

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sept 2022 RM'000	Preceding Year Corresponding Quarter 30 Sept 2021 RM'000	Current Year To Date 30 Sept 2022 RM'000	Preceding Year Corresponding Period 30 Sept 2021 RM'000
1 Revenue	7,213	6,932	23,258	16,278
2 Profit/(loss) before tax	3,745	3,082	11,987	5,675
3 Profit/(loss) for the period	3,609	2,979	11,627	5,367
4 Profit/(loss) attributable to ordinary equity holders of the parent	3,609	2,979	11,627	5,367
5 Earnings/(loss) per share (sen) :				
-Basic	0.53	0.44	1.72	0.80
-Diluted	0.53	0.44	1.72	0.80
6 Proposed / Declared dividend per share (sen)	-	-	1.00	0.50
		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END	
		30 Sept 2022 RM	31 Dec 2021 RM	
7 Net assets per share attributable to ordinary equity holders of the parent		0.17	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))
 (Incorporated in Malaysia)

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

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 30 Sept 2022 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Sept 2021 RM'000	Current Year To Date (Unaudited) 30 Sept 2022 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Sept 2021 RM'000
Revenue		7,213	6,932	23,258	16,278
Cost of sales		(4,332)	(3,792)	(13,678)	(9,915)
Gross profit		2,881	3,140	9,580	6,363
Other income and expenses	B14	1,803	944	4,417	1,838
Administrative expenses		(793)	(1,123)	(2,667)	(2,825)
Share of profit/(loss) in associate		(146)	121	657	299
Profit/(Loss) before tax	B15	3,745	3,082	11,987	5,675
Taxation	B5	(136)	(103)	(360)	(308)
Profit/(Loss) for the period		3,609	2,979	11,627	5,367
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		3,609	2,979	11,627	5,367

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

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

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 30 Sept 2022 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Sept 2021 RM'000	Current Year To Date (Unaudited) 30 Sept 2022 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Sept 2021 RM'000
Attributable to :					
Equity holders of the parent		3,609	2,979	11,627	5,367
Non-controlling interest		-	-	-	-
		<u>3,609</u>	<u>2,979</u>	<u>11,627</u>	<u>5,367</u>
Total comprehensive income/(loss) attributable to :					
Equity holders of the parent		3,609	2,979	11,627	5,367
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>0.53</u>	<u>0.44</u>	<u>1.72</u>	<u>0.80</u>
Diluted EPS (sen)	B13	<u>0.53</u>	<u>0.44</u>	<u>1.72</u>	<u>0.80</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
(Company No. 200301015084 (617504-K))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	NOTE	(Unaudited) 30 Sept 2022 RM'000	(Audited) 31 Dec 2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	16,759	17,110
Right-of-use asset		2,650	2,698
Investment properties		2,533	2,595
Investment in associate		10,105	9,448
		<u>32,047</u>	<u>31,851</u>
Current assets			
Inventories		4,063	4,776
Trade receivables		13,238	13,992
Other receivables, deposits and prepayments		795	385
Current tax assets		25	49
Other investments	B8	54,290	56,088
Cash and bank balances		20,566	12,840
		<u>92,977</u>	<u>88,130</u>
TOTAL ASSETS		<u>125,024</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	(1,367)	(1,087)
Share options reserve		467	875
Retained profits		66,435	61,476
Total equity		<u>114,344</u>	<u>108,669</u>
Non-current liabilities			
Deferred tax liabilities		955	955
		<u>955</u>	<u>955</u>
Current liabilities			
Trade payables		526	1,715
Other payables, accruals and provisions		6,926	4,546
Current tax liabilities		-	-
Contract liability		2,273	4,096
		<u>9,725</u>	<u>10,357</u>
Total liabilities		10,680	11,312
TOTAL EQUITY AND LIABILITIES		<u>125,024</u>	<u>119,981</u>
Net assets per share (RM)		<u>0.17</u>	<u>0.16</u>

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 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))
 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	-	-	-	11,627	11,627
Transaction with owners					
Purchase of treasury shares	-	-	(280)	-	(280)
Reversal of share-based payments	-	(97)	-	97	-
Issue of shares pursuant to ESOS	1,404	(311)	-	-	1,093
Interim dividend paid	-	-	-	(6,765)	(6,765)
	1,404	(408)	(280)	(6,668)	(5,952)
Balance as at 30 September 2022	48,809	467	(1,367)	66,435	114,344
Balance as at 1 January 2021	44,686	844	(1,087)	57,253	101,696
Total comprehensive income	-	-	-	5,367	5,367
Transaction with owners					
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	46,520	735	(1,087)	59,259	105,427

