Efficient®
A Name You Can Trust

Efficient E-Solutions Berhad

build on strength

annual report 2008

Cover Rational

Transformation of caterpillar to Butterfly is used to illustrate Efficient E-Solutions Berhad's transformation in the way of expansion.

Over the years, Efficient E-Solutions Berhad had overcomed challenges. This year they are transforming to build on strength, resulted in the transfer to Main board and ISO 9001:2000 certified. The firm foundation stones based on trust and integrity has enabled the Company to continue to grow and expand, a symbol of butterfly flying towards higher ground.

Contents

Our Vision

To be a Trusted and Preferred Business Process Outsourcing (BPO) service provider to organisations in key segments of economies in the region and beyond

Our Mission

We strive to delight our customers with BPO services that use cutting edge technologies and best practices, enabled by committed people and innovative processes that protect the integrity and security of our customer's data and documents

"On behalf of the Board of Directors of **EFFICIENT E-SOLUTIONS BERHAD ("EFFICIENT")**, it is my pleasure to present the Annual Report and the Audited Financial Statements of EFFICIENT Group ("the Group") for the financial year ended 31st December 2008."

FINANCIAL ACHIEVEMENTS

EFFICIENT Group's net profit increased 4.6% to RM15.8 million in financial year ended 31st December 2008 from RM15.1 million in the previous year on the back of higher revenue. The Group's revenue rose 4.7% to RM59.1 million from RM56.4 million the year before and its earnings per share improved to 2.40 sen from 2.30 sen.

Despite global economic conditions during the financial year, the Group's business continues to grow. Our ongoing growth are mainly attributable to our consistent focus on core businesses of Data Print, Data Capture and Conversion, as well as the software application development services rendered in relation to delivery of these services.

CORPORATE DEVELOPMENT

During the financial year, EFFICIENT increased its paid-up capital to RM65.8 million and transferred its listing status to the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") from Malaysian Exchange of Securities Dealing & Automated Quotation Market ("MESDAQ") on 10th October 2008, It marks a significant milestone of the Group for the shareholders in its efforts to create investor awareness.

EFFICIENT had on 12th June 2008 completed bonus issue of 329,050,050 new ordinary shares of RM0.10 each to existing shareholders on the basis of one (1) new ordinary share for every one (1) existing share held.

Chairman's Statement (cont'd)

The bonus issues increased EFFICIENT's total paid-up capital to RM65,810,010 comprising 658,100,100 ordinary shares of RM0.10 each. It enabled Efficient to meet the Listing Requirements of RM60,000,000 minimum paid-up capital for companies listed on the Main Board of Bursa Securities as well as Paragraph 9.01(a), Chapter 9 of the Security Commission Guidelines.

EFFICIENT is one of the thirteen Malaysian companies that made Forbes Asia's fourth annual Best Under A Billion list in 2008. Forbes selected the best 200 small and medium sized companies from a pool of 24,155 listed firms in the Asia-Pacific region. The selection was based on consistent growth of both sales and profits over three years.

EFFICIENT's strategy has been to grow from strength to strength. We have demonstrated strong commitment in implementing the best business practices via continual business improvement programs. During the financial year, the Group embarked on the certification of International Standards Organization's ("ISO") 9001:2000 and 27001:2005 series in the second half of 2008. On 22nd January 2009, Efficient MailCom Sdn Bhd, a subsidiary, was certified to ISO 9001:2000.

UTILISATION OF PROCEEDS

During the financial year, the Group had fully utilised the total proceeds of RM18.9 million raised from its Initial Public Offering ("IPO") in 2005. The detail of the utilisation of proceeds is shown as follows:

Description		Total amount of proceeds RM'000	Amount utilised RM'000	Unutilised balance RM'000
(i)	Research & Development expenditure	2,000	2,000	-
(ii)	New facility in Shah Alam	6,000	6,000	-
(iii)	Branding & promotion	126	126	-
(iv)	Working capital	9,174	9,174	-
(v)	Defray listing expenses	1,600	1,600	-
	Total	18,900	18,900	-

INDUSTRY TREND AND DEVELOPMENT

The core businesses of the Group continued to grow in terms of volume, revenue and profit during the financial year ended 31st December 2008.

Current economic conditions provide unique opportunities for the Group to further expand its client base in outsourcing business. Companies look toward cost rationalisation by outsourcing backroom operations. To stay ahead of competitions, EFFICIENT continuously works toward delivering reliable and quality services for both paper and electronic presentment and introduces new value added services.

EFFICIENT also sees further opportunities in leveraging on existing clients base to provide various value added services, i.e. scan, archiving and storage of documents. EFFICIENT's software development arm had successfully implemented several workflow solutions relating to document management for customers in the financial sector.

EFFICIENT has been actively seeking opportunities to diversify its earnings base through regional expansion. The Group made solid progress venturing into Hong Kong via an overseas investment in mid-2008 offering Data and Document Processing ("DDP") and software development services.

RESEARCH AND DEVELOPMENT

The Group had fully utilised RM2.0 million IPO allocations in year 2007. The Group is committed to continually invest in R&D as an integral part of providing and improving innovative services for its customers. EFFICIENT expects to spend RM500,000.00 per annum on its R&D. The Group R&D efforts improved its products and services and contributed positively to the results of the Group.

CORPORATE SOCIAL RESPONSIBILITY

Social responsibility is an integral part of our business philosophy. In line with this philosophy, the Group has taken proactive steps in making contributions toward the local community. The initiatives undertaken include providing free newspapers to schools and colleges, offering graduate placement programs and reducing production wastage that contributed to global warming through improved production workflow and recycled initiatives.

The Group initiated a charity program during the year to donate foods, used clothing, shoes, books, magazines, and toys etc. to the Company's foreign workers, orphanages and old folk's homes.

PROSPECT

We look to the future with confidence. The Group is rolling out initiatives to support its growth strategy and keeping the operating cost in control. Despite current economical conditions, the Group is well-positioned to grow within the targeted market and industry both in Malaysia and beyond. The Board is confident that the Group will continue to record positive results in the financial year ending 31st December 2009.

APPRECIATION

On behalf of the Board of Directors, I would like to thank the Management and employees for their positive efforts, steadfastness and resilience in facing the new challenges throughout the year. I would also like to thank my fellow Board members for their active participation and contribution at all Board and Committee meetings.

To our valued shareholders, our utmost gratitude for their undeviating loyalty and support particularly in our efforts to bring the Company and the Group to greater heights.

DATO' ABDUL LATIF BIN ABDULLAH
Chairman

Corporate Information

Board of Directors

Dato' Abdul Latif bin Abdullah
Chairman / Independent Non-Executive Director

Vincent Cheah Chee Kong
Managing Director

Victor Cheah Chee Wai
Executive Director

Esther Soon Yoke Leng
Executive Director

Datuk Syed Hussian bin Syed Junid
Independent Non-Executive Director

Shaik Aqmal bin Shaik Allaudin
Non-Independent Non-Executive Director

Ho Hin Choy
Independent Non-Executive Director

Audit Committee

Datuk Syed Hussian bin Syed Junid
Chairman

Dato' Abdul Latif bin Abdullah
Member

Ho Hin Choy
Member

Company Secretaries

Esther Soon Yoke Leng *MAICSA 7002027*
Zoe Lim Hoon Hwa *MAICSA 7031771*
Chong Chen Tong *MIA 11548*

Registered Office

No. 3, Jalan Astaka U8/ 82
Taman Perindustrian Bukit Jelutong
Seksyen U8, Bukit Jelutong
40150 Shah Alam
Selangor Darul Ehsan
Tel: 03 7845 2555
Fax: 03 7842 3155
Homepage: www.efficient.com.my

Share Registrar

Symphony Share Registrars Sdn Bhd
Level 26 Menara Multi-Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: 03 2721 2222
Fax: 03 2721 2530 / 2721 2531

Auditors

Poh & Co (AF 0587)
Chartered Accountants
19-1 Jalan 3/146
Bandar Tasik Selatan
57100 Kuala Lumpur
Tel: 03 9057 7222

Solicitors

Scully & Yoon
Lee Hishammuddin Allen & Gledhill

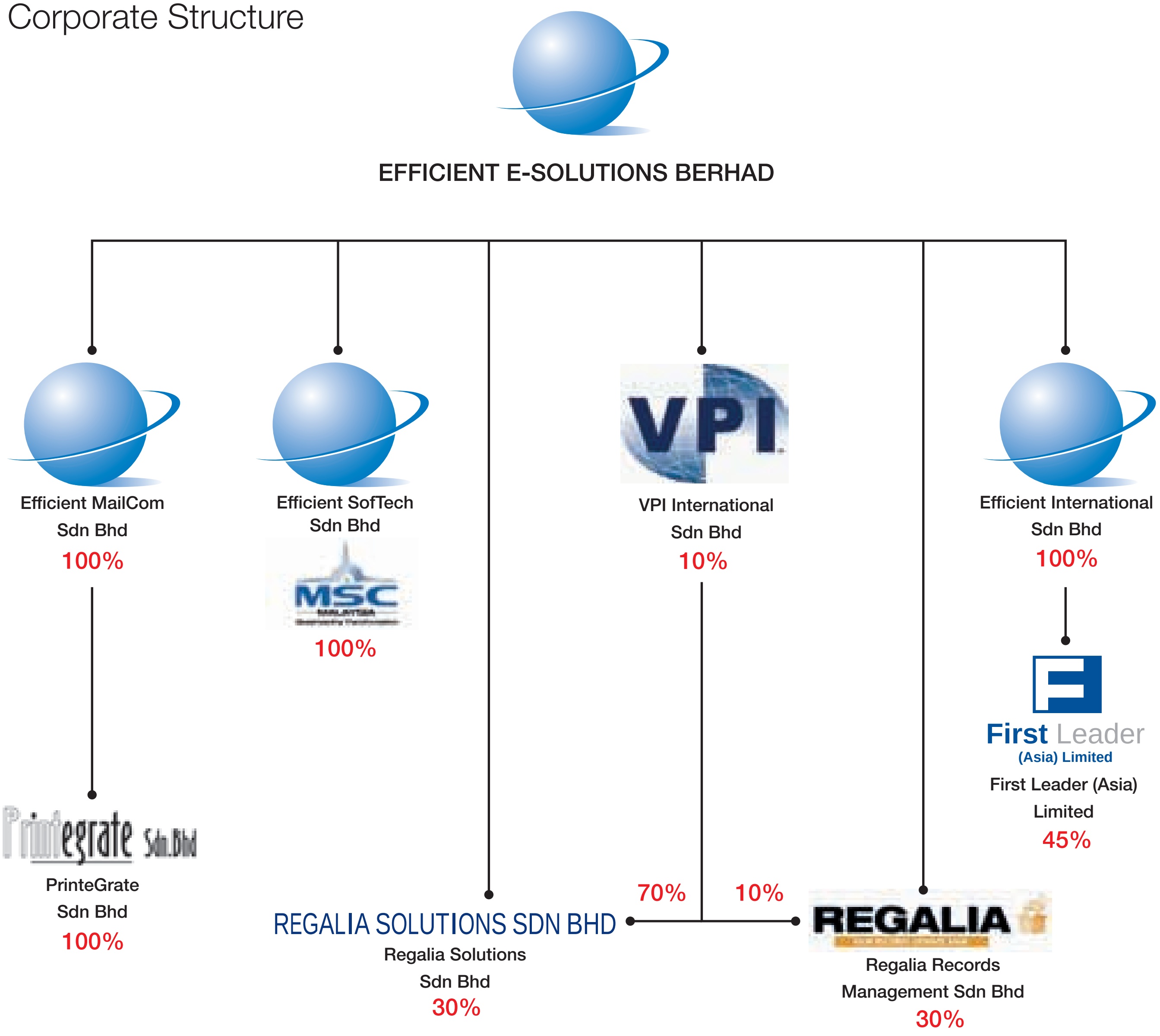
Principal Bankers

AmBank (M) Berhad
Alliance Bank Malaysia Berhad
Affin Bank Berhad

Stock Exchange Listing

Main Board of Bursa Malaysia Securities Berhad

Corporate Structure



DATO' ABDUL LATIF BIN ABDULLAH *Malaysian, aged 59 years*

was appointed as the Chairman and Independent Non-Executive Director of Efficient E-Solutions Berhad ("EFFICIENT") on 2nd August 2004. He is also a member of Audit Committee. He gained his Bachelor of Arts (Hons) in International Relations from University Malaya in 1975, Master of Science (Marine Law & Policy) from University of Wales (UWIST) in 1981, Senior Management Development Program from Harvard Business School in 1992 and a member of Chartered Institute of Logistics & Transport, UK in 1990.

He started his career in 1975 with the Ministry of Foreign Affairs attached to West Asian Desk. He then joined the Malaysian International Shipping Corporation Berhad as an Executive, Liner Division. From 1982 to 1992, he was with Perbadanan Nasional Shipping Line Berhad ("PNSL") and was instrumental in the formation and heading a number of subsidiaries and joint venture companies with the PNSL Group. He was the General Manager, Business and Corporate Division before opting to joint Mitsui OSK Lines (M) Sdn Bhd in 1990 as a founder Director and remains as Chairman after his retirement in 2005.

On January 2004, Dato' Abdul Latif was appointed Chairman of Penang Port Sdn Bhd by the Ministry of Finance after serving as a Director (non-executive) for 5 years. He was the Chairman of International Shipowners' Association of Malaysia (ISOA) from 1998 – 2008 and former Vice-Chairman of Malaysian Shipowners' Association (MASA).

He was appointed as Chairman of Amanah Raya Asian Finance Islamic Marine Fund, a joint-venture between Amanah Raya Investment Bank and Asia Finance Bank since October 2007 and presently, he is the Executive Chairman of Realmild (M) Sdn Bhd, the Chairman of Labuan Shipyard & Engineering Sdn Bhd and Radicare (M) Sdn Bhd.

He sits on the board of Bursa Malaysia Berhad, Ekowood International Berhad and Tamco Corporate Holdings Berhad and various other private limited companies.

