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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 FOURTH QUARTER ENDED

31 DECEMBER 2017

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017
THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2017

	Individual Quarter		Cumulative Quarter	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM	RM	RM	RM
Revenue	779,679	890,154	3,298,563	2,864,217
Cost of sales	(442,294)	(313,580)	(1,388,841)	(1,148,890)
Gross profit	337,385	576,574	1,909,722	1,715,327
Other operating income	806,574	423,760	2,392,382	1,872,529
Administrative and operating expenses	(3,373,475)	(8,954,536)	(10,027,111)	(16,256,751)
Loss from operations	(2,229,516)	(7,954,202)	(5,725,007)	(12,668,895)
Finance costs	(4,415)	-	(18,586)	-
Interest income	514,387	447,380	1,980,659	2,143,049
Share of result of associates	113,919	115,796	780,742	699,084
Loss before tax	(1,605,625)	(7,391,026)	(2,982,192)	(9,826,762)
Income tax expense	(8,211)	2,412	(78,015)	(120,163)
Loss for the period from continuing operations, net of tax	(1,613,836)	(7,388,614)	(3,060,207)	(9,946,925)
Discontinued Operations Profit from discontinued operations, net of tax	-	-	-	-
Net loss for the period	(1,613,836)	(7,388,614)	(3,060,207)	(9,946,925)
Total comprehensive loss for the period	(1,613,836)	(7,388,614)	(3,060,207)	(9,946,925)
Loss for the period attributable to :				
Equity holders of the parent	(1,600,043)	(7,388,614)	(3,046,414)	(9,946,925)
Non-controlling interests	(13,793)	-	(13,793)	-
	(1,613,836)	(7,388,614)	(3,060,207)	(9,946,925)
Total comprehensive loss for the period attributable to :				
Equity holders of the parent	(1,600,043)	(7,388,614)	(3,046,414)	(9,946,925)
Non-controlling interests	(13,793)	-	(13,793)	-
	(1,613,836)	(7,388,614)	(3,060,207)	(9,946,925)
Loss per share attributable to equity holders of the parent :				
Basic (sen)	(0.23)	(1.04)	(0.43)	(1.40)

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016.)

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	(Unaudited) As at 31.12.2017	(Audited) As at 31.12.2016
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	31,014,205	31,315,280
Investment properties	41,677,318	42,446,282
Intangible assets	430,608	-
Investment in associated companies	6,236,130	5,932,010
Other investments	150,000	150,000
Goodwill on consolidation	319,598	-
	79,827,859	79,843,572
Current assets		
Trade receivables	758,423	1,040,501
Other receivables	2,216,886	4,255,511
Tax recoverable	96,505	187,468
Investment securities	8,728,017	10,250,957
Deposits with licensed banks	49,515,510	42,954,588
Cash and bank balances	6,804,502	11,286,417
	68,119,843	69,975,442
Total assets	147,947,702	149,819,014
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	70,913,010	70,913,010
Share premium	4,633,588	4,633,588
Retained earnings	69,711,985	72,758,399
	145,258,583	148,304,997
Non-controlling interest	334,607	-
Total equity	145,593,190	148,304,997
Non-current liabilities		
Hire purchase payable	137,940	304,749
Deferred tax liabilities	116,002	27,639
	253,942	332,388
Current liabilities		
Trade payables	12,625	-
Other payables	1,808,247	936,378
Deferred Income	82,350	-
Hire purchase payables	187,546	245,251
Tax Payable	9,802	-
	2,100,570	1,181,629
Total liabilities	2,354,512	1,514,017
Total equity and liabilities	147,947,702	149,819,014

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016.)

