



**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 2014**

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2014  
 THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2014

	Individual Quarter		Cumulative Quarter	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM	RM	RM	RM
Revenue	12,048,602	12,109,344	12,048,602	12,109,344
Cost of sales	(7,639,186)	(8,144,003)	(7,639,186)	(8,144,003)
Gross profit	4,409,416	3,965,341	4,409,416	3,965,341
Other operating income	253,713	258,571	253,713	258,571
Administrative and operating expenses	(2,832,057)	(2,739,906)	(2,832,057)	(2,739,906)
Profit from operations	1,831,072	1,484,006	1,831,072	1,484,006
Finance costs	(63,346)	(80,494)	(63,346)	(80,494)
Interest income	293,438	271,161	293,438	271,161
Share of result of associates	255,997	117,850	255,997	117,850
Profit before tax	2,317,161	1,792,523	2,317,161	1,792,523
Income tax expense	(737,075)	(482,362)	(737,075)	(482,362)
Profit for the period	1,580,086	1,310,161	1,580,086	1,310,161
Other comprehensive income	6,644	-	6,644	-
Total comprehensive income for the period	1,586,730	1,310,161	1,586,730	1,310,161
Profit for the period attributable to :				
Equity holders of the parent	1,580,086	1,310,161	1,580,086	1,310,161
Non-controlling interests	-	-	-	-
	1,580,086	1,310,161	1,580,086	1,310,161
Total comprehensive income for the period attributable to :				
Equity holders of the parent	1,586,730	1,310,161	1,586,730	1,310,161
Non-controlling interests	-	-	-	-
	1,586,730	1,310,161	1,586,730	1,310,161
Earnings per share attributable to equity holders of the parent :				
Basic ( sen )	0.22	0.18	0.22	0.18

( The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013.)

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	(Unaudited) As at 31.03.2014	(Audited) As at 31.12.2013
	RM	RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	34,897,138	35,445,611
Investment in associated companies	4,265,161	4,009,163
Other investments	150,000	150,000
Software development expenditure	192,785	210,772
Goodwill on consolidation	1,585,252	1,585,252
	41,090,336	41,400,798
<b>Current assets</b>		
Inventories	1,726,603	1,737,517
Trade receivables	20,631,037	20,493,830
Other receivables	5,224,892	3,868,698
Tax recoverable	58,029	8,031
Investment securities	16,734,673	12,111,428
Deposits with licensed banks	39,436,560	42,970,100
Cash and bank balances	6,771,131	9,115,297
	90,582,925	90,304,901
<b>Total assets</b>	131,673,261	131,705,699
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	70,913,010	70,913,010
Share premium	4,633,588	4,633,588
Available-for-sale reserve	130,021	123,377
Retained earnings	45,739,341	45,577,515
<b>Total equity</b>	121,415,960	121,247,490
<b>Non-current liabilities</b>		
Term loans	2,702,727	2,986,437
Deferred tax liabilities	2,007,361	2,007,361
	4,710,088	4,993,798
<b>Current liabilities</b>		
Trade payables	1,567,304	1,953,442
Other payables	2,130,175	2,069,958
Term loans	1,104,454	1,085,259
Tax Payable	745,280	355,752
	5,547,213	5,464,411
<b>Total liabilities</b>	10,257,301	10,458,209
<b>Total equity and liabilities</b>	131,673,261	131,705,699

( The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013.)

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2014  
 THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2014

