

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Dec 2020 RM'000	Preceding Year Corresponding Quarter 31 Dec 2019 RM'000	Current Year To Date 31 Dec 2020 RM'000	Preceding Year Corresponding Period 31 Dec 2019 RM'000
1 Revenue	4,928	6,254	18,128	33,550
2 Profit/(loss) before tax	(3,153)	4,059	988	17,557
3 Profit/(loss) for the period	(3,318)	3,822	694	17,004
4 Profit/(loss) attributable to ordinary equity holders of the parent	(3,318)	3,822	694	17,004
5 Earnings/(loss) per share (sen) :				
-Basic	(0.49)	0.57	0.10	2.55
-Diluted	(0.49)	0.57	0.10	2.54
6 Proposed / Declared dividend per share (sen)	0.50	0.50	1.00	2.50
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END
		31 Dec 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 FOURTH QUARTER ENDED 31 DECEMBER 2020

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 31 Dec 2020 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Dec 2019 RM'000	Current Year To Date (Unaudited) 31 Dec 2020 RM'000	Preceding Year Corresponding Period (Audited) 31 Dec 2019 RM'000
Revenue		4,928	6,254	18,128	33,550
Cost of sales		(2,954)	(3,369)	(11,529)	(17,244)
Gross profit		<u>1,974</u>	<u>2,885</u>	<u>6,599</u>	<u>16,306</u>
Other income and expenses	B14	430	2,030	2,943	6,283
Administrative expenses		(5,671)	(1,424)	(8,197)	(5,572)
Share of profit/(loss) in associate		114	568	(357)	540
Profit/(Loss) before tax	B15	<u>(3,153)</u>	<u>4,059</u>	<u>988</u>	<u>17,557</u>
Taxation	B5	(165)	(237)	(294)	(553)
Profit/(Loss) for the period		<u>(3,318)</u>	<u>3,822</u>	<u>694</u>	<u>17,004</u>
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		<u><u>(3,318)</u></u>	<u><u>3,822</u></u>	<u><u>694</u></u>	<u><u>17,004</u></u>

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (Unaudited) 31 Dec 2020 NOTE RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Dec 2019 RM'000	Current Year To Date (Unaudited) 31 Dec 2020 RM'000	Preceding Year Corresponding Period (Audited) 31 Dec 2019 RM'000
Attributable to :				
Equity holders of the parent	(3,318)	3,822	694	17,004
Non-controlling interest	-	-	-	-
	<u>(3,318)</u>	<u>3,822</u>	<u>694</u>	<u>17,004</u>
Total comprehensive income/(loss) attributable to :				
Equity holders of the parent	(3,318)	3,822	694	17,004
Non-controlling interest	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings/(loss) per share ("EPS") attributable to equity holders of the parent :				
Basic EPS (sen)	B13 <u>(0.49)</u>	<u>0.57</u>	<u>0.10</u>	<u>2.55</u>
Diluted EPS (sen)	B13 <u>(0.49)</u>	<u>0.57</u>	<u>0.10</u>	<u>2.54</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
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	NOTE	(Unaudited) 31 Dec 2020 RM'000	(Audited) 31 Dec 2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	17,679	17,806
Right-of-use asset		2,761	2,825
Investment properties		2,679	2,762
Investment in associate		9,460	14,768
		<u>32,579</u>	<u>38,161</u>
Current assets			
Inventories		2,776	3,680
Trade receivables		7,310	8,965
Other receivables, deposits and prepayments		183	518
Current tax assets		37	-
Other investments	B8	61,535	57,526
Cash and bank balances		3,414	10,442
		<u>75,255</u>	<u>81,131</u>
TOTAL ASSETS		<u>107,834</u>	<u>119,292</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		44,685	43,220
Treasury shares	A6	(1,087)	(1,042)
Share options reserve		844	1,185
Retained profits		57,299	63,298
Total equity		<u>101,741</u>	<u>106,661</u>
Non-current liabilities			
Deferred tax liabilities		898	843
		<u>898</u>	<u>843</u>
Current liabilities			
Trade payables		517	826
Other payables, accruals and provisions		3,484	10,015
Current tax liabilities		-	30
Contract liability		1,194	917
		<u>5,195</u>	<u>11,788</u>
Total liabilities		6,093	12,631
TOTAL EQUITY AND LIABILITIES		<u>107,834</u>	<u>119,292</u>
Net assets per share (RM)		<u>0.15</u>	<u>0.16</u>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

