

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

**SUMMARY OF KEY FINANCIAL INFORMATION
31 DECEMBER 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Dec 2022 RM'000	Preceding Year Corresponding Quarter 31 Dec 2021 RM'000	Current Year To Date 31 Dec 2022 RM'000	Preceding Year Corresponding Period 31 Dec 2021 RM'000
1 Revenue	4,837	12,903	28,095	29,181
2 Profit/(loss) before tax	31,640	5,811	43,627	11,470
3 Profit/(loss) for the period	31,357	5,659	42,984	10,952
4 Profit/(loss) attributable to ordinary equity holders of the parent	31,357	5,659	42,984	10,952
5 Earnings/(loss) per share (sen) :				
-Basic	4.63	0.84	6.35	1.63
-Diluted	4.63	0.84	6.34	1.62
6 Proposed / Declared dividend per share (sen)	2.00	1.00	3.00	1.50
		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END	
		31 Dec 2022 RM	31 Dec 2021 RM	
7 Net assets per share attributable to ordinary equity holders of the parent		0.21	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 QUARTER AND YEAR ENDED 31 DECEMBER 2022

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 31 Dec 2022 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Dec 2021 RM'000	Current Year To Date (Unaudited) 31 Dec 2022 RM'000	Preceding Year Corresponding Period (Audited) 31 Dec 2021 RM'000
Revenue		4,837	12,903	28,095	29,181
Cost of sales		(3,413)	(5,997)	(17,091)	(15,912)
Gross profit		<u>1,424</u>	<u>6,906</u>	<u>11,004</u>	<u>13,269</u>
Other income and expenses	B14	292	688	4,709	2,526
Net gain from disposal of a piece of leasehold land		30,991	-	30,991	-
Administrative expenses		(1,285)	(1,472)	(3,952)	(4,313)
Share of profit/(loss) in associate		218	(311)	875	(12)
Profit/(Loss) before tax	B15	<u>31,640</u>	<u>5,811</u>	<u>43,627</u>	<u>11,470</u>
Taxation	B5	(283)	(152)	(643)	(518)
Profit/(Loss) for the period		<u>31,357</u>	<u>5,659</u>	<u>42,984</u>	<u>10,952</u>
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		<u><u>31,357</u></u>	<u><u>5,659</u></u>	<u><u>42,984</u></u>	<u><u>10,952</u></u>

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter (Unaudited) 31 Dec 2022 NOTE RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Dec 2021 RM'000	Current Year To Date (Unaudited) 31 Dec 2022 RM'000	Preceding Year Corresponding Period (Audited) 31 Dec 2021 RM'000
Attributable to :				
Equity holders of the parent	31,357	5,659	42,984	10,952
Non-controlling interest	-	-	-	-
	<u>31,357</u>	<u>5,659</u>	<u>42,984</u>	<u>10,952</u>
Total comprehensive income/(loss) attributable to :				
Equity holders of the parent	31,357	5,659	42,984	10,952
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>4.63</u>	<u>0.84</u>	<u>6.35</u>	<u>1.63</u>
Diluted EPS (sen)	B13 <u>4.63</u>	<u>0.84</u>	<u>6.34</u>	<u>1.62</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 31 DECEMBER 2022**

	NOTE	(Unaudited) 31 Dec 2022 RM'000	(Audited) 31 Dec 2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	16,593	17,110
Right-of-use asset		2,634	2,698
Investment properties		110	2,595
Investment in associate		10,323	9,448
		<u>29,660</u>	<u>31,851</u>
Current assets			
Inventories		3,643	4,776
Trade receivables		10,459	13,992
Other receivables, deposits and prepayments		34,543	385
Current tax assets		-	49
Other investments	B8	61,878	56,088
Cash and bank balances		11,202	12,840
		<u>121,725</u>	<u>88,130</u>
TOTAL ASSETS		<u>151,385</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		468	875
Retained profits		91,030	61,476
Total equity		<u>138,940</u>	<u>108,669</u>
Non-current liabilities			
Deferred tax liabilities		955	955
		<u>955</u>	<u>955</u>
Current liabilities			
Trade payables		610	1,715
Other payables, accruals and provisions		8,303	4,546
Current tax liabilities		106	-
Contract liability		2,471	4,096
		<u>11,490</u>	<u>10,357</u>
Total liabilities		12,445	11,312
TOTAL EQUITY AND LIABILITIES		<u>151,385</u>	<u>119,981</u>
Net assets per share (RM)		<u>0.21</u>	<u>0.16</u>

