

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION**31 MARCH 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Mar 2020 RM'000	Preceding Year Corresponding Quarter 31 Mar 2019 RM'000	Current Year To Date 31 Mar 2020 RM'000	Preceding Year Corresponding Period 31 Mar 2019 RM'000
1 Revenue	4,266	10,110	4,266	10,110
2 Profit before tax	214	5,022	214	5,022
3 Profit for the period	106	4,890	106	4,890
4 Profit attributable to ordinary equity holders of the parent	106	4,890	106	4,890
5 Earnings per share (sen) :				
-Basic	0.02	0.73	0.02	0.73
-Diluted	0.02	0.73	0.02	0.73
6 Proposed / Declared dividend per share (sen)	0.25	1.00	0.25	1.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END
		31 Mar 2020 RM		31 Dec 2019 RM
7 Net assets per share attributable to ordinary equity holders of the parent		0.15		0.16

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

ELSOFT RESEARCH BERHAD
 (Company No. 200301015084 (617504-K))
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2020

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 31 Mar 2020 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Mar 2019 RM'000	Current Year To Date (Unaudited) 31 Mar 2020 RM'000	Preceding Year Corresponding Period (Unaudited) 31 Mar 2019 RM'000
Revenue		4,266	10,110	4,266	10,110
Cost of sales		(2,696)	(5,128)	(2,696)	(5,128)
Gross profit		1,570	4,982	1,570	4,982
Other income and expenses	B14	(169)	1,472	(169)	1,472
Administrative expenses		(1,017)	(1,288)	(1,017)	(1,288)
Share of profit/(loss) in associate		(170)	(144)	(170)	(144)
Profit before tax	B15	214	5,022	214	5,022
Taxation	B5	(108)	(132)	(108)	(132)
Profit for the period		106	4,890	106	4,890
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		106	4,890	106	4,890

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (Unaudited) 31 Mar 2020 NOTE	Preceding Year Corresponding Quarter (Unaudited) 31 Mar 2019	Current Year To Date (Unaudited) 31 Mar 2020	Preceding Year Corresponding Period (Unaudited) 31 Mar 2019
	RM'000	RM'000	RM'000	RM'000
Attributable to :				
Equity holders of the parent	106	4,890	106	4,890
Non-controlling interest	-	-	-	-
	<u>106</u>	<u>4,890</u>	<u>106</u>	<u>4,890</u>
Total comprehensive income attributable to :				
Equity holders of the parent	106	4,890	106	4,890
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>0.02</u>	<u>0.73</u>	<u>0.02</u>
Diluted EPS (sen)	B13	<u>0.02</u>	<u>0.73</u>	<u>0.02</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

ELSOFT RESEARCH BERHAD
(Company No. 200301015084 (617504-K))
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	NOTE	(Unaudited) 31 Mar 2020 RM'000	(Audited) 31 Dec 2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	17,715	17,806
Right-of-use asset		2,809	2,825
Investment properties		2,741	2,762
Investment in associate		14,598	14,768
		<u>37,863</u>	<u>38,161</u>
Current assets			
Inventories		3,006	3,680
Trade receivables		8,376	8,965
Other receivables, deposits and prepayments		560	518
Other investments	B8	57,869	57,526
Cash and bank balances		4,785	10,442
		<u>74,596</u>	<u>81,131</u>
TOTAL ASSETS		<u>112,459</u>	<u>119,292</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		43,220	43,220
Treasury shares	A6	(1,087)	(1,042)
Share options reserve		1,246	1,185
Retained profits		60,067	63,298
Total equity		<u>103,446</u>	<u>106,661</u>
Non-current liabilities			
Deferred tax liabilities		843	843
		<u>843</u>	<u>843</u>
Current liabilities			
Trade payables		674	826
Other payables, accruals and provisions		6,661	10,015
Current tax liabilities		37	30
Contract liability		798	917
		<u>8,170</u>	<u>11,788</u>
Total liabilities		9,013	12,631
TOTAL EQUITY AND LIABILITIES		<u>112,459</u>	<u>119,292</u>
Net assets per share (RM)		<u>0.15</u>	<u>0.16</u>

