

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Dec 2021 RM'000	Preceding Year Corresponding Quarter 31 Dec 2020 RM'000	Current Year To Date 31 Dec 2021 RM'000	Preceding Year Corresponding Period 31 Dec 2020 RM'000
1 Revenue	12,903	4,928	29,181	18,128
2 Profit/(loss) before tax	5,811	(3,153)	11,486	942
3 Profit/(loss) for the period	5,659	(3,318)	11,026	648
4 Profit/(loss) attributable to ordinary equity holders of the parent	5,659	(3,318)	11,026	648
5 Earnings/(loss) per share (sen) :				
-Basic	0.84	(0.49)	1.64	0.10
-Diluted	0.84	(0.49)	1.63	0.10
6 Proposed / Declared dividend per share (sen)	1.00	0.50	1.50	1.00
		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END	
		31 Dec 2021 RM	31 Dec 2020 RM	
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

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 QUARTER AND YEAR ENDED 31 DECEMBER 2021

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 31 Dec 2021 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Dec 2020 RM'000	Current Year To Date (Unaudited) 31 Dec 2021 RM'000	Preceding Year Corresponding Period (Audited) 31 Dec 2020 RM'000
Revenue		12,903	4,928	29,181	18,128
Cost of sales		(5,997)	(2,954)	(15,912)	(11,529)
Gross profit		6,906	1,974	13,269	6,599
Other income and expenses	B14	688	430	2,526	2,938
Administrative expenses		(1,472)	(5,671)	(4,297)	(8,239)
Share of profit/(loss) in associate		(311)	114	(12)	(356)
Profit/(Loss) before tax	B15	5,811	(3,153)	11,486	942
Taxation	B5	(152)	(165)	(460)	(294)
Profit/(Loss) for the period		5,659	(3,318)	11,026	648
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		5,659	(3,318)	11,026	648

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

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 31 Dec 2021 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Dec 2020 RM'000	Current Year To Date (Unaudited) 31 Dec 2021 RM'000	Preceding Year Corresponding Period (Audited) 31 Dec 2020 RM'000
Attributable to :					
Equity holders of the parent		5,659	(3,318)	11,026	648
Non-controlling interest		-	-	-	-
		<u>5,659</u>	<u>(3,318)</u>	<u>11,026</u>	<u>648</u>
Total comprehensive income/(loss) attributable to :					
Equity holders of the parent		5,659	(3,318)	11,026	648
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>0.84</u>	<u>(0.49)</u>	<u>1.64</u>	<u>0.10</u>
Diluted EPS (sen)	B13	<u>0.84</u>	<u>(0.49)</u>	<u>1.63</u>	<u>0.10</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))
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	NOTE	(Unaudited) 31 Dec 2021 RM'000	(Audited) 31 Dec 2020 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	17,110	17,679
Right-of-use asset		2,698	2,761
Investment properties		2,595	2,679
Investment in associate		9,448	9,460
		<u>31,851</u>	<u>32,579</u>
Current assets			
Inventories		4,776	2,776
Trade receivables		14,008	7,265
Other receivables, deposits and prepayments		385	183
Current tax assets		49	37
Other investments	B8	56,088	61,535
Cash and bank balances		12,840	3,414
		<u>88,146</u>	<u>75,210</u>
TOTAL ASSETS		<u>119,997</u>	<u>107,789</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		47,405	44,686
Treasury shares	A6	(1,087)	(1,087)
Share options reserve		875	844
Retained profits		61,550	57,253
Total equity		<u>108,743</u>	<u>101,696</u>
Non-current liabilities			
Deferred tax liabilities		898	898
		<u>898</u>	<u>898</u>
Current liabilities			
Trade payables		1,715	517
Other payables, accruals and provisions		4,545	3,484
Current tax liabilities		-	-
Contract liability		4,096	1,194
		<u>10,356</u>	<u>5,195</u>
Total liabilities		11,254	6,093
TOTAL EQUITY AND LIABILITIES		<u>119,997</u>	<u>107,789</u>
Net assets per share (RM)		<u>0.16</u>	<u>0.15</u>

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(Company No. 200301015084 (617504-K))

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 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 QUARTER AND YEAR ENDED 31 DECEMBER 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	-	-	-	11,026	11,026
Transaction with owners					
Purchase of treasury shares	-	-	-	-	-
Share-based payments	-	720	-	-	720
Issue of shares pursuant to ESOS	2,719	(689)	-	-	2,030
Interim dividend paid	-	-	-	(6,729)	(6,729)
	2,719	31	-	(6,729)	(3,979)
Balance as at 31 December 2021	47,405	875	(1,087)	61,550	108,743
Balance as at 1 January 2020	43,220	1,185	(1,042)	63,298	106,661
Total comprehensive income	-	-	-	648	648
Transaction with owners					
Purchase of treasury shares	-	-	(45)	-	(45)
Share-based payments	-	32	-	-	32
Issue of shares pursuant to ESOS	1,466	(373)	-	-	1,093
Interim dividend paid	-	-	-	(6,693)	(6,693)
	1,466	(341)	(45)	(6,693)	(5,613)
Balance as at 31 December 2020	44,686	844	(1,087)	57,253	101,696

