

**ELSOFT RESEARCH BERHAD**

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sept 2021 RM'000	Preceding Year Corresponding Quarter 30 Sept 2020 RM'000	Current Year To Date 30 Sept 2021 RM'000	Preceding Year Corresponding Period 30 Sept 2020 RM'000
1 Revenue	6,932	4,733	16,278	13,200
2 Profit/(loss) before tax	3,082	2,659	5,675	4,141
3 Profit/(loss) for the period	2,979	2,756	5,367	4,012
4 Profit/(loss) attributable to ordinary equity holders of the parent	2,979	2,756	5,367	4,012
5 Earnings/(loss) per share (sen) :				
-Basic	0.44	0.41	0.80	0.60
-Diluted	0.44	0.41	0.80	0.60
6 Proposed / Declared dividend per share (sen)	-	-	0.50	0.50
		<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>	
		<b>30 Sept 2021 RM</b>	<b>31 Dec 2020 RM</b>	
7 Net assets per share attributable to ordinary equity holders of the parent		0.16	0.15	

Note: For full text of the above announcement, please access the Bursa Malaysia website at [www.bursamalaysia.com](http://www.bursamalaysia.com)

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 30 Sept 2021 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Sept 2020 RM'000	Current Year To Date (Unaudited) 30 Sept 2021 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Sept 2020 RM'000
Revenue		6,932	4,733	16,278	13,200
Cost of sales		(3,792)	(3,193)	(9,915)	(8,575)
<b>Gross profit</b>		<b>3,140</b>	<b>1,540</b>	<b>6,363</b>	<b>4,625</b>
Other income and expenses	B14	944	1,621	1,838	2,513
Administrative expenses		(1,123)	(720)	(2,825)	(2,526)
Share of profit/(loss) in associate		121	218	299	(471)
<b>Profit/(Loss) before tax</b>	B15	<b>3,082</b>	<b>2,659</b>	<b>5,675</b>	<b>4,141</b>
Taxation	B5	(103)	97	(308)	(129)
<b>Profit/(Loss) for the period</b>		<b>2,979</b>	<b>2,756</b>	<b>5,367</b>	<b>4,012</b>
<b>Other comprehensive income for the period, net of tax</b>		-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>2,979</b>	<b>2,756</b>	<b>5,367</b>	<b>4,012</b>

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (Unaudited) 30 Sept 2021 NOTE RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Sept 2020 RM'000	Current Year To Date (Unaudited) 30 Sept 2021 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Sept 2020 RM'000
Attributable to :				
Equity holders of the parent	2,979	2,756	5,367	4,012
Non-controlling interest	-	-	-	-
	<u>2,979</u>	<u>2,756</u>	<u>5,367</u>	<u>4,012</u>
Total comprehensive income/(loss) attributable to :				
Equity holders of the parent	2,979	2,756	5,367	4,012
Non-controlling interest	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Earnings/(loss) per share ("EPS") attributable to equity holders of the parent :</b>				
Basic EPS (sen)	B13 <u>0.44</u>	<u>0.41</u>	<u>0.80</u>	<u>0.60</u>
Diluted EPS (sen)	B13 <u>0.44</u>	<u>0.41</u>	<u>0.80</u>	<u>0.60</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**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2021**

	NOTE	(Unaudited) 30 Sept 2021 RM'000	(Audited) 31 Dec 2020 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A9	17,237	17,679
Right-of-use asset		2,713	2,761
Investment properties		2,616	2,679
Investment in associate		9,759	9,460
		<u>32,325</u>	<u>32,579</u>
<b>Current assets</b>			
Inventories		5,008	2,776
Trade receivables		10,823	7,265
Other receivables, deposits and prepayments		384	183
Current tax assets		61	37
Other investments	B8	44,627	61,535
Cash and bank balances		21,226	3,414
		<u>82,129</u>	<u>75,210</u>
<b>TOTAL ASSETS</b>		<u>114,454</u>	<u>107,789</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		46,520	44,686
Treasury shares	A6	(1,087)	(1,087)
Share options reserve		735	844
Retained profits		59,259	57,253
<b>Total equity</b>		<u>105,427</u>	<u>101,696</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		898	898
		<u>898</u>	<u>898</u>
<b>Current liabilities</b>			
Trade payables		2,011	517
Other payables, accruals and provisions		3,518	3,484
Current tax liabilities		-	-
Contract liability		2,600	1,194
		<u>8,129</u>	<u>5,195</u>
<b>Total liabilities</b>		9,027	6,093
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>114,454</u>	<u>107,789</u>
Net assets per share (RM)		<u>0.16</u>	<u>0.15</u>

