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EFFICIENT E-SOLUTIONS BERHAD

Company No. 200301030059 (632479-H)
(Incorporated in Malaysia under the Companies Act, 1965)

QUARTERLY REPORT ON CONSOLIDATED RESULTS

FOR THE FOURTH QUARTER ENDED

31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2023

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM	RM	RM	RM
Revenue	4,768,884	5,133,735	20,010,140	18,892,170
Cost of sales	(2,499,075)	(2,594,427)	(9,926,352)	(12,042,063)
Gross profit	2,269,809	2,539,308	10,083,788	6,850,107
Other operating income	614,851	339,079	2,094,790	1,858,144
Administrative and operating expenses	(3,475,907)	(3,799,033)	(13,551,969)	(12,969,231)
Loss from operations	(591,247)	(920,646)	(1,373,391)	(4,260,980)
Finance costs	(2,376)	(2,563)	(10,811)	(8,260)
Interest income	208,999	173,050	833,981	697,174
Share of result of associates	133,564	61,650	676,286	475,541
(Loss)/Profit before tax	(251,060)	(688,509)	126,065	(3,096,525)
Income tax expense	(444,834)	1,900,504	(596,500)	1,849,796
Net (loss)/profit for the period	(695,894)	1,211,995	(470,435)	(1,246,729)
Other comprehensive income				
Exchange translation differences on foreign operations	2,930	(11,916)	20,864	12,618
Total comprehensive (loss)/income for the period	(692,964)	1,200,079	(449,571)	(1,234,111)
(Loss)/Profit for the period attributable to :				
Equity holders of the parent	(693,432)	1,212,010	(466,097)	(1,244,610)
Non-controlling interests	(2,462)	(15)	(4,338)	(2,119)
	(695,894)	1,211,995	(470,435)	(1,246,729)
Total comprehensive (loss)/income for the period attributable to :				
Equity holders of the parent	(690,502)	1,200,094	(445,233)	(1,231,992)
Non-controlling interests	(2,462)	(15)	(4,338)	(2,119)
	(692,964)	1,200,079	(449,571)	(1,234,111)
(Loss)/Profit per share attributable to equity holders of the parent :				
Basic (sen)	(0.10)	0.17	(0.07)	(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 2022.)

Note:

For information purposes, the Company has incurred one-off expenses in relation to restructuring cost of RM0.78 million during the current quarter.

The restructuring costs consist of the following:-

- (a) one-time migration expenses of approximately RM0.67 million related to acquisition of Datapos customers contract as part of the self-regularisation plan undertaken by the Group to regularise and improve the financial performance of the Group; and**
- (b) advisory fee of approximately RM0.11 million in relation to the Regularisation Plan.**

For illustration purposes, in the absence of one-time expenses incurred during the current quarter, the Group was able to demonstrate adjusted net profit after tax attributable to equity holders of the parent for the current quarter of RM0.08 million and cumulative quarter of RM0.64 million.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	(Unaudited) As at 31.12.2023	(Audited) As at 31.12.2022
	RM	RM
ASSETS		
Non-current assets		
Property, plant and equipment	27,551,878	28,173,463
Investment properties	38,605,793	39,260,784
Intangible assets	1,581,538	150,000
Investment in associated companies	6,294,278	6,459,095
Right of use asset	213,611	277,281
Goodwill on combination	5,875,912	-
Contract assets	209,000	418,000
Deferred tax assets	1,504,658	1,907,231
	81,836,668	76,645,854
Current assets		
Inventories	160,948	-
Trade receivables	7,567,616	3,727,609
Other receivables	6,415,095	3,293,524
Tax recoverable	70,073	85,958
Contract assets	770,587	453,511
Investment securities	7,943,529	7,695,000
Deposits with licensed banks	19,400,464	16,303,245
Cash and bank balances	13,822,604	20,564,301
	56,150,916	52,123,148
Total assets	137,987,584	128,769,002
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	75,546,598	75,546,598
Exchange translation reserve	33,482	12,618
Retained earnings	44,477,183	44,943,280
	120,057,263	120,502,496
Non-controlling interest	174,150	178,488
Total equity	120,231,413	120,680,984
Non-current liabilities		
Contract liabilities	5,225	19,450
Hire purchase payable	125,973	185,556
Deferred tax liabilities	27,753	3,862
Contingent consideration	1,402,574	-
	1,561,525	208,868
Current liabilities		
Trade payables	1,490,893	679,440
Other payables	6,789,418	2,060,558
Contract liabilities	7,700,740	5,023,359
Hire purchase payable	59,582	56,828
Lease liabilities	18,697	18,966
Tax Payable	135,316	39,999
	16,194,646	7,879,150
Total liabilities	17,756,171	8,088,018
Total equity and liabilities	137,987,584	128,769,002