ELSOFT RESEARCH BERHAD

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

ELSOFT RESEARCH BERHAD
 (Company No. 200301015084 (617504-K))
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2020

(The figures have not been audited)

	-----Non-distributable -----			Distributable	
	Share capital	Share option reserves	Treasury shares	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2020	43,220	1,185	(1,042)	63,298	106,661
Total comprehensive income	-	-	-	106	106
Transaction with owners					
Purchase of treasury shares	-	-	(45)	-	(45)
Share-based payments	-	61	-	-	61
Issue of shares pursuant to ESOS	-	-	-	-	-
Interim dividend paid	-	-	-	(3,337)	(3,337)
	-	61	(45)	(3,337)	(3,321)
Balance as at 31 March 2020	<u>43,220</u>	<u>1,246</u>	<u>(1,087)</u>	<u>60,067</u>	<u>103,446</u>
Balance as at 1 January 2019	41,168	1,403	(916)	71,276	112,931
Total comprehensive income	-	-	-	4,890	4,890
Transaction with owners					
Purchase of treasury shares	-	-	-	-	-
Share-based payments	-	157	-	-	157
Issue of shares pursuant to ESOS	77	(20)	-	-	57
Interim dividend paid	-	-	-	-	-
	77	137	-	-	214
Balance as at 31 March 2019	<u>41,245</u>	<u>1,540</u>	<u>(916)</u>	<u>76,166</u>	<u>118,035</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 2019 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 FIRST QUARTER ENDED
31 MARCH 2020**

	(Unaudited) 31 Mar 2020	(Unaudited) 31 Mar 2019
Note	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	214	5,022
Adjustment for:		
Amortisation of prepaid lease payment	16	16
Depreciation of property, plant and equipment	156	127
Depreciation of investment properties	21	21
Dividend income	(564)	(409)
Loss/(Gain) on disposal of other investments	1,830	(5)
(Gain)/Loss on fair value adjustment of other investments	B8	(651)
Interest income	(17)	(79)
Share based payment	61	157
Unrealised (gain)/loss on foreign exchange	(314)	133
Share of (gain)/loss in associate	170	144
Operating profit before working capital changes	1,573	4,476
Decrease/(Increase) in inventories	674	57
Decrease/(Increase) in trade and other receivables	693	(2,214)
(Decrease)/Increase in trade and other payables	(3,512)	(3,494)
(Decrease)/Increase in contract liability	(119)	(695)
	(691)	(1,870)
Tax (paid)/refund	(101)	(99)
Net cash flow (used in)/from operating activities	(792)	(1,969)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	A9	(9)
Purchase of other investments	B8	(20,905)
Proceeds from disposal of other investment	B8	17,076
Interest received		79
Net cash flow (used in)/from investing activities	(1,629)	(3,759)

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 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED
 31 MARCH 2020**

	(Unaudited)	(Unaudited)
	31 Mar 2020	31 Mar 2019
	RM'000	RM'000
CASH FLOW FROM FINANCING ACTIVITY		
Purchase of treasury shares	A6 (45)	-
Issue of shares	-	57
Interim dividend paid	(3,337)	-
Net cash flow (used in)/from financing activity	<u>(3,382)</u>	<u>57</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(5,803)	(5,671)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	146	(36)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		
	10,442	10,187
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD		
	<u>4,785</u>	<u>4,480</u>
Represented by :		
Short term funds	-	-
Cash and bank balances	4,785	4,480
	<u>4,785</u>	<u>4,480</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 2019 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 2020**

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 2019. 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 2019.

The financial statements of the Group and the Company for the financial year ended 31 December 2019 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 2019, except for the adoption of the Standards, Amendments and Annual Improvement to Standards effective as of 1 January 2020.