VINCENT CHEAH CHEE KONG *Malaysian, aged 50 years*

was appointed as the Managing Director of EFFICIENT on 21st January 2004. He is also a member of the Option Committee. He holds a Bachelor of Arts (General Political Science) from the University of Waterloo, Canada. He has over 20 years of experience as an entrepreneur in various industries such as outsourcing services, information technology, security systems, garment manufacturing, food & beverage and government supplies. He was one of the pioneering members of Efficient MailCom Sdn Bhd, a wholly owned subsidiary of EFFICIENT, which he joined in 1990. He is responsible for formulating and implementing business policies and corporate strategies of the Group and has been instrumental in spearheading the progress and development of the Group. He also sits on the board of several other private limited companies.

Board of Directors' Profile (cont'd)

VICTOR CHEAH CHEE WAI *Malaysian, aged 39 years*

was appointed as an Executive Director of EFFICIENT on 21st January 2004. He is also a member of Option Committee. He graduated from the University of Newcastle, Sydney with a Bachelor of Commerce in 1992. He started his career with Sime Darby Berhad in 1992 as Executive and was subsequently transferred to Chubb (M) Sdn Bhd, a subsidiary of Sime Darby Berhad in 1993 as Project Executive. In 1997, he joined Efficient MailCom Sdn Bhd, a wholly owned subsidiary of EFFICIENT, as Director. He is responsible for marketing of the Group's solutions and services. He also sits on the board of several other private limited companies.

ESTHER SOON YOKE LENG *Malaysian, aged 48 years*

was appointed as an Executive Director of EFFICIENT on 21st January 2004. She is the Joint Company Secretary of EFFICIENT. She is a graduate member of Institute of Chartered Secretaries and Administrators (ICSA), UK under the Financial stream.

She has over 20 years of experience in financial services and senior management. Her experience encompassed financial management, corporate services, strategic human resources planning and leadership development. She started a F & B chain of chinese restaurants in the early 1990s in Kuala Lumpur.

She was one of the pioneering members of Efficient MailCom Sdn Bhd, a wholly owned subsidiary of EFFICIENT, which she joined in 1990 and has been instrumental in establishing and managing the initial operations of the Company. She is responsible for the strategic human resources planning and leadership development, secretarial and administrative functions of the Group. She also sits on the board of several other private limited companies.

DATUK SYED HUSSIAN BIN SYED JUNID *Malaysian, aged 48 years*

was appointed as an Independent Non-Executive Director of EFFICIENT on 2nd August 2004. He is also the Chairman of the Audit Committee and Option Committee. He started his career with The American Malaysian Insurance Sdn Bhd as a Trainee Executive in 1982. In 1986, he was promoted as the Penang Branch Manager. Later in 1989, he was promoted as the Regional Manager covering Penang, Perlis, Kedah and Perak. Currently he is the Director of Business Operations & Sales Support Asia in Western Digital Sdn Bhd, a company involved in manufacture of hard-disc drives. He also sits on the board of various other private limited companies.

SHAIK AQMAL BIN SHAIK ALLAUDIN *Malaysian, aged 41 years*

was appointed as a Non-Executive Director of EFFICIENT on 22nd February 2006. He graduated from the Hawaii Pacific University, USA with a Bachelor of Science in Marketing. He is the Managing Director of VPI International Sdn Bhd. He is an accomplished professional in the area of information system, software development and implementation for financial institutions and services industry.

Prior to setting up VPI International Sdn Bhd, he was the Marketing Director for the Asia Pacific Region for SSQC Technologies, a NASDAQ Listed Company. He also sits on the board of various other private limited companies.

HO HIN CHOY *Malaysian, aged 44 years*

was appointed as an Independent Non-Executive Director of EFFICIENT on 26th February 2007. He graduated from the University of New South Wales, Sydney with a Bachelor of Commerce in Accounting. He also holds a Diploma in Marketing from Chartered Institute of Marketing (United Kingdom). He is also a Chartered Accountant with the Malaysian Institute of Accountants and a Certified Financial Planner with the Certified Financial Planner Board of Standards, Inc., United States of America. He started his career in 1987 with Bland and Partners, Sydney as an audit and tax agent. He subsequently joined Touche Ross & Co, England as an exchange trainee in 1988. He joined Price Waterhouse, Singapore in 1988 as an Auditor. In 1990, he joined DHL International (S) Pte Ltd, a courier services company, in Singapore, as a Financial Accountant and subsequently, in 1991, he joined DHL Worldwide Express Sdn Bhd, a courier services company, in Petaling Jaya, as a Finance Manager. Since 1995, he has been a dealer's representative with Public Investment Bank Bhd. He also sits on the board various other private limited companies in Malaysia.

Family relationships

None of the directors of the Company have any family relationship with any other directors and / or major shareholders of the Company except Mr Vincent Cheah Chee Kong who is the brother of Mr Victor Cheah Chee Wai.

Conflict of interests

There is no conflict of interest between the Directors and the Group except for the related party transactions disclosed in the Circular to Shareholders dated 22nd May 2009.

Conviction for offences

None of the Directors has been convicted of any offences (excluding traffic offences, if any) within the last 10 years.

Board Meetings

A total of four (4) Board meetings were held during the financial year ended 31st December 2008. The record of attendance is as follows:

	No. of meeting attended
Dato' Abdul Latif bin Abdullah	4/4
Vincent Cheah Chee Kong	3/4
Victor Cheah Chee Wai	4/4
Esther Soon Yoke Leng	4/4
Datuk Syed Hussian bin Syed Junid	3/4
Shaik Aqmal bin Shaik Allaudin	3/4
Ho Hin Choy	4/4

Audit Committee Report

The Audit Committee comprises the following Directors:

Chairman

Datuk Syed Hussian bin Syed Junid *Independent Non-Executive Director*

Members

Dato' Abdul Latif bin Abdullah *Independent Non-Executive Director*
Ho Hin Choy *Independent Non-Executive Director*

Meetings

A total of four (4) Audit Committee Meetings were held during the financial year ended 31st December 2008. The record of attendance is as follows:

	No. of meeting attended
Datuk Syed Hussian bin Syed Junid	3/4
Dato' Abdul Latif bin Abdullah	4/4
Ho Hin Choy	4/4

Summary of activities of the Committee

During the financial year ended 31st December 2008, the activities of the Audit Committee covered, amongst others, the following:

- Review of the quarterly and annual financial statements of the Company and the Group prior to submission to the Board of Directors for consideration and approval.
- Review of the internal audit reports and consideration of the findings and management's responses thereto.
- Review and discuss with external auditors the issues arising from the statutory audit and the audit report.
- Discuss problems and reservation arising from external audit, and any matter the external auditors may wish to discuss.
- Review Related Party Transactions and conflict of interest situation that may arise within the Group.
- Consider the performance of the external auditors and recommended their re-appointment to the Board.

In addition, the Audit Committee had after the financial year ended 31st December 2008, reviewed and approved the following:

- The financial results for the quarter ended 31st December 2008;
- The audited financial statements for the financial year ended 31st December 2008;
- The Internal Control Statement;
- The Corporate Governance Statement; and
- The Audit Committee Report.

Statement by the Audit Committee in relation to the ESOS allocation

There was no ESOS allocation for the financial year ended 31st December 2008.

There is no option offered to Non-Executive Directors in accordance with the ESOS By-Law.

Internal Audit Function

The internal audit function for the Group has been outsourced to the external consultant, BDO Governance Advisory Sdn Bhd, who has performed an independent review of the Group's various departments during the financial year. The Internal Auditor reports to the Audit Committee and is guided by its Audit Charter in its independent appraisal function. The Audit Committee approves the internal audit plan at the beginning of each year and the scope of Internal Audit covering the relevant departments within the Group. The costs incurred for the internal audit function amounted to RM40,000-00 for the financial year ended 31st December 2008.

The Internal Audit function is responsible for:

- Preparing an annual plan of activities, including related follow-up activities, using a risk-based approach and agreeing the plan with the Audit Committee;
- Carrying out periodic reviews on the system of internal controls of the Group according to the annual internal audit plan;
- Through the reviews conducted, providing the Audit Committee with reasonable assurance on the efficiency, effectiveness and adequacy of the system of internal controls; and
- Providing recommendations, if any, for the improvement of the system of internal controls.

The Board is of the view that there is no significant breakdown or weaknesses in the systems of internal controls of the Group that may result in material losses incurred by the Group for the financial year ended 31st December 2008.

Audit Committee Report (cont'd)

Terms Of Reference

Composition

The members of the Committee shall be appointed by the Board from amongst the Directors excluding Alternate Directors; shall consist of not less than three (3) members, all the audit committee member must be Non-Executive Directors, with a majority of them being Independent Directors. At least one (1) member of the audit committee:

(a) must be a member of Malaysian Institute of Accountant (MIA); or
(b) If he is not a member of MIA, he must have at least three (3) years of working experience and:
  (aa) he must be a member of one of the associations of the accountants specified in Part II of the 1st Schedule of the Accountant Act, 1967, or
  (bb) he must have passed the examination specified in Part I of the 1st Schedule of the Accountant Act 1967.

In the event of any vacancy in the Committee resulting in the non-compliance in respect of composition of Committee, the Company must fill the vacancy within 3 months.

Chairman

The Chairman of the Committee must be an Independent Director. In the absence of the Chairman, the members shall elect any one of the members present at the meeting to be the Chairman of the meeting.

Secretary

The Company Secretary shall be the Secretary of the Committee.

Meeting Procedure

At least four (4) meetings shall be convened during a year. The meetings shall be scheduled regularly by the Secretary and due notice shall be distributed to the members before the meeting together with the agenda and supporting papers. The minutes of the meeting shall be recorded for reference and inspection purposes.

The Executive Directors, accountant, representative of the external auditors may be present in any meeting by invitation of the Committee.

Authority

The Committee wherever necessary and reasonable for the performance of its duties, shall in accordance with the procedure determined by the Board and at the cost of the Company:

- Have authority to investigate any matter within its term of reference;
- Have the resources which are required to perform its duties;
- Have full and unrestricted access to any information pertaining to the Group;
- Have direct communication channels with the external auditors and internal auditors;
- Be able to obtain independent professional or other advice; and
- Be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the listed company, whenever deemed necessary.

Functions

The Committee shall, amongst others, discharge the following functions and report the same to the Board of Directors:

- To review the audit plan with the external auditors;
- To review the evaluation of the systems of internal controls with the external auditors;
- To review the audit report with the external auditors;
- To review the assistance given by the Company's and Group's employees to the external auditors;
- To review the adequate of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- To review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit functions;
- To review the quarterly results and year end financial statements, prior to the approval of the Board of Directors, focusing particularly on:
  (i) changes in or implementation of major accounting policy changes;
  (ii) significant and unusual events; and
  (iii) compliance with accounting standards and other legal requirements.
- To review any related party transaction and conflicts of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- To review all areas of significant risk arrangements in place to contain those risks to acceptable levels;
- To verify that the allocation of options pursuant to the share scheme for employees complies with the criteria of allocation;
- To review the resignation or dismissal of the external auditors of the Company;
- To review whether there is reason (supported by grounds) to believe that the Group's external auditor is not suitable for re-appointment;
- To recommend the nomination of external auditors, the audit fee and any questions of resignation or dismissal; and
- To promptly report to Bursa Malaysia Securities Berhad on matters which results in a breach of Listing Requirements.

Term of Office

The terms of office and performance of the Committee and each of its members shall be reviewed by the Board of Directors at least once in every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with the terms of reference.

Corporate Governance Statement

The Board of Efficient E-Solutions Berhad ("EFFICIENT") is committed to ensure that high standard of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of EFFICIENT.

The Board of EFFICIENT is pleased to make a disclosure to shareholders on the manner in which it has applied the principles of good governance and the extent to which it has complied with the best practices set out in the Code. These principles and best practices have been applied throughout the financial year 31st December 2008 and are regularly audited and reviewed to ensure transparency and accountability

DIRECTORS

- **The Board**

  The Board has overall responsibility for the strategic direction and control of the Group. The Board meets on a quarterly basis and additionally as required. The Board is focus mainly on the issue in relation to strategies, financial performance and other material business issues.

  The profile of the Board of Directors is presented on pages 8 to 10.

  The Board has established sub-committees namely Audit Committee and Option Committee to support and assist in discharging its fiduciary duties and responsibilities.

  The Board may form Remuneration Committee and Nomination Committee delegated with specific authorities to act on its behalf but due to the fact that the Company does not have an elaborate organizational structure, the Board has decided that it is not necessary to form these committees at present. The Board will continue to assess and review such necessity.

- **Board Balance**

  The Board consists of seven (7) members, comprising three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. The Board is well balanced with one third (1/3) of its members comprises of independent directors. The selection and appointment of independent directors shall be a matter for the Board as a whole.

  There is a clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority. The role of the Chairman and Managing Director are separated and clearly defined. The Chairman of the Company, Dato' Abdul Latif bin Abdullah, holds an independent position and is primarily responsible for ensuring Board effectiveness and conduct whilst the Managing Director, Mr Vincent Cheah Chee Kong, has overall responsibilities over the operating units, organisational effectiveness and implementation of Board policies and decisions.

The presence of Independent Non-Executive Directors fulfils a pivotal role in corporate accountability. Although all the Directors have an equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advice and judgment to take account of the interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the many communities in which the Group conducts business.

- **Supply of Information**

The Board members in their individual capacity have unrestricted access to complete information on a timely basis in the form and quality necessary for the discharge of their duties and responsibilities. Prior to each Board meeting, all Board members are furnished with the relevant documents and sufficient information to enable them to obtain a comprehensive understanding of the issues to be deliberated upon in order to arrive at an informed decision.

Besides direct access to management staff, external independent professional advisers are also made available to render their independent views and advice to the Board, whenever deemed necessary and in appropriate circumstances, at the Company's expense.

The Directors also have access to the advice and services of the Company Secretaries, who are responsible in ensuring that Board meeting procedures are followed and that applicable rules and regulations are complied with.

- **Appointments to the Board**

The Board appoints its members through a selection process, which is consistent with the Articles of Association of the Company. The Company Secretary shall ensure that all appointments are properly made and that legal and regulatory obligations are met.

- **Re-elections to the Board**

In accordance with the Company's Articles of Association, all directors are required to retire by rotation at least once every three (3) years at the Annual General Meetings ("AGM"). Any director appointed during the year shall retire at the next AGM. A retiring Director shall be eligible for re-election. The re-election of Directors provides shareholders an opportunity to reassess the composition of the Board.