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022.)

EFFICIENT E-SOLUTIONS BERHAD Company No. 200301030059 (632479-H)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2023
 THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2023

	Non Distributable		Foreign Currency Translation Reserve	Available- for-sales Reserve	Distributable		Non-Controlling Interests	Total Equity
	Share Capital	Share Premium			Retained Earnings	Total		
	RM	RM			RM	RM		
<u>FINANCIAL YEAR ENDED 31 DECEMBER 2022</u>								
As at 1 January 2022	75,546,598	-	-	-	46,187,890	121,734,488	180,607	121,915,095
Loss for the year	-	-	-	-	(1,244,610)	(1,244,610)	(2,119)	(1,246,729)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
- foreign currency translation	-	-	12,618	-	-	12,618	-	12,618
Total comprehensive income/(loss) for the year	-	-	12,618	-	(1,244,610)	(1,231,992)	(2,119)	(1,234,111)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
As at 31 December 2022	75,546,598	-	12,618	-	44,943,280	120,502,496	178,488	120,680,984
<u>FINANCIAL PERIOD ENDED 31 DECEMBER 2023</u>								
As at 1 January 2023	75,546,598	-	12,618	-	44,943,280	120,502,496	178,488	120,680,984
Loss for the year	-	-	-	-	(466,097)	(466,097)	(4,338)	(470,435)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
- foreign currency translation	-	-	20,864	-	-	20,864	-	20,864
Total comprehensive income/(loss) for the year	-	-	20,864	-	(466,097)	(445,233)	(4,338)	(449,571)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
As at 31 December 2023	75,546,598	-	33,482	-	44,477,183	120,057,263	174,150	120,231,413
(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022.)								

EFFICIENT E-SOLUTIONS BERHAD Company No. 200301030059 (632479-H)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2023
 THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE QUARTER ENDED 31 DECEMBER 2023

