

ELSOFT RESEARCH BERHAD

(Company No. 617504-K)

(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION**30 SEPTEMBER 2019**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sept 2019 RM'000	Preceding Year Corresponding Quarter 30 Sept 2018 RM'000	Current Year To Date 30 Sept 2019 RM'000	Preceding Year Corresponding Period 30 Sept 2018 RM'000
1 Revenue	4,853	24,459	27,296	65,101
2 Profit before tax	2,812	13,756	14,254	34,031
3 Profit for the period	2,760	13,649	13,938	33,749
4 Profit attributable to ordinary equity holders of the parent	2,760	13,649	13,938	33,749
5 Earnings per share (sen) :				
-Basic	0.41	2.06 *	2.09	5.09 *
-Diluted	0.41	2.04 *	2.08	5.04 *
6 Proposed / Declared dividend per share (sen)	0.50	1.25 *	2.50	3.33 *
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END
		30 Sept 2019 RM		31 Dec 2018 RM
7 Net assets per share attributable to ordinary equity holders of the parent		0.16		0.17 *

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

* The weighted average number of ordinary shares for the purpose of the computation of the basic earning per share, diluted earning per share, dividend per share and net assets per share had been adjusted retrospectively to reflect the company's bonus issue and subdivision of share which were completed on 15 November 2018.

ELSOFT RESEARCH BERHAD
(Company No. 617504-K)
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 30 Sept 2019 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Sept 2018 RM'000	Current Year To Date (Unaudited) 30 Sept 2019 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Sept 2018 RM'000
Revenue		4,853	24,459	27,296	65,101
Cost of sales		(2,489)	(10,060)	(13,875)	(27,358)
Gross profit		<u>2,364</u>	<u>14,399</u>	<u>13,421</u>	<u>37,743</u>
Other income and expenses	B14	1,185	659	4,253	990
Administrative expenses		(909)	(1,547)	(3,541)	(4,878)
Share of profit/(loss) in associate		172	245	121	176
Profit before tax	B15	<u>2,812</u>	<u>13,756</u>	<u>14,254</u>	<u>34,031</u>
Taxation	B5	(52)	(107)	(316)	(282)
Profit for the period		<u>2,760</u>	<u>13,649</u>	<u>13,938</u>	<u>33,749</u>
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		<u><u>2,760</u></u>	<u><u>13,649</u></u>	<u><u>13,938</u></u>	<u><u>33,749</u></u>

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (Unaudited) 30 Sept 2019 NOTE RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Sept 2018 RM'000	Current Year To Date (Unaudited) 30 Sept 2019 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Sept 2018 RM'000
Attributable to :				
Equity holders of the parent	2,760	13,649	13,938	33,749
Non-controlling interest	-	-	-	-
	<u>2,760</u>	<u>13,649</u>	<u>13,938</u>	<u>33,749</u>
Total comprehensive income attributable to :				
Equity holders of the parent	2,760	13,649	13,938	33,749
Non-controlling interest	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings per share ("EPS") attributable to equity holders of the parent :				
Basic EPS (sen)	B13 <u>0.41</u>	<u>2.06</u> *	<u>2.09</u>	<u>5.09</u> *
Diluted EPS (sen)	B13 <u>0.41</u>	<u>2.04</u> *	<u>2.08</u>	<u>5.04</u> *

* The weighted average number of ordinary shares for the purpose of the computation of the basic earning per share and diluted earning per share had been adjusted retrospectively to reflect the company's bonus issue and subdivision of share which were completed on 15 November 2018.

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 2018 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 SEPTEMBER 2019**

		(Unaudited)	(Audited)
	NOTE	30 Sept 2019	31 Dec 2018
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	15,716	16,124
Prepaid lease payment		2,841	2,889
Investment properties		2,783	2,846
Investment in associate		15,342	15,221
		<u>36,682</u>	<u>37,080</u>
Current assets			
Inventories		4,027	5,758
Trade receivables		10,237	13,591
Other receivables, deposits and prepayments		2,496	600
Other investments	B8	53,295	62,292
Cash and bank balances		10,124	10,187
		<u>80,179</u>	<u>92,428</u>
TOTAL ASSETS		<u>116,861</u>	<u>129,508</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		42,429	41,168
Treasury shares	A6	(1,043)	(916)
Share options reserve		1,361	1,403
Retained profits		63,569	71,276
Total equity		<u>106,316</u>	<u>112,931</u>
Non-current liabilities			
Deferred tax liabilities		639	639
		<u>639</u>	<u>639</u>
Current liabilities			
Trade payables		705	1,942
Other payables, accruals and provisions		6,900	8,663
Current tax liabilities		55	111
Contract liability		2,246	5,222
		<u>9,906</u>	<u>15,938</u>
Total liabilities		10,545	16,577
TOTAL EQUITY AND LIABILITIES		<u>116,861</u>	<u>129,508</u>
Net assets per share (RM)		<u>0.16</u>	<u>0.17</u> *

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2019

* The weighted average number of ordinary shares for the purpose of the computation of the net assets per share had been adjusted retrospectively to reflect the company's bonus issue and subdivision of share which were completed on 15 November 2018.

