



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

SUMMARY OF KEY FINANCIAL INFORMATION
30 JUNE 2023

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 June 2023 RM'000	Preceding Year Corresponding Quarter 30 June 2022 RM'000	Current Year To Date 30 June 2023 RM'000	Preceding Year Corresponding Period 30 June 2022 RM'000
1 Revenue	6,133	9,066	10,708	16,045
2 Profit/(loss) before tax	3,533	5,216	6,117	8,242
3 Profit/(loss) for the period	3,072	5,104	5,534	8,018
4 Profit/(loss) attributable to ordinary equity holders of the parent	3,072	5,104	5,534	8,018
5 Earnings/(loss) per share (sen) :				
-Basic	0.45	0.75	0.81	1.18
-Diluted	0.45	0.75	0.81	1.18
6 Proposed / Declared dividend per share (sen)	1.00	1.00	1.00	1.00
		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END	
		30 June 2023 RM	31 Dec 2022 RM	
7 Net assets per share attributable to ordinary equity		0.20	0.21	

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 2023

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 30 June 2023 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 June 2022 RM'000	Current Year To Date (Unaudited) 30 June 2023 RM'000	Preceding Year Corresponding Period (Unaudited) 30 June 2022 RM'000
Revenue		6,133	9,066	10,708	16,045
Cost of sales		(3,527)	(5,137)	(6,303)	(9,346)
Gross profit		<u>2,606</u>	<u>3,929</u>	<u>4,405</u>	<u>6,699</u>
Other income and expenses	B14	2,253	1,475	3,792	2,614
Administrative expenses		(1,198)	(961)	(2,207)	(1,874)
Share of profit/(loss) in associate		(128)	773	127	803
Profit/(Loss) before tax	B15	<u>3,533</u>	<u>5,216</u>	<u>6,117</u>	<u>8,242</u>
Taxation	B5	(461)	(112)	(583)	(224)
Profit/(Loss) for the period		<u>3,072</u>	<u>5,104</u>	<u>5,534</u>	<u>8,018</u>
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		<u><u>3,072</u></u>	<u><u>5,104</u></u>	<u><u>5,534</u></u>	<u><u>8,018</u></u>

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2023

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 30 June 2023 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 June 2022 RM'000	Current Year To Date (Unaudited) 30 June 2023 RM'000	Preceding Year Corresponding Period (Unaudited) 30 June 2022 RM'000
Attributable to :					
Equity holders of the parent		3,072	5,104	5,534	8,018
Non-controlling interest		-	-	-	-
		<u>3,072</u>	<u>5,104</u>	<u>5,534</u>	<u>8,018</u>
Total comprehensive income/(loss) attributable to :					
Equity holders of the parent		3,072	5,104	5,534	8,018
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>0.45</u>	<u>0.75</u>	<u>0.81</u>	<u>1.18</u>
Diluted EPS (sen)	B13	<u>0.45</u>	<u>0.75</u>	<u>0.81</u>	<u>1.18</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 2022 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 30 JUNE 2023

	NOTE	(Unaudited) 30 June 2023 RM'000	(Audited) 31 Dec 2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	16,542	16,593
Right-of-use asset		2,602	2,634
Investment properties		108	110
Investment in associate		10,450	10,323
Goodwill on consolidation		7,083	-
		<u>36,785</u>	<u>29,660</u>
Current assets			
Inventories		3,077	3,643
Trade receivables		10,701	10,460
Other receivables, deposits and prepayments		297	34,542
Current tax assets		-	-
Other investments	B8	82,207	61,878
Cash and bank balances		13,056	11,202
		<u>109,338</u>	<u>121,725</u>
TOTAL ASSETS		<u>146,123</u>	<u>151,385</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		57,832	48,809
Treasury shares	A6	(1,418)	(1,367)
Share options reserve		409	468
Retained profits		83,021	91,015
Total equity		<u>139,844</u>	<u>138,925</u>
Non-current liabilities			
Deferred tax liabilities		986	954
		<u>986</u>	<u>954</u>
Current liabilities			
Trade payables		146	610
Other payables, accruals and provisions		3,231	5,848
Current tax liabilities		403	2,577
Contract liability		1,513	2,471
		<u>5,293</u>	<u>11,506</u>
Total liabilities		6,279	12,460
TOTAL EQUITY AND LIABILITIES		<u>146,123</u>	<u>151,385</u>
Net assets per share (RM)		<u>0.20</u>	<u>0.21</u>

