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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 2019**

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2019**

	Individual Quarter		Cumulative Quarter	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM	RM	RM	RM
Revenue	834,767	839,048	834,767	839,048
Cost of sales	(611,824)	(409,272)	(611,824)	(409,272)
Gross profit	222,943	429,776	222,943	429,776
Other operating income	472,734	448,726	472,734	448,726
Administrative and operating expenses	(2,963,925)	(3,300,323)	(2,963,925)	(3,300,323)
Loss from operations	(2,268,248)	(2,421,821)	(2,268,248)	(2,421,821)
Finance costs	-	(3,924)	-	(3,924)
Interest income	457,942	470,748	457,942	470,748
Share of result of associates	79,620	265,364	79,620	265,364
Loss before tax	(1,730,686)	(1,689,633)	(1,730,686)	(1,689,633)
Income tax expense	(3,905)	(4,344)	(3,905)	(4,344)
Net loss for the period	(1,734,591)	(1,693,977)	(1,734,591)	(1,693,977)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(1,734,591)	(1,693,977)	(1,734,591)	(1,693,977)
Loss for the period attributable to :				
Equity holders of the parent	(1,713,573)	(1,670,197)	(1,713,573)	(1,670,197)
Non-controlling interests	(21,018)	(23,780)	(21,018)	(23,780)
	(1,734,591)	(1,693,977)	(1,734,591)	(1,693,977)
Total comprehensive loss for the period attributable to :				
Equity holders of the parent	(1,713,573)	(1,670,197)	(1,713,573)	(1,670,197)
Non-controlling interests	(21,018)	(23,780)	(21,018)	(23,780)
	(1,734,591)	(1,693,977)	(1,734,591)	(1,693,977)
Loss per share attributable to equity holders of the parent :				
Basic ( sen )	(0.24)	(0.24)	(0.24)	(0.24)

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018.)

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	(Unaudited) As at 31.03.2019	(Audited) As at 31.12.2018
	RM	RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	29,255,202	29,812,564
Investment properties	40,815,530	41,036,489
Intangible assets	567,870	603,337
Investment in associated companies	5,799,166	6,139,546
Other investments	150,000	150,000
	76,587,768	77,741,936
<b>Current assets</b>		
Trade receivables	532,501	649,301
Other receivables	1,585,268	1,030,302
Tax recoverable	101,115	112,683
Investment securities	8,198,298	8,196,240
Deposits with licensed banks	47,859,682	48,340,333
Cash and bank balances	2,772,842	3,409,215
	61,049,706	61,738,074
<b>Total assets</b>	137,637,474	139,480,010
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	75,546,598	75,546,598
Retained earnings	60,408,714	62,122,287
	135,955,312	137,668,885
Non-controlling interest	247,180	268,198
<b>Total equity</b>	136,202,492	137,937,083
<b>Non-current liabilities</b>		
Deferred tax liabilities	69,335	79,298
	69,335	79,298
<b>Current liabilities</b>		
Trade payables	459,661	34,814
Other payables	636,758	1,181,738
Contract liabilities	257,116	236,732
Tax Payable	12,112	10,345
	1,365,647	1,463,629
<b>Total liabilities</b>	1,434,982	1,542,927
<b>Total equity and liabilities</b>	137,637,474	139,480,010

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018.)

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019  
 THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2019

	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 YEAR ENDED 31 DECEMBER 2018</u></b>								
As at 1 January 2018	70,913,010	4,633,588	-	-	69,711,985	145,258,583	334,607	145,593,190
Loss for the year	-	-	-	-	(7,589,698)	(7,589,698)	(66,409)	(7,656,107)
Transfer in accordance to section 74 of the Companies Act, 2016	4,633,588	(4,633,588)	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	4,633,588	(4,633,588)	-	-	(7,589,698)	(7,589,698)	(66,409)	(7,656,107)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
As at 31 December 2018	75,546,598	-	-	-	62,122,287	137,668,885	268,198	137,937,083
<b><u>FINANCIAL PERIOD ENDED 31 MARCH 2019</u></b>								
As at 1 January 2019	75,546,598	-	-	-	62,122,287	137,668,885	268,198	137,937,083
Loss for the period	-	-	-	-	(1,713,573)	(1,713,573)	(21,018)	(1,734,591)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(1,713,573)	(1,713,573)	(21,018)	(1,734,591)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
As at 31 March 2019	75,546,598	-	-	-	60,408,714	135,955,312	247,180	136,202,492
(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018.)								

**EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 31 MARCH 2019**

	31.03.2019	31.12.2018
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation:	(1,730,686)	(7,641,841)
Adjustments for:		
Depreciation of investment properties	220,959	800,917
Depreciation of property, plant and equipment	549,382	2,196,220
Amortisation of intangible asset	35,467	146,869
Impairment of property, plant and equipment	-	594,577
Impairment on trade receivables	-	16,372
Fair value (gain)/loss on FVTPL financial assets	34,448	704,902
Written off of investment properties		812
Loss on disposal of property, plant and equipment	34,500	215
Dividend income	(17,296)	(54,494)
Interest income	(457,942)	(1,781,415)
Interest expenses	-	5,123
Investment income from investment securities	(32,797)	(174,633)
Share of results of associated companies	(79,620)	(803,416)
Operating loss before changes in working capital	<u>(1,443,585)</u>	<u>(5,989,792)</u>
Decrease/(Increase) in trade and other receivables	(438,166)	1,279,334
Increase/(Decrease) in trade and other payables	(99,750)	(449,937)
Cash generated used in operations	<u>(1,981,501)</u>	<u>(5,160,395)</u>
Tax refund/(paid), net of tax paid/refunded	(532)	(66,605)
<b>Net cash used in operating activities</b>	<b><u>(1,982,033)</u></b>	<b><u>(5,227,000)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend income	17,296	54,494
Interest from deposits with licensed banks	457,942	1,781,415
Increase in investment securities	(36,507)	(173,125)
Investment income	32,797	174,633
Proceeds from disposal of property, plant & equipment	8,000	2,359
Purchase of property, plant and equipment	(34,519)	(1,591,730)
Purchase of investment properties	-	(160,900)
Dividend Income from associated company	420,000	900,000
<b>Net cash generated from/(used in) investing activities</b>	<b><u>865,009</u></b>	<b><u>987,146</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase and lease creditors	-	(325,486)
Interest paid	-	(5,123)
<b>Net cash used in financing activities</b>	<b><u>-</u></b>	<b><u>(330,609)</u></b>
Net change in cash and cash equivalents	(1,117,024)	(4,570,463)
Cash and cash equivalents at beginning of the financial year	51,749,548	56,320,011
Cash and cash equivalents at end of the financial year*	<u><u>50,632,524</u></u>	<u><u>51,749,548</u></u>
*Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	2,772,842	3,409,215
Deposits with licensed banks	47,859,682	48,340,333
	<u><u>50,632,524</u></u>	<u><u>51,749,548</u></u>
(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2018.)		

**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 2018. The audited financial statements of the Group were prepared in accordance with the provisions of the Companies Act 2016, 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 2018 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 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 year under review, other than repayment of hire purchase loan.

The Group acquired hire purchase facility of RM550,000 as at 31 December 2016 and the hire purchase loan was fully settled as at 31 December 2018

**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 period year 31 March 2019.

<b>Analysis by activities</b>	<b>Records Management</b>	<b>IT Services</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	RM	RM	RM	RM	RM
<b>Operating Revenue</b>					
External sales	318,355	463,116	53,296	-	834,767
Total operating revenue	318,355	463,116	53,296	-	834,767
<b>Result</b>					
Loss from operations	(244,819)	(1,000,342)	(917,554)	-	(2,162,715)
Unrealised Depreciation	-	-	-	(70,066)	(70,066)
Amortisation of intangible asset	-	-	-	(35,467)	(35,467)
Interest income	8,087	18,608	431,247	-	457,942
Share of result of associates	-	-	79,620	-	79,620
Loss before taxation	(236,732)	(981,734)	(406,687)	(105,533)	(1,730,686)
Income tax expense					(3,905)
Loss for the period					(1,734,591)
NCI					21,018
Other comprehensive income					-
Total comprehensive loss for the period					(1,713,573)

**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**

The contingent liabilities of the Group since the last annual balance sheet date as at 31 December 2018 were RM226,500.

**A12 Capital commitments**

There were no capital commitments for the purchase of property, plant and equipment not provided for in the financial period as at 31 March 2019.

**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 period 31 March 2019 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM	RM	RM	RM
Provision of document archiving and related services by RRM	600	600	600	600
Provision of document archiving and related services to RRM	318,355	318,772	318,355	318,772
IT Services provided to RRM	144,000	60,000	144,000	60,000
IT Services provided to OTC	264,000	264,000	264,000	264,000
Provision of RO water to OTC	13,258	-	13,258	-
<b>Total</b>	<b>740,213</b>	<b>643,372</b>	<b>740,213</b>	<b>643,372</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.

