

ELSOFT RESEARCH BERHAD

(Company No. 617504-K)

(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION**30 JUNE 2015**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 June 2015 RM'000	Preceding Year Corresponding Quarter 30 June 2014 RM'000	Current Year To Date 30 June 2015 RM'000	Preceding Year Corresponding Period 30 June 2014 RM'000
1 Revenue	5,432	15,164	15,724	19,371
2 Profit before tax	1,821	7,583	6,732	8,815
3 Profit for the period	1,869	6,961	6,594	8,188
4 Profit attributable to ordinary equity holders of the parent	1,869	6,961	6,594	8,188
5 Earnings per share (sen) :				
-Basic	1.03	3.84	3.64	4.52
-Diluted	1.03	3.84	3.64	4.52
6 Proposed / Declared dividend per share (sen)	2	2	2	2
		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END	
		30 June 2015 RM	31 Dec 2014 RM	
7 Net assets per share attributable to ordinary equity holders of the parent		0.39	0.41	

Note: For full text of the above announcement, please access the Bursa Malaysia website at www.bursamalaysia.com

ELSOFT RESEARCH BERHAD
(Company No. 617504-K)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2015**

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 30 June 2015 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 June 2014 RM'000	Current Year To Date (Unaudited) 30 June 2015 RM'000	Preceding Year Corresponding Period (Unaudited) 30 June 2014 RM'000
Revenue		5,432	15,164	15,724	19,371
Cost of sales		(3,180)	(6,540)	(8,953)	(9,346)
Gross profit		<u>2,252</u>	<u>8,624</u>	<u>6,771</u>	<u>10,025</u>
Other income		623	291	2,017	585
Administrative expenses		(935)	(1,476)	(2,053)	(2,294)
Share of (loss)/profit in associate		(119)	144	(3)	499
Profit before tax	B14	<u>1,821</u>	<u>7,583</u>	<u>6,732</u>	<u>8,815</u>
Income tax expense	B5	48	(622)	(138)	(627)
Profit for the period		<u>1,869</u>	<u>6,961</u>	<u>6,594</u>	<u>8,188</u>
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		<u><u>1,869</u></u>	<u><u>6,961</u></u>	<u><u>6,594</u></u>	<u><u>8,188</u></u>

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (Unaudited) 30 June 2015 NOTE RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 June 2014 RM'000	Current Year To Date (Unaudited) 30 June 2015 RM'000	Preceding Year Corresponding Period (Audited) 30 June 2014 RM'000
Attributable to :				
Equity holders of the parent	1,869	6,961	6,594	8,188
Non-controlling interest	-	-	-	-
	<u>1,869</u>	<u>6,961</u>	<u>6,594</u>	<u>8,188</u>
Total comprehensive income attributable to :				
Equity holders of the parent	1,869	6,961	6,594	8,188
Non-controlling interest	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings per share attributable to equity holders of the parent :				
Basic, for profit for the period (sen)	B13 <u>1.03</u>	<u>3.84</u>	<u>3.64</u>	<u>4.52</u>
Diluted, for profit for the period (sen)	B13 <u>1.03</u>	<u>3.84</u>	<u>3.64</u>	<u>4.52</u>

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 2014 and the accompanying explanatory notes attached to the interim financial statements.

ELSOFT RESEARCH BERHAD

(Company No. 617504-K)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	NOTE	(Unaudited) 30 June 2015 RM'000	(Audited) 31 Dec 2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	16,527	16,731
Prepaid lease payments		3,112	3,144
Investment properties		3,137	3,179
Investment in associate		9,265	9,268
		<u>32,041</u>	<u>32,322</u>
Current assets			
Inventories		4,220	3,231
Other investment	B8	8,030	19,177
Trade receivables		8,286	12,751
Other receivables, deposits and prepayments		538	346
Current tax assets		453	271
Cash and cash equivalents		24,590	13,161
		<u>46,117</u>	<u>48,937</u>
TOTAL ASSETS		<u>78,158</u>	<u>81,259</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		18,113	18,113
Treasury shares	A6	(92)	(74)
Share premium		15,166	15,166
Retained profits		37,924	40,380
Total equity		<u>71,111</u>	<u>73,585</u>
Non-current liability			
Deferred tax liability		524	524
		<u>524</u>	<u>524</u>
Current liabilities			
Trade payables		3,523	3,065
Other payables and accruals		3,000	4,085
		<u>6,523</u>	<u>7,150</u>
Total liabilities		7,047	7,674
TOTAL EQUITY AND LIABILITIES		<u>78,158</u>	<u>81,259</u>
Net assets per share (RM)		<u>0.39</u>	<u>0.41</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

