

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION**30 JUNE 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Jun 2021 RM'000	Preceding Year Corresponding Quarter 30 Jun 2020 RM'000	Current Year To Date 30 Jun 2021 RM'000	Preceding Year Corresponding Period 30 Jun 2020 RM'000
1 Revenue	5,356	4,201	9,346	8,467
2 Profit/(loss) before tax	2,040	1,268	2,593	1,482
3 Profit/(loss) for the period	1,938	1,150	2,388	1,256
4 Profit/(loss) attributable to ordinary equity holders of the parent	1,938	1,150	2,388	1,256
5 Earnings/(loss) per share (sen) :				
-Basic	0.29	0.17	0.35	0.19
-Diluted	0.29	0.17	0.35	0.19
6 Proposed / Declared dividend per share (sen)	0.50	0.25	0.50	0.50
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END
		30 Jun 2021		31 Dec 2020
		RM		RM
7 Net assets per share attributable to ordinary equity holders of the parent		0.15		0.15

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 SECOND QUARTER ENDED 30 JUNE 2021

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 30 Jun 2021 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Jun 2020 RM'000	Current Year To Date (Unaudited) 30 Jun 2021 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Jun 2020 RM'000
Revenue		5,356	4,201	9,346	8,467
Cost of sales		(3,506)	(2,686)	(6,123)	(5,382)
Gross profit		1,850	1,515	3,223	3,085
Other income and expenses	B14	976	1,061	894	892
Administrative expenses		(875)	(789)	(1,702)	(1,806)
Share of profit/(loss) in associate		89	(519)	178	(689)
Profit/(Loss) before tax	B15	2,040	1,268	2,593	1,482
Taxation	B5	(102)	(118)	(205)	(226)
Profit/(Loss) for the period		1,938	1,150	2,388	1,256
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		1,938	1,150	2,388	1,256

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (Unaudited) 30 Jun 2021 NOTE RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Jun 2020 RM'000	Current Year To Date (Unaudited) 30 Jun 2021 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Jun 2020 RM'000
Attributable to :				
Equity holders of the parent	1,938	1,150	2,388	1,256
Non-controlling interest	-	-	-	-
	<u>1,938</u>	<u>1,150</u>	<u>2,388</u>	<u>1,256</u>
Total comprehensive income/(loss) attributable to :				
Equity holders of the parent	1,938	1,150	2,388	1,256
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>0.29</u>	<u>0.17</u>	<u>0.35</u>	<u>0.19</u>
Diluted EPS (sen)	B13 <u>0.29</u>	<u>0.17</u>	<u>0.35</u>	<u>0.19</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 30 JUNE 2021

	NOTE	(Unaudited) 30 Jun 2021 RM'000	(Audited) 31 Dec 2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	17,384	17,679
Right-of-use asset		2,729	2,761
Investment properties		2,637	2,679
Investment in associate		9,638	9,460
		<u>32,388</u>	<u>32,579</u>
Current assets			
Inventories		3,352	2,776
Trade receivables		8,503	7,265
Other receivables, deposits and prepayments		254	183
Current tax assets		39	37
Other investments	B8	58,698	61,535
Cash and bank balances		5,002	3,414
		<u>75,848</u>	<u>75,210</u>
TOTAL ASSETS		<u>108,236</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		56,280	57,253
Total equity		<u>101,261</u>	<u>101,696</u>
Non-current liabilities			
Deferred tax liabilities		898	898
		<u>898</u>	<u>898</u>
Current liabilities			
Trade payables		942	517
Other payables, accruals and provisions		3,536	3,484
Current tax liabilities		-	-
Contract liability		1,599	1,194
		<u>6,077</u>	<u>5,195</u>
Total liabilities		6,975	6,093
TOTAL EQUITY AND LIABILITIES		<u>108,236</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 30 JUNE 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 SECOND QUARTER ENDED 30 JUNE 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	-	-	-	2,388	2,388
Transaction with owners					
Purchase of treasury shares	-	-	-	-	-
Share-based payments	-	-	-	-	-
Issue of shares pursuant to ESOS	761	(223)	-	-	538
Interim dividend paid	-	-	-	(3,361)	(3,361)
	761	(223)	-	(3,361)	(2,823)
Balance as at 30 June 2021	45,447	621	(1,087)	56,280	101,261
Balance as at 1 January 2020	43,220	1,185	(1,042)	63,298	106,661
Total comprehensive income	-	-	-	1,256	1,256
Transaction with owners					
Purchase of treasury shares	-	-	(45)	-	(45)
Share-based payments	-	32	-	-	32
Issue of shares pursuant to ESOS	899	(229)	-	-	670
Interim dividend paid	-	-	-	(3,341)	(3,341)
	899	(197)	(45)	(3,341)	(2,684)
Balance as at 30 June 2020	44,119	988	(1,087)	61,213	105,233

