

**ELSOFT RESEARCH BERHAD**

(Company No. 617504-K)

(Incorporated in Malaysia)

**SUMMARY OF KEY FINANCIAL INFORMATION****31 MARCH 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	Current Year Quarter 31 Mar 2014 RM'000	Preceding Year Corresponding Quarter 31 Mar 2013 RM'000	Current Year To Date 31 Mar 2014 RM'000	Preceding Year Corresponding Period 31 Mar 2013 RM'000	
1	Revenue	4,207	6,532	4,207	6,532
2	Profit before tax	1,232	2,274	1,232	2,274
3	Profit for the period	1,227	2,262	1,227	2,262
4	Profit attributable to ordinary equity holders of the parent	1,227	2,262	1,227	2,262
5	Earnings per share (sen) :				
	-Basic	0.68	1.25	0.68	1.25
	-Diluted	0.68	1.25	0.68	1.25
6	Proposed / Declared dividend per share (sen)	-	-	-	-
		<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>		
		<b>31 Mar 2014</b>	<b>31 Dec 2013</b>		
		<b>RM</b>	<b>RM</b>		
7	Net assets per share attributable to ordinary equity holders of the parent	0.34	0.34		

Note: For full text of the above announcement, please access the Bursa Malaysia website at [www.bursamalaysia.com](http://www.bursamalaysia.com)

**ELSOFT RESEARCH BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

(The figures have not been audited)

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current	Preceding	Current	Preceding
		Year	Year	Year	Year
		Quarter	Corresponding	To Date	Corresponding
		Quarter	Quarter		Period
		31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
		RM'000	RM'000	RM'000	RM'000
Revenue		4,207	6,532	4,207	6,532
Cost of sales		(2,806)	(3,824)	(2,806)	(3,824)
<b>Gross profit</b>		<u>1,401</u>	<u>2,708</u>	<u>1,401</u>	<u>2,708</u>
Other income		294	349	294	349
Administrative expenses		(818)	(850)	(818)	(850)
Share of (loss)/profit in associate		355	67	355	67
<b>Profit before tax</b>	B14	<u>1,232</u>	<u>2,274</u>	<u>1,232</u>	<u>2,274</u>
Income tax expense	B5	(5)	(12)	(5)	(12)
<b>Profit for the period</b>		<u>1,227</u>	<u>2,262</u>	<u>1,227</u>	<u>2,262</u>
<b>Other comprehensive income for the period, net of tax</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		<u><u>1,227</u></u>	<u><u>2,262</u></u>	<u><u>1,227</u></u>	<u><u>2,262</u></u>

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
NOTE	31 Mar 2014 RM'000	31 Mar 2013 RM'000	31 Mar 2014 RM'000	31 Mar 2013 RM'000
Attributable to :				
Equity holders of the parent	1,227	2,262	1,227	2,262
Non-controlling interest	-	-	-	-
	<u>1,227</u>	<u>2,262</u>	<u>1,227</u>	<u>2,262</u>
Total comprehensive income attributable to :				
Equity holders of the parent	1,227	2,262	1,227	2,262
Non-controlling interest	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Earnings per share attributable to equity holders of the parent :</b>				
Basic, for profit for the period (sen)	B13 0.68	1.25	0.68	1.25
Diluted, for profit for the period (sen)	B13 0.68	1.25	0.68	1.25

The unaudited condensed consolidated statement of profit or loss and comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**ELSOFT RESEARCH BERHAD**

(Company No. 617504-K)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2014**

		<b>(Unaudited)</b> <b>31 Mar 2014</b>	<b>(Audited)</b> <b>31 Dec 2013</b>
	<b>NOTE</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A9	16,791	16,606
Prepaid lease payments		3,192	3,208
Investment properties		3,244	3,262
Investment in associate		4,848	4,493
		<u>28,075</u>	<u>27,569</u>
<b>Current assets</b>			
Inventories		2,965	2,029
Other investment	B8	22,494	23,870
Trade receivables		8,933	6,704
Other receivables, deposits and prepayments		511	326
Tax recoverable		151	138
Cash and cash equivalents		4,269	4,442
		<u>39,323</u>	<u>37,509</u>
<b>TOTAL ASSETS</b>		<u>67,398</u>	<u>65,078</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		18,113	18,113
Treasury shares		(38)	(38)
Share premium		15,166	15,166
Retained profits		28,714	27,487
<b>Total equity</b>		<u>61,955</u>	<u>60,728</u>
<b>Non-current liability</b>			
Deferred tax liability		530	530
		<u>530</u>	<u>530</u>
<b>Current liabilities</b>			
Trade payables		2,131	610
Other payables and accruals		2,782	3,210
		<u>4,913</u>	<u>3,820</u>
<b>Total liabilities</b>		5,443	4,350
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>67,398</u>	<u>65,078</u>
Net assets per share (RM)		<u>0.34</u>	<u>0.34</u>

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The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

**Note:-**

Net assets per share is calculated by dividing net assets of RM 61,955,000 over the number of ordinary shares of 181,132,000 at RM0.10 each.