(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 2020	43,220	1,185	(1,042)	63,298	106,661
Total comprehensive income	-	-	-	694	694
Transaction with owners					
Purchase of treasury shares	-	-	(45)	-	(45)
Share-based payments	-	32	-	-	32
Issue of shares pursuant to ESOS	1,465	(373)	-	-	1,092
Interim dividend paid	-	-	-	(6,693)	(6,693)
	1,465	(341)	(45)	(6,693)	(5,614)
Balance as at 31 December 2020	44,685	844	(1,087)	57,299	101,741
Balance as at 1 January 2019	41,168	1,403	(916)	71,276	112,931
Total comprehensive income	-	-	-	17,004	17,004
Transaction with owners					
Purchase of treasury shares	-	-	(126)	-	(126)
Share-based payments	-	305	-	-	305
Issue of shares pursuant to ESOS	2,052	(523)	-	-	1,529
Interim dividend paid	-	-	-	(24,982)	(24,982)
	2,052	(218)	(126)	(24,982)	(23,274)
Balance as at 31 December 2019	43,220	1,185	(1,042)	63,298	106,661

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.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

	(Unaudited) 31 Dec 2020	(Audited) 31 Dec 2019
Note	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	988	17,557
Adjustment for:		
Amortisation of prepaid lease payment	64	64
Depreciation of property, plant and equipment	653	516
Depreciation of investment properties	84	84
Dividend income	(2,305)	(1,860)
(Gain)/Loss on disposal of other investments	856	(80)
(Gain)/Loss on fair value adjustment of other investments	952	(1,881)
Interest income	(59)	(166)
Share based payment	32	305
Unrealised (gain)/loss on foreign exchange	216	255
Share of (gain)/loss in associate	357	(540)
Impairment loss on investment in associate	1,244	-
Impairment loss on RCPS	3,707	993
Impairment loss on trade receivables	-	8
Impairment loss on other receivables	-	34
Reversal of Impairment loss on other receivables	(9)	(30)
Operating profit before working capital changes	6,780	15,259
Decrease/(Increase) in inventories	904	2,078
Decrease/(Increase) in trade and other receivables	1,869	4,484
Increase/(Decrease) in trade and other payables	(3,503)	(3,138)
Increase/(Decrease) in contract liability	277	(4,305)
	6,327	14,378
Tax (paid)/refund	(306)	(429)
Net cash flow from/(used in) operating activities	6,021	13,949
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(527)	(2,198)
Purchase of other investments	(178,687)	(105,954)
Proceeds from disposal of other investment	175,078	114,541
Interest received	59	166
Net cash flow from/(used in) investing activities	(4,077)	6,555

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

	(Unaudited)	(Audited)
	31 Dec 2020	31 Dec 2019
	RM'000	RM'000
CASH FLOW FROM FINANCING ACTIVITY		
Purchase of treasury shares	A6 (45)	(126)
Issue of shares	1,092	1,529
Interim dividend paid	<u>(10,030)</u>	<u>(21,645)</u>
Net cash flow from/(used in) financing activity	<u>(8,983)</u>	<u>(20,242)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,039)	262
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	11	(7)
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>3,414</u>	<u>10,442</u>
Represented by :		
Short term funds	-	-
Cash and bank balances	<u>3,414</u>	<u>10,442</u>
	<u>3,414</u>	<u>10,442</u>

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

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

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 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 4 Insurance Contracts - *Extension of the Temporary Exemption from Applying MFRS 9 Financial Instruments*

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*

Amendment to MFRS 101 Presentation of Financial Statements - *Classification of Liabilities as Current or Non-current - Deferral of Effective Date*

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 FOURTH QUARTER ENDED
31 DECEMBER 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 financial periods beginning on or after 1 June 2020

Amendments to MFRS 16 Leases - *Covid-19 - Related Rent Concessions*

Effective for annual periods commencing on or after 1 January 2021

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases - *Interest Rate Benchmark Reform-Phase 2*

Effective for annual periods commencing on or after 1 January 2022

Amendments to MFRS 3 Business Combinations - *Reference to the Conceptual Framework*

Amendments to MFRS 116 Property, Plant and Equipment - *Proceeds before Intended Use*

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

- *Onerous Contracts - Cost of Fulfilling a Contract*

Annual Improvements to MFRS Standards 2018-2020:

- Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

- Amendment to MFRS 9 Financial Instruments

- Amendment to MFRS 141 Agriculture

Effective for annual periods commencing on or after 1 January 2023

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

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

Issued but not yet effective

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*

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 FOURTH QUARTER ENDED
31 DECEMBER 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 and year ended 31 December 2020, save for the disclosure below:

The Group has carried out impairment assessment on investment in associate, Butterfly House (PG) Sdn Bhd ("BHSB"). BHSB is operating a butterfly farm which was adversely impacted by the Covid-19 pandemic outbreak. The butterfly farm was required to temporarily suspend its business operation during the Movement Control Order 1.0 and 2.0 ("MCO"). Moreover, the number of international and local visitors were significantly decreased due to the MCO and movement restrictions. As a result, an impairment loss of RM4.951m has been recognised in profit and loss.