Directors standing for re-election at the AGM of the Company to be held on 22nd June 2009 are detailed in the notice of the Sixth AGM.

- **Directors' Training**

All members of the Board have attended Bursa Securities' Mandatory Accreditation Programme and have subsequently attended the required training courses and seminars under the Continuing Education Programme.

All Directors are committed towards continuous learning to acquire the skills, insights, and knowledge for the furtherance of their duties.

Victor Cheah Chee Wai and Esther Soon Yoke Leng had in May 2008 attended the Owner/ President Management Programme at Harvard Business School, Boston, United States to further enhance their professional strength and to keep abreast of the industry best practice and global developments.

The other conference, seminars and training programmes attended by Directors in 2008 are as follows:

Business & Management	Negotiation Strategy Workshop Corporate Strategic Analytics 1 : Essentials of Corporate Proposal Analysis Leadership Training Program
Corporate Governance	Bursa Malaysia The Way Forward
Accounting & Economics	SC's Perspectives on the current capital market World Federation of Exchange Conference Anti-Money Laundering : from the Stockbroker's Perspective

DIRECTORS' REMUNERATION

The Board recognised the importance of having remuneration framework for Directors as well as the remuneration packages of the Executive Directors, which should be structured to link rewards to corporate and individual performance.

The details of Directors' remuneration for the financial year ended 31st December 2008 are as follows:

	Executive Director (RM)	Non-Executive Director (RM)
Salaries and other emoluments	1,329,188	52,500
Fees	-	-
Bonus	-	-
Benefit in kind	17,400	-
Total	1,346,588	52,500

The remuneration of the Directors summarised in bands of RM50,000.00 for the financial year ended 31st December 2008 are as follows:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	3
RM50,000 to RM100,000	-	-
RM150,001 to RM200,000	1	-
RM450,001 to RM500,000	1	-
RM650,001 to RM700,000	1	-

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The AGM is the principal forum for dialogue with shareholders. Shareholders are provided with an opportunity to participate in the question and answer session in which shareholders may raise questions regarding the proposed resolutions at the meeting as well as on matters relating to the Group's businesses and affairs. The Chairman and the Board members are in attendance to respond to shareholders' queries.

The Board also keeps Shareholders informed via announcement, and timely release of quarterly financial results, press releases, annual reports and circulars to shareholders.

EFFICIENT has also conducted numerous company visits and meetings with analysts, fund managers, investors and media representatives.

EFFICIENT have participated in the Investor Relations Incentive Programme sponsored by Bursa Malaysia Securities Berhad to facilitate communication and closer relationship between Public Listed Companies and the investor community with the objective of accurately representing the Company, achieving a fair market value for the Company's securities and ultimately lowering its cost of capital.

ACCOUNTABILITY AND AUDIT

- **Financial Reporting**

  The Board aims to ensure that the quarterly reports and the annual financial statements in the annual report are presented in a manner which provides a clear, balanced and understandable assessment of the Group's financial performance and prospects to the shareholders as well as the public as a whole. The Audit Committee assists by reviewing the information to be disclosed to ensure accuracy and adequacy.

- **Internal Control**

  The Board has the overall responsibility of maintaining a sound system of internal controls to safeguard shareholders' investment and the Company's and Group's assets. A Statement on Internal Control of the Group is set out in page 20 of this Annual Report provides an overview of the state of internal controls within the Group.

- **Relationship with the Auditors**

  The Company has established a formal and transparent relationship with the Group's external auditors, Messrs Poh & Co. In the course of audit of the Group's financial statements, the external auditors have highlighted to the Audit Committee and the Board, matters that require the Board's attention.

STATEMENT ON COMPLIANCE WITH THE CODE

The Group complied with the principles and best practices of the Malaysian Code on Corporate Governance throughout the financial year 31st December 2008, save as explained above.

DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements of the Group as set out in this Report are properly drawn so as to give a true and fair view of the state of affairs of the Group and Company as at 31st December 2008 and the results of its operations and of the cash flow of the Company for the financial year.

The Directors consider that in preparing the financial statements, the Group has:
- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent; and
- applied applicable accounting standards in preparing the financial statements.

The Directors are responsible to ensure that the Company maintains accounting records that discloses with reasonable accuracy at any time, the financial position of the Group and Company, and to ensure that the financial statements comply with the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

The Directors have responsibility for taking reasonable steps to safeguard the assets of the Group and prevent any fraud as well as irregularities.

Internal Control Statement

The Board of Directors ("Board") acknowledges the importance of maintaining a sound system of internal control to safeguard shareholders' investments and the Group's assets. Guided by the Statement on Internal Control: Guidance for Directors of Public Listed Companies, the Board is pleased to present the Statement on Internal Control of the Group (excluding associated companies, as the Board does not have control over their operations) pursuant to the requirement under the Malaysian Code of Corporate Governance for companies listed on the Bursa Malaysia Securities Berhad.

The system of internal control of the Group aims to:
(a) safeguard shareholders' investment and the Group's assets;
(b) ensure that proper accounting records are maintained; and
(c) that the financial information used with the business and for publication to the public is reliable.

The Board is aware that such a system can only provide reasonable but not absolute assurance against material misstatement or loss.

The key elements of the Group's internal control system are described below:
(i) A defined organisation structure that is aligned to business and operations requirements and each strategic function is headed by a responsible head of department. Line of accountability and responsibility, approval, authorisation, and control procedures, have been laid down and communicated throughout the Group.

(ii) The Group's Management team carries out regular monitoring and review of financial results for all businesses within the Group and the operational and financial performance of the Group and formulate action plan to address areas of concern.

(iii) Regular and comprehensive financial information is provided to the Audit Committee for quarterly and ad-hoc review and to present to the Board for review and approval.

(iv) The Group's Management team undertakes on-going reviews of the key commercial and financial risks facing the Group's businesses together with more general risks such as those relating to compliance with laws and regulations. The monitoring arrangements in place give reasonable assurance that there is an acceptable level of risk throughout the Group's business.

(v) Periodical internal audit reviews are conducted by BDO Governance Advisory Sdn Bhd, an outsourced professional services firm. The objectives of these reviews are to ascertain compliance with operating policies and procedures, to review the effectiveness and efficiency of the Group's system of internal control; and to highlight significant control weaknesses, control failures and non-compliances to operating policies and procedures and/or relevant laws and regulations. .

(vi) The Audit Committee holds regular meetings to review the findings of internal audit reviews conducted and the action plans drawn up by Management to address the findings.

There were no material losses incurred during the current financial year as a result of weaknesses in internal control. The Board and Management continue to take appropriate measures to strengthen the control environment of the Group.

The Group continues to take the necessary measures to further strengthen its internal control.

Additional Compliance Information

The information set out below is disclosed in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"):

(i) Share Buy-backs

During the financial year ended 31st December 2008, there were no share buy-backs by the Company.

(ii) Options, Warrants or Convertible Securities

Saved for the options granted and exercised as disclosed on page 64 to 66 of the Annual Report, the Company did not issued any warrants or convertible securities during the financial year.

(iii) American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

During the financial year, the Company and its subsidiaries did not sponsor any ADR or GDR programme.

(iv) Sanctions and/ or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2008.

(v) Non-Audit Fees

There was no non-audit fees paid by the Company to external auditors or company affiliated to the external auditor's firm for the financial year ended 31st December 2008.

(vi) Variance in Results

There was no significant variation between the audited results for the financial year and the unaudited results previously announced.

(vii) Profit Guarantee

The Company and its subsidiaries did not give any profit guarantee during the financial year.

(viii) Material Contracts

There were no material contracts including loans (not being contract entered into the ordinary course of business) of the Company and its subsidiaries, involving Directors' and major shareholders' interests, which subsisted at the end of the financial year ended 31st December 2008 or, if not then subsisting, entered into since the end of the previous financial year.

(ix) Revaluation Policy on Landed Properties

The Company and its subsidiaries did not adopt any revaluation policy on landed properties during the financial year.

(x) Recurrent Related Party Transactions of a Revenue or Trading Nature

The recurrent related party transactions of a revenue or trading nature entered into by the Company qualified as exempted transactions as defined under Paragraph 10.08(9)(e) and Paragraph 10.09(1)(b), Part E of Chapter 10 of the Listing Requirements of Bursa Securities.

Financial Statements

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st December 2008.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are described in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit / (Loss) for the year	15,835,189	(613,590)
Attributable to:		
Equity holders of the Company	15,835,189	(613,590)
Minority interest	-	-
	15,835,189	(613,590)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

DIVIDEND

The amount of dividends declared and paid by the Company since 31st December 2007 were as follows:

	RM
In respect of the financial year ended 31st December 2007	
Final dividend of 3.5% tax exempted paid on 10th June 2008	1,152,551

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its authorised ordinary share capital from RM50,000,000 to RM200,000,000 through the creation of 1,500,000,000 new ordinary shares of RM0.10 each. Thereafter, the Company increased its paid-up ordinary share capital from RM32,905,005 to RM65,810,010 by way of bonus issue of 329,050,050 ordinary shares of RM0.10 each on the basis of 1 (one) new ordinary share for every 1 (one) existing share held.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Subsequent to the financial year, the issued and paid-up share capital of the Company was increased from RM65,810,010 comprising 658,100,100 ordinary shares of RM0.10 each, to RM65,835,010 comprising 658,350,100 of RM0.10 each, by way of the issue of 250,000 new ordinary shares of RM0.10 each for cash pursuant to the Employees' Share Option Scheme at exercise price of RM0.102 per ordinary share of RM0.10 each.

The resulting share premium of RM500 arising from issue of shares will be credited to the share premium account.

There was no issue of debentures by the Company during the financial year.

EMPLOYEES' SHARE OPTION SCHEME

The Company has obtained approval of Bursa Malaysia Securities Berhad to establish the Employees' Share Option Scheme (ESOS). The ESOS allows the granting of options to the eligible employees and Executive Directors of the Company and its subsidiaries to subscribe for new shares up to a maximum of 10% of the issued and paid-up share capital of the Company at any point in time during the tenure of the ESOS, subject to the terms and conditions of the By-Laws approved by the shareholders.

The ESOS was granted on 16th November 2005 and shall be in force for a period of 5 years, subject to any extension or renewal for a further period of 5 years commencing from the day after the date of expiry of the original 5 years period.

The salient features and other terms of the ESOS are disclosed in Note 27 to the financial statements.

As at the date of this report all options had been exercised by eligible employees.

DIRECTORS

The directors who served since the date of the last report and at the date of this report are:

Dato' Abdul Latif bin Abdullah
Cheah Chee Kong
Victor Cheah Chee Wai
Soon Yoke Leng
Datuk Syed Hussian bin Syed Junid
Shaik Aqmal bin Shaik Allaudin
Ho Hin Choy

DIRECTORS' INTEREST

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company is a party, whereby directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

The shareholdings of those who were directors at the financial year end in shares in the Company and its related companies during the financial year are as follows:

	Number of ordinary shares of RM0.10 each			
The Company	At 01.01.2008	Bonus issue / Bought	Sold	At 31.12.2008
Direct Interest				
Dato' Abdul Latif bin Abdullah	7,269,000	7,616,400	-	14,885,400
Cheah Chee Kong	4,509,700	5,224,800	-	9,734,500
Victor Cheah Chee Wai	3,000,000	3,000,000	-	6,000,000
Soon Yoke Leng	3,000,000	3,000,000	-	6,000,000
Datuk Syed Hussian bin Syed Junid	995,250	6,234,550	-	7,229,800
Shaik Aqmal bin Shaik Allaudin	800,000	800,000	-	1,600,000
Ho Hin Choy	-	-	-	-
Indirect Interest				
Cheah Chee Kong	120,247,500	120,247,500	(26,500,000)	213,995,000
Victor Cheah Chee Wai	120,247,500	120,247,500	(26,500,000)	213,995,000
Soon Yoke Leng	66,350,000	66,350,000	(26,500,000)	106,200,000
Shaik Aqmal bin Shaik Allaudin	5,115,600	65,681,700	-	70,797,300
Ho Hin Choy	-	20,000	-	20,000

Cheah Chee Kong, Victor Cheah Chee Wai and Soon Yoke Leng, by virtue of their direct and indirect interest in shares of the Company are also deemed interested in shares of all the related companies to the extent to which the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than those as disclosed in the financial statements) by reason of a contract made by the Company with the director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest as required to be disclosed by Section 169(8) of the Companies Act, 1965.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were made up, the directors took reasonable steps:

(i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no bad and doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debt or to make the allowance for doubtful debts in the financial statements of the Group and of the Company; or

(ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The retiring auditors, Messrs. Poh & Co., have indicated their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

CHEAH CHEE KONG

VICTOR CHEAH CHEE WAI

Kuala Lumpur
Date : 30th March 2009

Balance Sheets as at 31st December 2008

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
NON CURRENT ASSETS					
Property, plant and equipment	3	47,974,813	32,992,105	193,053	220,308
Prepaid lease payments	4	368,866	373,656	-	-
Investment in subsidiary companies	5	-	-	9,100,002	9,100,000
Investment in associated companies	6	2,271,665	2,582,058	2,100,000	2,300,000
Other investments	7	1,890,125	-	200,000	-
Software development expenditure	8	627,169	768,069	-	-
Goodwill on consolidation	9	1,582,719	1,582,719	-	-
		54,715,357	38,298,607	11,593,055	11,620,308
CURRENT ASSETS					
Inventories	10	3,637,819	1,436,977	-	-
Trade receivables	11	19,561,770	23,160,300	-	-
Other receivables	12	12,663,294	2,026,643	1,018	2,300
Amount due from subsidiary companies	13	-	-	53,596,229	45,778,861
Current tax assets		350,293	58,872	28,011	58,196
Deposits with licensed banks	14	6,651,599	12,572,998	-	8,771,132
Cash and bank balances	15	2,525,557	6,365,613	48,083	2,042,345
		45,390,332	45,621,403	53,673,341	56,652,834
CURRENT LIABILITIES					
Trade payables	16	2,043,990	2,066,040	-	-
Other payables	17	4,167,816	2,610,699	22,300	113,300
Hire purchase payables	18	73,273	1,811,812	-	-
Term loans and other borrowings	19	745,883	213,667	-	-
Current tax liabilities		19,103	48,307	-	-
Dividend payable		-	1,150,800	-	1,150,800
		7,050,065	7,901,325	22,300	1,264,100
NET CURRENT ASSETS		38,340,267	37,720,078	53,651,041	55,388,734
		93,055,624	76,018,685	65,244,096	67,009,042

