

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION**31 MARCH 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Mar 2021 RM'000	Preceding Year Corresponding Quarter 31 Mar 2020 RM'000	Current Year To Date 31 Mar 2021 RM'000	Preceding Year Corresponding Period 31 Mar 2020 RM'000
1 Revenue	3,990	4,266	3,990	4,266
2 Profit/(loss) before tax	553	214	553	214
3 Profit/(loss) for the period	450	106	450	106
4 Profit/(loss) attributable to ordinary equity holders of the parent	450	106	450	106
5 Earnings/(loss) per share (sen) :				
-Basic	0.07	0.02	0.07	0.02
-Diluted	0.07	0.02	0.07	0.02
6 Proposed / Declared dividend per share (sen)	-	0.25	-	0.25
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END
		31 Mar 2021 RM		31 Dec 2020 RM
7 Net assets per share attributable to ordinary equity holders of the parent		<u>0.15</u>		<u>0.15</u>

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))
 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2021

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 31 Mar 2021 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Mar 2020 RM'000	Current Year To Date (Unaudited) 31 Mar 2021 RM'000	Preceding Year Corresponding Period (Unaudited) 31 Mar 2020 RM'000
Revenue		3,990	4,266	3,990	4,266
Cost of sales		(2,617)	(2,696)	(2,617)	(2,696)
Gross profit		<u>1,373</u>	<u>1,570</u>	<u>1,373</u>	<u>1,570</u>
Other income and expenses	B14	(82)	(169)	(82)	(169)
Administrative expenses		(827)	(1,017)	(827)	(1,017)
Share of profit/(loss) in associate		89	(170)	89	(170)
Profit/(Loss) before tax	B15	<u>553</u>	<u>214</u>	<u>553</u>	<u>214</u>
Taxation	B5	(103)	(108)	(103)	(108)
Profit/(Loss) for the period		<u>450</u>	<u>106</u>	<u>450</u>	<u>106</u>
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		<u>450</u>	<u>106</u>	<u>450</u>	<u>106</u>

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (Unaudited) 31 Mar 2021 NOTE RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Mar 2020 RM'000	Current Year To Date (Unaudited) 31 Mar 2021 RM'000	Preceding Year Corresponding Period (Unaudited) 31 Mar 2020 RM'000
Attributable to :				
Equity holders of the parent	450	106	450	106
Non-controlling interest	-	-	-	-
	<u>450</u>	<u>106</u>	<u>450</u>	<u>106</u>
Total comprehensive income/(loss) attributable to :				
Equity holders of the parent	450	106	450	106
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>0.07</u>	<u>0.02</u>	<u>0.07</u>	<u>0.02</u>
Diluted EPS (sen)	B13 <u>0.07</u>	<u>0.02</u>	<u>0.07</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

ELSOFT RESEARCH BERHAD
(Company No. 200301015084 (617504-K))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	NOTE	(Unaudited) 31 Mar 2021 RM'000	(Audited) 31 Dec 2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	17,541	17,679
Right-of-use asset		2,745	2,761
Investment properties		2,658	2,679
Investment in associate		9,549	9,460
		<u>32,493</u>	<u>32,579</u>
Current assets			
Inventories		3,237	2,776
Trade receivables		7,058	7,265
Other receivables, deposits and prepayments		257	183
Current tax assets		39	37
Other investments	B8	54,733	61,535
Cash and bank balances		10,801	3,414
		<u>76,125</u>	<u>75,210</u>
TOTAL ASSETS		<u>108,618</u>	<u>107,789</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		45,447	44,686
Treasury shares	A6	(1,087)	(1,087)
Share options reserve		621	844
Retained profits		57,703	57,253
Total equity		<u>102,684</u>	<u>101,696</u>
Non-current liabilities			
Deferred tax liabilities		898	898
		<u>898</u>	<u>898</u>
Current liabilities			
Trade payables		871	517
Other payables, accruals and provisions		2,983	3,484
Current tax liabilities		-	-
Contract liability		1,182	1,194
		<u>5,036</u>	<u>5,195</u>
Total liabilities		5,934	6,093
TOTAL EQUITY AND LIABILITIES		<u>108,618</u>	<u>107,789</u>
Net assets per share (RM)		<u>0.15</u>	<u>0.15</u>

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

ELSOFT RESEARCH BERHAD
 (Company No. 200301015084 (617504-K))
 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2021

(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 2021	44,686	844	(1,087)	57,253	101,696
Total comprehensive income	-	-	-	450	450
Transaction with owners					
Purchase of treasury shares	-	-	-	-	-
Share-based payments	-	-	-	-	-
Issue of shares pursuant to ESOS	761	(223)	-	-	538
Interim dividend paid	-	-	-	-	-
	761	(223)	-	-	538
Balance as at 31 March 2021	<u>45,447</u>	<u>621</u>	<u>(1,087)</u>	<u>57,703</u>	<u>102,684</u>
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>