A5 Material changes in estimates

There were no changes in estimates that have had any material effect on the quarter and year ended 30 September 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 December 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 December 2020	<u>(1,087)</u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED
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A7 Dividends paid

<u>Second Interim Single tier (tax exempt) dividend</u>	
For the financial year	31 December 2020
Approved and declared on	28 August 2020
Dividend per share	RM0.0025
Payable on	9 October 2020
Entitlement to dividend based on Record of Depositors as at	18 September 2020

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		12 months ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysia	2,230	4,778	12,860	23,817
China	1,624	978	4,003	7,889
Others	1,074	498	1,265	1,844
	<u>4,928</u>	<u>6,254</u>	<u>18,128</u>	<u>33,550</u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 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 RM527,000 were acquired during the financial year ended 31 December 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 December 2020.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 Dec 2020 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Dec 2019 RM'000	Changes (%)	Current Year To Date (Unaudited) 31 Dec 2020 RM'000	Preceding Year Corresponding Period (Audited) 31 Dec 2019 RM'000	Changes (%)
Revenue	4,928	6,254	-21%	18,128	33,550	-46%
Cost of sales	(2,954)	(3,369)	-12%	(11,529)	(17,244)	-33%
Gross profit	1,974	2,885	-32%	6,599	16,306	-60%
Other income and expenses	430	2,030	-79%	2,943	6,283	-53%
Administrative expenses	(5,671)	(1,424)	298%	(8,197)	(5,572)	47%
Share of profit/(loss) in associate	114	568	80%	(357)	540	166%
Profit/(Loss) before tax	(3,153)	4,059	-178%	988	17,557	-94%
Taxation	(165)	(237)	-30%	(294)	(553)	-47%
Profit/(Loss) for the period	(3,318)	3,822	-187%	694	17,004	-96%

Comparison with the corresponding quarter in the previous year

For the current quarter, the Group recorded revenue of approximately RM4.928 million, a decrease of 21% as compared to the preceding year corresponding quarter. The lower revenue recorded was mainly due to the lower demand for Automated Test Equipment ("ATE").

In term of bottom line performance, the Group recorded a loss of RM3.153 million as compared to the profit of RM4.059 million in the preceding year corresponding quarter. The loss was mainly due to the one-off impairment loss in investment in associate of RM4.951 million.

Decrease in other income was due to lower income contribution from other investment. Significant increase in administrative expenses was due to the one-off impairment loss in investment in associate of RM4.951 million.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**B1 Review of performance (cont'd)***Financial period-to-date against preceding year corresponding financial period*

The Group recorded revenue and PBT of approximately RM18.128 million and RM0.988 million respectively for the current year-to-date. Compared to the preceding year corresponding year-to-date revenue of RM33.550 million and PBT of RM17.557 million, revenue and PBT have decreased by approximately 46% and 94% respectively.

The lower revenue for current year to date as compared to the preceding year corresponding year-to-date was mainly due to lower demand for ATE. The significant decrease of PBT was mainly due to one-off impairment loss in investment in associate of RM4.951 million couple with the decrease in revenue and other income.

B2 Variation of results against preceding quarter

	Current Year Quarter (Unaudited) 31 Dec 2020 RM'000	Immediate Preceding Quarter (Unaudited) 30 Jun 2020 RM'000	Changes (%)
Revenue	4,928	4,733	4%
Cost of sales	(2,954)	(3,193)	-7%
Gross profit	<u>1,974</u>	<u>1,540</u>	28%
Other income and expenses	430	1,621	-73%
Administrative expenses	(5,671)	(720)	688%
Share of profit/(loss) in associate	114	218	-48%
Profit/(Loss) before tax	<u>(3,153)</u>	<u>2,659</u>	-219%
Taxation	(165)	97	-270%
Profit/(Loss) for the period	<u><u>(3,318)</u></u>	<u><u>2,756</u></u>	-220%

Comparison with the immediate preceding quarter

For the current quarter, the Group recorded revenue of approximately RM4.928 million, a slight increase of 4% as compared to the previous quarter. The revenue remained weak due to the lower demand for Automated Test Equipment ("ATE").