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

ELSOFT RESEARCH BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

(The figures have not been audited)

	-----Non-distributable -----			Distributable	Total
	Share capital	Share option reserves	Treasury shares	Retained profits	equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2019	41,168	1,403	(916)	71,276	112,931
Total comprehensive income	-	-	-	13,938	13,938
Transaction with owners					
Purchase of treasury shares	-	-	(127)	-	(127)
Share-based payments	-	279	-	-	279
Issue of shares pursuant to ESOS	1,261	(321)	-	-	940
Interim dividend paid	-	-	-	(21,645)	(21,645)
	1,261	(42)	(127)	(21,645)	(20,553)
Balance as at 30 September 2019	42,429	1,361	(1,043)	63,569	106,316
Balance as at 31 December 2017, as previously reported	38,451	1,284	(617)	68,298	107,416
Adjustments from adoption of MFRS 15 and MFRS 9	-	-	-	(6,424)	(6,424)
Restated balance as at 1 January 2018	38,451	1,284	(617)	61,874	100,992
Total comprehensive income	-	-	-	33,749	33,749
Transaction with owners					
Purchase of treasury shares	-	-	(298)	-	(298)
Share-based payments	-	652	-	-	652
Issue of shares pursuant to ESOS	2,541	(645)	-	-	1,896
Interim dividend paid	-	-	-	(22,088)	(22,088)
	2,541	7	(298)	(22,088)	(19,838)
Balance as at 30 September 2018	40,992	1,291	(915)	73,535	114,903

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

	(Unaudited) 30 Sept 2019 RM'000	(Unaudited) 30 Sept 2018 RM'000
	Note	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	14,254	34,031
Adjustment for:		
Amortisation of prepaid lease payment	48	48
Depreciation of property, plant and equipment	436	339
Depreciation of investment properties	63	63
Dividend income	(1,377)	(863)
Gain on disposal of other investments	(38)	(11)
(Gain)/Loss on fair value adjustment of other investments	(920)	1,761
(Gain)/Loss on disposal of property, plant and equipment	-	(9)
Interest income	(143)	(233)
Share based payment	279	652
Unrealised (gain)/loss on foreign exchange	(18)	(674)
Share of loss/(gain) in associate	(121)	(176)
Operating profit before working capital changes	12,463	34,928
Decrease/(Increase) in inventories	1,731	(1,668)
Decrease/(Increase) in trade and other receivables	1,462	(1,712)
(Decrease)/Increase in trade and other payables	(2,977)	(275)
(Decrease)/Increase in contract liability	(2,976)	3,913
	9,703	35,186
Tax (paid)/refund	(372)	(159)
Net cash flow from/(used in) operating activities	9,331	35,027
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(28)	(450)
Purchase of other investments	(72,607)	(31,412)
Proceeds from disposal of property, plant and equipment	-	9
Proceeds from disposal of other investment	83,939	15,930
Interest received	143	233
Net cash flow from/(used in) investing activities	11,447	(15,690)
CASH FLOW FROM FINANCING ACTIVITY		
Purchase of treasury shares	(127)	(298)
Issue of shares	940	1,896
Interim dividend paid	(21,645)	(22,088)
Net cash flow used in financing activity	(20,832)	(20,490)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

	(Unaudited) 30 Sept 2019 RM'000	(Unaudited) 30 Sept 2018 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(54)	(1,153)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(9)	(15)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	10,187	12,501
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>10,124</u>	<u>11,333</u>
Represented by :		
Short term funds	-	-
Cash and bank balances	<u>10,124</u>	<u>11,333</u>
	<u>10,124</u>	<u>11,333</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 2018 and the accompanying explanatory notes attached to the interim financial statements.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2019**

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 2018. 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 2018.

The financial statements of the Group and the Company for the financial year ended 31 December 2018 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 ended 31 December 2018, except for the adoption of the Standards, Amendments and Annual Improvement to Standards effective as of 1 January 2019.

