

ELSOFT RESEARCH BERHAD

(Company No. 617504-K)

(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION**30 JUNE 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 June 2016 RM'000	Preceding Year Corresponding Quarter 30 June 2015 RM'000	Current Year To Date 30 June 2016 RM'000	Preceding Year Corresponding Period 30 June 2015 RM'000
1 Revenue	18,446	5,432	28,583	15,724
2 Profit before tax	10,408	1,821	12,045	6,732
3 Profit for the period	10,363	1,869	11,925	6,594
4 Profit attributable to ordinary equity holders of the parent	10,363	1,869	11,925	6,594
5 Earnings per share (sen) :				
-Basic	5.72	1.03	6.58	3.64
-Diluted	5.72	1.03	6.58	3.64
6 Proposed / Declared dividend per share (sen)	3	2	3	2
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END
		30 June 2016		31 Dec 2015
		RM		RM
7 Net assets per share attributable to ordinary equity holders of the parent		0.49		0.46

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)

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2016

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 30 June 2016 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 June 2015 RM'000	Current Year To Date (Unaudited) 30 June 2016 RM'000	Preceding Year Corresponding Period (Unaudited) 30 June 2015 RM'000
Revenue		18,446	5,432	28,583	15,724
Cost of sales		(8,587)	(3,180)	(12,896)	(8,953)
Gross profit		<u>9,859</u>	<u>2,252</u>	<u>15,687</u>	<u>6,771</u>
Other income/(expenses)		2,643	623	(437)	2,017
Administrative expenses		(1,967)	(935)	(2,896)	(2,053)
Share of profit/(loss) in associate		(127)	(119)	(309)	(3)
Profit before tax	B14	<u>10,408</u>	<u>1,821</u>	<u>12,045</u>	<u>6,732</u>
Taxation	B5	(45)	48	(120)	(138)
Profit for the period		<u>10,363</u>	<u>1,869</u>	<u>11,925</u>	<u>6,594</u>
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		<u><u>10,363</u></u>	<u><u>1,869</u></u>	<u><u>11,925</u></u>	<u><u>6,594</u></u>

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Corresponding	To Date	Corresponding
	Quarter	Quarter	To Date	Period
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
NOTE	RM'000	RM'000	RM'000	RM'000
Attributable to :				
Equity holders of the parent	10,363	1,869	11,925	6,594
Non-controlling interest	-	-	-	-
	<u>10,363</u>	<u>1,869</u>	<u>11,925</u>	<u>6,594</u>
Total comprehensive income attributable to :				
Equity holders of the parent	10,363	1,869	11,925	6,594
Non-controlling interest	-	-	-	-
	<u>10,363</u>	<u>1,869</u>	<u>11,925</u>	<u>6,594</u>
Earnings per share attributable to equity holders of the parent :				
Basic, for profit for the period (sen)	B13 <u>5.72</u>	<u>1.03</u>	<u>6.58</u>	<u>3.64</u>
Diluted, for profit for the period (sen)	B13 <u>5.72</u>	<u>1.03</u>	<u>6.58</u>	<u>3.64</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 2015 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 30 JUNE 2016**

		(Unaudited) 30 June 2016 RM'000	(Audited) 31 Dec 2015 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	16,351	16,406
Prepaid lease payments		3,049	3,081
Investment properties		3,053	3,095
Investment in associate		16,533	16,842
		<u>38,986</u>	<u>39,424</u>
Current assets			
Inventories		3,742	2,610
Other investment	B8	17,579	15,493
Trade receivables		20,958	19,188
Other receivables, deposits and prepayments		1,143	862
Current tax assets		141	412
Cash and cash equivalents		14,402	15,112
		<u>57,965</u>	<u>53,677</u>
TOTAL ASSETS		<u>96,951</u>	<u>93,101</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		18,113	18,113
Treasury shares	A6	(177)	(158)
Share premium		15,166	15,166
Share option reserve		784	-
Retained profits		54,825	50,137
Total equity		<u>88,711</u>	<u>83,258</u>
Non-current liability			
Deferred tax liability		571	571
		<u>571</u>	<u>571</u>
Current liabilities			
Trade payables		2,540	2,710
Other payables and accruals		5,129	6,562
		<u>7,669</u>	<u>9,272</u>
Total liabilities		8,240	9,843
TOTAL EQUITY AND LIABILITIES		<u>96,951</u>	<u>93,101</u>
Net assets per share (RM)		<u>0.49</u>	<u>0.46</u>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

