit function is presently out-sourced to a third party professional firm who monitors and reports on the system of internal financial, accounting and operational controls. Its main responsibility is to undertake reviews of the system of internal control to ensure that such a system operates satisfactorily and effectively in the Group. It reports to the Audit Committee. The internal audit function adopts a risk-based approach and prepares its audit plans based on the risk profiles of the Group.

The fee paid to the professional firm in respect of internal audit function for the financial year ended 31 December 2009 was RM22,100 (inclusive of government tax and disbursement).

STATEMENT ON INTERNAL CONTROL

Key Elements of Internal Control

The Group's Management conducts periodic meetings that are attended by key personnel and senior staff members to discuss the Group's current and future business conditions, and to assess the Group's financial and operational exposure. The respective head of departments and business units heads also participate in such meetings to assist the Group in achieving its business performance, corporate plans and strategies with a structured segregation of duties and reporting responsibilities in monitoring operational issues, procedures and performance in a timely manner.

The key elements of the Group's internal control system include the following:

- Giving authority to the Board's committee members to investigate and report on any areas of improvement.
- Performing in-depth study on major variances and deliberating irregularities in the board meetings and Audit Committee meetings so as to identify the causes of the problems and formulate solutions to resolve them.
- Arranging regular interactive meetings to identify and rectify any weaknesses in the system of internal control. There would also be informed on the matters brought up in the Audit Committee meetings on a timely basis.
- Delegating necessary authority to the Chief Executive Officer in order for him to play a major role as the link between the Board and Senior Management in implementing the Board's expectation of effective system of internal control.
- Keeping the management informed on the development of the action plan for enhancing system of internal control allowing various management personnel to have access to important information for better decision-making; and
- Monitoring key commercial, operational and financial risks through reviewing the system of internal control and operational structures.

Review of statement by External Auditors

The external auditors have reviewed this Statement on Internal Control for the inclusion in the annual report of the Group for the financial year ended 31 December 2009, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Internal Control is inconsistent with their understanding of the process adopted by the Board in the review of the adequacy and integrity of the system of internal control of the Group.

Conclusion

The Board believes that the current system of internal control incorporated by the Group is adequate and effective with no significant problems noted during the period under review. Notwithstanding this, the Board is cognizant of the fact that the Group's system of internal control must continuously be enhanced and evolved to meet the ever changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to enhance the effectiveness and adequacy of the system of internal control to safeguard shareholders' investments and the Group's assets.

This Statement was approved by the Board of Directors.



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in submitting their Report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are :-

- (a) to provide solutions to the financial services industry in the areas of self-service machines and universal delivery systems and IT services such as systems integration, project management, software development, support services and training;
- (b) investment holdings; and
- (c) to develop, assemble, manufacture, sell, import, export, let out, hire, lease, finance, install, alter, maintain, service, repair or otherwise deal in all kinds of computers, self-service machines, software application solutions and provision of related services.

The principal activities of the subsidiaries are set out in Note 11 to the Financial Statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	3,261,965	3,266,839
Attributable to :-		
Equity holders of the Company	3,261,965	3,266,839

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend any dividend for the current financial year ended 31 December 2009.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year.

DIRECTORS

The Directors who served on the Board of the Company since the date of the last Report and at the date of this Report are :-

Tan Kee Chung
Chee Hong Soon
Tune Hee Hian
Lee Swee Seng
James Henry Stewart
Tai Keat Chai

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their interests in the share capital of the Company during the financial year were as follows :-

	Ordinary shares of RM0.10 each			Balance at 31.12.2009
	Balance at 1.1.2009	Acquired	Disposed	
Tan Kee Chung	35,541,230	-	-	35,541,230
Chee Hong Soon	6,161,220	-	-	6,161,220
Tune Hee Hian	3,982,682	-	-	3,982,682

By virtue of the Directors' interests in the shares of the Company, Directors having interest in the shares of the Company are also deemed interested in the shares of the subsidiaries of the Company to the extent of the Company's interest in the subsidiaries as disclosed under Note 11 to the Financial Statements.

Other than disclosed above, Directors who held office at the end of the financial year did not have any interests in the shares of the Company or related companies during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remunerations received or due and receivable by Directors as shown in the financial statements of the Group and of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps :-

- (a) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance has been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records of the Group and of the Company in the ordinary course of business have been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

At the date of this Report, the Directors are not aware of any circumstances :-

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this Report, there does not exist :-

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that :-

At the date of this Report, they are not aware of any circumstances not otherwise dealt with in this Report or the financial statements which would render any amount stated in the financial statements misleading.

In their opinion,

- (a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this Report is made.

AUDITORS

The auditors, Messrs. HLB Ler Lum, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,

Tan Kee Chung

Chee Hong Soon

Dated : 7 April 2010
Kuala Lumpur

STATEMENT BY DIRECTORS

We, TAN KEE CHUNG and CHEE HONG SOON, being two of the Directors of OPENSYS (M) BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the Companies Act 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results of the operations and cash flows for the financial year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors,

Tan Kee Chung

Chee Hong Soon

Dated : 7 April 2010
Kuala Lumpur

STATUTORY DECLARATION

I, TAN KEE CHUNG, being the Director primarily responsible for the financial management of OPENSYS (M) BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Tan Kee Chung

Subscribed and solemnly declared by the abovenamed TAN KEE CHUNG
at Kuala Lumpur on 7 April 2010

Before me :

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the members of OpenSys (M) Berhad (Company No: 369818-W)

We have audited the financial statements of OPENSYS (M) BERHAD, which comprise the Balance Sheets of the Group and of the Company as at 31 December 2009, and the Income Statements, Statements of Changes in Equity and Cash Flow Statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 28 to 55.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the financial year then ended.

INDEPENDENT AUDITORS' REPORT

to the members of OpenSys (M) Berhad (Company No: 369818-W)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for these purposes.
- c) The auditors' report on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Matters

This Report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this Report.