ELSOFT RESEARCH BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 SECOND QUARTER ENDED 30 JUNE 2023

(The figures have not been audited)

	-----Non-distributable -----			Distributable	
	Share capital RM'000	Share option reserves RM'000	Treasury shares RM'000	Retained profits RM'000	Total equity RM'000
Balance as at 1 January 2023	48,809	468	(1,367)	91,015	138,925
Total comprehensive income	-	-	-	5,534	5,534
Transaction with owners					
Purchase of treasury shares	-	-	(51)	-	(51)
Reversal of share-based payments	-	(2)	-	2	-
Issue of shares pursuant to ESOS	223	(57)	-	-	166
Issue of shares pursuant to Acquisition	8,800	-	-	-	8,800
Interim dividend paid	-	-	-	(13,530)	(13,530)
	9,023	(59)	(51)	(13,528)	(4,615)
Balance as at 30 June 2023	<u>57,832</u>	<u>409</u>	<u>(1,418)</u>	<u>83,021</u>	<u>139,844</u>
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	<u>48,809</u>	<u>564</u>	<u>(1,087)</u>	<u>62,729</u>	<u>111,015</u>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023

	Note	(Unaudited) 30 June 2023 RM'000	(Unaudited) 30 June 2022 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		6,117	8,242
Adjustment for:			
Amortisation of prepaid lease payment		32	32
Depreciation of property, plant and equipment		327	324
Depreciation of investment properties		2	42
Dividend income		(1,511)	(241)
(Gain)/Loss on disposal of other investments		(44)	94
(Gain)/Loss on fair value adjustment of other investments	B8	(15)	(67)
Interest income		(303)	(40)
Unrealised (gain)/loss on foreign exchange		(169)	(695)
Share of (gain)/loss in associate		(127)	(803)
Impairment loss on trade receivables		-	6
Operating profit before working capital changes		<u>4,309</u>	<u>6,894</u>
Decrease/(Increase) in inventories		653	318
Decrease/(Increase) in trade and other receivables		609	757
Increase/(Decrease) in trade and other payables		(3,129)	(1,652)
Increase/(Decrease) in contract liability		(958)	(986)
		<u>1,484</u>	<u>5,331</u>
Tax (paid)/refund		(2,669)	(230)
Net cash flow from/(used in) operating activities		<u>(1,185)</u>	<u>5,101</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	A9	(12)	(90)
Sales/(Purchase) of other investments	B8	(18,927)	(1,222)
Proceeds from disposal of property, plant and equipment		34,200	-
Dividend received from other investments		168	-
Interest received		303	40
Net cash inflow on acquisition of subsidiary		928	-
Net cash flow from/(used in) investing activities		<u>16,660</u>	<u>(1,272)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 30 JUNE 2023

	(Unaudited) 30 June 2023 RM'000	(Unaudited) 30 June 2022 RM'000
CASH FLOW FROM FINANCING ACTIVITY		
Purchase of treasury shares	A6 (51)	-
Issue of shares	166	1,093
Interim dividend paid	<u>(13,530)</u>	<u>(6,765)</u>
Net cash flow from/(used in) financing activity	<u>(13,415)</u>	<u>(5,672)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,060	(1,843)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(206)	463
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	11,202	12,840
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>13,056</u>	<u>11,460</u>
Represented by :		
Fixed Deposit / Short term funds	6,770	438
Cash and bank balances	<u>6,286</u>	<u>11,022</u>
	<u>13,056</u>	<u>11,460</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 2022 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 2023**

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 2022. 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 2022.

The financial statements of the Group and the Company for the financial year ended 31 December 2022 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 2022, except for the adoption of the Standards, Amendments and Annual Improvement to Standards effective as of 1 January 2023.

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*

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 2023**

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 2024

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

Amendments to MFRS 101 Presentation of Financial Statements - *Non-current Liabilities with Covenants*

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure
- *Supplier Finance Arrangements*

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 2023**

A2 Audit report of preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2022 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 2023.

