



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 2008

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

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2008

	Individual Quarter		Cumulative Quarter	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM	RM	RM	RM
Revenue	15,490,177	16,254,208	59,500,103	56,409,734
Cost of sales	<u>(7,937,913)</u>	<u>(8,402,486)</u>	<u>(29,152,464)</u>	<u>(28,291,425)</u>
Gross profit	7,552,264	7,851,722	30,347,639	28,118,309
Other income	104,449	15,681	177,867	297,030
Operating expenses	<u>(4,361,547)</u>	<u>(2,637,123)</u>	<u>(13,064,286)</u>	<u>(10,757,656)</u>
Profit from operations	3,295,166	5,230,280	17,461,220	17,657,683
Finance costs	(166,532)	(104,822)	(673,179)	(386,746)
Interest income	18,062	74,990	238,686	112,262
Share of profit of associates	<u>449,304</u>	<u>(608,025)</u>	<u>441,508</u>	<u>(202,230)</u>
Profit before tax	3,596,000	4,592,423	17,468,235	17,180,969
Income tax expense	<u>(228,537)</u>	<u>(643,701)</u>	<u>(1,652,836)</u>	<u>(2,059,043)</u>
Profit for the period	<u>3,367,463</u>	<u>3,948,722</u>	<u>15,815,399</u>	<u>15,121,926</u>
Attributable to :			-	
Equity holders of the parent	3,367,463	3,948,722	15,815,399	15,121,926
Minority Interest	-	-	-	-
	<u>3,367,463</u>	<u>3,948,722</u>	<u>15,815,399</u>	<u>15,121,926</u>
Earnings per share attributable to equity holders of the parent :				
(a) Basic (sen)	<u>0.51</u>	<u>0.60</u>	<u>2.40</u>	<u>2.30</u>
(b) Diluted (sen)	<u>0.51</u>	<u>0.60</u>	<u>2.40</u>	<u>2.30</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 DECEMBER 2008
 THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2008

	As at 31.12.2008	As at 31.12.2007
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	47,974,814	32,992,105
Prepaid lease payments	368,865	373,656
Investments in associates	3,503,797	2,582,058
Other investment	1,122,568	-
Software development expenditure	627,169	768,069
Goodwill arising from consolidation	1,582,719	1,582,719
	<u>55,179,932</u>	<u>38,298,607</u>
Current assets		
Inventories	3,637,819	1,436,977
Trade receivables	19,561,770	23,160,300
Other receivables	12,663,294	2,026,643
Tax recoverable	350,293	58,872
Short term Investment	-	2,040,048
Deposits with licensed banks	6,651,599	12,572,998
Cash and bank balances	2,525,557	4,325,565
	<u>45,390,332</u>	<u>45,621,403</u>
Total assets	<u>100,570,264</u>	<u>83,920,010</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	65,810,010	32,905,005
Share premium	-	3,016,000
Retained profits	16,990,682	32,216,839
	<u>82,800,692</u>	<u>68,137,844</u>
Minority Interest	-	-
Total equity	<u>82,800,692</u>	<u>68,137,844</u>
Non-current liabilities		
Hire purchase creditors	-	73,273
Bank Borrowings	7,848,755	5,649,246
Deferred tax liabilities	2,386,387	2,158,322
	<u>10,235,142</u>	<u>7,880,841</u>
Current liabilities		
Trade payables	2,043,990	2,066,040
Other payables	4,652,181	2,610,699
Hire purchase creditors	73,273	1,811,812
Bank borrowings	745,883	213,667
Provision for taxation	19,103	48,307
Dividend Payable	-	1,150,800
	<u>7,534,430</u>	<u>7,901,325</u>
Total liabilities	<u>17,769,572</u>	<u>15,782,166</u>
Total equity and liabilities	<u>100,570,264</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 DECEMBER 2008
 THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 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
FINANCIAL YEAR ENDED 31 DECEMBER 2007							
As at 1 January 2007	30,031,255	27,300	18,245,713	-	48,304,268	-	48,304,268
Net profit for the period	-	-	15,121,926	-	15,121,926	-	15,121,926
Dividend declared for the period	-	-	(1,150,800)	-	(1,150,800)	-	(1,150,800)
Total recognised income and expense for the period	-	-	13,971,126	-	13,971,126	-	13,971,126
Issuance of ordinary shares pursuant to ESOS	2,873,750	2,988,700	-	-	5,862,450	-	5,862,450
As at 31 December 2007	32,905,005	3,016,000	32,216,839	-	68,137,844	-	68,137,844
FINANCIAL YEAR ENDED 31 DECEMBER 2008							
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	-	-	15,815,399	-	15,815,399	-	15,815,399
Dividend paid for the period	-	-	(1,152,551)	-	(1,152,551)	-	(1,152,551)
Total recognised income and expense for the period	-	-	14,662,848	-	14,662,848	-	14,662,848
Issuance of bonus shares	32,905,005	(3,016,000)	(29,889,005)	-	-	-	-
As at 31 December 2008	65,810,010	-	16,990,682	-	82,800,692	-	82,800,692
	-	-	-	-	-	-	-