HLB LER LUM
(Firm Number : AF 0276)
Chartered Accountants

LER CHENG CHYE
871/3/11(J/PH)
Chartered Accountant

Dated: 7 April 2010
Kuala Lumpur

INCOME STATEMENTS

for the financial year ended 31 December 2009

			Group		Company
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Revenue	4	31,646,624	34,552,621	31,646,624	34,552,621
Cost of sales		(22,154,804)	(24,687,507)	(22,154,804)	(24,687,507)
Gross profit		9,491,820	9,865,114	9,491,820	9,865,114
Other operating income		101,830	125,776	101,830	125,776
Selling & distribution costs		(359,191)	(290,078)	(359,191)	(290,078)
Administration expenses		(3,036,833)	(2,838,516)	(3,031,959)	(2,833,702)
Other operating expenses		(1,827,251)	(2,016,764)	(1,827,251)	(2,016,764)
Finance costs	5	(1,200,438)	(1,803,373)	(1,200,438)	(1,803,373)
Profit before tax	6	3,169,937	3,042,159	3,174,811	3,046,973
Income tax expense	8	92,028	(18,551)	92,028	(18,551)
Profit for the financial year		3,261,965	3,023,608	3,266,839	3,028,422
Attributable to :-					
Equity holders of the Company		3,261,965	3,023,608	3,266,839	3,028,422
Earnings per ordinary share	9				
Basic (Sen)		1.46	1.35	1.46	1.35

The notes set out on pages 35 to 55 form an integral part of these financial statements.

BALANCE SHEETS

as at 31 December 2009

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
ASSETS					
Non-current assets					
Property, plant & equipment	10	25,984,671	26,694,643	25,984,671	26,694,643
Investment in subsidiaries	11	-	-	2,000	2,000
Development expenditure	12	12,793,314	16,271,684	12,793,314	16,271,684
Fixed deposits	13	3,646,431	3,549,820	3,646,431	3,549,820
		42,424,416	46,516,147	42,426,416	46,518,147
Current assets					
Inventories	14	8,413,992	9,298,159	8,413,992	9,298,159
Trade receivables	15	4,964,501	6,410,265	4,964,501	6,410,265
Other receivables & prepayments	16	1,269,879	2,008,255	1,269,879	2,008,255
Amount due from subsidiaries	11	-	-	18,540	13,666
Income tax assets		480,419	17,829	480,419	17,829
Short term investment	17	401,791	-	401,791	-
Cash & bank balances		571,874	2,782,872	571,874	2,782,872
		16,102,456	20,517,380	16,120,996	20,531,046
Total assets		58,526,872	67,033,527	58,547,412	67,049,193

The notes set out on pages 35 to 55 form an integral part of these financial statements.

BALANCE SHEETS

as at 31 December 2009

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
EQUITY AND LIABILITIES					
Equity attributable to equity holders					
Share capital	18	22,342,000	22,342,000	22,342,000	22,342,000
Share premium	19	5,917,207	5,917,207	5,917,207	5,917,207
Capital reserve		-	303,120	-	303,120
Retained earnings		10,845,887	7,280,802	10,867,477	7,297,518
Total equity		39,105,094	35,843,129	39,126,684	35,859,845
Non-current liabilities					
Finance lease liabilities	20	2,486,077	2,521,156	2,486,077	2,521,156
Borrowings	21	3,498,550	4,833,580	3,498,550	4,833,580
		5,984,627	7,354,736	5,984,627	7,354,736
Current liabilities					
Trade payables	22	908,458	2,735,312	908,458	2,735,312
Other payables & accruals	23	2,251,681	2,587,332	2,250,631	2,586,282
Finance lease liabilities	20	1,449,004	1,750,329	1,449,004	1,750,329
Short term borrowings	21	6,937,897	11,341,320	6,937,897	11,341,320
Bankers' acceptance	24	1,195,000	5,307,000	1,195,000	5,307,000
Bank overdrafts	24	585,828	10	585,828	10
Post-employment benefit obligations	25	109,283	114,359	109,283	114,359
		13,437,151	23,835,662	13,436,101	23,834,612
Total liabilities		19,421,778	31,190,398	19,420,728	31,189,348
Total equity and liabilities		58,526,872	67,033,527	58,547,412	67,049,193

The notes set out on pages 35 to 55 form an integral part of these financial statements.

CONSOLIDATED

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2009

	<----- Attributable to equity holders ----->				
				-- Distributable --	
	Share capital RM	Share premium RM	Capital reserve RM	Retained earnings RM	Total equity RM
Balance at 1 January 2008	22,342,000	5,917,207	303,120	4,257,194	32,819,521
Profit for the financial year, representing total recognised income and expenses for the financial year	-	-	-	3,023,608	3,023,608
Balance at 31 December 2008	22,342,000	5,917,207	303,120	7,280,802	35,843,129
Profit for the financial year, representing total recognised income and expenses for the financial year	-	-	-	3,261,965	3,261,965
Transfer from capital reserve	-	-	(303,120)	303,120	-
Balance at 31 December 2009	22,342,000	5,917,207	-	10,845,887	39,105,094

The notes set out on pages 35 to 55 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2009

	<----- Attributable to equity holders ----->				
			-- Distributable --		
	Share capital RM	Share premium RM	Capital reserve RM	Retained earnings RM	Total equity RM
Balance at 1 January 2008	22,342,000	5,917,207	303,120	4,269,096	32,831,423
Profit for the financial year, representing total recognised income and expenses for the financial year	-	-	-	3,028,422	3,028,422
Balance at 31 December 2008	22,342,000	5,917,207	303,120	7,297,518	35,859,845
Profit for the financial year, representing total recognised income and expenses for the financial year	-	-	-	3,266,839	3,266,839
Transfer from capital reserve	-	-	(303,120)	303,120	-
Balance at 31 December 2009	22,342,000	5,917,207	-	10,867,477	39,126,684

The notes set out on pages 35 to 55 form an integral part of these financial statements.

