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EFFICIENT E-SOLUTIONS BERHAD

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS

FOR THE FORTH QUARTER ENDED

31ST DECEMBER 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2

	Individual Quarter		Cumulative Quarter	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM	RM	RM	RM
Revenue	12,036,459	11,575,083	52,393,654	58,750,688
Cost of sales	<u>(9,750,936)</u>	<u>(6,500,129)</u>	<u>(35,209,432)</u>	<u>(31,922,710)</u>
Gross profit	2,285,523	5,074,954	17,184,222	26,827,978
Other income/ (loss)	(42,957)	472,723	1,171,170	981,768
Operating expenses	<u>(2,952,169)</u>	<u>(4,014,848)</u>	<u>(13,098,847)</u>	<u>(14,470,892)</u>
Profit/ (loss) from operations	(709,603)	1,532,829	5,256,545	13,338,854
Finance costs	(103,648)	(114,608)	(428,190)	(456,619)
Interest income	201,758	107,813	650,171	405,834
Share of result of associates	<u>47,446</u>	<u>118,177</u>	<u>299,619</u>	<u>326,606</u>
Profit/ (loss) before tax	(564,047)	1,644,211	5,778,145	13,614,675
Income tax expense	<u>(4,809)</u>	<u>(432,721)</u>	<u>(1,018,728)</u>	<u>(1,147,042)</u>
Profit/ (loss) for the period	(568,856)	1,211,490	4,759,417	12,467,633
Other comprehensive income	<u>-</u>	<u>-</u>	<u>81</u>	<u>-</u>
Total comprehensive income for the period	<u>(568,856)</u>	<u>1,211,490</u>	<u>4,759,498</u>	<u>12,467,633</u>
Profit for the period attributable to :				
Equity holders of the parent	(568,856)	1,211,490	4,759,498	12,467,633
Minority Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(568,856)</u>	<u>1,211,490</u>	<u>4,759,498</u>	<u>12,467,633</u>
Total comprehensive income for the period attributable to :				
Equity holders of the parent	(568,856)	1,211,490	4,759,498	12,467,633
Minority Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(568,856)</u>	<u>1,211,490</u>	<u>4,759,498</u>	<u>12,467,633</u>
Earnings per share attributable to equity holders of the parent :				
Basic (sen)	<u>(0.08)</u>	<u>0.18</u>	<u>0.69</u>	<u>1.89</u>
Diluted (sen)	<u>(0.08)</u>	<u>N/A</u>	<u>0.69</u>	<u>N/A</u>
(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011
THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	As at 31.12.2011 RM	As at 31.12.2010 RM
ASSETS		
Non-current assets		
Property, plant and equipment	40,678,315	43,994,031
Prepaid lease payments	354,494	359,285
Investments in associates	3,566,974	3,267,355
Other investment	-	579,325
Software development expenditure	510,020	293,722
Goodwill arising from consolidation	1,582,719	1,582,719
	46,692,522	50,076,437
Current assets		
Inventories	2,162,001	2,520,832
Trade receivables	25,890,771	23,228,475
Other receivables	2,834,217	2,460,742
Tax recoverable	181,877	538,879
Short term investment	10,875,657	10,791,902
Deposits with licensed banks	30,713,414	14,086,352
Cash and bank balances	6,213,135	10,089,576
	78,871,072	63,716,758
Total assets	125,563,594	113,793,195
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	70,899,010	65,835,010
Share premium	4,625,269	500
Retained profits	37,730,058	34,034,126
	113,254,337	99,869,636
Minority Interest	-	-
Total equity	113,254,337	99,869,636
Non-current liabilities		
Hire purchase creditors	-	88,235
Bank borrowings	5,084,152	6,030,208
Deferred tax liabilities	2,645,541	2,806,605
	7,729,693	8,925,048
Current liabilities		
Trade payables	1,530,252	1,568,017
Other payables	895,069	2,355,629
Hire purchase creditors	88,235	100,916
Bank borrowings	950,859	898,762
Provision for taxation	51,664	75,187
Dividend Payable	1,063,485	-
	4,579,564	4,998,511
Total liabilities	12,309,257	13,923,559
Total equity and liabilities	125,563,594	113,793,195

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011
 THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2011