**ELSOFT RESEARCH BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 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**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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
<b>Total comprehensive income</b>	-	-	-	5,367	5,367
<b>Transaction with owners</b>					
Purchase of treasury shares	-	-	-	-	-
Share-based payments	-	360	-	-	360
Issue of shares pursuant to ESOS	1,834	(469)	-	-	1,365
Interim dividend paid	-	-	-	(3,361)	(3,361)
	1,834	(109)	-	(3,361)	(1,636)
Balance as at 30 September 2021	<u>46,520</u>	<u>735</u>	<u>(1,087)</u>	<u>59,259</u>	<u>105,427</u>
Balance as at 1 January 2020	43,220	1,185	(1,042)	63,298	106,661
<b>Total comprehensive income</b>	-	-	-	4,012	4,012
<b>Transaction with owners</b>					
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	-	-	-	(5,016)	(5,016)
	1,465	(341)	(45)	(5,016)	(3,937)
Balance as at 30 September 2020	<u>44,685</u>	<u>844</u>	<u>(1,087)</u>	<u>62,294</u>	<u>106,736</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.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

	Note	(Unaudited) 30 Sept 2021 RM'000	(Unaudited) 30 Sept 2020 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax		5,675	4,141
Adjustment for:			
Amortisation of prepaid lease payment		48	48
Depreciation of property, plant and equipment		489	483
Depreciation of investment properties		63	63
Dividend income		(645)	(877)
(Gain)/Loss on disposal of other investments		645	1,246
(Gain)/Loss on fair value adjustment of other investments	B8	262	(802)
Interest income		(27)	(44)
Share based payment		360	32
Unrealised (gain)/loss on foreign exchange		(368)	(14)
Share of (gain)/loss in associate		(299)	471
Property, plant and equipment written off		1	-
Reversal of Impairment loss on other receivables		-	(9)
Operating profit before working capital changes		<u>6,204</u>	<u>4,738</u>
Decrease/(Increase) in inventories		(2,232)	859
Decrease/(Increase) in trade and other receivables		(3,535)	1,282
Increase/(Decrease) in trade and other payables		1,528	(2,787)
Increase/(Decrease) in contract liability		<u>1,406</u>	<u>199</u>
		3,371	4,291
Tax (paid)/refund		<u>(332)</u>	<u>(367)</u>
Net cash flow from/(used in) operating activities		<u>3,039</u>	<u>3,924</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	A9	(47)	(507)
Purchase of other investments	B8	(66,007)	(147,237)
Proceeds from disposal of other investment	B8	82,699	167,214
Interest received		27	44
Net cash flow from/(used in) investing activities		<u>16,672</u>	<u>19,514</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Purchase of treasury shares	A6 -	(45)
Issue of shares	1,365	1,092
Interim dividend paid	<u>(3,361)</u>	<u>(8,353)</u>
Net cash flow from/(used in) financing activity	<u>(1,996)</u>	<u>(7,306)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>17,715</b>	<b>16,132</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	98	35
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>3,414</b>	<b>10,442</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<u><b>21,227</b></u>	<u><b>26,609</b></u>
Represented by :		
Short term funds	-	-
Cash and bank balances	<u>21,226</u>	<u>26,609</u>
	<u><b>21,226</b></u>	<u><b>26,609</b></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.