CASH FLOW STATEMENTS

for the financial year ended 31 December 2009

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash flows from operating activities				
Profit before tax	3,169,937	3,042,159	3,174,811	3,046,973
Adjustments for :-				
Amortisation of development expenditure	4,761,182	2,858,904	4,761,182	2,858,904
Depreciation	4,218,662	3,542,325	4,218,662	3,542,325
Gain on disposal of property, plant & equipment	-	(125)	-	(125)
Interest expenses	1,367,369	2,092,717	1,367,369	2,092,717
Interest income	(101,830)	(120,532)	(101,830)	(120,532)
Operating profit before working capital changes	13,415,320	11,415,448	13,420,194	11,420,262
Decrease in inventories	884,167	1,008,368	884,167	1,008,368
Decrease in receivables	2,184,140	3,627,578	2,184,140	3,627,578
(Decrease)/Increase in payables	(2,167,581)	1,707,212	(2,167,581)	1,707,212
Net changes in inter-company balances	-	-	(4,874)	(4,814)
Cash generated from operations	14,316,046	17,758,606	14,316,046	17,758,606
Interest paid	(1,367,369)	(2,092,717)	(1,367,369)	(2,092,717)
Interest received	101,830	120,532	101,830	120,532
Tax paid	(480,419)	(6,286)	(480,419)	(6,286)
Tax refund	109,857	-	109,857	-
Net cash from operating activities	12,679,945	15,780,135	12,679,945	15,780,135
Cash flows from investing activities				
Development expenditure paid	(1,187,167)	(3,438,517)	(1,187,167)	(3,438,517)
Purchase of property, plant & equipment	(1,046,389)	(382,902)	(1,046,389)	(382,902)
Proceeds from disposal of property, plant & equipment	-	140	-	140
Net cash used in investing activities	(2,233,556)	(3,821,279)	(2,233,556)	(3,821,279)
Cash flows from financing activities				
Placement of short term investment	(401,791)	-	(401,791)	-
Placement of fixed deposit	(96,611)	(108,510)	(96,611)	(108,510)
Repayment of bankers' acceptance - net	(4,112,000)	(2,244,000)	(4,112,000)	(2,244,000)
Repayment of borrowings - net	(6,788,453)	(3,772,940)	(6,788,453)	(3,772,940)
Repayment of finance lease liabilities	(1,844,350)	(2,137,743)	(1,844,350)	(2,137,743)
Net cash used in financing activities	(13,243,205)	(8,263,193)	(13,243,205)	(8,263,193)
Net changes in cash and cash equivalents	(2,796,816)	3,695,663	(2,796,816)	3,695,663
Cash and cash equivalents brought forward	2,782,862	(912,801)	2,782,862	(912,801)
Cash and cash equivalents carried forward	(13,954)	2,782,862	(13,954)	2,782,862

The notes set out on pages 35 to 55 form an integral part of these financial statements.

CASH FLOW STATEMENTS

for the financial year ended 31 December 2009

	Group/Company	
	2009	2008
	RM	RM
NOTES TO THE CASH FLOW STATEMENTS		
(a) Cash and cash equivalents comprise :-		
Fixed deposits	3,646,431	3,549,820
Cash & bank balances	571,874	2,782,872
Bank overdrafts	(585,828)	(10)
	3,632,477	6,332,682
Less : Fixed deposits under lien	(3,646,431)	(3,549,820)
	(13,954)	2,782,862
(b) Analysis of acquisition of property, plant & equipment :-		
Cash	1,046,389	382,902
Borrowings	1,050,000	2,250,000
Finance lease arrangement	1,507,946	790,021
	3,604,335	3,422,923

The notes set out on pages 35 to 55 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The principal activities of the Company are :-

- (a) to provide solutions to the financial services industry in the areas of self-service machines and universal delivery systems and IT services such as systems integration, project management, software development, support services and training;
- (b) investment holdings; and
- (c) to develop, assemble, manufacture, sell, import, export, let out, hire, lease, finance, install, alter, maintain, service, repair or otherwise deal in all kinds of computers, self-service machines, software application solutions and provision of related services.

The principal activities of the subsidiaries are set out in Note 11 to the Financial Statements.

The Company is a limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The address of the registered office of the Company is as follows :-

Level 15-2, Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

The address of the principal place of business of the Company is as follows :-

Level 7, Menara Axis
2, Jalan 51A/223
46100 Petaling Jaya
Selangor Darul Ehsan

2. FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The Group's and the Company's operations are subject to a variety of financial risks, including credit risk, foreign currency risk, interest rate risk, market risk, liquidity and cash flow risk.

The Group's and the Company's financial risk management policy seek to ensure that adequate resources are available to manage the above risks and to create value for their shareholders. It is not the Group's and the Company's policy to engage in speculative transactions.

(a) Credit risk

The Group and the Company are exposed to credit risk mainly from receivables. The Group and the Company extend credit to their customers based upon established credit evaluation and monitoring guidelines.

The maximum credit risks associated with recognised financial assets is the carrying amount shown in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS

2. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (CONT'D)

(b) Foreign currency risk

The Group and the Company are exposed to currency risk as a result of foreign currency transactions other than Ringgit Malaysia. However, the effect of the foreign currency risk is not significant as the majority of the Group's and the Company's transactions, assets and liabilities are denominated in Ringgit Malaysia.

(c) Interest rate risk

The Group's and the Company's income and operating cash flows are substantially independent of changes in market rates. Interest rate exposure arises from the Group's and the Company's borrowings and deposits with the licensed financial institutions. Both financial instruments are managed through the use of floating rate debt and long term tenure without speculative interest respectively.

(d) Market risk

The Group and the Company manage their exposure to fluctuation in prices of key products purchased used in their operations through floating price levels that the Group and the Company consider acceptable and enter into agreements with suppliers in order to establish determinable prices of key products used.

(e) Liquidity and cash flow risk

The Group and the Company practise prudent liquidity risk management policies and maintain sufficient levels of cash and credit facilities for working capital and contingent funding requirements.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention (unless stated otherwise in the significant accounting policies below) and comply with the Companies Act 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

The preparation of financial statements in conformity with MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities (if any) at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3(b) of the Financial Statements.

The financial statements are presented in Ringgit Malaysia, which are the Group's and the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Significant accounting estimates and judgments

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below :-

(i) Impairment of property, plant & equipment

Determining whether the property, plant & equipment are impaired requires an estimation of value-in-use of the property, plant & equipment. The value-in-use calculation requires the management to estimate the future cash flows and an appropriate discount rate in order to calculate the present value of future cash flows. The management has evaluated such estimates and is confident that no allowance for impairment is necessary.

(ii) Estimated residual values and useful lives of property, plant & equipment

The Group's and the Company's businesses are fairly capital intensive. The depreciation charges form a significant component of total costs of Income Statement. The Group and the Company review the residual values and useful lives of property, plant & equipment at each balance sheet date in accordance with the accounting policy. The review is based on factors such as expected level of usage, business plans and strategies and future regulatory changes. The estimation of the residual values and useful lives involves significant judgment.

(iii) Allowance for doubtful debts

The Group and the Company assess at each balance sheet date whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

(iv) Income taxes

Judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain in the ordinary course of business. The Group and the Company recognise liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the financial year in which such determination is made.

(v) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgment regarding future financial performance of a particular entity in which the deferred tax asset has been recognised.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant & equipment and depreciation

Property, plant & equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Income Statement during the financial year in which they are incurred.

Depreciation on property, plant & equipment is calculated on the straight line basis at rates required to write off the cost of the property, plant & equipment over their estimated useful lives.

