

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION**30 JUNE 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 June 2022 RM'000	Preceding Year Corresponding Quarter 30 June 2021 RM'000	Current Year To Date 30 June 2022 RM'000	Preceding Year Corresponding Period 30 June 2021 RM'000
1 Revenue	9,066	5,356	16,045	9,346
2 Profit/(loss) before tax	5,216	2,040	8,242	2,593
3 Profit/(loss) for the period	5,104	1,938	8,018	2,388
4 Profit/(loss) attributable to ordinary equity holders of the parent	5,104	1,938	8,018	2,388
5 Earnings/(loss) per share (sen) :				
-Basic	0.75	0.29	1.18	0.35
-Diluted	0.75	0.29	1.18	0.35
6 Proposed / Declared dividend per share (sen)	1.00	0.50	1.00	0.50
		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END	
		30 June 2022 RM	31 Dec 2021 RM	
7 Net assets per share attributable to ordinary equity holders of the parent		0.16	0.16	

Note: For full text of the above announcement, please access the Bursa Malaysia website at www.bursamalaysia.com

ELSOFT RESEARCH BERHAD
 (Company No. 200301015084 (617504-K))
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2022

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 30 June 2022 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 June 2021 RM'000	Current Year To Date (Unaudited) 30 June 2022 RM'000	Preceding Year Corresponding Period (Unaudited) 30 June 2021 RM'000
Revenue		9,066	5,356	16,045	9,346
Cost of sales		(5,137)	(3,506)	(9,346)	(6,123)
Gross profit		3,929	1,850	6,699	3,223
Other income and expenses	B14	1,475	976	2,614	894
Administrative expenses		(961)	(875)	(1,874)	(1,702)
Share of profit/(loss) in associate		773	89	803	178
Profit/(Loss) before tax	B15	5,216	2,040	8,242	2,593
Taxation	B5	(112)	(102)	(224)	(205)
Profit/(Loss) for the period		5,104	1,938	8,018	2,388
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		5,104	1,938	8,018	2,388

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (Unaudited) 30 June 2022	Preceding Year Corresponding Quarter (Unaudited) 30 June 2021	Current Year To Date (Unaudited) 30 June 2022	Preceding Year Corresponding Period (Unaudited) 30 June 2021
NOTE	RM'000	RM'000	RM'000	RM'000
Attributable to :				
Equity holders of the parent	5,104	1,938	8,018	2,388
Non-controlling interest	-	-	-	-
	<u>5,104</u>	<u>1,938</u>	<u>8,018</u>	<u>2,388</u>
Total comprehensive income/(loss) attributable to :				
Equity holders of the parent	5,104	1,938	8,018	2,388
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>0.75</u>	<u>0.29</u>	<u>1.18</u>	<u>0.35</u>
Diluted EPS (sen)	B13 <u>0.75</u>	<u>0.29</u>	<u>1.18</u>	<u>0.35</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 2021 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 JUNE 2022

	NOTE	(Unaudited) 30 June 2022 RM'000	(Audited) 31 Dec 2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	16,876	17,110
Right-of-use asset		2,666	2,698
Investment properties		2,553	2,595
Investment in associate		10,251	9,448
		<u>32,346</u>	<u>31,851</u>
Current assets			
Inventories		4,458	4,776
Trade receivables		12,943	13,992
Other receivables, deposits and prepayments		889	385
Current tax assets		55	49
Other investments	B8	57,547	56,088
Cash and bank balances		11,460	12,840
		<u>87,352</u>	<u>88,130</u>
TOTAL ASSETS		<u>119,698</u>	<u>119,981</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		48,809	47,405
Treasury shares	A6	(1,087)	(1,087)
Share options reserve		564	875
Retained profits		62,729	61,476
Total equity		<u>111,015</u>	<u>108,669</u>
Non-current liabilities			
Deferred tax liabilities		955	955
		<u>955</u>	<u>955</u>
Current liabilities			
Trade payables		615	1,715
Other payables, accruals and provisions		4,003	4,546
Current tax liabilities		-	-
Contract liability		3,110	4,096
		<u>7,728</u>	<u>10,357</u>
Total liabilities		8,683	11,312
TOTAL EQUITY AND LIABILITIES		<u>119,698</u>	<u>119,981</u>
Net assets per share (RM)		<u>0.16</u>	<u>0.16</u>

ELSOFT RESEARCH BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2022

(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 2022	47,405	875	(1,087)	61,476	108,669
Total comprehensive income	-	-	-	8,018	8,018
Transaction with owners					
Purchase of treasury shares	-	-	-	-	-
Share-based payments	-	-	-	-	-
Issue of shares pursuant to ESOS	1,404	(311)	-	-	1,093
Interim dividend paid	-	-	-	(6,765)	(6,765)
	1,404	(311)	-	(6,765)	(5,672)
Balance as at 30 June 2022	48,809	564	(1,087)	62,729	111,015
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

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

ELSOFT RESEARCH BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 30 JUNE 2022

