



**Efficient**

**EFFICIENT E-SOLUTIONS BERHAD**

(Company No. 632479-H)  
(Incorporated in Malaysia under the Companies Act, 1965)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**FOR THE FOURTH QUARTER ENDED**

**31 DECEMBER 2005**

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2005**

	Individual Quarter		Cumulative Quarter	
	31.12.2005	31.12.2004	31.12.2005	31.12.2004
	RM	RM	RM	RM
Revenue	7,199,469	5,232,476	31,124,712	22,770,047
Cost of sales	<u>(4,118,384)</u>	<u>(2,422,569)</u>	<u>(17,766,097)</u>	<u>(12,540,232)</u>
Gross profit	3,081,085	2,809,907	13,358,615	10,229,815
Other operating income	-	13,540	57,958	15,485
Operating expenses	<u>(1,223,666)</u>	<u>(1,169,010)</u>	<u>(4,666,322)</u>	<u>(4,004,217)</u>
Profit from operations	1,857,419	1,654,437	8,750,251	6,241,083
Finance costs	(78,799)	(89,468)	(330,320)	(392,287)
Interest income	49,778	5,817	242,501	11,014
Share of profit from associated companies	<u>591,552</u>	<u>13,109</u>	<u>612,808</u>	<u>115,108</u>
Profit before taxation	2,419,950	1,583,895	9,275,240	5,974,918
Taxation	<u>(490,449)</u>	<u>(303,528)</u>	<u>(1,848,693)</u>	<u>(1,428,376)</u>
Profit after taxation	<u>1,929,501</u>	<u>1,280,367</u>	<u>7,426,547</u>	<u>4,546,542</u>
Weighted average number of ordinary share in issue				
- At par of RM0.10 each	120,000,020	90,000,020	120,000,020	90,000,020
Earnings per share (sen)				
(a) Basic	<u>1.61</u>	<u>1.42</u>	<u>6.19</u>	<u>5.05</u>
(b) Diluted	<u>1.57</u>	<u>N/A</u>	<u>6.06</u>	<u>N/A</u>
( The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004 )				

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2005**

	As at 31.12.2005	Audited As at 31.12.2004
	RM	RM
Property, plant and equipment	19,774,594	18,325,312
Investment in associated companies	1,242,334	415,708
Deferred expenditure	-	813,838
Software development expenditure	547,964	262,836
<b>CURRENT ASSETS</b>		
Inventories	718,877	610,269
Trade receivables	13,506,249	5,762,358
Other receivables	2,487,332	280,976
Allotment monies with issuing house	-	18,722,793
Tax recoverable	134,224	71,144
Deposits with licensed banks	5,751,485	236,163
Cash and bank balances	2,142,857	624,578
	<u>24,741,024</u>	<u>26,308,281</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	2,612,022	1,891,193
Other payables	1,612,533	7,201,537
Hire purchase creditors	699,662	609,406
Bank borrowings	554,694	835,950
Provision for taxation	-	-
	<u>5,478,911</u>	<u>10,538,086</u>
<b>NET CURRENT ASSETS</b>	<u>19,262,113</u>	<u>15,770,195</u>
	<u>40,827,005</u>	<u>35,587,889</u>
Share capital	12,000,002	12,000,002
Share premium	14,287,051	15,900,000
Reserve on consolidation	259,831	259,831
Retained profits	11,494,914	4,543,567
Shareholders' funds	<u>38,041,798</u>	<u>32,703,400</u>
<b>Long term liabilities</b>		
Bank Borrowings	444,567	991,476
Hire purchase creditors	775,521	492,894
Long term creditors	20,000	40,000
Deferred taxation	1,545,119	1,360,119
	<u>40,827,005</u>	<u>35,587,889</u>

( The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004 )

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2005**

	Share Capital RM	Share Premium RM	Retained Profits RM	Reserves RM	Total RM
<b><u>YEAR ENDED 31 DECEMBER 2004</u></b>					
As at 1 January 2004	2	-	(2,975)	-	(2,973)
Issuance during the period	12,000,000	15,900,000	-	-	27,900,000
Net profit for the period	-	-	4,546,542	-	4,546,542
Reserve on consolidation				259,831	259,831
As at 31 December 2004	<u>12,000,002</u>	<u>15,900,000</u>	<u>4,543,567</u>	<u>259,831</u>	<u>32,703,400</u>
<b><u>YEAR ENDED 31 DECEMBER 2005</u></b>					
As at 1 January 2005	12,000,002	15,900,000	4,543,567	259,831	32,703,400
Defray listing expenses	-	(1,612,949)	-	-	(1,612,949)
Dividends	-	-	(475,200)	-	(475,200)
Net profit for the period	-	-	7,426,547	-	7,426,547
As at 31 December 2005	<u>12,000,002</u>	<u>14,287,051</u>	<u>11,494,914</u>	<u>259,831</u>	<u>38,041,798</u>
( The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004 )					