The principal annual rates used are as follows :-

Computers	33.33%
Furniture & fittings	20%
Motor vehicles	16%
Renovations	10 - 20%
Signboard	10%
Telecommunication & office equipment	10 - 20%

Residual value, useful life and depreciation method of assets are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant & equipment.

Gains and losses on disposals are determined by comparing net disposal proceeds with net carrying amount and are recognised in the Income Statement.

(d) Impairment of non-financial assets

The carrying amounts of assets, other than inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is charged to the Income Statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the Income Statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the Income Statement, a reversal of that impairment loss is recognised as income in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investment in subsidiaries and basis of consolidation

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment losses. On disposal of investment in subsidiaries, the difference between net disposal proceeds and their carrying amounts is included in the Income Statement.

Subsidiaries are entities in which the Group has power to exercise control over their financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest.

Any excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the Income Statement.

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are consolidated from the date on which control is transferred to the Group and continue to be consolidated until the date that such control ceases.

All significant inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition.

Where more than one exchange transaction is involved, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary is recognised in the Consolidated Income Statement.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Development expenditure

Development expenditure incurred is capitalised when it meets certain criteria that indicate it is probable that the costs will give rise to future economic benefits and are amortised over the period of the projects. They are written down to their recoverable amounts when there is insufficient certainty that future economic benefits will flow to the enterprise.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. The capitalised development expenditure is amortised over a period of 5 years on the remaining development expenditure.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average method and includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(h) Payables

Payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(i) Receivables

Receivables are stated at cost less any allowances for doubtful debts. Known bad debts are written off and doubtful debts are provided for based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

(j) Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received.

Borrowing costs are recognised as an expense in the Income Statement in the period in which they are incurred.

(k) Finance leases

Leases of property, plant & equipment where the Group and the Company assume substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are treated as consisting of a capital element and finance costs, the capital element reducing the obligation to the lessor and the finance charge being written off to the Income Statement over the period of the lease in reducing amounts in relation to the outstanding obligations. The interest element of the finance charge is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Finance leases (cont'd)

Property, plant & equipment acquired under finance leases is depreciated over the estimated useful life of the asset.

All other leases are regarded as operating leases. Payments made under operating leases are charged to the Income Statement on the straight line basis over the lease period.

(l) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentational currency.

(ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

(m) Revenue recognition

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Group and the Company and the benefits can be reliably measured. The specific recognition criteria for revenue are as follows :-

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers.

(ii) Licensing software

Revenue is recognised when the use of software is granted to the buyers.

(iii) Services rendered

Revenue is recognised when the services are rendered.

(iv) Interest income

Revenue is recognised as the interest income accrues, taking into account the effective yield on the asset.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Income tax and deferred tax

Income tax on the profit or loss for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unabsorbed tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(o) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group and the Company.

Short term accumulating compensated absences such as paid annual leave are recognised as expenses when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Post-employment benefits

Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the Income Statement as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank overdraft and deposits held at call with financial institutions and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the Cash Flow Statement, cash and cash equivalents are presented net of bank overdrafts.

(q) Financial instruments

(i) Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(ii) Financial instruments recognised on the Balance Sheet

The particular recognition method adopted for financial instruments recognised on Balance Sheet is disclosed in the individual accounting policy statement associated with each item.

(iii) Fair value estimation for disclosure purposes

The face values of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

4. REVENUE

	Group/Company	
	2009 RM	2008 RM
Sale of goods	6,431,594	13,342,098
Software solution & services	25,215,030	21,210,523
	31,646,624	34,552,621

5. FINANCE COSTS

	Group/Company	
	2009 RM	2008 RM
Bank overdraft interest	32,275	280,467
Lease interest	360,653	521,632
Term loan interest	807,510	1,001,274
	1,200,438	1,803,373

NOTES TO THE FINANCIAL STATEMENTS

6. PROFIT BEFORE TAX

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit before tax is stated after charging/(crediting) (other than those disclosed in Note 5) :-				
Auditors' remuneration				
- statutory	17,500	16,000	16,500	15,000
- others	6,000	6,300	6,000	6,300
Depreciation	633,818	448,909	633,818	448,909
Directors' remuneration				
- emoluments	818,706	870,860	818,706	870,860
- fees	72,000	77,500	72,000	77,500
Lease rentals	33,900	32,400	33,900	32,400
Realised loss/(gain) on foreign exchange	668	(5,119)	668	(5,119)
Rental of premises	640,705	518,135	640,705	518,135
Staff costs (excluding Directors' remuneration)				
- Salaries, wages, bonus & others	1,659,550	1,803,813	1,659,550	1,803,813
- Defined contribution plan expense	167,701	212,950	167,701	212,950
Gain on disposal of property, plant & equipment	-	(125)	-	(125)
Interest income				
- fixed deposits	(96,611)	(108,510)	(96,611)	(108,510)
- other	(5,219)	(12,022)	(5,219)	(12,022)
Included in the cost of sales are as follows :-				
Amortisation of development expenditure	4,761,182	2,858,904	4,761,182	2,858,904
Bankers' acceptance/Letter of credit interest	166,931	289,344	166,931	289,344
Cost of inventories	5,374,795	11,441,960	5,374,795	11,441,960
Depreciation	3,584,844	3,093,416	3,584,844	3,093,416
Director's emoluments	209,471	64,863	209,471	64,863
Staff costs (excluding Director's emoluments)				
- Salaries, wages, bonus & others	3,883,483	2,653,628	3,883,483	2,653,628
- Defined contribution plan expense	427,424	290,268	427,424	290,268

7. DIRECTORS' REMUNERATION

The aggregate remuneration of Directors of the Group and of the Company categorised into appropriate components for the financial year ended 31 December 2009 are as follows :-

	Fees RM	Salaries RM	Others* RM	Total RM
Executive Directors	-	725,592	352,052	1,077,644
Non executive Directors	72,000	-	6,000	78,000

NOTES TO THE FINANCIAL STATEMENTS

7. DIRECTORS' REMUNERATION (CONT'D)

The number of Directors of the Group and of the Company whose total remuneration fall within the following bands for the financial year ended 31 December 2009 are as follows :-

Range of remuneration	Group/Company No. of Directors	
	Executive	Non executive
Below RM50,001	-	3
RM50,001 - RM250,000	-	-
RM250,001 - RM300,000	2	-
RM300,001 - RM500,000	-	-
RM500,001 - RM550,000	1	-

* Included in the remuneration of Directors of the Group and of the Company is contribution to a defined contribution plan expense amounting to RM103,666 (2008: RM124,132) charged to the Income Statement.

