



**Efficient**

**EFFICIENT E-SOLUTIONS BERHAD**

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**

**FOR THE FIRST QUARTER ENDED**

**31 MARCH 2008**

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2008**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2008**

	Individual Quarter		Cumulative Quarter	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
			RM	RM
Revenue	15,168,902	13,374,799	15,168,902	13,374,799
Cost of sales	<u>(7,123,270)</u>	<u>(6,050,715)</u>	<u>(7,123,270)</u>	<u>(6,050,715)</u>
Gross profit	8,045,632	7,324,084	8,045,632	7,324,084
Other income	11,917	-	11,917	-
Operating expenses	<u>(2,668,009)</u>	<u>(2,803,267)</u>	<u>(2,668,009)</u>	<u>(2,803,267)</u>
Profit from operations	5,389,540	4,520,817	5,389,540	4,520,817
Finance costs	(172,185)	(103,810)	(172,185)	(103,810)
Interest income	59,997	2,797	59,997	2,797
Share of profit of associates	<u>(377,441)</u>	<u>(96,851)</u>	<u>(377,441)</u>	<u>(96,851)</u>
Profit before tax	4,899,911	4,322,953	4,899,911	4,322,953
Income tax expense	<u>(595,132)</u>	<u>(560,092)</u>	<u>(595,132)</u>	<u>(560,092)</u>
Profit for the period	<u>4,304,779</u>	<u>3,762,861</u>	<u>4,304,779</u>	<u>3,762,861</u>
Attributable to :				
Equity holders of the parent	4,304,779	3,762,861	4,304,779	3,762,861
Minority Interest	-	-	-	-
	<u>4,304,779</u>	<u>3,762,861</u>	<u>4,304,779</u>	<u>3,762,861</u>
Earnings per share attributable to equity holders of the parent :				
(a) Basic ( sen )	<u>1.31</u>	<u>1.15</u>	<u>1.31</u>	<u>1.15</u>
(b) Diluted ( sen )	<u>1.31</u>	<u>1.09</u>	<u>1.31</u>	<u>1.09</u>
( The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.)				

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2008  
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CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2008

	As at 31.3.2008	As at 31.12.2007
	RM	RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	41,307,874	32,992,105
Prepaid lease payments	372,458	373,656
Investments in associates	2,204,617	2,582,058
Software development expenditure	766,218	768,069
Goodwill arising from consolidation	1,582,719	1,582,719
	<u>46,233,886</u>	<u>38,298,607</u>
<b>Current assets</b>		
Inventories	1,783,330	1,436,977
Trade receivables	19,611,148	23,160,300
Other receivables	1,989,812	2,026,643
Tax recoverable	57,841	58,872
Short term Investment	2,051,964	2,040,048
Deposits with licensed banks	14,599,460	12,572,998
Cash and bank balances	3,136,839	4,325,565
	<u>43,230,394</u>	<u>45,621,403</u>
<b>Total assets</b>	<u>89,464,280</u>	<u>83,920,010</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	32,905,005	32,905,005
Share premium	3,016,000	3,016,000
Retained profits	36,520,743	32,216,839
	<u>72,441,748</u>	<u>68,137,844</u>
<b>Minority Interest</b>	-	-
<b>Total equity</b>	<u>72,441,748</u>	<u>68,137,844</u>
<b>Non-current liabilities</b>		
Hire purchase creditors	46,342	73,273
Bank Borrowings	7,123,475	5,649,246
Deferred tax liabilities	2,158,322	2,158,322
	<u>9,328,139</u>	<u>7,880,841</u>
<b>Current liabilities</b>		
Trade payables	2,386,758	2,066,040
Other payables	3,630,909	2,610,699
Hire purchase creditors	1,294,475	1,811,812
Bank borrowings	154,235	213,667
Provision for taxation	228,016	48,307
Dividend Payable	-	1,150,800
	<u>7,694,393</u>	<u>7,901,325</u>
<b>Total liabilities</b>	<u>17,022,532</u>	<u>15,782,166</u>
<b>Total equity and liabilities</b>	<u>89,464,280</u>	<u>83,920,010</u>
	-	-

( The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.)

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2008**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2008**

	Attributable to equity holders of the parent				Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Retained Profits	Reserves			
	RM	RM	RM	RM	RM	RM	RM
<b><u>FINANCIAL QUARTER ENDED 31 MARCH 2007</u></b>							
As at 1 January 2007	30,031,255	27,300	18,245,713	-	48,304,268	-	48,304,268
Net profit for the period	-	-	3,762,861	-	3,762,861	-	3,762,861
Dividend declared for the period	-	-	-	-	-	-	-
Total recognised income and expense for the period	-	-	3,762,861	-	3,762,861	-	3,762,861
Share-based payment under ESOS	-	-	-	254,234	254,234	-	254,234
Issuance of ordinary shares pursuant to ESOS	2,846,250	2,960,100	-	-	5,806,350	-	5,806,350
As at 31 March 2007	32,877,505	2,987,400	22,008,574	254,234	58,127,713	-	58,127,713
<b><u>FINANCIAL QUARTER ENDED 31 MARCH 2008</u></b>							
As at 1 January 2008	32,905,005	3,016,000	32,216,839	-	68,137,844	-	68,137,844
Net profit for the period	-	-	4,304,779	-	4,304,779	-	4,304,779
Dividend paid for the period	-	-	(875)	-	(875)	-	(875)
Total recognised income and expense for the period	-	-	4,303,904	-	4,303,904	-	4,303,904
Issuance of ordinary shares pursuant to ESOS	-	-	-	-	-	-	-
As at 31 March 2008	32,905,005	3,016,000	36,520,743	-	72,441,748	-	72,441,748
	-	-	-	-	-	-	-

( The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.)