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 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 QUARTER AND YEAR ENDED 31 DECEMBER 2022

(The figures have not been audited)

	-----Non-distributable -----			Distributable	Total
	Share capital	Share option reserves	Treasury shares	Retained profits	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	-	-	-	42,984	42,984
Transaction with owners					
Purchase of treasury shares	-	-	(280)	-	(280)
Reversal of share-based payments	-	(96)	-	96	-
Issue of shares pursuant to ESOS	1,404	(311)	-	-	1,093
Interim dividend paid	-	-	-	(13,526)	(13,526)
	1,404	(407)	(280)	(13,430)	(12,713)
Balance as at 31 December 2022	48,809	468	(1,367)	91,030	138,940
Balance as at 1 January 2021	44,686	844	(1,087)	57,253	101,696
Total comprehensive income	-	-	-	10,952	10,952
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)	61,476	108,669

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 QUARTER AND YEAR ENDED 31 DECEMBER 2022

	(Unaudited) 31 Dec 2022 RM'000	(Unaudited) 31 Dec 2021 RM'000
Note		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	43,627	11,470
Adjustment for:		
Amortisation of prepaid lease payment	64	64
Depreciation of property, plant and equipment	656	649
Depreciation of investment properties	70	84
Dividend income	(672)	(805)
(Gain)/Loss on disposal of other investments	16	782
(Gain)/Loss on fair value adjustment of other investments	(141)	211
(Gain)/Loss on disposal of property, plant and equipment	(35,585)	-
Interest income	(193)	(46)
Share based payment	-	720
Unrealised (gain)/loss on foreign exchange	(211)	(332)
Share of (gain)/loss in associate	(875)	12
Property, plant and equipment written off	-	1
Impairment loss on trade receivables	81	16
Operating profit before working capital changes	<u>6,837</u>	<u>12,826</u>
Decrease/(Increase) in inventories	1,133	(2,000)
Decrease/(Increase) in trade and other receivables	(30,781)	(6,754)
Increase/(Decrease) in trade and other payables	2,645	2,268
Increase/(Decrease) in contract liability	(1,625)	2,902
	<u>(21,791)</u>	<u>9,242</u>
Tax (paid)/refund	(488)	(472)
Net cash flow from/(used in) operating activities	<u>(22,279)</u>	<u>8,770</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(139)	(81)
Sales/(Purchase) of other investments	(4,942)	5,304
Proceeds from disposal of property, plant and equipment	38,000	-
Interest received	193	46
Net cash flow from/(used in) investing activities	<u>33,112</u>	<u>5,269</u>

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2022

	(Unaudited) 31 Dec 2022 RM'000	(Unaudited) 31 Dec 2021 RM'000
CASH FLOW FROM FINANCING ACTIVITY		
Purchase of treasury shares	A6 (280)	-
Issue of shares	1,093	2,030
Interim dividend paid	(13,526)	(6,729)
Net cash flow from/(used in) financing activity	<u>(12,713)</u>	<u>(4,699)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,880)	9,340
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	242	86
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>11,202</u>	<u>12,840</u>
Represented by :		
Short term funds	4,422	-
Cash and bank balances	6,780	12,840
	<u>11,202</u>	<u>12,840</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 QUARTER AND YEAR ENDED
31 DECEMBER 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 QUARTER AND YEAR ENDED
31 DECEMBER 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

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

- *Comparative Information*

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*

Effective for annual periods commencing on or after 1 January 2024

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

Amendments to MFRS 101 Presentation of Financial Statements - *Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies*

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 QUARTER AND YEAR ENDED
31 DECEMBER 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 and year ended 31 December 2022.