	31.12.2023	31.12.2022
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation:	126,065	(3,096,525)
Adjustments for:		
Depreciation of investment properties	657,541	697,912
Depreciation of property, plant and equipment	1,116,194	1,010,996
Depreciation of right of use asset	103,059	78,385
Amortisation of intangible asset	224,779	-
Other non-cash item included in profit	61,102	-
Fair value gain on FVTPL financial assets	(251,920)	(215,560)
Gain on termination of lease	(375)	-
Gain on disposal of property, plant and equipment	(5,592)	(7,995)
Dividend income	(30,086)	(31,515)
Interest income	(833,981)	(697,174)
Interest expenses	10,811	8,260
Investment income from investment securities	(35,280)	(9,917)
Share of results of associated companies	(676,286)	(475,541)
Unrealised loss on foreign exchange	-	42,320
Reversal of allowance for expected credit losses	(40,000)	(239,840)
Operating profit / (loss) before changes in working capital	<u>426,032</u>	<u>(2,936,194)</u>
Increase in trade and other receivables	(6,903,256)	(4,389,256)
Changes in contract assets / liabilities	2,530,410	1,903,865
Increase in trade and other payables	5,538,149	528,547
Cash generated from / (used) in operations	<u>1,591,333</u>	<u>(4,893,038)</u>
Tax paid, net of tax paid/refunded	<u>(203,579)</u>	<u>(29,100)</u>
Net cash from / (used) in operating activities	<u>1,387,753</u>	<u>(4,922,138)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend income	30,086	31,515
(Increase) / Decrease in fixed deposits with maturity of more than three months	(2,445)	7,113,188
Interest from deposits with licensed banks	833,981	697,174
Increase in investment in unquoted money market funds	3,391	28,002
Distribution from investment in unquoted money market funds	35,280	9,917
Proceeds from disposal of property, plant & equipment	30,509	25,200
Purchase of property, plant and equipment	(449,375)	(3,120,229)
Purchase of investment properties	(2,550)	-
Purchase of right of use assets	-	(6,416)
Purchase of intangible assets	(1,348,674)	-
Investment in subsidiary	(4,926,379)	-
Dividend Income from associated company	780,000	375,000
Net cash (used in) / from investing activities	<u>(5,016,177)</u>	<u>5,153,351</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase and lease liabilities	(51,724)	(68,919)
Interest paid	(10,811)	(8,260)
Net cash used in financing activities	<u>(62,535)</u>	<u>(77,179)</u>
Net change in cash and cash equivalents	(3,690,958)	154,034
Effect of exchange translation	44,036	14,015
Cash and cash equivalents at beginning of the financial year	36,753,508	36,585,459
Cash and cash equivalents at end of the financial period*	<u>33,106,586</u>	<u>36,753,508</u>
*Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	13,822,604	20,564,301
Deposits with licensed banks	19,400,464	16,303,245
	<u>33,223,068</u>	<u>36,867,546</u>
Less: Deposit with maturity more than three months	(116,483)	(114,038)
	<u>33,106,585</u>	<u>36,753,508</u>
(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2022.)		

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 2022. 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").

The accounting policies used in the preparation of these interim financial statements are consistent with those adopted in the annual audited financial statements except for the adoption of the new and revised MFRS. Effective 1 January 2019, the Company adopted MFRS 16, Leases. The adoption of MFRS 16, Leases have not resulted in any material impact on the financial statements of the Group.

A2 Auditors' Report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2022 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 year under review.

A5 Material changes in estimates

There were no changes in estimates that have had a material effect in the current financial year's results.

A6 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review, other than repayment of hire purchase loan.

A7 Dividend paid

There were no dividend paid during the financial year.

A8 Segment information

Segment information is presented in respect of the Group's business segment for the financial year ended 31 December 2023.

Analysis by activities	Records Management	IT Services	Others	Elimination	Total
	RM	RM	RM	RM	RM
Operating Revenue					
External sales	3,300,233	16,535,821	174,086	-	20,010,140
Inter-segment sales	-	6,745	-	(6,745)	-
Total operating revenue	3,300,233	16,542,566	174,086	(6,745)	20,010,140
Result					
Profit/(Loss) from operations before finance income	(68,622)	2,042,973	(3,189,397)	(158,345)	(1,373,391)
Finance income	28,897	95,740	709,344	-	833,981
Profit/(Loss) from operations	(39,725)	2,138,713	(2,480,053)	(158,345)	(539,410)
Finance costs	(2,982)	(5,998)	(4,670)	2,839	(10,811)
Share of result of associates	-	-	676,286	-	676,286
Profit/(Loss) before taxation	(42,707)	2,132,715	(1,808,437)	(155,506)	126,065
Income tax expense	(37,210)	(638,452)	(10,533)	89,695	(596,500)
Profit/(Loss) for the period	(79,917)	1,494,263	(1,818,970)	(65,811)	(470,435)
NCI	-	4,338	-	-	4,338
Other comprehensive income	-	24,878	-	(4,014)	20,864
Total comprehensive income/(loss) for the period	(79,917)	1,523,479	(1,818,970)	(69,826)	(445,233)

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 year under review.