8. INCOME TAX EXPENSE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Malaysian income tax based on results for the financial year	-	49,800	-	49,800
Over-provision of income tax in prior financial years	(92,028)	(31,249)	(92,028)	(31,249)
	(92,028)	18,551	(92,028)	18,551

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows :-

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit before tax	3,169,937	3,042,159	3,174,811	3,046,973
Income tax using Malaysian tax rate of 25% (2008: 26%)	792,484	790,961	793,703	792,213
Non-deductible expenses	151,915	264,423	150,696	263,171
Over-provision of income tax in prior financial years	(92,028)	(31,249)	(92,028)	(31,249)
Utilisation of unutilised capital allowances	(1,896,238)	(1,005,584)	(1,896,238)	(1,005,584)
Tax effect of unrecognised deferred tax assets	951,839	-	951,839	-
	(92,028)	18,551	(92,028)	18,551

NOTES TO THE FINANCIAL STATEMENTS

8. INCOME TAX EXPENSE (CONT'D)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the financial year. In the prior financial year, certain subsidiaries of the Company being Malaysian resident companies with paid-up share capital of RM2.5 million or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act 1967 is as follows:

On the first RM500,000 of chargeable income : 20%
In excess of RM500,000 of chargeable income : 26%

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act 1967 that was introduced with effect from the year of assessment 2009, these subsidiaries no longer qualify for the above preferential tax rates.

The Company has obtained approval from the Multimedia Development Corporation (MDC) as a Multimedia Super Corridor (MSC) company and has been granted Pioneer Status with full income tax exemption under the Promotion of Investment Act 1986 for a period of five years which commenced from 1 December 2003 and expired on 30 November 2008. The pioneer exempt income as at 31 December 2009 estimated at RM21,907,521 (2008: RM21,907,521) is subject to agreement by the Inland Revenue Board.

The unutilised capital allowances carried forward as at 31 December 2009 is estimated at RM6,133,992. This is, however, subject to the confirmation by the Inland Revenue Board.

Subject to agreement with the Inland Revenue Board, the Company has exempt income estimated at RM50,666 (2008: RM50,666) pursuant to Section 12 of the Income Tax (Amendment) Act 1999, from which tax exempt dividends can be declared.

Prior to the financial year of assessment 2009, Malaysian companies adopted the full imputation system. On 1 January 2009, the single-tier tax system came into effect in Malaysia. Under this system, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under the single-tier system are tax exempt in the hands of shareholders. Companies can make an irrevocable election to disregard the Section 108 balance and opt to pay dividends under the single-tier tax system.

The Company did not make an election to disregard the Section 108 balance, and may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013, whichever is earlier.

Based on the prevailing tax rate applicable to dividends and the estimated tax credits under Section 108 of the Income Tax Act 1967 and the tax exempt account balances as mentioned above, all of the retained earnings of the Company as at 31 December 2009 (2008: RM7,297,518) are available for distribution by way of dividends without additional tax liabilities being incurred. This is, however, subject to confirmation by the Inland Revenue Board.

9. EARNINGS PER SHARE ("EPS")

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Basic EPS				
Profit for the financial year/ Profit attributable to equity holders (RM'000)	3,262	3,024	3,267	3,028
Weighted average number of shares in issue for basic EPS ('000)	223,420	223,420	223,420	223,420
Basic EPS (sen)	1.46	1.35	1.46	1.35

NOTES TO THE FINANCIAL STATEMENTS

10. PROPERTY, PLANT & EQUIPMENT

Group/Company - 2009

	Computers RM	Furniture & fittings RM	Motor vehicles RM	Renovations RM	Signboard RM	Telecom- munication & office equipment RM	Total RM
Cost							
At 1.1.2009	3,206,331	1,069,628	1,283,070	555,227	8,840	35,472,198	41,595,294
Additions	1,054,920	-	130,662	-	-	2,418,753	3,604,335
Disposal	-	-	-	-	-	-	-
At 31.12.2009	4,261,251	1,069,628	1,413,732	555,227	8,840	37,890,951	45,199,629
Accumulated Depreciation							
At 1.1.2009	2,830,027	1,009,119	349,157	262,230	6,030	10,444,088	14,900,651
Charge for the financial year	396,716	47,697	219,227	49,906	755	3,600,006	4,314,307
Disposal	-	-	-	-	-	-	-
At 31.12.2009	3,226,743	1,056,816	568,384	312,136	6,785	14,044,094	19,214,958
Net Book Value At 31.12.2009	1,034,508	12,812	845,348	243,091	2,055	23,846,857	25,984,671

Group/Company - 2008

Cost							
At 1.1.2008	3,028,202	1,067,628	686,524	555,227	8,840	32,886,807	38,233,228
Additions	238,986	2,000	596,546	-	-	2,585,391	3,422,923
Disposals	(60,857)	-	-	-	-	-	(60,857)
At 31.12.2008	3,206,331	1,069,628	1,283,070	555,227	8,840	35,472,198	41,595,294
Accumulated Depreciation							
At 1.1.2008	2,589,388	904,919	203,051	212,324	5,211	7,248,432	11,163,325
Charge for the financial year	301,481	104,200	146,106	49,906	819	3,195,656	3,798,168
Disposals	(60,842)	-	-	-	-	-	(60,842)
At 31.12.2008	2,830,027	1,009,119	349,157	262,230	6,030	10,444,088	14,900,651
Net Book Value At 31.12.2008	376,304	60,509	933,913	292,997	2,810	25,028,110	26,694,643

NOTES TO THE FINANCIAL STATEMENTS

10. PROPERTY, PLANT & EQUIPMENT (CONT'D)

The net book value of the property, plant & equipment of the Group and of the Company acquired under finance lease arrangement is as follows :-

	Group/Company	
	2009 RM	2008 RM
Computers	799,767	183,111
Motor vehicles	845,348	933,913
Telecommunication & office equipment	3,672,184	4,161,355
	5,317,299	5,278,379
Depreciation charge for the financial year is allocated as follows :-		
Income Statement	4,218,662	3,542,325
Development expenditure (Note 12)	95,645	255,843
	4,314,307	3,798,168

Security

The net book value of the Group's property, plant & equipment that have been charged to financial institutions for facilities granted to the Group and the Company are as follows :-

	Group/Company	
	2009 RM	2008 RM
Telecommunication & office equipment	17,515,755	18,654,945

11. SUBSIDIARIES

	Company	
	2009 RM	2008 RM
(a) Investment in subsidiaries		
Unquoted shares - at cost	2,000	2,000

Name of Company	Principal Activities	Place of Incorporation	Effective Equity Interest	
			2009 %	2008 %
OpenSys Technologies Sdn. Bhd.	Dormant	Malaysia	100	100
OpenSys Engineering Sdn. Bhd.	Dormant	Malaysia	100	100

(b) Amount due from subsidiaries

The amount due from subsidiaries pertain mainly to advances and payments on behalf. The outstanding amounts are unsecured, interest free and have no fixed terms of repayments.