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 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 31 December 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 31 December 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 QUARTER AND YEAR ENDED
 31 DECEMBER 2022**

A7 Dividends paid

First Interim Single tier (tax exempt) dividend

For the financial year	31 December 2022
Approved and declared on	19 August 2022
Dividend per share	RM0.01
Paid on	7 October 2022
Entitlement to dividend based on Record of Depositors as at	15 September 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		12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysia	1,104	6,988	15,704	19,147
Asia (exclude Malaysia)	2,542	3,400	10,535	6,900
America	1,191	2,515	1,856	3,134
	<u>4,837</u>	<u>12,903</u>	<u>28,095</u>	<u>29,181</u>

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
31 DECEMBER 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 31 December 2022.

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
 31 DECEMBER 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) 31 Dec 2022 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31 Dec 2021 RM'000	Changes (%)	Current Year To Date (Unaudited) 31 Dec 2022 RM'000	Preceding Year Corresponding Period (Audited) 31 Dec 2021 RM'000	Changes (%)
Revenue	4,837	12,903	-63%	28,095	29,181	-4%
Cost of sales	(3,413)	(5,997)	-43%	(17,091)	(15,912)	7%
Gross profit	1,424	6,906	-79%	11,004	13,269	-17%
Other income and expenses	292	688	-58%	4,709	2,526	86%
Net gain from disposal of a piece of leasehold land	30,991	-		30,991	-	
Administrative expenses	(1,285)	(1,472)	-13%	(3,952)	(4,313)	-8%
Share of profit/(loss) in associate	218	(311)	-170%	875	(12)	-7392%
Profit/(Loss) before tax	31,640	5,811	444%	43,627	11,470	280%
Taxation	(283)	(152)	86%	(643)	(518)	24%
Profit/(Loss) for the period	31,357	5,659	454%	42,984	10,952	292%

Comparison with the corresponding quarter in the previous year

For the current quarter, the Group recorded revenue of RM4.837 million, an decrease of 63% as compared to the preceding year corresponding quarter. The decrease in revenue for current quarter was mainly due to the weaker demand for Automated Test Equipment ("ATE").

In terms of bottom line performance, the Group recorded profit before tax ("PBT") of RM31.640 million. The improvement in PBT was mainly due to the one-off gain from disposal of a piece of leasehold land amounting to RM30.991 million.

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
 31 DECEMBER 2022**

B1 Review of performance (cont'd)

Financial period-to-date against preceding year corresponding financial period

The Group recorded revenue and PBT of RM28.095 million and RM43.627 million respectively for the current year-to-date. Compared to the preceding year corresponding year-to-date revenue of RM29.181 million and PBT of RM11.470 million, revenue has decreased by approximately 4% while PBT have increased by approximately 280%.

The decrease in revenue for current year to date as compared to the preceding year corresponding year-to-date was mainly due to the weaker demand for Automated Test Equipment ("ATE"). The increase in PBT was mainly due to the one-off gain from disposal of a piece of leasehold land amounting to RM30.991 million.

B2 Variation of results against preceding quarter

	Current Year Quarter (Unaudited) 31 Dec 2022 RM'000	Immediate Preceding Quarter (Unaudited) 30 Sept 2022 RM'000	Changes (%)
Revenue	4,837	7,213	-33%
Cost of sales	(3,413)	(4,332)	-21%
Gross profit	1,424	2,881	-51%
Other income and expenses	292	1,803	-84%
Net gain from disposal of a piece of leasehold land	30,991	-	
Administrative expenses	(1,285)	(793)	62%
Share of profit/(loss) in associate	218	(146)	-249%
Profit/(Loss) before tax	31,640	3,745	745%
Taxation	(283)	(136)	108%
Profit/(Loss) for the period	<u>31,357</u>	<u>3,609</u>	769%

Comparison with the immediate preceding quarter

For the current quarter, the Group recorded revenue of RM4.837 million, an decrease of 33% 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").

In terms of bottom line performance, the Group recorded PBT of RM31.640 million, an increase of 745% as compared to the previous quarter. The increase in PBT was mainly due to the one-off gain from disposal of a piece of leasehold land amounting to RM30.991 million.