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

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

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 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 September 2021.

**A5 Material changes in estimates**

There were no changes in estimates that have had any material effect on the quarter ended 30 September 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 September 2021 were as follows:

	<b>RM'000</b>
Balance as at 1 January 2021	(1,087)
Add: Purchase of treasury shares	-
Less: Resale of treasury shares	-
Balance as at 30 September 2021	<u><u>(1,087)</u></u>

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>
	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>
Malaysia	4,913	3,178	12,159	10,630
China	40	1,435	1,817	2,379
Others	1,979	120	2,302	191
	<u>6,932</u>	<u>4,733</u>	<u>16,278</u>	<u>13,200</u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 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 RM48,000 were acquired during the financial period ended 30 September 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 September 2021.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 Sept 2021 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Sept 2020 RM'000	Changes (%)	Current Year To Date (Unaudited) 30 Sept 2021 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Sept 2020 RM'000	Changes (%)
Revenue	6,932	4,733	46%	16,278	13,200	23%
Cost of sales	(3,792)	(3,193)	19%	(9,915)	(8,575)	16%
Gross profit	3,140	1,540	104%	6,363	4,625	38%
Other income and expenses	944	1,621	-42%	1,838	2,513	-27%
Administrative expenses	(1,123)	(720)	56%	(2,825)	(2,526)	12%
Share of profit/(loss) in associate	121	218	-80%	299	(471)	258%
Profit/(Loss) before tax	3,082	2,659	16%	5,675	4,141	37%
Taxation	(103)	97	-206%	(308)	(129)	139%
Profit/(Loss) for the period	2,979	2,756	8%	5,367	4,012	34%

*Comparison with the corresponding quarter in the previous year*

For the current quarter, the Group recorded revenue of RM6.932 million, an increase of 46% as compared to the preceding year corresponding quarter. The improved revenue was mainly due to the increased demand in smart devices industry in current quarter.

In terms of bottom line performance, the Group recorded profit before tax ("PBT") of RM3.082 million, an increase of 16% as compared to the preceding year corresponding quarter. The increase in PBT was mainly due to the improved revenue but were offset against additional share based payment of RM360,000 in administrative expenses and the lower return from other investment.

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

The Group recorded revenue and PBT of RM16.278 million and RM5.675 million respectively for the current year-to-date. Compared to the preceding year corresponding year-to-date revenue of RM13.200 million and PBT of RM4.141 million, revenue and PBT have increased by approximately 23% and 37% 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 demand in smart devices industry. The increase in PBT was mainly due to the improved revenue and positive contribution from associate company but were offset against additional share based payment of RM360,000 in administrative expenses and the lower return from other investment.

**B2 Variation of results against preceding quarter**

	<b>Current Year Quarter (Unaudited) 30 Sept 2021 RM'000</b>	<b>Immediate Preceding Quarter (Unaudited) 30 June 2021 RM'000</b>	<b>Changes (%)</b>
Revenue	6,932	5,356	29%
Cost of sales	(3,792)	(3,506)	8%
Gross profit	<u>3,140</u>	<u>1,850</u>	70%
Other income and expenses	944	976	3%
Administrative expenses	(1,123)	(875)	28%
Share of profit/(loss) in associate	<u>121</u>	<u>89</u>	36%
Profit/(Loss) before tax	<u>3,082</u>	<u>2,040</u>	51%
Taxation	<u>(103)</u>	<u>(102)</u>	1%
Profit/(Loss) for the period	<u><u>2,979</u></u>	<u><u>1,938</u></u>	54%

*Comparison with the immediate preceding quarter*

For the current quarter, the Group recorded revenue of RM6.932 million, an increase of 29% as compared to the previous quarter. The improved revenue was mainly due to the increased demand in smart devices industry in current quarter.