	Share Capital	Non Distributable Share Premium	Share Option Reserve	Available- for-sales Reserve	Distributable Retained Earnings	Total	Non-Controlling Interests	Total Equity
	RM	RM	RM	RM	RM	RM	RM	RM
<b><u>FINANCIAL PERIOD ENDED 31 MARCH 2013</u></b>								
As at 1 January 2013	70,913,010	4,633,588	81	-	40,717,540	<b>116,264,219</b>	-	<b>116,264,219</b>
Profit for the year	-	-	-	-	1,310,161	<b>1,310,161</b>	-	<b>1,310,161</b>
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,310,161	<b>1,310,161</b>	-	<b>1,310,161</b>
Issuance of new shares pursuant to private placement	-	-	-	-	-	-	-	-
Dividends declared during the period	-	-	-	-	-	-	-	-
As at 31 March 2013	<b>70,913,010</b>	<b>4,633,588</b>	<b>81</b>	<b>-</b>	<b>42,027,701</b>	<b>117,574,380</b>	<b>-</b>	<b>117,574,380</b>
<b><u>FINANCIAL PERIOD ENDED 31 MARCH 2014</u></b>								
As at 1 January 2014	70,913,010	4,633,588	-	123,377	45,577,515	<b>121,247,490</b>	-	<b>121,247,490</b>
Profit for the year	-	-	-	-	1,580,086	<b>1,580,086</b>	-	<b>1,580,086</b>
Other comprehensive income	-	-	-	6,644	-	<b>6,644</b>	-	<b>6,644</b>
Total comprehensive income for the period	-	-	-	6,644	1,580,086	<b>1,586,730</b>	-	<b>1,586,730</b>
Dividends	-	-	-	-	(1,418,260)	<b>(1,418,260)</b>	-	<b>(1,418,260)</b>
As at 31 March 2014	<b>70,913,010</b>	<b>4,633,588</b>	<b>-</b>	<b>130,021</b>	<b>45,739,341</b>	<b>121,415,960</b>	<b>-</b>	<b>121,415,960</b>
( The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013.)								

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2014**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 31 MARCH 2014**

	31.03.2014	31.03.2013
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,317,161	1,792,523
Adjustments for:-		
Amortisation of software development expenditure	17,986	41,887
Depreciation of property, plant and equipment	769,264	975,749
Fair value loss/(gain) on FVTPL financial assets	465,164	(90,607)
Property, plant and equipment written off	-	-
Gain on disposal of investment securities	-	-
Loss/(gain) on disposal of property, plant and equipment	15,221	(1,567)
Dividend income	(37,401)	(42,788)
Interest income	(293,438)	(271,161)
Interest expenses	63,346	80,494
Investment income from investment securities	(45,554)	(65,314)
Share of results of associated companies	(255,997)	(117,850)
Operating profit before changes in working capital	<u>3,015,752</u>	<u>2,301,366</u>
Inventories	10,914	106,703
Trade and other receivables	(1,493,401)	(2,636,766)
Trade and other payables	(325,922)	730,593
Cash generated from operations	<u>1,207,343</u>	<u>501,896</u>
Tax paid, net of tax refunded	(397,544)	(296,768)
Dividends paid	(1,418,260)	-
<b>Net cash generated from operating activities</b>	<b><u>(608,461)</u></b>	<b><u>205,128</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend income	37,401	42,788
Net changes of fixed deposits pledged	-	-
Interest from deposits with licensed banks	293,438	271,161
Increase in investment securities	(5,081,765)	(107,658)
Investment income	45,554	65,314
Proceeds from disposal of property, plant & equipment	52,000	3,576
Proceeds from disposal of investment securities	-	-
Purchase of property, plant and equipment	(288,012)	(597,738)
<b>Net cash (used in) / generated from investing activities</b>	<b><u>(4,941,384)</u></b>	<b><u>(322,557)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loans	(264,515)	(248,688)
Interest paid	(63,346)	(80,494)
<b>Net cash used in financing activities</b>	<b><u>(327,861)</u></b>	<b><u>(329,182)</u></b>
Net change in cash and cash equivalents	(5,877,706)	(446,611)
Cash and cash equivalents at beginning of the financial year	52,017,627	46,109,512
Cash and cash equivalents at end of the financial year*	<u>46,139,921</u>	<u>45,662,901</u>
*Cash and cash equivalents at end of the financial period comprise the following:-		
Cash and bank balances	6,771,131	18,974,683
Deposits with licensed banks ( Note )	39,368,790	26,688,218
	<u>46,139,921</u>	<u>45,662,901</u>
Note :		
The security deposit of RM67,770 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 2013.)		