Effective for annual periods commencing on or after 1 January 2020

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

Amendments to MFRS 7 *Financial Instruments: Disclosure*, MFRS 9 *Financial Instruments*

and MFRS 139 *Financial Instruments: Recognition and Measurement - Interest Rate Benchmark Reform*

Amendments to MFRS 101 *Presentation of Financial Statements* and MFRS 108 *Accounting Policies,*

Changes in Accounting Estimates and Errors - Definition of Material

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 2020**

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 2021

MFRS 17 *Insurance Contracts*

Effective for annual periods commencing on or after 1 January 2022

Amendments to MFRS 101 - *Classification of Liabilities as Current or Non-current*

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 FIRST QUARTER ENDED
31 MARCH 2020**

A2 Audit report of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2019 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 31 March 2020.

A5 Material changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 31 March 2020.

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 2020 were as follows:

	RM'000
Balance as at 1 January 2020	(1,042)
Add: Purchase of treasury shares	(45)
Less: Resale of treasury shares	-
Balance as at 31 March 2020	<u><u>(1,087)</u></u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
 31 MARCH 2020**

A7 Dividends paid

Third Interim Single tier (tax exempt) dividend

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

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		Cumulative Quarter	
	3 months ended		3 months ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysia	4,176	5,942	4,176	5,942
China	61	3,041	61	3,041
Others	29	1,127	29	1,127
	<u>4,266</u>	<u>10,110</u>	<u>4,266</u>	<u>10,110</u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
31 MARCH 2020**

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 2019.

Property, plant and equipment costing approximately RM65,000 were acquired during the financial period ended 31 March 2020.

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 31 March 2020.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020**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) 31 Mar 2020 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Mar 2019 RM'000	Changes (%)	Current Year To Date (Unaudited) 31 Mar 2020 RM'000	Preceding Year Corresponding Period (Unaudited) 31 Mar 2019 RM'000	Changes (%)
Revenue	4,266	10,110	-58%	4,266	10,110	-58%
Cost of sales	(2,696)	(5,128)	-47%	(2,696)	(5,128)	-47%
Gross profit	1,570	4,982	-68%	1,570	4,982	-68%
Other income and expenses	(169)	1,472	-111%	(169)	1,472	-111%
Administrative expenses	(1,017)	(1,288)	-21%	(1,017)	(1,288)	-21%
Share of profit/(loss) in associate	(170)	(144)	-18%	(170)	(144)	-18%
Profit before tax	214	5,022	-96%	214	5,022	-96%
Taxation	(108)	(132)	-18%	(108)	(132)	-18%
Profit for the period	106	4,890	-98%	106	4,890	-98%

Comparison with the corresponding quarter in the previous year

For the current quarter, the Group registered revenue and profit before tax ("PBT") of approximately RM4.266 million and RM0.214 million respectively. Compared to the preceding year corresponding quarter revenue and PBT of approximately RM10.110 million and RM5.022 million respectively, revenue and PBT have decreased by approximately 58% and 96% respectively.

The decrease of revenue was mainly due to lower demand for Automated Test Equipment ("ATE") for current quarter under review. The decrease of profit was due to lower revenue and loss on disposal of other investments.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020**B2 Variation of results against preceding quarter**

	Current Year Quarter (Unaudited) 31 Mar 2020 RM'000	Immediate Preceding Quarter (Unaudited) 31 Dec 2019 RM'000	Changes (%)
Revenue	4,266	6,254	-32%
Cost of sales	<u>(2,696)</u>	<u>(3,369)</u>	-20%
Gross profit	1,570	2,885	-46%
Other income and expenses	(169)	2,030	-108%
Administrative expenses	(1,017)	(1,424)	-29%
Share of profit/(loss) in associate	<u>(170)</u>	<u>568</u>	-130%
Profit before tax	214	4,059	-95%
Taxation	<u>(108)</u>	<u>(237)</u>	-54%
Profit for the period	<u><u>106</u></u>	<u><u>3,822</u></u>	-97%

Comparison with the immediate preceding quarter

For the current quarter, the Group registered revenue and PBT of approximately RM4.266 million and RM0.214 million respectively. Compared to the previous quarter revenue and PBT of approximately RM6.254 million and RM4.059 million respectively, revenue and PBT have decreased by approximately 32% and 95% respectively.