	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
<u>FINANCIAL PERIOD ENDED 31 DECEMBER 2010</u>							
As at 1 January 2010	65,835,010	500	32,429,270	-	98,264,780	-	98,264,780
Profit for the period	-	-	12,467,633	-	12,467,633	-	12,467,633
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	12,467,633	-	12,467,633	-	12,467,633
Issuance of ordinary shares pursuant to ESOS	-	-	-	-	-	-	-
Dividend paid for the period			(10,862,777)		(10,862,777)		(10,862,777)
As at 31 December 2010	65,835,010	500	34,034,126	-	99,869,636	-	99,869,636
<u>FINANCIAL PERIOD ENDED 31 DECEMBER 2011</u>							
As at 1 January 2011	65,835,010	500	34,034,126	-	99,869,636	-	99,869,636
Profit for the period			4,759,417		4,759,417		4,759,417
Other comprehensive income		81	-		81		81
Total comprehensive income for the period	-	81	4,759,417	-	4,759,498	-	4,759,498
Issues of shares	5,064,000	4,624,688			9,688,688		9,688,688
Dividend declared during the period			(1,063,485)		(1,063,485)		(1,063,485)
As at 31 DECEMBER 2011	70,899,010	4,625,269	37,730,058	-	113,254,337	-	113,254,337
							0

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011
THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 31 DECEMBER 2011

	12 Months Ended	
	31.12.2011	31.12.2010
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,778,145	13,614,675
Adjustments for:-		
Allowance for diminution in value of investment	447,725	-
Amortisation of prepaid lease payments	4,791	4,790
Amortisation of software development expenditure	148,364	160,341
Depreciation of property, plant and equipment	4,283,702	4,495,338
Gain on disposal of investment in company	(932,475)	(269,449)
(Gain) / Loss on disposal of property, plant and equipment	-	(45,534)
Utilisation of tax credit for payment of tax penalty	55,134	5,838
Interest income	(650,171)	(405,834)
Interest expenses	428,190	456,619
Investment income	(252,310)	(255,906)
Share of results of associated companies	(299,620)	(326,606)
Operating profit before changes in working capital	9,011,474	17,434,272
(Increase) / Decrease in inventories	358,831	(425,234)
(Increase) / Decrease in trade and other receivables	(2,501,385)	(7,930,809)
Decrease in trade and other payables	(1,498,324)	(1,125,179)
Cash generated from operations	5,370,596	7,953,050
Tax paid, net of tax refunded	(846,310)	(1,072,734)
Dividends paid	-	(10,862,777)
Net cash (used in) / generated from operating activities	4,524,287	(3,982,461)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed deposits uplifted	-	183,771
Gain on disposal of short term investment	11,800	-
Interest from deposits with licensed banks	650,171	405,834
Increase in pledged deposits for financing facilities	-	(7,546)
Increase in securities available for sale	(1,223,324)	(2,728,188)
Investment income	252,310	255,906
Proceeds from disposal of company	1,500,000	269,449
Proceeds from disposal of property, plant and equipment	-	159,000
Purchase of property, plant and equipment	(967,984)	(2,210,943)
Capitalisation of software development expenditure	(364,662)	-
Net cash generated from / (used in) investing activities	(141,688)	(3,672,717)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(893,959)	(855,351)
Repayment of hire purchase payable	(100,916)	(95,467)
Interest expense	(428,190)	(456,619)
Proceeds from issuance of ordinary shares	9,791,088	-
Net cash generated from / (used in) financing activities	8,368,023	(1,407,437)
Net change in cash and cash equivalents	12,750,621	(9,062,615)
Cash and cash equivalents at beginning of the financial period	23,884,370	32,946,985
Cash and cash equivalents at end of the financial period*	36,634,991	23,884,370
*Cash and cash equivalents at end of the financial period comprise the following:-		
Cash and bank balances	6,213,135	10,089,576
Deposits with licensed banks (Note)	30,421,856	13,794,794
	36,634,991	23,884,370
Note :		
The security deposit of RM291,558 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 statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011
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 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 2010.

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 2010 except for the adoption of the following new/revised Financial Reporting Standards ('FRS'), amendments and interpretation effective 1 January 2010 as disclosed below.

The adoption of the new/revised FRS and their consequential amendments, Amendments to FRS and IC Interpretations are not expected to have any significant impact on the financial statements of the Group.

