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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 FIRST QUARTER ENDED**

**31 MARCH 2015**

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2015**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2015**

	Individual Quarter		Cumulative Quarter	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM	RM	RM	RM
Revenue	14,303,373	12,048,602	14,303,373	12,048,602
Cost of sales	(8,508,288)	(7,639,186)	(8,508,288)	(7,639,186)
Gross profit	5,795,085	4,409,416	5,795,085	4,409,416
Other operating income	884,114	253,713	884,114	253,713
Administrative and operating expenses	(3,138,942)	(2,832,057)	(3,138,942)	(2,832,057)
Profit from operations	3,540,257	1,831,072	3,540,257	1,831,072
Finance costs	(47,305)	(63,346)	(47,305)	(63,346)
Interest income	181,465	293,438	181,465	293,438
Share of result of associates	(7,361)	255,997	(7,361)	255,997
Profit before tax	3,667,056	2,317,161	3,667,056	2,317,161
Income tax expense	(1,051,768)	(737,075)	(1,051,768)	(737,075)
Profit for the period	2,615,288	1,580,086	2,615,288	1,580,086
Other comprehensive income	(127,516)	6,644	(127,516)	6,644
Total comprehensive income for the period	2,487,772	1,586,730	2,487,772	1,586,730
Profit for the period attributable to :				
Equity holders of the parent	2,615,288	1,580,086	2,615,288	1,580,086
Non-controlling interests	-	-	-	-
	2,615,288	1,580,086	2,615,288	1,580,086
Total comprehensive income for the period attributable to :				
Equity holders of the parent	2,487,772	1,586,730	2,487,772	1,586,730
Non-controlling interests	-	-	-	-
	2,487,772	1,586,730	2,487,772	1,586,730
Earnings per share attributable to equity holders of the parent :				
Basic ( sen )	0.37	0.22	0.37	0.22

( The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014.)

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	(Unaudited) As at 31.03.2015	(Audited) As at 31.12.2014
	RM	RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	38,221,959	35,404,558
Investment properties	25,913,969	12,727,456
Investment in associated companies	4,670,606	4,677,966
Other investments	150,000	150,000
Goodwill on consolidation	1,582,719	1,582,719
	<b>70,539,253</b>	<b>54,542,699</b>
<b>Current assets</b>		
Inventories	1,555,688	1,763,124
Trade receivables	17,826,876	15,933,476
Other receivables	7,930,823	10,086,706
Tax recoverable	259,699	266,328
Investment securities	18,834,778	18,513,442
Deposits with licensed banks	19,573,668	24,327,990
Cash and bank balances	7,354,926	9,539,712
	<b>73,336,458</b>	<b>80,430,778</b>
<b>Total assets</b>	<b>143,875,711</b>	<b>134,973,477</b>
<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	117,959	245,475
Retained earnings	52,384,888	49,769,600
<b>Total equity</b>	<b>128,049,445</b>	<b>125,561,673</b>
<b>Non-current liabilities</b>		
Term loans	1,527,389	1,830,860
Deferred tax liabilities	1,684,346	1,684,347
	<b>3,211,735</b>	<b>3,515,207</b>
<b>Current liabilities</b>		
Trade payables	2,040,307	1,891,590
Other payables	8,507,209	2,497,818
Term loans	1,179,057	1,157,469
Tax Payable	887,958	349,720
	<b>12,614,531</b>	<b>5,896,597</b>
<b>Total liabilities</b>	<b>15,826,266</b>	<b>9,411,804</b>
<b>Total equity and liabilities</b>	<b>143,875,711</b>	<b>134,973,477</b>

( The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014.)

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2015  
 THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2015

	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 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>130,021</b>	<b>45,739,341</b>	<b>121,415,960</b>	-	<b>121,415,960</b>
<b><u>FINANCIAL PERIOD ENDED 31 MARCH 2015</u></b>								
As at 1 January 2015	70,913,010	4,633,588	-	245,475	49,769,600	<b>125,561,673</b>	-	<b>125,561,673</b>
Profit for the year	-	-	-	-	2,615,288	<b>2,615,288</b>	-	<b>2,615,288</b>
Other comprehensive income	-	-	-	(127,516)	-	<b>(127,516)</b>	-	<b>(127,516)</b>
Total comprehensive income for the period	-	-	-	(127,516)	2,615,288	<b>2,487,772</b>	-	<b>2,487,772</b>
Dividends	-	-	-	-	-	-	-	-
As at 31 March 2015	<b>70,913,010</b>	<b>4,633,588</b>	-	<b>117,959</b>	<b>52,384,888</b>	<b>128,049,445</b>	-	<b>128,049,445</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 2014.)								