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2008**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2008**

	As at 31.3.2008	As at 31.12.2007
	RM	RM
Net cash generated from operating activities	9,761,896	18,013,532
Net cash used in investing activities	(8,113,762)	(8,636,859)
Net cash from / (used in) financing activities	<u>(798,482)</u>	<u>2,524,528</u>
Net change in cash and cash equivalents	849,652	11,901,201
Cash and cash equivalents at beginning of the financial period	18,676,399	6,775,198
Cash and cash equivalents at end of the financial period*	<u><u>19,526,051</u></u>	<u><u>18,676,399</u></u>
*Cash and cash equivalents at end of the financial period comprise the following:-		
Cash and bank balances	3,136,839	4,325,565
Deposits with licensed banks ( Note )	14,337,248	12,310,786
Short term investment	<u>2,051,964</u>	<u>2,040,048</u>
	<u><u>19,526,051</u></u>	<u><u>18,676,399</u></u>
Note :	-	-
The deposits with licensed banks exclude the security deposit of RM262,212 which has been pledged to the bank in respect of the banking facilities granted to the group.		
( The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.)		

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2008**  
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**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 9 Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2007.

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

The auditors' report on the financial statements for year ended 31 December 2007 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 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 quarter under review.

**A5 Material changes in estimates**

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

**A6 Debt and equity securities**

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

**A7 Dividend paid**

During the financial period ended 31 March 2008, dividend amounting to RM1,151,675, being first interim tax exempt dividend of 3.5% for the financial year ended 31 December 2007 was paid on 16 January 2008.

**A8 Segmental information**

Segmental results for the financial period ended 31 March 2008 are as follows:

<b>Business Segment</b>	<b>Data and Document Processing</b>	<b>Software Development</b>	<b>Forms Printing</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	RM	RM	RM	RM	RM	RM
External sales	10,921,509	4,233,143	14,250	-	-	15,168,902
Inter segment sales	-	592,100	777,865	-	(1,369,965)	-
Total operating revenue	10,921,509	4,825,243	792,115	-	(1,369,965)	15,168,902
Profit/(Loss) from operations	2,263,929	3,052,809	129,155	(56,353)	-	5,389,540
Finance costs						(172,185)
Interest income						59,997
Share of profit of associates						(377,441)
Profit before taxation						4,899,911
Income tax expense						(595,132)
Profit for the period						4,304,779
						-

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2008**  
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**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 during the 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 Balance Sheet date that have not been reflected in the financial statements for the quarter ended 31 March 2008.

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

During the quarter under review, Efficient E-Solutions Berhad had on 16 January 2008, acquired the entire equity interest in Efficient International Sdn Bhd (EISB) comprising 2 ordinary shares of RM1.00 each at par.

EISB was incorporated on 5 May 2006 and its authorised share capital is RM100,000. EISB is established to be involved in investment holding for overseas ventures.

EISB is currently dormant.

There were no other changes in the composition of the Group during the quarter under review.

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

There were no changes in the contingent liabilities and contingent assets of the Group since the last annual balance sheet date as at 31 December 2007.

**A13 Capital commitments**

The amount of capital commitments for the purchase of property, plant and equipment and investment not provided for in the financial statements as at 31 March 2008 was as follow:

	RM '000
Approved and contracted for	4,151

**A14 Significant related party transactions**

Related Transacting Parties	Related Parties and Relationship
VPI International Sdn Bhd and its subsidiaries (VPI Group)	VPI Group is deemed related to the Group by virtue of Shaik Aqmal bin Shaik Allaudin's common directorship in VPI International Sdn Bhd (VPI) and Efficient E-Solutions Berhad and he is also a substantial shareholder in VPI.

The related party transactions of the Group for the quarter ended 31 March 2008 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	RM	RM	RM	RM
Provision of DDP and EBP services to VPI Group	-	-	-	-
Management fee for the provision of project management/ administrative of DDP and EBP services to VPI Group	36,000	36,000	36,000	36,000
Licence fee for the usage of e-TALK and e-DOC software applications and provision of software application development for DDP and EBP services to VPI Group	4,160,643	3,298,658	4,160,643	3,298,658

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.

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

**B1 Performance Review**

The Group's revenue and profit for the quarter ended 31 March 2008 of RM15.2 million and RM4.3 million respectively represented growth of 13% and 14% compared to the previous year corresponding period. The growth in revenue and profit for the year was mainly attributable to increase in data printing's volume from existing and new customers, and software application development services rendered in relation to data capture and conversion.