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

	Note	(Unaudited) 30 Sept 2022 RM'000	(Unaudited) 30 Sept 2021 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		11,987	5,675
Adjustment for:			
Amortisation of prepaid lease payment		48	48
Depreciation of property, plant and equipment		490	489
Depreciation of investment properties		62	63
Dividend income		(372)	(645)
(Gain)/Loss on disposal of other investments		16	645
(Gain)/Loss on fair value adjustment of other investments	B8	(129)	262
Interest income		(80)	(27)
Share based payment		-	360
Unrealised (gain)/loss on foreign exchange		(1,386)	(368)
Share of (gain)/loss in associate		(657)	(299)
Property, plant and equipment written off		-	1
Impairment loss on trade receivables		6	-
Operating profit before working capital changes		<u>9,985</u>	<u>6,204</u>
Decrease/(Increase) in inventories		713	(2,232)
Decrease/(Increase) in trade and other receivables		780	(3,535)
Increase/(Decrease) in trade and other payables		1,177	1,528
Increase/(Decrease) in contract liability		(1,823)	1,406
		<u>10,832</u>	<u>3,371</u>
Tax (paid)/refund		(336)	(332)
Net cash flow from/(used in) operating activities		<u>10,496</u>	<u>3,039</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	A9	(139)	(47)
Sales/(Purchase) of other investments	B8	2,329	16,692
Interest received		80	27
Net cash flow from/(used in) investing activities		<u>2,270</u>	<u>16,672</u>

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

	(Unaudited)	(Unaudited)
	30 Sept 2022	30 Sept 2021
	RM'000	RM'000
CASH FLOW FROM FINANCING ACTIVITY		
Purchase of treasury shares	A6 (280)	-
Issue of shares	1,093	1,365
Interim dividend paid	<u>(6,765)</u>	<u>(3,361)</u>
Net cash flow from/(used in) financing activity	<u>(5,952)</u>	<u>(1,996)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,814	17,715
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	912	98
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>20,566</u>	<u>21,227</u>
Represented by :		
Short term funds	672	-
Cash and bank balances	<u>19,894</u>	<u>21,227</u>
	<u>20,566</u>	<u>21,227</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.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

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

Amendments to MFRS 3 Business Combinations - *Reference to the Conceptual Framework*

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

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.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

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

Amendment to MFRS 16 Leases - *Lease Liability in a Sale and Leaseback*

MFRS 17 Insurance Contracts

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.

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 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 September 2022.

A5 Material changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 September 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 September 2022 were as follows:

	RM'000
Balance as at 1 January 2022	(1,087)
Add: Purchase of treasury shares	(280)
Less: Resale of treasury shares	-
Balance as at 30 September 2022	<u><u>(1,367)</u></u>

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022**

A7 Dividends paid

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

A8 Segmental information

Operating Segments

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely research, design and development of test, burn-in and application specific embedded system.

Geographical information

Revenue information based on the geographical location of customers is as follows: -

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysia	4,991	4,913	14,600	12,159
China	907	40	4,250	1,817
Japan	90	507	1,099	527
Singapore	234	546	2,122	546
Others	991	926	1,187	1,229
	<u>7,213</u>	<u>6,932</u>	<u>23,258</u>	<u>16,278</u>

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 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 RM139,000 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 are no capital commitments in the interim financial statements as at 30 September 2022.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 Sept 2022 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Sept 2021 RM'000	Changes (%)	Current Year To Date (Unaudited) 30 Sept 2022 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Sept 2021 RM'000	Changes (%)
Revenue	7,213	6,932	4%	23,258	16,278	43%
Cost of sales	(4,332)	(3,792)	14%	(13,678)	(9,915)	38%
Gross profit	2,881	3,140	-8%	9,580	6,363	51%
Other income and expenses	1,803	944	91%	4,417	1,838	140%
Administrative expenses	(793)	(1,123)	-29%	(2,667)	(2,825)	-6%
Share of profit/(loss) in associate	(146)	121	-221%	657	299	120%
Profit/(Loss) before tax	3,745	3,082	22%	11,987	5,675	111%
Taxation	(136)	(103)	32%	(360)	(308)	17%
Profit/(Loss) for the period	3,609	2,979	21%	11,627	5,367	117%

Comparison with the corresponding quarter in the previous year

For the current quarter, the Group recorded revenue of RM7.213 million, an increase of 4% as compared to the preceding year corresponding 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 was lower as compare to preceding year corresponding quarter.

In terms of bottom line performance, the Group recorded profit before tax ("PBT") of RM3.745 million. The improvement in PBT was mainly due to positive contribution from other investments and gain in foreign exchange differences.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

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

The Group recorded revenue and PBT of RM23.258 million and RM11.987 million respectively for the current year-to-date. Compared to the preceding year corresponding year-to-date revenue of RM16.278 million and PBT of RM5.675 million, revenue and PBT have increased by approximately 43% and 111% 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, improved contribution from Associate Company and gain in foreign exchange differences.