FRSs / Amendments / Interpretations

Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements
FRS 123	Borrowing Costs (revised)
Amendments to FRS 132 and FRS 101	Financial Instruments: Presentation: Puttable Financial Instruments and Obligation Arising on Liquidation and Presentation of Financial Statements
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Financial Instruments: Disclosures and Reassessment of Embedded Derivatives
Improvements to FRSs (2009)	Amendment to FRS 5, 8, 107, 108, 110, 116, 117, 118, 119, 120, 123, 127, 128, 129, 131, 134, 136, 138 & 140
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11 : FRS 2	Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14 : FRS 119	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

A2 Auditors' Report on preceding annual financial statements

The auditors' report on the financial statements for year ended 31 December 2010 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 financial period's results.

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011
THE FIGURES HAVE NOT BEEN AUDITED

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

A6 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year under review except for the completion of a Private Placement.

Private Placement

The Company had on 26 May 2011 announced to undertake the private placement of up to 52,668,000 new ordinary shares of Ringgit Malaysia ("RM") 0.10 each in the Company, representing up to eight percent (8%) of the existing issued and paid-up share capital of the Company.

The Private Placement is deemed completed on 14 June 2011 following the listing and quotation of the first and final tranche of the Private Placement, comprising 50,000,000 new ordinary shares of RM0.10 each on the Main Market of Bursa Malaysia Securities Berhad at an issue price of RM0.195 per ordinary share amounting to RM9,750,000.

Employee Share Options Scheme ("ESOS")

During the financial year under review, the Company issued and allotted 640,000 new ordinary shares of RM0.10 each for cash pursuant to the Company's ESOS at exercise price of RM0.16.

A7 Dividend paid

During the financial year ended 31 December 2011, dividend amounting to RM987,525 being first interim tax exempt dividend of 1.5% per ordinary share of RM0.10 each for the financial year ended 31 December 2010 was paid on 5 January 2011.

A8 Operating Segments

Operating segments' results for the financial period ended 31 December 2011 are as follows:

Operating Segment	Data and Document Processing	Software Development	Forms Printing	Others	Elimination	Total
	RM	RM	RM	RM	RM	RM
External sales	49,585,953	2,244,486	563,215	-	-	52,393,654
Inter segment sales	-	2,359,718	3,441,089	-	(5,800,807)	-
Total operating revenue	49,585,953	4,604,204	4,004,304	-	(5,800,807)	52,393,654
Profit/(Loss) from operations	3,897,007	1,290,392	563,174	(494,028)	-	5,256,545
Finance costs	(382,490)	(45,700)	-	-	-	(428,190)
Interest income	35,561	83,651	151	530,808	-	650,171
						5,478,526
Share of result of associates						299,619
Profit before taxation						5,778,145
Income tax expense						(1,018,728)
Profit for the period						4,759,417
Other comprehensive income						-
Total comprehensive income for the period						4,759,417

A9 Valuations of property, plant & equipment

The Group did not carry out any valuation on its property, plant and equipment during the financial year under review.

A10 Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the financial year.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial year 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 2010.

A13 Capital commitments

There were no capital commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 31 December 2011.

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011
THE FIGURES HAVE NOT BEEN AUDITED

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

A14 Significant related party transactions

Related Transacting Parties	Related Parties and Relationship
One BPO Sdn Bhd and its subsidiaries ("One BPO Group")	One BPO Group is deemed related to the Group by virtue of Dato' Shaik Aqmal bin Shaik Allaudin who was a director and a major shareholder of One BPO Sdn Bhd. Dato' Shaik resigned as a director of Efficient E-Solutions Berhad ("ESOL") on 30 November 2010 and he ceased as a major shareholder in ESOL on 21 June 2011. Pursuant to LR 10.02(c) and 10.02(f), Dato' Shaik was a related party by virtue of being a director and major shareholder of ESOL within the preceding 6 months. Dato' Shaik ceased as a director under LR 10.02(c) on 30 May 2011 and ceased as a major shareholder of Company under LR 10.02(f) on 20 December 2011.
Regalia Records Management Sdn Bhd ("RRM")	RRM was deemed related to the Group by virtue of Dato' Shaik's common directorship in RRM and ESOL. He was a major shareholder of ESOL and was a shareholder in RRM through One BPO. Dato' Shaik Aqmal resigned as a director of RRM on 8 November 2010. At the same date, One BPO Sdn Bhd disposed all of its interest in RRM. Thus, w.e.f 8 November 2010, the transaction with RRM is no longer RRPT.