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2005**

	Year Ended	
	31.12.2005	31.12.2004
	RM	RM
Cash flows from operating activities	(5,816,706)	8,355,008
Cash flows from investing activities	(4,950,619)	(5,721,711)
Cash flows from financing activities	<u>(930,482)</u>	<u>16,714,072</u>
Net change in cash and cash equivalents	(11,697,807)	19,347,369
Cash and cash equivalents at beginning of the period	19,347,371	2
Cash and cash equivalents at end of the period*	<u><u>7,649,564</u></u>	<u><u>19,347,371</u></u>
*Cash and cash equivalents at end of the period comprises the following:-		
Cash and bank balances	2,142,857	624,578
Deposits with licensed banks ( Note )	<u>5,506,707</u>	<u>18,722,793</u>
	<u><u>7,649,564</u></u>	<u><u>19,347,371</u></u>
Note :		
The deposits with licensed banks exclude the security deposit of RM244,778 which has been pledged to the bank in respect of the banking facilities granted to the group.		
( The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004 )		

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (FRS) 134**

**A1 Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134 : Interim Financial Reporting and Chapter 7 Part VI Rule 7.25 and 7.26 of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the financial statements for the financial year ended 31 December 2004.

**A2 Auditors' Report on preceding annual financial statements**

The auditors' report on the financial statements for year ended 31 December 2004 was not subject to any qualification.

**A3 Seasonality or cyclicity of interim operations**

The Group's operations are not materially affected by seasonal or cyclical factors during the current quarter under review.

**A4 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

**A5 Material changes in estimates**

There were no changes in estimates that have had a material effect for the current quarter's results.

**A6 Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter under review.

**A7 Dividend paid**

There was no dividend paid for the current quarter under review.

**A8 Segmental information**

Segmental results for the year ended 31 December 2005 are as follows:

<b>Business Segment</b>	<b>Data and Document Processing</b>	<b>Software Development</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	RM	RM		RM	RM
External sales	27,334,987	3,789,725	-	-	31,124,712
Inter segment sales	-	1,220,000	1,215,000	(2,435,000)	-
Total operating revenue	27,334,987	5,009,725	1,215,000	(2,435,000)	31,124,712
Profit/(Loss) from operations	5,811,111	3,130,056	1,024,084	(1,215,000)	8,750,251
Finance costs					(330,320)
Interest income					242,501
Share of results of associated companies					612,808
Profit before taxation					9,275,240
Taxation					(1,848,693)
Net profit for the period					7,426,547

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005  
 THE FIGURES HAVE NOT BEEN AUDITED**

**PART A - EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (FRS) 134**

**A9 Valuations of property, plant & equipment**

The Group did not carry out any valuation on its property, plant and equipment in the current quarter under review.

**A10 Material events subsequent to the end of the quarter**

The Board is not aware of any material events subsequent to the end of the interim report that have not been reflected in the financial statements for the interim period.

**A11 Changes in the composition of the Group**

During the current quarter under review, Efficient E-Solutions Berhad has on 28 November 2005, subscribed for 300,000 ordinary shares of RM1/- each, representing 30% of the issued and paid-up share capital of Regalia Solutions Sdn Bhd (RS) at

RS was incorporated on 24 November 2005 and its authorised and paid-up share capital is RM1,000,000/-. RS is established to carry out the business of providing integrated outsourcing solutions in data and document processing for a specific project.

RS is currently dormant.

**A12 Changes in contingent liabilities and contingent assets**

There were no contingent liabilities and contingent assets to the Group since the last annual balance sheet date.

**A13 Capital commitments**

There were no capital commitments since the last annual balance sheet date.

**A14 Significant related party transactions**

<b>Related Transacting Parties</b>	<b>Related Parties and Relationship</b>
Printegrate Sdn Bhd (PG)	Yeoh Lai Num is a Director and substantial shareholder of PG and the brother-in-law of Esther Soon Yoke Leng who is a Director and substantial shareholder of Efficient E-Solutions Berhad.
VPI International Sdn Bhd (VPI) (Formerly known as Virtual Print International Sdn Bhd)	Dato' Kalimullah bin Masheerul Hassan is a Director and substantial shareholder of Efficient E-Solutions Berhad. He was a substantial shareholder of VPI until 14 June 2005.
	Sreedhar Subramaniam is a Director of Efficient E-Solutions Berhad and VPI.
	Datuk Syed Hussian bin Syed Junid is a Director of Efficient E-Solutions Berhad and VPI.