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

ELSOFT RESEARCH BERHAD
 (Company No. 200301015084 (617504-K))
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED
 31 MARCH 2021**

	Note	(Unaudited) 31 Mar 2021 RM'000	(Unaudited) 31 Mar 2020 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		553	214
Adjustment for:			
Amortisation of prepaid lease payment		16	16
Depreciation of property, plant and equipment		167	156
Depreciation of investment properties		21	21
Dividend income		(73)	(564)
(Gain)/Loss on disposal of other investments		485	1,830
(Gain)/Loss on fair value adjustment of other investments	B8	497	-
(Gain)/Loss on disposal of property, plant and equipment		-	-
Interest income		(7)	(17)
Share based payment		-	61
Unrealised (gain)/loss on foreign exchange		(282)	(314)
Share of (gain)/loss in associate		(89)	170
Property, plant and equipment written off		1	-
Operating profit before working capital changes		1,289	1,573
Decrease/(Increase) in inventories		(461)	674
Decrease/(Increase) in trade and other receivables		307	693
Increase/(Decrease) in trade and other payables		(150)	(3,512)
Increase/(Decrease) in contract liability		(12)	(119)
		973	(691)
Tax (paid)/refund		(105)	(101)
Net cash flow from/(used in) operating activities		868	(792)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	A9	(29)	(65)
Purchase of other investments	B8	(26,141)	(65,531)
Proceeds from disposal of other investment	B8	32,076	63,950
Interest received		7	17
Net cash flow from/(used in) investing activities		5,913	(1,629)

ELSOFT RESEARCH BERHAD
 (Company No. 200301015084 (617504-K))
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED
 31 MARCH 2021**

	(Unaudited)	(Unaudited)
	31 Mar 2021	31 Mar 2020
	RM'000	RM'000
CASH FLOW FROM FINANCING ACTIVITY		
Purchase of treasury shares	A6 -	(45)
Issue of shares	538	-
Interim dividend paid	-	(3,337)
Net cash flow from/(used in) financing activity	<u>538</u>	<u>(3,382)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	7,319	(5,803)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	68	146
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	3,414	10,442
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>10,801</u>	<u>4,785</u>
Represented by :		
Short term funds	-	-
Cash and bank balances	10,801	4,785
	<u>10,801</u>	<u>4,785</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

ELSOFT RESEARCH BERHAD
(Company No. 200301015084 (617504-K))
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
31 MARCH 2021**

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 2020. 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 2020.

The financial statements of the Group and the Company for the financial year ended 31 December 2020 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 2020, except for the adoption of the Standards, Amendments and Annual Improvement to Standards effective as of 1 January 2021.

Effective for annual periods commencing on or after 1 January 2021

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

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
31 MARCH 2021**

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 April 2021

Amendments to MFRS 16 Leases - *Covid-19 - Related Rent Concessions beyond 30 June 2021*

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 and Disclosure of Accounting Policies*

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

- *Definition of Accounting Estimates*

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.

ELSOFT RESEARCH BERHAD
(Company No. 200301015084 (617504-K))
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
31 MARCH 2021**

A2 Audit report of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2020 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 2021.

A5 Material changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 31 March 2021.

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 2021 were as follows:

	RM'000
Balance as at 1 January 2021	(1,087)
Add: Purchase of treasury shares	-
Less: Resale of treasury shares	-
Balance as at 31 March 2021	<u><u>(1,087)</u></u>

ELSOFT RESEARCH BERHAD
(Company No. 200301015084 (617504-K))
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
31 MARCH 2021**

A7 Dividends paid

No dividend was paid during the current interim period under review.

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 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysia	3,492	4,176	3,492	4,176
China	275	61	275	61
Others	223	29	223	29
	<u>3,990</u>	<u>4,266</u>	<u>3,990</u>	<u>4,266</u>

ELSOFT RESEARCH BERHAD
(Company No. 200301015084 (617504-K))
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
31 MARCH 2021**

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 2020.

Property, plant and equipment costing approximately RM29,000 were acquired during the financial period ended 31 March 2021.

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 2021.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**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 2021 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Mar 2020 RM'000	Changes (%)	Current Year To Date (Unaudited) 31 Mar 2021 RM'000	Preceding Year Corresponding Period (Unaudited) 31 Mar 2020 RM'000	Changes (%)
Revenue	3,990	4,266	-6%	3,990	4,266	-6%
Cost of sales	(2,617)	(2,696)	-3%	(2,617)	(2,696)	-3%
Gross profit	1,373	1,570	-13%	1,373	1,570	-13%
Other income and expenses	(82)	(169)	-51%	(82)	(169)	-51%
Administrative expenses	(827)	(1,017)	-19%	(827)	(1,017)	-19%
Share of profit/(loss) in associate	89	(170)	152%	89	(170)	152%
Profit/(Loss) before tax	553	214	158%	553	214	158%
Taxation	(103)	(108)	-5%	(103)	(108)	-5%
Profit/(Loss) for the period	450	106	325%	450	106	325%

Comparison with the corresponding quarter in the previous year

For the current quarter, the Group recorded revenue of approximately RM3.990 million, a decrease of 6% 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 profit before tax ("PBT") of RM0.553 million, an increase of 158% as compared to the preceding year corresponding quarter. The higher profit recorded was mainly due to the positive contribution from associate company, namely Leso Corporation Sdn Bhd, couple with lower administrative expenses.