**ELSOFT RESEARCH BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

(The figures have not been audited)

	<-----Non-distributable ----->			Distributable	Total
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained profits RM'000	equity RM'000
At 1 January 2014	18,113	15,166	(38)	27,487	60,728
<b>Total comprehensive income</b>	-	-	-	1,227	1,227
<b>Transaction with owners</b>					
Purchase of treasury shares	-	-	-	-	-
Interim dividend paid	-	-	-	-	-
	-	-	-	-	-
At 31 March 2014	<u>18,113</u>	<u>15,166</u>	<u>(38)</u>	<u>28,714</u>	<u>61,955</u>
At 1 January 2013	18,113	15,166	(24)	22,097	55,352
<b>Total comprehensive income</b>	-	-	-	10,822	10,822
<b>Transaction with owners</b>					
Purchase of treasury shares	-	-	(14)	-	(14)
Interim dividend paid	-	-	-	(5,432)	(5,432)
	-	-	(14)	(5,432)	(5,446)
At 31 December 2013	<u>18,113</u>	<u>15,166</u>	<u>(38)</u>	<u>27,487</u>	<u>60,728</u>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED  
31 MARCH 2014**

(The figures have not been audited)

	(Unaudited) 31 Mar 2014 RM'000	(Audited) 31 Dec 2013 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,232	11,344
Adjustment for:		
Amortisation of prepaid lease payment	16	64
Property, plant and equipment written off	-	2
Depreciation of property, plant and equipment	126	277
Depreciation of investment properties	17	69
Dividend income from other investments	(47)	(539)
(Gain)/Loss on disposal of other investments	(3)	(62)
(Gain)/Loss on fair value adjustment of other investments	(78)	19
Impairment loss on trade receivables	-	51
Interest income	(1)	(148)
Unrealised (gain)/loss on foreign exchange	-	(322)
Share of profit in associate	(354)	(910)
Operating profit before working capital changes	<u>908</u>	<u>9,845</u>
Decrease/(Increase) in inventories	(936)	500
Decrease/(Increase) in trade and other receivables	(2,414)	1,832
(Decrease)/Increase in trade and other payables	<u>1,093</u>	<u>(1,242)</u>
	(1,349)	10,935
Tax paid	<u>(18)</u>	<u>(77)</u>
Net cash flow (used in)/from operating activities	<u>(1,367)</u>	<u>10,858</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(311)	(4,363)
Purchase of other investments	(889)	(19,438)
Proceeds from disposal of other investment	2,393	18,824
Dividend received from an associate	-	180
Interest received	1	148
Net advance to associate	-	-
Net cash flow from/(used in) investing activities	<u>1,194</u>	<u>(4,649)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Purchase of treasury shares	-	(14)
Interim dividend paid	-	(5,432)
Net cash flow used in financing activities	<u>-</u>	<u>(5,446)</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED  
31 MARCH 2014**

(The figures have not been audited)

	<b>(Unaudited)</b> <b>31 Mar 2014</b> <b>RM'000</b>	<b>(Audited)</b> <b>31 Dec 2013</b> <b>RM'000</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(173)	763
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	-	149
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	4,442	3,530
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<u>4,269</u>	<u>4,442</u>

Represented by :

Short term funds	300	299
Cash and bank balances	<u>3,969</u>	<u>4,143</u>
	<u>4,269</u>	<u>4,442</u>

Short term funds represents highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The unaudited condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED  
31 MARCH 2014**

**A EXPLANATORY NOTES PURSUANT TO MFRS 134 - INTERIM FINANCIAL REPORTING**

**A1 Basis of preparation**

The financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting in Malaysia and Chapter 9, Part K, 9.22 and Appendix 9B of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad.

The financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013. These explanatory notes attached to the financial statements provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

The financial statements of the Group and the Company for the financial year ended 31 December 2013 were prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) in Malaysia.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the year 31 December 2013, except for the adoption of the Amendments to Standards and IC Interpretations effective as of 1 January 2014.