A5 Material changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 June 2023.

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 2023 were as follows:

	RM'000
Balance as at 1 January 2023	(1,367)
Add: Purchase of treasury shares	(51)
Less: Resale of treasury shares	-
Balance as at 30 June 2023	<u><u>(1,418)</u></u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
 30 JUNE 2023**

A7 Dividends paid

Special Dividend

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

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	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysia	3,622	5,857	6,188	9,610
Asia (exclude Malaysia)	1,950	3,204	3,959	6,415
America	561	5	561	20
	<u>6,133</u>	<u>9,066</u>	<u>10,708</u>	<u>16,045</u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED
30 JUNE 2023**

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 2022.

Property, plant and equipment costing approximately RM12,000 were acquired during the financial period ended 30 June 2023.

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 June 2023.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**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 Corresponding Quarter (Unaudited) 30 June 2023 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 June 2022 RM'000	Changes (%)	Current Year To Date (Unaudited) 30 June 2023 RM'000	Preceding Year Corresponding Period (Unaudited) 30 June 2022 RM'000	Changes (%)
Revenue	6,133	9,066	-32%	10,708	16,045	-33%
Cost of sales	(3,527)	(5,137)	-31%	(6,303)	(9,346)	-33%
Gross profit	2,606	3,929	-34%	4,405	6,699	-34%
Other income and expenses	2,253	1,475	53%	3,792	2,614	45%
Net gain from disposal of a piece of leasehold land	-	-		-	-	
Administrative expenses	(1,198)	(961)	25%	(2,207)	(1,874)	18%
Share of profit/(loss) in associate	(128)	773	-117%	127	803	-84%
Profit/(Loss) before tax	3,533	5,216	-32%	6,117	8,242	-26%
Taxation	(461)	(112)	312%	(583)	(224)	160%
Profit/(Loss) for the period	3,072	5,104	-40%	5,534	8,018	-31%

Comparison with the corresponding quarter in the previous year

The Group's revenue for the current quarter was RM6.133 million, a 32% decrease compared to the preceding year corresponding quarter. This decrease was mainly due to the low demand for our Automated Test Equipment ("ATE").

The Group's profit before tax ("PBT") also decreased to RM3.533 million, despite the increase in other income. This was because of the lower revenue and lower contribution from associate company.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**B1 Review of performance (cont'd)***Financial period-to-date against preceding year corresponding financial period*

For the current year-to-date, the Group reported revenue and PBT of RM10.708 million and RM6.117 million respectively. This represents a decline of approximately 33% in revenue and approximately 26% in PBT compared to the preceding year corresponding year-to-date, which had revenue of RM16.045 million and PBT of RM8.242 million.

The main reason for the lower revenue for the current year to date was the reduced demand for Automated Test Equipment ("ATE"). The lower PBT was mainly attributable to the lower revenue and the lower contribution from associate company.

B2 Variation of results against preceding quarter

	Current Year Quarter (Unaudited) 30 June 2023 RM'000	Immediate Preceding Quarter (Unaudited) 31 Mar 2023 RM'000	Changes (%)
Revenue	6,133	4,575	34%
Cost of sales	(3,527)	(2,776)	27%
Gross profit	<u>2,606</u>	<u>1,799</u>	45%
Other income and expenses	2,253	1,539	46%
Net gain from disposal of a piece of leasehold land	-	-	
Administrative expenses	(1,198)	(1,009)	19%
Share of profit/(loss) in associate	(128)	255	-150%
Profit/(Loss) before tax	<u>3,533</u>	<u>2,584</u>	37%
Taxation	(461)	(122)	278%
Profit/(Loss) for the period	<u><u>3,072</u></u>	<u><u>2,462</u></u>	25%

Comparison with the immediate preceding quarter

The Group recorded revenue of RM6.133 million for the current quarter, which represents a 34% improvement from the previous quarter. The improvement was driven by the demand from smart devices industry.

