



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

SUMMARY OF KEY FINANCIAL INFORMATION
30 SEPTEMBER 2023

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30 Sept 2023 RM'000	Preceding Year Corresponding Quarter 30 Sept 2022 RM'000	Current Year To Date 30 Sept 2023 RM'000	Preceding Year Corresponding Period 30 Sept 2022 RM'000
1 Revenue	3,155	7,213	13,863	23,258
2 Profit/(loss) before tax	1,586	3,745	7,703	11,987
3 Profit/(loss) for the period	1,500	3,609	7,034	11,627
4 Profit/(loss) attributable to ordinary equity holders of the parent	1,500	3,609	7,034	11,627
5 Earnings/(loss) per share (sen) :				
-Basic	0.22	0.53	1.02	1.72
-Diluted	0.22	0.53	1.02	1.72
6 Proposed / Declared dividend per share (sen)	-	-	1.00	1.00
		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END	
		30 Sept 2023	31 Dec 2022	
		RM	RM	
7 Net assets per share attributable to ordinary equity		0.21	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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 30 Sept 2023 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Sept 2022 RM'000	Current Year To Date (Unaudited) 30 Sept 2023 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Sept 2022 RM'000
Revenue		3,155	7,213	13,863	23,258
Cost of sales		(2,024)	(4,332)	(8,327)	(13,678)
Gross profit		<u>1,131</u>	<u>2,881</u>	<u>5,536</u>	<u>9,580</u>
Other income and expenses	B14	1,522	1,803	5,314	4,417
Administrative expenses		(976)	(793)	(3,183)	(2,667)
Share of profit/(loss) in associate		(91)	(146)	36	657
Profit/(Loss) before tax	B15	<u>1,586</u>	<u>3,745</u>	<u>7,703</u>	<u>11,987</u>
Taxation	B5	(86)	(136)	(669)	(360)
Profit/(Loss) for the period		<u>1,500</u>	<u>3,609</u>	<u>7,034</u>	<u>11,627</u>
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income/(loss) for the period		<u><u>1,500</u></u>	<u><u>3,609</u></u>	<u><u>7,034</u></u>	<u><u>11,627</u></u>

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

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter (Unaudited) 30 Sept 2023 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Sept 2022 RM'000	Current Year To Date (Unaudited) 30 Sept 2023 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Sept 2022 RM'000
Attributable to :					
Equity holders of the parent		1,500	3,609	7,034	11,627
Non-controlling interest		-	-	-	-
		<u>1,500</u>	<u>3,609</u>	<u>7,034</u>	<u>11,627</u>
Total comprehensive income/(loss) attributable to :					
Equity holders of the parent		1,500	3,609	7,034	11,627
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>0.22</u>	<u>0.53</u>	<u>1.02</u>	<u>1.72</u>
Diluted EPS (sen)	B13	<u>0.22</u>	<u>0.53</u>	<u>1.02</u>	<u>1.72</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
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	NOTE	(Unaudited) 30 Sept 2023 RM'000	(Audited) 31 Dec 2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	16,381	16,593
Right-of-use asset		2,586	2,634
Investment properties		107	110
Investment in associate		10,359	10,323
Goodwill on consolidation		7,294	-
		<u>36,727</u>	<u>29,660</u>
Current assets			
Inventories		3,106	3,643
Trade receivables		2,986	10,460
Other receivables, deposits and prepayments		297	34,542
Current tax assets		47	-
Other investments	B8	82,661	61,878
Cash and bank balances		20,545	11,202
		<u>109,642</u>	<u>121,725</u>
TOTAL ASSETS		<u>146,369</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		84,521	91,015
Total equity		<u>141,344</u>	<u>138,925</u>
Non-current liabilities			
Deferred tax liabilities		992	954
		<u>992</u>	<u>954</u>
Current liabilities			
Trade payables		110	610
Other payables, accruals and provisions		3,273	5,848
Current tax liabilities		-	2,577
Contract liability		650	2,471
		<u>4,033</u>	<u>11,506</u>
Total liabilities		<u>5,025</u>	<u>12,460</u>
TOTAL EQUITY AND LIABILITIES		<u>146,369</u>	<u>151,385</u>
Net assets per share (RM)		<u>0.21</u>	<u>0.21</u>

ELSOFT RESEARCH BERHAD
(Company No. 200301015084 (617504-K))
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

(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 2023	48,809	468	(1,367)	91,015	138,925
Total comprehensive income	-	-	-	7,034	7,034
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 September 2023	57,832	409	(1,418)	84,521	141,344
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)
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

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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