	Note	(Unaudited) 30 June 2022 RM'000	(Unaudited) 30 June 2021 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		8,242	2,593
Adjustment for:			
Amortisation of prepaid lease payment		32	32
Depreciation of property, plant and equipment		324	328
Depreciation of investment properties		42	42
Dividend income		(241)	(183)
(Gain)/Loss on disposal of other investments		94	489
(Gain)/Loss on fair value adjustment of other investments	B8	(67)	137
Interest income		(40)	(20)
Unrealised (gain)/loss on foreign exchange		(695)	(269)
Share of (gain)/loss in associate		(803)	(178)
Property, plant and equipment written off		-	1
Operating profit before working capital changes		<u>6,894</u>	<u>2,972</u>
Decrease/(Increase) in inventories		318	(576)
Decrease/(Increase) in trade and other receivables		757	(1,143)
Increase/(Decrease) in trade and other payables		(1,652)	477
Increase/(Decrease) in contract liability		(986)	405
		<u>5,331</u>	<u>2,135</u>
Tax (paid)/refund		(230)	(207)
Net cash flow from/(used in) operating activities		<u>5,101</u>	<u>1,928</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	A9	(90)	(33)
Sales/(Purchase) of other investments	B8	(1,222)	2,436
Interest received		40	20
Net cash flow from/(used in) investing activities		<u>(1,272)</u>	<u>2,423</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 30 JUNE 2022

	(Unaudited) 30 June 2022 RM'000	(Unaudited) 30 June 2021 RM'000
CASH FLOW FROM FINANCING ACTIVITY		
Purchase of treasury shares	-	-
Issue of shares	1,093	538
Interim dividend paid	<u>(6,765)</u>	<u>(3,361)</u>
Net cash flow from/(used in) financing activity	<u>(5,672)</u>	<u>(2,823)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,843)	1,528
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	463	60
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	12,840	3,414
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>11,460</u>	<u>5,002</u>
Represented by :		
Short term funds	438	-
Cash and bank balances	<u>11,022</u>	<u>5,002</u>
	<u>11,460</u>	<u>5,002</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022**

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 2021. 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 2021.

The financial statements of the Group and the Company for the financial year ended 31 December 2021 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 2021, except for the adoption of the Standards, Amendments and Annual Improvement to Standards effective as of 1 January 2022.

Effective for annual periods commencing on or after 1 January 2022

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

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

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 SECOND QUARTER ENDED
30 JUNE 2022**

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 annual periods commencing on or after 1 January 2023

MFRS 17 Insurance Contracts and Amendments to MFRS 17

Amendments to MFRS 17 Insurance Contracts - *Initial Application of MFRS 17 and MFRS 9*
- *Comparative Information*

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 SECOND QUARTER ENDED
30 JUNE 2022**

A2 Audit report of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2021 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 2022.

A5 Material changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 June 2022.

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 2022 were as follows:

	RM'000
Balance as at 1 January 2022	(1,087)
Add: Purchase of treasury shares	-
Less: Resale of treasury shares	-
Balance as at 30 June 2022	<u><u>(1,087)</u></u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
 30 JUNE 2022**

A7 Dividends paid

<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
Paid on	15 April 2022
Entitlement to dividend based on Record of Depositors as at	31 March 2022

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 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysia	5,856	3,754	9,609	7,246
China	2,005	1,502	3,343	1,777
Japan	97	20	1,009	20
Singapore	944	-	1,888	-
Others	164	80	196	303
	<u>9,066</u>	<u>5,356</u>	<u>16,045</u>	<u>9,346</u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2022**

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 2021.

Property, plant and equipment costing approximately RM90,000 were acquired during the financial year ended 31 December 2022.

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 2022.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022**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 June 2022 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 June 2021 RM'000	Changes (%)	Current Year To Date (Unaudited) 30 June 2022 RM'000	Preceding Year Corresponding Period (Unaudited) 30 June 2021 RM'000	Changes (%)
Revenue	9,066	5,356	69%	16,045	9,346	72%
Cost of sales	(5,137)	(3,506)	47%	(9,346)	(6,123)	53%
Gross profit	3,929	1,850	112%	6,699	3,223	108%
Other income and expenses	1,475	976	51%	2,614	894	192%
Administrative expenses	(961)	(875)	10%	(1,874)	(1,702)	10%
Share of profit/(loss) in associate	773	89	769%	803	178	351%
Profit/(Loss) before tax	5,216	2,040	156%	8,242	2,593	218%
Taxation	(112)	(102)	10%	(224)	(205)	9%
Profit/(Loss) for the period	5,104	1,938	163%	8,018	2,388	236%

Comparison with the corresponding quarter in the previous year

For the current quarter, the Group recorded revenue of RM9.066 million, an increase of 69% 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 terms of bottom line performance, the Group recorded profit before tax ("PBT") of RM5.216 million. The significant improvement in PBT was mainly due to the improved revenue, positive contribution from other investments and improved contribution from Associate Company.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022**B1 Review of performance (cont'd)***Financial period-to-date against preceding year corresponding financial period*

The Group recorded revenue and PBT of RM16.045 million and RM8.242 million respectively for the current year-to-date. Compared to the preceding year corresponding year-to-date revenue of RM9.346 million and PBT of RM2.593 million, revenue and PBT have increased by approximately 72% and 218% 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, positive contribution from other investments and improved contribution from Associate Company.