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
31 DECEMBER 2022****B3 Prospects**

According to World Semiconductor Trade Statistics Organization (WSTS) industry forecast, global semiconductor industry sales are projected to fall 4.1% in 2023. Hence, the management of Elsoft expects demand for Automated Test Equipment ("ATE") would remain weak in 2023.

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		12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	283	152	643	518

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 QUARTER AND YEAR ENDED 31 DECEMBER 2022**B8 Other investment**

A summary of the movement of other investments during the period ended 31 December 2022 is as follow:

	RM'000
Other investment	
Balance at 1 January 2022	56,088
Sales/(Purchase) during the period	4,926
Dividend reinvest	672
	<hr/>
	61,686
Gain/(Loss) on fair value adjustment	141
Gain/(Loss) on foreign exchange	51
	<hr/>
Balance at 31 December 2022	<u>61,878</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.

B11 Material litigation

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

B12 DividendsSpecial Dividend

For the financial year	31 December 2022
Approved and declared on	17 February 2023
Dividend per share	RM0.01
Payable on	14 April 2023
Entitlement to dividend based on Record of Depositors as at	31 March 2023

Second Interim Single tier (tax exempt) dividend

For the financial year	31 December 2022
Approved and declared on	17 February 2023
Dividend per share	RM0.01
Payable on	14 April 2023
Entitlement to dividend based on Record of Depositors as at	31 March 2023

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
31 DECEMBER 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 12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM' 000	RM' 000	RM' 000	RM' 000
Profit/(loss) attributable to ordinary equity holders of the parent	31,357	5,659	42,984	10,952
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	677,296	673,905	677,296	673,905
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	Sen	Sen	Sen	Sen
Basic earnings/(loss) per share for: Profit/(loss) for the period	4.63	0.84	6.35	1.63

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 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 12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM '000	RM '000	RM '000	RM '000
Profit/(loss) attributable to ordinary equity holders of the parent	31,357	5,659	42,984	10,952
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	677,296	673,905	677,296	673,905
Effects of dilution :				
Share option	460	1,108	460	1,108
	<u>677,756</u>	<u>675,013</u>	<u>677,756</u>	<u>675,013</u>
	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	Sen	Sen	Sen	Sen
Diluted earnings/(loss) per share for: Profit/(loss) for the period	4.63	0.84	6.34	1.62

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
31 DECEMBER 2022****B14 Other income and expenses**

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM '000	RM '000	RM '000	RM '000
Other income/(expenses):				
Dividend income	300	160	672	805
Interest income	113	19	193	46
Rental received	552	619	2,826	2,401
Gain/(loss) on disposal of other investment	-	(137)	(16)	(782)
Gain/(loss) on fair value adjustment of other investment	12	51	141	(211)
Gain/(loss) on disposal of short term investment	23	4	33	2
Unrealised gain/(loss) on foreign exchange	(1,175)	(36)	211	332
Realised gain/(loss) on foreign exchange	463	8	645	(76)
Scrap sales	4	-	4	9
Total other income/(expenses)	<u>292</u>	<u>688</u>	<u>4,709</u>	<u>2,526</u>

B15 Profit before tax

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived after charging:				
Audit Fee	31	15	80	63
Amortisation of prepaid leasehold land	16	16	64	64
Depreciation				
- property, plant and equipment	166	160	656	649
- Investment property	8	21	70	84
Impairment loss on trade receivables	75	16	81	16
Property, plant and equipment written off	-	-	-	1
Provision of slow moving inventory	653	-	653	-
Share based payment	-	360	-	720
	<u>-</u>	<u>360</u>	<u>-</u>	<u>720</u>

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED
31 DECEMBER 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	3,059	23.2
Special Dividend	within 12 months	6,760	-	-
Estimated expenses in relation to the Proposed Disposal	within 3 months	3,340	1,515	45.4
		38,000	4,574	12.0

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 17 February 2023.

By Order of the Board

Tan Cheik Eaik

Director