B2 Variation of results against preceding quarter

	Current Year Quarter (Unaudited) 30 Sept 2022 RM'000	Immediate Preceding Quarter (Unaudited) 30 June 2022 RM'000	Changes (%)
Revenue	7,213	9,066	-20%
Cost of sales	(4,332)	(5,137)	-16%
Gross profit	<u>2,881</u>	<u>3,929</u>	-27%
Other income and expenses	1,803	1,475	22%
Administrative expenses	(793)	(961)	-17%
Share of profit/(loss) in associate	<u>(146)</u>	<u>773</u>	-119%
Profit/(Loss) before tax	<u>3,745</u>	<u>5,216</u>	-28%
Taxation	<u>(136)</u>	<u>(112)</u>	21%
Profit/(Loss) for the period	<u><u>3,609</u></u>	<u><u>5,104</u></u>	-29%

Comparison with the immediate preceding quarter

For the current quarter, the Group recorded revenue of RM7.213 million, an decrease of 20% as compared to the previous quarter. The decrease in revenue for current quarter was mainly due to the weaker demand for Automated Test Equipment ("ATE") as customers have postponed their capital expenditure (CAPEX) due to supply chain disruption.

In terms of bottom line performance, the Group recorded PBT of RM3.745 million, an decrease of 28% as compared to the previous quarter. The lower profit recorded was in tandem with decrease in revenue and share of loss in associate.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**B3 Prospects**

The management of Elsoft expects weaker demand for Automated Test Equipment ("ATE") as customers have postponed their capital expenditure (CAPEX) due to supply chain disruption affecting their operations.

Although there are uncertainties, the Management remain confident of 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		9 months ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	136	103	360	308

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 other corporate proposals announced but not completed as at the date of this report.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2022****B8 Other investment**

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

	RM'000
Other investment	
Balance at 1 January 2022	56,088
Sales/(Purchase) during the period	(2,345)
Dividend reinvest	372
	<hr/> 54,115
Gain/(Loss) on fair value adjustment	129
Gain/(Loss) on foreign exchange	46
Balance at 30 September 2022	<hr/> <hr/> 54,290

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.

B11 Material litigation

The Group is not engaged in any material litigation as at the date of this report.

B12 Dividends

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

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 9 months ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM' 000	RM' 000	RM' 000	RM' 000
Profit/(loss) attributable to ordinary equity holders of the parent	3,609	2,979	11,627	5,367
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	677,296	673,756	677,296	673,756
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	Sen	Sen	Sen	Sen
Basic earnings/(loss) per share for: Profit/(loss) for the period	0.53	0.44	1.72	0.80
	<hr/>		<hr/>	

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 9 months ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM '000	RM '000	RM '000	RM '000
Profit/(loss) attributable to ordinary equity holders of the parent	3,609	2,979	11,627	5,367
	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	677,296	673,756	677,296	673,756
Effects of dilution :				
Share option	563	1,154	563	1,154
	677,859	674,910	677,859	674,910
	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	Sen	Sen	Sen	Sen
Diluted earnings/(loss) per share for: Profit/(loss) for the period	0.53	0.44	1.72	0.80

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM '000	RM '000	RM '000	RM '000
Other income/(expenses):				
Dividend income	131	462	372	645
Interest income	40	7	80	27
Rental received	662	668	2,274	1,782
Gain/(loss) on disposal of other investment	78	(156)	(16)	(645)
Gain/(loss) on fair value adjustment of other investment	62	(125)	129	(262)
Gain/(loss) on disposal of short term investment	6	(2)	10	(2)
Unrealised gain/(loss) on foreign exchange	691	99	1,386	368
Realised gain/(loss) on foreign exchange	133	(18)	182	(84)
Scrap sales	-	9	-	9
Total other income/(expenses)	<u>1,803</u>	<u>944</u>	<u>4,417</u>	<u>1,838</u>

B15 Profit before tax

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived after charging:				1,018
Audit Fee	14	13	49	48
Amortisation of prepaid leasehold land	16	16	48	48
Depreciation				
- property, plant and equipment	166	161	490	489
- Investment property	20	21	62	63
Impairment loss on trade receivables	-	-	6	-
Property, plant and equipment written off	-	-	-	1
Share based payment	-	360	-	360

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**B16 Utilisation of proceeds**

The Land Disposal was completed on 4 November 2022. The status of utilisation of proceeds of RM38,000,000 is as follows:

Details of use	Estimated utilisation timeframe upon completion *	Amount RM'000	Actual utilisation RM'000	Percentage utilised %
Expansion of the Group's business and/or production facility	within 24 months	14,740	-	-
General working capital	within 24 months	13,160	-	-
Special Dividend	within 12 months	6,760	-	-
Estimated expenses in relation to the Proposed Disposal	within 3 months	3,340	1,510	45.2
		38,000	1,510	4.0

B17 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 November 2022.

By Order of the Board

Tan Cheik Eaik

Director