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 QUARTER AND YEAR ENDED 31 DECEMBER 2021

	(Unaudited) 31 Dec 2021	(Audited) 31 Dec 2020
Note	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	11,486	942
Adjustment for:		
Amortisation of prepaid lease payment	64	64
Depreciation of property, plant and equipment	649	653
Depreciation of investment properties	84	84
Dividend income	(805)	(2,305)
(Gain)/Loss on disposal of other investments	782	856
(Gain)/Loss on fair value adjustment of other investments	211	953
(Gain)/Loss on disposal of property, plant and equipment	-	-
Interest income	(46)	(59)
Share based payment	720	32
Unrealised (gain)/loss on foreign exchange	(332)	216
Share of (gain)/loss in associate	12	356
Property, plant and equipment written off	1	-
Impairment loss on investment in associate	-	1,244
Impairment loss on RCPS	-	3,707
Impairment loss on trade receivables	-	45
Reversal of Impairment loss on other receivables	-	(9)
Operating profit before working capital changes	<u>12,826</u>	<u>6,779</u>
Decrease/(Increase) in inventories	(2,000)	904
Decrease/(Increase) in trade and other receivables	(6,754)	1,869
Increase/(Decrease) in trade and other payables	2,268	(3,503)
Increase/(Decrease) in contract liability	<u>2,902</u>	<u>277</u>
	9,242	6,326
Tax (paid)/refund	<u>(472)</u>	<u>(306)</u>
Net cash flow from/(used in) operating activities	<u>8,770</u>	<u>6,020</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	A9 (81)	(527)
Purchase of other investments	B8 (162,796)	(178,687)
Proceeds from disposal of other investment	B8 168,100	175,078
Interest received	46	59
Net cash flow from/(used in) investing activities	<u>5,269</u>	<u>(4,077)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021

	(Unaudited)	(Audited)
	31 Dec 2021	31 Dec 2020
	RM'000	RM'000
CASH FLOW FROM FINANCING ACTIVITY		
Purchase of treasury shares	A6 -	(45)
Issue of shares	2,030	1,093
Interim dividend paid	<u>(6,729)</u>	<u>(10,030)</u>
Net cash flow from/(used in) financing activity	<u>(4,699)</u>	<u>(8,982)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,340	(7,039)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	86	11
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>12,840</u>	<u>3,414</u>
Represented by :		
Short term funds	-	-
Cash and bank balances	<u>12,840</u>	<u>3,414</u>
	<u>12,840</u>	<u>3,414</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 QUARTER AND YEAR ENDED
31 DECEMBER 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 QUARTER AND YEAR ENDED
31 DECEMBER 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 QUARTER AND YEAR ENDED
31 DECEMBER 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 and year ended 31 December 2021.

A5 Material changes in estimates

There were no changes in estimates that have had any material effect on the quarter and year ended 31 December 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 December 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 December 2021	<u><u>(1,087)</u></u>

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

First Interim Single tier (tax exempt) dividend

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

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 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysia	6,988	2,230	19,147	12,860
China	45	1,624	1,862	4,003
United States of America	2,515	153	3,134	153
Singapore	2,821	-	3,367	-
Others	534	921	1,671	1,112
	<u>12,903</u>	<u>4,928</u>	<u>29,181</u>	<u>18,128</u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
31 DECEMBER 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 RM81,000 were acquired during the financial year ended 31 December 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 December 2021.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 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 Dec 2021 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Dec 2020 RM'000	Changes (%)	Current Year To Date (Unaudited) 31 Dec 2021 RM'000	Preceding Year Corresponding Period (Audited) 31 Dec 2020 RM'000	Changes (%)
Revenue	12,903	4,928	162%	29,181	18,128	61%
Cost of sales	(5,997)	(2,954)	103%	(15,912)	(11,529)	38%
Gross profit	6,906	1,974	250%	13,269	6,599	101%
Other income and expenses	688	430	60%	2,526	2,938	-14%
Administrative expenses	(1,472)	(5,671)	-74%	(4,297)	(8,239)	-48%
Share of profit/(loss) in associate	(311)	114	-373%	(12)	(356)	-97%
Profit/(Loss) before tax	5,811	(3,153)	-284%	11,486	942	1119%
Taxation	(152)	(165)	-8%	(460)	(294)	56%
Profit/(Loss) for the period	5,659	(3,318)	-271%	11,026	648	1602%

Comparison with the corresponding quarter in the previous year

For the current quarter, the Group recorded revenue of RM12.903 million, an increase of 162% as compared to the preceding year corresponding quarter. The improved revenue was mainly due to the increased demand in both smart devices and automotive industry in current quarter.

In terms of bottom line performance, the Group recorded profit before tax ("PBT") of RM5.811 million. The significant improvement in PBT was mainly due to the improved revenue and no one-off impairment loss in investment in associate.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021**B1 Review of performance (cont'd)***Financial period-to-date against preceding year corresponding financial period*

The Group recorded revenue and PBT of RM29.181 million and RM11.486 million respectively for the current year-to-date. Compared to the preceding year corresponding year-to-date revenue of RM18.128 million and PBT of RM0.942 million, revenue and PBT have increased by approximately 61% and 1119% 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 both smart devices and automotive industry. The increase in PBT was mainly due to the improved revenue and no one-off impairment loss in investment in associate.