The Group's PBT for the current quarter was RM3.533 million, a 37% improvement from the previous quarter. This was attributed to the higher revenue and the favourable gain from foreign exchange.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**B3 Prospects**

According to World Semiconductor Trade Statistics Organization (WSTS) industry forecast in May 2023, the Global Semiconductor Market is predicted to experience a downturn of 10.3 percent in 2023 and this is anticipated to be followed by a robust recovery, with an estimated growth of 11.8 percent in 2024. Therefore, the management of Elsoft expects the demand for Automated Test Equipment ("ATE") would remain low in 2H 2023.

Despite the short term challenges, the Management is optimistic about the Group's future performance.

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 2023	30 June 2022	30 June 2023	30 June 2022
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	461	112	583	224

For the year ending 31 December 2023, 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.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**B8 Other investment**

A summary of the movement of other investments during the period ended 30 June 2023 is as follow:

	RM'000
Other investment	
Balance at 1 January 2023	61,878
Sales/(Purchase) during the period	18,971
Dividend reinvest	1,343
	<hr/>
	82,192
Gain/(Loss) on fair value adjustment	15
Gain/(Loss) on foreign exchange	-
	<hr/>
Balance at 30 June 2023	<u><u>82,207</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.

B11 Material litigation

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

B12 DividendsFirst Interim Single tier (tax exempt) dividend

For the financial year	31 December 2023
Approved and declared on	18 August 2023
Dividend per share	RM0.01
Payable on	6 October 2023
Entitlement to dividend based on Record of Depositors as at	15 September 2023

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**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 2023	30 June 2022	30 June 2023	30 June 2022
	RM' 000	RM' 000	RM' 000	RM' 000
Profit/(loss) attributable to ordinary equity holders of the parent	3,072	5,104	5,534	8,018
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	687,111	677,469	687,111	677,469
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Sen	Sen	Sen	Sen
Basic earnings/(loss) per share for: Profit/(loss) for the period	0.45	0.75	0.81	1.18
	<hr/>		<hr/>	

ELSOFT RESEARCH BERHAD

(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**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 2023	30 June 2022	30 June 2023	30 June 2022
	RM '000	RM '000	RM '000	RM '000
Profit/(loss) attributable to ordinary equity holders of the parent	3,072	5,104	5,534	8,018
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Units	Units	Units	Units
	(In thousands)	(In thousands)	(In thousands)	(In thousands)
Weighted average number of ordinary shares in issue	687,111	677,469	687,111	677,469
Effects of dilution :				
Share option	218	759	218	759
	<hr/>		<hr/>	
	687,329	678,228	687,329	678,228
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Sen	Sen	Sen	Sen
Diluted earnings/(loss) per share for: Profit/(loss) for the period	0.45	0.75	0.81	1.18
	<hr/>		<hr/>	

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(Company No. 200301015084 (617504-K))

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**B14 Other income and expenses**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM '000	RM '000	RM '000	RM '000
Other income/(expenses):				
Dividend income	899	81	1,511	241
Interest income	113	21	303	40
Rental received	646	777	1,261	1,612
Gain/(loss) on disposal of other investment	-	(94)	44	(94)
Gain/(loss) on fair value adjustment of other investment	5	42	15	67
Gain/(loss) on disposal of short term investment	-	3	-	4
Unrealised gain/(loss) on foreign exchange	559	628	169	695
Realised gain/(loss) on foreign exchange	31	17	489	49
Scrap sales	-	-	-	-
Total other income/(expenses)	<u>2,253</u>	<u>1,475</u>	<u>3,792</u>	<u>2,614</u>

B15 Profit before tax

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived after charging:				
Audit Fee	19	18	38	35
Amortisation of prepaid leasehold land	16	16	32	32
Depreciation				
- property, plant and equipment	165	163	327	324
- Investment property	1	21	2	42
Impairment loss on trade receivables	-	6	-	6
	<u>-</u>	<u>6</u>	<u>-</u>	<u>6</u>

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023**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	8,910	67.7
Special Dividend	within 12 months	6,760	6,760	100.0
Estimated expenses in relation to the Proposed Disposal	within 3 months	3,340	3,340	100.0
		38,000	19,010	50.0

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 August 2023.

By Order of the Board

Tan Cheik Eaik

Director