The annexed notes form an integral part of the financial statements

Balance Sheets as at 31st December 2008 (cont'd)

		Group		Company	
		2008	2007	2008	2007
	Note	RM	RM	RM	RM
Financed by:					
Share capital	20	65,810,010	32,905,005	65,810,010	32,905,005
Share premium	21	-	3,016,000	-	3,016,000
Retained earnings / (Accumulated losses)		17,010,472	32,216,839	(569,922)	31,085,224
		82,820,482	68,137,844	65,240,088	67,006,229
LONG TERM LIABILITIES					
Hire purchase payables	18	-	73,273	-	-
Term loans and other borrowings	19	7,848,755	5,649,246	-	-
Deferred tax liabilities	22	2,386,387	2,158,322	4,008	2,813
		10,235,142	7,880,841	4,008	2,813
		93,055,624	76,018,685	65,244,096	67,009,042

The annexed notes form an integral part of the financial statements

Income Statements for the year ended 31st December 2008

		Group		Company	
		2008	2007	2008	2007
	Note	RM	RM	RM	RM
Revenue	23	59,500,103	56,409,734	-	34,600,000
Cost of sales		(28,668,099)	(28,291,425)	-	-
Gross profit		30,832,004	28,118,309	-	34,600,000
Other operating income		495,354	409,292	285,134	348,449
Administrative and operating expenses		(13,443,611)	(10,757,656)	(852,350)	(559,412)
Finance costs		(673,179)	(386,746)		-
Share of profit / (loss) of associates		277,457	(202,230)	-	-
Profit / (loss) before taxation	24	17,488,025	17,180,969	(567,216)	34,389,037
Income tax expense	28	(1,652,836)	(2,059,043)	(46,374)	(4,022,223)
Profit / (loss) attributable to shareholders		15,835,189	15,121,926	(613,590)	30,366,814
Earnings per share (sen)					
- Basic	29	2.41	2.30		
- Diluted	29	2.41	2.30		

The annexed notes form an integral part of the financial statements

Consolidated Statement Of Changes In Equity

for the year ended 31st December 2008

	Note	Share Capital RM	Share Premium RM	Retained Earnings RM	Total RM
Balance at 1st January 2007		30,031,255	27,300	18,245,713	48,304,268
Issuance of shares pursuant to ESOS		2,873,750	2,988,700	-	5,862,450
Net profit for the year		-	-	15,121,926	15,121,926
Dividends	30	-	-	(1,150,800)	(1,150,800)
Balance at 31st December 2007		32,905,005	3,016,000	32,216,839	68,137,844
Bonus issue		32,905,005	(3,016,000)	(29,889,005)	-
Dividends	30	-	-	(1,152,551)	(1,152,551)
Net profit for the year		-	-	15,835,189	15,835,189
Balance at 31st December 2008		65,810,010	-	17,010,472	82,820,482

The annexed notes form an integral part of the financial statements

Company Statement Of Changes In Equity
for the year ended 31st December 2008 (cont'd)

	Note	Share Capital RM	Share Premium RM	Accumulated Losses RM	Total RM
Balance at 1st January 2007		30,031,255	27,300	1,869,210	31,927,765
Issuance of shares pursuant to ESOS		2,873,750	2,988,700	-	5,862,450
Net profit for the year		-	-	30,366,814	30,366,814
Dividends	30	-	-	(1,150,800)	(1,150,800)
Balance at 31st December 2007		32,905,005	3,016,000	31,085,224	67,006,229
Bonus issue		32,905,005	(3,016,000)	(29,889,005)	-
Dividends	30	-	-	(1,152,551)	(1,152,551)
Net loss for the year		-	-	(613,590)	(613,590)
Balance at 31st December 2008		65,810,010	-	(569,922)	65,240,088

The annexed notes form an integral part of the financial statements

Consolidated Cash Flow Statement

for the year ended 31st December 2008

	Note	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		17,488,025	17,180,969
Adjustments for:			
Amortisation of prepaid lease payments		4,790	4,790
Amortisation of software development expenditure		165,455	85,223
Depreciation		5,969,734	5,035,906
(Gain) / Loss on disposal of plant and equipment		(50,834)	62,633
Loss on deemed disposal of associated company		379,325	-
Interest income		(238,686)	(112,262)
Interest expenses		673,179	386,746
Investment income		(78,912)	(297,030)
Share of results of associated companies		(277,457)	202,230
Operating profit before changes in working capital		24,034,619	22,549,205
Increase in inventories		(2,200,842)	(403,812)
Increase in trade and other receivables		(7,038,121)	(1,792,028)
Decrease in trade and other payables		1,535,067	717,102
Cash generated from operating activities		16,330,723	21,070,467
Tax paid, net of tax refunded		(1,745,396)	(2,005,841)
Dividend paid		(2,303,351)	(1,051,094)
Net cash generated from operating activities		12,281,976	18,013,532
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest from deposits with licensed banks		238,686	102,907
Investment income		78,912	297,030
Investment in associated companies		(370,800)	(1,200,000)
Purchase of other investments		(1,310,800)	-
Proceeds from disposal of plant and equipment		447,345	300,000
Acquisition of property, plant and equipment	A	(18,088,041)	(8,063,123)
Capitalisation of software development expenditure		(24,555)	(73,673)
Net cash used in investing activities		(19,029,253)	(8,636,859)

The annexed notes form an integral part of the financial statements

Consolidated Cash Flow Statement
for the year ended 31st December 2008 (cont'd)

	Note	2008 RM	2007 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term loan and borrowings		(529,187)	(595,742)
Repayment of hire purchase payables		(1,811,812)	(2,355,434)
Interest expense		(673,179)	(386,746)
Proceeds from issuance of ordinary shares		-	5,862,450
Net cash (used in) / generated from financing activities		(3,014,178)	2,524,528
Net (decrease) / increase in cash and cash equivalents		(9,761,455)	11,901,201
Cash and cash equivalents at beginning of the year		18,676,399	6,775,198
Cash and cash equivalents at end of the year	15	8,914,944	18,676,399

Note A:

Property, plant and equipment purchased were by means of:

	2008 RM	2007 RM
Cash	18,088,041	8,063,123
Term loan	3,260,912	4,739,088
	21,348,953	12,802,211

The annexed notes form an integral part of the financial statements

Cash Flow Statement
for the year ended 31st December 2008

	Note	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		(567,216)	34,389,037
Adjustments for:			
Depreciation		27,255	27,254
Dividend income		-	(4,009,500)
Interest income		(206,222)	(91,132)
Investment income		(78,912)	(257,317)
Operating (loss) / profit before changes in working capital		(825,095)	30,058,342
Decrease in account receivables		1,282	-
(Decrease) / Increase in account payables		(91,000)	56,800
Increase in subsidiaries account		(7,817,368)	(23,468,806)
Cash (used in) / generated from operating activities		(8,732,181)	6,646,336
Tax paid net of tax refunded		(14,994)	(45,639)
Dividend paid		(2,303,351)	(1,051,094)
Net cash (used in) / generated from operating activities		(11,050,526)	5,549,603
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in subsidiary company		(2)	-
Investment in associated company		-	(1,200,000)
Interest from deposits		206,222	91,132
Investment income		78,912	257,317
Net cash generated from / (used in) investing activities		285,132	(851,551)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares		-	5,862,450
Net cash generated from financing activities		-	5,862,450
Net (decrease) / increase in cash and cash equivalents		(10,765,394)	10,560,502
Cash and cash equivalents at beginning of the year		10,813,477	252,975
Cash and cash equivalents at end of the year	15	48,083	10,813,477

The annexed notes form an integral part of the financial statements

Notes To The Financial Statements
31st December 2008

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office and principal place of business is situated at No. 3, Jalan Astaka U8/82, Taman Perindustrian Bukit Jelutong, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are described in Note 5 the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of each entity in the Group are presented in the functional currency, which is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is Ringgit Malaysia (RM) as the sales and purchases are mainly denominated in RM and receipts from operations are usually retained in RM and funds from financing activities are generated in RM. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30th March 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and under the historical cost convention, unless otherwise indicated in the significant accounting policies.

The financial statements comply with the Financial Reporting Standards (FRS) issued by the Malaysian Accounting Standards Board (MASB) in Malaysia for Entities Other Than Private Entities.

The preparation of financial statements in conformity with the applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

There are no areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Standards Issued and Adopted

The accounting policies adopted are consistent with those of the previous year except that the Group had adopted those FRSs, amendment to FRSs and interpretations issued by Malaysia Accounting Standard Board that are effective for financial period beginning on or after 1st January 2008 which are relevant to the Group and the Company as follows:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 137	Provision, Contingent Liabilities and Contingent Assets

The adoption of the above mentioned FRSs does not have significant financial impact on the Group and the Company.

(c) Subsidiaries and Basis of Consolidation

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost, less impairment losses, if any.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the acquisition date or up to the effective date of disposal, where appropriate. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intergroup balances, transactions, income and expenses are eliminated in full on consolidation.

Acquisition of subsidiaries is accounted for using purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Subsidiaries and Basis of Consolidation (cont'd)

If, after reassessment, the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the excess is recognised immediately in the profit or loss.

Minority interests represent the portion of profit and loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(d) Investment in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment in associates is accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Investment in Associates (cont'd)

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is included in profit or loss.

(e) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment loss is in accordance with Note 2(f).

Freehold land has an unlimited useful life and therefore is not depreciated. Long term leasehold building is amortised over its lease term and the remaining period of the lease is 77 years. On other plant and equipment, depreciation is calculated on the straight line method to write off the cost of each asset over their estimated useful lives. Depreciation of an asset begins when it is ready for its intended use.

The annual rates of depreciation used are:

Buildings	2%
Computer equipment	10% - 40%
Electrical fittings	20%
Furniture and fittings	20%
Machinery	10%
Motor vehicles	10%
Office equipment	10% - 40%
Renovation	10%
Signboard	10%

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, Plant and Equipment and Depreciation (cont'd)

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with the previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement.

(f) Impairment Of Non Financial Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets other than inventories, to determine whether there is indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

(g) Goodwill on Consolidation

Goodwill arising on the acquisition of a subsidiary or a proportionately consolidated jointly controlled entity, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised, is initially measured at cost and recognised as an asset. Goodwill is subsequently measured at cost less impairment losses, if any.

On disposal of a subsidiary or a proportionately consolidated jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(h) Software Development Expenditures

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditures which do not meet these criteria are expensed when incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Software Development Expenditures (cont'd)

Development costs, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight line basis over the period of five years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at each balance sheet date.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value after adequate provision has been made for all deteriorated, damaged, obsolete or slow-moving inventories. Cost, is determined principally on the first-in first-out basis and includes, where relevant, appropriate proportions of inward overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Leased Assets

Assets financed by hire purchase and lease arrangements that transfer substantially all risks and rewards of ownership to the Group are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. These property, plant and equipment capitalised are depreciated on the same basis as owned assets.

Finance charges on these hire purchase and lease arrangements are allocated to the income statement over the period of the arrangements to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period.

Lease of assets under which all risks and benefits of ownership are retained by the lessor are classified as operating lease. Payments made under operating lease are charged to income statement on a straight line basis over the period of the lease.

In the case of a lease of land, the minimum lease payments or the up-front payments made represents prepaid land lease payments and are recognised on a straight-line basis.

When operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Provisions For Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(l) Foreign Currency

Transactions in foreign currencies are initially translated at the exchange rate at the dates of the transactions.

At the balance sheet date, foreign currency monetary assets and liabilities are translated into Ringgit Malaysia at the exchange rate ruling at that date. Exchange differences arising on the settlement or translation of monetary items are recognised in profit or loss.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using exchange rates at the date of the transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

The principal closing rates used in translation of foreign currencies amounts are as follow:

	2008 RM	2007 RM
1 AUS Dollar	2.397	2.915
1 SG Dollar	2.407	2.294
1 US Dollar	3.464	3.307
100 HK Dollar	44.697	-

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Financial Instruments

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends, gains and losses relating to a financial instrument classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and to settle the liability simultaneously.

(i) Receivables

Receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Receivables considered to be uncollectible are written off while allowance for doubtful debts is made for receivables considered doubtful in nature.

(ii) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iii) Cash and cash equivalents

For the purpose of cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of bank overdrafts.

(iv) Interest-bearing borrowings

Borrowing costs are charged to income statement as an expense in the period in which they are incurred on accrual basis.

(v) Other non-current investments

Non-current investments other than investments in subsidiaries and associates are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Financial Instruments (cont'd)

(vi) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares will be recognised as liabilities when the shareholders' rights to receive the dividends are established.

(n) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Trading income

Revenue is recognised in income statement upon services rendered or when the significant risks and rewards of ownership have been transferred to the buyer.

(ii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(iii) Interest income

Interest on deposit is accounted for on accrual basis using the effective interest method.

(o) Income Tax

Income tax on the profit and loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for using the liability method, on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Income Tax (cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

(p) Employee Benefits

(i) Short term benefits

Wages, salaries, bonus and social contributions are recognised as an expense in the year in which the associated services are rendered by employees of the subsidiaries. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund (EPF). Such contributions are recognised as an expense in income statement as incurred.

(iii) Share-based payments

The Company issue equity-settled share-based payment schemes to allow the employees to acquire shares of the Company. The fair value of the options granted is recognised as an employee expense with a corresponding increase in equity. The fair value determined at the grant date is expensed in accordance with FRS 2 over the period during which the employees become unconditionally entitled to the options, based on the Group's estimate of the shares that will eventually vest, and adjusted for the effect of non market-based vesting conditions.

At each balance sheet date, the Company revises the estimates of the number of options that are expected to become exercisable, and recognise the impact of the revision of the original estimates in employee expenses and in a corresponding adjustment to equity over the remaining vesting period.