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

The Group recorded higher profit before taxation by RM0.4 million in the current quarter as compared to the preceding quarter. The increase in profit before taxation of 9% was due mainly to reduction of share of losses in associate companies during the quarter under review.

**B3 Current year prospects**

Barring unforeseen circumstances, the group expects a continuous earnings growth with higher revenue generated from data and document processing segment and software development segment.

**B4 Profit forecast or profit guarantee**

This note is not applicable.

**B5 Taxation**

	Individual Quarter		Cumulative Quarter	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	RM	RM	RM	RM
Current tax	595,132	560,092	595,132	560,092
Deferred tax	-	-	-	-
	595,132	560,092	595,132	560,092

The effective tax rates for current quarter and financial year were lower than the statutory tax rate due principally 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.



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

**B8 Corporate proposals**

**(a) Proposals**

On 21 March 2008, announcement was made that the Group is proposing to undertake the following proposals:-

a) bonus issue of up to 329,300,050 new ordinary shares of RM0.10 each in Efficient E-Solutions Berhad ("E-SOL") ("Bonus Shares"), to be credited as fully paid-up, on the basis of one (1) Bonus Share for every one (1) existing ordinary share of RM0.10 each ("Share") held in E-SOL on an entitlement date to be determined later ("Proposed Bonus Issue") ;

(b) transfer of the listing and quotation of the entire enlarged issued and paid-up share capital of the E-SOL of up to RM65,860,010 comprising up to 658,600,100 Shares from the MESDAQ Market to the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") after the completion of the Proposed Bonus Issue ("Proposed Transfer") ;

(c) increase in the authorised share capital of E-SOL from RM50,000,000 comprising 500,000,000 Shares to RM200,000,000 comprising 2,000,000,000 Shares by the creation of 1,500,000,000 new Shares ("Proposed Increase In Authorised Share Capital") ; and

(d) amendments to the Memorandum and Articles of Association of E-SOL ("Proposed Amendments").

Bursa Securities had on 8 April 2008, approved the listing and quotation of up to 329,300,050 Bonus Shares to be issued pursuant to the Proposed Bonus Issue.

And the shareholders of E-SOL had approved the Proposed Bonus Issue, the Proposed Increase In Authorised Share Capital and the Proposed Amendments in the Extraordinary General Meeting held on 2 May 2008.

The Proposals are expected to be completed by the third quarter of the financial year ending 31 December 2008.

**(b) Status of Utilisation of Proceeds**

As at 2 May 2008, the Group had fully utilised the proceeds arising from the public issue of RM18,900,000 as follows:

<b>Purpose of Proceeds</b>	<b>Proposed Utilisation</b>	<b>Amount Utilised</b>	<b>Intended Time Frame</b>	<b>Balance</b>
	RM	RM		RM
R&D expenditure	2,000,000	2,000,000	2005 - 2007	-
New facility in Shah Alam	6,000,000	6,000,000	2005 - 2006	-
Branding & promotion	126,541	126,541	2005 - 2007	-
Working capital	9,173,459	9,173,459	2005 - 2007	-
Defray listing expenses	1,600,000	1,600,000	2005	-
	18,900,000	18,900,000		-

**B9 Borrowings and debt securities**

The Group's total borrowings, all of which were secured and were denominated in Ringgit Malaysia as at 31 March 2008, were as follows :

	<b>Short term</b>	<b>Long term</b>	<b>Total</b>
	RM	RM	RM
Hire purchase creditors	1,294,475	46,342	1,340,817
Secured bank borrowings	154,235	7,123,475	7,277,710
Total	1,448,710	7,169,817	8,618,527

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
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**PART B - EXPLANATORY NOTES PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B10 Off Balance Sheet financial instruments**

There were no off balance sheet financial instruments as at 2 May 2008.

**B11 Changes in material litigation**

There were no material litigation as at 2 May 2008.

**B12 Dividend**

No dividend has been declared for the financial period ended 31 March 2008 ( 31 March 2007 : Nil ).

**B13 Earnings per share**

	Individual Quarter		Cumulative Quarter	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
	RM	RM	RM	RM
<b>Basic Earnings Per Share</b>				
Profit attributable to ordinary equity holders of the parent	4,304,779	3,762,861	4,304,779	3,762,861
Weighted average number of ordinary shares in issue	329,050,050	326,241,717	329,050,050	326,241,717
Basic EPS (sen)	1.31	1.15	1.31	1.15
<b>Diluted Earnings Per Share</b>				
Profit attributable to ordinary equity holders of the parent	4,304,779	3,762,861	4,304,779	3,762,861
Weighted average number of ordinary shares in issue	329,050,050	326,241,717	329,050,050	326,241,717
Effect of dilution of share options	115,789	18,300,644	115,789	18,300,644
Adjusted weighted average number of ordinary shares in issue and issuable	329,165,839	344,542,361	329,165,839	344,542,361
Diluted EPS (sen)	1.31	1.09	1.31	1.09

**B14 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 2 May 2008.