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

A10 Changes in the composition of the Group

On the 28 February 2023, the Group acquired 100% equity interest in FCS International Sdn Bhd ("FCS"). The principal activities of FCS are engaged in provision of scanning and digitising hardware and solutions as well as information and content management solutions.

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 as at 31 December 2022.

A12 Capital commitments

The capital commitments of the Group for the purchase of property, plant and equipment as at 31 December 2023 are as follows :

Approved and contracted for :	RM'000
Property, plant and equipment	2,900,689
Investment Properties	-
	<u>2,900,689</u>

A12 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.
Efficient Protection Services Sdn Bhd ("EPS")	EPS is a company connected to a Director of E-Sol, Dato' Robiah Binti Abdul Ghani, by virtue of Section 197 of the Companies Act 2016.
The Third Letter Sdn Bhd ("TTL")	Mr. Cheah Chee Kong and Mr. Edward Cheah Wern Harn (Notes)

Notes:-

Mr. Edward Cheah Wern Harn is a director of a subsidiary of the Company, and is a director and major shareholder of TTL. Mr Cheah Chee Kong, being the director and major shareholder of the Company, is person connected to Mr. Edward Cheah Wern Harn by virtue of his family relationship.

The related party transactions of the Group for the quarter and financial year 31 December 2023 are as follows:

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM	RM	RM	RM
Provision of document archiving and related services by RRM	450	960	1,800	2,933
Provision of document archiving and related services to RRM	520,071	443,227	2,010,252	1,734,895
IT Services provided to RRM	169,417	81,160	705,039	338,519
IT Services provided to OTC	-	286,506	15,942	300,177
IT Services provided to TTL	-	-	576	535
Provision of RO water to OTC	-	7,712	1,838	16,853
Provision of RO water to RRM	204	-	816	408
Provision of security services by EPS	116,641	103,860	387,388	412,200
Renting of shoplot to TTL	23,100	23,100	92,400	92,400
Renting of office to RRM	50,839	14,244	93,571	56,976
Hotel services provided by OTC	-	-	302	1,104
Total	880,722	960,769	3,309,924	2,957,000

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 Financial review for current quarter and financial year to date

	Individual Quarter		Variance		Cumulative Quarter		Variance	
	31.12.2023	31.12.2022			31.12.2023	31.12.2022		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	4,769	5,134	(365)	-7.1%	20,010	18,892	1,118	5.9%
Loss from operations	(591)	(921)	330	35.8%	(1,373)	(4,261)	2,888	67.8%
Loss before interest and tax	(591)	(921)	330	35.8%	(1,373)	(4,261)	2,888	67.8%
Loss before tax for the financial period	(251)	(689)	438	63.6%	126	(3,097)	3,223	104.1%
(Loss)/Profit after tax for the financial period	(696)	1,212	(1,908)	157.4%	(470)	(1,247)	777	62.3%
(Loss)/Profit for the period attributable to:								
Equity holders of the parent	(694)	1,212	(1,906)	157.3%	(466)	(1,245)	779	62.6%
Non-controlling interests	(2)	-	(2)		(4)	(2)	(2)	
	(696)	1,212	(1,908)	157.4%	(470)	(1,247)	777	62.3%
Total comprehensive (loss)/income for the period attributable to:								
Equity holders of the parent	(691)	1,200	(1,891)		(445)	(1,232)	787	
Non-controlling interests	(2)	-	(2)		(4)	(2)	(2)	
	(693)	1,200	(1,893)	157.8%	(449)	(1,234)	785	63.6%
<u>Adjustment for one-off expenses in relation to restructuring cost:</u>								
Migration cost in relation to Datapos acquisition	671				671			
Advisory fee for Regularisation Plan	106				433			
	777				1,104			
Adjusted profit before tax	526				1,230			
Adjusted profit after tax	81				634			
Adjusted profit after tax attributable to:								
Equity holders of the parent	83				638			