Note:-

Net assets per share is calculated by dividing net assets of RM 88,711,000 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 SECOND QUARTER ENDED 30 JUNE 2016

(The figures have not been audited)

	<-----Non-distributable ----->			Distributable		
	Share capital RM'000	Share premium RM'000	Share option reserves RM'000	Treasury shares RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2016	18,113	15,166	-	(158)	50,137	83,258
Total comprehensive income	-	-	-	-	11,925	11,925
Transaction with owners						
Purchase of treasury shares	-	-	-	(19)	-	(19)
Share-based payments	-	-	784	-	-	784
Interim dividend paid	-	-	-	-	(7,237)	(7,237)
	-	-	784	(19)	(7,237)	(6,472)
At 30 June 2016	<u>18,113</u>	<u>15,166</u>	<u>784</u>	<u>(177)</u>	<u>54,825</u>	<u>88,711</u>
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	<u>18,113</u>	<u>15,166</u>	<u>-</u>	<u>(92)</u>	<u>37,924</u>	<u>71,111</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 2015 and the accompanying explanatory notes attached to the interim financial statements.

ELSOFT RESEARCH BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 30 JUNE 2016

	(Unaudited) 30 June 2016	(Unaudited) 30 June 2015
Note	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	12,045	6,732
Adjustment for:		
Amortisation of prepaid lease payment	32	32
Depreciation of property, plant and equipment	260	300
Depreciation of investment properties	42	42
Dividend income	B8 (508)	(221)
Gain on disposal of other investments	(134)	(72)
Gain on disposal of short term investments	(470)	(64)
Loss/(Gain) on fair value adjustment of other investments	B8 606	(88)
Interest income	(39)	(19)
Share based payment	784	-
Unrealised loss/(gain) on foreign exchange	1,607	(793)
Share of loss/(profit) in associate	309	3
Operating profit before working capital changes	<u>14,534</u>	<u>5,852</u>
Increase in inventories	(1,132)	(990)
(Increase)/Decrease in trade and other receivables	(1,640)	4,396
Decrease in trade and other payables	<u>(1,603)</u>	<u>(707)</u>
	10,159	8,551
Tax refund/(paid)	151	(320)
Net cash flow from operating activities	<u>10,310</u>	<u>8,231</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	A9 (205)	(96)
Purchase of other investments	B8 (19,350)	(13,776)
Proceeds from disposal of other investment	16,908	25,304
Gain on disposal of short term investments	470	64
Interest received	39	19
Net cash flow (used in)/from investing activities	<u>(2,138)</u>	<u>11,515</u>
CASH FLOW FROM FINANCING ACTIVITY		
Purchase of treasury shares	A6 (19)	(18)
Interim dividend paid	(7,237)	(9,050)
Net cash flow used in financing activity	<u>(7,256)</u>	<u>(9,068)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 30 JUNE 2016

	(Unaudited) 30 June 2016 RM'000	(Unaudited) 30 June 2015 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	916	10,678
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,626)	751
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	15,112	13,161
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>14,402</u>	<u>24,590</u>
Represented by :		
Short term funds	3,627	-
Cash and bank balances	<u>10,775</u>	<u>24,590</u>
	<u>14,402</u>	<u>24,590</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 2015 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 2016

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 2015. 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 2015.

The financial statements of the Group and the Company for the financial year ended 31 December 2015 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 2015, except for the adoption of the Standards, Amendments and Annual Improvement to Standards effective as of 1 January 2016.

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 Separate Financial Statements - *Equity Method in Separate Financial Statements*

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

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 2016**

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

A1 Basis of preparation (Continued)

The followings Standards and Amendment to Standards have been issued by the MASB but are not yet effective by the Group.