In term of bottom line performance, the Group recorded a loss of RM3.153 million as compared to the profit of RM2.659 million in the previous quarter. The loss was mainly due to the one-off impairment loss in investment in associate of RM4.951 million couple with lower income contribution from other investment.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**B3 Prospects**

The Group experienced lower demand for Automated Test Equipment ("ATE") due to the outbreak of Covid-19 pandemic. Our customers have exercised more cautious control on capital expenditure (CAPEX) and travel restrictions have delayed our projects delivery timeline to overseas customer. The Board and the management expect the situation to remain challenging in first half of 2021.

Despite these uncertainties to be, the Group is confident of getting through the pandemic crisis with our strong fundamentals built up 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		12 months ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	165	237	294	553

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 for Pioneer Status pursuant to 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 at the latest practicable date which must not be earlier than 7 days from the date of issue of the quarterly report.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**B8 Other investment**

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

	RM'000
Other investment	
Balance at 1 January 2020	57,526
Acquisition during the period	178,687
Dividend reinvest	2,305
Less : Disposal during the period	<u>(175,934)</u>
	62,584
Gain/(Loss) on fair value adjustment	(952)
Gain/(Loss) on foreign exchange	<u>(97)</u>
Balance at 31 December 2020	<u><u>61,535</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 2020
Approved and declared on	24 February 2021
Dividend per share	RM0.005
Payable on	16 April 2021
Entitlement to dividend based on Record of Depositors as at	31 March 2021

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**B13 Earnings per share**

a. Basic

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) 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 12 months ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM' 000	RM' 000	RM' 000	RM' 000
Profit/(loss) attributable to ordinary equity holders of the parent	(3,318)	3,822	694	17,004
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	670,657	667,097	670,657	667,097
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	Sen	Sen	Sen	Sen
Basic earnings/(loss) per share for: Profit/(loss) for the period	(0.49)	0.57	0.10	2.55

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**B13 Earnings per share (cont'd)**

b. Diluted

For the purpose of calculating diluted earnings/(loss) per share, the profit/(loss) 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 12 months ended	
	31 Dec 2020 RM '000	31 Dec 2019 RM '000	31 Dec 2020 RM '000	31 Dec 2019 RM '000
Profit/(loss) attributable to ordinary equity holders of the parent	(3,318)	3,822	694	17,004
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2020 Units (In thousands)	31 Dec 2019 Units (In thousands)	31 Dec 2020 Units (In thousands)	31 Dec 2019 Units (In thousands)
Weighted average number of ordinary shares in issue	670,657	667,097	670,657	667,097
Effects of dilution :				
Share option	1,132	3,144	1,132	3,144
	<u>671,789</u>	<u>670,241</u>	<u>671,789</u>	<u>670,241</u>
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2020 Sen	31 Dec 2019 Sen	31 Dec 2020 Sen	31 Dec 2019 Sen
Diluted earnings/(loss) per share for: Profit/(loss) for the period	(0.49)	0.57	0.10	2.54

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

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

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM '000	RM '000	RM '000	RM '000
Other income/(expenses):				
Dividend income	1,428	483	2,305	1,860
Interest income	15	23	59	166
Rental received	612	721	2,589	2,347
Gain/(loss) on disposal of other investment	390	42	(856)	80
Gain/(loss) on fair value adjustment of other investment	(1,754)	961	(952)	1,881
Gain/(loss) on disposal of short term investment	-	(5)	-	(12)
Unrealised gain/(loss) on foreign exchange	(230)	(273)	(216)	(255)
Realised gain/(loss) on foreign exchange	(31)	78	14	216
Total other income/(expenses)	<u>430</u>	<u>2,030</u>	<u>2,943</u>	<u>6,283</u>

B15 Profit before tax

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived after charging:				
Audit Fee	15	7	63	59
Amortisation of prepaid leasehold land	16	16	64	64
Depreciation				
- property, plant and equipment	170	80	653	516
- Investment property	21	21	84	84
Impairment loss on investment in associate	1,244	-	1,244	-
Impairment loss on RCPS	3,707	993	3,707	993
Impairment loss on trade receivables	-	8	-	8
Impairment loss on other receivables	-	34	-	34
Reversal of Impairment loss on				
- other receivables	-	(30)	(9)	(30)
Share based payment	-	26	32	305

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 24 February 2021.

By Order of the Board

Tan Cheik Eaik

Director