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

The Group recorded RM20.01 million revenue for the current year to date under review and profit before tax of RM0.13 million. The Group revenue was increased by 5.90% or RM1.12 million as compared to preceding year to date, these were mainly contributed by:

- (a) revenue contribution of approximately RM1.74 million from newly acquired entity which provide scanning and digitising hardware and solutions as well as content management solutions;
- (b) revenue contribution of approximately RM1.29 million from acquisition of customer contracts from Datapos for document storage;
- (c) partially offset with lower revenue of about RM2 million from IT services - hardware

The Group recorded profit before tax of RM0.13 million compared to RM3.10 million loss before tax in preceding year corresponding period. It was mainly due to higher revenue contribution during the year with higher gross profit; disposal gain of fixtures and higher share of result from associate.

(b) Current Quarter Vs Preceding Year Corresponding Quarter

The revenue recorded for current quarter was RM4.77 million which was decreased by approximately 7.10% or RM0.37 million from RM5.13 million recorded in preceding year corresponding quarter. The decrease was mainly contributed by lower revenue of approximately RM0.86 million from IT Services - Cybersecurity business segment as one-time installation and professional fee recognised in 4th quarter 2022 for work done. It were partially off-set by higher revenue contribution of RM0.29 million from newly acquired entity that provide scanning and digitizing hardware and solutions and document storage and RM0.37 million revenue contribution from acquisition of Datapos customers contracts

The Group recorded loss before taxation of RM0.25 million in current quarter against RM0.69 million loss before tax in preceding year corresponding period. The improvement were mainly due to RM0.44 million advisory fee incurred in Q4 2022 for regularisation plan compared to RM0.11 million advisory fee incurred in Q4 2023 for regularisation plan .

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

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

The Group's revenue increase by 12.10% or RM0.52 million from RM4.25 million in immediate preceding quarter to RM4.77 million of current quarter mainly due to higher revenue recorded in IT Services - Cybersecurity for cybersecurity training, professional services and consultancy services rendered. The Group recorded RM0.25 million loss before tax in the current quarter against RM0.09 million profit before tax in immediate preceding quarter, the loss were due to (a) one-time migration expenses of approximately RM0.67 million related to acquisition of Datapos customers contract as part of the self-regularisation plan undertaken by the Group to regularise and improve the financial performance; and (b) advisory fee of approximately RM0.11 million in relation to the regularisation plan. In the absence of one-time cost, the Group was able to demonstrate positive financial result

In the absence of one-time expenses incurred during the current quarter, the Group was able to demonstrate adjusted net profit after tax attributable to equity holders of the parent for the current quarter of RM0.08 million and cumulative quarter of RM0.64 million.

	Current Quarter	Immediate Preceding Quarter	Variance	
	31.12.2023	30.09.2023	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	4,769	4,254	515	12.1%
Loss from operations	(591)	(260)	(331)	-127.3%
Loss before interest and tax	(591)	(260)	(331)	-127.3%
(Loss)/Profit before taxation	(251)	94	(345)	-367.0%
(Loss)/Profit after tax for the quarter	(696)	71	(767)	-1080.3%
(Loss)/Profit for the period attributable to:				
Equity holders of the parent	(693)	72	(765)	-1062.5%
Non-controlling interests	(2)	(1)	(1)	
	(695)	71	(766)	-1078.9%
Total comprehensive (loss)/income for the period attributable to:				
Equity holders of the parent	(691)	71	(762)	
Non-controlling interests	(2)	(1)	(1)	
	(693)	70	(763)	-1090.0%

B3 Prospects

Given the rise in cyberattacks and breaches, the Group anticipates a rise in the need for cybersecurity services. For the document storage business segment, the Group is cautiously optimistic with its positive growth considering the contribution from new acquisition.

B4 Profit forecast or profit guarantee

This note is not applicable.