The decrease of revenue was mainly due to lower demand for Automated Test Equipment ("ATE") for current quarter under review. The decrease of profit was due to lower revenue and loss on disposal of other investments.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020**B3 Prospects**

The Group experienced operational and supply chain disruptions due to Movement Control Order (MCO) implemented by the Government of Malaysia as a preventive measure in response to the COVID-19 pandemic in the country.

Our operating activities were stopped on 18 March 2020 and we resumed our operation with 50% workforce on 8 April 2020 with approval from Ministry of International Trade and Industry (MITI). On 29 April 2020, our operation returned to normal after MITI announcement to allow certain economic sectors to operate without restriction to their operating hours with 100% workforce allowance. However, overseas delivery and setup remain on hold due to the countries travel restrictions and policies.

The Board and the management expect the situation to remain challenging for the remaining part of FY2020 as it will largely be dependent on the scale, length and impact of the Covid-19 pandemic. Despite all uncertainties, the Group is confident to get through the pandemic crisis with our strong fundamental built over the years.

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		3 months ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	108	132	108	132

For the year ending 31 December 2020, 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 FIRST QUARTER ENDED 31 MARCH 2020**B8 Other investment**

A summary of the movement of other investments during the period ended 31 March 2020 is as follow:

	RM'000
Other investment	
Balance at 1 January 2020	57,526
Acquisition during the period	65,531
Dividend reinvest	564
Less : Disposal during the period	<u>(65,780)</u>
	57,841
Gain/(Loss) on fair value adjustment	-
Gain/(Loss) on foreign exchange	<u>28</u>
Balance at 31 March 2020	<u><u>57,869</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 DividendsFirst Interim Single tier (tax exempt) dividend

For the financial year	31 December 2020
Approved and declared on	22 May 2020
Dividend per share	RM0.0025
Payable on	10 July 2020
Entitlement to dividend based on Record of Depositors as at	15 June 2020

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020**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 3 months ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM' 000	RM' 000	RM' 000	RM' 000
Profit attributable to ordinary equity holders of the parent	106	4,890	106	4,890
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	669,378	665,913	669,378	665,913
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	Sen	Sen	Sen	Sen
Basic earnings per share for: Profit for the period	0.02	0.73	0.02	0.73
	<hr/>		<hr/>	

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020**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 3 months ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM '000	RM '000	RM '000	RM '000
Profit attributable to ordinary equity holders of the parent	106	4,890	106	4,890
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	669,378	665,913	669,378	665,913
Effects of dilution :				
Share option	2,713	6,323	2,713	6,323
	<hr/>		<hr/>	
	672,091	672,236	672,091	672,236
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	Sen	Sen	Sen	Sen
Diluted earnings per share for: Profit for the period	0.02	0.73	0.02	0.73
	<hr/>		<hr/>	

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2020**B14 Other income and expenses**

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM '000	RM '000	RM '000	RM '000
Other income/(expenses):				
Dividend income	564	409	564	409
Interest income	17	79	17	79
Rental received	721	456	721	456
Gain/(loss) on disposal of other investment	(1,830)	5	(1,830)	5
Gain/(loss) on fair value adjustment other investment	-	651	-	651
Gain/(loss) on disposal of short term investment	-	(4)	-	(4)
Unrealised gain/(loss) on foreign exchange	314	(133)	314	(133)
Realised gain/(loss) on foreign exchange	45	9	45	9
Total other income/(expenses)	<u>(169)</u>	<u>1,472</u>	<u>(169)</u>	<u>1,472</u>

B15 Profit before tax

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived after charging:				
Audit Fee	19	19	19	19
Amortisation of prepaid leasehold land	16	16	16	16
Depreciation				
- property, plant and equipment	156	127	156	127
- Investment property	21	21	21	21
Share based payment	61	157	61	157
	<u>61</u>	<u>157</u>	<u>61</u>	<u>157</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 22 May 2020.

By Order of the Board

Tan Cheik Eaik

Director