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 SECOND QUARTER ENDED 30 JUNE 2021

	(Unaudited) 30 Jun 2021 RM'000	(Unaudited) 30 Jun 2020 RM'000
Note		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,593	1,482
Adjustment for:		
Amortisation of prepaid lease payment	32	32
Depreciation of property, plant and equipment	328	316
Depreciation of investment properties	42	42
Dividend income	(183)	(712)
(Gain)/Loss on disposal of other investments	489	1,317
(Gain)/Loss on fair value adjustment of other investments	137	213
(Gain)/Loss on disposal of property, plant and equipment	-	-
Interest income	(20)	(35)
Share based payment	-	32
Unrealised (gain)/loss on foreign exchange	(269)	(249)
Share of (gain)/loss in associate	(178)	689
Property, plant and equipment written off	1	-
Reversal of Impairment loss on other receivables	-	(9)
Operating profit before working capital changes	<u>2,972</u>	<u>3,118</u>
Decrease/(Increase) in inventories	(576)	532
Decrease/(Increase) in trade and other receivables	(1,143)	551
Increase/(Decrease) in trade and other payables	477	(3,264)
Increase/(Decrease) in contract liability	405	(57)
	<u>2,135</u>	<u>880</u>
Tax (paid)/refund	(207)	(256)
Net cash flow from/(used in) operating activities	<u>1,928</u>	<u>624</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	A9 (33)	(211)
Purchase of other investments	B8 (62,622)	(108,364)
Proceeds from disposal of other investment	B8 65,058	108,424
Interest received	20	35
Net cash flow from/(used in) investing activities	<u>2,423</u>	<u>(116)</u>

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 30 JUNE 2021

	(Unaudited)	(Unaudited)
	30 Jun 2021	30 Jun 2020
	RM'000	RM'000
CASH FLOW FROM FINANCING ACTIVITY		
Purchase of treasury shares	A6 -	(45)
Issue of shares	538	670
Interim dividend paid	<u>(3,361)</u>	<u>(6,678)</u>
Net cash flow from/(used in) financing activity	<u>(2,823)</u>	<u>(6,053)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,528	(5,545)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	60	94
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>5,002</u>	<u>4,991</u>
Represented by :		
Short term funds	-	-
Cash and bank balances	<u>5,002</u>	<u>4,991</u>
	<u>5,002</u>	<u>4,991</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 SECOND QUARTER ENDED
30 JUNE 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 SECOND QUARTER ENDED
30 JUNE 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 and Amendments to MFRS 17

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*

Amendments to MFRS 112 Income Taxes - *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 SECOND QUARTER ENDED
30 JUNE 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 30 June 2021.

A5 Material changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 June 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 30 June 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 30 June 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 SECOND QUARTER ENDED
 30 JUNE 2021**

A7 Dividends paid

Third Interim Single tier (tax exempt) dividend

For the financial year	31 December 2020
Approved and declared on	24 February 2021
Dividend per share	RM0.005
Paid on	16 April 2021
Entitlement to dividend based on Record of Depositors as at	31 March 2021

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		6 months ended	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysia	3,754	3,276	7,246	7,452
China	1,502	883	1,777	944
Others	100	42	323	71
	<u>5,356</u>	<u>4,201</u>	<u>9,346</u>	<u>8,467</u>

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 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 RM33,000 were acquired during the financial period ended 30 June 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 30 June 2021.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 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) 30 Jun 2021 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Jun 2020 RM'000	Changes (%)	Current Year To Date (Unaudited) 30 Jun 2021 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Jun 2020 RM'000	Changes (%)
Revenue	5,356	4,201	27%	9,346	8,467	10%
Cost of sales	(3,506)	(2,686)	31%	(6,123)	(5,382)	14%
Gross profit	1,850	1,515	22%	3,223	3,085	4%
Other income and expenses	976	1,061	-8%	894	892	0%
Administrative expenses	(875)	(789)	11%	(1,702)	(1,806)	-6%
Share of profit/(loss) in associate	89	(519)	683%	178	(689)	487%
Profit/(Loss) before tax	2,040	1,268	61%	2,593	1,482	75%
Taxation	(102)	(118)	-14%	(205)	(226)	-9%
Profit/(Loss) for the period	1,938	1,150	69%	2,388	1,256	90%

Comparison with the corresponding quarter in the previous year

For the current quarter, the Group recorded revenue of RM5.356 million, an increase of 27% as compared to the preceding year corresponding quarter. The improved revenue was mainly due to greater contribution from automotive industry in current quarter.

In terms of bottom line performance, the Group recorded profit before tax ("PBT") of RM2.040 million, an increase of 61% as compared to the preceding year corresponding quarter. The higher profit recorded was in tandem with higher revenue.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021**B1 Review of performance (cont'd)***Financial period-to-date against preceding year corresponding financial period*

The Group recorded revenue and PBT of RM9.346 million and RM2.593 million respectively for the current year-to-date. Compared to the preceding year corresponding year-to-date revenue of RM8.467 million and PBT of RM1.482 million, revenue and PBT have increased by approximately 10% and 75% respectively.