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017
 THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2017

	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
<u>FINANCIAL YEAR ENDED 31 DECEMBER 2016</u>								
As at 1 January 2016	70,913,010	4,633,588	-	-	94,760,536	170,307,134	-	170,307,134
Loss for the year	-	-	-	-	(9,946,925)	(9,946,925)	-	(9,946,925)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(9,946,925)	(9,946,925)	-	(9,946,925)
Dividends	-	-	-	-	(12,055,212)	(12,055,212)	-	(12,055,212)
As at 31 December 2016	70,913,010	4,633,588	-	-	72,758,399	148,304,997	-	148,304,997
<u>FINANCIAL PERIOD ENDED 31 DECEMBER 2017</u>								
As at 1 January 2017	70,913,010	4,633,588	-	-	72,758,399	148,304,997	-	148,304,997
Loss for the period	-	-	-	-	(3,046,414)	(3,046,414)	(13,793)	(3,060,207)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(3,046,414)	(3,046,414)	(13,793)	(3,060,207)
Acquisition of subsidiaries	-	-	-	-	-	-	348,400	348,400
As at 31 December 2017	70,913,010	4,633,588	-	-	69,711,985	145,258,583	334,607	145,593,190
(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016.)								

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017
THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 31 DECEMBER 2017

	31.12.2017	31.12.2016
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation:	(2,982,192)	(9,826,762)
Adjustments for:		
Depreciation of investment properties	924,455	880,106
Depreciation of property, plant and equipment	1,667,805	1,385,763
Depreciation of intangible assets	2,500	
Reversal impairment of investment in associated company	(123,438)	-
Impairment write back non trade receivables	-	(4,750,000)
Impairment on other investment	-	9,750,000
Fair value (gain)/loss on FVTPL financial assets	(597,619)	610,252
Loss on disposal of investment in associates	130,000	-
Gain on disposal of investment linked fund	(173,930)	(36,694)
Loss on disposal of property, plant and equipment	52,901	61,229
Loss on disposal of investment properties	84	-
Dividend income	(58,192)	(67,997)
Interest income	(1,980,659)	(2,143,049)
Interest expenses	18,586	-
Investment income from investment securities	(133,509)	(129,729)
Share of results of associated companies	(780,742)	(699,084)
Operating loss before changes in working capital	(4,033,950)	(4,965,965)
Decrease/(Increase) in trade and other receivables	1,278,778	6,834,575
Increase/(Decrease) in trade and other payables	966,844	(8,614,387)
Cash generated used in operations	(1,788,328)	(6,745,777)
Tax paid, net of tax refunded	8,967	(174,897)
Dividends paid	-	(12,055,212)
Net cash used in operating activities	(1,779,361)	(18,975,886)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend income	58,192	67,997
Interest from deposits with licensed banks	1,980,659	2,143,049
Increase in investment securities	(1,254,259)	(8,207,229)
Investment income	133,509	129,729
Proceeds from disposal of associate	170,000	-
Proceeds from disposal of investment securities	3,548,750	-
Proceeds from disposal of property, plant & equipment	235,849	525,000
Proceeds from disposal of investment properties	283	-
Purchase of property, plant and equipment	(1,655,480)	(3,052,253)
Purchase of investment properties	(155,858)	(2,977,795)
Consideration received from disposal of subsidiary company	1,041,883	-
Investment in subsidiary	(302,120)	-
Dividend Income from associated company	300,060	-
Net cash generated from/(used in) investing activities	4,101,468	(11,371,502)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase and lease creditors	(224,514)	-
Interest paid	(18,586)	-
Net cash used in financing activities	(243,100)	-
Net change in cash and cash equivalents	2,079,007	(30,347,388)
Cash and cash equivalents at beginning of the financial year	54,241,005	82,282,895
Cash and cash equivalents at end of the financial year*	<u>56,320,012</u>	<u>51,935,507</u>
*Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	6,804,502	11,170,459
Deposits with licensed banks	49,515,510	40,765,048
	<u>56,320,012</u>	<u>51,935,507</u>

(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2016.)

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 Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, and *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 the audited financial statements of the Group for the financial year ended 31 December 2016. 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 the year ended 31 December 2016 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.

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, other than repayment of hire purchase loan.

The Group acquired hire purchase facility of RM550,000 as at 31 December 2016.