Effective for annual periods commencing on or after 1 January 2018

MFRS 9 Financial Instruments

MFRS 15 Revenue from Contracts with Customers

Clarifications to MFRS 15 Revenue Contracts with Customers

Issued but not yet effective

Amendments to MFRS 107 Statement of Cash Flows - *Disclosure Initiative*

Amendments to MFRS 112 Income Taxes - *Recognition of Deferred Tax Assets for Unrealised Losses*

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

MFRS 16 Leases

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 2016**A2 Audit report of preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 December 2015 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 2016.

A5 Material changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 June 2016.

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 2016 were as follows:

	RM'000
Balance as at 1 January 2016	158
Add: Purchase of treasury shares	19
Balance as at 30 June 2016	<u>177</u>

A7 Dividends paidSingle tier dividend

For the financial year	31 December 2015
Approved and declared on	26 February 2016
Dividend per share	RM0.04
Paid on	15 April 2016
Entitlement to dividend based on Record of Depositors as at	18 March 2016

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016**A8 Segmental information****Operating Segments**

The test, burn-in & embedded peripherals segment and automation equipment/systems segment represent two operating segment within the Group. These operating segments have been aggregated to form a reportable segment known as design and production of automated test equipment ("ATE") due to similarity in each of the following:

- (i) Nature and economic characteristic of the products;
- (ii) Production process; and
- (iii) Type of customers, which consist of consumers and industrial customers.

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 2016	30 June 2015	30 June 2016	30 June 2015
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysia	13,860	5,009	21,942	14,687
China	2,094	158	3,334	575
Taiwan	2,481	93	3,241	287
Others	11	172	66	175
	<u>18,446</u>	<u>5,432</u>	<u>28,583</u>	<u>15,724</u>

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016**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 2015.

Property, plant and equipment costing approximately RM206,000 were acquired during the financial period ended 30 June 2016.

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 current quarter under review, 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 2016.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2016**

**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 RM18.446 million and RM10.408 million respectively. Compared to the preceding year corresponding quarter revenue and profit before tax of approximately RM5.432 million and RM1.821 million respectively, revenue has increased by approximately 240% and profit before tax has increased by approximately 472% respectively for the current quarter.

The higher revenue recorded was contributed by the returned demand from automotive industry and continuous demand from smart devices industry.

The higher PBT recorded was mainly due to the increase in revenue coupled with the favorable foreign exchange gain during the current quarter.

B2 Variation of results against preceding quarter

For the current quarter, the Group recorded higher revenue of approximately RM18.446 million as compared to RM10.137 million achieved in the previous quarter. PBT for the current quarter increased from approximately RM1.637 million in the previous quarter to RM10.408 million in the current quarter are mainly due to the increase in revenue as compared to previous quarter coupled with the favorable foreign exchange gain during the current quarter.

B3 Prospects

Barring any unforeseen circumstances, the Board is optimistic on the Group's prospects for the financial year ending 31 December 2016.

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 2016****B5 Taxation**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	45	(48)	120	138

For the year ending 31 December 2016, 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 2016 is as follow:

	RM'000
Other investment	
Balance at 1 January 2016	15,493
Acquisition during the period	19,350
Dividend reinvest	116
Less : Disposal during the period	(16,774)
	<u>18,185</u>
Add : Gain on fair value adjustment	(606)
Balance at 30 June 2016	<u><u>17,579</u></u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2016****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

Save as disclosed below, 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).

Elsoft Research Berhad ('Elsoft') had made an announcement to the Bursa Malaysia Securities Berhad on 28 March 2016, 29 March 2016 and 6 April 2016 that the Company and its wholly owned subsidiary company, AGS Automation (M) Sdn. Bhd. ('AGS') had been added as the second and third Defendants for an alleged infringement of patent. Elsoft and AGS have been served the Amended Writ of Summons together with the Amended Statement of Claim.