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2014**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 : INTERIM FINANCIAL REPORTING**

**A1 Basis of preparation**

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and *MFRS134 : Interim Financial Reporting* in Malaysia and with *IAS34, Interim Financial Reporting*.

The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with audited financial statements of the Group as at and for the financial year ended 31 December 2013. The audited financial statements of the Group were prepared in accordance with the provisions of the Companies Act 1965, Malaysia Financial Reporting Standards ("MFRS"), and International Financial Reporting Standards ("IFRS").

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

The auditors' report on the financial statements for year ended 31 December 2013 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.

**A7 Dividend paid**

Dividend amounting to RM1,418,260 being interim tax exempt dividend of 2.0% per ordinary share of RM0.10 each for the financial year ended 31 December 2013 was paid on 28 March 2014.

No dividend was paid during the quarter and financial period ended 31 March 2013.

**A8 Segment information**

Segment information is presented in respect of the Group's business segment for the financial period ended 31 March 2014.

<b>Analysis by activities</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
<b>Operating Revenue</b>						
External sales	11,789,527	183,409	38,265	37,401	-	12,048,602
Inter-segment sales		581,952	963,255	-	(1,545,207)	-
Total operating revenue	11,789,527	765,361	1,001,520	37,401	(1,545,207)	12,048,602
<b>Result</b>						
Profit/(Loss) from operations	2,039,868	224,605	248,443	(681,844)	-	1,831,072
Finance costs	(56,625)	(6,721)	-	-	-	(63,346)
Interest income	122,415	335	13,993	156,695	-	293,438
Share of result of associates	-			255,997	-	255,997
Profit before taxation	2,105,658	218,219	262,436	(269,152)	-	2,317,161
Income tax expense						(737,075)
Profit for the period						1,580,086
Other comprehensive income						6,644
Total comprehensive income for the period						1,586,730

**PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 : INTERIM FINANCIAL REPORTING**

**A9 Material events subsequent to the end of the quarter**

There were no material events subsequent to the end of the current quarter and financial period under review.

**A10 Changes in the composition of the Group**

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

**A11 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 2013.

**A12 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 March 2014 except as follows :

(a) On 25 January 2013, one of the subsidiary company of the Group had entered into a sale and purchase agreement with HIG Livingston Sdn. Bhd. ("HIG") for the acquisition of a property for a total cash consideration of RM 904,000.

20% of progress payment amounting to RM180,800 was paid to HIG as at 31 March 2014.

(b) The Group had on 21 February 2014 entered into a Sale and Purchase Agreement with Lembaga Tabung Haji (the Proprietor) and THP Enstek Development Sdn Bhd ("THP") (the Vendor) to purchase 21,964 square metre of freehold lands all held at Bandar Baru Enstek, District of Seremban, State of Negeri Sembilan for a total consideration of RM5,670,466.56.

10% deposit amounting to RM567,047 was paid to THP as at 31 March 2014.

**A13 Significant related party transactions**

Related Transacting Parties	Related Parties and Relationship
Regalia Records Management Sdn Bhd ("RRM")	An associated company

The related party transactions of the Group for the quarter and financial period ended 31 March 2014 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM	RM	RM	RM
Provision of document archiving and related services by RRM	2,610	12,695	2,610	12,695
Renting of vault room for security file storage and related services to RRM	102,060	102,060	102,060	102,060
Renting of warehouse for file and carton storage and related services to RRM	105,000	-	105,000	-
<b>Total</b>	<b>209,670</b>	<b>114,755</b>	<b>209,670</b>	<b>114,755</b>

The Directors of the Group 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.

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

**B1 Review of performance**

The Group revenue for the quarter and financial period ended 31 March 2014 were consistent as compared to preceding year corresponding quarter of RM12.1 million.

The Group profit after tax for the quarter and financial period ended 31 March 2014 increased by 21% to RM1.6 million from preceding year corresponding quarter of RM1.3 million. The improvement in group profit after tax was contributed by continuous cost optimization effort and higher share of results in the associated company.