Effective for annual periods commencing on or after 1 January 2019

MFRS 16 *Leases*

IC Interpretation 23 *Uncertainty over Income Tax Treatments*

Amendments to MFRS 9 *Prepayment Features with Negative Compensation*

Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*

Amendments to MFRS 3 *Annual Improvements to MFRSs Standards 2015–2017 Cycle*

Amendments to MFRS11 *Annual Improvements to MFRSs Standards 2015–2017 Cycle*

Amendments to MFRS 112 *Annual Improvements to MFRSs Standards 2015–2017 Cycle*

Amendments to MFRS 123 *Annual Improvements to MFRSs Standards 2015–2017 Cycle*

Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*

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 THIRD QUARTER ENDED
30 SEPTEMBER 2019**

A1 Basis of preparation (Continued)

The following 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 2020

Amendments to MFRS 3 *Business Combinations - Definition of a Business*

Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates
and Errors - Definition of Material*

Amendment to MFRS 101 *Presentation of Financial Statements - Definition of Material*

Effective for annual periods commencing on or after 1 January 2021

MFRS 17 *Insurance Contracts*

Issued but not yet effective

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

The Group will adopt the above pronouncements when they become effective in the respective financial periods. 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 THIRD QUARTER ENDED
30 SEPTEMBER 2019**

A2 Audit report of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2018 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 September 2019.

A5 Material changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 September 2019.

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 September 2019 were as follows:

	RM'000
Balance as at 1 January 2019	(916)
Add: Purchase of treasury shares	(127)
Less: Resale of treasury shares	-
Balance as at 30 September 2019	<u><u>(1,043)</u></u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2019****A7 Dividends paid**Second Interim Single tier (tax exempt) dividend

For the financial year	31 December 2019
Approved and declared on	16 August 2019
Dividend per share	RM0.01
Payable on	27 September 2019
Entitlement to dividend based on Record of Depositors as at	18 September 2019

A8 Segmental information**Operating Segments**

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely research, design and development of test, burn-in and application specific embedded system.

Geographical information

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

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2019 RM' 000	30 Sept 2018 RM' 000	30 Sept 2019 RM' 000	30 Sept 2018 RM' 000
Malaysia	3,530	21,865	19,039	58,797
China	1,105	2,033	6,911	5,550
Others	218	561	1,346	754
	<u>4,853</u>	<u>24,459</u>	<u>27,296</u>	<u>65,101</u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2019**

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 2018.

Property, plant and equipment costing approximately RM28,000 were acquired during the financial period ended 30 September 2019.

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 September 2019.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR MAIN MARKET****B1 Review of performance**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter (Unaudited) 30 Sept 2019 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Sept 2018 RM'000	Changes (%)	Current Year To Date (Unaudited) 30 Sept 2019 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Sept 2018 RM'000	Changes (%)
Revenue	4,853	24,459	-80%	27,296	65,101	-58%
Cost of sales	(2,489)	(10,060)	-75%	(13,875)	(27,358)	-49%
Gross profit	2,364	14,399	-84%	13,421	37,743	-64%
Other income and expenses	1,185	659	80%	4,253	990	330%
Administrative expenses	(909)	(1,547)	-41%	(3,541)	(4,878)	-27%
Share of profit/(loss) in associate	172	245	30%	121	176	31%
Profit before tax	2,812	13,756	-80%	14,254	34,031	-58%
Taxation	(52)	(107)	-51%	(316)	(282)	12%
Profit for the period	2,760	13,649	-80%	13,938	33,749	-59%

Comparison with the corresponding quarter in the previous year

For the current quarter, the Group registered revenue and profit before tax ("PBT") of approximately RM4.853 million and RM2.812 million respectively. Compared to the preceding year corresponding quarter revenue and PBT of approximately RM24.459 million and RM13.756 million respectively, revenue and PBT have decreased by approximately 80%.

The lower revenue and PBT recorded was mainly due to lower demand for Automated Test Equipment ("ATE") for current quarter under review.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**B1 Review of performance (cont'd)***Financial period-to-date against preceding year corresponding financial period*

The Group recorded revenue and PBT of approximately RM27.296 million and RM14.254 million respectively for the current year-to-date. Compared to the preceding year corresponding year-to-date revenue of RM65.101 million and PBT of RM34.031 million, revenue and PBT have decreased by approximately 58%.

The lower revenue and PBT for current year to date as compared to the preceding year corresponding year-to-date was mainly due to lower demand for ATE.

B2 Variation of results against preceding quarter

	Current Year Quarter (Unaudited) 30 Sept 2019 RM'000	Immediate Preceding Quarter (Unaudited) 30 June 2019 RM'000	Changes (%)
Revenue	4,853	12,333	-61%
Cost of sales	(2,489)	(6,258)	-60%
Gross profit	2,364	6,075	-61%
Other income and expenses	1,185	1,596	-26%
Administrative expenses	(909)	(1,344)	-32%
Share of profit/(loss) in associate	172	93	85%
Profit before tax	2,812	6,420	-56%
Taxation	(52)	(132)	-61%
Profit for the period	2,760	6,288	-56%

Comparison with the immediate preceding quarter

For the current quarter, the Group registered revenue and PBT of approximately RM4.853 million and RM2.812 million respectively. Compared to the previous quarter revenue and PBT of approximately RM12.333 million and RM6.420 million respectively, revenue and PBT have decreased by approximately 61% and 56% respectively.