(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.)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2008

	As at 31.12.2008	As at 31.12.2007
	RM	RM
Net cash generated from operating activities	11,796,722	18,013,532
Net cash used in investing activities	(18,543,998)	(8,636,859)
Net cash (used in) / from financing activities	<u>(3,014,179)</u>	<u>2,524,528</u>
Net change in cash and cash equivalents	(9,761,455)	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>8,914,944</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	2,525,557	4,325,565
Deposits with licensed banks (Note)	6,389,387	12,310,786
Short term investment	-	2,040,048
	<u><u>8,914,944</u></u>	<u><u>18,676,399</u></u>
Note :	-	-
The security deposit of RM262,212 which has been pledged to the bank in respect of the banking facilities granted to the group is excluded from the deposits with licensed banks.		
(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.)		

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 Para 9.22 of the 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 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 and financial year 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 and financial year under review except as follows:

Included in Balance Sheet's Other receivables as at 31 December 2008 was RM11.2 million of advance postage placed with POS Malaysia Berhad for the incentive scheme offered. Gain from the incentive scheme will be recognised in tandem with the usage of postage in coming few months.

A5 Material changes in estimates

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

A6 Debt and equity securities

During the financial year ended 31 December 2008, the issued and paid-up share capital of Efficient E-Solutions Berhad ("E-SOL") was increased from 329,050,050 ordinary shares of RM0.10 each to 658,100,100 shares by the issuance of 329,050,050 new ordinary shares of RM0.10 each in E-SOL pursuant to the completion of a bonus issue, on the basis of one (1) bonus share for every one (1) existing ordinary share of RM0.10 each, on 12 June 2008.

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

A7 Dividend paid

During the financial year ended 31 December 2008, dividend amounting to RM1,151,675, being first interim tax exempt dividend of 3.5% and RM1,151,676 being final tax exempt dividend of 3.5% for the financial year ended 31 December 2007 were paid on 16 January 2008 and 10 June 2008 respectively.

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

A8 Segmental information

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

Business Segment	Data and Document Processing	Software Development	Forms Printing	Others	Elimination	Total
	RM	RM	RM	RM	RM	RM
External sales	42,462,580	16,904,144	133,379	-	-	59,500,103
Inter segment sales	-	2,360,770	2,817,626	-	(5,178,396)	-
Total operating revenue	42,462,580	19,264,914	2,951,005	-	(5,178,396)	59,500,103
Profit/(Loss) from operations	7,504,772	11,209,390	390,055	(1,642,997)	-	17,461,220
Finance costs						(673,179)
Interest income						238,686
Share of profit of associates						441,508
Profit before taxation						17,468,235
Income tax expense						(1,652,836)
Profit for the period						15,815,399

A9 Valuations of property, plant & equipment

The Group did not carry out any valuation on its property, plant and equipment during the quarter and financial year 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 financial year ended 31 December 2008.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter and the financial year under review except as follows:-

During the financial year ended 31 December 2008, 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.

During the financial year under review, EISB had on 14 April 2008 subscribed for 900,000 ordinary shares of HKD1.00 each at par, equivalent to RM370,800, in its overseas venture, First Leader (Asia) Limited ("FL"), representing 45% of the issued and paid-up share capital of FL.

On top of that, EISB had further subscribed for 3,000,000 redeemable cumulative preference shares (RCPS) of HKD1.00 each at par, equivalent to RM1,310,800, in FL during the financial year under review as detailed below.

Number of RCPS of HKD1.00 each	Date	Amount (RM)
1,000,000	8 May 2008	416,000.00
1,000,000	9 Jul 2008	425,800.00
1,000,000	18 Dec 2008	469,000.00
3,000,000		1,310,800.00

There is no further investment in FL other than mentioned above.

During the quarter and financial year under review, an associate company, VPI International Sdn Bhd ("VPI"), increased its paid-up share capital. E-SOL had on 30 December 2008 waived the pre-emption rights granted in subscribing the new issue reducing its 20% shareholding to 10%.

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 except for the corporate guarantees amounting to RM6.0 million given by the Company to a financial institution for banking facilities granted to a subsidiary company during the financial year ended 31 December 2008.

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

A13 Capital commitments

The were no capital commitments for the purchase of property, plant and equipment and investment not provided for in the financial statements as at 31 December 2008.

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 ("E-SOL") and he is also a substantial shareholder in VPI.
Regalia Records Management Sdn Bhd ("RRM")	RRM is deemed related to the Group by virtue of Shaik Aqmal bin Shaik Allaudin's common directorship in RRM and E-SOL and he is also a substantial shareholder in RRM through VPI.