A7 Dividend paid

There were no dividend paid during the financial period.

A8 Segment information

Segment information is presented in respect of the Group's business segment for the financial year ended 31 December 2017.

Analysis by activities	Records Management	IT Services	Others	Elimination	Total
	RM	RM	RM	RM	RM
Operating Revenue					
External sales	1,252,484	1,880,999	165,080	-	3,298,563
Inter-segment sales	-	-	-	-	-
Total operating revenue	1,252,484	1,880,999	165,080	-	3,298,563
Result					
Loss from operations	(1,139,676)	(975,500)	(3,237,861)	-	(5,353,037)
Unrealised Depreciation	-	-	-	(371,970)	(371,970)
Finance costs	(7,234)	-	(11,352)	-	(18,586)
Interest income	65,227	41,717	1,873,715	-	1,980,659
Share of result of associates	-	-	780,742	-	780,742
Loss before taxation	(1,081,683)	(933,783)	(594,756)	(371,970)	(2,982,192)
Income tax expense					(78,015)
Loss for the period					(3,060,207)
Other comprehensive income					-
Total comprehensive loss for the period					(3,060,207)

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 except for:
 The indirect subsidiary, Vigilant Asia (M) Sdn Bhd had on 6 February 2018 entered a Memorandum of Understanding with Cyber Security Malaysia on Cyber Security Threat Intelligence sharing.

A10 Changes in the composition of the Group

The Group has incorporated two indirect wholly-owned subsidiary companies namely Vigilant Asia Group Sdn Bhd (formerly known as Efficient Technology Solutions Sdn Bhd) and Vigilant Asia (M) Sdn Bhd (formerly known as Efficient Technology Solutions (M) Sdn Bhd) on 15 November 2017 and 16 November 2017 respectively. The intended principal activities are investment holding, IT security and IT related services.
 On the 19 December 2017, the Group acquired 65% indirect subsidiary namely Kaapagam Technologies. The principal activities are IT security and IT related services.

A11 Changes in contingent liabilities and contingent assets

The contingent liabilities of the Group since the last annual balance sheet date as at 31 December 2016 were RM236,500.

A12 Capital commitments

The capital commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 31 December 2017 are as follows :

Approved and contracted for :	RM'000
Property, plant and equipment	<u>645</u>
	645

A13 Significant related party transactions

Related Transacting Parties	Related Parties and Relationship
Regalia Records Management Sdn Bhd ("RRM")	RRM is deemed related to the Group by virtue of a Director of the Group, Victor Cheah Chee Wai, is also the Director in RRM.
	RRM is an associated company of E-Sol where E-Sol has 30% equity interest in RRM.
Olive Tree Concepts Sdn Bhd ("OTC")	OTC is deemed related to the Group by virtue of a Director of the Group, Victor Cheah Chee Wai, is also the Director in OTC.
	OTC is a company connected to a Director of the Group, Cheah Chee Kong, by virtue of Section 197 of the Companies Act 2016.

The related party transactions of the Group for the quarter and financial year ended 31 December 2017 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM	RM	RM	RM
Provision of document archiving and related services by RRM	600	-	1,650	-
Provision of document archiving and related services to RRM	316,966	311,459	1,252,484	727,307
Renting of vault room for security file storage and related services to RRM	-	-	-	170,100
Renting of warehouse for file and carton storage and related services to RRM	-	-	-	175,000
IT Services provided to RRM	60,000	60,000	240,000	180,000
IT Services provided to OTC	264,000	264,000	1,056,000	792,000
Total	641,566	635,459	2,550,134	2,044,407

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.