B2 Variation of results against preceding quarter

	Current Year Quarter (Unaudited) 31 Dec 2021 RM'000	Immediate Preceding Quarter (Unaudited) 30 Sept 2021 RM'000	Changes (%)
Revenue	12,903	6,932	86%
Cost of sales	(5,997)	(3,792)	58%
Gross profit	<u>6,906</u>	<u>3,140</u>	120%
Other income and expenses	688	944	27%
Administrative expenses	(1,472)	(1,123)	31%
Share of profit/(loss) in associate	<u>(311)</u>	<u>121</u>	-357%
Profit/(Loss) before tax	5,811	3,082	89%
Taxation	<u>(152)</u>	<u>(103)</u>	48%
Profit/(Loss) for the period	<u><u>5,659</u></u>	<u><u>2,979</u></u>	90%

Comparison with the immediate preceding quarter

For the current quarter, the Group recorded revenue of RM12.903 million, an increase of 86% as compared to the previous quarter. The improved revenue was mainly due to the increased demand in both smart devices and automotive industry in current quarter.

In term of bottom line performance, the Group recorded PBT of RM5.811 million, an increase of 89% 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 QUARTER AND YEAR ENDED 31 DECEMBER 2021**B3 Prospects**

Barring any unforeseen circumstances, the management of Elsoft expects the business and financial performance to gradually improve for the financial year ending 31 December 2022 in view of the improved order book.

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 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	152	165	460	294

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.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021**B8 Other investment**

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

	RM'000
Other investment	
Balance at 1 January 2021	61,535
Acquisition during the period	162,796
Dividend reinvest	805
Less : Disposal during the period	<u>(168,882)</u>
	56,254
Gain/(Loss) on fair value adjustment	(211)
Gain/(Loss) on foreign exchange	<u>45</u>
Balance at 31 December 2021	<u><u>56,088</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>Second Interim Single tier (tax exempt) dividend</u>	
For the financial year	31 December 2021
Approved and declared on	18 February 2022
Dividend per share	RM0.01
Payable on	15 April 2022
Entitlement to dividend based on Record of Depositors as at	31 March 2022

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 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 12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	RM' 000	RM' 000	RM' 000	RM' 000
Profit/(loss) attributable to ordinary equity holders of the parent	5,659	(3,318)	11,026	648
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	673,905	670,657	673,905	670,657
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	Sen	Sen	Sen	Sen
Basic earnings/(loss) per share for: Profit/(loss) for the period	0.84	(0.49)	1.64	0.10

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 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 12 months ended	
	31 Dec 2021 RM '000	31 Dec 2020 RM '000	31 Dec 2021 RM '000	31 Dec 2020 RM '000
Profit/(loss) attributable to ordinary equity holders of the parent	5,659	(3,318)	11,026	648
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2021 Units (In thousands)	31 Dec 2020 Units (In thousands)	31 Dec 2021 Units (In thousands)	31 Dec 2020 Units (In thousands)
Weighted average number of ordinary shares in issue	673,905	670,657	673,905	670,657
Effects of dilution :				
Share option	1,108	1,132	1,108	1,132
	675,013	671,789	675,013	671,789
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2021 Sen	31 Dec 2020 Sen	31 Dec 2021 Sen	31 Dec 2020 Sen
Diluted earnings/(loss) per share for: Profit/(loss) for the period	0.84	(0.49)	1.63	0.10

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021**B14 Other income and expenses**

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	RM '000	RM '000	RM '000	RM '000
Other income/(expenses):				
Dividend income	160	1,428	805	2,305
Interest income	19	15	46	59
Rental received	619	612	2,401	2,585
Gain/(loss) on disposal of other investment	(137)	390	(782)	(856)
Gain/(loss) on fair value adjustment of other investment	51	(1,754)	(211)	(953)
Gain/(loss) on disposal of short term investment	4	-	2	-
Unrealised gain/(loss) on foreign exchange	(36)	(230)	332	(216)
Realised gain/(loss) on foreign exchange	8	(31)	(76)	14
Scrap sales	-	-	9	-
Total other income/(expenses)	<u>688</u>	<u>430</u>	<u>2,526</u>	<u>2,938</u>

B15 Profit before tax

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived after charging:				
Audit Fee	15	15	63	63
Amortisation of prepaid leasehold land	16	16	64	64
Depreciation				
- property, plant and equipment	160	170	649	653
- Investment property	21	21	84	84
Impairment loss on investment in associate	-	1,244	-	1,244
Impairment loss on RCPS	-	3,707	-	3,707
Impairment loss on trade receivables	-	45	-	45
Reversal of Impairment loss on				
- other receivables	-	-	-	(9)
Property, plant and equipment written off	-	-	1	-
Share based payment	360	-	720	32
	<u>360</u>	<u>-</u>	<u>720</u>	<u>32</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 18 February 2022.

By Order of the Board

Tan Cheik Eaik

Director