**Effective for annual periods commencing on or after 1 January 2014**

MFRS 10	<i>Consolidated Financial Statements: Investment Entities</i>
MFRS 12	<i>Disclosure of Interests in Other Entities: Investment Entities</i>
MFRS 127	<i>Separate Financial Statements: Investment Entities</i>
MFRS 132	<i>Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities</i>
MFRS 136	<i>Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets</i>
MFRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IC Interpretation 21	<i>Levies</i>

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED  
31 MARCH 2014**

**A EXPLANATORY NOTES PURSUANT TO MFRS 134 - INTERIM FINANCIAL REPORTING**

(Continued)

**A1 Basis of preparation (Continued)**

The followings MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective by the Group

Effective for annual periods commencing on or after 1 July 2014

Amendments to MFRS 119                      *Defined Benefit Plans: Employee Contributions*  
Annual Improvement to MFRSs 2010 - 2012 Cycle  
Annual Improvement to MFRSs 2011 - 2013 Cycle

To be announced by Malaysian Accounting Standards Board (MASB)

MFRS 9    *Financial Instruments (IFRS 9 issued by International Accounting  
Standards Board (IASB) in November 2009)*  
MFRS 9    *Financial Instruments (IFRS 9 issued by IASB in October 2010)*  
MFRS 9    *Financial Instruments: Mandatory Effective Date of MFRS 9 and  
Transition Disclosures (Amendments to MFRS 9 and MFRS 7)*  
MFRS 9    *Financial Instruments (Hedge Accounting and amendments to  
MFRS 9, MFRS 7 and MFRS 139)*

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application.

**A2 Audit report of preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2013 was not subject to any qualification.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED  
31 MARCH 2014**

**A3 Seasonal or cyclical factors**

The Group's operations are not materially affected by seasonal or cyclical changes during the current quarter under review.

**A4 Unusual items affecting assets, liabilities, equity, net income or cash flow**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 March 2014.

**A5 Material changes in estimates**

There were no changes in estimates that have had any material effect on the quarter ended 31 March 2014.

**A6 Changes in debt and equity securities**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter-to-date under review, except for the following:

**Treasury shares**

The treasury shares held as at 31 March 2014 were as follows:

	<b>RM'000</b>
Balance as at 1 January 2014	38
Add: Purchase of treasury shares	-
Balance as at 31 March 2014	<u>38</u>

**A7 Dividends**

No interim dividend has been recommended for current quarter under review.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2014****A8 Segmental information**

The segment information is presented on the basis of the Group's primary business segments. This segment reporting format is also the basis for the Group's management and internal reporting structure to the chief operating decision maker. There are 2 segments namely the Test, Burn in and Embedded Peripherals Operations and Automation Equipment/Systems Operations.

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	RM' 000	RM' 000	RM' 000	RM' 000
<b>Segment Revenue</b>				
(1) Test, Burn-in and Embedded Peripherals	3,002	5,262	3,002	5,262
(2) Automation Equipment/Systems	1,633	2,348	1,633	2,348
	4,635	7,610	4,635	7,610
Less : Intercompany transactions	(428)	(1,078)	(428)	(1,078)
Total	4,207	6,532	4,207	6,532

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	RM' 000	RM' 000	RM' 000	RM' 000
<b>Segment Result</b>				
(1) Test, Burn-in and Embedded Peripherals	208	1,450	208	1,450
(2) Automation Equipment/Systems	376	408	376	408
	584	1,858	584	1,858
Other income	294	349	294	349
Share of (loss)/profit in associate	354	67	354	67
Total	1,232	2,274	1,232	2,274

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2014****A9 Property, plant and equipment**

The valuation of the property, plant and equipment have been brought forward without amendment from the financial statements for the financial year ended 31 December 2013.

Property, plant and equipment costing approximately RM311,000 were acquired during the financial period ended 31 March 2014.

**A10 Material events subsequent to the end of the quarter**

There were no material events between the end of the reporting quarter and the date of this announcement.

**A11 Changes in the composition of the Group**

There were no material changes in the composition of the Group for the current quarter under review other than the incorporation of a wholly owned subsidiary, Elsoft Systems Sdn. Bhd., with an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each of which two (2) ordinary shares have been issued and fully paid up during the period.

**A12 Contingent liabilities**

During the current quarter, the directors are of the opinion that the Group has no contingent liabilities which, upon materialisation would have a material impact on the financial position and business of the Group.

**A13 Related party transactions**

During the current quarter under review, the directors are of the opinion that the Group has no related party transactions which would have a material impact on the financial position and business of the Group.

**A14. Capital Commitments**

There is no capital commitments in the interim financial statements as at 31 March 2014.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED  
31 MARCH 2014**

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD FOR ACE MARKET**

**B1 Review of performance**

For the current quarter, the Group registered revenue and profit before tax ("PBT") of approximately RM 4.21 million and RM 1.23 million respectively. Compared to the preceding year corresponding quarter revenue and profit before tax of approximately RM 6.53 million and RM 2.27 million respectively, revenue has decreased by approximately 36% and profit before tax has decreased by approximately 46% respectively for the current quarter. The lower revenue recorded was mainly due to lower demand in the first quarter. The lower PBT margin was mainly due to lower revenue and higher costs of sales.

