



EFFICIENT E-SOLUTIONS BERHAD

(Company No. 632479-H)

(Incorporated in Malaysia under the Companies Act, 1965)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

FOR THE THIRD QUARTER ENDED

30TH SEPTEMBER 2009

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009
THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Individual Quarter		Cumulative Quarter	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM	RM	RM	RM
Revenue	17,052,670	14,338,390	50,292,260	44,009,926
Cost of sales	<u>(9,051,636)</u>	<u>(7,020,688)</u>	<u>(25,598,218)</u>	<u>(21,214,551)</u>
Gross profit	8,001,034	7,317,702	24,694,042	22,795,375
Other income	92,140	45,353	285,635	73,418
Operating expenses	<u>(3,426,512)</u>	<u>(3,044,756)</u>	<u>(10,058,568)</u>	<u>(8,702,739)</u>
Profit from operations	4,666,662	4,318,299	14,921,109	14,166,054
Finance costs	(114,108)	(174,657)	(376,563)	(506,647)
Interest income	70,659	99,492	147,549	220,624
Share of result of associates	<u>47,711</u>	<u>78,615</u>	<u>19,254</u>	<u>(7,796)</u>
Profit before tax	4,670,924	4,321,749	14,711,349	13,872,235
Income tax expense	<u>(306,526)</u>	<u>(314,586)</u>	<u>(1,168,697)</u>	<u>(1,424,299)</u>
Profit for the period	<u>4,364,398</u>	<u>4,007,163</u>	<u>13,542,652</u>	<u>12,447,936</u>
Attributable to :				
Equity holders of the parent	4,364,398	4,007,163	13,542,652	12,447,936
Minority Interest	-	-	-	-
	<u>4,364,398</u>	<u>4,007,163</u>	<u>13,542,652</u>	<u>12,447,936</u>
Earnings per share attributable to equity holders of the parent :				
(a) Basic (sen)	<u>0.66</u>	<u>0.61</u>	<u>2.06</u>	<u>1.89</u>
(b) Diluted (sen)	<u>NA</u>	<u>0.61</u>	<u>NA</u>	<u>1.89</u>
(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)				

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CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER 2009

	As at 30.9.2009	As at 31.12.2008
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	47,105,321	47,974,813
Prepaid lease payments	365,272	368,866
Investments in associates	2,212,118	2,271,665
Other investment	1,890,125	1,890,125
Software development expenditure	497,340	627,169
Goodwill arising from consolidation	1,582,719	1,582,719
	<u>53,652,895</u>	<u>54,715,357</u>
Current assets		
Inventories	1,980,651	3,637,819
Trade receivables	17,451,881	19,561,770
Other receivables	2,495,873	12,663,294
Tax recoverable	434,701	350,293
Short term investment	8,030,492	-
Deposits with licensed banks	25,865,299	6,651,599
Cash and bank balances	2,264,958	2,525,557
	<u>58,523,855</u>	<u>45,390,332</u>
Total assets	<u>112,176,750</u>	<u>100,105,689</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	65,835,010	65,810,010
Share premium	500	-
Retained profits	29,236,424	17,010,472
	<u>95,071,934</u>	<u>82,820,482</u>
Minority Interest	-	-
Total equity	<u>95,071,934</u>	<u>82,820,482</u>
Non-current liabilities		
Bank borrowings	7,136,718	7,848,755
Deferred tax liabilities	2,386,387	2,386,387
	<u>9,523,105</u>	<u>10,235,142</u>
Current liabilities		
Trade payables	2,266,335	2,043,990
Other payables	4,385,534	4,167,816
Hire purchase creditors	15,587	73,273
Bank borrowings	858,373	745,883
Provision for taxation	55,882	19,103
	<u>7,581,711</u>	<u>7,050,065</u>
Total liabilities	<u>17,104,816</u>	<u>17,285,207</u>
Total equity and liabilities	<u>112,176,750</u>	<u>100,105,689</u>
	-	-