The related party transactions of the Group for the quarter ended 31 December 2005 are as follows:

	<b>Individual Quarter 31.12.2005</b>	<b>Cumulative Quarter 31.12.2005</b>
	RM	RM
Purchases of pressure seal forms from PG	466,370	2,231,833
Provision of DDP and EBP services to VPI	-	838,200
License fee and management/administration fees from VPI	72,000	288,000
Software application development for data and document processing and electronic bill presentment fee from VPI	500,000	3,620,000

The Directors of the Company are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**PART B - EXPLANATORY NOTES PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1 Performance Review**

The Group's revenue and profit before taxation (including share of results of associated companies) for the year 2005 of RM31.1m and RM9.2m respectively represented growth of 37% and 55% compared to the corresponding period last year. The growth in revenue and profit before tax was mainly attributable to the increase in volume of data printing from existing customers, new contracts secured by the Group, as well as increase in software application development services rendered relating to data and document processing and electronic bill presentment.

**B2 Material changes in profit before taxation for the current quarter as compared with the preceding quarter**

The Group has achieved RM2.4m of profit before taxation for both the current quarter and preceding quarter despite that the revenue for the Group has dropped by 9% in the current quarter mainly due to increase in the share of results of associated companies.

**B3 Current year prospects**

The group expects continued earnings growth with higher revenue generated from the data and document processing segment.

**B4 Profit forecast or profit guarantee**

This note is not applicable.

**B5 Taxation**

	<b>Individual Quarter 31.12.2005</b>	<b>Cumulative Quarter 31.12.2005</b>
	RM	RM
Income tax expense		
-Group	365,983	1,682,511
-Associated companies	124,466	166,182
	<b>490,449</b>	<b>1,848,693</b>

The effective tax rates for the periods presented above are lower than the statutory tax rate principally due to exempt income granted to Efficient Softech Sdn Bhd, a Multimedia Super Corridor status company.

**B6 Sale of unquoted investments and properties**

There were no sale of unquoted investments and properties for the current quarter under review.

**B7 Marketable securities**

There were no purchases and disposals of quoted securities for the current quarter under review.

**B8 Corporate proposals**

There were no corporate proposals announced but not completed as at the date of this announcement.

**Status of Utilisation of Proceeds**

As at 22 February 2006, the proceeds arising from the public issue of RM18,900,000 were utilised as follows:

<b>Purpose of Proceeds</b>	<b>Proposed Utilisation</b>	<b>Amount Utilised</b>	<b>Balance</b>
	RM	RM	RM
R&D expenditure	2,000,000	899,590	1,100,410
New facility in Shah Alam	6,000,000	4,832,881	1,167,119
Branding & promotion	600,000	12,760	587,240
Working capital	8,700,000	7,226,547	1,473,453
Defray listing expenses	1,600,000	1,600,000	-
	<b>18,900,000</b>	<b>14,571,778</b>	<b>4,328,222</b>



**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**PART B - EXPLANATORY NOTES PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B9 Borrowings and debt securities**

The Group's total borrowings, all of which were secured and were denominated in Ringgit Malaysia as at 31 December 2005 were as follows :

	<b>Short term</b>	<b>Long term</b>	<b>Total</b>
	RM	RM	RM
Bank borrowings	554,694	444,567	999,261
Hire purchase creditors	699,662	775,521	1,475,183
<b>Total</b>	<b>1,254,356</b>	<b>1,220,088</b>	<b>2,474,444</b>

**B10 Off Balance Sheet financial instruments**

The Group had not entered into any contracts involving off balance sheet financial instruments as at the date of this interim report.

**B11 Changes in material litigation**

There were no material litigation during the quarter under review.

**B12 Dividend**

The Board of Directors had declared a first interim dividend of 10% less 28% income tax per ordinary share of RM0.10 each for the financial year ended 31 December 2005. There was no interim dividend declared in the previous corresponding period for the financial year ended 31 December 2004. The first interim dividend was paid on 20 January 2006. The book closure and entitlement date was on 9 January 2006.

**B13 Earnings per share**

	<b>Individual Quarter 31.12.2005</b>	<b>Cumulative Quarter 31.12.2005</b>
	RM	RM
<b>Basic Earnings Per Share</b>		
Net profit after taxation for the period	1,929,501	7,426,547
Weighted average number of ordinary shares in issue	120,000,020	120,000,020
Basic EPS (sen)	1.61	6.19
<b>Diluted Earnings Per Share</b>		
Net profit after taxation for the period	1,929,501	7,426,547
Weighted average number of ordinary shares in issue	122,511,648	122,511,648
Diluted EPS (sen)	1.57	6.06