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2015**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 31 MARCH 2015**

	31.03.2015	31.03.2014
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,667,056	2,317,161
Adjustments for:-		
Amortisation of software development expenditure	-	17,986
Depreciation of property, plant and equipment	712,487	769,264
Fair value loss/(gain) on FVTPL financial assets	(369,129)	465,164
Property, plant and equipment written off	21,326	-
Gain on disposal of investment securities	(207,000)	-
Loss on disposal of property, plant and equipment	12,904	15,221
Dividend income	(40,915)	(37,401)
Interest income	(181,465)	(293,438)
Interest expenses	47,305	63,346
Investment income from investment securities	(30,098)	(45,554)
Share of results of associated companies	7,361	(255,997)
Operating profit before changes in working capital	<u>3,639,832</u>	<u>3,015,752</u>
Inventories	207,436	10,914
Trade and other receivables	262,483	(1,493,401)
Trade and other payables	<u>242,646</u>	<u>(325,922)</u>
Cash generated from operations	4,352,397	1,207,343
Tax paid, net of tax refunded	(506,903)	(397,544)
Dividends paid	-	(1,418,260)
<b>Net cash generated from operating activities</b>	<u><b>3,845,494</b></u>	<u><b>(608,461)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend income	40,915	37,401
Net changes of fixed deposits pledged	-	-
Interest from deposits with licensed banks	181,465	293,438
Increase in investment securities	(5,079,723)	(5,081,765)
Investment income	30,098	45,554
Proceeds from disposal of investment securities	5,207,000	-
Proceeds from disposal of property, plant & equipment	394,569	52,000
Purchase of property, plant and equipment	(2,158,687)	(288,012)
Purchase of investment properties	(9,071,051)	-
<b>Net cash (used in) / generated from investing activities</b>	<u><b>(10,455,414)</b></u>	<u><b>(4,941,384)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loans	(281,883)	(264,515)
Interest paid	<u>(47,305)</u>	<u>(63,346)</u>
<b>Net cash used in financing activities</b>	<u><b>(329,188)</b></u>	<u><b>(327,861)</b></u>
Net change in cash and cash equivalents	(6,939,108)	(5,877,706)
Cash and cash equivalents at beginning of the financial year	33,797,789	52,017,627
Cash and cash equivalents at end of the financial year*	<u><u>26,858,681</u></u>	<u><u>46,139,921</u></u>
*Cash and cash equivalents at end of the financial period comprise the following:-		
Cash and bank balances	7,354,926	6,771,131
Deposits with licensed banks ( Note )	19,503,755	39,368,790
	<u>26,858,681</u>	<u>46,139,921</u>
Note :		
The security deposit of RM69,913 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 2014.)		

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2015**  
**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, *MFRS134 : Interim Financial Reporting* in Malaysia and *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 2014. 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 2014 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**

There were no dividend paid during the quarter and financial period ended 31 March 2015.

**A8 Segment information**

Segment information is presented in respect of the Group's business segment for the financial period ended 31 March 2015.

<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	14,237,867	-	24,590	40,916	-	14,303,373
Inter-segment sales		593,773	584,844	-	(1,178,617)	-
Total operating revenue	<b>14,237,867</b>	<b>593,773</b>	<b>609,434</b>	<b>40,916</b>	<b>(1,178,617)</b>	<b>14,303,373</b>
<b>Result</b>						
Profit/(Loss) from operations	3,024,213	306,848	80,647	128,549	-	3,540,257
Finance costs	(42,511)	(4,794)	-	-	-	(47,305)
Interest income	66,974	6,665	8,355	99,471	-	181,465
Share of result of associates	-	-	-	(7,361)	-	(7,361)
Profit before taxation	<b>3,048,676</b>	<b>308,719</b>	<b>89,002</b>	<b>220,659</b>	<b>-</b>	<b>3,667,056</b>
Income tax expense						(1,051,768)
Profit for the period						2,615,288
Other comprehensive income						(127,516)
Total comprehensive income for the period						2,487,772

**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 except as follows :

(a) The Group had on 3 March 2015 acquired the entire equity interest in Digital Junction Sdn Bhd ("DJSB") comprising 2 ordinary shares of RM1.00 each for a total cash consideration of RM2.00 only.

DJSB is a dormant company and its authorised share capital is RM400,000 comprising of 400,000 ordinary shares of RM1.00 each, of which 2 shares have been issued and fully paid-up.