NOTES TO THE FINANCIAL STATEMENTS

12. DEVELOPMENT EXPENDITURE

This is mainly in respect of expenditure incurred for the development and design of Touch ESMs and software development.

	Group/Company	
	2009 RM	2008 RM
At beginning of the financial year	16,271,684	15,436,228
Capitalised during the financial year	1,282,812	3,694,360
Less : Amortisation during the financial year	(4,761,182)	(2,858,904)
At end of the financial year	12,793,314	16,271,684
Cost	22,754,196	23,235,398
Less : Accumulated amortisation	(9,960,882)	(6,963,714)
Net book value	12,793,314	16,271,684

Included in the development expenditure are the following current charges :-

	Group/Company	
	2009 RM	2008 RM
Depreciation (Note 10)	95,645	255,843
Director's emoluments	55,467	220,748
Staff costs (excluding Directors' remuneration)		
- Salaries, wages, bonus & others	805,415	2,275,821
- Defined contribution plan expense	96,649	273,099
Rental of premises	63,696	186,265

13. FIXED DEPOSITS

	Group/Company	
	2009 RM	2008 RM
Fixed deposits with licensed banks	3,646,431	3,549,820

The interest rate of deposits of the Group and of the Company as at balance sheet date ranged from 2.5% to 3.0% (2008: 2.3% to 3.1%) per annum.

Deposits of the Group and of the Company have maturity of 365 days (2008: 365 days). Bank balances are deposits held at call with banks.

NOTES TO THE FINANCIAL STATEMENTS

14. INVENTORIES - AT COST

	Group/Company	
	2009 RM	2008 RM
Assembly components	8,303,289	9,196,097
Finished goods	110,703	102,062
	8,413,992	9,298,159

15. TRADE RECEIVABLES

	Group/Company	
	2009 RM	2008 RM
The currency exposure profile of trade receivables is as follows :-		
Ringgit Malaysia	4,933,481	6,410,265
US Dollar	31,020	-
	4,964,501	6,410,265

The Group's and the Company's normal credit term of trade receivables ranged from 30 days to 90 days (2008: 30 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The Group's and the Company's historical experience in collection of trade receivable falls within the recorded allowances.

16. OTHER RECEIVABLES & PREPAYMENTS

	Group/Company	
	2009 RM	2008 RM
Other receivables	242,855	232,779
Prepayments	1,027,024	1,775,476
	1,269,879	2,008,255

17. SHORT TERM INVESTMENT

	Group/Company	
	2009 RM	2008 RM
Unit trust		
At cost	401,791	-
At market value	401,791	-

NOTES TO THE FINANCIAL STATEMENTS

18. SHARE CAPITAL

	Group/Company	
	2009 RM	2008 RM
Authorised :- 500,000,000 ordinary shares of RM0.10 each	50,000,000	50,000,000
Issued and fully paid :- 223,420,000 ordinary shares of RM0.10 each	22,342,000	22,342,000

EMPLOYEES' SHARE OPTION SCHEME

The Group's and the Company's Employees' Share Option Scheme ("ESOS") was governed by the bye-laws approved by the shareholders at an Extraordinary General Meeting held on 28 April 2003. The ESOS was implemented on 30 January 2004 and was in force for a period of 5 years from the date of implementation. The ESOS has lapsed on 29 January 2009.

19. SHARE PREMIUM

	Group/Company	
	2009 RM	2008 RM
At beginning/end of the financial year	5,917,207	5,917,207

20. FINANCE LEASE LIABILITIES

	Group/Company	
	2009 RM	2008 RM
Minimum lease payments :-		
Repayable not later than 1 year	1,747,686	2,066,024
Repayable later than 1 year and not later than 2 years	1,337,021	1,333,698
Repayable later than 2 years and not later than 5 years	1,454,347	1,435,625
	4,539,054	4,835,347
Less : Financing charges	(603,973)	(563,862)
Present value of minimum lease payments	3,935,081	4,271,485
Present value of minimum lease payments :-		
Repayable not later than 1 year	1,449,004	1,750,329
Repayable later than 1 year and not later than 2 years	1,163,302	1,171,354
Repayable later than 2 years and not later than 5 years	1,322,775	1,349,802
	3,935,081	4,271,485

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCE LEASE LIABILITIES (CONT'D)

	Group/Company	
	2009 RM	2008 RM
Represented by :-		
Current	1,449,004	1,750,329
Non-current	2,486,077	2,521,156
	3,935,081	4,271,485

The finance lease liabilities of the Group and of the Company carried interest at the balance sheet date which ranged from 2.5% to 8.0% (2008: 2.4% to 8.0%) per annum.

21. BORROWINGS

	Group/Company	
	2009 RM	2008 RM
<u>Term loans</u>		
Term loan No. I	-	300,000
Term loan No. II	-	1,037,000
Term loan No. III	8,505,566	14,236,500
Term loan No. IV	322,000	601,400
Term loan No. V	1,608,881	-
	10,436,447	16,174,900
Repayable not later than 1 year	6,937,897	11,341,320
Repayable later than 1 year and not later than 2 years	3,498,550	4,833,580
	10,436,447	16,174,900
Represented by :-		
Current	6,937,897	11,341,320
Non-current	3,498,550	4,833,580
	10,436,447	16,174,900

The term loan no. I and term loan no. II were settled during the financial year.

The term loan No. III is repayable over 48 monthly installments ranging from RM35,000 to RM500,000 commencing in March 2006.

The term loan No. IV is repayable over 54 monthly installments ranging from RM7,300 to RM25,400 commencing in May 2007.

The term loan No. V is repayable over 12 monthly installments of RM184,352 commencing in October 2009.

NOTES TO THE FINANCIAL STATEMENTS

21. BORROWINGS (CONT'D)

The effective interest rate of term loans of the Group and of the Company at the balance sheet date ranged from 6.0% to 7.1% (2008: 6.0% to 6.3%) per annum.