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM	RM	RM	RM
Current tax	(17,867)	(6,799)	(170,035)	(57,573)
Deferred tax	(426,967)	1,907,303	(426,465)	1,907,369
	(444,834)	1,900,504	(596,500)	1,849,796

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

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 year under review except the following:

(i) Proposed acquisition of records management and storage service contracts and agreements from Datapos (M) Sdn Bhd.

(ii) The Board of Directors of Efficient wishes to announce that Bursa Securities has resolved to approve the Proposed Regularisation Plan of Efficient on 30 January 2024 and obtained approval from shareholders by way of polling at Extraordinary General Meeting on 22 February 2024; comprising the following:

(a) Proposed acquisition of 4,200,000 ordinary shares in Regalia Records Management Sdn Bhd ("Regalia") ("Regalia Shares") representing the remaining 70% equity interest in Regalia not already held by Efficient from Spektrum Sejahtera Sdn Bhd ("Spektrum Sejahtera") for a purchase consideration of RM52,500,000 to be satisfied via a combination of RM18,500,000 in cash and RM34,000,000 via the issuance of 170,000,000 new ordinary shares in Efficient ("Efficient Shares") at an issue price of RM0.20 per Efficient Share ("Proposed Regalia Acquisition"); and

(b) Proposed Private Placement of up to 70,913,010 new Efficient shares ("Placement Shares"), representing approximately 10% of the total issued shares of Efficient to third party investor(s) to be identified later ("Proposed Private Placement").

(b) Utilisation of proceeds as at financial year ended 31 December 2023

Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe for	Deviation	Explanations
	RM' million	RM' million			
Proposed Distribution	12.1	12.1	Within 6 months	-	The Group is exploring new business opportunity
Development of the document management segment and/ or acquisition of viable new businesses and/ or assets	53.5	45.4	Within 18 months	15%	
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 hire purchase loan balance as at 31 December 2023 is as follow:

	Short term	Long term	Total
	RM	RM	RM
Secured bank borrowings	59,582	125,973	185,555
Total	59,582	125,973	185,555

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 financial year.

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

B10 Earnings per share

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM	RM	RM	RM
Basic Earnings Per Share				
(Loss)/Profit attributable to ordinary equity holders of the parent	(693,432)	1,212,010	(466,097)	(1,244,610)
Weighted average number of ordinary shares in issue	709,130,100	709,130,100	709,130,100	709,130,100
Basic (Loss)/Earning per share (sen)	(0.10)	0.17	(0.07)	(0.18)

Basic earning / (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 financial year.

B11 Profit / (Loss) for the year

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM	RM	RM	RM
Profit / (Loss) for the period is arrived at after charging :				
Interest expense	2,376	2,563	10,811	8,260
Depreciation of property, plant and equipment	284,010	241,622	1,116,194	1,010,996
Depreciation of Investment properties	161,949	189,707	657,541	697,911
Depreciation of right of use asset	23,774	25,943	103,059	78,384
Amortisation of Intangible asset	113,942	-	224,779	-
Foreign exchange loss	-	146,738	-	214,070
Fair value loss on FVTPL financial assets	14,978	305	-	-
and after crediting :				
Interest income	208,999	173,050	833,981	697,174
Rental income	417,775	381,430	1,561,315	1,524,970
Other income including investment income	158,138	2,489	196,739	13,221
Gain on disposal of property, plant and equipment	5,592	2,795	5,592	2,795
Foreign exchange gain	82,311	-	46,861	198,592
Fair value gain on FVTPL financial assets	-	-	251,920	215,560

B12 Realised and unrealised profit/(loss)

Total retained profits of the Group comprised the following:

	31.12.2023	31.12.2022
	RM	RM
Realised	58,000,554	37,377,267
Unrealised	67,655	85,872
	<u>58,068,208</u>	<u>37,463,139</u>
Add consolidation adjustments	(13,591,025)	7,480,141
Total Group retained profits as per consolidated accounts	<u>44,477,183</u>	<u>44,943,280</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 Feb 2024.