Note:-

Net assets per share is calculated by dividing net assets of RM 71,111,000 over the number of ordinary shares of 181,132,000 at RM0.10 each.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2015

(The figures have not been audited)

	<-----Non-distributable ----->			Distributable	
	Share capital	Share premium	Treasury shares	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2015	18,113	15,166	(74)	40,380	73,585
Total comprehensive income	-	-	-	6,594	6,594
Transaction with owners					
Purchase of treasury shares	-	-	(18)	-	(18)
Interim dividend paid	-	-	-	(9,050)	(9,050)
	-	-	(18)	(9,050)	(9,068)
At 30 June 2015	18,113	15,166	(92)	37,924	71,111
At 1 January 2014	18,113	15,166	(38)	27,487	60,728
Total comprehensive income	-	-	-	8,188	8,188
Transaction with owners					
Purchase of treasury shares	-	-	(22)	-	(22)
Interim dividend paid	-	-	-	(3,621)	(3,621)
	-	-	(22)	(3,621)	(3,643)
At 30 June 2014	18,113	15,166	(60)	32,054	65,273

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 2014 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 30 JUNE 2015

	(Unaudited) 30 June 2015	(Unaudited) 30 June 2014
Note	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	6,732	8,815
Adjustment for:		
Amortisation of prepaid lease payment	32	32
Depreciation of property, plant and equipment	300	252
Depreciation of investment properties	42	35
Dividend income from other investments	B8 (221)	(163)
Gain on disposal of other investments	(72)	(5)
Gain on disposal of short term investments	(64)	-
Gain on fair value adjustment of other investments	B8 (88)	(166)
Interest income	(19)	(2)
Unrealised gain/(loss) on foreign exchange	(793)	12
Share of loss/(profit) in associate	3	(499)
Operating profit before working capital changes	<u>5,852</u>	<u>8,311</u>
Increase in inventories	(990)	(2,663)
Decrease/(Increase) in trade and other receivables	4,396	(11,844)
(Decrease)/Increase in trade and other payables	<u>(707)</u>	<u>5,945</u>
	8,551	(251)
Tax paid	(320)	(31)
Net cash flow from/(used in) operating activities	<u>8,231</u>	<u>(282)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	A9 (96)	(398)
Purchase of other investments	B8 (13,776)	(7,372)
Proceeds from disposal of other investment	25,304	13,681
Gain on disposal of short term investments	64	-
Interest received	19	2
Net cash flow from investing activities	<u>11,515</u>	<u>5,913</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares	A6 (18)	(22)
Interim dividend paid	(9,050)	(3,621)
Net cash flow used in financing activities	<u>(9,068)</u>	<u>(3,643)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 30 JUNE 2015

	(Unaudited) 30 June 2015 RM'000	(Unaudited) 30 June 2014 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,678	1,988
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	751	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	13,161	4,442
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>24,590</u>	<u>6,430</u>

Represented by :

Short term funds	-	300
Cash and bank balances	<u>24,590</u>	<u>6,130</u>
	<u>24,590</u>	<u>6,430</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2015**

A EXPLANATORY NOTES PURSUANT TO MFRS 134 - INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. These explanatory notes attached to the interim 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 2014.

The financial statements of the Group and the Company for the financial year ended 31 December 2014 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 2014, except for the adoption of the Amendments and Annual Improvements to Standards effective as of 1 January 2015.