The lower revenue recorded was mainly due to lower demand ATE for current quarter under review. The PBT was directly affected by the decrease in revenue but its impact was slightly reduce by the contribution from other income derive from other investment.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**B3 Prospects**

The Group experienced weaken demand for Automated Test Equipment ("ATE"). The Board and the management expect the situation to remain challenging in view of the global economic slow down. Despite the market uncertainties, the Group will continue to focus on its R&D activities for new product development.

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.

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 Sept 2019	30 Sept 2018	30 Sept 2019	30 Sept 2018
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	52	107	316	282

For the year ending 31 December 2018, 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 but not completed as at the reporting date.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2019**

B8 Other investment

A summary of the movement of other investments during the period ended 30 September 2019 is as follow:

	RM'000
Other investment	
Balance at 1 January 2019	62,292
Acquisition during the period	72,607
Dividend reinvest	1,377
Less : Disposal during the period	<u>(83,901)</u>
	52,375
Add : Gain on fair value adjustment	<u>920</u>
Balance at 30 September 2019	<u><u>53,295</u></u>

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

<u>Third Interim Single tier (tax exempt) dividend</u>	
For the financial year	31 December 2019
Approved and declared on	22 November 2019
Dividend per share	RM0.005
Payable on	8 January 2020
Entitlement to dividend based on Record of Depositors as at	10 December 2019

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**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 9 months ended	
	30 Sept 2019	30 Sept 2018	30 Sept 2019	30 Sept 2018
	RM' 000	RM' 000	RM' 000	RM' 000
Profit attributable to ordinary equity holders of the parent	2,760	13,649	13,938	33,749
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2019	30 Sept 2018	30 Sept 2019	30 Sept 2018
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	667,001	663,120	667,001	663,120
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2019	30 Sept 2018	30 Sept 2019	30 Sept 2018
	Sen	Sen	Sen	Sen
Basic earnings per share for: Profit for the period	0.41	2.06	2.09	5.09
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ELSOFT RESEARCH BERHAD

(Company No. 617504-K)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**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 9 months ended	
	30 Sept 2019	30 Sept 2018	30 Sept 2019	30 Sept 2018
	RM '000	RM '000	RM '000	RM '000
Profit attributable to ordinary equity holders of the parent	2,760	13,649	13,938	33,749
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2019	30 Sept 2018	30 Sept 2019	30 Sept 2018
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	667,001	663,120	667,001	663,120
Effects of dilution :				
Share option	4,157	6,694	4,157	6,694
	<hr/>	<hr/>	<hr/>	<hr/>
	671,158	669,814	671,158	669,814
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2019	30 Sept 2018	30 Sept 2019	30 Sept 2018
	Sen	Sen	Sen	Sen
Diluted earnings per share for: Profit for the period	0.41	2.04	2.08	5.04
	<hr/>		<hr/>	

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(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019**B14 Other income and expenses**

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2019 RM '000	30 Sept 2018 RM '000	30 Sept 2019 RM '000	30 Sept 2018 RM '000
Other income/(expenses):				
Dividend income	264	281	1,377	863
Interest income	25	85	143	233
Rental received	645	457	1,626	1,509
Gain/(loss) on disposal of property, plant and equipment	-	9	-	9
Gain/(loss) on disposal of other investment	9	-	38	11
Gain/(loss) on fair value adjustment other investment	143	(399)	920	(1,761)
Gain/(loss) on disposal of short term investment	(3)	3	(7)	3
Unrealised gain/(loss) on foreign exchange	21	182	18	674
Realised gain/(loss) on foreign exchange	81	41	138	(551)
Total other income/(expenses)	<u>1,185</u>	<u>659</u>	<u>4,253</u>	<u>990</u>

B15 Profit before tax

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2019 RM '000	30 Sept 2018 RM '000	30 Sept 2019 RM '000	30 Sept 2018 RM '000
Profit before tax is arrived after charging:				
Audit Fee	12	18	52	39
Amortisation of prepaid leasehold land	16	16	48	48
Depreciation				
- property, plant and equipment	72	120	436	339
- Investment property	21	21	63	63
Share based payment	61	156	279	652

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 22 November 2019.

By Order of the Board

Tan Cheik Eaik

Director