	Cumulative Quarter		Variance	
	31.03.2014	31.03.2013	RM'000	%
	RM'000	RM'000		
Revenue	12,049	12,109	(60)	0%
Profit after tax for the financial period	1,580	1,310	270	21%

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

The Group recorded RM2.3 million profit before tax for the quarter, an increase of 59% as compared to the preceding quarter of RM1.5 million. The increase in the profit before tax was attributed to higher revenue from the services rendered for data and document processing in the current quarter.

	Current Quarter	Immediate Preceding Quarter	Variance	
	31.03.2014	31.12.2013	RM'000	%
	RM'000	RM'000		
Profit before taxation	2,317	1,460	857	59%

**B3 Prospects**

Our continuous cost optimization measures have yielded a positive result, we have achieved a slight improvement in the overall operations cost during the quarter. The management foresees that the performance of the group will improve with the continuing efforts in the coming quarters.

**B4 Profit forecast or profit guarantee**

This note is not applicable.

**B5 Taxation**

	Individual Quarter		Cumulative Quarter	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM	RM	RM	RM
Current tax	737,075	482,362	737,075	482,362
Deferred tax	-	-	-	-
	737,075	482,362	737,075	482,362

The effective tax rate for the financial period ended 31 March 2014 is higher than the statutory tax rate of 25%. The building cost of a subsidiary company, Efficient MailCom Sdn Bhd does not qualify for industrial building allowance. However, the impact is set off by exempt income granted to another subsidiary company, Efficient Softech Sdn Bhd, a Multimedia Super Corridor status company, and the negative fair value arising from investment in quoted shares.



**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2014**  
**THE FIGURES HAVE NOT BEEN AUDITED**

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

**B6 Corporate proposals**

There were no corporate proposals announced but not completed during the quarter and financial period under review.

**B7 Borrowings and debt securities**

The Group's total borrowings, all of which were secured and were denominated in Ringgit Malaysia as at 31 March 2014, are as follows:

	<b>Short term</b>	<b>Long term</b>	<b>Total</b>
	RM	RM	RM
Secured bank borrowings	1,104,454	2,702,727	3,807,181
Total	1,104,454	2,702,727	3,807,181

**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**

There were no dividend declared during the quarter and financial period ended 31 March 2014.

**B10 Earnings per share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	RM	RM	RM	RM
<b>Basic Earnings Per Share</b>				
Profit attributable to ordinary equity holders of the parent	1,580,086	1,310,161	1,580,086	1,310,161
Weighted average number of ordinary shares in issue	709,130,100	709,130,100	709,130,100	709,130,100
Basic EPS (sen)	0.22	0.18	0.22	0.18

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.

**B11 Profit for the period**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	RM	RM	RM	RM
<b>Profit for the period is arrived at after charging :</b>				
Interest expense	63,346	80,494	63,346	80,494
Depreciation of property, plant and equipment	769,264	975,749	769,264	975,749
Amortisation of software development expenditure	17,986	41,887	17,986	41,887
Loss on disposal of property, plant and equipment	15,221	-	15,221	-
Foreign exchange loss	900	1,362	900	1,362
Fair value loss on FVTPL financial assets	465,164	-	465,164	-
<b>and after crediting :</b>				
Interest income	293,438	271,161	293,438	271,161
Other income including investment income	290,014	210,162	290,014	210,162
Gain on disposal of property, plant and equipment	-	1,567	-	1,567
Fair value gain on FVTPL financial assets	-	90,607	-	90,607

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

**B12 Realised and unrealised profit/ losses**

Total retained profits of the Group comprised the following:-

	<b>31.03.2014</b>	<b>31.12.2013</b>
	RM	RM
Realised	46,741,946	46,099,443
Unrealised	<u>(2,473,018)</u>	<u>(1,736,344)</u>
	44,268,928	44,363,099
Add consolidation adjustments	<u>1,470,413</u>	<u>1,214,416</u>
Total Group retained profits as per consolidated accounts	<u><u>45,739,341</u></u>	<u><u>45,577,515</u></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 22 May 2014.