As stated in the transitional provisions of FRS 2, options granted after 31st December 2004 but had not yet vested on 1st January, 2006 are to apply the said FRS. As the Company's options were granted on 16th November 2005 and vest immediately, these options are not subject to FRS 2.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Related Parties

A party is considered to be related to the Company if:

(i) the party, directly or indirectly through one or more intermediaries,

- controls, is controlled by, or is under common control with, the Company;
- has an interest in the Company that gives it significant influence over the Company;
- has joint control over the Company

(ii) the party is an associate;

(iii) the party is a jointly-controlled entity;

(iv) the party is a member of the key management personnel of the Company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv); and

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v).

3. PROPERTY, PLANT AND EQUIPMENT

Group	Land and Buildings [Note 3(a)]	Machinery	Motor vehicles	Office equipment	Computer equipment	Furniture and fittings	Electrical fittings	Renovation	Signboard	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Net Book Value										
At 1.1.2008	16,619,013	11,178,817	1,744,505	1,008,422	2,140,149	101,699	42,088	147,933	9,479	32,992,105
Additions	14,268,310	6,487,696	46,353	533,474	4,690	1,430	7,000	-	-	21,348,953
Reclassification	-	(16,564)	-	16,564	-	-	-	-	-	-
Disposals	(7,590)	(377,033)	-	(9,860)	-	(2,028)	-	-	-	(396,511)
Depreciation charge	(468,109)	(2,356,813)	(236,184)	(676,138)	(2,132,447)	(38,387)	(29,927)	(30,040)	(1,689)	(5,969,734)
At 31.12.2008	30,411,624	14,916,103	1,554,674	872,462	12,392	62,714	19,161	117,893	7,790	47,974,813
At 31.12.2008										
Cost	31,043,012	25,495,094	2,365,700	3,794,506	6,411,052	262,886	269,498	391,512	16,890	70,050,150
Accumulated depreciation	(631,388)	(10,578,991)	(811,026)	(2,922,044)	(6,398,660)	(200,172)	(250,337)	(273,619)	(9,100)	(22,075,337)
Net Book Value	30,411,624	14,916,103	1,554,674	872,462	12,392	62,714	19,161	117,893	7,790	47,974,813
Net Book Value										
At 1.1.2007	8,484,133	10,087,977	1,421,054	925,090	4,266,954	129,732	82,498	179,827	11,168	25,588,433
Additions	8,175,204	3,007,380	918,846	673,984	5,318	15,279	6,200	-	-	12,802,211
Disposals	-	-	(362,633)	-	-	-	-	-	-	(362,633)
Depreciation charge	(40,324)	(1,916,540)	(232,762)	(590,652)	(2,132,123)	(43,312)	(46,610)	(31,894)	(1,689)	(5,035,906)
At 31.12.2007	16,619,013	11,178,817	1,744,505	1,008,422	2,140,149	101,699	42,088	147,933	9,479	32,992,105
At 31.12.2007										
Cost	16,782,292	20,432,928	2,319,347	3,205,690	6,406,362	266,166	262,498	391,512	16,890	50,083,685
Accumulated depreciation	(163,279)	(9,254,111)	(574,842)	(2,197,268)	(4,266,213)	(164,467)	(220,410)	(243,579)	(7,411)	(17,091,580)
Net Book Value	16,619,013	11,178,817	1,744,505	1,008,422	2,140,149	101,699	42,088	147,933	9,479	32,992,105

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Motor vehicle 2008 RM	Motor vehicle 2007 RM
Net Book Value		
At 1st January	220,308	247,562
Depreciation charge	(27,255)	(27,254)
At 31st December	193,053	220,308
At 31st December		
Cost	272,545	272,545
Accumulated depreciation	(79,492)	(52,237)
Net Book Value	193,053	220,308

(a) Land and buildings comprise the followings:

Group	Long term lease hold buildings RM	Freehold land and building RM	Freehold office lot RM	Total RM
Net Book Value				
At 1.1.2008	871,863	14,319,017	1,428,133	16,619,013
Additions	-	14,268,310	-	14,268,310
Disposals	-	(7,590)	-	(7,590)
Depreciation charge	(11,178)	(427,785)	(29,146)	(468,109)
At 31.12.2008	860,685	28,151,952	1,398,987	30,411,624
At 31.12.2008				
Cost	1,005,996	28,579,737	1,457,279	31,043,012
Accumulated depreciation	(145,311)	(427,785)	(58,292)	(631,388)
Net Book Value	860,685	28,151,952	1,398,987	30,411,624
Net Book Value				
At 1.1.2007	883,041	6,143,813	1,457,279	8,484,133
Additions	-	8,175,204	-	8,175,204
Depreciation charge	(11,178)	-	(29,146)	(40,324)
At 31.12.2007	871,863	14,319,017	1,428,133	16,619,013
At 31.12.2007				
Cost	1,005,996	14,319,017	1,457,279	16,782,292
Accumulated depreciation	(134,133)	-	(29,146)	(163,279)
Net Book Value	871,863	14,319,017	1,428,133	16,619,013

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The net book values of properties pledged as securities for borrowings are as follows:

	Group	
	2008	2007
	RM	RM
Long term leasehold building	-	871,863
Freehold land and building	28,151,952	14,319,017
Freehold office lot	1,398,987	1,428,133
	29,550,939	16,619,013

All the properties above have been charged as collateral to secure banking facilities granted to the subsidiary companies.

The net book value of other plant and equipment acquired by means of hire purchase and Islamic financing facilities are as follows:

	Group	
	2008	2007
	RM	RM
Machinery	194,750	2,074,250
Motor vehicles	358,204	436,456
Office equipment	-	2,130,824
	552,954	4,641,530

4. PREPAID LEASE PAYMENTS

	Group	
	2008	2007
	RM	RM
Cost	431,141	431,141
Less: Accumulated Amortisation		
At beginning of the year	(57,485)	(52,695)
Add: Amortisation during the year	(4,790)	(4,790)
	(62,275)	(57,485)
At the end of the year	368,866	373,656

The unexpired portion of lease of the leasehold land of the Group as at end of the year is 77 years (2007: 78 years).

5. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2008 RM	Company 2007 RM
Unquoted shares, at cost	9,100,002	9,100,000

Details of subsidiaries are as follow:-

Name of company	Principal activities	Place of incorporation	Equity interest 2008	Equity interest 2007
Efficient Mailcom Sdn. Bhd. #	Provision of integrated outsourcing solutions in data and document processing, ranging from data extraction, to conversion, formatting of documents, to data printing and preparation of printed documents for distribution by post.	Malaysia	100%	100%
Efficient Softech Sdn. Bhd. #	Provision of information technology services, primarily the development of proprietary applications for work-flow management, data conversion and electronic distribution of documents.	Malaysia	100%	100%
Printegrate Sdn. Bhd.* #	To carry on business relating to web-finishing products, forms printing, integrated cards, labels, stickers and other related business documents.	Malaysia	100%	100%
Efficient International Sdn. Bhd. #	Investment holding company.	Malaysia	100%	-

\# Audited by Poh & Co.

* Held through subsidiary; Efficient Mailcom Sdn. Bhd.

5. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Changes in the Composition of the Group

On 16th January 2008, the Company acquired entire equity interest in Efficient International Sdn. Bhd. comprising 2 ordinary shares of RM1.00 each at par with a cash consideration of RM2.

The acquired subsidiary has contributed the following results to the Group:

	2008 RM
Other income	82,310
Profit for the year	51,245

(b) Assets and Liabilities Arising from Acquisition of Subsidiary

The assets acquired and liabilities assumed from the acquisition are as follows:

	2008 RM
Cash and bank balances	2
Fair value of net assets	2
Group's share of net assets	2
Goodwill on acquisition	-
Total cost of acquisition	2

(c) Acquisition of Subsidiary Company Net of Cash

The cash outflow on acquisition is as follows:

	2008 RM
Purchase consideration satisfied by cash	2
Cost attributable to the acquisition paid in cash	-
Total cash outflow of subsidiary company	2
Cash and cash equivalents of subsidiary acquired	(2)
Net cash outflow of the Group	-

6. INVESTMENT IN ASSOCIATED COMPANIES

Details of associated companies are as follow:-

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Unquoted shares, at cost	2,470,800	2,300,000	2,100,000	2,300,000
Share of results of associates	(199,135)	282,058	-	-
	2,271,665	2,582,058	2,100,000	2,300,000

Details of associated companies are as follow:-

Name of company	Principal activities	Place of incorporation	Equity interest 2008	Equity interest 2007
VPI International Sdn. Bhd. **	Provision of integrated outsourcing solutions in data and document processing, ranging from data extraction, to conversion, formatting of documents, to data printing and preparation of printed documents for distribution by post	Malaysia	-	20%
Regalia Solutions Sdn. Bhd. ^ +	Dormant	Malaysia	30%	30%
Regalia Records Management Sdn. Bhd. ^ +	Provision of document archiving and related services	Malaysia	30%	30%
First Leader (Asia) Limited # +	Operation of printing facilities and delivery of printing and lettershop services to one of its shareholders	Malaysia	45%	45%

^ Shareholding held directly by the Company

Shareholding held through subsidiary; Efficient International Sdn. Bhd.

** The associated company increased its paid up share capital on 30 December 2008. The Group waived the pre-emption rights granted in subscribing the new issue, thus reducing its 20% shareholding to 10%. As a result, VPI International Sdn. Bhd. ceased to be an associate of the Group.

+ The result of the associated companies have been equity accounted based on the management financial statements for the relevant period.

6. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

he summarised financial information of the associated companies are as follows:

	2008 RM	2007 RM
Assets and liabilities		
Current assets	3,836,608	31,968,527
Non-current assets	15,846,716	87,956,692
Total assets	19,683,324	119,925,219
Current liabilities	(3,091,572)	(37,523,348)
Non-current liabilities	(9,343,005)	(71,530,102)
Total liabilities	(12,434,577)	(109,053,450)
Results		
Revenue	5,160,307	32,687,810
Profit / (Loss) for the year	228,037	(643,687)

7. OTHER INVESTMENTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Unquoted shares, at cost	579,325	-	200,000	-
3,000,000 redeemable cumulative preference shares of HKD1.00 in First Leader (Asia) Limited, Hong Kong	1,310,800	-	-	-
	1,890,125	-	200,000	-

During the financial year, the Group subscribed 3,000,000 Redeemable Cumulative Preference Shares (RCPS) of HKD1.00 each at par, equivalent to RM1,310,800 in First Leader (Asia) Limited (FL). FL has the right to redeem such RCPS at a maximum of 25% of the RCPS at the end of each financial year from year 2009 and after.

The Group is entitled to a cumulative coupon income at the coupon rate of 15% per annum on the amount of RCPS subscribed. Coupon income will only be received if FL's cash balance at the end of each relevant year is at least 1.25 times that of the coupon income. In the event of any unpaid coupon in any year by FL, the issue as to its future payment shall be decided upon and resolved by the shareholders of FL at its shareholders' meeting.

8. SOFTWARE DEVELOPMENT EXPENDTURE

	Group	
	2008	2007
	RM	RM
At Cost		
At beginning of the year	957,658	883,985
Add: Addition of software development expenditure	24,555	73,673
	982,213	957,658
Less: Accumulated Amortisation		
At beginning of the year	189,589	104,366
Add: Amortisation during the year	165,455	85,223
	355,044	189,589
At the end of the year	627,169	768,069

9. GOODWILL ON CONSOLIDATION

	Group	
	2008	2007
	RM	RM
At cost	1,582,719	1,582,719
Less: Impairment	-	-
At end of the year	1,582,719	1,582,719

10. INVENTORIES

	Group	
	2008	2007
	RM	RM
At cost:		
Raw material and finished goods	3,637,819	1,436,977

11. TRADE RECEIVABLES

The Group's normal trade credit terms range from 14 to 60 days. Other credit terms are assessed and approved on a case by case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single receivable or to groups of receivables.

12. OTHER RECEIVABLES

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Sundry receivables	225,869	279,653	-	2,300
Deposits	12,048,361	488,769	1,000	-
Prepayments	389,064	1,258,221	18	-
	12,663,294	2,026,643	1,018	2,300

Included in deposits was RM11,200,000 of advance postage placed with Pos Malaysia Berhad for the incentive scheme offered. Gain from the incentive scheme will be recognised in tandem with the usage of postage in coming months.

13. AMOUNT DUE FROM SUBSIDIARY COMPANIES

These are unsecured, interest free and have no fixed term of repayment.

14. DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Free from encumbrances	6,389,387	12,310,786	-	8,771,132
On lien	262,212	262,212	-	-
	6,651,599	12,572,998	-	8,771,132

The Group's deposits which are on lien comprise:

(a) security deposits of RM206,697 (2007: RM206,697) were invested in accordance with the Syariah principle of Al Mudharabah General Investment Account (GIA) as security deposits in respect of Islamic banking facilities granted to a subsidiary company; and

(b) security deposit of RM55,515 (2007: RM55,515) was for bank guarantee granted to a subsidiary company.

The Group's deposits with interest accrued thereon are pledged to the bank for banking facilities granted to a subsidiary company as disclosed in Note 19 to the financial statements.

The effective interest rate of these deposits at the balance sheet date is between 1.20% to 3.50% (2007: 1.20% to 4.80%) per annum with maturity periods ranging from 3 days to 1 year.

15. CASH AND BANK BALANCES

For the purpose of cash flow statements, cash and cash equivalents include the followings:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash and bank balances	2,525,557	4,325,565	48,083	2,297
Short term deposits with fund mangement company	-	2,040,048	-	2,040,048
	2,525,557	6,365,613	48,083	2,042,345
Deposits with licensed banks	6,389,387	12,310,786	-	8,771,132
	8,914,944	18,676,399	48,083	10,813,477

The deposits with licensed banks exclude the security deposits of RM262,212 (2007: RM262,212) which have been pledged to the bank in respect of the banking facilities granted to the Group.

16. TRADE PAYABLES

The normal trade credit term granted to the Group ranges from 30 to 90 days.

17. OTHER PAYABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Sundry payables	1,058,174	1,616,198	-	-
Deposits	1,148,406	-	-	-
Accruals	1,494,224	618,321	22,300	113,300
Advance postage received	467,012	376,180	-	-
	4,167,816	2,610,699	22,300	113,300

18. HIRE PURCHASE PAYABLES

	Group 2008 RM	Group 2007 RM
Future minimum hire purchase payments:		
Amount due within 1 financial year	74,718	1,881,123
Amount due between 1 and 2 financial years	-	74,718
	74,718	1,955,841
Future finance charges	(1,445)	(70,756)
	73,273	1,885,085
Aging analysis:		
Amount due within 1 financial year	73,273	1,811,812
Amount due between 1 and 2 financial years	-	73,273
	73,273	1,885,085

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessors in the event of default.