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017
 THE FIGURES HAVE NOT BEEN AUDITED

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

B1 Financial review for current quarter and financial year to date

	Individual Quarter		Variance		Cumulative Quarter		Variance	
	31.12.2017	31.12.2016			31.12.2017	31.12.2016		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	780	890	(110)	-12.4%	3,299	2,864	435	15.2%
Loss from operations	(2,230)	(7,954)	5,724	-72.0%	(5,725)	(12,669)	6,944	-54.8%
Loss before interest and tax	(2,230)	(7,954)	5,724	-72.0%	(5,725)	(12,669)	6,944	-54.8%
Loss before tax for the financial period	(1,606)	(7,391)	5,785	-78.3%	(2,982)	(9,827)	6,845	-69.7%
Loss after tax before gain on disposal of subsidiary	(1,614)	(7,389)	5,775	-78.2%	(3,060)	(9,947)	6,887	-69.2%
Loss after tax for the financial period	(1,614)	(7,389)	5,775	-78.2%	(3,060)	(9,947)	6,887	-69.2%
Loss for the period attributable to:								
Equity holders of the parent	(1,600)	(7,389)	5,789	-78.3%	(3,046)	(9,947)	6,901	-69.4%
Non-controlling interests	(14)	-	(14)		(14)	-	(14)	
	(1,614)	(7,389)	5,775	-78.2%	(3,060)	(9,947)	6,887	-69.2%

(a) Current Year To Date Vs Preceding Year To Date

The Group revenue was RM3.3 million for the financial year ended 31 December 2017, which was RM0.4 million higher as compared to the preceding year of RM2.9 million primarily due to higher additional revenue recorded for the contracts in relation to the IT Services and Records Management for the 12 months for financial year ended (FYE) 31 Dec 2017 against the 9 months revenue recorded in FYE 31 Dec 2016 as these contracts were only entered in April 2016.

The Group recorded loss before tax of RM3 million as compared to RM9.8 million loss in preceding year corresponding period mainly due to (a) increase in revenue from IT services and Records Management; (b) fair value gain from other investment; and (c) impairment of other investments in preceding year

(b) Current Quarter Vs Preceding Year Corresponding Quarter

For the quarter ended 31 December 2017, the Group revenue decreased by 12.4% to RM0.8 million compared to preceding year corresponding quarter of RM0.9 million mainly due to (a) service contract ended last year; and (b) reduction in wage card demand services

The Group recorded RM1.6 million loss before tax for the current quarter against RM7.3 million loss in preceding year corresponding quarter mainly due to (a) provision on impairment loss on other investment in preceding year and (b) fair value loss on other investment in prior year.

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

The Group's revenue of RM0.78 million for current quarter was 7.1% lower than the immediate preceding quarter of RM0.84 million. This was attributed by dividend income received from investment and higher revenue from IT services in preceding quarter.

The Group recorded RM1.6 million loss before tax against RM0.5 million loss before tax of preceding quarter as a result of increase in expenses on the expansion of its IT service arm - "Managed Security Services".

	Current Quarter	Immediate Preceding Quarter	Variance	
	31.12.2017	30.09.2017	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	780	840	(60)	-7.1%
Loss from operations	(2,230)	(1,219)	(1,011)	-82.9%
Loss before interest and tax	(2,230)	(1,219)	(1,011)	-82.9%
Loss before taxation	(1,606)	(495)	(1,111)	-224.4%
Loss after tax for the quarter	(1,614)	(566)	(1,048)	-185.2%
Loss for the period attributable to:				
Equity holders of the parent	(1,600)	(566)	(1,034)	-182.7%
Non-controlling interests	(14)	-	(14)	
	(1,614)	(566)	(1,048)	-185.2%

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

B3 Prospects

The Group expanded its IT services in Managed Security Services. The Group has on 6 February 2018 launched its new subsidiary 'VIGILANT ASIA (M) SDN BHD' as Regional Security Operation Centre (RSOC) to the ASEAN market. The Group remain focus to grow its document storage and IT services.

B4 Profit forecast or profit guarantee

This note is not applicable.

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM	RM	RM	RM
Current tax	9,003	(1,209)	91,798	101,329
Deferred tax	(792)	(1,203)	(13,783)	18,834
	8,211	(2,412)	78,015	120,163

The Group's accounted for tax expenses due to interest income and certain expenses not deductible for tax purpose.