(The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 30 SEPTEMBER 2009
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	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 PERIOD ENDED 30 SEPTEMBER 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	-	-	12,447,936	-	12,447,936	-	12,447,936
Dividend paid for the period	-	-	(1,152,551)	-	(1,152,551)	-	(1,152,551)
Total recognised income and expense for the period	-	-	11,295,385	-	11,295,385	-	11,295,385
Issuance of bonus shares	32,905,005	(3,016,000)	(29,889,005)	-	-	-	-
As at 30 September 2008	65,810,010	-	13,623,219	-	79,433,229	-	79,433,229
FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009							
As at 1 January 2009	65,810,010	-	17,010,472	-	82,820,482	-	82,820,482
Net profit for the period	-	-	13,542,652	-	13,542,652	-	13,542,652
Dividend paid for the period	-	-	(1,316,700)	-	(1,316,700)	-	(1,316,700)
Total recognised income and expense for the period	-	-	12,225,952	-	12,225,952	-	12,225,952
Issuance of ordinary shares pursuant to ESOS	25,000	500	-	-	25,500	-	25,500
As at 30 September 2009	65,835,010	500	29,236,424	-	95,071,934	-	95,071,934
	-	-	-	-	-	-	-
(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.)							

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	9 Months Ended	
	30.09.2009	30.09.2008
	RM	RM
Net cash generated from operating activities	30,379,388	16,430,523
Net cash used in investing activities	(2,409,300)	(17,281,284)
Net cash (used in) / from financing activities	<u>(1,008,296)</u>	<u>(2,334,071)</u>
Net change in cash and cash equivalents	26,961,792	(3,184,832)
Cash and cash equivalents at beginning of the financial period	8,914,944	18,676,399
Cash and cash equivalents at end of the financial period*	<u><u>35,876,736</u></u>	<u><u>15,491,567</u></u>
*Cash and cash equivalents at end of the financial period comprise the following:-		
Cash and bank balances	2,264,958	1,686,777
Deposits with licensed banks (Note)	25,581,286	10,718,625
Short term investment	<u>8,030,492</u>	<u>3,086,165</u>
	<u><u>35,876,736</u></u>	<u><u>15,491,567</u></u>
Note :	-	-
The security deposit of RM284,013 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 2008 and the accompanying explanatory notes attached to the interim financial statements.)		

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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 Para 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 2008.

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 2008.

A2 Auditors' Report on preceding annual financial statements

The auditors' report on the financial statements for year ended 31 December 2008 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 period 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 period under review.

A5 Material changes in estimates

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

A6 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter and financial period under review except as follows:

Employee Share Options Scheme ("ESOS")

During the financial period ended 30 September 2009, the Company issued 250,000 ordinary shares of RM0.10 each for cash pursuant to the Company's ESOS at exercise price of RM0.102.

A7 Dividend paid

During the financial period ended 30 September 2009, dividend amounting to RM1,316,700, being first interim tax exempt dividend of 2.0% for the financial year ending 31 December 2009 was paid on 3 July 2009.

A8 Segmental information

Segmental results for the financial period ended 30 September 2009 are as follows:

Business Segment	Data and Document Processing	Software Development	Forms Printing	Others	Elimination	Total
	RM	RM	RM	RM	RM	RM
External sales	37,180,078	12,840,928	271,254	-	-	50,292,260
Inter segment sales	-	2,016,900	2,631,072	-	(4,647,972)	-
Total operating revenue	37,180,078	14,857,828	2,902,326	-	(4,647,972)	50,292,260
Profit/(Loss) from operations	6,308,550	9,301,590	343,128	(1,032,159)	-	14,921,109
Finance costs						(376,563)
Interest income						147,549
Share of result of associates						19,254
Profit before taxation						14,711,349
Income tax expense						(1,168,697)
Profit for the period						13,542,652
						-

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009
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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 and financial period 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 period ended 30 September 2009 except as follow :

Pursuant to the announcement made on 11 November 2009, the Company entered into an Investment Management Agreement with HwangDBS Investment Management Berhad ("HwangDBS IM") whereby HwangDBS IM was engaged for the purpose of investing up to RM8,000,000 only on a discretionary basis in quoted and other investments for and on behalf of the Company upon the terms and conditions as stipulated in the said Agreement.