The effective interest rates applicable to the lease liabilities range from 2.30% to 3.90% (2007: 2.30% to 4.10%) per annum.

19. TERM LOANS AND OTHER BORROWINGS

	Group 2008 RM	Group 2007 RM
Current		
Islamic financing facilities - secured	-	123,239
Term loan - secured	745,883	90,428
	745,883	213,667
Non-current		
Term loan - secured	7,848,755	5,649,246
Current:		
Within 1 year	745,883	213,667
Non-current:		
More than 1 year less than 2 years	805,581	-
More than 2 year less than 5 years	2,824,659	382,285
5 years or more	4,218,515	5,266,961
	7,848,755	5,649,246
	8,594,638	5,862,913

19. TERM LOANS AND OTHER BORROWINGS (CONT'D)

Term loans comprise:

(a) Term loan I of RM908,955 (2007: RM1,000,586), bearing interest at a prescribed rate of 3.00% per annum for the first twelve months from the date of first drawn down of facility, subsequently at a prescribed rate of 5.00% per annum for the next twelve months and thereafter 0.30% per annum above the lender's prevailing Base Lending Rate (BLR) is repayable over a period of 10 years.

(b) Term loan II of RM7,685,683 (2007: RM 4,739,088) is repayable over a period of 10 years equal monthly installment of RM102,089 commencing on 1st July 2008 and bearing interest at 1.00% per annum above the base lending rate of the lender.

Term loans are secured by:

(a) Term loan I - First party first deed of assignment which upon issuance of strata title, a first legal charge to be created over the freehold office lot of a subsidiary company, and secured by corporate guarantee from the Company.

(b) Term loan II - First party first deed of assignment which upon issuance of strata title, a first legal charge to be created over the land and building of another subsidiary company, and secured by corporate guarantee from the Company.

20. SHARE CAPITAL

	Company	
	2008	2007
	RM	RM
Authorised:-		
Ordinary shares of RM0.10 each		
At beginning of the year	50,000,000	50,000,000
Created during the year	150,000,000	-
At end of the year - 2,000,000,000 ordinary shares of RM0.10 each	200,000,000	50,000,000
Issued and fully paid:-		
Ordinary shares of RM0.10 each		
At beginning of the year	32,905,005	30,031,255
Issued pursuant to ESOS (Note 27)	-	2,873,750
Bonus issue	32,905,005	-
At end of the year - 658,100,100 ordinary shares of RM0.10 each	65,810,010	32,905,005

20. SHARE CAPITAL (CONT'D)

During the financial year, the Company increased its authorised ordinary share capital from RM50,000,000 to RM200,000,000 through the creation of 1,500,000,000 new ordinary shares of RM0.10 each. Thereafter, the Company increased its paid-up ordinary share capital from RM32,905,005 to RM65,810,010 by way of bonus issue of 329,050,050 ordinary shares of RM0.10 each on the basis of 1 (one) new ordinary share for every 1 (one) existing share held.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Subsequent to the financial year, the issued and paid-up share capital of the Company was increased from RM65,810,010 comprising 658,100,100 ordinary shares of RM0.10 each, to RM65,835,010 comprising 658,350,100 of RM0.10 each, by way of the issue of 250,000 new ordinary shares of RM0.10 each for cash pursuant to the Employees' Share Option Scheme at exercise price of RM0.102 per ordinary share of RM0.10 each.

The resulting share premium of RM500 arising from issue of shares will be credited to the share premium account.

21. SHARE PREMIUM

	Group / Company	
	2008	2007
	RM	RM
At beginning of the year	3,016,000	27,300
Issue of Nil (2007: 28,737,500) shares at a premium of RM0.104 per share	-	2,988,700
Less: Capitalisation for bonus issue	(3,016,000)	-
At end of the year	-	3,016,000

22. DEFERRED TAX LIABILITIES

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
At beginning of the year	2,158,322	1,684,622	2,813	-
Transferred from income statement	399,819	499,673	1,195	1,350
	2,558,141	2,184,295	4,008	1,350
Effect on opening balance due to changes in tax rate	(76,297)	(61,377)	-	-
(Over) / Under provision in prior year	(95,457)	35,404	-	1,463
	2,386,387	2,158,322	4,008	2,813

Balance carried forward represents temporary difference which is due to excess of capital allowances over depreciation of property, plant and equipment.

23. REVENUE

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Services rendered less discounts	59,500,103	56,409,734	-	-
Dividend income (gross) from subsidiaries	-	-	-	34,600,000
	59,500,103	56,409,734	-	34,600,000

24. PROFIT / (LOSS) BEFORE TAXATION

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
This is stated after charging:				
Audit fee				
- current year	39,100	38,100	10,000	10,000
- (over) / under provision in prior year	(400)	2,285	-	3,000
Amortisation of software development expenditure	165,455	85,223	-	-
Amortisation of lease rental	4,790	4,790	-	-
Depreciation	5,969,734	5,035,906	27,255	27,254
Hire purchase interest	69,311	237,929	-	-
Loss on disposal of plant and equipment	-	62,633	-	-
Loss on deemed disposal of associated company	379,325	-	-	-
Rental of premises	481,558	572,212	-	-
Staff costs (Note 25)	9,583,295	8,238,399	52,500	27,000
Term loan interest	603,868	148,817	-	-
and crediting:				
Dividend income from subsidiaries	-	-	-	34,600,000
Gain on disposal of investment with fund mangement company	27,305	102,351	27,305	100,139
Distribution income from fund investment	51,607	194,679	51,607	157,178
Gain on disposal of plant and equipment	50,833	-	-	-
Gain on foreign exchange - realised	3,509	-	-	-
Interest income from associated company	78,801	-	-	-
Interest income	238,686	112,262	206,222	91,132

25. STAFF COSTS

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Salaries and other emoluments	8,693,072	7,473,103	52,500	27,000
Employees Provident Fund	806,669	686,871	-	-
Social security contributions	83,554	78,425		
	9,583,295	8,238,399	52,500	27,000

Included in staff costs are the Executive Directors' and Non-Executive Directors' remuneration amounting to RM1,329,188 and RM52,500 respectively (2007: RM705,349 and RM27,000 respectively) as disclosed in Note 26. The number of employees in the Group at the end of the financial year was 393 (2007: 347).

26. DIRECTORS' REMUNERATION

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Directors of the Company				
Executive directors:-				
Salaries and other emoluments	1,177,368	586,852	-	-
Employees Provident Fund	151,820	81,412	-	-
	1,329,188	668,264	-	-
Non-Executive directors:-				
Other emoluments	52,500	27,000	52,500	27,000

26. DIRECTORS' REMUNERATION (CONT'D)

Directors of Subsidiaries	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Executive directors:-				
Salaries and other emoluments	-	35,250	-	-
Employees Provident Fund and Social security contributions	-	1,835	-	-
	-	37,085		

27. EMPLOYEES' SHARE OPTIONS SCHEME (ESOS)

The Company's Employees' Share Options Scheme (ESOS) is governed by the by-laws approved by Bursa Malaysia Securities Berhad and the shareholders of the Company on 20th July 2004 and 20th August 2004 respectively. The ESOS was granted on 16th November, 2005 and is to be in force for a period of 5 years, subject to any extension or renewal for a further period of 5 years commencing from the day after the date of expiry of the original 5 years period.

The salient features of the ESOS are as follows:

(a) The ESOS allows the granting of options to eligible employees and executive directors of the company and its subsidiaries to subscribe for new shares up to a maximum of 10% of the issued and paid up share capital of the Company at any point in time during the tenure of the ESOS, subject to terms and conditions of the By-Laws approved by the shareholders.

(b) Subject to any adjustments which may be made under By-Law, the aggregate number of Shares comprised in the Options to be offered to an Eligible Employee in accordance with the Scheme shall be determined at the discretion of the Option Committee after taking into consideration the Eligible Employee's performance, position, seniority and the number of years in service subject to the following:

    (i) that the aggregate number of shares comprised in the Options made available under the Scheme shall not exceed the amount stipulated in By-Law;

    (ii) that not more than fifty percent (50%) of the shares available under the Scheme at the point in time when an Offer is made shall be allocated in aggregate, to Executive Directors and senior management; and

    (iii) that not more than ten percent (10%) of the shares available under the Scheme at the point in time when an Offer is made shall be granted to any individual Eligible Employee who, either singly or collectively through persons connected with an Eligible Employee, holds twenty percent (20%) or more in the paid-up capital of the Company.

27. EMPLOYEES' SHARE OPTIONS SCHEME (ESOS) [CONT'D]

(c) The option price for each share shall be based on the weighted average market price of the shares for the five (5) market days immediately preceding the offer date subject to a discount of not more than ten percent (10%), or at par value of the shares, whichever is higher.

(d) The number of new shares of which such option may be exercised shall not be less than one hundred (100) and shall be in multiples of one hundred (100).

(e) An option shall be personal to the person to whom the options have been granted and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever.

(f) The new shares to be allotted and issued upon the exercise of the options will upon such allotment and issuance, rank pari passu in all respects with the then issued and fully paid-up shares except that the shares so allotted will not be entitled to any dividends, rights, allotments or other distributions, the entitlement date (namely the date as at the close of business on which shareholders must be recognised in order to be entitled to any dividends, rights, allotments and other distributions) of which is prior to the date of allotment of the new Shares and will be subject to all provisions of the Articles of Associations relating to the transfer, transmission and otherwise of the shares.

(g) In the event of any alteration in the capital structure of the Company during the option period, whether by way of rights issues, bonus issues or other capitalisation issues, consolidation or subdivision of shares or capital reduction, or otherwise howsoever taking place, the option price and / or the number of new shares comprised in the option so far as unexercised shall be adjusted, provided always that:

   (i) no adjustment to the option price shall be made which would result in the new shares to be issued on the exercise of the option being issued at a discount to par value, and if such an adjustment would but for this provision have so resulted, option price payable shall be the par value of the new shares;

   (ii) upon any adjustment being made pursuant to the By-Law hereof, the Option Committee shall within ten (10) market days of the effective date of the alteration in the capital structure of the Company notify the person to whom the options have been granted of the adjusted option price thereafter in effect and / or the revised number of new shares thereafter to be issued on the exercise of the option; and

   (iii) the capital outlay to be incurred by option holders in exercising their options remains unaffected.

27. EMPLOYEES' SHARE OPTIONS SCHEME (ESOS) [CONT'D]

The following table illustrates the number of, and movements in, share options during the financial year:

	Number of Share Options						
	Outstanding at 1st Jan	Movements during the year Bonus issue	Granted	Exercised	Forfeited	Outstanding at 31st Dec	Exercisable at 31st Dec
	000	000	000	000	000	000	000
2008							
2004 Options	250	-	-	-	-	250	250
2007							
2004 Options	29,075	-	-	(28,738)	(87)	250	250

All outstanding share options at the end of the financial year have been exercised on 26th March 2009 at an exercised price of RM0.102.

As stated in the transitional provisions of FRS 2, options granted after 31st December 2004 but had not yet vested on 1st January, 2006 are to apply the said FRS. As the Company's options were granted on 16th November 2005 and vest immediately, these options are not subject to FRS 2.

28. INCOME TAX EXPENSE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Malaysian taxation based on the result for the year	1,329,130	1,632,006	50,937	4,032,875
Transferred to deferred taxation	399,819	499,673	1,195	1,350
	1,728,949	2,131,679	52,132	4,034,225
Effect on opening balance due to changes in deferred tax rate	(76,297)	(61,377)	-	-
Under / (Over) provision in prior year				
- Income tax	95,641	(46,663)	(5,758)	(13,465)
- Deferred tax	(95,457)	35,404	-	1,463
	1,652,836	2,059,043	46,374	4,022,223

28. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to profit / (loss) before taxation at the statutory income tax rate to the income tax expense at the effective income tax rate of the Group and the Company are as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Reconciliation of tax expense with accounting profit / (loss):				
Accounting profit / (loss)	17,488,025	17,180,969	(567,216)	34,389,037
Tax expenses at 26% / 27%	4,546,887	4,638,861	(147,477)	9,285,040
Add / (Less): Tax effect of				
Non-deductible expenses	233,977	194,738	211,844	142,452
Depreciation of non-qualifying assets	51,870	81,140	5,786	6,009
Share of profit / (loss) of associates, net of tax	(72,139)	54,602	-	-
Loss on deemed disposal of associated company	98,625	-	-	-
Tax exempt income	(3,332,130)	(2,781,219)	(20,517)	(5,401,976)
Others	2,600	2,700	2,600	2,700
	1,529,690	2,190,822	52,236	4,034,225
Tax effect of tax rate at 20% on first RM500,000 of chargeable income	(17,288)	(21,113)	-	-
Effect on opening balance of deferred tax due to changes in tax rate	(76,401)	(61,377)	(104)	-
Under / (Over) provision in prior year				
- Income tax	95,641	(46,663)	(5,758)	(13,465)
- Deferred tax	(95,457)	35,404	-	1,463
Deductible / (Taxable) temporary difference not recognised	216,651	(38,030)	-	-
Tax expense	1,652,836	2,059,043	46,374	4,022,223

28. INCOME TAX EXPENSE (CONT'D)

Tax exempted income relates to income of one of the subsidiaries which have been granted Multimedia Super Corridor (MSC) status, for which income derived from development of Crosstalk Data Exchange System (e-TALK) and development of Total Electronic Billing System (e-DOC) is exempted from tax.

Subject to the agreement of the Inland Revenue Board:-

(i) the Company has tax exempt income of approximately RM18,647,000 (2007: RM18,648,000) available for distribution as tax exempt dividend; and

(ii) the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends out of its entire retained earnings without incurring additional tax liability.

29. EARNINGS PER SHARE

(a) Basic Earnings Per Ordinary Share

The basic earnings per ordinary share for the financial year has been calculated based on the consolidated net profit for the financial year divided by the weighted average number of ordinary shares in issue during the financial year.