**B2 Variation of results against preceding quarter**

For the current quarter, the Group recorded higher revenue of approximately RM 4.21 million as compared to RM 4.06 million achieved in the previous quarter. PBT for the current quarter decreased from approximately RM 2.33 million in the previous quarter to RM 1.23 million in the current quarter. Though the revenue has increase in current quarter, but the PBT margin was lower mainly due to higher costs of sales, lower share of profits in associate and lower other income from other investments.

**B3 Prospects**

Barring any unforeseen circumstances, the Board is optimistic on the Group's prospects for the financial year ending 31 December 2014.

**B4 Profit estimate, forecast, projection or internal targets and profit guarantee**

The Group did not announce or provide any profit estimate, forecast, projection, internal targets or profit guarantee in any public documents.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2014****B5 Income tax expense**

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	(5)	(12)	(5)	(12)

For the current quarter ended 31 March 2014, the effective tax rate for the Group is lower than the statutory tax rate due to 100% tax exemption from Pioneer Status of Section 7 Promotion of Investment Act, 1986 for AGS Automation (Malaysia) Sdn. Bhd.

**B6 Unquoted investments and properties**

There were no changes in the unquoted investments and properties of the Group during the current quarter under review.

**B7 Corporate proposals**

There were no corporate proposals announced as at the date of issue of this interim financial report.

**B8 Investment securities**

A summary of the movement of other investments during the period ended 31 March 2014 is as follow:

	RM'000
<b>Investment securities</b>	
Balance at 1 January 2014	23,870
Acquisition during the period	889
Dividend reinvest	49
Less : Disposal during the period	(2,392)
	<u>22,416</u>
Add : Gain on fair value adjustment	78
Balance at 31 March 2014	<u><u>22,494</u></u>

**B9 Group's borrowings and debt securities**

There were no borrowings and debt securities outstanding/issued during the current quarter under review.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED  
31 MARCH 2014**

**B10 Off balance sheet financial instruments**

There were no off balance sheet financial instruments as at the date of this report (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**B11 Material litigation**

The Group is not engaged in any material litigation as at the date of this report (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**B12 Dividends**

No interim dividend has been recommended for current quarter under review.



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED  
31 MARCH 2014****B13 Earnings per share**

## a. Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by weighted average number of ordinary shares in issue during the period.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>
	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>
Profit attributable to ordinary equity holders of the parent	1,227	2,262	1,227	2,262
	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>
	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares in issue	181,132	181,132	181,132	181,132
	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>
	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic earnings per share for: Profit for the period	0.68	1.25	0.68	1.25

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2014****B13 Earnings per share (cont'd)**

## b. Diluted

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share option granted to employees.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Profit attributable to ordinary equity holders of the parent	1,227	2,262	1,227	2,262
	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>
	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary shares in issue	181,132	181,132	181,132	181,132
Effects of dilution :				
Share option	-	-	-	-
	181,132	181,132	181,132	181,132
	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>
	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Diluted earnings per share for:				
Profit for the period	0.68	1.25	0.68	1.25

**ELSOFT RESEARCH BERHAD**

(Company No. 617504-K)

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED  
31 MARCH 2014****B14 Profit Before Tax**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Profit before tax is arrived after charging:				
Amortisation of prepaid leasehold land	16	16	16	16
Audit fee	9	9	9	9
Depreciation				
- property, plant and equipment	126	68	126	68
- Investment property	17	17	17	17
Realised loss on foreign exchange	7	-	7	-
	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>
and crediting:				
Dividend income	47	6	47	6
Gain on disposal of other investment	3	13	3	13
Gain on fair value adjustment on other investment	78	160	78	160
Interest income	1	1	1	1
Realised gain on foreign exchange	-	8	-	8
Rental received	172	160	172	160
	<u>172</u>	<u>160</u>	<u>172</u>	<u>160</u>

**ELSOFT RESEARCH BERHAD**

(Company No. 617504-K)

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2014****B15 Breakdown of Realised and Unrealised Profits or Losses of the Group**

The retained profits may be analysed as follows:

	As at end of current quarter 31 Mar 2014 RM '000	As at end of previous financial year 31.12.2013 RM '000
Total retained profits of Elsoft Research Berhad and its subsidiaries:		
- Realised profits	35,831	32,740
- Unrealised profits	(530)	(208)
	<u>35,301</u>	<u>32,532</u>
Total share of retained earnings from an associate:		
- Realised profits	1,909	2,657
- Unrealised profits	(31)	(31)
	<u>37,179</u>	<u>35,158</u>
Less : Consolidation adjustments	(8,465)	(7,671)
Total Group retained profits as per consolidated accounts	<u><u>28,714</u></u>	<u><u>27,487</u></u>

**B16 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 16 May 2014.

By Order of the Board

*Tan Cheik Eaik*

Director