The Agreement is part of Company's endeavours to obtain possible optimum returns from Group's cash reserves. The management of RM8,000,000 of Group funds by HwangDBS IM ensures that the funds will be managed by professional fund managers.

The said Investment is funded by Company's internally generated funds.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter and the financial period 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 2008.

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 30 September 2009.

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

B1 Performance Review

The Group revenue for the financial period ended 30 September 2009 increased to RM50.3 million from RM44.0 million in the previous year corresponding period. It represents a growth rate of 14.3%. The increase in Group revenue was due mainly to increase in data printing's volume from existing and new customers. The Group profit for the financial period ended 30 September 2009 of RM13.5 million increased by 8.8% from RM12.4million in the previous year corresponding period. The increase in Group profit was in tandem with the increase in Group revenue, despite higher operating and building cost incurred during the financial period under reviewed.

The Group revenue and profit for the current quarter increased by 18.9% and 8.9% respectively to RM17.1million and RM4.4 million from RM14.3million and RM4.0million in the previous year corresponding quarter. The increase in Group revenue and profit for the quarter was due to the same reason stated above.

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

The Group recorded a decrease in profit before taxation by RM0.9 million in the current quarter as compared to the preceding quarter. The decrease in profit before taxation of 16.4% was mainly due to lower margin of software application development services rendered during the quarter under reviewed.

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	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM	RM	RM	RM
Current tax	306,526	314,586	1,168,697	1,424,299
Deferred tax	-	-	-	-
	306,526	314,586	1,168,697	1,424,299

The effective tax rates for current quarter and financial period ended 30 September 2009 were lower than the statutory tax rate due principally to exempt income granted to a subsidiary company, 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 and financial period under review.

B7 Marketable securities

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

B8 Corporate proposals

There were no corporate proposals announced for the quarter and financial period under review.

B9 Borrowings and debt securities

The Group's total borrowings, all of which were secured and were denominated in Ringgit Malaysia as at 30 September 2009, were as follows :

	Short term	Long term	Total
	RM	RM	RM
Hire purchase creditors	15,587	-	15,587
Secured bank borrowings	858,373	7,136,718	7,995,091
Total	873,960	7,136,718	8,010,678

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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 30 November 2009.

B11 Changes in material litigation

There were no material litigation as at 30 November 2009.

B12 Dividend

The Board of Directors had declared a first interim tax exempt dividend of 2.0% per ordinary share of RM0.10 each during the financial period ended 30 September 2009. The dividend was paid on 3 July 2009.

There was no dividend declared for previous year corresponding financial period.

B13 Earnings per share

	Individual Quarter		Cumulative Quarter	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM	RM	RM	RM
<u>Basic Earnings Per Share</u>				
Profit attributable to ordinary equity holders of the parent	4,364,398	4,007,163	13,542,652	12,447,936
Weighted average number of ordinary shares in issue	658,350,100	658,100,100	658,271,345	658,100,100
Basic EPS (sen)	0.66	0.61	2.06	1.89
<u>Diluted Earnings Per Share</u>				
Profit attributable to ordinary equity holders of the parent	-	4,007,163	-	12,447,936
Weighted average number of ordinary shares in issue	-	658,100,100	-	658,100,100
Effect of dilution of share options	-	107,692	-	107,692
Adjusted weighted average number of ordinary shares in issue and issuable	-	658,207,792	-	658,207,792
Diluted EPS (sen)	NA	0.61	NA	1.89

During the quarter and financial period ended 30 September 2009, all the Company's ESOS was fully exercised. There is no effect of dilution to the existing ordinary shares in issue.

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 30 November 2009.