The related party transactions of the Group for the quarter and financial period ended 31 December 2011 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM	RM	RM	RM
Provision of DDP and EBP services to One BPO Group	84,591	13,119	776,653	623,094
Management fee for the provision of project management/ administration of DDP and EBP services to One BPO Group	-	36,000	72,000	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 One BPO Group	-	(10,000)	1,850,000	8,866,354
Provision of document archiving and related services by RRM	-	1,376	-	4,686
Renting of vault room for security file storage and related services to RRM	-	68,040	-	374,220
Selling of printed forms to One BPO Group	193,170	81,060	563,215	251,687
Total	277,761	189,595	3,261,868	10,264,041

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 FINANCIAL QUARTER ENDED 31 DECEMBER 2011
THE FIGURES HAVE NOT BEEN AUDITED

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

B1 Performance analysis

Group revenue for the financial year ended 31 December 2011 decreased by 10.8% to RM52.39 million from previous financial year RM58.75 million. Group profit after tax for the period ended 31 December 2011 decreased by 61.8% to RM4.76 million from previous year's RM12.47 million. The decrease in both revenue and profit were due mainly to a significant lower revenue in services rendered for software application development, which carry a high profit margin.

Group revenue for the quarter ended 31 December 2011 increased slightly by 4.0% to RM12.04 million from RM11.58 million of the preceding year corresponding quarter. During the quarter under review, the Group recorded a net loss of RM0.57 million as compared to profit after tax of RM1.21 million of the preceding year corresponding quarter. The loss was due mainly to lower profit margin from data and document processing services during the quarter.

During the financial year under review, the Group provided RM447,726 as allowance of diminution in value for a short term investment.

	Cumulative Quarter		Variance	
	31.12.2011	31.12.2010	RM'000	%
Revenue	RM'000 52,394	RM'000 58,751	(6,357)	-10.8%
Profit for the period	4,759	12,468	(7,709)	-61.8%

	Individual Quarter		Variance	
	31.12.2011	31.12.2010	RM'000	%
Revenue	RM'000 12,036	RM'000 11,575	461	4.0%
Profit for the quarter	(569)	1,211	(1,780)	-147.0%

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

The Group recorded net loss for the quarter of RM0.57 million as compared to profit before tax of RM1.11 million of the preceding quarter. The reduction of profit was due mainly to lower revenue in services rendered for software application development and higher cost of sales for data and document processing during the quarter.

	Current Quarter	Immediate Preceding Quarter	Variance	
	31.12.2011	30.09.2011	RM'000	%
Profit before taxation	RM'000 (564)	RM'000 1,109	(1,673)	-150.9%

B3 Prospects

As a result of higher postage rate implemented by Pos Malaysia, the industry consolidation of mailing requirements had materialized. There were significant reductions in mailing volume coupled with an increased pricing pressure. We foresee the trend of tight profit margin to continue in the near future and expect the industry to further its consolidation. The Group had implemented several initiatives that include venturing into new market space and tightening financial discipline to ensure competitiveness in the longer term.

The Group has been successful in converting some customers to E-Statement platform. Few major contracts were also renewed with a longer tenure during the financial year. We expect to further improve on our productivity to achieve higher profit margins of these contracts. The Group will continue to grow its range of services vertically and horizontally.

With the few initiatives being implemented, the group is optimistic in maintaining the performance and financial results for 2012 and achieving a better results in subsequent years.

B4 Profit forecast or profit guarantee

This note is not applicable.

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011
THE FIGURES HAVE NOT BEEN AUDITED

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

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM	RM	RM	RM
Current tax	165,873	325,016	1,179,792	1,039,337
Deferred tax	(161,064)	107,705	(161,064)	107,705
	4,809	432,721	1,018,728	1,147,042
Effective tax rates (excluding share of results associates)			18.6%	8.6%

The effective tax rates for current quarter and financial period ended 31 December 2011 were lower than statutory tax rate as the revenue arising from software development is tax exempted.

B6 Corporate proposals

(a) Status of Memorandum of Understanding

On 13 June 2011, the Company has entered into a non-binding Memorandum of Understanding with Singapore Post Limited ("SingPost") concerning the proposed business collaboration and co-operation between the two (2) parties in data and document management services ("**Proposed Collaboration**") in Indonesia and such other countries as may be mutually agreed in writing between the parties.