In term of bottom line performance, the Group recorded PBT of RM3.082 million, an increase of 51% as compared to the previous quarter. The higher profit recorded was in tandem with higher revenue generated and also better product mix margin due to economies of scale.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021****B3 Prospects**

The Group experienced minor supply chain disruption due to the spike of Covid-19 cases in Penang during Q3 2021 and it had affected our delivery schedule.

With the improved order book and the drop of Covid-19 cases in Penang, the management of Elsoft expects business will continue without disruption and financial performance will further improve in Q4 2021.

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**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>
	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>
Current tax	103	(97)	308	129

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 THIRD QUARTER ENDED 30 SEPTEMBER 2021****B8 Other investment**

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

	<b>RM'000</b>
<b>Other investment</b>	
Balance at 1 January 2021	61,535
Acquisition during the period	66,007
Dividend reinvest	645
Less : Disposal during the period	<u>(83,344)</u>
	44,843
Gain/(Loss) on fair value adjustment	(262)
Gain/(Loss) on foreign exchange	<u>46</u>
Balance at 30 September 2021	<u><u>44,627</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**

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

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 9 months ended</b>	
	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>
	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>
Profit/(loss) attributable to ordinary equity holders of the parent	2,979	2,756	5,367	4,012
	<hr/>		<hr/>	
	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 9 months ended</b>	
	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>
	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>
	<b>(In thousands)</b>	<b>(In thousands)</b>	<b>(In thousands)</b>	<b>(In thousands)</b>
Weighted average number of ordinary shares in issue	673,756	670,657	673,756	670,657
	<hr/>		<hr/>	
	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 9 months ended</b>	
	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic earnings/(loss) per share for: Profit/(loss) for the period	0.44	0.41	0.80	0.60
	<hr/>		<hr/>	

**ELSOFT RESEARCH BERHAD**

(Company No. 200301015084 (617504-K))

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

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 9 months ended</b>	
	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Profit/(loss) attributable to ordinary equity holders of the parent	2,979	2,756	5,367	4,012
	<hr/>		<hr/>	
	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 9 months ended</b>	
	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>
	<b>Units</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>
	<b>(In thousands)</b>	<b>(In thousands)</b>	<b>(In thousands)</b>	<b>(In thousands)</b>
Weighted average number of ordinary shares in issue	673,756	670,657	673,756	670,657
Effects of dilution :				
Share option	1,154	1,163	1,154	1,163
	<hr/>		<hr/>	
	674,910	671,820	674,910	671,820
	<hr/>		<hr/>	
	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 9 months ended</b>	
	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>	<b>30 Sept 2021</b>	<b>30 Sept 2020</b>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Diluted earnings/(loss) per share for: Profit/(loss) for the period	0.44	0.41	0.80	0.60
	<hr/>		<hr/>	

**ELSOFT RESEARCH BERHAD**

(Company No. 200301015084 (617504-K))

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
	RM '000	RM '000	RM '000	RM '000
Other income/(expenses):				
Dividend income	462	165	645	877
Interest income	7	9	27	44
Rental received	668	606	1,782	1,977
Gain/(loss) on disposal of other investment	(156)	71	(645)	(1,246)
Gain/(loss) on fair value adjustment of other investment	(125)	1,015	(262)	802
Gain/(loss) on disposal of short term investment	(2)	-	(2)	-
Unrealised gain/(loss) on foreign exchange	99	(235)	368	14
Realised gain/(loss) on foreign exchange	(18)	(10)	(84)	45
Scrap sales	9	-	9	-
Total other income/(expenses)	944	1,621	1,838	2,513

**B15 Profit before tax**

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived after charging:				
Audit Fee	13	10	48	48
Amortisation of prepaid leasehold land	16	16	48	48
Depreciation				
- property, plant and equipment	161	167	489	483
- Investment property	21	21	63	63
Reversal of Impairment loss on				
- other receivables	-	-	-	(9)
Property, plant and equipment written off	-	-	1	-
Share based payment	360	-	360	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 19 November 2021.

By Order of the Board

**Tan Cheik Eaik**

Director