	2008	2007
Consolidated net profit for the financial year (RM)	15,835,189	15,121,926
Weighted average number of ordinary shares in issue (adjusted for bonus issue)	658,100,100	656,432,428
Basic earnings per ordinary share (sen)	2.41	2.30

(b) Diluted Earnings per Ordinary Shares

The diluted earnings per ordinary share for the financial year has been calculated based on the consolidated net profit for the financial year divided by the adjusted weighted average number of ordinary shares that would have been in issue.

29. EARNINGS PER SHARE (CONT'D)

(b) Diluted Earnings per Ordinary Shares (Cont'd)

	2008	2007
Consolidated net profit for the financial year (RM)	15,835,189	15,121,926
Weighted average number of ordinary shares in issue (adjusted for bonus issue)	658,100,100	656,432,428
Weighted average number of ordinary shares deemed to have been issued for no consideration under Employees' Share Option Scheme	(5,000)	554,942
Adjusted weighted average number of ordinary shares that would have been in issue	658,095,100	656,987,370
Diluted earnings per ordinary share (sen)	2.41	2.30

30. DIVIDENDS

	Company	
	2008	2007
	RM	RM
In respect of the financial year ended 31st December 2007		
- Final dividend of 3.5% tax exempt which was paid on 10th June 2008	1,152,551	-
In respect of financial year ended 31 December 2007		
- First interim dividend of 3.5% tax exempt which was paid on 16th January, 2008	-	1,150,800

31. RELATED PARTY TRANSACTIONS

During the financial year, the Group has transacted with the following related parties.

The Group also has related party relationships with the following parties.

Identities of related parties	Relationships
Efficient Mailcom Sdn. Bhd.	Wholly-owned subsidiary
Printegrate Sdn. Bhd.	A company which is wholly-owned by Efficient Mailcom Sdn. Bhd.
Efficient Softech Sdn. Bhd.	Wholly-owned subsidiary
Efficient International Sdn. Bhd.	Wholly-owned subsidiary
Regalia Records Management Sdn. Bhd.	An associate
First Leader (Asia) Limited	An associate
VPI International Sdn. Bhd. and its subsidiaries (VPI Group)	A company where Shaik Aqmal Bin Shaik Allaudin's, a Director of the Company, has interest.

Significant Related Party Transaction

In the normal course of business, the Group undertakes transactions with certain related parties as listed above. Set out below are the significant related party transactions for the financial year (in addition to related party disclosures mentioned elsewhere in the financial statements). The related party transactions described below were carried out on negotiated terms and conditions.

31. RELATED PARTY TRANSACTIONS (CONT'D)

Name of companies	Nature of transactions	Group 2008 RM	Group 2007 RM
Efficient Mailcom Sdn. Bhd.	Licence fee paid to Efficient Softech Sdn. Bhd.	2,360,770	2,247,800
	Purchase of pressure seal forms from Printegrate Sdn. Bhd.	2,887,225	2,286,092
	Rental income received from Printegrate Sdn. Bhd.	67,224	-
Printegrate Sdn. Bhd.	Sales of pressure seal forms to VPI International Sdn. Bhd.	63,780	25,200
Efficient International Sdn. Bhd.	Interest receivable from First Leader (Asia) Limited	78,801	-
Regalia Records Management Sdn. Bhd.	Provision of document archiving and related services to Efficient Mailcom Sdn. Bhd.	3,841	-
	Rental payable to Efficient Mailcom Sdn. Bhd.	44,613	-
VPI International Sdn. Bhd. and its subsidiaries [VPI Group]	Software application developments for data and documents processing and data capture and conversion services and billing of license fee for the usage of e-TALK and e-DOC software applications payable to Efficient Softech Sdn. Bhd.	16,757,645	17,365,444
	Data and documents processing services payable to Efficient Mailcom Sdn. Bhd.	554,230	516,000
	Management fee for the provision of project management / administration of data and document processing services payable to Efficient Mailcom Sdn. Bhd.	144,000	144,000

31. RELATED PARTY TRANSACTIONS (CONT'D)

The directors of the Company 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.

The outstanding balances with related parties as at 31st December 2008 are as follows:

	Group	
	2008 RM	2007 RM
Trade receivables and other receivables		
VPI Group	5,031,323	11,808,597
Other payables		
VPI Group	59,455	-

*Compensation of key management personnel

The remuneration of directors (as disclosed in Note 26) and other members of key management during the year was as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Salaries and other emoluments	2,705,845	613,852	52,500	27,000
Employees Provident Fund	330,765	81,412	-	-
Social security contributions	9,950	-		
	3,046,560	695,264	52,500	27,000

32. SEGMENTAL ANALYSIS

The Group adopts business segment analysis as its primary reporting format and no geographical segment is prepared as the Group operates principally in Malaysia.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure comprises additions to property, plant and equipment.

	Data and Document Processing RM	Software Development RM	Forms Printing RM	Others RM	Elimination RM	Total RM
2008						
Group						
Operating Revenue						
External sales	42,462,580	16,904,144	133,379	-	-	59,500,103
Inter-segment sales	-	2,360,770	2,817,626	-	(5,178,396)	-
Inter-segment dividends	-	-	-	-	-	-
Total operating revenue	42,462,580	19,264,914	2,951,005	-	(5,178,396)	59,500,103
Results						
Profit from operations	7,504,772	11,693,755	390,055	(1,943,521)	-	17,645,061
Associated companies - share of results	277,457	-	-	-	-	277,457
Profit before taxation	7,782,229	11,693,755	390,055	(1,943,521)	-	17,922,518
Interest income						238,686
Finance cost						(673,179)
Taxation						(1,652,836)
Profit attributable to shareholders						15,835,189

32. SEGMENTAL ANALYSIS (CONT'D)

	Data and Document Processing RM	Software Development RM	Forms Printing RM	Others RM	Elimination RM	Total RM
2008						
Group						
Net Assets						
Segment assets	86,822,516	21,163,763	4,067,692	64,096,843	(78,667,083)	97,483,731
Associates	196,463	-	-	2,075,202	-	2,271,665
Tax assets	-	-	-	-	-	350,293
Total assets	87,018,979	21,163,763	4,067,692	66,172,045	(78,667,083)	100,105,689
Segment liabilities	70,358,523	8,463,335	3,064,669	1,762,990	(68,769,800)	14,879,717
Tax liabilities	-	-	-	-	-	2,405,490
Total liabilities	70,358,523	8,463,335	3,064,669	1,762,990	(68,769,800)	17,285,207
Other Information						
Capital expenditure	20,847,608	47,327	454,018	-	-	21,348,953
Amortisation	4,790	165,455	-	-	-	170,245
Depreciation	3,369,211	2,420,262	153,006	27,255	-	5,969,734

32. SEGMENTAL ANALYSIS (CONT'D)

	Data and Document Processing RM	Software Development RM	Forms Printing RM	Others RM	Elimination RM	Total RM
2007						
Group						
Operating Revenue						
External sales	38,852,115	17,532,419	25,200	-	-	56,409,734
Inter-segment sales	-	2,247,800	2,286,092	-	(4,533,892)	-
Inter-segment dividends	-	-	-	34,600,000	(34,600,000)	-
Total operating revenue	38,852,115	19,780,219	2,311,292	34,600,000	(39,133,892)	56,409,734
Results						
Profit from operations	8,433,042	10,331,554	345,182	34,297,905	(35,750,000)	17,657,683
Associated companies - share of results	(202,230)	-	-	-	-	(202,230)
Profit before taxation	8,230,812	10,331,554	345,182	34,297,905	(35,750,000)	17,455,453
Interest income						112,262
Finance cost						(386,746)
Taxation						(2,059,043)
Profit attributable to shareholders						15,121,926

32. SEGMENTAL ANALYSIS (CONT'D)

	Data and Document Processing	Software Development	Forms Printing	Others	Elimination	Total
	RM	RM	RM	RM	RM	RM
2007						
Group						
Net Assets						
Segment assets	48,262,155	24,657,625	2,166,431	68,171,942	(61,979,073)	81,279,080
Associates	282,058	-	-	2,300,000	-	2,582,058
Tax assets	-	-	-	-	-	58,872
Total assets	48,544,213	24,657,625	2,166,431	70,471,942	(61,979,073)	83,920,010
Segment liabilities	37,102,415	23,554,699	1,479,118	2,371,097	(50,931,792)	13,575,537
Tax liabilities	-	-	-	-	-	2,206,629
Total liabilities	37,102,415	23,554,699	1,479,118	2,371,097	(50,931,792)	15,782,166
Other Information						
Capital expenditure	12,351,953	382,124	68,134	-	-	12,802,211
Amortisation	4,790	85,223	-	-	-	90,013
Depreciation	2,498,866	2,399,316	110,470	27,254	-	5,035,906
Non cash expenses	62,633	-	-	-	-	62,633

33. CONTINGENT LIABILITY

	Company 2008	Company 2007
	RM	RM
Unsecured		
Corporate guarantee given to financial institutions for banking facilities granted to subsidiary companies	18,218,000	16,880,000

34. CAPITAL COMMITMENT

	Group 2008	Group 2007
	RM	RM
Capital expenditures authorised and contracted for	-	7,518,000

35. FINANCIAL INSTRUMENTS

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks.

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activities are set out as follows:

(a) Credit Risk

The credit risk is controlled by application of credit approval, limits and monitoring procedures. An internal credit review is conducted if the credit risk is material.

(b) Liquidity And Cash Flow Risks

The Group seeks to achieve a balance between certainty of funding and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected net borrowing needs are covered by committed facilities. Also, the objective for debt maturity is to ensure that the amount of debt maturing in any one year is not beyond the Group's means to repay and refinance.

(c) Foreign Currency Risk

The Group is exposed to foreign currency risk as a result of its normal trading activities where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Group's policy is to minimise the exposure of transaction risk by matching local currency income against local currency costs.

(d) Interest Rate Risk

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

The Group's primary interest rate risk relates to interest-bearing debt as at 31st December 2008. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

35. FINANCIAL INSTRUMENTS (CONT'D)

(d) Interest Rate Risk (cont'd)

Group	Effective interest rate %	Within 1 year RM	2-5 years	More than 5 years RM	Total RM
As at 31/12/2008					
Financial Assets					
Deposits with licensed banks	1.20 - 3.50	6,651,599	-	-	6,651,599
Financial Liabilities					
Hire purchase payables	2.30 - 3.90	73,273	-	-	73,273
Term loans	5.00 - 7.75	745,883	3,630,240	4,218,515	8,594,638
As at 31/12/2007					
Financial Assets					
Deposits with licensed banks	1.20 - 4.80	12,572,998	-	-	12,572,998
Financial Liabilities					
Hire purchase payables	2.92 - 4.10	1,811,812	73,273	-	1,885,085
Term loans	5.00	90,428	382,285	5,266,961	5,739,674
Islamic financing facilities	7.40	123,239	-	-	123,239
Company					
As at 31/12/2008					
Financial Assets					
Deposits with licensed banks	-	-	-	-	-
As at 31/12/2007					
Financial Assets					
Deposits with licensed banks	1.80 - 3.30	8,771,132	-	-	8,771,132

35. FINANCIAL INSTRUMENTS (CONT'D)

(e) Fair Values

The carrying amounts of financial assets and liabilities of the Group at the balance sheet date approximated their fair values except for the followings:

	Note	Carrying amount RM	Fair value RM
Financial Liabilities			
At 31st December 2008			
Term loans	19	8,594,638	7,988,874

It is not practicable to estimate the fair values of advances to/(from) subsidiary companies due principally to a lack of fixed repayment terms entered into by the parties involved and without incurring excessive costs.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and Cash Equivalents, Trade receivables/Payables and Short-term Borrowings

The carrying amounts approximate fair values due to the relatively short term nature of these financial instruments.

(ii) Borrowings

The fair values of borrowings are estimated by discounting the expected future cash flows using the current interest rates for liabilities with similar risk profiles.

Statement by Directors

Pursuant to Sub-Section (15) of Section 169 of the Companies Act, 1965

We, the undersigned, being two of the directors of

EFFICIENT E-SOLUTIONS BERHAD

do hereby state that, in the opinion of the directors, the financial statements set out on pages 29 to 79 are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31st December 2008 and of their results and cash flows for the year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

CHEAH CHEE KONG

VICTOR CHEAH CHEE WAI

Kuala Lumpur
Date : 30th March 2009

Statutory Declaration
Pursuant to Sub-Section (16) of Section 169 of the Companies Act, 1965

I, CHONG CHEN TONG, being the officer primarily responsible for the financial management of

EFFICIENT E-SOLUTIONS BERHAD

do solemnly and sincerely declare that the financial statements set out on pages 29 to 79 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed at Kuala Lumpur)
In the Federal Territory on)
30th March 2009)
)

CHONG CHEN TONG

Before me,

Report on the Financial Statements

We have audited the financial statement Efficient E-Solutions Bhd., which comprise the balance sheet as at 31st December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 29 to 79.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditors' Report to the Members of
EFFICIENT E-SOLUTIONS BERHAD. (Company No. 632479-H) (cont'd)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 to give a true and fair view of the financial position of the Group and of the Company as of 31st December 2008 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purpose.

c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under subsection (3) of Section 174 of the Companies Act, 1965.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

POH LIONG BAN
1195/3/09 (J/PH)
Partner

POH & CO.
Firm Number : AF : 0587
Chartered Accountant

Kuala Lumpur
Date : 30th March 2009

List of Properties as at 31st December 2008

Title / Location	Description / existing use	Tenure/ date of expiry of lease	Date of Acquisition by the Company/ Date of Completion	Approximate age of building (years)	Total land areas (sq. m)	Total built-up area (sq. m)	Net book value as at 31.12.2008 (RM)
HS(M) 7212, Lot No. PT 6724, Tempat B6 ½ , Jalan Klang Lama, Mukim Petaling, Daerah Petaling, Negeri Selangor	Industrial land –end-lot 2 ½ storey terrace light industrial building / production facility and administration office	Leasehold land expiring on 04.03.2085	14.09.1995	22	222.96	379.04	
HS(M) 7213, Lot No. 6725, Tempat B6 ½, Jalan Klang Lama, Mukim Petaling, Daerah Petaling, Negeri Selangor	Industrial land –2 ½ storey terrace light industrial building / production facility and administration office	Leasehold land expiring on 04.03.2085	14.09.1995	22	193.2	309.18	1,229,551
HS(M) 7214, Lot No. 6726, Tempat, B6½, Jalan Klang Lama, Mukim Petaling, Daerah Petaling, Negeri Selangor	Industrial land –2 ½ storey terrace light industrial building / production facility and administration office	Leasehold land expiring on 04.03.2085	14.09.1995	22	193.2	309.18	
HS (D) 142710, PT No. 17655, Mukim Damansara, Daerah Petaling, Negeri Selangor	Industrial land –3 storey industrial building with 4 storey office building / production facility and administration office	Freehold land and building	30.06.2008	1/2	8,152.24	12,040.25	28,151,952
Parcel No. 2A-21-1, Level 21, Block 2A, Plaza Sentral Phase II, Jalan Stesen Sentral, 50470 Kuala Lumpur	Commercial office lot / Administration office	Freehold Office Lot	11.07.2006	2	N/A	252.56	1,398,987