	(Unaudited)	(Unaudited)
	30 Sept 2023	30 Sept 2022
Note	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	7,703	11,987
Adjustment for:		
Amortisation of prepaid lease payment	48	48
Depreciation of property, plant and equipment	497	490
Depreciation of investment properties	3	62
Dividend income	(1,930)	(372)
(Gain)/Loss on disposal of other investments	(44)	16
(Gain)/Loss on fair value adjustment of other investments	B8 (384)	(129)
(Gain)/Loss on disposal of property, plant and equipment	-	-
Interest income	(374)	(80)
Share based payment	-	-
Unrealised (gain)/loss on foreign exchange	(20)	(1,386)
Share of (gain)/loss in associate	(36)	(657)
Impairment loss on trade receivables	32	6
Operating profit before working capital changes	<u>5,495</u>	<u>9,985</u>
Decrease/(Increase) in inventories	637	713
Decrease/(Increase) in trade and other receivables	7,989	780
Increase/(Decrease) in trade and other payables	(3,254)	1,177
Increase/(Decrease) in contract liability	<u>(1,821)</u>	<u>(1,823)</u>
	9,046	10,832
Tax (paid)/refund	<u>(3,212)</u>	<u>(336)</u>
Net cash flow from/(used in) operating activities	<u>5,834</u>	<u>10,496</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	A9 (21)	(139)
Sales/(Purchase) of other investments	B8 (18,676)	2,329
Proceeds from disposal of property, plant and equipment	34,200	-
Dividend received from other investments	251	-
Interest received	374	80
Net cash inflow on acquisition of subsidiary	928	-
Net cash flow from/(used in) investing activities	<u>17,056</u>	<u>2,270</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

	(Unaudited) 30 Sept 2023 RM'000	(Unaudited) 30 Sept 2022 RM'000
CASH FLOW FROM FINANCING ACTIVITY		
Purchase of treasury shares	A6 (51)	(280)
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>(5,952)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,475	6,814
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	(132)	912
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>20,545</u>	<u>20,566</u>
Represented by :		
Fixed Deposit / Short term funds	14,669	672
Cash and bank balances	<u>5,876</u>	<u>19,894</u>
	<u>20,545</u>	<u>20,566</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 THIRD QUARTER ENDED
30 SEPTEMBER 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 and International Tax Reform - Pillar Two Model Rules*

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 THIRD QUARTER ENDED
30 SEPTEMBER 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*

Effective for annual periods commencing on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - *Lack of Exchangeability*

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 THIRD QUARTER ENDED
30 SEPTEMBER 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 September 2023.

A5 Material changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 September 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 September 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 September 2023	<u><u>(1,418)</u></u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
 30 SEPTEMBER 2023**

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		9 months ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	RM' 000	RM' 000	RM' 000	RM' 000
Malaysia	2,608	4,990	8,796	14,600
Asia (exclude Malaysia)	547	1,578	4,506	7,993
America	-	645	561	665
	<u>3,155</u>	<u>7,213</u>	<u>13,863</u>	<u>23,258</u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 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 RM21,000 were acquired during the financial period ended 30 September 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 September 2023.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 Quarter (Unaudited) 30 Sept 2023 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30 Sept 2022 RM'000	Changes (%)	Current Year To Date (Unaudited) 30 Sept 2023 RM'000	Preceding Year Corresponding Period (Unaudited) 30 Sept 2022 RM'000	Changes (%)
Revenue	3,155	7,213	-56%	13,863	23,258	-40%
Cost of sales	(2,024)	(4,332)	-53%	(8,327)	(13,678)	-39%
Gross profit	1,131	2,881	-61%	5,536	9,580	-42%
Other income and expenses	1,522	1,803	-16%	5,314	4,417	20%
Net gain from disposal of a piece of leasehold land	-	-		-	-	
Administrative expenses	(976)	(793)	23%	(3,183)	(2,667)	19%
Share of profit/(loss) in associate	(91)	(146)	-38%	36	657	-95%
Profit/(Loss) before tax	1,586	3,745	-58%	7,703	11,987	-36%
Taxation	(86)	(136)	-37%	(669)	(360)	86%
Profit/(Loss) for the period	1,500	3,609	-58%	7,034	11,627	-40%

Comparison with the corresponding quarter in the previous year

The Group recorded a revenue of RM3.155 million for the current quarter, which is a 56% drop compared to the preceding year corresponding quarter. The main reason for this drop was the weak demand for our Automated Test Equipment ("ATE").

The Group's profit before tax ("PBT") also reduced to RM1.586 million due to the lower revenue and other income.

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

The Group's revenue and PBT for the current year-to-date were RM13.863 million and RM7.703 million respectively, showing a drop of about 40% in revenue and about 36% in PBT compared to the preceding year corresponding year-to-date, which had revenue of RM23.258 million and PBT of RM11.987 million.