The improved revenue for current year to date as compared to the preceding year corresponding year-to-date was mainly due to the increased orders in smart devices and automotive industries. The higher profit recorded was in tandem with higher revenue.

B2 Variation of results against preceding quarter

	Current Year Quarter (Unaudited) 30 Jun 2021 RM'000	Immediate Preceding Quarter (Unaudited) 31 Mar 2021 RM'000	Changes (%)
Revenue	5,356	3,990	34%
Cost of sales	(3,506)	(2,617)	34%
Gross profit	<u>1,850</u>	<u>1,373</u>	35%
Other income and expenses	976	(82)	1290%
Administrative expenses	(875)	(827)	6%
Share of profit/(loss) in associate	89	89	0%
Profit/(Loss) before tax	<u>2,040</u>	<u>553</u>	269%
Taxation	(102)	(103)	-1%
Profit/(Loss) for the period	<u><u>1,938</u></u>	<u><u>450</u></u>	331%

Comparison with the immediate preceding quarter

For the current quarter, the Group recorded revenue of RM5.356 million, an increase of 34% as compared to the previous quarter. The improved revenue was mainly due to greater contribution from automotive industry in current quarter.

In term of bottom line performance, the Group recorded PBT of RM2.040 million, an increase of 269% as compared to the previous quarter. The higher profit recorded was mainly due to the higher revenue, positive contribution from other investment.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021**B3 Prospects**

With the improved order book, the management of Elsoft expects the business and financial performance to gradually improve in 2H 2021. Our R&D efforts since last financial year have started to bear fruits.

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 3 months ended		Cumulative Quarter 6 months ended	
	30 Jun 2021 RM' 000	30 Jun 2020 RM' 000	30 Jun 2021 RM' 000	30 Jun 2020 RM' 000
Current tax	102	118	205	226

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 SECOND QUARTER ENDED 30 JUNE 2021**B8 Other investment**

A summary of the movement of other investments during the period ended 30 June 2021 is as follow:

	RM'000
Other investment	
Balance at 1 January 2021	61,535
Acquisition during the period	62,622
Dividend reinvest	183
Less : Disposal during the period	<u>(65,547)</u>
	58,793
Gain/(Loss) on fair value adjustment	(137)
Gain/(Loss) on foreign exchange	<u>42</u>
Balance at 30 June 2021	<u><u>58,698</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>First Interim Single tier (tax exempt) dividend</u>	
For the financial year	31 December 2021
Approved and declared on	20 August 2021
Dividend per share	RM0.005
Payable on	8 October 2021
Entitlement to dividend based on Record of Depositors as at	15 September 2021

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 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 6 months ended	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	RM' 000	RM' 000	RM' 000	RM' 000
Profit/(loss) attributable to ordinary equity holders of the parent	1,938	1,150	2,388	1,256
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	673,295	670,280	673,295	670,280
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	Sen	Sen	Sen	Sen
Basic earnings/(loss) per share for: Profit/(loss) for the period	0.29	0.17	0.35	0.19

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 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 6 months ended	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	RM '000	RM '000	RM '000	RM '000
Profit/(loss) attributable to ordinary equity holders of the parent	1,938	1,150	2,388	1,256
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	673,295	670,280	673,295	670,280
Effects of dilution :				
Share option	818	1,831	818	1,831
	674,113	672,111	674,113	672,111
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	Sen	Sen	Sen	Sen
Diluted earnings/(loss) per share for: Profit/(loss) for the period	0.29	0.17	0.35	0.19

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021**B14 Other income and expenses**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	RM '000	RM '000	RM '000	RM '000
Other income/(expenses):				
Dividend income	110	148	183	712
Interest income	13	18	20	35
Rental received	505	650	1,114	1,371
Gain/(loss) on disposal of other investment	(4)	513	(489)	(1,317)
Gain/(loss) on fair value adjustment of other investment	360	(213)	(137)	(213)
Unrealised gain/(loss) on foreign exchange	(13)	(65)	269	249
Realised gain/(loss) on foreign exchange	5	10	(66)	55
Total other income/(expenses)	976	1,061	894	892

B15 Profit before tax

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived after charging:				
Audit Fee	13	19	35	38
Amortisation of prepaid leasehold land	16	16	32	32
Depreciation				
- property, plant and equipment	161	160	328	316
- Investment property	21	21	42	42
Reversal of Impairment loss on				
- other receivables		(9)		(9)
Property, plant and equipment written off	-	-	1	-
Share based payment	-	(29)	-	32

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 20 August 2021.

By Order of the Board

Tan Cheik Eaik

Director