ELSOFT RESEARCH BERHAD
 (Company No. 200301015084 (617504-K))
 (Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
 31 MARCH 2021**

B2 Variation of results against preceding quarter

	Current Year Quarter (Unaudited) 31 Mar 2021 RM'000	Immediate Preceding Quarter (Unaudited) 31 Dec 2020 RM'000	Changes (%)
Revenue	3,990	4,928	-19%
Cost of sales	(2,617)	(2,954)	-11%
Gross profit	1,373	1,974	-30%
Other income and expenses	(82)	430	-119%
Administrative expenses	(827)	(5,671)	-85%
Share of profit/(loss) in associate	89	114	-22%
Profit/(Loss) before tax	553	(3,153)	-118%
Taxation	(103)	(165)	-38%
Profit/(Loss) for the period	450	(3,318)	-114%

Comparison with the immediate preceding quarter

For the current quarter, the Group recorded revenue of approximately RM3.990 million, a decrease of 19% 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 PBT of RM0.553 million as compared to the loss of RM3.153 million in the previous quarter. The Group was able to generate profit for current quarter because there were no further impairment loss or share of loss in associate, namely Butterfly House (PG) Sdn Bhd ("Entopia Group"). Investment in Entopia Group had been fully impaired in previous quarter.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**B3 Prospects**

The management of Elsoft expects the situation to remain challenging for the year 2021. Whilst there are ongoing projects to be delivered in year 2021, there are no projection/forecast from customers on their order quantity at this juncture.

Despite all uncertainties, the Management remain confident on the Group's prospects for the years ahead.

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 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	103	108	103	108

For the year ending 31 December 2021, 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.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**B8 Other investment**

A summary of the movement of other investments during the period ended 31 March 2021 is as follow:

	RM'000
Other investment	
Balance at 1 January 2021	61,535
Acquisition during the period	26,141
Dividend reinvest	73
Less : Disposal during the period	<u>(32,561)</u>
	55,188
Gain/(Loss) on fair value adjustment	(497)
Gain/(Loss) on foreign exchange	<u>42</u>
Balance at 31 March 2021	<u><u>54,733</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

No interim dividend has been recommended for current quarter under review.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**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 3 months ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	RM' 000	RM' 000	RM' 000	RM' 000
Profit/(loss) attributable to ordinary equity holders of the parent	450	106	450	106
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	673,295	669,378	673,295	669,378
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	Sen	Sen	Sen	Sen
Basic earnings/(loss) per share for: Profit/(loss) for the period	0.07	0.02	0.07	0.02
	<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 2021**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 3 months ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	RM '000	RM '000	RM '000	RM '000
Profit/(loss) attributable to ordinary equity holders of the parent	450	106	450	106
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	673,295	669,378	673,295	669,378
Effects of dilution :				
Share option	793	2,713	793	2,713
	<hr/>		<hr/>	
	674,088	672,091	674,088	672,091
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	Sen	Sen	Sen	Sen
Diluted earnings/(loss) per share for: Profit/(loss) for the period	0.07	0.02	0.07	0.02
	<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 2021**B14 Other income and expenses**

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	RM '000	RM '000	RM '000	RM '000
Other income/(expenses):				
Dividend income	73	564	73	564
Interest income	7	17	7	17
Rental received	609	721	609	721
Gain/(loss) on disposal of property, plant and equipment	-	-	-	-
Gain/(loss) on disposal of other investment	(485)	(1,830)	(485)	(1,830)
Gain/(loss) on fair value adjustment of other investment	(497)	-	(497)	-
Unrealised gain/(loss) on foreign exchange	282	314	282	314
Realised gain/(loss) on foreign exchange	(71)	45	(71)	45
Total other income/(expenses)	<u>(82)</u>	<u>(169)</u>	<u>(82)</u>	<u>(169)</u>

B15 Profit before tax

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived after charging:				
Audit Fee	22	19	22	19
Amortisation of prepaid leasehold land	16	16	16	16
Depreciation				
- property, plant and equipment	167	156	167	156
- Investment property	21	21	21	21
Property, plant and equipment written off	1	-	1	-
Share based payment	-	61	-	61
	<u>-</u>	<u>61</u>	<u>-</u>	<u>61</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 28 May 2021.

By Order of the Board

Tan Cheik Eaik

Director