The term loans are secured by :-

- (a) a joint and several personal guarantee by certain of the Company's Directors;
- (b) an assignment of all contract proceeds arising from the two Distributor Agreements;
- (c) a supplementary Deed of Assignment cum assignment of all intellectual property rights of the Company under the Project;
- (d) a fixed and floating debenture charge over all the present and future assets and undertakings of the Company; and
- (e) facility agreement.

22. TRADE PAYABLES

The normal credit terms of trade payables granted to the Group and the Company vary from 30 days to 90 days (2008: 30 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

23. OTHER PAYABLES & ACCRUALS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Other payables	47,696	52,134	47,696	52,134
Accruals	2,203,985	2,535,198	2,202,935	2,534,148
	2,251,681	2,587,332	2,250,631	2,586,282

24. BANKERS' ACCEPTANCE AND BANK OVERDRAFTS

The bankers' acceptance and bank overdrafts are secured by :-

- (a) fixed deposits of RM3,646,431 (2008: RM3,549,820); and
- (b) joint and several guarantees by certain Directors of the Company.

The interest charges on the bankers' acceptance and bank overdrafts of the Group and of the Company during the financial year ranged from 5.2% to 8.8% (2008: 5.2% to 8.8%) per annum.

25. POST-EMPLOYMENT BENEFIT OBLIGATIONS

	Group/Company	
	2009 RM	2008 RM
Defined contribution plan - current	109,283	114,359

The Group and the Company contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group and the Company have no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS

26. SEGMENT INFORMATION

During the financial year, there is no segmental information by activities and geographical locations prepared as the Group's and the Company's activities and operations are predominantly in one industry segment principally located in Malaysia.

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

Key management personnel compensation

The key management personnel compensation during the financial year was in respect of the Directors' remuneration of the Group and of the Company as stated in Note 7 to the Financial Statements.

28. STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following new or revised Financial Reporting Standards ("FRS"), Amendments to FRSs and IC Interpretations ("IC Int") have been issued but are not yet effective and have not been adopted by the Group and the Company :-

- a) Effective for financial periods beginning on or after 1 July 2009

FRS 8 Operating Segments

- b) Effective for financial periods beginning on or after 1 January 2010

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations
* Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued operations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events After the Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 128	Investments in Associates
Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendments to FRS 131	Interests in Joint Ventures
# Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting

NOTES TO THE FINANCIAL STATEMENTS

28. STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

b) Effective for financial periods beginning on or after 1 January 2010 – (Cont'd)

Amendments to FRS 136	Impairment of Assets
* Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments : Recognition and Measurement
Amendments to FRS 140	Investment Property
IC Int 9	Reassessment of Embedded Derivatives
IC Int 10	Interim Financial Reporting and Impairment
IC Int 11	FRS 2 – Group and Treasury Share Transaction
IC Int 13	Customer Loyalty Programmes
IC Int 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

c) Effective for financial periods beginning on or after 1 July 2010

Improvements to FRSs (2009)	
FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business combination (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued operations
Amendments to FRS 138	Intangible Assets
IC Int 12	Service Concession Arrangements
IC Int 15	Agreements for the Construction of Real Estate
IC Int 16	Hedges of a Net Investment in a Foreign Operation
IC Int 17	Distribution of Non-cash Assets to Owners
Amendments to IC Int 9	Reassessment of Embedded Derivatives

d) Effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
	Limited Exemption form Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 7	Financial Instruments: Disclosures Improving Disclosures about Financial Instruments

Also effective for financial periods beginning on or after 1 March 2010

* Also effective for financial periods beginning on or after 1 July 2010

FRS 4, Amendments to FRS 2, Amendments to FRS 5, Amendments to FRS 120, Amendments to FRS 128, Amendments to FRS 129, Amendments to FRS 131, Amendments to FRS 140, IC Int 9, IC Int 11, IC Int 12, IC Int 13 and IC Int 14, IC Int 15, IC Int 16, IC Int 17 and Amendments to IC Int 9 are not relevant to the Group's and the Company's operations.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon initial application of FRS 7 and FRS 139.

Save for these, the new FRS, Amendments to FRSs and IC Int above are not expected to have significant impact on the financial statements of the Group and of the Company upon their initial application.

29. FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximate their fair values.

30. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 7 April 2010.

Lodged by : Mega Corporate Services (M) Sdn. Bhd. (Company No : 187984-H)
 Address : Level 15-2, Faber Imperial Court
 Jalan Sultan Ismail
 50250 Kuala Lumpur
 Tel. No. : 03-26924271

ANALYSIS OF SHAREHOLDINGS

as at 20 April 2010

Authorized Capital	:	RM50,000,000 divided into 500,000,000 ordinary shares of RM0.10 each
Issued and Paid-Up Capital	:	RM22,342,000.00 divided into 223,420,000 ordinary shares of RM0.10 each
Class of Shares	:	There is only one class of shares in the Company
		• Ordinary Shares of RM0.10 each fully paid
Voting Rights	:	One vote per RM0.10 share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	Total Holdings	%
Less than 100 Shares	3	150	0.00
100 - 1,000 shares	280	192,098	0.09
1,001 - 10,000 shares	1,378	8,256,052	3.70
10,001 - 100,000 shares	953	34,037,000	15.23
100,001 - less than 5% of issued shares	169	108,849,460	48.72
5% and above of issued shares	3	72,085,240	32.26
Total	2,786	223,420,000	100.00

SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Interest		Deemed Interest	
		Shares	%	Shares	%
1	Tan Kee Chung	35,541,230	15.91	13,613,003*	6.09
2	Commerce Technology Ventures Sdn Bhd	21,544,010	9.64	-	-
3	Skyline Yield Sdn Bhd	15,000,000	6.71	-	-
4	Omtiara Sdn Bhd	13,213,003	5.91	-	-
	Total	85,298,243	38.17	13,613,003	6.09

* Deemed interested by virtue of his shareholding in Omtiara Sdn. Bhd. and Sislogik (M) Sdn. Bhd. in accordance with Section 6A of the Companies Act, 1965.

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Interest		Deemed Interest	
		Shares	%	Shares	%
1	Tan Kee Chung	35,541,230	15.91	13,613,003*	6.09
2	Chee Hong Soon	6,161,220	2.76	400,000**	0.18
3	Tune Hee Hian	3,982,682	1.78	-	-
	Total	45,685,132	20.45	14,013,003	6.27

* Deemed interested by virtue of his shareholding in Omtiara Sdn. Bhd. and Sislogik (M) Sdn. Bhd. in accordance with Section 6A of the Companies Act, 1965.

** Deemed interested by virtue of his shareholding in Sislogik (M) Sdn. Bhd. in accordance with Section 6A of the Companies Act, 1965.