Pursuant to the MOU, it is contemplated that Efficient and SingPost (i) will jointly invest in setting up of data and document management business operations in Indonesia; (ii) will jointly identify business opportunities relating to data and document management in such countries as may be mutually agreed in writing between parties; and (iii) may mutually agree to engage in discussions and negotiations with other potential investors and/ or business partners in relation to the Proposed Collaboration.

Following the signing of MOU, the parties to the MOU are in the midst of negotiating on the terms and conditions of the definitive agreement on the Proposed Collaboration.

(b) Status of Utilisation of Proceeds

The proceeds from the issuance of Private Placement on 14 June 2011, of 50,000,000 new ordinary shares at RM0.195 per ordinary share have been applied as below:

Purpose	Proposed utilisation RM '000	Actual utilisation RM '000	Intended timeframe for utilisation	Deviation RM '000	Explanations
(i) Working capital	9,550	-	On-going Within 12 months	9,550	
(ii) Expenses in relation to the Private Placement	200	164		36	
	9,750	164			

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011
THE FIGURES HAVE NOT BEEN AUDITED

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

B7 Borrowings and debt securities

The Group's total borrowings, all of which were secured and were denominated in Ringgit Malaysia as at 31 December 2011, are as follows :

	Short term	Long term	Total
	RM	RM	RM
Hire purchase creditors	88,235	-	88,235
Secured bank borrowings	950,859	5,084,152	6,035,011
Total	1,039,094	5,084,152	6,123,246

B8 Changes in material litigation

There was no pending material litigation as at the latest applicable date from the date of issuance of this report.

B9 Dividend

During the financial period under review, the Board of Directors has declared a first interim tax exempt dividend of 1.5% per ordinary share of RM0.10 each for the financial year ended 31 December 2011 (31 December 2010: 1.5% per ordinary share of RM0.10 each). The dividend was paid on 5 January 2012. The book closure and entitlement date was 20 December 2011.

Total net dividend declared for the current financial year is 0.15 sen per ordinary share (31 December 2010: 0.15 sen per ordinary share).

B10 Earnings per share

	Individual Quarter		Cumulative Quarter	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM	RM	RM	RM
<u>Basic Earnings Per Share</u>				
Profit attributable to ordinary equity holders of the parent	(568,856)	1,211,490	4,759,498	12,467,633
Weighted average number of ordinary shares in issue	708,963,578	658,350,100	686,074,593	658,350,100
Basic EPS (sen)	(0.08)	0.18	0.69	1.89
<u>Diluted Earnings Per Share</u>				
Profit attributable to ordinary equity holders of the parent	(568,856)		4,759,498	
Weighted average number of ordinary shares in issue	708,963,578		686,074,593	
Effect of dilution of share options	4,246,181		6,944,865	
Adjusted weighted average number of ordinary shares in issue and issuable	713,209,759	-	693,019,458	-
Diluted EPS (sen)	(0.08)	NA	0.69	NA

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period 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. ESOS.

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011
THE FIGURES HAVE NOT BEEN AUDITED

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

B11 Profit for the period

	Individual Quarter		Cumulative Quarter	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM	RM	RM	RM
This is stated after crediting:				
Interest income	201,758	107,813	650,171	405,834
Other income/ (loss) including investment income	37,154	410,647	697,201	823,679
Gain on disposal of quoted and unquoted investments	-	6,111	932,475	41,518
This is stated after charging:				
Interest expense	103,648	114,608	428,190	456,619
Depreciation of property, plant and equipment	1,104,964	1,107,051	4,283,702	4,495,338
Amortisation of software development expenditure	35,437	38,238	148,364	160,341
Amortisation of lease rental	1,198	1,198	4,791	4,790
Foreign exchange loss/ (gain)				
- realised	7,505	55,965	10,781	74,933
- unrealised	6,461	-	(52,786)	41,638
Allowance for diminution in value of investment	66,145	-	500,511	-

B12 Realised and unrealised profit/ losses

Total retained profits of the Group comprised the following:-

	31.12.2011	31.12.2011
	RM	RM
Realised	37,408,090	33,187,460
Unrealised profit/ (loss)	(447,725)	41,638
	36,960,365	33,229,098
Less consolidation adjustments	769,693	805,028
Total Group retained profits as per consolidated accounts	<u>37,730,058</u>	<u>34,034,126</u>

B13 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 23 February 2012.