B2 Variation of results against preceding quarter

	Current Year Quarter (Unaudited) 30 June 2022 RM'000	Immediate Preceding Quarter (Unaudited) 31 Dec 2021 RM'000	Changes (%)
Revenue	9,066	6,979	30%
Cost of sales	(5,137)	(4,209)	22%
Gross profit	<u>3,929</u>	<u>2,770</u>	42%
Other income and expenses	1,475	1,139	29%
Administrative expenses	(961)	(913)	5%
Share of profit/(loss) in associate	773	30	2477%
Profit/(Loss) before tax	<u>5,216</u>	<u>3,026</u>	72%
Taxation	(112)	(112)	0%
Profit/(Loss) for the period	<u><u>5,104</u></u>	<u><u>2,914</u></u>	75%

Comparison with the immediate preceding quarter

For the current quarter, the Group recorded revenue of RM9.066 million, an increase of 30% as compared to the previous quarter. The increase in revenue for current quarter was mainly due to the increased demand from automotive industry while the demand from smart devices industry remain stagnant as compare to preceding quarter.

In term of bottom line performance, the Group recorded PBT of RM5.216 million, an increase of 72% as compared to the previous quarter. The higher profit recorded was in tandem with improved revenue, improved contribution from Associate Company and better product mix margin.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022**B3 Prospects**

The management of Elsoft expects weaker demand for Automated Test Equipment ("ATE") in second half of 2022 as customers have postponed on capital expenditure (CAPEX) due to supply chain disruption.

Although there are 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		6 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	112	102	224	205

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

Save as disclosed below, there were no other 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.

On 16 March 2022, Elsoft Research Berhad ("Elssoft") had announced that its wholly owned subsidiary company, Siangtronics Technology Sdn Bhd, had on the same day entered into a conditional sale and purchase agreement with SRM Integration (Malaysia) Sdn Bhd for the disposal of a piece of leasehold land together with a 2-storey factory-cum-office building with ancillary buildings erected thereon, held under Pajakan Negeri No. 4026, Lot No. 12459, Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang for a total cash consideration of RM38,000,000 ("Proposed Disposal").

The Proposed Disposal has obtained shareholders approval at the extraordinary general meeting held on 10 June 2022.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022**B8 Other investment**

A summary of the movement of other investments during the period ended 30 June 2022 is as follow:

	RM'000
Other investment	
Balance at 1 January 2022	56,088
Sales/(Purchase) during the period	1,128
Dividend reinvest	241
	<hr/>
	57,457
Gain/(Loss) on fair value adjustment	67
Gain/(Loss) on foreign exchange	23
	<hr/>
Balance at 30 June 2022	<u>57,547</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 2022
Approved and declared on	19 August 2022
Dividend per share	RM0.01
Payable on	7 October 2022
Entitlement to dividend based on Record of Depositors as at	15 September 2022

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022**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 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM' 000	RM' 000	RM' 000	RM' 000
Profit/(loss) attributable to ordinary equity holders of the parent	5,104	1,938	8,018	2,388
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	677,469	673,295	677,469	673,295
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Sen	Sen	Sen	Sen
Basic earnings/(loss) per share for: Profit/(loss) for the period	0.75	0.29	1.18	0.35

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022**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 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM '000	RM '000	RM '000	RM '000
Profit/(loss) attributable to ordinary equity holders of the parent	5,104	1,938	8,018	2,388
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	677,469	673,295	677,469	673,295
Effects of dilution :				
Share option	759	818	759	818
	678,228	674,113	678,228	674,113
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Sen	Sen	Sen	Sen
Diluted earnings/(loss) per share for: Profit/(loss) for the period	0.75	0.29	1.18	0.35

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022**B14 Other income and expenses**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM '000	RM '000	RM '000	RM '000
Other income/(expenses):				
Dividend income	81	110	241	183
Interest income	21	13	40	20
Rental received	777	505	1,612	1,114
Gain/(loss) on disposal of other investment	(94)	(4)	(94)	(489)
Gain/(loss) on fair value adjustment of other investment	42	360	67	(137)
Gain/(loss) on disposal of short term investment	3	-	4	-
Unrealised gain/(loss) on foreign exchange	628	(13)	695	269
Realised gain/(loss) on foreign exchange	17	5	49	(66)
Total other income/(expenses)	<u>1,475</u>	<u>976</u>	<u>2,614</u>	<u>894</u>

B15 Profit before tax

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived after charging:				
Audit Fee	18	13	35	35
Amortisation of prepaid leasehold land	16	16	32	32
Depreciation				
- property, plant and equipment	163	161	324	328
- Investment property	21	21	42	42
Impairment loss on trade receivables	6	-	6	-
Property, plant and equipment written off	-	-	-	1

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 August 2022.

By Order of the Board

Tan Cheik Eaik

Director