The main factor for the reduced revenue for the current year to date was the weak demand for ATE. The reduced PBT was mainly due to the reduced revenue and the lower contribution from associate company despite the increase in other income.

B2 Variation of results against preceding quarter

	Current Year Quarter (Unaudited) 30 Sept 2023 RM'000	Immediate Preceding Quarter (Unaudited) 30 June 2023 RM'000	Changes (%)
Revenue	3,155	6,133	-49%
Cost of sales	(2,024)	(3,527)	-43%
Gross profit	<u>1,131</u>	<u>2,606</u>	-57%
Other income and expenses	1,522	2,253	-32%
Net gain from disposal of a piece of leasehold land	-	-	
Administrative expenses	(976)	(1,198)	-19%
Share of profit/(loss) in associate	<u>(91)</u>	<u>(128)</u>	-29%
Profit/(Loss) before tax	<u>1,586</u>	<u>3,533</u>	-55%
Taxation	<u>(86)</u>	<u>(461)</u>	-81%
Profit/(Loss) for the period	<u><u>1,500</u></u>	<u><u>3,072</u></u>	-51%

Comparison with the immediate preceding quarter

For the current quarter, the Group's revenue was RM3.155 million, a 49% decline from the previous quarter. The main factor for this decline was the weak demand for our ATE.

The Group's PBT also fell by 55% to RM1.586 million for the current quarter. This was due to the reduced revenue and other income.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 weak in the short term.

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		9 months ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	RM' 000	RM' 000	RM' 000	RM' 000
Current tax	86	136	669	360

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 THIRD QUARTER ENDED
30 SEPTEMBER 2023**

B8 Other investment

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

	RM'000
Other investment	
Balance at 1 January 2023	61,878
Sales/(Purchase) during the period	18,720
Dividend reinvest	1,679
	<u>82,277</u>
Gain/(Loss) on fair value adjustment	384
Gain/(Loss) on foreign exchange	-
Balance at 30 September 2023	<u><u>82,661</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 Dividends

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

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
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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 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	RM' 000	RM' 000	RM' 000	RM' 000
Profit/(loss) attributable to ordinary equity holders of the parent	1,500	3,609	7,034	11,627
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	Units	Units	Units	Units
	(In thousands)		(In thousands)	
Weighted average number of ordinary shares in issue	687,111	677,296	687,111	677,296
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	Sen	Sen	Sen	Sen
Basic earnings/(loss) per share for: Profit/(loss) for the period	0.22	0.53	1.02	1.72
	<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 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 9 months ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	RM '000	RM '000	RM '000	RM '000
Profit/(loss) attributable to ordinary equity holders of the parent	1,500	3,609	7,034	11,627
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	Units	Units	Units	Units
	(In thousands) (In thousands) (In thousands) (In thousands)			
Weighted average number of ordinary shares in issue	687,111	677,296	687,111	677,296
Effects of dilution :				
Share option	193	563	193	563
	<hr/>		<hr/>	
	687,304	677,859	687,304	677,859
	<hr/>		<hr/>	
	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	Sen	Sen	Sen	Sen
Diluted earnings/(loss) per share for: Profit/(loss) for the period	0.22	0.53	1.02	1.72
	<hr/>		<hr/>	

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	RM '000	RM '000	RM '000	RM '000
Other income/(expenses):				
Dividend income	419	131	1,930	372
Interest income	71	40	374	80
Rental received	634	662	1,895	2,274
Gain/(loss) on disposal of other investment	-	78	44	(16)
Gain/(loss) on fair value adjustment of other investment	369	62	384	129
Gain/(loss) on disposal of short term investment	-	6	-	10
Unrealised gain/(loss) on foreign exchange	(149)	691	20	1,386
Realised gain/(loss) on foreign exchange	178	133	667	182
Scrap sales	-	-	-	-
Total other income/(expenses)	<u>1,522</u>	<u>1,803</u>	<u>5,314</u>	<u>4,417</u>

B15 Profit before tax

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	RM '000	RM '000	RM '000	RM '000
Profit before tax is arrived after charging:				
Audit Fee	19	14	57	49
Amortisation of prepaid leasehold land	16	16	48	48
Depreciation				
- property, plant and equipment	170	166	497	490
- Investment property	1	20	3	62
Impairment loss on trade receivables	32	-	32	6
	<u>32</u>	<u>-</u>	<u>32</u>	<u>6</u>

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	10,897	82.8
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	20,997	55.3

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 November 2023.

By Order of the Board

Tan Cheik Eaik

Director