Effective for annual periods commencing on or after 1 January 2015

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

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 SECOND QUARTER ENDED
30 JUNE 2015**

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

A1 Basis of preparation (Continued)

The followings Standards, Amendments and Annual Improvements to Standards were issued by the MASB but are not yet effective and have not been adopted by the Group

Effective for annual periods commencing on or after 1 January 2016

MFRS 14 Regulatory Deferral Accounts

Amendment to MFRS 11 Joint Arrangements - *Accounting for Acquisition of Interests in Joint Operations*

Amendment to MFRS 101 Presentation of Financial Statements - *Disclosure Initiative*

Amendment to MFRS 127 Consolidated and Separate Financial Statements - *Equity Method in Separate Financial Statements*

Amendment to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Venture - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets - *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to MFRS 116 Property, Plant and Equipment and MFRS 141 Agriculture - *Bearer Plants*

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures - *Investment Entities: Applying the Consolidation Exception*

Annual Improvements to MFRSs 2012 - 2014 Cycle

Effective for annual periods commencing on or after 1 January 2017

MFRS 15 Revenue from Contracts with Customers

Effective for annual periods commencing on or after 1 January 2018

MFRS 9 Financial Instruments (IFRS 9 as issued by International Accounting Standards Board ("IASB") in July 2014)

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.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2015**

A2 Audit report of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2014 was not subject to any qualification.

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 30 June 2015.

A5 Material changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 June 2015.

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 30 June 2015 were as follows:

	RM'000
Balance as at 1 January 2015	74
Add: Purchase of treasury shares	18
Balance as at 30 June 2015	<u>92</u>

A7 Dividends paid

Single tier dividend

For the financial year	31 December 2014
Approved and declared on	25 February 2015
Dividend per share	RM0.05
Payable on	15 April 2015
Entitlement to dividend based on Record of Depositors as at	18 March 2015

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2015****A8 Segmental information****Business Segments**

Effective from 1 January 2015, the Group has integrated its Test, Burn-in & Embedded Peripherals segment and Automation Equipment/Systems segment into a single business segment, namely design and production of automated test equipment ("ATE"). As such, no segment reporting has been prepared as the Group has only one business segment.

Geographical information

Revenue information based on the geographical location of customers is as follows: -

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysia	5,009	9,890	14,687	13,871
China	158	1,927	575	2,013
Taiwan	93	3,213	287	3,339
Others	172	134	175	148
	<u>5,432</u>	<u>15,164</u>	<u>15,724</u>	<u>19,371</u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2015**

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 2014.

Property, plant and equipment costing approximately RM96,000 were acquired during the financial period ended 30 June 2015.

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.

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 30 June 2015.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2015**

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

B1 Review of performance

For the current quarter, the Group registered revenue and profit before tax ("PBT") of approximately RM5.432 million and RM1.821 million respectively. Compared to the preceding year corresponding quarter revenue and profit before tax of approximately RM15.164 million and RM7.583 million respectively, revenue has decreased by approximately 64% and profit before tax has decreased by approximately 76% respectively for the current quarter.

The lower revenue recorded was mainly due to lower demand from smart device industry as compared to the preceding year corresponding quarter.

The lower PBT recorded was mainly due to the lower revenue for current quarter and the share of loss in associates. The profit contribution from Leso Corporation Sdn. Bhd., an 30% owned associate of Elsoft has been offset against the share of loss from Butterfly House (PG) Sdn. Bhd., as 21% owned associate of Elsoft, who currently shut down their operation to undergo re-development project.

B2 Variation of results against preceding quarter

For the current quarter, the Group recorded lower revenue of approximately RM5.432 million as compared to RM10.292 million achieved in the previous quarter. PBT for the current quarter decreased from approximately RM4.911 million in the previous quarter to RM1.821 million in the current quarter are mainly due to the lower revenue in second quarter of 2015 and the share of loss in associates.

B3 Prospects

Barring any unforeseen circumstances, the Board is optimistic on the Group's prospects for the financial year ending 31 December 2015.