ANALYSIS OF SHAREHOLDINGS

as at 20 April 2010

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No. Name	No. of Shares held	%
1. Tan Kee Chung	35,541,230	15.91
2. Commerce Technology Ventures Sdn Bhd	21,544,010	9.64
3. Skyline Yield Sdn Bhd	15,000,000	6.71
4. Araneum Sdn Bhd	9,218,093	4.13
5. MAA Credit Sdn Bhd for Omtiara Sdn Bhd	8,808,661	3.94
6. Chee Hong Soon	6,161,220	2.76
7. Omtiara Sdn Bhd	4,404,342	1.97
8. Lim Swee Keah	3,982,682	1.78
9. Koh Lea Cheong	3,982,682	1.78
10. Tan Gaik Keow	3,982,682	1.78
11. Tune Hee Hian	3,982,682	1.78
12. Commerce Asset Ventures Sdn Bhd	3,551,903	1.59
13. Haw Wan Chong	3,516,082	1.57
14. Leong Yoke Wai	2,997,282	1.34
15. Low Suet Cheng	2,927,682	1.31
16. Mayban Nominees (Tempatan) Sdn Bhd for Gan Cheong Poon	1,902,000	0.85
17. CitiGroup Nominees (Tempatan) Sdn Bhd for Ang Kooi Phing	1,710,600	0.77
18. Tee So Guat	1,660,000	0.74
19. Goh Siew Tee	1,405,800	0.63
20. Soong Sor Pow	1,360,000	0.61
21. Khoo Ah Chaw	1,033,300	0.46
22. Mayban Nominees (Tempatan) Sdn Bhd for Soh Chaw Hoe	1,000,000	0.45
23. Leong Yoke Wai	1,000,000	0.45
24. Chuah Tai Eu	975,000	0.44
25. Tham Kok Cheng	959,574	0.43
26. Lim Kah Heng	933,000	0.42
27. Siow Yun Fatt	903,000	0.40
28. Choi Swee Cheng	835,100	0.37
29. Low Swee Seng	780,000	0.35
30. Choong Foong Heng	758,800	0.34
Total	146,817,407	65.70

eDividend

Dear Shareholders,

IMPLEMENTATION OF ELECTRONIC DIVIDEND PAYMENT (“eDIVIDEND”) PURSUANT TO THE DIRECTIVE DATED 19 FEBRUARY 2010 (REF. NO.:SR/TAC/RO/LD07/10) FROM BURSA MALAYSIA SECURITIES BERHAD

What is eDividend?

Electronic Dividend Payment or eDividend refers to the payment of cash dividends by a listed issuer to its shareholders by directly crediting the shareholders' cash dividend entitlements into their respective bank accounts. All listed companies to pay via eDividend for all dividends on the entitlement date on or after 1 September 2010.

eDividend Benefits

- | | |
|------------------------------|---|
| • No More Delays | From 3-14 days via cheques to 0/1 day via eDividend to receive dividend payment. |
| • Assurance of Certainty | Dividends credited into bank accounts on a timely basis whether Kuala Lumpur or outstation. No more missing cheques/expired cheques. No unclaimed moneys. |
| • Convenience and Simplicity | No more visits to banks to deposit cheques. Can opt one (1) bank account for all CDS accounts. Same bank account applies for future new CDS accounts. |
| • eNotification upon Payment | For shareholders who provide email and mobile details. |
| • No Cost to Shareholders | No bank charges on dividend amount.
No depository administration fee for registration within grace period. |

Registration of eDividend

Shareholders are given a one-year grace period from **19 April 2010 until 18 April 2011** to provide their bank account information to Bursa Malaysia Depository Sdn Bhd.

How do I provide my bank account information for eDividend?

You must complete the relevant prescribed form and submit it together with the required supporting documents to your stock broker's office where your CDS account is maintained.

What supporting documents are required?

- | | |
|--------------------------|---|
| Individual CDS Depositor | <ul style="list-style-type: none"> • NRIC or Passport or Authority Card or other acceptable identification documents. • Bank Statement or Bank Saving Book or details of your bank account obtained from your bank's website that has been certified by your bank or copy of the letter from your bank confirming your bank account details. |
| Corporate CDS Depositor | <ul style="list-style-type: none"> • Certified true copy of Certificate of Incorporation/Certificate of Registration. • Certified true copy of Bank Statement or Bank Saving Book or details of your bank account obtained from your bank's website that has been certified by your bank or copy of the letter from your bank confirming your bank account details. |

You are encouraged to update your bank account information through your stock broker firm soonest. There will be a fee charged after the grace period.

Contact Details

For more information, kindly refer to the eDividend page at www.bursamalaysia.com

For queries, please contact:

Bursa Malaysia Customer Care Centre

Tel : (603) 2732 0067

Email : edividend@bursamalaysia.com

OPENSYS (M) BERHAD

(Company No. 369818-W)

Incorporated in Malaysia

No. of ordinary shares held

PROXY FORM

(Before completing this form please refer to the notes below)

I/We _____
(Full name in block letters)of _____
(Full address)being a member/members of **OPENSYS (M) BERHAD** hereby appoint the following person(s) :-**Name of Proxy, NRIC No. & Address****No. of shares to be
represented by proxy**

1. _____

2. _____

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at Nakhoda 1, Level 3, Hotel Armada Petaling Jaya, Lorong Utara C, Seksyen 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 16 June 2010 at 3.00 p.m. and at every adjournment thereof to vote as indicated below:-

		FOR	AGAINST
Resolution 1	To approve Directors' Fees		
Resolution 2	To re-elect the director, Mr Tune Hee Hian		
Resolution 3	To re-elect the director, Mr. James Henry Stewart		
Resolution 4	To re-appoint the retiring auditors, HLB Ler Lum		
Resolution 5	Authority to issue shares		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion).

In case of a vote taken by a show of hands, the First-named Proxy shall vote on *my/our behalf.

As witness my hand this _____ day of _____ 2010

Signature/Common Seal*** Strike out whichever is not desired.**

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.
3. Where a member appoint two (2) proxies to attend at the same meeting, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. If the appointer is a corporation, this form must be executed under its Common Seal or under the hand of its attorney duly authorized.
5. The Form of Proxy must be deposited at the Registered Office of the Company at Level 15-2, Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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AFFIX STAMP

Company Secretary
Mega Corporate Services Sdn Bhd
Level 15-2, Faber Imperial Court,
Jalan Sultan Ismail,
P.O. Box 12337
50250 Kuala Lumpur

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