Analysis of Shareholdings as at 30th April 2009

Substantial Shareholders

Name	Direct Shareholdings	%	Indirect Shareholdings	%
Cheah Chee Kong Sdn Bhd	107,795,000	16.37	106,200,000 [1]	16.13
Cheah Chee Kong	9,734,500	1.48	213,995,000 [2]	36.50
Victor Cheah Chee Wai	6,000,000	0.91	213,995,000 [2]	36.50
Cheah Swee Sin Sdn Bhd	106,200,000	16.13	-	-
Soon Yoke Leng	6,000,000	0.91	106,200,000 [3]	16.13
Ho Choong Lim	500,000	0.08	106,200,000 [3]	16.13
Asian New Century Capital Sdn Bhd	57,416,600	8.72	-	-
Maju Raya Sdn Bhd	71,896,600	10.92	13,380,700 [4]	2.03
Shaik Aqmal Bin Shaik Allaudin	1,600,000	0.24	70,797,300 [5]	10.75

Notes:
1. Deemed interested by virtue of its shareholdings in Cheah Swee Sin Sdn Bhd ("CSSSB") pursuant to Section 6A of the Companies Act, 1965
2. Deemed interested by virtue of his shareholdings in Cheah Chee Kong Sdn Bhd ("CCKSB") and CCKSB's shareholdings in CSSSB pursuant to Section 6A of the Companies Act, 1965
3. Deemed interested by virtue of his / her shareholdings in CSSSB pursuant to Section 6A of the Companies Act, 1965
4. Deemed interested by virtue of its shareholdings in VPI International Sdn Bhd pursuant to Section 6A of the Companies Act, 1965
5. Deemed interested by virtue of its shareholdings in VPI International Sdn Bhd and Asian New Century Capital Sdn Bhd pursuant to Section 6A of the Companies Act, 1965

Directors' Shareholdings

Name	Direct Shareholdings	%	Indirect Shareholdings	%
Dato' Abdul Latif bin Abdullah	14,885,400	2.26	-	-
Cheah Chee Kong	9,734,500	1.48	213,995,000 [1]	32.50
Victor Cheah Chee Wai	6,000,000	0.91	213,995,000 [1]	32.50
Soon Yoke Leng	6,000,000	0.91	106,200,000 [2]	16.13
Datuk Syed Hussian bin Syed Junid	7,229,800	1.10	-	-
Shaik Aqmal bin Shaik Allaudin	1,600,000	0.24	70,797,300 [3]	10.75
Ho Hin Choy	-	-	-	-

Notes:
1. Deemed interested by virtue of his shareholdings in Cheah Chee Kong Sdn Bhd ("CCKSB") and CCKSB's shareholdings in Cheah Swee Sin Sdn Bhd ("CSSSB") pursuant to Section 6A of the Companies Act, 1965
2. Deemed interested by virtue of her shareholdings in CSSSB pursuant to Section 6A of the Companies Act, 1965
3. Deemed interested by virtue of his shareholdings in VPI International Sdn Bhd and Asian New Century Capital Sdn Bhd pursuant to Section 6A of the Companies Act, 1965

Class of Equity Security

Authorised share capital	:	RM200,000,000-00
Issued & fully paid-up capital	:	RM65,835,010-00
Class of shares	:	Ordinary shares of RM0.10 each
Voting rights	:	One vote per ordinary share

Distribution of Shareholdings

Holdings	No. of Holders	Total Holdings	%
Less than 100 shares	3	100	0.00
100 to 1,000 shares	227	33,550	0.00
1,001 to 10,000 shares	258	1,844,200	0.28
10,001 to 100,000 shares	514	22,159,750	3.37
100,001 to less than 5% of issued shares	198	292,299,300	44.40
5% and above of issued shares	5	342,013,200	51.95
Total	1,205	658,350,100	100.00

Thirty Largest Shareholders as at 30th April 2009

(without aggregating securities from different securities accounts belonging to the same person)

No	Name	Shareholding	%
1	Amsec Nominees (Tempatan) Sdn Bhd *Ambank (M) Berhad for Cheah Chee Kong Sdn Bhd*	106,500,000	16.18
2	Cheah Swee Sin Sdn Bhd	106,200,000	16.13
3	Asian New Century Capital Sdn Bhd	57,416,600	8.72
4	Maju Raya Sdn Berhad	36,896,600	5.60
5	Maju Raya Sdn Berhad	35,000,000	5.32
6	Amanah Raya Nominees (Tempatan) Sdn Bhd *Public Smallcap Fund*	24,627,500	3.74
7	Beh Eng Par	20,060,000	3.05
8	Abdul Latif bin Abdullah	14,885,400	2.26
9	DB (Malaysia) Nominees (Tempatan) Sdn Bhd *Exempt An for Kumpulan Sentiasa Cemerlang Sdn Bhd*	12,960,000	1.97
10	Amsec Nominees (Tempatan) Sdn Bhd *Ambank (M) Berhad for Helinna Hanum Dadameah*	12,505,000	1.90
11	Perspektif Padu Sdn Bhd	12,106,300	1.84
12	EMC Libra Avenue Nominees (Tempatan) Sdn Bhd *Pledged securities account for Lee Chong Eu*	11,701,000	1.78

Analysis of Shareholdings as at 30th April 2009 (cont'd)

Thirty Largest Shareholders as at 30th April 2009 (cont'd)

(without aggregating securities from different securities accounts belonging to the same person)

No	Name	Shareholding	%
13	VPI International Sdn Bhd	10,830,200	1.65
14	Amsec Nominees (Tempatan) Sdn Bhd *Amtrustee Berhad for Pacific Pearl Fund*	9,540,400	1.45
15	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged securities account for Cheah Chee Kong*	7,999,900	1.22
16	Syed Hussian Bin Syed Junid	7,229,800	1.10
17	Victor Cheah Chee Wai	6,000,000	0.91
18	Soon Yoke Leng	6,000,000	0.91
19	JF Apex Nominees (Tempatan) Sdn Bhd *Pledged securities account for Perspektif Padu Sdn Bhd*	5,406,300	0.82
20	Mayban Nominees (Tempatan) Sdn Bhd *Hwang DBS Investment Management Bhd for Employees Provident Fund*	4,831,300	0.73
21	BHLB Trustee Berhad *TA Small Cap Fund*	4,801,200	0.73
22	Amanah Raya Nominees (Tempatan) Sdn Bhd *Public Islamic Opportunities Fund*	4,579,100	0.70
23	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for Hwang DBS Aiiman Growth Fund*	4,429,400	0.67
24	Goh Kim Kooi	4,403,000	0.67
25	Lim Kian Tick	3,850,000	0.58
26	BHLB Trustee Berhad *TA Growth Fund*	3,764,000	0.57
27	BHLB Trustee Berhad *Pacific Recovery Fund*	3,502,000	0.53
28	BHLB Trustee Berhad *TA Comet Fund*	3,250,600	0.49
29	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Aik Pen*	3,138,300	0.48
30	Moh Wai Ching	2,985,000	0.45
		547,398,900	83.15

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of the Company will be held at Bangsar Seafood Garden Restaurant, One Bangsar, No. 63 Jalan Ara, Bangsar Baru, 59100 Kuala Lumpur on Monday, 22nd June 2009 at 10:00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS:

1. To receive and adopt the audited financial statements for the financial year ended 31st December 2008 and the reports of the Directors and Auditors thereon. (Resolution 1)

2. To re-elect the following Directors who retire in accordance with Article 120 of the Company's Articles of Association:
   (i) Victor Cheah Chee Wai (Resolution 2)
   (ii) Shaik Aqmal Bin Shaik Allaudin (Resolution 3)

3. To re-appoint Messrs Poh & Co as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 4)

AS SPECIAL BUSINESS:

To consider and if thought fit, pass with or without modification, the following ordinary resolutions:

4. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 (Resolution 5)

   "That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being (excluding the number of ordinary shares arising from the exercise of the Employees' Share Option Scheme), subject always to the approvals of all the relevant regulatory authorities being obtained for such issue and allotment".

5. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (Resolution 6)

   "That pursuant to Paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries ("Group") to enter into and give effect to any category of recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.1 of the Circular to Shareholders dated 22nd May 2009 (referred to as "Proposed General Mandate") which are necessary for the Group's day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company:

And That authority conferred by this ordinary resolutions shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse unless authority is renewed by a resolution passed at the next AGM;

(b) the expiration of the period within which the next AGM is to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(c) revoked or varied by resolution passed by the shareholders at a general meeting;

whichever is earlier.

And Further That the Directors of the Company be authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or give effect to the Mandate."

6. To transact any other matter for which due notices shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By Order of the Board

ESTHER SOON YOKE LENG *MAICSA 7002027*
ZOE LIM HOON HWA *MAICSA 7031771*
CHONG CHEN TONG *MIA 11548*
Company Secretaries

Selangor Darul Ehsan
22nd May 2009

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his behalf.
2. A proxy may but need not be a member of the Company and the provision of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
4. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy with ordinary shares of the Company standing to the credit of the said securities account.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, under its common seal, or the hand of its attorney duly authorized.
6. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjourned Meeting.

Explanatory Notes on Special Businesses

7. **Resolution 5**
The proposed ordinary resolution No. 5, if passed, will empower the Directors of the Company to allot and issue shares in the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied at a general meeting will expire at the next Annual General Meeting of the Company.

8. **Resolution 6**
Please refer to the Circular to Shareholders dated 22nd May 2009 which is dispatched together with the Annual Report of the Company for the financial year ended 31st December 2008.

Pursuant to paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad

Directors standing for re-election and their details

	Victor Cheah Chee Wai **(Retired in accordance with Articles 120 of the Company's Articles of Association)**	**Shaik Aqmal Bin Shaik Allaudin** **(Retired in accordance with Articles 120 of the Company's Articles of Association)**
Position	Executive Director	Non-Executive Director
Age	39	41
Nationality	Malaysian	Malaysian
Qualification	Details as contained on page 9	Details as contained on page 9
Working experience and occupation	Details as contained on page 9	Details as contained on page 9
Other directorships of public companies	Details as contained on page 9	Details as contained on page 9
Securities holdings in the Company and its subsidiaries	Direct: 6,000,000 Indirect: 213,995,000	Direct: 1,600,000 Indirect: 70,797,300
Family relationships with any Directors and/ or substantial shareholders of the Company	Nil	Nil
Conflict of interest with the Company	Nil	Nil
Conviction of offences	Nil	Nil

The Place, Date and Time of General Meeting

The Sixth Annual General Meeting of the Company will be held at Bangsar Seafood Garden Restaurant, One Bangsar, No. 63, Jalan Ara, Bangsar Baru, 59100 Kuala Lumpur on Monday, 22nd June 2009 at 10.00 a.m.

This page is left blank intentionally

PROXY FORM

Number of shares held

I/ We, ____________________ NRIC/ passport/ Company No. ____________________
(FULL NAME IN BLOCK LETTERS)

of ____________________
(FULL ADDRESS)

being a *member/ members of **EFFICIENT E-SOLUTIONS BERHAD**, hereby appoint ____________________

____________________ NRIC/ Passport No. ____________________
(FULL NAME IN BLOCK LETTERS)

of ____________________
(FULL ADDRESS)

*and/ or failing him/ her, ____________________ NRIC/ Passport No. ____________________
(FULL NAME IN BLOCK LETTERS)

of ____________________
(FULL ADDRESS)

or the Chairman of the Meeting as *my/ our proxy to vote for *me/ us on *my/ our behalf at the Sixth Annual General Meeting of the Company to be held at Bangsar Seafood Garden Restaurant, One Bangsar, No. 63, Jalan Ara, Bangsar Baru, 59100 Kuala Lumpur on Monday, 22nd June 2009 at 10:00 a.m. or any adjournment thereof and to vote as indicated below:-

No.	Resolutions	For	Against
1	Adoption of Reports and Audited Financial Statements		
2	Re-election of Victor Cheah Chee Wai		
3	Re-election of Shaik Aqmal Bin Shaik Allaudin		
4	Re-appointment of Messrs Poh & Co as Auditors		
5	Authority to Issue Shares pursuant to Section 132D		
6	Renewal of shareholders' mandate		

*(Please indicate with an "X" in the space provided above as to how you wish your votes to be cast. If you do not do so, the proxy/ proxies will vote, or abstain from voting at *his/ her discretion.)*

Dated this ________ day of ________________, 2009

____
Signature/ Common Seal of Shareholder

* Delete if inapplicable

NOTES

i. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his behalf.
ii. A proxy may but need not be a member of the Company and the provision of Section 149(1) (a) and (b) of the Companies Act, 1965 shall not apply.
iii. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
iv. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy with ordinary shares of the Company standing to the credit of the said securities account.
v. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, under its common seal, or the hand of its attorney duly authorized.
vi. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjourned Meeting.

AFFIX
STAMP

The Company Secretary

EFFICIENT E-SOLUTIONS BERHAD (632479 H)

No 3, Jalan Astaka U8/82,
Taman Perindustrian Bukit Jelutong,
Seksyen U8, Bukit Jelutong
40150 Shah Alam,
Selangor Darul Ehsan

Efficient E-Solutions Berhad (632479 - H)

No 3, Jalan Astaka U8/82, Taman Perindustrian Bukit Jelutong, Seksyen U8, Bukit Jelutong 40150 Shah Alam, Selangor Darul Ehsan
Tel : +603 7845 2555 Fax : +603 7842 3155 Homepage : www.efficient.com.my