B6 Corporate proposals

(a) There were no corporate proposals announced but not completed during the quarter and financial period under review except for:

The Board of Directors of Efficient wishes to announce that Bursa Securities has granted Efficient an extension of time up to 31 June 2018 to submit a regularisation plan pursuant to paragraph 8.04(3) together with paragraph 5.0 of Practice Note 17 of the Main Market Listing Requirements of Bursa Securities.

(b) Utilisation of proceeds as at financial period ended 31 December 2017.

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe	Deviation	Explanations
	RM' million	RM' million			
Proposed Distribution	12.1	12.1	Within 6 months	-	
Development of the document management segment and/ or acquisition of viable new businesses and/ or assets	53.5	11.3	Within 18 months	79%	The Group is exploring new business opportunity
Working Capital	8.0	8.0	Within 12 months	-	
Estimated expenses in relation to the Proposals	1.4	1.4	Within 1 month	-	

B7 Borrowing and debt securities

The Group acquired hire purchase facility of RM550,000 as at 31 December 2016. The hire purchase loan balance as at 31 December 2017 is as follow:

	Cumulative Quarter		
	31.12.2017		
	Long term	Short term	Total
	RM	RM	RM
Secured bank borrowings	137,940	187,546	325,486
Total	137,940	187,546	325,486

	Cumulative Quarter		
	31.12.2016		
	Long term	Short term	Total
	RM	RM	RM
Secured bank borrowings	304,749	245,251	550,000
Total	304,749	245,251	550,000

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 THE FIGURES HAVE NOT BEEN AUDITED

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

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 paid during the period.

B10 Earnings per share

	Individual Quarter		Cumulative Quarter	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM	RM	RM	RM
Basic Earnings Per Share				
Loss attributable to ordinary equity holders of the parent	(1,600,043)	(7,388,614)	(3,046,414)	(9,946,925)
Weighted average number of ordinary shares in issue	709,130,100	709,130,100	709,130,100	709,130,100
Basic Loss per share (sen)	(0.23)	(1.04)	(0.43)	(1.40)

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

B11 Profit for the period

	Individual Quarter		Cumulative Quarter	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM	RM	RM	RM
Profit for the period is arrived at after charging :				
Interest expense	4,415	-	18,586	-
Depreciation of property, plant and equipment	412,338	554,023	1,667,805	1,385,763
Depreciation of Investment property	232,189	460,370	924,455	880,106
Depreciation of Intangible assets	2,500	-	2,500	-
Loss on disposal of property, plant and equipment	-	67,120	52,901	67,120
Loss on disposal of Investment property	-	-	84	-
Loss on disposal of investment in associate	-	-	130,000	-
Foreign exchange loss	111	-	483	-
Fair value loss on FVTPL financial assets	-	40,805	-	610,252
Impairment of other investment	-	9,750,000	-	9,750,000
and after crediting :				
Interest income	514,387	447,380	1,980,659	2,143,049
Rental income	396,168	342,518	1,487,224	1,700,174
Other income including investment income	57,258	44,507	133,609	129,729
Gain on disposal of property, plant and equipment	-	-	-	5,891
Gain on disposal of quoted and unquoted investments	173,930	36,694	173,930	36,694
Foreign exchange gain	0	41	0	41
Fair value gain on FVTPL financial assets	179,217	-	597,619	-
Impairment of investment in associate no longer required	-	-	123,438	-
Impairment of non trade receivable no longer required	-	4,750,000	-	4,750,000

B12 Realised and unrealised profit/(loss)

Total retained profits of the Group comprised the following:

	31.12.2017	31.12.2016
	RM	RM
Realised	75,462,939	80,391,083
Unrealised	821,276	(637,890)
	<u>76,284,215</u>	<u>79,753,193</u>
Add consolidation adjustments	(6,572,230)	(6,994,794)
Total Group retained profits as per consolidated accounts	<u>69,711,985</u>	<u>72,758,399</u>

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017
THE FIGURES HAVE NOT BEEN AUDITED**

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

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 February 2018.