EFFICIENT E-SOLUTIONS BERHAD (Company No. 632479-H)  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2019  
 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 period to date

	Individual Quarter		Variance		Cumulative Quarter		Variance	
	31.03.2019	31.03.2018			31.03.2019	31.03.2018		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	835	839	(4)	-0.5%	835	839	(4)	-0.5%
Loss from operations	(2,268)	(2,422)	154	-6.4%	(2,268)	(2,422)	154	-6.4%
Loss before interest and tax	(2,268)	(2,422)	154	-6.4%	(2,268)	(2,422)	154	-6.4%
Loss before tax for the financial period	(1,731)	(1,690)	(41)	2.4%	(1,731)	(1,690)	(41)	2.4%
Loss after tax before gain on disposal of subsidiary	(1,735)	(1,694)	(41)	2.4%	(1,735)	(1,694)	(41)	2.4%
Loss after tax for the financial period	(1,735)	(1,694)	(41)	2.4%	(1,735)	(1,694)	(41)	2.4%
Loss for the period attributable to:								
Equity holders of the parent	(1,714)	(1,670)	(44)	2.6%	(1,714)	(1,670)	(44)	2.6%
Non-controlling interests	(21)	(24)	3		(21)	(24)	3	
	(1,735)	(1,694)	(41)	2.4%	(1,735)	(1,694)	(41)	2.4%

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

The Group revenue for the financial period 31 March 2019 RM0.835 million slightly lower as compared to preceding year corresponding period of RM0.84 million, a 0.5% decrease in revenue was due to a contract expiration of IT services in 2nd quarter 2018.

The Group recorded loss before tax of RM1.74 million as compared to RM1.69 million loss in preceding year corresponding period mainly due to operating expenses incurred on Cybersecurity services.

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

The Group's revenue of RM0.835 million for current quarter was 14.3% lower than the immediate preceding quarter of RM0.97 million due to one off project revenue generated from Cybersecurity services in preceding quarter.

The Group recorded RM1.74 million loss before tax in the current quarter against RM2.96 million loss before tax in the immediate preceding quarter as a result of fair value loss and impairment for property, plant and equipment recorded in preceding quarter.

	Current Quarter	Immediate Preceding Quarter	Variance	
	31.03.2019	31.12.2018	RM'000	%
Revenue	835	974	(139)	-14.3%
Loss from operations	(2,268)	(3,392)	1,124	33.1%
Loss before interest and tax	(2,268)	(3,392)	1,124	33.1%
Loss before taxation	(1,731)	(2,961)	1,230	41.5%
Loss after tax for the quarter	(1,735)	(2,952)	1,217	41.2%
Loss for the period attributable to:				
Equity holders of the parent	(1,714)	(2,926)	1,212	41.4%
Non-controlling interests	(21)	(26)	5	
	(1,735)	(2,952)	1,217	41.2%



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

**B3 Prospects**

The Group is optimistic that the Cybersecurity services launched last year will build momentum as we onboarded more customers in last quarter 2018 and new services was added to our solution stack, Mobile Threat Defense.

**B4 Profit forecast or profit guarantee**

This note is not applicable.

**B5 Taxation**

	Individual Quarter		Cumulative Quarter	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM	RM	RM	RM
Current tax	(13,867)	13,648	(13,867)	13,648
Deferred tax	9,962	(9,304)	9,962	(9,304)
	<b>(3,905)</b>	<b>4,344</b>	<b>(3,905)</b>	<b>4,344</b>

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 30 June 2019 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 March 2019.

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	16.6	Within 18 months	69%	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's borrowing was fully settled as at 31 December 2018.

**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.

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

**B10 Earnings per share**

	Individual Quarter		Cumulative Quarter	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM	RM	RM	RM
<b>Basic Earnings Per Share</b>				
Loss attributable to ordinary equity holders of the parent	(1,713,573)	(1,670,197)	(1,713,573)	(1,670,197)
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)	(0.24)	(0.24)	(0.24)	(0.24)

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	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM	RM	RM	RM
<b>Profit for the period is arrived at after charging :</b>				
Interest expense	-	3,924	-	3,924
Depreciation of property, plant and equipment	549,382	491,630	549,382	491,630
Depreciation of Investment properties	220,959	228,539	220,959	228,539
Amortisation of Intangible asset	35,467	40,467	35,467	40,467
Loss on disposal of property, plant and equipment	34,500	215	34,500	215
Fair value loss on FVTPL financial assets	34,448	531,772	34,448	531,772
<b>and after crediting :</b>				
Interest income	457,942	470,748	457,942	470,748
Rental income	417,670	393,518	417,670	393,518
Other income including investment income	51,818	55,046	51,818	55,046
Foreign exchange gain	3,246	161	3,246	161

**B12 Realised and unrealised profit/(loss)**

Total retained profits of the Group comprised the following:

	<b>31.03.2019</b>	<b>31.12.2018</b>
	RM	RM
Realised	66,538,909	69,506,792
Unrealised	(94,033)	(784,199)
	<u>66,444,876</u>	<u>68,722,594</u>
Add consolidation adjustments	(6,036,162)	(6,600,307)
Total Group retained profits as per consolidated accounts	<u>60,408,714</u>	<u>62,122,287</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 May 2019.