On 8 April 2016, Elsoft announced that the cost, general damages and exemplary damages arising from this legal suit cannot be quantified. However, in the event that interlocutory injunction is obtained, the Company and AGS are compelled to stop production of such alleged Infringing Product and this may have material and adverse financial and operation impact to Elsoft.

On 22 July 2016, Elsoft announced that the Kuala Lumpur Intellectual Property High Court had allowed the application to set aside the Anton Piller Order dated 21 January 2016 made by all the Defendants, including the 2nd and 3rd Defendants. Besides that, the High Court also ordered that damages suffered by the Defendants, including the 2nd and 3rd Defendants as a result of the execution of the Anton Piller Order be assessed. Further, the Court dismissed the Plaintiff's application to extend and expand the interlocutory injunction against all the Defendants, including the 2nd and 3rd Defendants. The Plaintiff is also ordered to pay cost amounting to RM25,000 to the 2nd and 3rd Defendants.

B12 DividendsSingle tier dividend

For the financial year	31 December 2016
Approved and declared on	19 August 2016
Dividend per share	RM0.03
Payable on	29 September 2016
Entitlement to dividend based on Record of Depositors as at	15 September 2016

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2016****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 2016 RM' 000	30 June 2015 RM' 000	30 June 2016 RM' 000	30 June 2015 RM' 000
Profit attributable to ordinary equity holders of the parent	10,363	1,869	11,925	6,594
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2016 RM' 000	30 June 2015 RM' 000	30 June 2016 RM' 000	30 June 2015 RM' 000
Weighted average number of ordinary shares in issue	181,132	181,132	181,132	181,132
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2016 Sen	30 June 2015 Sen	30 June 2016 Sen	30 June 2015 Sen
Basic earnings per share for: Profit for the period	5.72	1.03	6.58	3.64

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016**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 2016 RM '000	30 June 2015 RM '000	30 June 2016 RM '000	30 June 2015 RM '000
Profit attributable to ordinary equity holders of the parent	10,363	1,869	11,925	6,594
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2016 RM '000	30 June 2015 RM '000	30 June 2016 RM '000	30 June 2015 RM '000
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
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2016 Sen	30 June 2015 Sen	30 June 2016 Sen	30 June 2015 Sen
Diluted earnings per share for: Profit for the period	5.72	1.03	6.58	3.64

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2016****B14 Profit Before Tax**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2016 RM '000	30 June 2015 RM '000	30 June 2016 RM '000	30 June 2015 RM '000
Profit before tax is arrived after charging:				
Amortisation of prepaid leasehold land	16	16	32	32
Audit fee	6	9	12	13
Depreciation				
- property, plant and equipment	129	170	260	300
- Investment property	21	21	42	42
Impairment loss on trade receivables	-	-	-	-
Loss on disposal of other investment	-	-	-	-
Loss on fair value adjustment on other investment	130	-	606	-
Realised loss on foreign exchange	30	-	30	-
Unrealised loss on foreign exchange	-	-	1,607	-
and crediting:				
Dividend income	460	78	508	221
Gain on disposal of other investment	12	72	134	72
Gain on disposal of short term investment	449	13	470	64
Gain on fair value adjustment on other investment	-	70	-	88
Interest income	-	10	39	19
Realised gain on foreign exchange	-	71	-	63
Unrealised gain on foreign exchange	1,560	60	-	793
Rental received	322	249	655	487

ELSOFT RESEARCH BERHAD

(Company No. 617504-K)

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2016****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 2016 RM '000	As at end of previous financial year 31 Dec 2015 RM '000
Total retained profits of Elsoft Research Berhad and its subsidiaries:		
- Realised profits	60,122	50,126
- Unrealised profits / (losses)	(2,784)	2,209
	<u>57,338</u>	<u>52,335</u>
Total share of retained earnings from an associate:		
- Realised profits	1,749	1,901
- Unrealised profits	(186)	(29)
	<u>58,901</u>	<u>54,207</u>
Less : Consolidation adjustments	(4,076)	(4,070)
Total Group retained profits as per consolidated accounts	<u><u>54,825</u></u>	<u><u>50,137</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 19 August 2016.

By Order of the Board

Tan Cheik Eaik

Director