The intended principal activities of DJSB are IT system integration, shared and support, and any other IT related services.

**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 2014.

**A12 Capital commitments**

The were no capital commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 31 March 2015 except as follows :

Approved and contracted for :	<b>RM'000</b>
Property, plant and equipment	354
Investment Properties	6,479
	<u>6,833</u>

**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 2015 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM	RM	RM	RM
Provision of document archiving and related services by RRM	1,648	2,610	1,648	2,610
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	105,000	105,000
<b>Total</b>	<b>208,708</b>	<b>209,670</b>	<b>208,708</b>	<b>209,670</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**

**Current Year To Date Vs Preceding Year To Date**

The Group revenue for the financial period ended 31 March 2015 increased by 19% to RM14.3 million as compared to preceding year corresponding period of RM12.0 million, which was mainly due to the increase of revenue from the services rendered for data and document processing.

The Group profit after tax for the financial period ended 31 March 2015 increased by 66% to RM2.6 million from preceding year corresponding period of RM1.6 million. The increase in profit after tax was in tandem with the increase in revenue.

	Cumulative Quarter		Variance	
	31.03.2015	31.03.2014	RM'000	%
Revenue	14,303	12,049	2,254	19%
Profit after tax for the financial period	2,615	1,580	1,035	66%

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

The Group recorded RM3.7 million profit before tax for the quarter, an increase of 319% as compared to the preceding quarter of RM0.9 million. The increase in the profit before tax was attributed to the increase of revenue as well as higher margin from the services rendered for data and document processing contributed by adhoc projects.

	Current Quarter	Immediate Preceding Quarter	Variance	
	31.03.2015	31.12.2014	RM'000	%
Profit before taxation	3,667	875	2,792	319%

**B3 Prospects**

We expect the improved performance will continue for the year.

**B4 Profit forecast or profit guarantee**

This note is not applicable.

**B5 Taxation**

	Individual Quarter		Cumulative Quarter	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM	RM	RM	RM
Current tax	1,051,768	737,075	1,051,768	737,075
Deferred tax	-	-	-	-
	1,051,768	737,075	1,051,768	737,075

The effective tax rate for the financial period ended 31 March 2015 is higher than the statutory tax rate of 25%. The higher effective tax rate was due to the building cost of a subsidiary company, Efficient MailCom Sdn Bhd does not qualify for industrial building allowance.



**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 2015, are as follows:

	Short term	Long term	Total
	RM	RM	RM
Secured bank borrowings	1,179,057	1,527,389	2,706,446
Total	1,179,057	1,527,389	2,706,446

**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 2015.

**B10 Earnings per share**

	Individual Quarter		Cumulative Quarter	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM	RM	RM	RM
<b>Basic Earnings Per Share</b>				
Profit attributable to ordinary equity holders of the parent	2,615,288	1,580,086	2,615,288	1,580,086
Weighted average number of ordinary shares in issue	709,130,100	709,130,100	709,130,100	709,130,100
Basic EPS (sen)	0.37	0.22	0.37	0.22

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/year.

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

**B11 Profit for the year**

	Individual Quarter		Cumulative Quarter	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM	RM	RM	RM
<b>Profit for the period is arrived at after charging :</b>				
Interest expense	47,305	63,346	47,305	63,346
Depreciation of property, plant and equipment	712,487	769,264	712,487	769,264
Amortisation of software development expenditure	-	17,986	-	17,986
Loss on disposal of property, plant and equipment	12,904	15,221	12,904	15,221
Foreign exchange loss	706	900	706	900
Property, plant and equipment written off	21,326	-	21,326	-
<b>and after crediting :</b>				
Interest income	181,465	293,438	181,465	293,438
Other income including investment income	278,073	290,015	278,073	290,015
Gain on disposal of quoted and unquoted investments	207,000	-	207,000	-
Foreign exchange gain	18,326	-	18,326	-
Fair value gain on FVTPL financial assets	369,129	(465,164)	369,129	(465,164)

**B12 Realised and unrealised profit/ losses**

Total retained profits of the Group comprised the following:-

	31.03.2015	31.12.2014
	RM	RM
Realised	51,843,763	49,177,239
Unrealised	(1,332,200)	(1,288,325)
	50,511,563	47,888,914
Add consolidation adjustments	1,873,325	1,880,686
Total Group retained profits as per consolidated accounts	<u>52,384,888</u>	<u>49,769,600</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 28 May 2015.