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

	Individual Quarter		Cumulative Quarter	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM	RM	RM	RM
Provision of DDP and EBP services to VPI Group	815	-	554,230	516,000
Management fee for the provision of project management/ administration of DDP and EBP services to VPI Group	36,000	36,000	144,000	144,000
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	5,016,408	16,757,645	17,365,444
Provision of document archiving and related services by RRM	505	-	3,841	-
Renting of vault room for security file storage and related services to RRM	44,613	-	44,613	-

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 financial year ended 31 December 2008 of RM59.5million and RM15.8 million respectively represented growth of 5.5% and 4.6% compared to the previous year corresponding period. Revenue growth 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. Share of profits of associates contributed to the growth of profit.

The Group's revenue and profit for the current quarter of RM15.5million and RM3.4 million respectively represented a decrease of 4.7% and 14.7% compared to the previous year corresponding quarter. The decrease in revenue and profit for the quarter was due mainly to reduction in billing of software application development services.

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

The Group recorded a lower profit before taxation by RM0.7 million in the current quarter as compared to the preceding quarter. The decrease in profit before taxation of 16.8% was due mainly to development cost of software application on workflow solutions for customers.

B3 Current year prospects

Barring unforeseen circumstances, the Group expects a continuous earnings growth from data and document processing segment and software development segment with higher revenue and appropriate cost control measures.

B4 Profit forecast or profit guarantee

This note is not applicable.

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM	RM	RM	RM
Current tax	472	170,001	1,424,771	1,585,343
Deferred tax	228,065	473,700	228,065	473,700
	228,537	643,701	1,652,836	2,059,043

The effective tax rates for current quarter and financial year ended 31 December 2008 were lower than the statutory tax rate due principally to exempt income granted to Efficient Softest 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 and financial year under review.

B7 Marketable securities

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

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

B8 Corporate proposals

There were no corporate proposals announced for the current quarter and financial year under review except as follows :

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").

Pursuant to the above proposals, E-SOL's entire issued and paid up share capital of RM65,810,010 comprising 658,100,100 ordinary shares of RM0.10 each was successfully transferred from the MESDAQ Market to the Main Board of Bursa Securities under the "Trading & Services" sector on 10 October 2008.

The above proposals are now completed.

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 2008, were as follows :

	Short term	Long term	Total
	RM	RM	RM
Hire purchase creditors	73,273	-	73,273
Secured bank borrowings	745,883	7,848,755	8,594,638
Total	819,156	7,848,755	8,667,911

B10 Off Balance Sheet financial instruments

There were no off balance sheet financial instruments as at 26 February 2009.

B11 Changes in material litigation

There were no material litigation as at 26 February 2009.

B12 Dividend

No dividend has been declared for the financial year ended 31 December 2008.

A first interim tax exempt dividend of 3.5% per ordinary share of RM0.10 each and a final tax exempt dividend of 3.5% per ordinary shares of RM0.10 each were declared for the financial year ended 31 December 2007.

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

B13 Earnings per share

	Individual Quarter		Cumulative Quarter	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM	RM	RM	RM
Basic Earnings Per Share				
Profit attributable to ordinary equity holders of the parent	3,367,463	3,948,722	15,815,399	15,121,926
Weighted average number of ordinary shares in issue	658,100,100	658,040,318	658,100,100	656,432,428
Basic EPS (sen)	0.51	0.60	2.40	2.30
Diluted Earnings Per Share				
Profit attributable to ordinary equity holders of the parent	3,367,463	3,948,722	15,815,399	15,121,926
Weighted average number of ordinary shares in issue	658,100,100	658,040,318	658,100,100	656,432,428
Effect of dilution of share options	(5,000)	325,776	(5,000)	554,942
Adjusted weighted average number of ordinary shares in issue and issuable	658,095,100	658,366,094	658,095,100	656,987,370
Diluted EPS (sen)	0.51	0.60	2.40	2.30

The Basic EPS for the quarter and financial year ended 31 December 2007 were calculated based on the profit attributable to ordinary equity holders of the parent divided by weighted average number of ordinary shares in issue of 329,020,159 and 328,216,214 respectively.

The weighted average number of ordinary shares in issue for the quarter and financial year ended 31 December 2007 have been adjusted for the proportionate change in the number of ordinary shares to reflect the bonus issue allotted.

The bonus issue of 329,050,050 new ordinary shares of RM0.10 each in Efficient E-Solutions Berhad, on the basis of one (1) bonus shares for every one (1) existing ordinary shares of RM0.10 each, was successfully allotted on 12 June 2008 and listed on the MESDAQ Market of Bursa Malaysia Securities Berhad on 13 June 2008.

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 26 February 2009.