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 SECOND QUARTER ENDED 30 JUNE 2015**B5 Income tax expense**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	(48)	622	138	627

For the year ended 31 December 2015, the effective tax rate for the Group is lower than the statutory tax rate due to 100% tax exemption from Pioneer Status of Section 4D, Promotion of Investment Act, 1986 for Elsoft Systems 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 Other investment

A summary of the movement of other investments during the period ended 30 June 2015 is as follow:

	RM'000
Other investment	
Balance at 1 January 2015	19,177
Acquisition during the period	13,776
Dividend reinvest	221
Less : Disposal during the period	(25,232)
	<u>7,942</u>
Add : Gain on fair value adjustment	88
Balance at 30 June 2015	<u><u>8,030</u></u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2015**

B9 Group's borrowings and debt securities

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

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

Details of the interim dividend approved and declared by the Board of Directors are as follows: -

Single tier dividend

For the financial year	31 December 2015
Approved and declared on	21 August 2015
Dividend per share	RM0.02
Payable on	20 October 2015
Entitlement to dividend based on Record of Depositors as at	5 October 2015

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015**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.

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM' 000	RM' 000	RM' 000	RM' 000
Profit attributable to ordinary equity holders of the parent	1,869	6,961	6,594	8,188
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM' 000	RM' 000	RM' 000	RM' 000
Weighted average number of ordinary shares in issue	181,132	181,132	181,132	181,132
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	Sen	Sen	Sen	Sen
Basic earnings per share for: Profit for the period	1.03	3.84	3.64	4.52
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015**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.

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2015 RM '000	30 June 2014 RM '000	30 June 2015 RM '000	30 June 2014 RM '000
Profit attributable to ordinary equity holders of the parent	1,869	6,961	6,594	8,188
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2015 RM '000	30 June 2014 RM '000	30 June 2015 RM '000	30 June 2014 RM '000
Weighted average number of ordinary shares in issue	181,132	181,132	181,132	181,132
Effects of dilution :				
Share option	-	-	-	-
	<hr/> 181,132	<hr/> 181,132	<hr/> 181,132	<hr/> 181,132
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2015 Sen	30 June 2014 Sen	30 June 2015 Sen	30 June 2014 Sen
Diluted earnings per share for: Profit for the period	1.03	3.84	3.64	4.52
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2015****B14 Profit Before Tax**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2015 RM '000	30 June 2014 RM '000	30 June 2015 RM '000	30 June 2014 RM '000
Profit before tax is arrived after charging:				
Amortisation of prepaid leasehold land	16	16	32	32
Audit fee	9	11	13	20
Depreciation				
- property, plant and equipment	170	126	300	252
- Investment property	21	18	42	35
Impairment loss on trade receivables	-	-	-	-
Loss on disposal of other investment	-	-	-	-
Loss on fair value adjustment on other investment	-	-	-	-
Realised loss on foreign exchange	-	76	-	83
Unrealised loss on foreign exchange	-	12	-	12
and crediting:				
Dividend income	78	116	221	163
Gain on disposal of other investment	72	2	72	5
Gain on disposal of short term investment	13	-	64	-
Gain on fair value adjustment on other investment	70	88	88	166
Interest income	10	1	19	2
Realised gain on foreign exchange	71	-	63	-
Unrealised gain on foreign exchange	60	-	793	-
Rental received	249	172	487	344

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2015****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 financial year 30 June 2015 RM '000	As at end of previous financial year 31 Dec 2014 RM '000
Total retained profits of Elsoft Research Berhad and its subsidiaries:		
- Realised profits	39,557	43,212
- Unrealised profits	269	370
	<u>39,826</u>	<u>43,582</u>
Total share of retained earnings from an associate:		
- Realised profits	4,060	3,943
- Unrealised profits	(195)	(203)
	<u>43,691</u>	<u>47,322</u>
Less : Consolidation adjustments	(5,767)	(6,942)
Total Group retained profits as per consolidated accounts	<u><u>37,924</u></u>	<u><u>40,380</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 21 August 2015.

By Order of the Board

Tan Cheik Eaik

Director